

# 66<sup>th</sup> Annual Report 2013-2014



**RTS POWER CORPORATION LIMITED**

*Mortal in Life - immortal memory*



**Late Surendra Bhutoria (1961-1995)**

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Sri Sardul Singh Jain  
Sri Rajendra Bhutoria  
Sri Abhay Bhutoria  
Smt Rachna Bhutoria  
Sri Bachhraj Begwani  
Sri Ram Lal Saini  
Sri Alok Kumar Banthia

Chairman  
Vice Chairman & Whole-Time Director  
Managing Director  
Director  
Director  
Director  
Director

## 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 : headoffice@rtspower.com  
Website : www.rtspower.com

CIN : L17232WB1947PLC016105

## 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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## Directors' Report

Dear Shareholders,

Your Directors have the pleasure in presenting their 66th Annual Report on the business and operations of your Company and the audited Financial Statements of your Company for the year ended March 31, 2014 :

### FINANCIAL RESULTS

(₹ In Lacs)

	2013-2014		2012-2013	
<b>Total Income</b>		14290.19		10292.89
<b>Total Expenditure</b>		14275.49		10600.52
<b>Profit /(Loss) Before Tax</b>		<b>14.70</b>		<b>(307.63)</b>
<b>Less :</b>				
Current Tax	2.80		-	
Deferred Tax	0.09	2.89	(97.93)	(97.93)
<b>Profit /(Loss) After Tax</b>		<b>11.81</b>		<b>(209.70)</b>
Add : Profit Brought Forward		924.68		1134.38
<b>Balance Carried to Reserves &amp; Surplus</b>		<b>936.49</b>		<b>924.68</b>

### DIVIDEND

The Board of Directors has not recommended payment of any Dividend for the Financial Year 2013-2014 in view of a very small amount of Profit and also considering overall future business prospect of the Company.

### OPERATIONAL REVIEW

The total Revenue from Operations of your Company showed a significant improvement during the year. The total Revenue from Operations during the year was ₹ 142.90 Crores compared to ₹ 102.93 Crores during the previous year. This is an improvement by about 39% amidst keen competition. Sale of Transformers and Cables & Conductors increased by almost 29% and 100 % respectively over that of last year.

This year your Company has made a marginal Profit Before Tax of ₹ 14.70 Lakhs as against a Loss of ₹ 3.07 Crores in last year inspite of continuous abnormal price hike of the major raw materials and cut throat competition resulting in lower selling prices. Your company, thus, has achieved better results this year despite all odds and adverse economic scenario.

However, the profitability achieved is disproportionately low considering the substantial increase in Revenue from Operations because of factors like lower selling prices, so also the margins and abnormal delay in payments by the Company's Customers resulting in increase in Debtors from ₹ 67 crores in last year to ₹ 87 Crores approximately this year ( an increase by about ₹ 20 crores ) .

Your Company could have saved the Interest Expenses on Bank Borrowings of an equivalent amount of ₹ 20 Crores as said above had the Company's Customers paid such amount in time. By this, the Profit of your Company would have increased by ₹ 2.60 crores, by saving alone the Bank Interest expenses on such overdue amount of ₹ 20 crores .

Your company's entire manufacturing and repairing activities in Eastern India are being carried out in Dhulagori Factory and further expansion is going on there on a continuous basis.

## Directors' Report

### FUTURE OUTLOOK

Your Company has been continuously exploring the possibility to develop Export market .Its continued effort in this regard was fruitful last year when it achieved an Export turnover of ₹ 39 Lakhs to start with . This year your Company has made an Export Sales of about ₹ 177 Lakhs , an increase of more than 350% over last year. Your Company expects further increase in Export Sales in coming years.

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

Your Company expects that sale of transformers to EPC/ Turnkey Contractors may increase this year and there may be a slight improvement in payment position by Customer in the current year over last year.

### ENERGY CONSERVATION,TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

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 no Research and Development (R&D) Department and has not spent any amount on R&D during the Financial Year.

Your Company has achieved increased Export business and Foreign Exchange earnings (FOB) during this year was ₹ 177.15 Lacs (increase of more than 350% over last year) . The Foreign Exchange outgo during this year was as follows:

1. Value of Imports calculated on CIF basis -

Raw Materials	₹ 46.31 Lacs
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2. Expenditure in Foreign Currency

Foreign Travelling	₹ 6.60 Lacs
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### SUBSIDIARY

The Company has a Wholly-owned Subsidiary Company, Blue Nile Projects Limited at Hong Kong. For the Financial Year ended on March 31, 2014, being the first year of its operation, the Subsidiary Company has incurred a Loss of ₹ 4,16,067/- ( U.S \$ 6,941).

### CONSOLIDATED FINANCIAL STATEMENT

In terms of the General Circular issued by the Ministry of Corporate Affairs , Government of India under Section 212(8) of the Companies Act, 1956 the Accounts of the abovesaid Subsidiary Company for the Financial Year 2013-2014 and the related detailed information will be made available to the Company's and its Subsidiary Company's Members seeking such information at any point of time and are not attached. However, financial information of the Subsidiary Company is disclosed in this Annual Report in compliance with the said Circular. Copies of the Annual Accounts of the Subsidiary Company will also be kept open for inspection by any Member at the Registered Office of the Company and of the Subsidiary Company. The Company shall also furnish a hard copy of the Accounts of the Subsidiary to any Member on demand. The consolidated Financial Statements of the Company and its Subsidiary, prepared in accordance with the applicable Accounting Standards and the Listing Agreements with the

## Directors' Report

Stock Exchanges and duly audited by M/s A C Bhuteria & Co., Chartered Accountants , Auditors of the Company form a part of this Annual Report. The Accounts of the Subsidiary Company are also available on the Company's Website.

### DIRECTORS

The Board of Directors consists of a balanced profile of Members specializing in different fields that enables it to address the various business needs of the Company, while placing very strong emphasis on corporate governance.

#### (a) Existing Independent Directors

The Companies Act 2013 provides for the first time appointment of Independent Directors. Sri Sardul Singh Jain (DIN 00013732) and Sri Bachhraj Begwani (DIN 03157720) , both being Non Executive Directors of the Company, have also been acting as Independent Directors of your Company under Clause 49 of the Listing Agreement and have held the positions as such for more than 10 (ten) years and almost 4(four) years respectively as on April 1, 2014.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of Independent Directors by a listed Company. The Companies Act 2013 also stipulates almost the same conditions.

It is proposed to appoint Sri Sardul Singh Jain and Sri Bachhraj Begwani as Independent Directors under Section 149 of the Act and the amended Clause 49 of the Listing Agreement to hold office for a 5 (five) years term each.

The Company has received requisite separate Notices in writing from two Members along with the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of Sri Sardul Singh Jain and Sri Bachhraj Begwani for the offices of Independent Directors of the Company.

In the opinion of the Board , both Sri Jain and Sri Begwani possess appropriate skill, experience and knowledge in their respective fields of specialization in Law, Finance, Management and Taxation.

#### (b) New Independent Director

Your Company needs one more Independent Director to comply with the Act read with the Rules made thereunder and the amended Clause 49 . Accordingly, the Board of Directors of the Company appointed in its Meeting held on August 14, 2014 Sri Alok Kumar Banthia (DIN 00528159) as an additional Director designated as an Independent Director with effect from the said date and he shall hold office up to the date of the ensuing Annual General Meeting pursuant to the provisions of Section 161(1) of the Act and Article 89 of the Articles of Association of the Company. The Company has received requisite Notice in writing from a Member proposing Sri Alok Kumar Banthia for appointment as an Independent Director.

In the opinion of the Board Sri Alok Kumar Banthia possesses appropriate skill, experience and knowledge to be an Independent Director of the Company.

It is proposed to appoint Sri Alok Kumar Banthia as Independent Director under Section 149 of the Act and the amended Clause 49 of the Listing Agreement to hold office for an initial period of 5(five) years term from the conclusion of the Company's ensuing Annual General Meeting .

In the opinion of the Board both the existing Independent Directors , namely Sri Sardul Singh Jain and Sri Bachhraj Begwani and the proposed Independent Director, namely Sri Alok Kumar Banthia fulfill the conditions for appointment as independent Directors as specified in the Act and the Rules made thereunder and the amended Clause 49 and all of them are independent of the Management of the Company and will not be liable to retire by rotation.

## Directors' Report

The Company has received declarations from all the above mentioned existing and the proposed Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under Sub-Section (6) of Section 149 of the Act and under the amended Clause 49 of the Listing Agreement with the Stock Exchanges.

### (c) Woman Director

The Companies Act, 2013 has also introduced for the first time appointment of at least one Woman Director by Listed Companies and certain class of companies. Accordingly, the Board of Directors of your Company in its Meeting held on February 14, 2014 has appointed Smt Rachna Bhutoria (DIN 0977628) as an additional Director designated as Director with effect from the said date pursuant to the provisions of Section 161(1) of the Act and Article 89 of the Articles of Association of the Company. She will hold office up to the date of the ensuing Annual General Meeting. The Company has received requisite Notice in writing from a Member proposing Smt Rachna Bhutoria for appointment as Director.

### (d) Retirement of Director by rotation

As per the provisions of Companies Act, 2013 and the Articles of Association of the Company Sri Rajendra Bhutoria (DIN 00013637), Director of your Company will retire by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-appointment.

### (e) Resignation of Director

Sri Loon Karan Patawari (DIN 00013758), Independent Director of your Company resigned with effect from the close of business on March 31, 2014 due to his old age and ill health.

Your Directors place on record their appreciation of the valuable contribution made by him and services received from him during his long tenure of office as a Director of your Company.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956 and, based upon representations from the Management, the Board, to the best of its knowledge and belief, confirms that :

- I. in the preparation of the Annual Accounts for the year ended March 31, 2014, the applicable Accounting Standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same;
- II. 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 as at March 31, 2014 and of the Profit of the Company for the year ended on that date;
- III. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- IV. the Directors have prepared the Annual Accounts of the Company on a 'going concern' basis, and
- V. 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 Clause 49 of the Listing Agreements with the Stock Exchanges where the Equity Shares of the Company are Listed.

## CORPORATE GOVERNANCE

A separate Report on Corporate Governance in format as prescribed in the Listing Agreements with

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## Directors' Report

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.

### 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 2014-2015.

### 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.

### TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, relevant amounts which remained unpaid or unclaimed for a period of seven years have been transferred by the Company, from time to time on due dates, to the Investor Education and Protection Fund.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 27, 2013 (date of last Annual General Meeting) on the Company's Website ([www.rtspower.com](http://www.rtspower.com)) and has also filed Form No 5 INV on December 13, 2013 with Registrar of Companies, West Bengal. Since the abovesaid last Annual General Meeting, the Company has also transferred unpaid and unclaimed Dividend in respect of Final Dividend 2005-2006 and Interim Dividend 2006-2007 to the Investor Education and Protection Fund on October 25, 2013 and May 4, 2014 respectively and filed Form Nos I with Registrar of Companies, West Bengal following such transfers.

### AUDITORS AND AUDITORS' REPORT

M/s. A.C.Bhuteria & Co., Chartered Accountants, (Firm Registration No 303105E), Auditors of the Company, retire at the forthcoming Annual General Meeting. They, being eligible and qualified to be re-appointed, have offered themselves for re-appointment from the conclusion of the sixty-sixth Annual General Meeting till the conclusion of sixty-ninth Annual General Meeting as per the provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014.

The Notes on Financial Statements of the Company referred to in the Auditors' Report are self-explanatory and do not call for any further comments by the Board.

The Auditors' remarks mentioned in "Other Matter Paragraph" in their Report in respect of Consolidated Financial Statements having been prepared on the basis of unaudited Financial Statements of the Company's Subsidiary, Blue Nile Projects Limited, Hong Kong, the Board would mention that since the Company had to furnish both Standalone and Consolidated Financial Results to Stock Exchanges by May 30, 2014 as per the Listing Agreement, the Consolidated Financial Results were prepared and approved by the Board on May 30, 2014 on the basis of audited Financial Results of the Company and unaudited Financial Results of its Subsidiary.

## Directors' Report

The audited Financial Statements of the Subsidiary have since been received from Hong Kong having no difference between the audited Financial Statements and the unaudited Financial Statements based on which the Consolidated Financial Statements were so prepared as said above.

### 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, (Firm Registration No FRN 001704C) Jaipur, Rajasthan were appointed as the Branch Auditors for the Financial Year 2013-2014.

They have given a Certificate confirming that they are duly qualified and eligible to be re-appointed as per the provisions of Section 139 of the Companies Act, 2013 read with Rule 6 of the Companies (Audit & Auditors) Rules, 2014 and have offered themselves for re-appointment .

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 from the conclusion of Sixty Sixth Annual General Meeting (AGM) to Sixty Ninth AGM of the Company as per the provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014.

### COST AUDITORS

The Company appointed M/S K.G.Goyal & Associates, Cost Accountants, Jaipur, Rajasthan as Cost Auditors of the Company for conducting the audit of cost records of the Company for the Financial Year 2013-14 in pursuance of the Order No 52/26/CAB/2010 dated January 24, 2012 issued by the Ministry of Corporate Affairs, Cost Audit Branch .

They have submitted their Cost Audit Report for the Financial Year 2012-2013 on November 22, 2013 which has been filed in Form 1-XBRL with the Ministry of Corporate Affairs on December 12, 2013.

In view of the Press Release and Notification, both dated June 30, 2014, issued by the Ministry of Corporate Affairs ,New Delhi , maintenance of cost records and audit thereof is no more necessary for your Company effective from April 1, 2014. Accordingly, no Cost Auditor has been appointed by your Company for the Financial Year 2014-2015 in terms of Section 148 of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014 and the Companies (cost records and audit) Rules, 2014.

### APPRECIATION

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

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

Registered Office :  
56, Netaji Subhas Road  
Kolkata - 700001  
Dated : 14th August, 2014

For and on behalf of the Board of Directors

**S. S. JAIN**  
Chairman

## Report on Corporate Governance

### Company's Philosophy on Code of Governance

Your Company 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 close of business on March 31, 2014 the Board is headed by Sri Sardul Singh Jain, Non Executive Chairman 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 more than thirty three percent of the Board are Independent Directors. As on close of business on March 31, 2014 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 March 31, 2014 and attendance of each Director at the Board Meetings and at the last Annual General Meeting (AGM) held during the Financial Year ended on March 31, 2014 are given below :

Name of the Directors	Category of Directorship	No. of Board Meetings Attended	Attendance at the last AGM
Sri S. S. Jain	Non-Executive/Independent / Chairman	10	Yes
Sri Rajendra Bhutoria	Executive / Promoter / Vice Chairman & Whole-time Director	10	Yes
Sri Abhay Bhutoria	Executive / Promoter / Managing Director	4	Yes
Sri Loon Karan Patawari *	Non-Executive/Independent	9	No
Sri Bachhraj Begwani	Non-Executive/Independent	5	Yes
Smt Rachna Bhutoria **	Woman/ Non-Executive/ Promoter	3	No
Sri Ram Lal Saini	Non-Executive/ Non-Independent	2	Yes

Notes :

- (i) \*Sri Loon Karan Patawari, Non-Executive Independent Director of your Company resigned with effect from the close of business on March 31, 2014 due to his old age and ill health.

## Report on Corporate Governance

- (II) \*\* Smt Rachna Bhutoria has been appointed as an additional Director of your Company by the Board with effect from February 14, 2014. Pursuant to Article 89 of the Articles of Association of the Company read with Section 161(1) of the Companies Act, 2013 she will be eligible for appointment as a Director of your Company by the Members at the Company's ensuing Annual General Meeting. If so appointed, she will be a Woman/ Non-Executive /Promoter Director of your Company, liable to retire by rotation in future.
- (III) Sri Alok Kumar Banthia has been appointed as an additional Director of your Company by the Board with effect from August 14, 2014. Pursuant to Article 89 of the Articles of Association of the Company read with Section 161(1) of the Companies Act, 2013 he will be eligible for appointment as a Director of your Company by the Members at the Company's ensuing Annual General Meeting. If so appointed, he will be a Non-Executive /Independent Director of your Company, not liable to retire by rotation.
- (b) Number of other Board of Directors or Board Committees (other than in your company) where Directors of your Company are Directors / Members / Chairman as on the close of business on March 31, 2014 :

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	9	1	1
Sri Rajendra Bhutoria	1	Nil	Nil
Sri Abhay Bhutoria	Nil	Nil	Nil
Sri Bachhraj Begwani	Nil	Nil	Nil
Sri Ram Lal Saini	Nil	Nil	Nil
Smt Rachna Bhutoria	Nil	Nil	Nil

- The Directorships held by Directors as mentioned above, do not include Alternate Directorships and Directorships in foreign companies, companies registered under Section 25 of the Companies Act, 1956 and Private Limited Companies.
  - In accordance with Clause 49 of the Listing Agreement Memberships/Chairmanships of only Audit Committees and Shareholders' /investors' Grievance Committees have been considered.
- (c) Details of Board Meetings held during the period from April 1, 2013 to March 31, 2014 :

Serial No	Date	Serial No	Date
1	May 30, 2013	6	September 27, 2013
2	May 30, 2013	7	November 13, 2013
3	July 3, 2013	8	February 14, 2014
4	August 14, 2013	9	March 10, 2014
5	August 23, 2013	10	March 31, 2014

The gap between two Meetings did not exceed four months.

## Report on Corporate Governance

- (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 .

### 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 the close of business on March 31, 2014 the Audit Committee comprises of two Non-Executive Independent Directors, Sri S. S. Jain, Chairman and Sri Bachhraj Begwani and one Executive Non-Independent Director, Sri R. Bhutoria, Vice Chairman & Whole-time Director of the Company. Sri Loon Karan Patawari, who was earlier a Member of the Committee, resigned from the Committee on the close of business on March 31,2014 following his resignation as a Director of your Company with effect from the said date. The Board has since inducted Sri Alok Kumar Banthia, an Independent Director of the Company in his place with effect from August 14, 2014. Sri S. S. Jain is the Chairman of the Committee, who also chaired the Annual General Meeting of the Company held on September 27, 2013. 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 March 31, 2014, 4 (Four) Meetings were held on May 30, 2013, August 14, 2013, November 13, 2013 and February 14, 2014.

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 March 31, 2014 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	4	4
2	Sri Rajendra Bhutoria, Member	4	4
3	Sri Loon Karan Patawari, Member *	4	4
4	Sri Bachhraj Begwani, Member	4	1

\* Resigned at the close of business on March 31, 2014 as mentioned above.

### Remuneration Committee

1. Remuneration Committee of the Board of Directors comprised 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 Loon Karan Patawari, who was earlier a Member of the Committee, resigned from the Committee on the close of business on March31,2014 following his resignation as a Director of your Company with effect from the said date. The Board has since inducted Sri Alok Kumar Banthia, an Independent Director of the Company in his place with effect from August 14, 2014. Sri J. Biswas, Company Secretary acts as the Secretary of the Committee.

## Report on Corporate Governance

The Committee essentially discharges the role as assigned to it 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 March 31, 2014 and recommended and approved increase in remuneration of Sri Rajendra Bhutoria, Whole-time Director and Sri Sharad Bhutoria, Chief Executive Officer w.e.f. April 1, 2014, subject to the approval of the Board of Directors of your Company.

- 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	:	₹ 7,20,000/- per annum
(ii) Contribution to Provident Fund	:	₹ 86,400/- per annum
(iii) Perquisites	:	Nil during the Financial Year 2013-2014
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.

- (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 2013-2014
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.

## Report on Corporate Governance

3. No remuneration is paid to any Non-Executive Director except to Sri R L Saini who gets Fee of Rs 6 Lacs per annum for rendering consultancy services to the Company on Accounting and Auditing matters in his professional capacity being a Chartered Accountant by profession. The Non-Executive Directors do not get any Fees for attending Meetings of the Board and its Committees.
4. No Stock Option has been granted to any of the Directors. No Equity Share and convertible instrument was held by Non-Executive Directors as on March 31,2014 except by Sri R.L.Saini who held 160 Equity Shares of Rs 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 was 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. Sri Loon Karan Patawari , who was earlier a Member of the Committee, resigned from the Committee on the close of business on March 31,2014 following his resignation as a Director of your Company with effect from the said date. The Board has since inducted Sri Alok Kumar Banthia, an Independent Director of the Company in his place.

Sri 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 2013-2014 three Meetings of the Shareholders'/Investors' Grievance Committee were held on October 31, 2013, February 22, 2014 and March 14,2014 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 Sardul Singh Jain, Member	3	3
3	Sri Rajendra Bhutoria, Member	3	3

\* Resigned at the close of business on March 31,2014 as mentioned above

## Report on Corporate Governance

### Name of Compliance Officer

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

No of Shareholders Complaints received during the year 2013-2014	NIL
No of Complaints not resolved to the satisfaction of Shareholders as on March 31, 2014	NIL
No of pending Complaints as on March 31, 2014	NIL

### Subsidiary Company

The Company has one Wholly-owned Subsidiary – BLUE NILE PROJECTS LIMITED, Hong Kong.

### 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
65th	2013	Hotel Lindsay 8B Lindsay Street, Kolkata-700087	27.09.2013	10.00 A.M.	Nil
64th	2012	Hotel Lindsay 8B Lindsay Street, Kolkata-700087	28.09.2012	10.00 A.M.	One
63rd	2011	Hotel Lindsay 8B Lindsay Street, Kolkata-700087	30.09.2011	10.00 A.M.	Two

Question of passing Special Resolution through Postal Ballot last year , i.e. at the 65th Annual General Meeting , does not arise since no Special Resolution was proposed to be passed thereat.

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

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

Resume and other information regarding the Directors being appointed/ 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.

### 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 2013-2014. 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.



## Report on Corporate Governance

- (d) 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.
- (e) The Company has laid down a process of assessing risk management. The scope of Audit Committee includes review of the Company's financial and risk management policies.
- (f) CEO / CFO Certificate as required in terms of the Listing Agreements has duly been submitted to the Board.
- (g) The non-mandatory requirements, to the extent followed / pursued by the Company, have been stated in this Report.
- (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 . Smt Rachna Bhutoria is the wife of Late Surendra Bhutoria , brother of Sri Abhay Bhutoria , Managing Director and cousin brother of Sri Rajendra Bhutoria , Vice Chairman and Whole-time Director of the Company

### 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](http://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 Kolkata edition (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 : Monday, the 29th day of September, 2014 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 2014 – June 2014 Quarterly Results	August 14, 2014 (Held)
July 2014 – September 2014 Quarterly Results	Within November 14, 2014
October 2014– December 2014 Quarterly Results	Within February 14, 2015
January 2015 – March 2015 Quarterly Results & Financial Year 2014-15 audited Annual Results	Within May 30, 2015

## Report on Corporate Governance

### Date of Book Closure

The dates of Book Closure are from Monday, 22nd day of September, 2014 to Monday, 29th day of September, 2014, 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 2013-14

Month	B S E			C S E		
	High (Rs.)	Low (Rs.)	Volume (Nos.)	High (Rs.)	Low (Rs.)	Volume (Nos.)
April'13	16.15	13.50	20,700	N.T	N.T	N.T
May'13	16.75	12.93	2,65,649	N.T	N.T	N.T
June'13	17.10	15.55	91,815	N.T	N.T	N.T
July'13	20.65	16.70	209	N.T	N.T	N.T
August'13	22.15	19.15	2,125	N.T	N.T	N.T
September'13	19.70	14.40	4,321	N.T	N.T	N.T
October'13	13.70	11.75	635	N.T	N.T	N.T
November'13	17.23	12.24	827	N.T	N.T	N.T
December'13	16.30	13.60	51,880	N.T	N.T	N.T
January'14	15.30	13.26	4,009	N.T	N.T	N.T
February'14	15.75	11.70	4,087	N.T	N.T	N.T
March'14	16.80	11.16	26,793	N.T	N.T	N.T

N.T. – No Trading

## Report on Corporate Governance

### Share price performance compared with broad based indices

Company's Share Price as on	BSE	CSE
1st April, 2013	14.00	N.T.
31st March, 2014	11.18	N.T.
Change	-20.14 %	N.T.
<b>Indices</b>		
1st April, 2013	18890.81	N.A.
31st March, 2014	22386.27	N.A.
Change	18.50 %	N.A.

N.A. - Not Available

### 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.

## Report on Corporate Governance

### Shareholding Pattern as on March 31, 2014

Category		No. of Shares	% of Total
<b>A.</b>	<b>PROMOTERS' HOLDING</b>		
1.	<b>PROMOTERS</b>		
	INDIAN PROMOTERS	46,65,081	57.111
	FOREIGN PROMOTERS	NIL	NIL
2.	<b>PERSON ACTING IN CONCERT</b>	NIL	NIL
	<b>SUB - TOTAL</b>	<b>46,65,081</b>	<b>57.111</b>
<b>B.</b>	<b>NON-PROMOTERS' HOLDINGS</b>		
3.	<b>INSTITUTIONAL INVESTORS</b>		
	a. MUTUAL FUNDS & UTI	NIL	NIL
	b. BANKS, FIs, INSURANCE COS. (CENTRAL/STATE GOVT. INSTITUTIONS / NON- GOVT.INSTITUTIONS )	NIL	NIL
	c. FIs	NIL	NIL
	<b>SUB - TOTAL</b>	<b>NIL</b>	<b>NIL</b>
4.	<b>OTHERS</b>		
	a. PRIVATE CORPORATE BODIES	23,30,599	28.531
	b. INDIAN PUBLIC	10,44,599	12.788
	c. NRIs / OCBs	12,343	0.151
	d. ANY OTHER - CLEARING MEMBERS	1,15,878	1.419
	<b>SUB - TOTAL</b>	<b>35,03,419</b>	<b>42.889</b>
	<b>GRAND - TOTAL</b>	<b>81,68,500</b>	<b>100.000</b>

### Distribution of Share Holding as on March 31,2014

No. of Equity Shares held	Total No. of Shares	% of Holding	No. of Shareholders	% of Shareholders
Upto - 500	2,70,953	3.3170	2,299	87.3812
501 - 1,000	1,13,569	1.3903	147	5.5872
1,001 - 5,000	2,84,075	3.4777	133	5.0551
5,001 - 10,000	65,043	0.7963	9	0.3421
10,001 - 50,000	6,46,479	7.9143	28	1.0642
50,001 - 1,00,000	4,67,178	5.7193	6	0.2281
1,00,001 - And Above	63,21,203	77.3851	9	0.3421
<b>TOTAL</b>	<b>81,68,500</b>	<b>100.0000</b>	<b>2631</b>	<b>100.0000</b>

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## Report on Corporate Governance

### 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 March 31, 2014 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 risk 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 2013-2014 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.

Both the Code of Business Conduct and Ethics as well as Code for Prohibition of Insider Trading are available on the Website of your Company.

**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)

## Report on Corporate Governance

- 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
- 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 : 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 : 14th day of August, 2014

For and on behalf of the Board of Directors

**SARDUL SINGH JAIN**

*Chairman*

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**Certificate of Compliance with the Code of Conduct Policy**

As required under the relevant provisions of the Listing Agreements with the Stock Exchanges, it is confirmed that all the Directors and Senior Management Officers have affirmed compliance of the Code of Business Conduct and Ethics during the year 2013-2014.

Registered Office :

56, Netaji Subhas Road

Kolkata – 700001

Dated : 14th day of August, 2014

For **RTS POWER CORPORATION LIMITED**

**ABHAY BHUTORIA**

*Managing Director*

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**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, 2014, 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, 2014 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*

Dated : 14th August, 2014  
Place : 2, India Exchange Place  
Kolkata - 700 001.

**Mohit Bhuteria**  
*Partner*  
Membership No : 056832



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## Management Discussion and Analysis

### Industry Structure and Developments

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

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

Besides the Power and Distribution Transformers manufacturing line, your Company has embarked upon the manufacture and sale of various types and sizes of Cable and Conductor for transmission of electricity since the year 2006-2007.

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

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

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

### Opportunities and threats

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.

## Management Discussion and Analysis

### Segment-wise or Product-wise Performance

PARTICULARS	SALES	
	Year ended 31.03.2014 (₹)	Year ended 31.03.2013 (₹)
Transformers	99,54,64,877	77,05,65,162
Cables & Conductors	39,86,60,968	20,36,29,746
Wind Energy	1,14,55,957	1,24,14,608
Others	12,77,03,581	8,55,74,898

### Outlook

Year 2013-2014 appears to be a year full of growth potential as far as the business from Power Utilities – both Government and Private, Power Projects and Industrial Users are concerned. The increasing requirement of High Voltage Sub Station provides a good opportunity for the growth of your Company. The Government of India's ambitious plan of electrifying each and every village in rural areas will boost the demand of Distribution Transformers. Your Company with technical expertise and various manufacturing set-ups will be in a position to take share of such future growth and prosperity in Power Sector in our Country.

Your Company has been continuously exploring the possibility to develop Export market. Its continued effort in this regard was fruitful last year when it achieved an Export turnover of ₹ 39 Lakhs to start with. This year your Company has made an Export Sales of about ₹ 177 Lakhs, an increase of more than 350% over last year. Your Company expects further increase in Export Sales in coming years.

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

Your Company expects that sale of transformers to EPC/ Turnkey Contractors may increase this year and there may be a slight improvement in payment position by Customer in the current year over last year.

### Risks and Concerns

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

### Internal Control Systems and their Adequacy

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

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

## Management Discussion and Analysis

### Financial Performance

(₹ in Lacs)

PARTICULARS	Year Ended 31.03.2014	Year Ended 31.03.2013
Total Income	14290.19	10292.89
Total Expenditure	14275.49	10600.52
Profit /(Loss) Before Tax	14.70	(307.63)
Profit /(Loss) After Tax	11.81	(209.70)

### Operational Performance

The total Revenue from Operations of your Company showed a significant improvement during the year. The total Revenue from Operations during the year was ₹ 142.90 Crores compared to ₹ 102.93 Crores during the previous year. This is an improvement by about 39% amidst keen competition. Sale of Transformers and Cables & Conductors increased by almost 29% and 100 % respectively over that of last year.

This year your Company has made a marginal Profit Before Tax of ₹ 14.70 Lakhs as against a Loss of ₹ 3.07 Crores in last year in spite of continuous abnormal price hike of the major raw materials and cut throat competition resulting in lower selling prices. Your Company, thus, has achieved better results this year despite all odds and adverse economic scenario.

However, the profitability achieved is disproportionately low considering the substantial increase in Revenue from Operations because of factors like lower selling prices, so also the margins and abnormal delay in payments by the Company's Customers resulting in increase in Debtors from ₹ 67 crores in last year to ₹ 87 Crores approximately this year ( an increase by about ₹ 20 crores) .

Your Company could have saved the Interest Expenses on Bank Borrowings of an equivalent amount of ₹ 20 Crores as said above had the Company's Customers paid such amount in time. By this, the Profit of your Company, would have increased by ₹ 2.60 crores , by saving alone the Bank Interest expenses on such overdue amount of ₹ 20 crores .

Your Company's entire manufacturing and repairing activities in Eastern India are being carried out in Dhulagori Factory and further expansion is going on there on a continuous basis.

### Human Resources Development / Industrial Relations

Your Company's capabilities are centered around its highly dedicated employees numbering 63 as on March 31, 2014.

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

Your Company continues to maintain an excellent industrial relations scenario.

Registered Office :

56, Netaji Subhas Road

Kolkata - 700001

Dated : 14th August, 2014

For and on behalf of the Board of Directors

**S. S. 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, 2014, 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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, 2014;
- (ii) In the case of the Statement of Profit and Loss, of the profit 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.

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## Independent Auditor's Report

### 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.
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, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - f. The report on the accounts of the branch offices audited under section 228 by a person other than the company's auditor has been forwarded to us as required by clause © of sub-section (3) of section 228 and have been dealt with in preparing our report in the manner considered necessary by us.

**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, 2014

## 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 thirteen 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 ₹ 19,93,54,075/- and year-end balance of loan taken was ₹ 15,59,64,125/- (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.

## Annexure to Independent Auditor's Report

- 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.
- (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, 2014 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 Various 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 Various 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

**Annexure to Independent Auditor's Report**

Rajasthan Tax on Entry of Goods in Local Area Act, 1999	Entry Tax	20,54,081/-	F.Y. 2013-2014	Hon'ble Rajasthan High Court
Rajasthan Tax on Entry of Goods in Local Area Act, 1999	Entry Tax	14,11,850/-	F.Y. 2013-2014	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	3,73,269/-	A.Y. 2008-2009	Before Commissioner of Income Tax (Appeals)
Rajasthan VAT	VAT, Interest, Penalty on Freight and insurance recovered	1,499,495/-	F.Y. 2007-2008	Deputy Commissioned (Appeals) Jaipur
Rajasthan VAT	VAT, Interest, Penalty on Freight and insurance recovered	2,412,822/-	F.Y. 2010-2011	Deputy Commissioned (Appeals) Jaipur
Rajasthan VAT	VAT, Interest, Penalty on Freight and insurance recovered	4,972,531/-	F.Y. 2011-2012	Deputy Commissioned (Appeals) Jaipur
UPST	Penalty on Differences of UPST demand	51,33,120/-	F.Y. 2013-2014	Commissioner (Appeal) Agra
West Bengal VAT	VAT	2,51,00,009/-	For Various Years	C.T.O N.S. Charge
Central Sales Tax	CST	34,96,723/-	For Various Years	C.T.O N.S. Charge

- (x) The Company does not have any accumulated losses at the end of the financial year. The Company has not incurred any cash loss during the current financial year but has incurred cash losses in the immediately preceding financial year.
- (xi) The Company has not defaulted in repayment of dues to banks or financial institutions. The Company has no debenture holders.
- (xii) As informed and explained to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund nidhi/mutual benefit fund/societies.
- (xiv) Since the Company is not dealing or trading in shares, securities, debentures and other investment, clause 4 (xiv) of the Order is not applicable.



## Annexure to Independent Auditor's Report

- (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, 2014

**Balance Sheet as at 31st March, 2014**

Particulars	Notes	As At 31st March 2014 (₹)	As At 31st March 2013 (₹)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2	81,685,000	81,685,000
(b) Reserves & Surplus	3	358,121,575	356,940,978
	<b>(A)</b>	<b>439,806,575</b>	<b>438,625,978</b>
<b>(2) Non-Current Liabilities</b>			
(a) Long Term Borrowings	4	11,932,532	12,941,668
(b) Deferred Tax Liabilities (Net)	5	6,917,000	6,908,000
(c) Long Term Provisions	6	3,684,134	4,178,158
	<b>(B)</b>	<b>22,533,666</b>	<b>24,027,826</b>
<b>(3) Current Liabilities</b>			
(a) Short Term Borrowings	7	392,747,419	459,069,150
(b) Trade Payables	8	813,917,938	399,605,063
(c) Other Current Liabilities	9	39,417,391	30,918,373
(d) Short Term Provisions	10	2,720,842	2,060,658
	<b>(C)</b>	<b>1,248,803,590</b>	<b>891,653,244</b>
<b>Total (A+B+C)</b>		<b>1,711,143,831</b>	<b>1,354,307,048</b>
<b>II. ASSETS</b>			
<b>(1) Non Current Assets</b>			
(a) Fixed Assets	11		
(i) Tangible Assets		136,499,001	148,591,581
(ii) Capital Work in Progress		8,525,901	-
(b) Non Current Investments - Long Term	12	15,696,500	371,500
(c) Long Term Loans and Advances	13	10,147,671	16,028,527
(d) Other Non Current Assets	14	17,879,642	12,259,566
	<b>(A)</b>	<b>188,748,715</b>	<b>177,251,174</b>
<b>(2) Current Assets</b>			
(a) Inventories	15	484,547,767	371,601,877
(b) Trade Receivables	16	873,068,716	676,013,749
(c) Cash and Bank Balances	17		
(i) Cash & Cash Equivalents		25,176,782	22,696,721
(ii) Other Bank Balances		47,115,321	32,349,552
(d) Short Term Loans and Advances	18	91,988,432	74,393,975
(e) Other Current Assets	19	498,098	-
	<b>(B)</b>	<b>1,522,395,116</b>	<b>1,177,055,874</b>
<b>Total (A+B)</b>		<b>1,711,143,831</b>	<b>1,354,307,048</b>
<b>Significant Accounting Policies</b>	1		
<b>Notes to Financial Statements</b>	2-37		

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

2 India Exchange Place

Kolkata - 700 001

Date : 30th May, 2014

**J. Biswas**

Company Secretary

**Statement of Profit and Loss for the year ended on 31st March, 2014**

Particulars	Notes	Figures for the year ended 31st March, 2014 (₹)	Figures for the year ended 31st March, 2013 (₹)
<b>I. Revenue from Operations (Gross)</b>	20		
Sale of Products		1,533,285,383	1,072,184,414
Sale of Traded Goods		17,715,249	3,779,050
Revenue from Works Contract		3,401,688	36,527,636
Other Operating Revenues		28,943,593	28,151,309
		<u>1,583,345,913</u>	<u>1,140,642,409</u>
Less: Excise Duty		163,110,369	119,405,325
		<u>1,420,235,544</u>	<u>1,021,237,084</u>
<b>II. Other Income</b>	20A	8,783,787	8,051,501
<b>III. Total Revenue ( I+II )</b>		<u>1,429,019,331</u>	<u>1,029,288,585</u>
<b>IV. EXPENSES</b>	29(b)		
Cost of Materials Consumed		1,183,828,088	815,569,646
Purchases of Stock-in-trade		491,791	1,719,387
Changes in Inventories of Finished Goods, Work in Progress and Scrap Materials	21	(104,432,495)	(51,455,317)
Employee Benefits Expenses	22	18,230,994	22,028,434
Finance Costs	23	93,876,428	94,597,391
Depreciation	11	14,809,253	15,716,720
Other Expenses	24	220,745,675	161,875,251
Total Expenses ( III-IV )		<u>1,427,549,734</u>	<u>1,060,051,512</u>
<b>V. Profit Before Tax ( III-IV )</b>		1,469,597	(30,762,927)
<b>VI. Tax Expenses</b>			
Current Tax		280,000	–
Deferred Tax	5	9,000	(9,793,000)
Income Tax for earlier years		–	–
<b>VII. Profit/ (Loss) for the Year ( V-VI )</b>		<u>1,180,597</u>	<u>(20,969,927)</u>
<b>VIII. Earnings Per Equity Share</b>	25		
a) Basic		0.14	(2.57)
b) Diluted		0.14	(2.57)
c) Face Value per Equity Share		10	10
<b>Significant Accounting Policies</b>	1		
<b>Notes to Financial Statements</b>	2-37		

As per our Report of even date.

For A.C. Bhuteria &amp; Co.

Chartered Accountants

**Mohit Bhuteria**

Partner

2 India Exchange Place

Kolkata - 700 001

Date : 30th May, 2014

**S. S. Jain**

Chairman

**Abhay Bhutoria**

Managing Director

**R. Bhutoria**Vice Chairman &  
Whole Time Director**J. Biswas**

Company Secretary

**Cash Flow Statement annexed to the Balance Sheet as at 31st March, 2014 and Statement of Profit & Loss for the year ended on that date**

Particulars	2013-14		2012-13	
	(₹)		(₹)	
<b>(A) Cash Flow from Operating Activities :</b>				
Net Profit before tax and extra Ordinary Items		1,469,597		(30,762,927)
<b>Adjusted for :</b>				
- Depreciation		14,809,253		15,716,720
- Finance Costs		93,876,428		94,597,391
- Interest Income		(6,328,532)		(6,386,868)
- Loss on Sale of Fixed Assets		-		26,818
- Profit on Sale of Fixed Assets		(56,323)		(3,266)
- Operating Profit before Working Capital Change		103,770,423		73,187,868
<b>Adjustment for Changes in Working Capital :</b>				
- Long Term Loans and Advances		3,993,521		(335,327)
- Inventories		(112,945,890)		(4,765,448)
- Trade Receivables		(197,054,967)		190,971,476
- Short Term Loans and Advances		(14,924,333)		(5,544,089)
- Long Term Provisions		(494,024)		(2,327,453)
- Trade Payables		414,312,875		(238,430,320)
- Other Current Liabilities		7,241,060		(2,286,597)
- Short Term Provisions		660,184		303,006
<b>Cash generated / (used) from operations</b>		<b>204,558,849</b>		<b>10,773,116</b>
Direct Tax paid / Refunds received (including interest)		(1,062,789)		(2,670,124)
<b>Net Cash from / (used in) Operating activities</b>	<b>(A)</b>	<b>203,496,060</b>	<b>(A)</b>	<b>8,102,992</b>
<b>(B) Cash Flow From Investing Activities :</b>				
Addition to Fixed Assets / Capital WIP		(11,406,251)		(5,509,972)
Sale of Fixed Assets		220,000		80,000
Investment in Wholly Owned Subsidiary		(15,325,000)		
Interest received		6,056,452		7,320,666
Fixed Deposits (Made) / Matured		(23,235,001)		4,630,622
<b>Net Cash Flow from / (used in) Investing activities</b>	<b>(B)</b>	<b>(43,689,800)</b>	<b>(B)</b>	<b>6,521,316</b>

**Cash Flow Statement annexed to the Balance Sheet as at 31st March, 2014 and Statement of Profit & Loss for the year ended on that date**

Particulars	2013-14 (₹)	2012-13 (₹)
<b>(C) Cash Flow from Financing Activities :</b>		
Proceeds / (Repayment) of Long Term Borrowing	248,822	(20,230,850)
Proceeds / (Repayment) of Short Term Borrowing	(66,321,731)	107,441,181
Finance Cost	(93,876,428)	(94,597,391)
Net Cash used in Finance Activity	(C) (159,949,337)	(C) (7,387,060)
Net Increase in Cash & Cash Equivalents	(A + B + C) (143,077)	(A + B + C) 7,237,248
Cash & Cash Equivalents (Opening)	15,270,147	8,032,899
Cash & Cash equivalents (Closing)	15,127,070	15,270,147

**Notes:**

1. Components of Cash and Cash Equivalents

Cash on Hand	1,064,964	1,347,861
Balances with Bank		
In Current Accounts	13,935,269	13,762,934
Unpaid Dividend Account	126,837	159,352
	15,127,070	15,270,147

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

**Abhay Bhutoria**  
Managing Director

**S. S. Jain**  
Chairman

**R. Bhutoria**  
Vice Chairman &  
Whole Time Director

2 India Exchange Place  
Kolkata - 700 001  
Date : 30th May, 2014

**J. Biswas**  
Company Secretary

## 1 Significant Accounting Policies

### a. Accounting Convention

To prepare financial statements in accordance with applicable Accounting Standards in India. A summary of important accounting policies is set out below. The financial statements have also been prepared in accordance with relevant presentational requirements of the Companies Act, 1956.

### b. 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.

### c. 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.

### d. 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.

### e. 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.

### f. Investments

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

### g. 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.

**h. Recognition of other items of Income & Expenditures**

Other items of income and expenditure are accounted for on accrual basis.

**i. 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.

**j. 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

**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.

**l. 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".

**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. 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.

**o. Earning Per Share**

The earnings in ascertaining the Company's EPS comprises the net profit after tax and includes the post tax effect of any extraordinary items. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of extra ordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period.

**p. 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.

**q. 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.



## Notes to Financial Statement for the year ended 31st March, 2014

	As At 31st March, 2014		As At 31st March, 2013	
	Qty (Nos.)	Amount (₹)	Qty (Nos.)	Amount (₹)
<b>2 SHARE CAPITAL</b>				
(a) <b>Authorized Share Capital</b>				
Equity Shares of ₹ 10/- each	12,000,000	120,000,000	12,000,000	120,000,000
	<b>12,000,000</b>	<b>120,000,000</b>	<b>12,000,000</b>	<b>120,000,000</b>
(b) <b>Issued, Subscribed &amp; Fully Paid-up Capital</b>				
Equity Shares of ₹ 10/- each	8,168,500	81,685,000	8,168,500	81,685,000
	<b>8,168,500</b>	<b>81,685,000</b>	<b>8,168,500</b>	<b>81,685,000</b>
(c) <b>Reconciliation of Equity Shares of ₹ 10/- each outstanding at the beginning and at the end of the financial year.</b>				
Balance as at the beginning of the financial year	8,168,500	81,685,000	8,168,500	81,685,000
Add: Preferential allotment during the financial year	-	-	-	-
Balance as at the end of the financial year	<b>8,168,500</b>	<b>81,685,000</b>	<b>8,168,500</b>	<b>81,685,000</b>
(d) <b>Shareholders holding more than 5% of Equity Share Capital</b>				

	As At 31st March, 2014		As At 31st March, 2013	
	No. of Shares held	% of holdings	No. of Shares held	% of holdings
Bhutoria Investments Private Limited	2,298,648	28.14	2,298,648	28.14
BLB Cables & Conductors Private Limited	1,185,914	14.52	1,185,914	14.52
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. Dividend recommended by the Board of Directors (other than interim dividend) is subject to approval of the shareholders ensuring Annual General Meeting.

**Notes to Financial Statement for the year ended 31st March, 2014**

Particulars	Figure as at 31st March, 2014 (₹)	Figure as at 31st March, 2013 (₹)
<b>3 RESERVES &amp; SURPLUS</b>		
<b>Securities Premium Account</b>		
Balance as per last Account	254,285,500	254,285,500
Add : On Preferential Allotment of Shares	—	—
(a)	<u>254,285,500</u>	<u>254,285,500</u>
<b>Share Forfeited Reserve</b>		
Balance as per last Account	15,500	15,500
(b)	<u>15,500</u>	<u>15,500</u>
<b>Rajasthan State Investment Subsidy Reserve</b>		
Balance as per last Account	521,505	521,505
(c)	<u>521,505</u>	<u>521,505</u>
<b>Generator Subsidy Reserve</b>		
Balance as per last Account	61,000	61,000
(d)	<u>61,000</u>	<u>61,000</u>
<b>General Reserve</b>		
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	92,468,209	113,438,136
Add : Transfer from Statement of Profit & Loss	1,180,597	(20,969,927)
(f)	<u>93,648,806</u>	<u>92,468,209</u>
Total (a to f)	<u>358,121,575</u>	<u>356,940,978</u>
<b>Particulars</b>	<b>As at 31st March, 2014 (₹)</b>	<b>As at 31st March, 2013 (₹)</b>
<b>4 LONG TERM BORROWINGS</b>		
<b>Secured</b>		
<b>Term Loan</b>		
From Banks		
- State Bank of Bikaner & Jaipur, Kolkata (Security margin has been estimated considering the all existing as well as proposed fixed assets of the company and personal guarantee by two Directors.)	2,484,000	—
- 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 and personal guarantee of two Directors.)	9,448,532	12,941,668
	<u>11,932,532</u>	<u>12,941,668</u>

**Notes to Financial Statement for the year ended 31st March, 2014**

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"

<b>A Terms of Repayment</b>	<b>Period of Maturity (Months)</b>	<b>Number of Instalments Due (Quarterly / Monthly)</b>	<b>Amount of Instalments Due (₹)</b>
<b>Term Loan</b>			
From Bank			
- State Bank of Bikaner & Jaipur, Kolkata	27 Months	27 Monthly*	4,488,000
Rate of Interest - Base Rate plus 2.85% i.e. 13% p.a as on 31.03.2014	-	-	-
- ICICI Bank Ltd. V.K.I.Area Jaipur	-	-	-
Rate of Interest - 3% below PLR	(3 Months)	(1 Quarterly)	(65,667)
- Bank of Baroda, Johari Bazar, Jaipur	48 Months	16 Quarterly)	13,171,213
Rate of Interest : Base Rate + 3.50% i.e.13% as at 31.03.2014	(60 Months)	(20 Quarterly)	(16,513,668)
From Others			
- L&T Finance Limited			
Rate of Interest - 12.50% p.a	(5)	(5 Monthly)	(879,468)
* Term loan of ₹ 100 lacs has been sanctioned by the bank, out of which ₹ 44.88 lacs is availed by the unit as at 31/03/2014. Consequently the repayment structure disclosed above has been restricted to ₹ 44.88 lacs.			

**B Aggregate amount of loans guaranteed by Directors**

	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
<b>Term Loan</b>		
From Banks	17,659,213	16,579,335
From Others	-	879,468

**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, 2014 are as under :

<b>Particulars</b>	<b>As at 31st March, 2014 (₹)</b>	<b>As at 31st March, 2013 (₹)</b>
<b>(a) Deferred Tax Liability</b>		
In respect of Depreciation charged in books as per Companies Act, 1956 and tax depreciation allowable as per Income Tax Act, 1961.		
- Opening Balance	17,769,000	19,381,000
- Charged / (Credited) to Statement of Profit & Loss	(1,979,000)	(1,612,000)
- Closing balance	15,790,000	17,769,000

**Notes to Financial Statement for the year ended 31st March, 2014**

Particulars	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
<b>(b) Deferred Tax Asset</b>		
Provision for Gratuity		
- Opening Balance	1,906,000	2,484,000
- Charged / (Credited) to Statement of Profit & Loss	35,000	578,000
- Closing balance	<u>1,871,000</u>	<u>1,906,000</u>
Disallowance of Leave Pay Provision under section 43B of Income Tax Act, 1961		
- Opening Balance	215,000	196,000
- Charged / (Credited) to Statement of Profit & Loss	(91,000)	(19,000)
- Closing balance	<u>306,000</u>	<u>215,000</u>
Unabsorbed Loss / Depreciation		
- Opening Balance	8,740,000	-
- Charged / (Credited) to Statement of Profit & Loss	2,044,000	(8,740,000)
- Closing balance	<u>6,696,000</u>	<u>8,740,000</u>
<b>Deferred Tax Liability (Net of DTA)</b>	<u>6,917,000</u>	<u>6,908,000</u>
Deferred Tax Assets and Liabilities are being off set as they relate to taxes on income levied by the same governing taxation laws.		
<b>6 LONG TERM PROVISIONS</b>		
Provision for Employee Benefits - Gratuity	<u>3,684,134</u>	<u>4,178,158</u>
	<u>3,684,134</u>	<u>4,178,158</u>
<b>7 SHORT TERM BORROWINGS</b>		
<b>Secured</b>		
<b>(a) Loans Repayable on Demand</b>		
From Banks		
- Cash Credit with State Bank of Bikaner & Jaipur, Kolkata (Rate of Interest @ 12.50% p.a.)	19,541,044	31,068,480
(The above loan is secured against hypothecation of Raw Material, Finished Goods, Stores & Spares, Book Debts, Other Current Assets and personal guarantee by two Directors.)		
- Cash Credit with Canara Bank. Agra (Rate of Interest @ 14.75% p.a.)	2,800,301	4,389,563
(The above loan is secured against hypothecation of Raw Material, Stores & Spares, Book Debts, Other Current Assets and Personal guarantee of two Directors.)		
- Cash Credit with ICICI Bank Ltd. Jaipur (Rate of Interest @ 13.75% p.a.)	30,559,032	13,371,254
(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 and personal guarantee of two Directors. )		

## Notes to Financial Statement for the year ended 31st March, 2014

Particulars	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
<b>7 SHORT TERM BORROWINGS (Contd.)</b>		
- Cash Credit with Bank Of Baroda , Jaipur (Rate of Interest @ 13.75% p.a.) (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 and personal guarantee of two Directors . )	91,244,173	92,852,031
- Cash Credit with Oriental Bank of Commerce, Jaipur (Rate of Interest @ 13.75% p.a.) (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 and personal guarantee of two Directors. )	32,384,835	37,982,779
- Bill Discounting A/c from Bank of Baroda Johari Bazar, Jaipur (Rate of Interest @ 14.25% p.a.) (The above loan is secured against hypothecation of Raw Material, Finished Goods, Stores & Spares, Book Debts, Other Current Assets)	8,060,924	16,275,646
- Working Capital Demand Loan From Bank of Baroda Jaipur (Rate of Interest @ 14.25% p.a.)	23,878,944	65,325,157
- Working Capital Demand Loan From ICICI Bank Ltd. Jaipur (Rate of Interest @ 14.25% p.a.) (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.)	2,923,266	17,389,204
<b>Unsecured</b>		
(b) Loans and Advances from Related Parties	154,411,159	137,320,261
(c) Loans and Advances from Others	26,943,741	43,094,775
	<u>392,747,419</u>	<u>459,069,150</u>
<b>Note :</b>		
<b>Aggregate amount of loans guaranteed by Directors</b>		
Loan Repayable on Demand	203,331,595	272,573,876
	<u>203,331,595</u>	<u>272,573,876</u>
<b>8 TRADE PAYABLES</b>		
(a) For Goods and Services	813,917,938	399,605,063
	<u>813,917,938</u>	<u>399,605,063</u>

**Notes to Financial Statement for the year ended 31st March, 2014**

Particulars	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
<b>9 OTHER CURRENT LIABILITIES</b>		
(a) Current Maturities of Long Term Debt	5,726,681	4,517,135
(b) Interest accrued but not due on borrowings	-	6,415
(c) Interest Accrued and Due on Borrowings	54,827	-
(d) Unpaid Dividend	126,837	159,352
(e) Other Payables		
- Statutory Dues	20,527,255	18,409,646
- Due to Employees	698,555	1,746,576
- Trade Deposits & Advances from Customers	11,698,236	5,494,249
- Security Deposit	585,000	585,000
	39,417,391	30,918,373
<b>10 SHORT TERM PROVISIONS</b>		
(a) Provision for Employee Benefits		
- Gratuity	1,820,034	1,429,293
- Leave Encashment	900,808	631,365
	2,720,842	2,060,658

## Notes to Financial Statement for the year ended 31st March, 2014

Description	Gross Block		Total	Up to 31st March 2013	Depreciation For the year	Total	Net Block	
	As at 1st April 2013	Addition During the year					Sold During the year	As at 31st March 2014
<b>11 FIXED ASSETS</b>								
<b>TANGIBLE ASSETS</b>								
Land	24,326,505	-	24,326,505	-	-	24,326,505	24,326,505	24,326,505
- Leasehold Land	4,881,177	-	4,881,177	-	-	4,881,177	4,881,177	4,881,177
<b>Building</b>								
- Factory Building	50,913,796	-	50,913,796	18,022,564	3,210,245	29,680,987	32,891,232	32,891,232
- Office Building	22,338,601	-	22,338,601	10,391,209	578,145	11,369,247	11,947,392	11,947,392
- Time Share Building	48,400	-	48,400	-	-	48,400	48,400	48,400
<b>Plant &amp; Equipment</b>								
- Main Plant & Machinery	79,314,177	1,374,623	80,688,800	54,876,967	3,529,823	58,408,790	22,280,010	24,435,910
- Oil Storage Tank	9,368,967	-	9,368,967	2,436,967	2,739,193	2,739,193	2,739,193	2,739,193
- Hand Termine Generator	90,668,901	-	90,668,901	46,436,100	5,723,910	51,518,094	35,767,408	41,528,944
- Hand Termine Generator	90,668,901	-	90,668,901	46,436,100	5,723,910	51,518,094	35,767,408	41,528,944
- Research & Development Equipments	7,992,410	9,817	7,992,410	5,623,076	294,776	5,145,746	1,446,668	2,018,620
- Auxiliary Machinery	604,621	-	604,621	597,743	201,510	348,253	1,146,368	1,666,878
- Generator	484,778	-	484,778	368,242	18,360	388,262	108,216	126,576
- Generator	1,135,853	-	1,135,853	772,578	50,504	823,285	312,571	363,075
- Furniture & Fixture	2,586,957	-	2,586,957	2,052,642	106,384	2,159,026	427,931	534,315
<b>Vehicles</b>								
- Owned	4,392,819	1,041,090	4,149,423	4,288,611	366,409	3,534,211	615,212	104,208
- Motor Car								
- Assets under Finance Lease	2,300,564	-	2,300,564	1,045,701	289,683	1,335,384	965,180	1,254,863
- Motor Car								
<b>Office Equipment</b>								
- Owned	3,173,169	110,450	3,283,619	2,959,410	109,453	3,068,863	214,756	213,759
- Computer	1,065,879	-	1,065,879	799,133	60,701	858,854	226,045	286,746
- General Office Equipment	106,507	-	106,507	62,477	1,369	83,846	24,661	26,030
- Fax Machine	14,250	-	14,250	14,141	21	14,162	128	149
- Type Writer								
<b>Others</b>								
- Jinks Well	608,896	-	608,896	370,046	12,107	382,153	226,743	238,850
- Television	18,790	-	18,790	14,180	15,015	15,015	3,775	4,610
- Air Conditioner	1,656,913	45,000	1,701,913	860,513	112,927	993,240	708,672	776,640
- Fire Extinguisher	150,181	-	150,181	106,295	6,104	112,399	87,782	43,886
- Electric Installation	4,366,293	-	4,366,293	3,080,073	178,912	3,256,385	1,077,308	1,286,220
- Water Cooler	66,660	-	66,660	36,473	4,202	40,675	26,005	30,207
- Water Purifier	29,500	-	29,500	2,016	5,829	5,829	2,661	27,484
- Refrigerator	796,411	26,500	822,911	183,230	8,552	191,782	621,129	603,181
- Close Circuit Television	199,302	272,870	472,172	16,292	41,398	57,690	354,482	123,010
- EPB System	70,150	-	70,150	54,887	422	55,309	14,841	15,263
<b>Total</b>	<b>308,032,204</b>	<b>2,890,350</b>	<b>307,628,068</b>	<b>157,420,623</b>	<b>14,809,253</b>	<b>171,128,067</b>	<b>136,499,051</b>	<b>148,591,581</b>
	<b>297,639,871</b>	<b>1,125,530</b>	<b>306,032,204</b>	<b>142,210,043</b>	<b>15,716,720</b>	<b>157,440,623</b>	<b>148,591,581</b>	

Figure as at 31.03.2013

## Notes to Financial Statement for the year ended 31st March, 2014

	As At 31st March, 2014			As At 31st March, 2013	
	Face Value	Qty (Nos.)	Amount (₹)	Qty (Nos.)	Amount (₹)
<b>12 NON-CURRENT INVESTMENTS - LONG TERM</b>					
<b>NON-TRADE - UN QUOTED - AT COST</b>					
(a) <b>Investment in Equity Instruments</b>					
Fully Paid up Equity Shares					
- Bhutoria Agrotech Limited	₹10	35,000	350,000	35,000	350,000
(b) Investment in Wholly Owned Subsidiary					
- Blue Nile Projects Ltd. (Hong Kong)	\$1	250,000	15,325,000	-	-
(a)			<u>285,000</u>	<u>350,000</u>	<u>350,000</u>
(c) Investment in Government Securities					
- National Savings Certificate			<u>21,500</u>		<u>21,500</u>
(Lodged with Sales Tax Department)	(b)		<u>21,500</u>		<u>21,500</u>
Total (a+b)			<u>15,696,500</u>		<u>371,500</u>

Particulars	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
<b>13 LONG TERM LOANS AND ADVANCES</b>		
(Unsecured Considered Good)		
Security Deposits	9,364,882	13,358,403
Advance Income Tax (Net of Provision)	<u>782,789</u>	<u>2,670,124</u>
	<u>10,147,671</u>	<u>16,028,527</u>
<b>14 OTHER NON-CURRENT ASSETS</b>		
<b>Other Bank Balance</b>		
Fixed Deposit with Bank (with original maturity of more than 12 months)	17,681,377	12,249,912
(Receipt lodged with Bank as security against Bank Guarantee & Letter of Credit facilities availed)		
Interest Accrued on Fixed Deposit	<u>198,265</u>	<u>9,654</u>
	<u>17,879,642</u>	<u>12,259,566</u>
<b>15 INVENTORIES</b>		
(As taken, valued and certified by the Management)		
(Valued at lower of Cost and Net Realizable Value)		
(a) Raw Material		
- In Stock	87,691,050	76,969,368
- Goods in Transit	3,779,914	1,271,325
(b) Work in Progress	285,750,626	165,725,414
(c) Finished Goods	91,767,293	111,542,352
(d) Stores and Spares	14,046,104	15,064,738
(e) Scrap (Valued at Net Realizable Value)	1,512,780	1,028,680
	<u>484,547,767</u>	<u>371,601,877</u>



## Notes to Financial Statement for the year ended 31st March, 2014

Particulars	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
<b>16 TRADE RECEIVABLES</b>		
<b>(Unsecured Considered Good)</b>		
(a) Receivables outstanding for a period exceeding six months from the due date of payment	370,361,302	439,297,388
(b) Other Trade Receivables	502,707,414	236,716,361
	<u>873,068,716</u>	<u>676,013,749</u>
<b>17 CASH AND BANK BALANCES</b>		
(a) <b>Cash and Cash Equivalents :</b>		
- Balances with Banks in Current Account	13,935,269	13,762,934
- Cash on Hand (As certified by the Management)	1,064,964	1,347,861
- Fixed Deposits with Bank (Original Maturity within 3 months)	10,175,845	7,585,926
(Receipts lodged with Bank as security against Bank Guarantees & Letter of Credit facilities availed)		
- Interest accrued on Fixed Deposit	704	-
	<u>25,176,782</u>	<u>22,696,721</u>
(b) <b>Other Bank Balances</b>		
- Earmarked Balance in Dividend Account	126,837	159,352
- Fixed Deposit	46,865,635	32,150,116
(Receipts lodged with Bank as security against Bank Guarantees & Letter of Credit facilities availed)		
- Interest Accrued on Fixed Deposit	122,849	40,084
	<u>47,115,321</u>	<u>32,349,552</u>
	<u>72,292,103</u>	<u>55,046,273</u>
<b>Note</b>		
Fixed Deposits having original maturity of more than 12 months	262,700	200,649
<b>18 SHORT TERM LOANS AND ADVANCES</b>		
<b>(Unsecured Considered Good)</b>		
(a) Advances recoverable in cash or in kind or for value to be received	12,490,766	6,698,349
(b) Earnest Money Deposits	12,293,513	13,983,207
(c) Advance Income Tax / Tax deducted at Source (Net of Provision)	8,196,045	5,525,921
(d) Advance Fringe Benefit Tax (Net of Provision)	16,005	16,005
(e) Balance with Tax Authorities (Excise, Sales Tax, etc)	58,992,103	48,170,493
	<u>91,988,432</u>	<u>74,393,975</u>
<b>19 OTHER CURRENT ASSETS</b>		
(a) Fixed Deposits matured (including accrued interest)	498,098	-
	<u>498,098</u>	<u>-</u>

## Notes to Financial Statement for the year ended 31st March, 2014

Particulars	Year ended	Year ended
	31st March, 2014 (₹)	31st March, 2013 (₹)
<b>20 REVENUE FROM OPERATIONS</b>		
(a) Sale of Products		
- Transformers	995,464,877	770,565,162
- Cables & Conductors	398,660,968	203,629,746
- Wind Energy	11,455,957	12,414,608
- Others	127,703,581	85,574,898
	<u>1,533,285,383</u>	<u>1,072,184,414</u>
(b) Sale of Traded Goods	<u>17,715,249</u>	<u>3,779,050</u>
	<u>17,715,249</u>	<u>3,779,050</u>
(c) Revenue from Works Contract	<u>3,401,688</u>	<u>36,527,636</u>
	<u>3,401,688</u>	<u>36,527,636</u>
(d) Other Operating Revenues		
- Labour Charges	535,520	4,250,702
- Freight and Insurance Charges	28,408,073	20,758,080
- Scrap Sales	-	3,142,527
	<u>28,943,593</u>	<u>28,151,309</u>
(e) Less : Excise Duty		
- On Sale of Products	162,767,894	116,096,728
- On Revenue from Works Contract	342,475	3,308,597
- On Other Operating Revenues	-	-
	<u>163,110,369</u>	<u>119,405,325</u>
<b>20A OTHER INCOME</b>		
(a) Interest Income	6,328,532	6,386,868
(b) Miscellaneous Income	<u>2,455,255</u>	<u>1,664,633</u>
	<u>8,783,787</u>	<u>8,051,501</u>
<b>21 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS &amp; SCRAP MATERIALS</b>		
(a) Finished Goods		
Opening Stock	111,542,352	93,187,322
Less : Closing Stock	<u>91,767,293</u>	<u>111,542,352</u>
	<u>19,775,059</u>	<u>(18,355,030)</u>
Less: Excise Duty on Stock of Finished Goods (Net)	<u>(3,698,242)</u>	<u>2,100,685</u>
	(a) <u>16,076,817</u>	<u>(16,254,345)</u>
(b) Work In Progress		
Opening Stock	165,725,414	129,079,494
Less: Closing Stock	<u>285,750,626</u>	<u>165,725,414</u>
	(b) <u>(120,025,212)</u>	<u>(36,645,920)</u>
(c) Scrap & Replaced materials		
Opening Stock	1,028,680	2,473,628
Less: Closing Stock	<u>1,512,780</u>	<u>1,028,680</u>
	(c) <u>(484,100)</u>	<u>1,444,948</u>
Net (Increase)/ Decrease [a+b+c]	<u>(104,432,495)</u>	<u>(51,455,317)</u>

## Notes to Financial Statement for the year ended 31st March, 2014

Particulars	Year ended	Year ended
	31st March, 2014 (₹)	31st March, 2013 (₹)
<b>22 EMPLOYEE BENEFIT EXPENSE</b>		
(a) Salaries, Wages, Bonus & Gratuity	16,645,390	20,542,142
(b) Contribution to Provident and Other Funds	1,186,984	1,186,083
(c) Staff Welfare expenses	398,620	300,209
	<u>18,230,994</u>	<u>22,028,434</u>
<b>23 FINANCE COSTS</b>		
(a) Interest Expense	85,185,101	84,587,282
(b) Other Borrowing Costs	8,691,327	10,010,109
	<u>93,876,428</u>	<u>94,597,391</u>
<b>24 OTHER EXPENSES</b>		
(a) Consumption of Stores and Spare Parts	77,205,521	56,539,658
(b) Packing Material Consumed	12,434,503	6,181,877
(c) Power & Fuel	10,829,256	9,410,975
(d) Rent	482,424	542,841
(e) Repairs		
- To Plant & Machinery	3,821,315	3,282,389
- To Repairs to Buildings	666,938	789,132
- To Others	859,462	688,368
(f) Insurance	1,429,675	1,148,551
(g) Rates and Taxes (excluding Taxes on Income.)	285,113	155,576
(h) Auditors Remuneration (Excluding Service Tax) (Including Branch Auditors)		
Statutory Auditor		
- As Auditors	150,000	150,000
- For Tax Audit	25,000	25,000
- For Certification Fees / Limited Review	127,600	104,850
- For Company Law Matters	16,000	89,600
- For Taxation Matter	15,000	
Branch Auditors		
- As Auditors	105,000	95,000
- For Taxation Matters	30,000	30,000
(i) Carriage Inward	7,967,304	6,559,381
(j) Carriage Outward	31,258,571	19,459,119
(k) Commission	4,452,935	2,197,862
(l) Import Expenses	960,524	-
(m) Job & Fabrication Charges	32,253,856	24,449,770
(n) Legal & Professional Fees	2,335,273	2,012,065
(o) Net Loss in Foreign Exchange Fluctuation	614,421	805,455
(p) Penalty for Delayed Supply	2,201,267	390,615
(q) Prior Period Adjustments	277,942	820,846
(r) Sales / Business Promotion	2,621,159	999,667
(s) Testing Fees	7,355,939	3,771,383
(t) Transformer Repairs & Maintenance	968,825	1,104,672
(u) Travelling & Conveyance	4,170,638	3,221,923
(v) Vehicle Expenses	885,706	1,083,928
(w) Miscellaneous Expenses	13,938,508	15,764,748
	<u>220,745,675</u>	<u>161,875,251</u>

**Notes to Financial Statement for the year ended 31st March, 2014**

Particulars	Year ended 31st March, 2014 (₹)	Year ended 31st March, 2013 (₹)
<b>25 EARNINGS PER SHARE</b>		
Net Profit/(Loss) attributable to Equity Shareholders (₹)	1,180,597	(20,969,927)
Weighted average number of Equity Share in issue (Nos)	8,168,500	8,168,500
Earnings per Equity Share of ₹ 10/-each (₹)		
Basic	0.14	(2.57)
Diluted	0.14	(2.57)
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.		
<b>26 VALUE OF IMPORTS CALCULATED ON CIF BASIS</b>		
Raw Materials	4,630,980	7,485,359
	4,630,980	7,485,359
<b>27 FOB VALUE OF EXPORTS (in ₹)</b>	17,715,249	3,913,882
	17,715,249	3,913,882
<b>28 EXPENDITURE IN FOREIGN CURRENCY</b>		
(a) Foreign Travelling	659,590	53,250
(b) Interest Expense	-	1,646
(c) Foreign Exchange Fluctuation (On settlement of dues)	-	169,047
	659,590	223,943
Particulars	Amount (₹)	% of Total Consumption
<b>29 DETAILS OF CONSUMPTION OF INDIGENOUS &amp; IMPORTED RAW MATERIALS, STORES AND SPARES</b>		
(a) <b>Raw Materials</b>		
Imported	4,630,980	0.39
	(7,485,359)	(0.92)
Indigenous	1,179,197,108	99.61
	(808,084,287)	(99.08)
	1,183,828,088	100.00
	(815,569,646)	(100.00)
(b) <b>Stores &amp; Spare Parts consumed during the financial year is 100% (P.Y. 100%) indigenous.</b>		

## Notes to Financial Statement for the year ended 31st March, 2014

Particulars	(Figures in ₹)	
	Sales	
	2013-14	2012-13
<b>30 DETAILS OF SALE, CLOSING STOCK &amp; OPENING STOCK OF FINISHED GOODS</b>		
<b>(a) Manufactured Goods</b>		
Transformers	995,464,877	770,565,162
Wind Energy	11,455,957	12,414,608
Cable Conductor	398,660,968	203,629,746
Others	127,703,581	85,574,898
<b>Total</b>	<b>1,533,285,383</b>	<b>1,072,184,414</b>
	<b>Closing Inventory</b>	
<b>Manufactured Goods</b>		
Transformers	85,559,663	88,109,633
Cable Conductor	6,207,630	23,432,719
<b>Total</b>	<b>91,767,293</b>	<b>111,542,352</b>
	<b>Opening Inventory</b>	
<b>Manufactured Goods</b>		
Transformers	88,109,633	71,071,178
Cable Conductor	23,432,719	22,116,144
<b>Total</b>	<b>111,542,352</b>	<b>93,187,322</b>

Particulars	(Amount in ₹)	
	2013-14	2012-13
<b>(b) DETAILS OF RAW MATERIALS CONSUMED</b>		
Aluminium Conductor	413,091,520	265,976,322
Copper Conductor	232,209,235	159,744,149
Lamination	159,248,024	108,939,252
Transformer Oil	143,844,868	114,832,392
Tank Materials	119,198,192	80,912,494
Semi Finished - Aluminium , Copper, Lamination And Tank Material	116,236,249	85,165,037
<b>Total</b>	<b>1,183,828,088</b>	<b>815,569,646</b>

Particulars	(Amount in ₹)	
	2013-14	2012-13
<b>(c) DETAILS OF CLOSING STOCK OF WORK-IN-PROGRESS</b>		
Core Coil Assembly (05KVA TO 750 KVA )	22,151,331	13,871,524
Core Coil Assembly (3150 KVA TO 12500 KVA )	28,865,201	9,685,485
Core Assembly (10KVA TO 750 KVA )	15,472,438	4,119,782
Coil Assembly (3150 KVA TO 12500 KVA )	10,944,476	7,388,442
H.T.Coil (10 KVA TO 1000 KVA )	6,471,729	3,035,798

**Notes to Financial Statement for the year ended 31st March, 2014**

Particulars	(Amount in ₹)	
	2013-14	2012-13
<b>(c) DETAILS OF CLOSING STOCK OF WORK-IN-PROGRESS</b>		
H.T.Coil (3150 KVA TO12500 KVA )	5,158,636	3,559,852
L.T.Coil ( 10 KVA TO 750 KVA )	3,356,796	1,721,888
M.S.Tank ( 3150 KVA TO 12500 KVA )	1,753,592	2,835,601
M.S.Tank ( 10 KVA TO 500 KVA )	10,076,887	2,408,659
Transformer Under Process ( 10 KVA TO 500 KVA )	67,276,296	67,322,509
Transformer Under Process ( 3150 KVA TO 12500 KVA )	13,040,000	3,420,000
L.T.Coil ( 3150 KVA TO12500 KVA )	4,495,149	4,794,461
Repair Transformer Under Process ( 3150 KVA TO12500 KVA )	2,000,000	3,650,000
Replaced Material	93,173,731	36,396,956
Others ( Damadged Conductors)	1,514,364	1,514,457
<b>Total</b>	<b>285,750,626</b>	<b>165,725,414</b>

Particulars	Outstanding Balance as on 31st March, 2014	Maximum Balance Outstanding during the year
<b>31 Disclosure of Loans/ Advances and investments in its own shares by listed companies, their subsidiaries, associates, etc. (as certified by the management)</b>		
I. Loans and Advances in the nature of loans to subsidiaries	NIL	NIL
II. Loans and Advances in the nature of loans to associates.	NIL	NIL
III. Loans and 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
	<b>No. of Shares</b>	<b>Amount (₹)</b>
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

**Notes to Financial Statement for the year ended 31st March, 2014**

Particulars	Year Ended 3/31/2014	Year Ended 3/31/2013
<b>32 Contingent Liabilities</b>		
Contingent Liability not provided for in respect of:		
(a) WBVAT	25,100,009	-
(b) CST	3,496,723	-
(c) Entry Tax	8,550,596	5,084,665
(d) UP Sales Tax	5,133,120	5,133,120
(e) Rajasthan VAT	8,884,848	8,794,392
(f) Income Tax	2,430,439	2,079,274
	<b>53,595,735</b>	<b>21,091,451</b>

Particulars	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
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<b>33 Disclosure of the amounts due to the The Micro and Small Enterprises (On the basis of the information &amp; records available with the Management).</b>		
(i) The principal amount and the interest due thereon remaining unpaid to any Micro/Small supplier		
*Principal amount	2,336,737	858,462
*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.	-	-
<b>34. Previous years figures have been re-grouped / re-arranged wherever considered necessary to conform to current year presentation.</b>		

## Notes to Financial Statement for the year ended 31st March, 2014

### 35 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) Wholly Owned Subsidiary

- Blue Nile Projects Ltd.

#### iv) Enterprises where Key Management Personnel have significant influence.

- ABAY Energy Private Limited Company
- Abhay Transformers Pvt Ltd
- Bhutoria Agrotech Limited
- Bhutoria Brothers Limited
- Bhutoria Investments (P) Limited
- Bhutoria Properties
- Bhutoria Transformers & Rectifiers (P) Ltd.
- BLB Cables & Conductors (P) Ltd.
- Howrah Warehouse (P) Ltd.
- Kalinga Petrochemicals (P) Ltd.
- Ladnun Agricultural Farms (P) Ltd.
- Rajasthan Transformers & Switchgears (P) Ltd.



Notes to Financial Statement for the year ended 31st March, 2014

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

Nature of Transaction	Key Management Personnel		Relatives Of Key Management Personnel		Wholly Owned Subsidiary		Enterprises Where Key Management Personnel Have Significant Influence	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
(a) Interest Expenses								
- Abhay Bhutoria	86,354	22,685	-	-	-	-	-	-
- Abhay Transformers Pvt Ltd	-	-	-	-	-	-	1,942,490	1,134,062
- Bhutoria Agrotech Ltd.	-	-	-	-	-	-	222,082	206,608
- Bhutoria Brothers Ltd.	-	-	-	-	-	-	4,652,256	4,203,843
- Bhutoria Investments Pvt Ltd.	-	-	-	-	-	-	597,608	566,205
- Bhutoria Transformers & Rectifiers Pvt.Ltd.	-	-	-	-	-	-	396,084	394,981
- BLB Cables & Conductors (P) Ltd.	-	-	-	-	-	-	1,095,168	1,279,382
- Howrah Warehouse (P) Ltd	-	-	-	-	-	-	106,065	-
- Kalinga Petrochemicals (P) Ltd.	-	-	-	-	-	-	989,813	890,640
- Ladhun Agricultural Farms (P) Ltd.	-	-	-	-	-	-	333,973	-
- Rajasihan Transformers & Switchgears (P) Ltd.	-	-	-	-	-	-	3,813,475	4,320,443
<b>Total (a)</b>	<b>86,354</b>	<b>22,685</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,149,014</b>	<b>12,996,164</b>
(b) Rent								
- Bhutoria Properties	-	-	-	-	-	-	2,424	2,424
- Bhutoria Transformers & Rectifiers Pvt.Ltd.	-	-	-	-	-	-	360,000	300,000
- Bhutoria Brothers Ltd.	-	-	-	-	-	-	120,000	240,417
<b>Total (b)</b>							<b>482,424</b>	<b>542,841</b>
(c) Power Consumption								
- Bhutoria Brothers Ltd.	-	-	-	-	-	-	185,662	185,662
<b>Total (c)</b>								<b>185,662</b>

**Notes to Financial Statement for the year ended 31st March, 2014**

(d)	<b>Salary &amp; Perks</b>								
	- Abhay Bhutoria	1,242,600	1,242,600	-	-	-	-	-	-
	- Rajendra Bhutoria	806,400	711,600	-	-	-	-	-	-
	- Sharad Bhutoria	-	-	552,600	552,600	-	-	-	-
	<b>Total (d)</b>	<b>2,049,000</b>	<b>1,954,200</b>	<b>552,600</b>	<b>552,600</b>	-	-	-	-
(d)	<b>Purchases</b>								
	Raw Materials								
	- Abhay Transformers Pvt Ltd	-	-	-	-	-	-	2,377,200	-
	Semi-Finished Goods								
	- Abhay Transformers Pvt Ltd	-	-	-	-	-	-	4,938,405	-
	<b>Total (e)</b>	-	-	-	-	-	-	<b>7,315,605</b>	-
(f)	<b>Sales</b>								
	Traded Goods								
	-ABAY Energy Private Limited Company								
	<b>Total (f)</b>							<b>17,715,249</b>	<b>3,779,050</b>
(g)	<b>Short term Borrowings</b>								
	(i) Taken During The Year								
	- Abhay Bhutoria	129,584	2,420,416	-	-	-	-	-	-
	- Abhay Transformers Pvt Ltd	-	-	-	-	-	-	14,600,000	11,386,454
	- Bhutoria Agrotech Ltd	-	-	-	-	-	-	-	206,608
	- Bhutoria Brothers Ltd.	-	-	-	-	-	-	7,425,853	20,257,340
	- Bhutoria Investments Pvt Ltd	-	-	-	-	-	-	100,000	3,616,204
	- Bhutoria Transformers & Rectifiers Pvt.Ltd	-	-	-	-	-	-	960,000	7,959,981
	- BLB Cables & Conductors (P) Ltd.	-	-	-	-	-	-	5,498,556	1,279,380
	- Howrah Warehouse Pvt Ltd	-	-	-	-	-	-	150,000	122,605
	- Kalinga Petrochemicals (P) Ltd.	-	-	-	-	-	-	963,424	1,365,640
	- Ladnun Agricultural Farms (P) Ltd	-	-	-	-	-	-	450,000	1,258,837
	- Rajasthan Transformers & Switchgears (P) Ltd.	-	-	-	-	-	-	22,576,601	11,643,469
	<b>Total (g) (i)</b>	-	-	-	-	-	-	<b>52,724,434</b>	<b>59,096,518</b>



Notes to Financial Statement for the year ended 31st March, 2014

(h)	Trade Payables - Balance As At Year End (Cr.)			
	- Abhay Transformers Pvt Ltd		2,600,000	339,122
	- Bhutoria Brothers Ltd.		-	8,440
	<b>Total (h)</b>		<b>2,600,000</b>	<b>347,562</b>
(i)	Trade Receivable - Balance As At Year End (Dr.)			
	-ABAY Energy Private Limited Company		-	-
	Total (i)		-	-
(j)	Investments made during the year			
	- Blue Nile Projects Ltd.		15,325,000	
	<b>Total (j)</b>		<b>15,325,000</b>	
(k)	Short Term Loans & Advances			
	(i) Given during the year			
	- Blue Nile Projects Ltd.		295,664	
	Total (k)		295,664	
	(ii) Repaid during the year			
	- Blue Nile Projects Ltd.			
	Total (i) (ii)			
	(iii) Balance as at year end			
	- Blue Nile Projects Ltd.		295,664	
	<b>Total (i) (iii)</b>		<b>295,664</b>	

## Notes to Financial Statement for the year ended 31st March, 2014

Particulars	2013-14 (₹)	2012-13 (₹)
<b>36 EMPLOYEE BENEFITS :</b>		
<b>Post Retirement Benefits:</b>		
Defined Contribution Plans		
The Company has recognised the following amounts in the Statement of Profit and Loss for the year:		
Contribution to Employees' Provident & Family Pension Funds	1,186,984	1,186,083
<b>Defined Benefit Plans - Gratuity</b>		
<b>Changes in the Present Value of Obligation</b>		
- Present Value of Obligation as at 1st April, 2013	5,607,451	7,656,408
- Interest Cost	504,671	612,513
- Employer Service Cost		
- Current Service Cost	412,337	459,609
- Curtailment Cost/(Credit)	-	-
- Settlement Cost/(Credit)	-	-
- Benefits Paid	(144,283)	(3,962,742)
- Actuarial (Gain)/Loss	(876,008)	841,663
- Present Value of Obligation as at 31st March, 2014	5,504,168	5,607,451
<b>Changes in the Fair value of Plan Assets</b>		
- Present Value of Plan Assets as at 1st April, 2013	N.A., as	N.A., as
- Expected Return on Plan Assets	Gratuity	Gratuity benefit
- Actuarial Gain/(Loss)	benefit is not	is not funded.
- Employers' Contributions	funded.	
- Employees' Contributions		
- Benefits Paid		
- Fair Value of Plan Assets as at 31st March, 2014		
<b>Amount recognised in the Balance Sheet including a reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets</b>		
- Present Value of Funded Obligation as at 31st March, 2014	-	-
- Fair Value of Plan Assets as at 31st March, 2014	-	-
- Funded (Asset)/Liability recognised in the Balance Sheet	-	-
- Present Value of Unfunded Obligation as at 31st March, 2014	5,504,168	5,607,451
- Unrecognised Past Service Cost	-	-
- Unrecognised Actuarial (Gains)/Losses	-	-
- Unfunded Net Liability recognised in the Balance Sheet	5,504,168	5,607,451

**Notes to Financial Statement for the year ended 31st March, 2014**

<b>Particulars</b>	<b>2013-14 (₹)</b>	<b>2012-13 (₹)</b>
<b>Expenses recognised in the Statement of Profit and Loss</b>		
- Current Service Cost	412,337	459,609
- Past Service Cost	-	-
- Interest Cost	504,671	612,513
- Expected Return on Plan Assets	-	-
- Curtailment Cost/(Credit)	-	-
- Settlement Cost/(Credit)	-	-
- Net actuarial (Gain)/Loss	(876,008)	841,663
- Employees' Contribution	-	-
- Total Expenses recognised in the Statement of Profit and Loss	<u>41,000</u>	<u>1,913,785</u>
<b>Percentage of each Category of Plan Assets to total Fair Value of Plan Assets as at 31st March, 2014</b>	<b>N.A.</b>	<b>N.A.</b>
- Government of India Securities		
- 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.
<b>Following are the Principal Actuarial Assumptions used as at the Balance Sheet date:</b>		
- Interest Rate	-	-
- Discount Rate	9.00%	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, 2014

## 37 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	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
<b>Segment Revenue:</b>										
External Turnover	1,166,247,144	924,596,055	405,642,812	203,629,746	11,455,957	12,414,608	-	-	1,593,345,913	1,140,642,409
Inter Segment Turnover	-	-	-	-	-	-	-	-	-	-
Gross Turnover	1,166,247,144	924,596,055	405,642,812	203,629,746	11,455,957	12,414,608	-	-	1,593,345,913	1,140,642,409
Less: Excise Duty	119,532,764	101,715,833	43,577,605	17,689,482	-	-	-	-	163,110,869	119,405,325
Net Turnover	1,046,714,380	82,280,222	362,065,207	185,940,264	11,455,957	3,362,956	-	-	1,420,235,544	1,021,237,084
<b>Segment Result before interest and taxes</b>	101,989,118	72,984,875	16,938,767	11,566,817	3,364,604	3,362,956	(33,274,996)	(30,456,552)	89,017,689	57,447,596
Less: Interest Expense	-	-	-	-	(93,876,428)	-	(6,328,532)	(94,597,391)	(93,876,428)	(94,597,391)
Add: Interest Income	-	-	-	-	-	-	6,396,868	6,396,868	6,396,868	6,396,868
Less: Tax Expenses	-	-	-	-	-	-	(289,000)	9,793,000	(289,000)	9,793,000
Profit After Tax	-	-	-	-	-	-	(289,000)	9,793,000	1,180,597	(20,969,927)
<b>Other Information:</b>										
Segment Assets	1,284,929,103	945,722,042	239,856,975	249,832,031	48,105,038	49,999,623	-	-	1,572,891,116	1,245,553,696
Add: Unallocated Assets	-	-	-	-	138,252,715	-	-	-	1,711,143,831	1,384,307,046
<b>Total Assets</b>	769,478,950	353,596,035	109,075,680	64,693,407	13,172,436	3,645,875	379,610,190	483,743,753	891,727,066	421,937,317
Segment Liabilities	-	-	-	-	-	-	-	-	379,610,190	493,743,753
Add: Unallocated Liabilities	-	-	-	-	-	-	-	-	1,271,337,256	915,681,070
<b>Total Liabilities</b>	1,384,440	8,082,288	2,265,509	2,608,140	5,936,720	6,888,146	1,495,910	1,435,575	2,880,560	9,517,863
Capital Expenditure	5,928,427	5,408,695	-	-	-	-	678,597	813,749	14,809,253	15,716,720
Depreciation	-	-	-	-	-	-	129,132	79,842	-	-
Non-Cash Expenses other than depreciation (Sundry Balances W/OI)	-	-	-	-	-	-	-	-	-	-

As per our Report of even date.

For A.C. Bhutoria & Co.

Chartered Accountants

Mohit Bhutoria

Partner

2 India Exchange Place

Kolkata - 700 001

Date : 30th May, 2014

J. Biswas

Company Secretary

S. S. Jain

Chairman

R. Bhutoria

Vice Chairman &  
Whole Time Director

Abhay Bhutoria

Managing Director

**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 31st March, 2014.**

<b>Particulars</b>	<b>Amount (₹)</b>
<b>Long Term Funds :</b>	
Share Capital	81,685,000
Reserves & Surplus	358,121,575
Long Term Borrowings	11,932,532
Deferred Tax Liabilities (Net)	6,917,000
Long Term Provisions	3,684,134
	<b>462,340,241</b>
<b>Long Term Applications :</b>	
Tangible Assets	136,499,001
Capital Work in Progress	8,525,901
Non Current Investments - Long Term	15,696,500
Long Term Loans and Advances	10,147,671
Other Non Current Assets	17,879,642
Excess of Long Term Sources over Long Term Application, Used for short term application (working capital)	273,591,526
	<b>462,340,241</b>
<b>Short Term Funds :</b>	
Short Term Borrowings	392,747,419
Trade Payables	813,917,938
Other Current Liabilities	39,417,391
Short Term Provisions	2,720,842
Excess of Long Term Sources over Long Term Application, Used for short term application (working capital)	273,591,526
	<b>1,522,395,116</b>
<b>Short Term Applications :</b>	
Inventories	484,547,767
Trade Receivables	873,068,716
Cash & Cash Equivalents	25,176,782
Other Bank Balances	47,115,321
Short Term Loans and Advances	91,988,432
Other Current Assets	498,098
	<b>1,522,395,116</b>

Certified that the above Statement is based on figures from the financial statements for the year ended 31st March, 2014 & 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

2 India Exchange Place  
Kolkata - 700 001  
Date : 30th May, 2014

**J. Biswas**  
Company Secretary



## STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

**BLUE NILE PROJECTS LIMITED**

(Subsidiary Company)

1. RTS Power Corporation Limited (Holding Company) held 2,50,000 Shares of U S \$ 1 each fully Paid Up out of the total Issued and Fully paid up Share Capital of the Subsidiary Company consisting of 2,50,000 Shares of U S \$ 1 each, amounting to U.S. \$ 2,50,000.
2. The Subsidiary Company incurred a Loss of ₹ 4,16,067/- (US \$ 6,941) for the year ended March 31,2014 and no part of this Loss has been dealt with in the Holding Company's Standalone Accounts, but dealt with in the Consolidated Accounts.

Since the Accounting Year of the Subsidiary Company coincides with that of the Holding Company furnishing of information relating to material changes of Subsidiary Company, does not arise.

For & on Behalf of the Board of Directors of  
**RTS Power Corporation Limited**

**S S Jain**  
*Chairman*

**Rajendra Bhutoria**  
*Whole-time Director*

**Abhay Bhutoria**  
*Managing Director*

**J Biswas**  
*Company Secretary*

**BLUE NILE PROJECTS LIMITED****Statement Regarding Subsidiary Company as on March 31, 2014**

₹ in Lacs \*

Capital	149.85
Reserves	(4.16)
Total Assets	145.69
Total Liabilities	145.69
Investments	(4.16)
Total Income	NIL
Profit Before Taxation	(4.16)
Provision for Taxation	NIL
Profit After Taxation	(4.16)
Proposed Dividend	NIL

\* U S \$ converted into equivalent INR at an Exchange Rate of ₹ 59.94

For & on Behalf of the Board of Directors of  
**RTS Power Corporation Limited**

**S S Jain**  
*Chairman*

**Rajendra Bhutoria**  
*Whole-time Director*

**Abhay Bhutoria**  
*Managing Director*

**J Biswas**  
*Company Secretary*

## Independent Auditor's Report

To the Board of Directors of RTS Power Corporation Limited

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of RTS Power Corporation Limited ('the Company'), its subsidiary (collectively referred to as 'the Group') which comprise the Consolidated Balance Sheet as at 31st March, 2014, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated Cash Flows of the Group 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 consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 consolidated 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 and based on the consideration of the reports of the other auditors on the financial statements / consolidated financial statements of the subsidiary as noted below, the aforesaid consolidated 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:

## Independent Auditor's Report

- (i) In the case of the consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2014;
- (ii) In the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date and
- (iii) In the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

### Other Matter Paragraph

- (a) We have relied on the unaudited financial statements of the Subsidiary wherein the Company's share of loss is ₹ 4,16,067/-. These unaudited financial statements as approved by the board of Directors of this Company have been furnished to us by the management and our report in so far as it relates to the amounts included in respect of subsidiary is based solely on such approved unaudited financial statements.

**Our opinion is not qualified in respect of other matter.**

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, 2014

**Consolidated Balance Sheet as at 31st March, 2014**

Particulars	Notes	As At	As At
		31st March 2014 (₹)	31st March 2013 (₹)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2	81,685,000	81,685,000
(b) Reserves & Surplus	3	357,350,663	356,940,978
	<b>(A)</b>	<b>439,035,663</b>	<b>438,625,978</b>
<b>(2) Non-Current Liabilities</b>			
(a) Long Term Borrowings	4	11,932,532	12,941,668
(b) Deferred Tax Liabilities (Net)	5	6,917,000	6,908,000
(c) Long Term Provisions	6	3,684,134	4,178,158
	<b>(B)</b>	<b>22,533,666</b>	<b>24,027,826</b>
<b>(3) Current Liabilities</b>			
(a) Short Term Borrowings	7	392,747,419	459,069,150
(b) Trade Payables	8	814,007,848	399,605,063
(c) Other Current Liabilities	9	39,417,391	30,918,373
(d) Short Term Provisions	10	2,720,842	2,060,658
	<b>(C)</b>	<b>1,248,893,500</b>	<b>891,653,244</b>
<b>Total (A+B+C)</b>		<b>1,710,462,829</b>	<b>1,354,307,048</b>
<b>II. ASSETS</b>			
<b>(1) Non Current Assets</b>			
(a) Fixed Assets	11		
(i) Tangible Assets		136,499,001	148,591,581
(ii) Capital Work in Progress		8,525,901	-
(b) Non Current Investments - Long Term	12	371,500	371,500
(c) Long Term Loans and Advances	13	10,147,671	16,028,527
(d) Other Non Current Assets	14	32,265,242	12,259,566
	<b>(A)</b>	<b>187,809,315</b>	<b>177,251,174</b>
<b>(2) Current Assets</b>			
(a) Inventories	15	484,547,767	371,601,877
(b) Trade Receivables	16	873,068,716	676,013,749
(c) Cash and Bank Balances	17		
(i) Cash & Cash Equivalents		25,719,406	22,696,721
(ii) Other Bank Balances		47,115,321	32,349,552
(d) Short Term Loans and Advances	18	91,704,206	74,393,975
(e) Other Current Assets	19	498,098	-
	<b>(B)</b>	<b>1,522,653,514</b>	<b>1,177,055,874</b>
<b>Total (A+B)</b>		<b>1,710,462,829</b>	<b>1,354,307,048</b>
<b>Significant Accounting Policies</b>	1		
<b>Notes to Financial Statements</b>	2-37		

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

2 India Exchange Place

Kolkata - 700 001

Date : 30th May, 2014

**J. Biswas**

Company Secretary

**Consolidated Statement of Profit and Loss for the year ended on 31st March, 2014**

Particulars	Notes	Figures for the year ended 31st March, 2014 (₹)	Figures for the year ended 31st March, 2013 (₹)
<b>I. Revenue from Operations (Gross)</b>	20		
Sale of Products		1,533,285,383	1,072,184,414
Sale of Traded Goods		17,715,249	3,779,050
Revenue from Works Contract		3,401,688	36,527,636
Other Operating Revenues		28,943,593	28,151,309
		<u>1,583,345,913</u>	<u>1,140,642,409</u>
Less: Excise Duty		163,110,369	119,405,325
		<u>1,420,235,544</u>	<u>1,021,237,084</u>
<b>II. Other Income</b>	20A	8,783,792	8,051,501
<b>III. Total Revenue ( I+II )</b>		<u>1,429,019,336</u>	<u>1,029,288,585</u>
<b>IV. EXPENSES</b>			
Cost of Materials Consumed	29(b)	1,183,828,088	815,569,646
Purchases of Stock-in-trade		491,791	1,719,387
Changes in Inventories of Finished Goods, Work in Progress and Scrap Materials	21	(104,432,495)	(51,455,317)
Employee Benefits Expenses	22	18,230,994	22,028,434
Finance Costs	23	93,890,214	94,597,391
Depreciation	11	14,809,253	15,716,720
Other Expenses	24	221,147,961	161,875,251
Total Expenses ( III-IV )		<u>1,427,965,806</u>	<u>1,060,051,512</u>
<b>V. Profit Before Tax ( III-IV )</b>		1,053,530	(30,762,927)
<b>VI. Tax Expenses</b>			
Current Tax		280,000	-
Deferred Tax	5	9,000	(9,793,000)
Income Tax for earlier years		-	-
<b>VII. Profit/ (Loss) for the Year ( V-VI )</b>		<u>764,530</u>	<u>(20,969,927)</u>
<b>VIII. Earnings Per Equity Share</b>	25		
a) Basic		0.09	(2.57)
b) Diluted		0.09	(2.57)
c) Face Value per Equity Share		10	10

**Significant Accounting Policies** 1  
**Notes to Financial Statements** 2-37

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

2 India Exchange Place  
Kolkata - 700 001  
Date : 30th May, 2014

**J. Biswas**  
Company Secretary

**Consolidated Cash Flow Statement annexed to the Balance Sheet as at 31st March, 2014 and Statement of Profit & Loss for the year ended on that date**

Particulars	2013-14 (₹)	2012-13 (₹)
<b>(A) Cash Flow from Operating Activities :</b>		
Net Profit before tax and extra Ordinary Items	1,053,530	(30,762,927)
<b>Adjusted for :</b>		
- Depreciation	14,809,253	15,716,720
- Finance Costs	93,890,214	94,597,391
- Interest Income	(6,328,537)	(6,386,868)
- Foreign Exchange Reserve Fluctuation	(354,845)	
- Loss on Sale of Fixed Assets	-	26,818
- Profit on Sale of Fixed Assets	(56,323)	(3,266)
- Operating Profit before Working Capital Change	<u>103,013,292</u>	<u>73,187,868</u>
<b>Adjustment for Changes in Working Capital :</b>		
- Long Term Loans and Advances	3,993,521	(335,327)
- Inventories	(112,945,890)	(4,765,448)
- Trade Receivables	(197,054,967)	190,971,476
- Short Term Loans and Advances	(14,640,107)	(5,544,089)
- Long Term Provisions	(494,024)	(2,327,453)
- Trade Payables	414,402,785	(238,430,320)
- Other Current Liabilities	7,241,060	(2,286,597)
- Short Term Provisions	660,184	303,006
<b>Cash generated / (used) from operations</b>	<u>204,175,854</u>	<u>10,773,116</u>
Direct Tax paid / Refunds received (including interest)	<u>(1,062,789)</u>	<u>(2,670,124)</u>
<b>Net Cash from / (used in) Operating activities</b>	<b>(A) <u>203,113,065</u></b>	<b>(A) <u>8,102,992</u></b>
<b>(B) Cash Flow From Investing Activities :</b>		
Addition to Fixed Assets / Capital WIP	(11,406,251)	(5,509,972)
Sale of Fixed Assets	220,000	80,000
Payment towards Purchase of Shares	(14,385,600)	
Interest received	6,056,457	7,320,666
Fixed Deposits (Made) / Matured	(23,235,001)	4,630,622
<b>Net Cash Flow from / (used in) Investing activities</b>	<b>(B) <u>(42,750,395)</u></b>	<b>(B) <u>6,521,316</u></b>

**Consolidated Cash Flow Statement annexed to the Balance Sheet as at 31st March, 2014 and Statement of Profit & Loss for the year ended on that date**

Particulars	2013-14 (₹)	2012-13 (₹)
<b>(C) Cash Flow from Financing Activities :</b>		
Proceeds / (Repayment) of Long Term Borrowing	2,48,822	(2,02,30,850)
Proceeds / (Repayment) of Short Term Borrowing	(6,63,21,731)	10,74,41,181
Finance Cost	(9,38,90,214)	(9,45,97,391)
Net Cash used in Finance Activity	(C) (15,99,63,123)	(C) (73,87,060)
Net Increase in Cash & Cash Equivalents	(A + B + C) 3,99,547	(A + B + C) 72,37,248
Cash & Cash Equivalents (Opening)	1,52,70,147	80,32,899
Cash & Cash equivalents (Closing)	1,56,69,694	1,52,70,147

**Notes:**

1. Components of Cash and Cash Equivalents

Cash on Hand	10,64,964	13,47,861
Balances with Bank		
In Current Accounts	1,44,77,893	1,37,62,934
Unpaid Dividend Account	1,26,837	1,59,352
	<u>1,56,69,694</u>	<u>1,52,70,147</u>

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**Abhay Bhutoria**  
Managing Director**S. S. Jain**  
Chairman**R. Bhutoria**  
Vice Chairman &  
Whole Time Director2 India Exchange Place  
Kolkata - 700 001  
Date : 30th May, 2014**J. Biswas**  
Company Secretary

**1 Significant Accounting Policies on Consolidated Accounts**

**A. Principles of Consolidation**

The consolidated financial statements relate to RTS Power Corporation Ltd. ('the Company') and its subsidiary company. The consolidated financial statements have been prepared on the following basis :

- a. The financial statements of the Company and its subsidiary company are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 - "Consolidated Financial Statements.
- b. In case of foreign subsidiary, being integral foreign operations, revenue items and all items of assets & liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the 'Exchange Fluctuation Reserve'.
- c. The financial statements of subsidiary are drawn upto the same reporting date as that of the Company.
- d. Entities acquired during the year have been consolidated from the respective dates of their acquisition.
- e. As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
- f. The subsidiary company considered in the consolidated financial statements is:

Name of Subsidiary	Country of Incorporation	Proportion of Ownership Interest
Blue Nile Projects Ltd.	Hong Kong	100%

**B. Investments**

Investments other than in subsidiary has been accounted as per Accounting Standard (AS) 13 - on Accounting for Investments".

- C. The Company did not have any investments in wholly owned subsidiary during the previous year and therefore there was no requirement for preparation of Consolidated Financial Statements. Figures for the previous year are, hence, based on Standalone Financial Statements

**D. Other Significant Accounting Policies**

These are set out under "Significant Accounting Policies" as given in the company's separate financial statements.





**Notes to Consolidated Financial Statement for the year ended 31st March, 2014**

Particulars	Figure as at 31st March, 2014 (₹)	Figure as at 31st March, 2013 (₹)
<b>3 RESERVES AND SURPLUS</b>		
<b>(a) Securities Premium Account</b>		
Balance as per last Account	254,285,500	254,285,500
	<b>254,285,500</b>	<b>254,285,500</b>
<b>(b) Share Forfeited Reserve</b>		
Balance as per last Account	15,500	15,500
	<b>15,500</b>	<b>15,500</b>
<b>(c) Rajasthan State Investment Subsidy Reserve</b>		
Balance as per last Account	521,505	521,505
	<b>521,505</b>	<b>521,505</b>
<b>(d) Generator Subsidy Reserve</b>		
Balance as per last Account	61,000	61,000
	<b>61,000</b>	<b>61,000</b>
<b>(e) Foreign Exchange Fluctuation Reserve</b>		
Balance as per last Account	-	-
Add: During the year	(354,845)	-
	<b>(354,845)</b>	<b>-</b>
<b>(f) General Reserve</b>		
Balance as per last Account	9,589,264	9,589,264
	<b>9,589,264</b>	<b>9,589,264</b>
<b>(g) Surplus, i.e., Balance in the Statement of Profit &amp; Loss</b>		
Balance as per last Account	92,468,209	113,438,136
Add: Transfer from Statement of Profit & Loss	764,530	(20,969,927)
	<b>93,232,739</b>	<b>92,468,209</b>
Total (a to f)	<b>357,350,663</b>	<b>356,940,978</b>
<b>Particulars</b>	<b>As at 31st March, 2014 (₹)</b>	<b>As at 31st March, 2013 (₹)</b>
<b>4 LONG TERM BORROWINGS</b>		
<b>Secured</b>		
<b>(a) Term Loan</b>		
From Banks		
- State Bank of Bikaner & Jaipur, Kolkata (Security margin has been estimated considering the all existing as well as proposed fixed assets of the company and personal guarantee by two Directors.)	<b>2,484,000</b>	-
- 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 and personal guarantee of two Directors.)	<b>9,448,532</b>	12,941,668
	<b>11,932,532</b>	<b>12,941,668</b>

**Notes to Consolidated Financial Statement for the year ended 31st March, 2014**

**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 (₹)
<b>Term Loan</b>			
From Bank			
- State Bank of Bikaner & Jaipur, Kolkata	27 Months	27 Monthly*	4,488,000
Rate of Interest - Base Rate plus 2.85% i.e. 13% p.a as on 31.03.2014	-	-	-
- ICICI Bank Ltd. V.K.I.Area Jaipur	-	-	-
Rate of Interest - 3% below PLR	(3 Months)	(1 Quarterly)	(65,667)
- Bank of Baroda, Johari Bazar, Jaipur	48 Months	(16 Quarterly)	13,171,213
Rate of Interest : Base Rate + 3.50% i.e.13% as at 31.03.2014	(60 Months)	(20 Quarterly)	(16,513,668)
From Others			
- L&T Finance Limited	-	-	-
Rate of Interest - 12.50% p.a	(5)	(5 Monthly)	(879,468)
* Term loan of ₹ 100 lacs has been sanctioned by the bank, out of which ₹ 44.88 lacs is availed by the unit as at 31/03/2014. Consequently the repayment structure disclosed above has been restricted to ₹ 44.88 lacs.			

B Aggregate amount of loans guaranteed by Directors	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
<b>Term Loan</b>		
From Banks	17,659,213	16,579,335
From Others	-	879,468

**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, 2014 are as under :

Particulars	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
<b>(a) Deferred Tax Liability</b>		
In respect of Depreciation charged in books as per Companies Act, 1956 and tax depreciation allowable as per Income Tax Act, 1961.		
- Opening Balance	17,769,000	19,381,000
- Charged / (Credited) to Statement of Profit & Loss	(1,979,000)	(1,612,000)
- Closing balance	15,790,000	17,769,000

**Notes to Consolidated Financial Statement for the year ended 31st March, 2014**

Particulars	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
<b>(b) Deferred Tax Asset</b>		
Provision for Gratuity		
- Opening Balance	1,906,000	2,484,000
- Charged / (Credited) to Statement of Profit & Loss	35,000	578,000
- Closing balance	1,871,000	1,906,000
Disallowance of Leave Pay Provision under section 43B of Income Tax Act, 1961		
- Opening Balance	215,000	196,000
- Charged / (Credited) to Statement of Profit & Loss	(91,000)	(19,000)
- Closing balance	306,000	215,000
Unabsorbed Loss / Depreciation		
- Opening Balance	8,740,000	-
- Charged / (Credited) to Statement of Profit & Loss	2,044,000	(8,740,000)
- Closing balance	6,696,000	8,740,000
<b>Deferred Tax Liability (Net of DTA)</b>	<b>6,917,000</b>	<b>6,908,000</b>
Deferred Tax Assets and Liabilities are being off set as they relate to taxes on income levied by the same governing taxation laws.		
<b>6 LONG TERM PROVISIONS</b>		
Provision for Employee Benefits - Gratuity	3,684,134	4,178,158
	<b>3,684,134</b>	<b>4,178,158</b>
<b>7 SHORT TERM BORROWINGS</b>		
<b>Secured</b>		
<b>(a) Loans Repayable on Demand</b>		
From Banks		
- Cash Credit with State Bank of Bikaner & Jaipur, Kolkata (Rate of Interest @ 12.50% p.a.)	19,541,044	31,068,480
(The above loan is secured against hypothecation of Raw Material, Finished Goods, Stores & Spares, Book Debts, Other Current Assets and personal guarantee by two Directors.)		
- Cash Credit with Canara Bank. Agra (Rate of Interest @ 14.75% p.a.)	2,800,301	4,389,563
(The above loan is secured against hypothecation of Raw Material, Stores & Spares, Book Debts, Other Current Assets and Personal guarantee of two Directors.)		
- Cash Credit with ICICI Bank Ltd. Jaipur (Rate of Interest @ 13.75% p.a.)	30,559,032	13,371,254
(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 and personal guarantee of two Directors. )		

**Notes to Consolidated Financial Statement for the year ended 31st March, 2014**

Particulars	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
<b>7 SHORT TERM BORROWINGS (Contd.)</b>		
- Cash Credit with Bank Of Baroda , Jaipur (Rate of Interest @ 13.75% p.a.) (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 and personal guarantee of two Directors . )	91,244,173	92,852,031
- Cash Credit with Oriental Bank of Commerce, Jaipur (Rate of Interest @ 13.75% p.a.) (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 and personal guarantee of two Directors. )	32,384,835	37,982,779
- Bill Discounting A/c from Bank of Baroda Johari Bazar, Jaipur (Rate of Interest @ 14.25% p.a.) (The above loan is secured against hypothecation of Raw Material, Finished Goods, Stores & Spares, Book Debts, Other Current Assets)	8,060,924	16,275,646
- Working Capital Demand Loan From Bank of Baroda Jaipur (Rate of Interest @ 14.25% p.a.)	23,878,944	65,325,157
- Working Capital Demand Loan From ICICI Bank Ltd. Jaipur (Rate of Interest @ 14.25% p.a.) (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.)	2,923,266	17,389,204
<b>Unsecured</b>		
(b) Loans and Advances from Related Parties	154,411,159	137,320,261
(c) Loans and Advances from Others	26,943,741	43,094,775
	<u>392,747,419</u>	<u>459,069,150</u>
<b>Note :</b>		
<b>Aggregate amount of loans guaranteed by Directors</b>		
Loan Repayable on Demand	203,331,595	272,573,876
	<u>203,331,595</u>	<u>272,573,876</u>
<b>8 TRADE PAYABLES</b>		
(a) For Goods and Services	81,40,07,848	39,96,05,063
	<u>81,40,07,848</u>	<u>39,96,05,063</u>

**Notes to Consolidated Financial Statement for the year ended 31st March, 2014**

Particulars	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
<b>9 OTHER CURRENT LIABILITIES</b>		
(a) Current Maturities of Long Term Debt	5,726,681	4,517,135
(b) Interest accrued but not due on borrowings	-	6,415
(c) Interest Accrued and Due on Borrowings	54,827	-
(d) Unpaid Dividend	126,837	159,352
(e) Other Payables		
- Statutory Dues	20,527,255	18,409,646
- Due to Employees	698,555	1,746,576
- Trade Deposits & Advances from Customers	11,698,236	5,494,249
- Security Deposit	585,000	585,000
	39,417,391	30,918,373
<b>10 SHORT TERM PROVISIONS</b>		
(a) Provision for Employee Benefits		
- Gratuity	1,820,034	1,429,293
- Leave Encashment	900,808	631,365
	2,720,842	2,060,658

Notes to Consolidated Financial Statement for the year ended 31st March, 2014

Description	Gross Block		Depreciation For the year	Total	Net Block	
	As at 1st April 2013	Addition During the year			As at 31st March 2014	As at 31st March 2014
<b>11 FIXED ASSETS</b>						
<b>TANGIBLE ASSETS</b>						
(a) Land	24,326,505	-	-	24,326,505	24,326,505	
- Freehold Land	4,861,177	-	-	4,861,177	4,861,177	
(b) Building						
Owned	50,913,796	-	3,210,245	54,124,041	54,124,041	
- Factory Building	22,338,601	-	5,78,145	23,116,746	23,116,746	
- Time Share Building	48,400	-	-	48,400	48,400	
(c) Plant & Equipment						
Owned	79,314,177	1,374,623	3,529,823	84,218,623	84,218,623	
- Main Plant & Machinery	2,688,061	-	2,468,967	5,157,028	5,157,028	
- Oil Storing Tank	90,688,040	-	34,049	90,722,089	90,722,089	
- Wind Turbine Generator	7,624,594	9,817	5,282,172	12,912,239	12,912,239	
- Handling Equipments	484,978	9,817	281,713	766,692	766,692	
- Research & Development Equipments	1,35,853	-	10,510	1,46,363	1,46,363	
- Auxiliary Machinery	2,586,957	-	10,360	2,597,317	2,597,317	
- Generator	1,135,853	-	50,304	1,186,157	1,186,157	
- Furniture & Fixture	2,586,957	-	50,304	2,637,261	2,637,261	
(d) (Owned)						
(e) Vehicles	4,392,819	1,041,090	106,384	5,434,525	5,434,525	
- Motor Car	2,300,564	-	366,409	2,666,973	2,666,973	
- Assets Under Finance Lease	2,092,255	1,041,090	-	3,133,345	3,133,345	
(f) Office Equipment						
Owned	3,173,169	110,450	289,883	3,573,742	3,573,742	
- Computer	1,085,879	-	109,453	1,195,332	1,195,332	
- General Office Equipment	1,085,879	-	60,701	1,146,580	1,146,580	
- Fax Machine	1,08,507	-	1,360	1,09,867	1,09,867	
- Type Writer	14,230	-	21	14,251	14,251	
(g) Others						
Owned	608,896	-	12,107	621,003	621,003	
- Tube Well	18,790	-	835	19,625	19,625	
- Television	1,656,913	45,000	112,272	2,454,185	2,454,185	
- Air Conditioner	150,181	-	10,104	160,285	160,285	
- Fire Extinguisher	4,366,293	-	178,912	4,545,205	4,545,205	
- Electric Installation	66,680	-	4,203	70,883	70,883	
- Water Cooler	29,500	-	3,823	33,323	33,323	
- Water Purifier	766,411	26,500	8,952	801,863	801,863	
- Refrigerator	139,302	272,870	41,396	413,568	413,568	
- Cess Crout Television	70,150	-	41,292	111,442	111,442	
- EPBX System	308,032,204	2,880,350	14,809,253	315,721,807	315,721,807	
Total	297,639,871	9,517,863	15,716,720	322,874,454	322,874,454	
Figure as at 31.03.2013						

**Notes to Consolidated Financial Statement for the year ended 31st March, 2014**

	As At 31st March, 2014			As At 31st March, 2013	
	Face Value	Qty (Nos.)	Amount (₹)	Qty (Nos.)	Amount (₹)
<b>12 NON-CURRENT INVESTMENTS - LONG TERM</b>					
<b>NON-TRADE - UN QUOTED - AT COST</b>					
<b>Investment in Equity Instruments</b>					
Fully Paid up Equity Shares					
- Bhutoria Agrotech Limited	₹10	35,000	350,000	35,000	350,000
	(a)	<u>35,000</u>	<u>350,000</u>	<u>35,000</u>	<u>350,000</u>
Investment in Government Securities					
- National Savings Certificate			21,500		21,500
(Lodged with Sales Tax Department)	(b)		<u>21,500</u>		<u>21,500</u>
Total (a+b)			<u>371,500</u>		<u>371,500</u>

Particulars	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
<b>13 LONG TERM LOANS AND ADVANCES</b>		
(Unsecured Considered Good)		
Security Deposits	9,364,882	13,358,403
Advance Income Tax (Net of Provision)	<u>782,789</u>	<u>2,670,124</u>
	<u>10,147,671</u>	<u>16,028,527</u>
<b>14 OTHER NON-CURRENT ASSETS</b>		
<b>Other Bank Balance</b>		
Fixed Deposit with Bank (with original maturity of more than 12 months)	17,681,377	12,249,912
(Receipt lodged with Bank as security against Bank Guarantee & Letter of Credit facilities availed)		
Interest Accrued on Fixed Deposit	198,265	9,654
Payment for purchase of shares in Abay Energy Private Limited Company (pending transfer)	14,385,600	-
	<u>32,265,242</u>	<u>12,259,566</u>



**Notes to Consolidated Financial Statement for the year ended 31st March, 2014****15 INVENTORIES**

(As taken, valued and certified by the Management)

(Valued at lower of Cost and Net Realizable Value)

(a) Raw Material		
- In Stock	87,691,050	76,969,368
- Goods in Transit	3,779,914	1,271,325
(b) Work in Progress	285,750,626	165,725,414
(c) Finished Goods	91,767,293	111,542,352
(d) Stores and Spares	14,046,104	15,064,738
(e) Scrap (Valued at Net Realizable Value)	1,512,780	1,028,680
	<b>484,547,767</b>	<b>371,601,877</b>

**16 TRADE RECEIVABLES****(Unsecured Considered Good)**

(a) Receivables outstanding for a period exceeding six months from the due date of payment	<b>370,361,302</b>	439,297,388
(b) Other Trade Receivables	<b>502,707,414</b>	236,716,361
	<b>873,068,716</b>	<b>676,013,749</b>

**17 CASH AND BANK BALANCES****(a) Cash and Cash Equivalents :**

- Balances with Banks in Current Account	<b>14,477,893</b>	13,762,934
- Cash on Hand (As certified by the Management)	<b>1,064,964</b>	1,347,861
- Fixed Deposits with Bank (Original Maturity within 3 months)	<b>10,175,845</b>	7,585,926
(Receipts lodged with Bank as security against Bank Guarantees & Letter of Credit facilities availed)		
- Interest accrued on Fixed Deposit	<b>704</b>	-

(a) **25,719,406** 22,696,721**(b) Other Bank Balances**

- Earmarked Balance in Dividend Account	<b>126,837</b>	159,352
- Fixed Deposit	<b>46,865,635</b>	32,150,116
(Receipts lodged with Bank as security against Bank Guarantees & Letter of Credit facilities availed)		
- Interest Accrued on Fixed Deposit	122,849	40,084

(b) **47,115,321** 32,349,552Total (a+b) **72,834,727** 55,046,273**Note**

Fixed Deposits having original maturity of more than 12 months	<b>262,700</b>	200,649
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**Notes to Consolidated Financial Statement for the year ended 31st March, 2014**

**18 SHORT TERM LOANS AND ADVANCES**

**(Unsecured Considered Good)**

(a) Advances recoverable in cash or in kind or for value to be received	<b>12,206,540</b>	6,698,349
(b) Earnest Money Deposits	<b>12,293,513</b>	13,983,207
(c) Advance Income Tax / Tax deducted at Source (Net of Provision)	<b>8,196,045</b>	5,525,921
(d) Advance Fringe Benefit Tax (Net of Provision)	<b>16,005</b>	16,005
(e) Balance with Tax Authorities (Excise, Sales Tax, etc)	<b>58,992,103</b>	48,170,493
	<b><u>91,704,206</u></b>	<u>74,393,975</u>

**19 OTHER CURRENT ASSETS**

(a) Fixed Deposits matured (including accrued interest)	498,098	-
	<b><u>498,098</u></b>	<u>-</u>

## Notes to Consolidated Financial Statement for the year ended 31st March, 2014

Particulars	Year ended 31st March, 2014 (₹)	Year ended 31st March, 2013 (₹)
<b>20 REVENUE FROM OPERATIONS</b>		
(a) Sale of Products		
- Transformers	995,464,877	770,565,162
- Cables & Conductors	398,660,968	203,629,746
- Wind Energy	11,455,957	12,414,608
- Others	127,703,581	85,574,898
	<u>1,533,285,383</u>	<u>1,072,184,414</u>
(b) Sale of Traded Goods	<u>17,715,249</u>	<u>3,779,050</u>
	<u>17,715,249</u>	<u>3,779,050</u>
(c) Revenue from Works Contract	<u>3,401,688</u>	<u>36,527,636</u>
	<u>3,401,688</u>	<u>36,527,636</u>
(d) Other Operating Revenues		
- Labour Charges	535,520	4,250,702
- Freight and Insurance Charges	28,408,073	20,758,080
- Scrap Sales	-	3,142,527
	<u>28,943,593</u>	<u>28,151,309</u>
(e) Less : Excise Duty		
- On Sale of Products	162,767,894	116,096,728
- On Revenue from Works Contract	342,475	3,308,597
- On Other Operating Revenues	-	-
	<u>163,110,369</u>	<u>119,405,325</u>
<b>20A OTHER INCOME</b>		
(a) Interest Income	6,328,537	6,386,868
(b) Miscellaneous Income	<u>2,455,255</u>	<u>1,664,633</u>
	<u>8,783,792</u>	<u>8,051,501</u>
<b>21 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS &amp; SCRAP MATERIALS</b>		
(a) <b>Finished Goods</b>		
Opening Stock	111,542,352	93,187,322
Less : Closing Stock	<u>91,767,293</u>	<u>111,542,352</u>
	<u>19,775,059</u>	<u>(18,355,030)</u>
Less: Excise Duty on Stock of Finished Goods (Net)	<u>(3,698,242)</u>	<u>2,100,685</u>
	<u>16,076,817</u>	<u>(16,254,345)</u>
(b) <b>Work In Progress</b>		
Opening Stock	165,725,414	129,079,494
Less: Closing Stock	<u>285,750,626</u>	<u>165,725,414</u>
	<u>(120,025,212)</u>	<u>(36,645,920)</u>
(c) <b>Scrap &amp; Replaced materials</b>		
Opening Stock	1,028,680	2,473,628
Less: Closing Stock	<u>1,512,780</u>	<u>1,028,680</u>
	<u>(484,100)</u>	<u>1,444,948</u>
Net (Increase)/ Decrease [a+b+c]	<u>(104,432,495)</u>	<u>(51,455,317)</u>

**Notes to Consolidated Financial Statement for the year ended 31st March, 2014**

Particulars	Year ended	Year ended
	31st March, 2014	31st March, 2013
	(₹)	(₹)
<b>22 EMPLOYEE BENEFIT EXPENSE</b>		
(a) Salaries, Wages, Bonus & Gratuity	16,645,390	20,542,142
(b) Contribution to Provident and Other Funds	1,186,984	1,186,083
(c) Staff Welfare expenses	398,620	300,209
	<u>18,230,994</u>	<u>22,028,434</u>
<b>23 FINANCE COSTS</b>		
(a) Interest Expense	85,198,887	84,587,282
(b) Other Borrowing Costs	8,691,327	10,010,109
	<u>93,890,214</u>	<u>94,597,391</u>
<b>24 OTHER EXPENSES</b>		
(a) Consumption of Stores and Spare Parts	77,205,521	56,539,658
(b) Packing Material Consumed	12,434,503	6,181,877
(c) Power & Fuel	10,829,256	9,410,975
(d) Rent	482,424	542,841
(e) Repairs		
- To Plant & Machinery	3,821,315	3,282,389
- To Repairs to Buildings	666,938	789,132
- To Others	859,462	688,368
(f) Insurance	1,429,675	1,148,551
(g) Rates and Taxes (excluding Taxes on Income.)	285,113	155,576
(h) Auditors Remuneration (Excluding Service Tax) (Including Branch Auditors)		
Statutory Auditor		
- As Auditors	150,000	150,000
- For Tax Audit	25,000	25,000
- For Certification Fees / Limited Review	127,600	104,850
- For Company Law Matters	16,000	89,600
- For Taxation Matter	15,000	
Branch Auditors		
- As Auditors	105,000	95,000
- For Taxation Matters	30,000	30,000
Subsidiary Auditors		
- As Auditors	35,964	-
(i) Carriage Inward	7,967,304	6,559,381
(j) Carriage Outward	31,258,571	19,459,119
(k) Commission	4,452,935	2,197,862
(l) Import Expenses	960,524	-
(m) Job & Fabrication Charges	32,253,856	24,449,770
(n) Legal & Professional Fees	2,527,331	2,012,065
(o) Net Loss in Foreign Exchange Fluctuation	614,428	805,455
(p) Penalty for Delayed Supply	2,201,267	390,615
(q) Prior Period Adjustments	277,942	820,846
(r) Sales / Business Promotion	2,621,159	999,667
(s) Testing Fees	7,355,939	3,771,383
(t) Transformer Repairs & Maintenance	968,825	1,104,672
(u) Travelling & Conveyance	4,170,638	3,221,923
(v) Vehicle Expenses	885,706	1,083,928
(w) Miscellaneous Expenses	14,112,765	15,764,748
	<u>221,147,961</u>	<u>161,875,251</u>

**Notes to Consolidated Financial Statement for the year ended 31st March, 2014**

Particulars	Year ended 31st March, 2014 (₹)	Year ended 31st March, 2013 (₹)
<b>25 EARNINGS PER SHARE</b>		
Net Profit/(Loss) attributable to Equity Shareholders (₹)	764,530	(20,969,927)
Weighted average number of Equity Share in issue (Nos)	8,168,500	8,168,500
Earnings per Equity Share of ₹ 10/-each (₹)		
Basic	0.09	(2.57)
Diluted	0.09	(2.57)
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.		
<b>26 VALUE OF IMPORTS CALCULATED ON CIF BASIS</b>		
Raw Materials	4,630,980	7,485,359
	4,630,980	7,485,359
<b>27 FOB VALUE OF EXPORTS (in ₹)</b>	17,715,249	3,913,882
	17,715,249	3,913,882
<b>28 EXPENDITURE IN FOREIGN CURRENCY</b>		
(a) Foreign Travelling	659,590	53,250
(b) Interest Expense	-	1,646
(c) Foreign Exchange Fluctuation (On settlement of dues)	-	169,047
	659,590	223,943
Particulars	Amount (₹)	% of Total Consumption
<b>29 DETAILS OF CONSUMPTION OF INDIGENOUS &amp; IMPORTED RAW MATERIALS, STORES AND SPARES</b>		
(a) <b>Raw Materials</b>		
Imported	4,630,980	0.39
	(7,485,359)	(0.92)
Indigenous	1,179,197,108	99.61
	(808,084,287)	(99.08)
	1,183,828,088	100.00
	(815,569,646)	(100.00)
(b) <b>Stores &amp; Spare Parts consumed during the financial year is 100% (P.Y. 100%) indigenous.</b>		

**Notes to Consolidated Financial Statement for the year ended 31st March, 2014**

Particulars	(Figures in ₹)	
	2013-14	2012-13
<b>30 DETAILS OF SALE, CLOSING STOCK &amp; OPENING</b>		
<b>(a) STOCK OF FINISHED GOODS</b>		
<b>Manufactured Goods</b>		
Transformers	995,464,877	770,565,162
Wind Energy	11,455,957	12,414,608
Cable Conductor	398,660,968	203,629,746
Others	127,703,581	85,574,898
<b>Total</b>	<b>1,533,285,383</b>	<b>1,072,184,414</b>
	<b>Closing Inventory</b>	
<b>Manufactured Goods</b>		
Transformers	85,559,663	88,109,633
Cable Conductor	6,207,630	23,432,719
<b>Total</b>	<b>91,767,293</b>	<b>111,542,352</b>
	<b>Opening Inventory</b>	
<b>Manufactured Goods</b>		
Transformers	88,109,633	71,071,178
Cable Conductor	23,432,719	22,116,144
<b>Total</b>	<b>111,542,352</b>	<b>93,187,322</b>

Particulars	(Amount in ₹)	
	2013-14	2012-13
<b>(b) DETAILS OF RAW MATERIALS CONSUMED</b>		
<b>Aluminium Conductor</b>	<b>413,091,520</b>	<b>265,976,322</b>
Copper Conductor	232,209,235	159,744,149
Lamination	159,248,024	108,939,252
Transformer Oil	143,844,868	114,832,392
Tank Materials	119,198,192	80,912,494
Semi Finished - Aluminium, Copper, Lamination and Tank Material	116,236,249	85,165,037
<b>Total</b>	<b>1,183,828,088</b>	<b>815,569,646</b>

Particulars	(Amount in ₹)	
	2013-14	2012-13
<b>(c) DETAILS OF CLOSING STOCK OF WORK-IN-PROGRESS</b>		
Core Coil Assembly ( 05KVA TO 750 KVA )	22,151,331	13,871,524
Core Coil Assembly ( 3150 KVA TO 12500 KVA )	28,865,201	9,685,485
Core Assembly ( 10KVA TO 750 KVA )	15,472,438	4,119,782
Coil Assembly ( 3150 KVA TO 12500 KVA )	10,944,476	7,388,442
H.T.Coil ( 10 KVA TO 1000 KVA )	6,471,729	3,035,798
H.T.Coil ( 3150 KVA TO 12500 KVA )	5,158,636	3,559,852

**Notes to Consolidated Financial Statement for the year ended 31st March, 2014**

Particulars	(Amount in ₹)	
	2013-14	2012-13
<b>(c) DETAILS OF CLOSING STOCK OF WORK-IN-PROGRESS</b>		
L.T.Coil ( 10 KVA TO 750 KVA )	3,356,796	1,721,888
M.S.Tank ( 3150 KVA TO 12500 KVA )	1,753,592	2,835,601
M.S.Tank ( 10 KVA TO 500 KVA )	10,076,887	2,408,659
Transformer Under Process (10 KVA TO 500 KVA )	67,276,296	67,322,509
Transformer Under Process (3150 KVA TO 12500 KVA )	13,040,000	3,420,000
L.T.Coil (3150 KVA TO12500 KVA )	4,495,149	4,794,461
Repair Transformer Under Process (3150 KVA TO12500 KVA)	2,000,000	3,650,000
Replaced Material	93,173,731	36,396,956
Others ( Damadged Conductors)	1,514,364	1,514,457
<b>Total</b>	<b>285,750,626</b>	<b>165,725,414</b>

Particulars	Outstanding Balance as on 31st March, 2014	Maximum Balance Outstanding during the year
<b>31 Disclosure of Loans/ Advances and investments in its own shares by listed companies, their subsidiaries, associates, etc. (as certified by the management)</b>		
i. Loans and Advances in the nature of loans to subsidiaries	NIL	NIL
ii. Loans and Advances in the nature of loans to associates.	NIL	NIL
iii. Loans and 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
	<b>No. of Shares</b>	<b>Amount (₹)</b>
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

**Notes to Consolidated Financial Statement for the year ended 31st March, 2014**

Particulars	Year Ended 3/31/2014	Year Ended 3/31/2013
<b>32 Contingent Liabilities</b>		
Contingent Liability not provided for in respect of:		
(a) WBVAT	25,100,009	-
(b) CST	3,496,723	-
(c) Entry Tax	8,550,596	5,084,665
(d) UP Sales Tax	5,133,120	5,133,120
(e) Rajasthan VAT	8,884,848	8,794,392
(f) Income Tax	2,430,439	2,079,274
	<b>53,595,735</b>	<b>21,091,451</b>

Particulars	As at 31st March, 2014 (₹)	As at 31st March, 2013 (₹)
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<b>33 Disclosure of the amounts due to the The Micro and Small Enterprises (On the basis of the information &amp; records available with the Management).</b>		
(i) The principal amount and the interest due thereon remaining unpaid to any Micro/Small supplier		
*Principal amount	2,336,737	858,462
*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.	-	-
<b>34. Previous years figures have been re-grouped / re-arranged wherever considered necessary to conform to current year presentation.</b>		



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**Notes to Consolidated Financial Statement for the year ended 31st March, 2014****35 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.**

- ABAY Energy Private Limited Company
- Abhay Transformers Pvt Ltd
- Bhutoria Agrotech Limited
- Bhutoria Brothers Limited
- Bhutoria Investments (P) Limited
- Bhutoria Properties
- Bhutoria Transformers & Rectifiers (P) Ltd.
- BLB Cables & Conductors (P) Ltd.
- Howrah Warehouse (P) Ltd.
- Kalinga Petrochemicals (P) Ltd.
- Ladnun Agricultural Farms (P) Ltd.
- Rajasthan Transformers & Switchgears (P) Ltd.

## Notes to Consolidated Financial Statement for the year ended 31st March, 2014

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

Nature of Transaction	Key Management Personnel			Relatives Of Key Management Personnel			Enterprises Where Key Management Personnel Have Significant Influence	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
(a) Interest Expenses								
- Abhay Bhutoria	86,354	22,685	-	-	-	-	-	-
- Abhay Transformers Pvt Ltd	-	-	-	-	1,942,490	-	1,134,062	-
- Bhutoria Agrotech Ltd.	-	-	-	-	222,082	-	206,608	-
- Bhutoria Brothers Ltd.	-	-	-	-	4,652,256	-	4,203,843	-
- Bhutoria Investments Pvt Ltd.	-	-	-	-	597,608	-	566,205	-
- Bhutoria Transformers & Rectifiers Pvt.Ltd.	-	-	-	-	396,084	-	394,981	-
- BLB Cables & Conductors (P) Ltd.	-	-	-	-	1,095,168	-	1,279,382	-
- Howrah Warehouse (P) Ltd	-	-	-	-	106,065	-	-	-
- Kalinga Petrochemicals (P) Ltd.	-	-	-	-	989,813	-	890,640	-
- Ladnun Agricultural Farms (P) Ltd.	-	-	-	-	333,973	-	-	-
- Rajasthan Transformers & Switchgears (P) Ltd.	-	-	-	-	3,813,475	-	4,320,443	-
<b>Total (a)</b>	<b>86,354</b>	<b>22,685</b>	<b>-</b>	<b>-</b>	<b>14,149,014</b>	<b>-</b>	<b>12,996,164</b>	<b>-</b>
(b) Rent								
- Bhutoria Properties	-	-	-	-	2,424	-	2,424	-
- Bhutoria Transformers & Rectifiers Pvt.Ltd.	-	-	-	-	360,000	-	300,000	-
- Bhutoria Brothers Ltd.	-	-	-	-	120,000	-	240,417	-
<b>Total (b)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>482,424</b>	<b>-</b>	<b>542,841</b>	<b>-</b>

Notes to Consolidated Financial Statement for the year ended 31st March, 2014

(c)	<b>Power Consumption</b>								
	- Bhutoria Brothers Ltd.								185,662
	<b>Total (c)</b>								<b>185,662</b>
(d)	<b>Salary &amp; Perks</b>								
	- Abhay Bhutoria	1,242,600	-	-	-	-	-	-	-
	- Rajendra Bhutoria	806,400	-	-	-	-	-	-	-
	- Sharad Bhutoria	-	552,600	552,600	552,600	-	-	-	-
	<b>Total (d)</b>	<b>2,049,000</b>	<b>1,954,200</b>	<b>552,600</b>	<b>552,600</b>				
(e)	<b>Purchases</b>								
	Raw Materials								
	- Abhay Transformers Pvt Ltd	-	-	-	-	-	-	-	2,377,200
	Semi-Finished Goods								
	- Abhay Transformers Pvt Ltd	-	-	-	-	-	-	-	4,938,405
	<b>Total (e)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,315,605</b>
(f)	<b>Sales</b>								
	Traded Goods								
	-ABAY Energy Private Limited Company								17,715,249
	<b>Total (f)</b>								<b>17,715,249</b>
(g)	<b>Short Term Borrowings</b>								

**Notes to Consolidated Financial Statement for the year ended 31st March, 2014**

(i) Taken During The Year							
- Abhay Bhutoria	129,584	2,420,416	-	-	-	-	-
- Abhay Transformers Pvt Ltd	-	-	-	-	14,600,000	-	11,386,454
- Bhutoria Agrotech Ltd	-	-	-	-	-	-	206,608
- Bhutoria Brothers Ltd.	-	-	-	-	7,425,853	-	20,257,340
- Bhutoria Investments Pvt Ltd	-	-	-	-	100,000	-	3,616,204
- Bhutoria Transformers & Rectifiers Pvt.Ltd	-	-	-	-	960,000	-	7,959,981
- BLB Cables & Conductors (P) Ltd.	-	-	-	-	5,498,556	-	1,279,380
- Howrah Warehouse Pvt Ltd	-	-	-	-	150,000	-	122,605
- Kalinga Petrochemicals (P) Ltd.	-	-	-	-	963,424	-	1,365,640
- Lادنun Agricultural Farms (P) Ltd	-	-	-	-	450,000	-	1,258,837
- Rajashan Transformers & Switchgears (P) Ltd.	-	-	-	-	22,576,601	-	11,643,469
<b>Total (g) (i)</b>	<b>129,584</b>	<b>2,420,416</b>	<b>-</b>	<b>-</b>	<b>52,724,434</b>	<b>-</b>	<b>59,096,518</b>
(ii) Repaid During The Year							
-Abhay Bhutoria	2,550,000	-	-	-	-	-	-
- Bhutoria Brothers Ltd.	-	-	-	-	10,012,265	-	5,420,364
- BLB Cables & Conductors (P) Ltd.	-	-	-	-	1,525,000	-	9,482,671
- Abhay Transformers Pvt Ltd	-	-	-	-	7,700,656	-	4,820,000
- Rajashan Transformers & Switchgears (P) Ltd.	-	-	-	-	22,400,000	-	17,415,000
- Kalinga Petrochemicals (P) Ltd.	-	-	-	-	490,000	-	132,048
- Howrah Warehouse Pvt Ltd	-	-	-	-	385,344	-	550,000
- Bhutoria Agrotech Ltd	-	-	-	-	20,947	-	31,980
- Bhutoria Investments Pvt Ltd	-	-	-	-	389,584	-	223,563
- Bhutoria Transformers & Rectifiers Pvt.Ltd	-	-	-	-	7,835,483	-	2,530,015
- Lادنun Agricultural Farms (P) Ltd	-	-	-	-	187,953	-	-
<b>Total (g) (ii)</b>	<b>2,550,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50,947,232</b>	<b>-</b>	<b>40,605,661</b>

Notes to Consolidated Financial Statement for the year ended 31st March, 2014

(iii) Balance as at year end (Cr.) (Including Interest Accrued on Borrowings) <sup>a</sup>					
- Abhay Bhutoria	-	2,420,416	-	-	-
- Abhay Transformers Pvt Ltd	-	-	-	18,948,241	10,300,656
- Bhutoria Agrotech Ltd	-	-	-	2,414,874	2,235,947
-Bhutoria Brothers Ltd.	-	-	-	54,184,077	52,583,459
- Bhutoria Investments Pvt Ltd	-	-	-	6,307,847	6,059,584
- Bhutoria Transformers & Rectifiers Pvt.Ltd	-	-	-	776,476	7,295,483
-BLB Cables & Conductors (P) Ltd.	-	-	-	11,885,651	6,926,444
- Howrah Warehouse Pvt Ltd	-	-	-	1,070,458	1,210,344
- Kalinga Petrochemicals (P) Ltd.	-	-	-	12,190,832	10,826,576
- Ladnun Agricultural Farms (P) Ltd	-	-	-	3,850,576	3,287,953
- Rajasihan Transformers & Switchgears (P) Ltd.	-	-	-	37,782,127	34,173,399
<b>Total (g) (iii)</b>	<b>-</b>	<b>2,420,416</b>	<b>-</b>	<b>149,411,159</b>	<b>134,899,845</b>
(h) Trade Payables - Balance As At Year End (Cr.)					
- Abhay Transformers Pvt Ltd				2,600,000	339,122
- Bhutoria Brothers Ltd.				-	8,440
<b>Total (h)</b>				<b>2,600,000</b>	<b>347,562</b>
(i) Trade Receivable - Balance As At Year End (Dr.)					
-ABAY Energy Private Limited Company				36,691	-
<b>Total (i)</b>				<b>36,691</b>	<b>-</b>

**Notes to Consolidated Financial Statement for the year ended 31st March, 2014**

Particulars	2013-14 (₹)	2012-13 (₹)
<b>36 EMPLOYEE BENEFITS :</b>		
<b>Post Retirement Benefits:</b>		
<b>Defined Contribution Plans</b>		
The Company has recognised the following amounts in the Statement of Profit and Loss for the year:		
Contribution to Employees' Provident & Family Pension Funds	1,186,984	1,186,083
<b>Defined Benefit Plans - Gratuity</b>		
<b>Changes in the Present Value of Obligation</b>		
- Present Value of Obligation as at 1st April, 2013	5,607,451	7,656,408
- Interest Cost	504,671	612,513
- Employer Service Cost		
- Current Service Cost	412,337	459,609
- Curtailment Cost/(Credit)	-	-
- Settlement Cost/(Credit)	-	-
- Benefits Paid	(144,283)	(3,962,742)
- Actuarial (Gain)/Loss	(876,008)	841,663
- Present Value of Obligation as at 31st March, 2014	<u>5,504,168</u>	<u>5,607,451</u>
<b>Changes in the Fair value of Plan Assets</b>		
- Present Value of Plan Assets as at 1st April, 2013		
- Expected Return on Plan Assets		
- Actuarial Gain/(Loss)		
- Employers' Contributions	N.A., as Gratuity benefit is not funded.	N.A., as Gratuity benefit is not funded.
- Employees' Contributions		
- Benefits Paid		
- Fair Value of Plan Assets as at 31st March, 2014		
<b>Amount recognised in the Balance Sheet including a reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets</b>		
- Present Value of Funded Obligation as at 31st March, 2014	-	-
- Fair Value of Plan Assets as at 31st March, 2014	-	-
- Funded (Asset)/Liability recognised in the Balance Sheet	-	-
- Present Value of Unfunded Obligation as at 31st March, 2014	5,504,168	5,607,451
- Unrecognised Past Service Cost	-	-
- Unrecognised Actuarial (Gains)/Losses	-	-
- Unfunded Net Liability recognised in the Balance Sheet	<b>5,504,168</b>	<b>5,607,451</b>

**Notes to Consolidated Financial Statement for the year ended 31st March, 2014**

<b>Particulars</b>	<b>2013-14 (₹)</b>	<b>2012-13 (₹)</b>
<b>Expenses recognised in the Statement of Profit and Loss</b>		
- Current Service Cost	412,337	459,609
- Past Service Cost	-	-
- Interest Cost	504,671	612,513
- Expected Return on Plan Assets	-	-
- Curtailment Cost/(Credit)	-	-
- Settlement Cost/(Credit)	-	-
- Net actuarial (Gain)/Loss	(876,008)	841,663
- Employees' Contribution	-	-
- Total Expenses recognised in the Statement of Profit and Loss	<u>41,000</u>	<u>1,913,785</u>
<b>Percentage of each Category of Plan Assets to total Fair Value of Plan Assets as at 31st March, 2014</b>	<b>N.A.</b>	<b>N.A.</b>
- Government of India Securities		
- 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.
<b>Following are the Principal Actuarial Assumptions used as at the Balance Sheet date:</b>		
- Interest Rate	-	-
- Discount Rate	9.00%	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 Consolidated Financial Statement for the year ended 31st March, 2014

37 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
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	
<b>Segment Revenue:</b>									
External Turnover	1,166,247,144	924,598,055	405,642,812	203,629,746	11,455,957	12,414,608	-	-	1,583,945,913
Inter Segment Turnover									
Gross Turnover	1,166,247,144	924,598,055	405,642,812	203,629,746	11,455,957	12,414,608	-	-	1,583,945,913
Less: Excise Duty	119,532,764	101,715,833	43,377,605	17,689,492	-	-	-	-	163,110,969
Net Turnover	1,046,714,380	822,882,222	362,265,207	185,940,254	11,455,957	12,414,608	-	-	1,420,235,944
<b>Segment Result before interest and taxes</b>	101,989,118	72,994,875	16,938,767	11,566,317	3,364,604	3,352,956	(33,677,277)	(30,456,552)	88,615,212
Less: Interest Expense									(93,880,214)
Add: Interest Income									6,328,532
Less: Tax Expenses									(289,000)
Profit After Tax									9,793,000
<b>Other Information:</b>									
Segment Assets	1,284,929,103	946,722,042	239,856,975	249,832,031	48,105,038	49,999,623	137,571,713	108,753,352	1,572,891,116
Add: Unallocated Assets									1,245,559,696
<b>Total Assets</b>									1,710,462,829
Segment Liabilities	789,478,950	353,538,035	109,075,680	64,693,407	13,172,436	3,645,875	-	-	891,727,066
Add: Unallocated Liabilities									379,700,100
<b>Total Liabilities</b>									1,271,427,166
Capital Expenditure	1,394,440	8,082,288			1,495,910				2,880,350
Depreciation	5,928,427	5,405,685	2,265,509	2,698,140	5,936,720	6,888,146	678,597	813,749	14,809,253
Non-Cash Expenses other than depreciation (Sundry Balances W/Off)							129,132	79,842	129,132

As per our Report of even date.

For A.C. Bhutoria & Co.

Chartered Accountants

Mohit Bhutoria

Partner

2 India Exchange Place

Kolkata - 700 001

Date : 30th May, 2014

J. Biswas

Company Secretary

S. S. Jain

Chairman

R. Bhutoria

Vice Chairman &  
Whole Time Director

Abhay Bhutoria

Managing Director









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