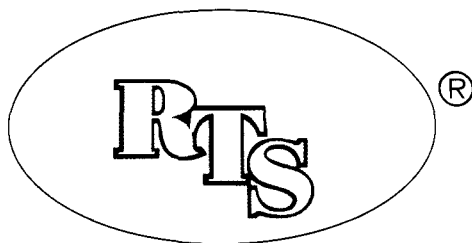
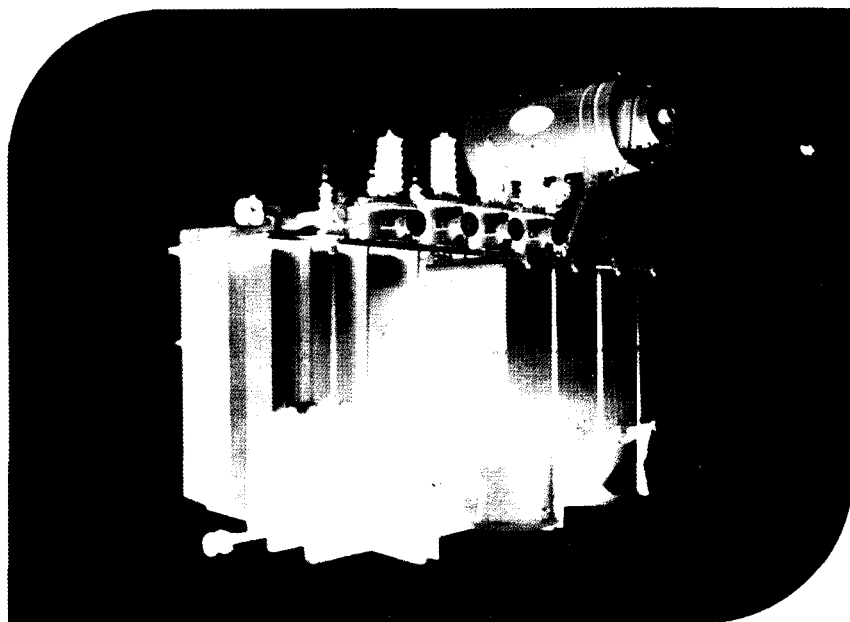
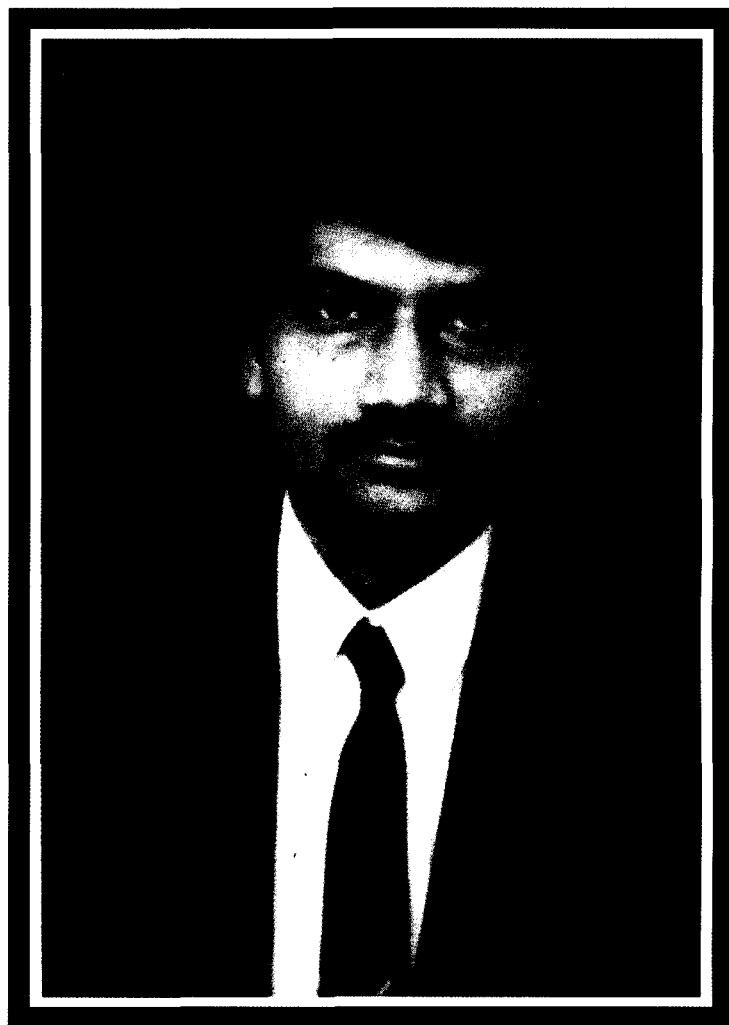


61<sup>st</sup>  
*Annual Report 2008-2009*



**RTS POWER CORPORATION LIMITED**

*Mortal in Life - immortal memory*



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

# RTS POWER CORPORATION LIMITED

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

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

### COMPANY SECRETARY

Sri J. Biswas

### AUDITORS

A. C. Bhuteria & Co.

*Chartered Accountants*

2, India Exchange Place (2nd Floor)

Kolkata - 700 001

### BANKERS

The Bank of Rajasthan Limited, Jaipur

State Bank of Bikaner & Jaipur, Kolkata

Bank of Baroda, Jaipur

IDBI Bank Limited, Jaipur

Bank of India, Kolkata

### REGISTERED OFFICE

56, Netaji Subhas Road (2nd Floor)

Kolkata - 700 001

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

Fax : (033) 2242-6732

E-mail : rtspower@vsnl.net

### PLANTS

1. Rajasthan Transformers & Switchgears (Power & Distribution Transformers Unit), C-174, VKI Area Chomu Road, Jaipur - 302013, Rajasthan
2. Rajasthan Transformers & Switchgears (132KV Extra High Voltage Transformers Unit), E-345/346, VKI Area, Road No. 16 Jaipur - 302013, Rajasthan
3. Rajasthan Transformers & Switchgears (Power & Distribution Transformers Unit), Near 14 Km Milestone P. O. - Artoni, Mathura Road Agra - 282007, U.P.
4. RTS Power Corporation Limited (Power & Distribution Transformers Unit) 130, Dharmatolla Road Salkia, Howrah - 711 106, West Bengal
5. RTS Power Corporation Ltd. (Power & Distribution Transformers Unit) Jala Dhulagori, Sankrail, Dhulagori Howrah - 711 302, West Bengal
6. RTS Power Corporation Limited (Oil Unit) A-25, 26 RIICO Industrial Area Chomu Road, Kaladera, Jaipur, Rajasthan
7. RTS Power Corporation Limited (Wind Energy Division) Dhule - Maharashtra

### REGISTRAR & SHARE TRANSFER AGENT

Niche Technologies Private Limited

D-511, Bagree Market, 71, B.R.B. Basu Road, Kolkata - 700 001

Phone : (033) 2234-3576, 2235-3070/7270/7271

## NOTICE

NOTICE is hereby given that Sixty First Annual General Meeting of Shareholders of the Company will be held at Hotel Lindsay, 8B Lindsay Street, Kolkata - 700087 on Wednesday, 16<sup>th</sup> day of September, 2009 at 10.00 A.M. to transact the following business :

1. To receive, consider and adopt the Profit & Loss Account of the Company for the year ended 31<sup>st</sup> March, 2009 and the Balance Sheet of the Company as at that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Sri Loon Karan Patawari, who retires by rotation, and, being eligible, offers himself for re-appointment.
3. To declare a Dividend on Equity Shares.
4. To appoint Auditors and fix their remuneration and for this purpose to consider and, if thought fit, to pass, the following Resolution as an Ordinary Resolution with or without modification(s) :

**"RESOLVED** that pursuant to the provisions of Section 224 of the Companies Act, 1956, M/s. A. C. Bhuteria & Co., Chartered Accountants be and is hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration to be fixed by the Audit Committee of the Board of Directors of the Company in consultation with them."

### SPECIAL BUSINESS :

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

**"RESOLVED** that the Board of Directors of the Company be and is hereby authorized to appoint any person qualified for appointment as Auditors of the Company under Section 228 of the Companies Act, 1956, for auditing the Accounts of the Branch Offices of the Company, situated at Jaipur –Rajasthan , Agra-U.P and Dhule- Maharashtra for the Financial Year 2009-2010, in consultation with the statutory Auditors of the Company ,at a remuneration to be fixed by the Audit Committee of the Board of Directors of the Company in consultation with such person."

### Registered Office :

56, Netaji Subhas Road  
Kolkata – 700 001  
Dated : 21<sup>st</sup> August, 2009

By Order of the Board

**J. BISWAS**

*Company Secretary*

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### Notes :

1. A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote instead of himself /herself and a Proxy need not be a Member of the Company. Proxies in order to be effective must be received by the Company at its Registered Office not less than **48 hours before the Meeting**.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 10<sup>th</sup> day of September, 2009 to Wednesday, 16<sup>th</sup> day of September, 2009, both days inclusive.



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

<b>Name of the Director</b>	<b>Sri Loon Karan Patawari</b>
<b>Age</b>	74 years
<b>Qualifications</b>	Self Educated
<b>Nature of expertise</b>	He has been attached with the Company for last 58 years. He has vast experience in Finance & Accounts.
<b>Date of First Appointment</b>	20.02.1985
<b>Name of the companies in which he holds Directorship of Boards</b>	Sara Securities Private Limited
<b>Name of the companies in which he holds Membership of Committees of Board</b>	NIL
<b>Professional Membership</b>	NIL

**EXPLANATORY STATEMENT**

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

**Item No. 5**

The Company has Branch Offices and Units at Jaipur-Rajasthan, Agra-U.P and Dhule – Maharashtra. M/s. N.C. Dhadda & Co., Chartered Accountants, were appointed the Branch Auditors for the Financial Year 2008-2009. It is proposed to reappoint M/s. N.C. Dhadda & Co., Chartered Accountants as Branch Auditors for the Jaipur-Rajasthan, Agra-U.P. and Dhule-Maharashtra Offices and Units for the Financial Year 2009-2010.

The Shareholders' approval is, therefore, sought for the appointment of M/s. N.C. Dhadda & Co., Chartered Accountants as Branch Auditors of the Company's Branch Offices and Units at Jaipur-Rajasthan , Agra-U.P and Dhule-Maharashtra for the Financial Year 2009-2010 and to authorize the Audit Committee of the Board of Directors to determine the remuneration payable in consultation with them.

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

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

**Registered Office :**

56, Netaji Subhas Road  
Kolkata – 700 001  
Dated : 21<sup>st</sup> August, 2009

By Order of the Board

**J. BISWAS***Company Secretary*

**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors have the pleasure in presenting their 61st Annual Report on the business and operations of your Company and the audited Statement of Accounts of your Company for the year ended 31st March, 2009.

**Financial Results**

(Rs. in Lacs)

	2008-2009	2007-2008
<b>Total Income</b>	<b>11673.41</b>	10261.93
<b>Total Expenditure</b>	<b>11362.48</b>	9921.66
<b>Profit Before Tax</b>	<b>310.93</b>	340.27
Less : Provision for Current Tax	122.88	120.00
Deferred Tax	(9.00)	(0.16)
Fringe Benefit Tax	4.88	4.58
Income Tax for Earlier Year	—	(1.23)
<b>Profit After Tax</b>	<b>192.17</b>	217.08
Add : Profit brought forward	<b>619.39</b>	486.41
	<b>811.56</b>	703.49
Less : Interim Dividend	—	35.94
Corporate Dividend Tax on Interim Dividend	—	6.11
Proposed Dividend (Final)	35.94	35.94
Corporate Dividend Tax on Final Dividend	6.11	6.11
<b>Balance Carried to the Balance Sheet</b>	<b>769.51</b>	619.39

**Dividend**

Notwithstanding the decline in Profit of your Company compared to the last year as a result of current worldwide financial recession, the overall impact from which your Company too cannot escape, still the Board is pleased to recommend, after taking a positive future outlook, payment of a Dividend for the year ended 31st March, 2009 @ 5% or Re. 0.50 per Equity Share of Rs. 10/- each fully paid up as on that date, which, if approved at the forthcoming Annual General Meeting, will be paid to those Shareholders whose names appear on the Register of Members of the Company, or, appear as beneficial owners as per particulars to be furnished by the depositories, viz. National Securities Depository Limited and Central Depository Services (India) Limited, at the close of business on 9th September, 2009. The Dividend will be Tax-free in the hands of the Shareholders, but shall be subject to Tax thereon payable by the Company.

**Operational Review**

The Turnover of your Company showed a marginal improvement during the year. The Turnover during the year was Rs. 123.36 Crores against Rs. 110.71 Crores during the Previous Year. This is an improvement by 11.42% amidst keen competition and global financial crisis and the resultant recession in India.

The consolidation and cost cutting measures have enabled your Company to achieve this year the Profit Before Tax of Rs. 310.93 Lacs, which is less than the previous year's Profit Before Tax of Rs. 340.27 Lacs. Continuous abnormal price hike of the major raw materials both in India and abroad have caused hardship to your Company's activities to some extent and have ultimately contributed towards such squeeze in Profit. Your Company could perform well despite all such odds and adverse economic scenario.

Production of Wound Core Type Single Phase Transformers started at your Company's main Factory at Jaipur has peaked up quite well and Orders are being executed. Operations at your Company's newly installed Cable and Conductor Plant have since been stabilized. Cable & Conductor sale has increased from Rs. 16,54,53,328/- in last year to Rs. 26,33,89,487/- in this year representing an increase of about 59% over last year. The Company developed Dry Type Transformer last year which are being manufactured now at its new Dhulagori Factory and regular Orders are also being received.

### **Future Outlook**

A silver lining at the end of the tunnel is being seen as the cloud of the worldwide financial recession is slowly dispersing away, particularly in India. Thus after the second-half of the current Financial Year 2009-2010 things may look up as far as the business from Power utilities – both Government and Private, Power Project and Industrial Users are concerned. The increasing requirement of High Voltage Sub Stations 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 area will boost the demand of Distribution Transformers. Under Rajiv Gandhi Grameen Vidyutikaran Yojna allocation has been increased by 27% to Rs. 7,000 Crores in the Central Budget 2009/2010 of the Government of India. The Budget has given a boost of Rs. 2080 crores – a 160% rise from the previous fiscal – for the Accelerated Power Development and Reforms Programme (APDRP) to reduce the gap between power demand and supply. The Rs. 50,000 Crore APDRP aims to bring the Aggregate Technical and Commercial (AT&C) losses to less than 15% from 35% at present. Besides reducing AT&C losses, the scheme also intends to bring commercial viability in the Power Sector by reducing outages and interruptions. All these will help your Company to achieve increased business of its products in future.

Your Company's Cable and Conductor Unit is now fully operational. It will also boost the Turnover of your Company. The production of Wound Core Type Transformers has stabilized and the Company is receiving regular Orders.

The main operations of Salkia Unit have been shifted to Dhulagori Unit. Dhulagori Unit is now fully operational despite certain teething problems which are being addressed. The Salkia Unit for the time being will be mainly utilized for repairs and manufacture of smaller Transformers.

The cost of Project of Dhulagori Unit so far is approximately Rs. 318.91 Lacs. The source of finance is as follows :-

Term Loan	:	Rs.	80.87 Lacs
Own Funds	:	Rs.	238.04 Lacs
<b>Total</b>	<b>:</b>	<b>Rs.</b>	<b>318.91 Lacs</b>

### **Corporate Governance**

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

### **Public Deposits**

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



### Particulars of Employees

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

### Energy Conservation, Technology Absorption & Foreign Exchange Earnings and Outgo

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

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

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

1. Value of Imports calculated on CIF basis -

Raw Materials	Rs 724.31 lacs
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2. Expenditure in Foreign Currency -

Foreign Exchange Fluctuations	Rs 71.17 lacs
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### 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 2009-2010.

### Directors

Sri Loon Karan Patawari, Director of the Company will retire by rotation and being eligible, offers himself for re-appointment.

### Directors' Responsibility Statement

Your Directors confirm that :

1. in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
2. the Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the Profit of the Company for that period;
3. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the Directors have prepared the Annual Accounts on a going concern basis; and
5. the Managing Director and the Chief Financial Officer of the Company have furnished the necessary certification to the Board on these Financial Statements as required under the revised Clause 49 of the Listing Agreements with the Stock Exchanges where the Equity Shares of the Company are Listed.

### **Auditors**

M/s. A.C. Bhuteria & Co., Chartered Accountants, Auditors of the Company retire at the ensuing Annual General Meeting and has been recommended by the Audit Committee of the Board of Directors for holding office till the conclusion of the next Annual General Meeting with a remuneration to be fixed by the aforesaid Committee in consultation with them.

### **Auditors' Report**

The Auditors have expressed Qualifications in the Accounts for the Financial Year ended 31.03.2009 regarding delay in depositing the Interim Dividend amount of Rs 35,94,250/- in a separate Dividend Account in Bank beyond the time limit stipulated as per Section 205(1A) of the Companies Act, 1956. It is submitted that this took place due to inadvertence. The Management shall take due care in this regard in future.

The Auditors' Qualification as regards the Company having entered into transactions with M/s. Bhutoria Transformers & Rectifiers Private Limited, a Party covered in the Register maintained under Section 301 of the Companies Act, 1956, in excess of the limits of price and value approved by the Board of Directors and Central Government under Section 297 of the Companies Act, 1956, the Management submits that this took place due to inadvertence and necessary legal action will be taken in this regard.

### **Branch Auditor**

Your Company has Branch Offices and Units at Jaipur-Rajasthan, Agra-U.P. and Dhule-Maharashtra. M/s. N. C. Dhadda & Co., Chartered Accountants, were appointed the Branch Auditors for the Financial Year 2008-2009. It is proposed to re-appoint M/s. N. C. Dhadda & Co., Chartered Accountants, as Branch Auditors for the Jaipur, Agra and Dhule Offices and Units for the Financial Year 2009-2010 at a remuneration to be fixed by the Audit Committee of the Board of Directors in consultation with them.

### **Appreciation**

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

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

### **Registered Office :**

56, Netaji Subhas Road  
Place : Kolkata - 700 001  
Dated : 21st August, 2009

### **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, consumer satisfaction, fairness in dealings, adopting transparent accounting policies, following superior board practices, consistent consideration for all its stakeholders serve as the means for implementing the philosophy of Corporate Governance in letter and spirit. Your Company complies with Corporate Governance Systems not as a mere structure or statutory guidelines, but as a way of corporate life.

### Board of Directors

- (a) The Board is headed by Non-Executive Chairman, Sri S. S. Jain and comprises of three other Directors (one Vice Chairman & Whole Time Director, one Managing Director and one Non-Executive Director) 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. Fifty percent of the Board consists of Non-Executive Directors and fifty percent of the Board are Independent Directors. The details of the Directors as on 31st March, 2009 and attendance of each Director at the Board Meetings and at the last Annual General Meeting (AGM) are given below :

Name of the Director	Category of Directorship	No. of Board Meetings attended	Attendance at the last AGM
Sri S. S. Jain	Non-Executive/Independent/Chairman	16	Yes
Sri Rajendra Bhutoria	Executive/Promoter/Vice Chairman & Whole Time Director	16	Yes
Sri Abhay Bhutoria	Executive/Promoter/Managing Director	6	Yes
Sri L. K. Patawari	Non-Executive/Independent	16	No

- (b) Number of other Board of Directors or Board Committee where Directors of your Company are Directors/Members/Chairman :

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	17	Nil	1
Sri Rajendra Bhutoria	3	Nil	Nil
Sri Abhay Bhutoria	3	Nil	Nil
Sri L. K. Patawari	1	Nil	Nil

(c) Details of Board Meetings held during the period from 1st April, 2008 to 31st March, 2009 :

Serial No.	Date
1	25.04.2008
2	30.04.2008
3	02.05.2008
4	25.06.2008
5	31.07.2008
6	01.08.2008
7	01.08.2008
8	04.08.2008
9	03.09.2008
10	15.10.2008
11	31.10.2008
12	14.11.2008
13	14.01.2009
14	30.01.2009
15	26.02.2009
16	31.03.2009

The gap between two Meetings did not exceed four months.

#### Audit Committee

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

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

The Audit Committee comprises of two Non-Executive Independent Directors, Sri S. S. Jain, Chairman and Sri L.K. Patawari and one Executive Non-Independent Director, Sri R. Bhutoria, Vice Chairman & Whole-time Director of the Company. Sri S. S. Jain is the Chairman of the Committee, who also chaired the Annual General Meeting of the Company held on 3rd September, 2008. 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 31st March, 2009, 8(eight) Meetings were held on 30/04/2008, 02/05/2008, 31/07/2008, 01/08/2008, 31/10/2008, 14/11/2008, 30/01/2009 and 26/02/2009.

The gap between two Meetings did not exceed four months.

Composition of the Audit Committee and the attendance of the Members during 2008-2009 are furnished below :

Sl. No.	Name of Directors who are Members of the Audit Committee	No. of Meetings held	No. of Meetings Attended
1.	Sri S. S. Jain, <i>Chairman</i>	8	8
2.	Sri Rajendra Bhutoria, <i>Member</i>	8	8
3.	Sri Loon Karan Patawari, <i>Member</i>	8	8

### Remuneration Committee

1. Your Company has not constituted any Remuneration Committee.
2. (a) Payment of Remuneration to Sri Rajendra Bhutoria, the Whole-time Director of the Company is governed by statutory guidelines and the Company's Service Agreement with him, the terms and conditions of which were approved by the Board and Shareholders. His remuneration structure mainly comprises of –
  - (a) **Salary** : Rs. 15,000/- per month
  - (b) **Perquisites** : NIL during the Financial Year 2008-2009
    - Service Contract – 5 (Five) years from 1st April, 2007
    - Notice Period – 3 (Three) months
    - Stock Option – Nil
    - Severance Fee – Nil
2. (b) Payment of Remuneration to Sri Abhay Bhutoria, the Managing Director of the Company is governed by statutory guidelines and the Company's Service Agreement with him, the terms and conditions of which were approved by the Board and Shareholders. His remuneration structure mainly comprises of –
  - (a) **Salary** : Rs. 25,000/- per month
  - (b) **Contribution to Provident Fund** : Rs. 36,000/- per annum
  - (c) **Perquisites** : Rs. 60,000/- during the Financial Year 2008-2009
    - Service Contract – 5 (Five) years from 1st December, 2005
    - Notice Period – 3 (Three) months
    - Stock Option – Nil
    - Severance Fee – Nil

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

3. The Non-Executive Directors are paid neither any remuneration nor any Fees for attending Meetings of the Board and its Committee. No Stock Option has been granted to any of the Directors.
4. No Equity Share and convertible instrument was held by Non-Executive Directors as on 31.03.2009.
5. There has been no pecuniary relationship or transaction of the Non-Executive Directors vis-à-vis the Company during the year.

### Shareholders'/Investors' Grievance Committee

The Shareholders'/Investors' Grievance Committee is headed by Sri L. K. Patawari, an Independent Non-Executive Director. Other Members of the Committee comprises of Sri S. S. Jain, an Independent Non-Executive Director and Sri R. Bhutoria, a Non Independent Whole-time Director of the Company. The Committee met from time to time during the year under review. Mr J. Biswas, Company Secretary acts as Secretary to the Committee.

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

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

**Name of Compliance Officer**

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

No. of Shareholders complaints received during the year 2008-2009	NIL
No. of Complaints resolved to the satisfaction of Shareholders as on 31st March, 2009	NIL
No. of pending Share Transfers as on 31st March, 2009	NIL

**Subsidiary Company**

The Company does not have any Subsidiary.

**General Body Meetings**

The last three Annual General Meetings and Extra Ordinary General Meeting of the Company were held as under :-

AGM	Year	Location	Date	Time	No. of Special Resolutions approved
E.G.M	2006	Registered Office 56, N. S. Road Kolkata - 700001	10.03.2006	10.00 A.M.	Five
58th	2006	Registered Office 56, N. S. Road Kolkata - 700001	25.09.2006	10.30 A.M.	One
59th	2007	Hotel Lindsay 8B Lindsay Street Kolkata - 700 087	28.09.2007	10.00 A.M.	None
60th	2008	Hotel Lindsay 8B Lindsay Street Kolkata - 700 087	03.09.2008	10.00 A.M.	None

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

During the year 2005-2006, the Company has obtained the approval of its Members by passing the following Special Resolutions by Postal Ballot in accordance with the procedure laid down under the applicable Laws. Mr. Dilip Kumar Sarawagi of M/s. DKS & Co., Company Secretary in Practice, was appointed Scrutinizer by the Board.

Date of Passing Resolution	Subject Matter	Votes Cast	
		In favour (%)	Against (%)
10.03.2006	1. Special Resolution for alteration of the Objects Clause of the Memorandum of Association of the Company	70.72	0.11
	2. Special Resolution for commencement of new business by the Company	70.72	0.11

At present your Company does not have any Resolution to be passed by Members through Postal Ballot.

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

## Disclosures

- (a) 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 Standard) Rules, 2006 have been reported in the Schedule attached to the Accounts 2008-2009. There is no transaction of a material nature with any of the related parties which was in conflict with the interests of the Company or which are not in the normal course of business .
- (b) There has neither been instance of non-compliance of any legal requirement nor has there been any instance of Stock Exchanges / SEBI / any statutory authority imposing penalties or strictures on the Company for non-compliance of any requirement related to capital Markets in the last three years.
- (c) A Statement in summary form of transactions with related parties in the ordinary course of business has been periodically placed before the Audit Committee.
- (d) The Company follows Accounting Standards notified under the Companies (Accounting Standard) Rules, 2006 and in the preparation of financial statements has not adopted a treatment different from that prescribed in any Accounting Standard.
- (e) The Company has laid down a process of assessing risk management. The scope of Audit Committee includes review of the Company's financial and risk management policies.
- (f) CEO / CFO Certificate as required in terms of the Listing Agreements has duly been submitted to the Board.
- (g) The non-mandatory requirements, to the extent followed / pursued by the Company, have been stated in this Report.

## Means of Communication

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

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

Quarterly Results and Annual Results are sent to the Stock Exchanges where the Company's Shares are listed. The Company does not have a Website. During the Financial Year the Company has neither displayed official news releases nor made any presentation to the Institutional Investors or Analysts. The Quarterly Results and Annual Results were mainly published in the Business Standard in its all-India editions and Economic Times, Mumbai (in English) and Dainik Lipi, Kolkata (in Bengali).

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

## General Shareholders Information

### ANNUAL GENERAL MEETING

Day, Date and Time : Wednesday, the 16th day of September, 2009 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 2009	–	June 2009	Quarterly Results	Within 31st July, 2009 (Held)
July 2009	–	September 2009	Quarterly Results	Within 31st October, 2009
October 2009	–	December 2009	Quarterly Results	Within 31st January, 2010
January 2010	–	March 2010	Quarterly Results	Within 30th April, 2010

**Date of Book Closure**

The dates of Book Closure are from Thursday, 10th day of September, 2009 to Wednesday, 16th day of September, 2009, both days inclusive.

**Dividend Payment and Date :**

The Dividend, if declared, shall be paid / credited on or before 15th day of October 2009.

**Stock Code and Existing Listing on Stock Exchanges :**

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

**Note :**

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

Annual Listing Fees of Bombay Stock Exchange and Calcutta Stock Exchange have been paid upto the Financial Year 2009-2010.

**ISIN Number for NSDL and CDSL :** ISIN No. – INE005C01017

**Market Price Data :**

Market Price Data (High/Low) during each month in the year 2008-2009.

Month	B S E			C S E		
	High (Rs.)	Low (Rs.)	Volume (Nos.)	High (Rs.)	Low (Rs.)	Volume (Nos.)
April'08	184.00	163.00	173798	N.T	N.T	N.T
May'08	180.00	159.30	162283	N.T	N.T	N.T
June'08	190.90	141.00	325799	N.T	N.T	N.T
July'08	168.95	135.10	244110	N.T	N.T	N.T
August'08	169.90	129.05	340686	N.T	N.T	N.T
September'08	205.00	144.50	1038381	N.T	N.T	N.T
October'08	192.00	112.05	244021	N.T	N.T	N.T
November'08	139.40	102.25	165523	N.T	N.T	N.T
December'08	203.00	110.50	517458	N.T	N.T	N.T
January'09	281.25	181.55	2497322	N.T	N.T	N.T
February'09	307.75	167.00	4247137	N.T	N.T	N.T
March'09	169.00	67.05	419625	N.T	N.T	N.T

N.T. – No Transaction.



**Share price performance compared with broad based indices :**

Company's Share Price as on	BSE	CSE
1st April, 2008	165.60	N.T
31st March, 2009	67.05	N.T
Change	(-)59.51 %	N.T.
<b>Indices</b>		
1st April, 2008	15771.72	7977.37
31st March, 2009	9708.50	4193.46
Change	(-) 38.44 %	(-) 47.43%

N.T. – No Transaction.

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

D-511, Bagree Market

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

Phone : (033) 2234-3576, 2235-7270/7271/3070

Fax : (033) 22156823

**Share Transfer System :**

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

**Shareholding Pattern as on 31.03.2009**

Category	No. of Shares	% of Total
<b>A. PROMOTERS' HOLDING</b>		
<b>1. PROMOTERS</b>		
INDIAN PROMOTERS	1995298	27.757
FOREIGN PROMOTERS	NIL	NIL
<b>2. PERSON ACTING IN CONCERT</b>	NIL	NIL
<b>SUB - TOTAL</b>	<b>1995298</b>	<b>27.757</b>
<b>B. NON-PROMOTERS' HOLDINGS</b>		
<b>3. INSTITUTIONAL INVESTORS</b>		
a) MUTUAL FUNDS & UTI	NIL	NIL
b) BANKS, FIs, INSURANCE COS. (CENTRAL/STATE GOVT. INSTITUTIONS/ NON-GOVT. INSTITUTIONS )	100	0.001
c) FIs	301350	4.192
<b>SUB - TOTAL</b>	<b>301450</b>	<b>4.192</b>
<b>4. OTHERS</b>		
a) PRIVATE CORPORATE BODIES	4023293	55.968
b) INDIAN PUBLIC	543716	7.564
c) NRIs / OCBs	1897	0.026
d) ANY OTHER - CLEARING MEMBERS	322846	4.491
<b>SUB - TOTAL</b>	<b>4891752</b>	<b>68.050</b>
<b>GRAND - TOTAL</b>	<b>7188500</b>	<b>100.000</b>

Note : Total Foreign Shareholding

NIL

NIL

**Distribution of Share Holding by number of shares held as on 31st day of March, 2009**

No. of Equity Shares held	Total No. of Shares	% of Holding	No. of Shareholders	% of Shareholders
Upto - 500	168915	2.3498	1727	90.6562
501 - 1000	46940	0.6530	60	3.1496
1001 - 5000	166001	2.3093	64	3.3596
5001 - 10000	95091	1.3228	14	0.7349
10001 - 50000	575583	8.0070	20	1.0499
50001 - 100000	764958	10.6414	10	0.5249
100001 - And Above	5371012	74.7167	10	0.5249
<b>TOTAL</b>	<b>7188500</b>	<b>100.000</b>	<b>1905</b>	<b>100.000</b>

**Dematerialization of Shares & Liquidity**

The Company's Shares are compulsorily traded in dematerialized form. The Shares are available for trading with either of the two Depositories in India – National Securities Depositories Limited and Central Depository Services (India) Limited, under ISIN: INE005C01017. As on 31st day of March 2009 about 86% of the total number of Equity Shares of the Company were in dematerialized form.

**Risk Management**

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

**Code of Conduct**

The Company has framed and adopted a Code of Business Conduct and Ethics for Members of the Board and Senior Management Officers relating to their duties and responsibilities, conflict of interest, corporate opportunities, statutory compliance, financial reporting and records, integrity of data furnished, confidentiality and behaviors. All Directors and Senior Management Officers have affirmed compliance during the year 2008-2009 of the provisions of the Code and a declaration from the Managing Director to that effect is attached to this Report. The Company has also adopted Code for Prohibition of Insider Trading.

**Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion date and likely impact on Equity : NIL****Plant Locations**

- Jaipur Unit – Power & Distribution Transformers  
C-174, Vishwakarma Industrial Area, Chomu Road, Jaipur - 302013 (Rajasthan)
- Jaipur Unit - Power & EHV Divn. - 132 KV class Transformers  
E-346, Road No. 16, Vishwakarma Industrial Area, Jaipur - 302013 (Rajasthan)
- Kaladera Transformer & Speciality Oil Unit  
A-25, 26 Riico Industrial Area, Kaladera, Chomu, Jaipur, (Rajasthan)
- Agra Unit – Power & Distribution Transformers  
Near 14, KM Mile Stone, Mathura Road, P.O.Artoni, Agra –282007 (U.P.)

**RTS POWER CORPORATION LIMITED** |

- e) Salkia Unit – Power & Distribution Transformers  
130, Dharmatolla Road, Salkia, Howrah - 711 106, (West Bengal)
- f) Dhulagori Unit - Power & Distribution Transformers  
Jala Dhulagori, Sankrail, Dhulagori, Howrah - 711 302, (West Bengal)
- g) Dhule - Wind Energy Division  
Dhule (Maharashtra)

**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, 2235-7270/7271/3070**

**Fax : (033) 22156823**

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

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

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

**Fax : (033) 2242-6732**

**E-mail : rtspower@vsnl.net**

**Auditors' Certificate on Corporate Governance**

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

**Registered Office :**

56, Netaji Subhas Road

Kolkata - 700 001

Dated : 21<sup>st</sup> day of August , 2009

**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 2008-2009.

**Registered Office :**

56, Netaji Subhas Road

Kolkata - 700001

Dated : 21<sup>st</sup> day of August, 2009

**For RTS POWER CORPORATION LIMITED**

**ABHAY BHUTORIA**

*Managing Director*

## Auditors' Certificate on Corporate Governance

### To the Members of RTS Power Corporation Limited

We have examined the compliance of conditions of Corporate Governance by RTS Power Corporation Limited, for the year ended 31st March, 2009, 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. therein.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that as per the records maintained by the Shareholders'/Investors' Grievance Committee as on 31st March 2009 there were no investors' grievances against the Company remaining unattended/pending for more than 30 days.

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

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

Place : 2, India Exchange Place  
Kolkata - 700 001  
Dated : 21<sup>st</sup> August, 2009

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

## Management Discussion and Analysis

### Industry Structure and Developments

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

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

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

### Opportunities and threats

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

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

### Segment-wise or Product-wise Performance :

	PRODUCTION		SALE	
	Year ended 31.03.2009	Year ended 31.03.2008	Year ended 31.03.2009	Year ended 31.03.2008
<b>1. Transformers, Semi-finished Transformers and Accessories</b>	7055 Nos.& 10412.2 Kgs	7348 Nos.	7021 Nos.& 10412.2 Kgs	7682 Nos.
<b>2. Cable &amp; Conductors</b>	163 Nos & 16270.17Km	2286 Nos, 8158Km & 664Meter	464 Nos & 16120.72 km	2468 Nos, 8211 km & 686 Meter
<b>3. Wind Energy</b>	1840979 KWH	1944345 KWH	1840979 KWH	1944345 KWH

### Outlook

Energy powers the economic growth of any nation. Availability of energy with required quality of supply is the key to sustainable development. Provision of commercial energy has a direct impact and influence on the standard of living as well as the quality of services in fields as diverse as health, education, transport, manufacturing, etc.

By world's standard ,India's current level of energy consumption is very low. It is estimated that 44% of the households still do not have access to electricity. Given a targeted GDP growth rate of 7% to 8% , the energy requirement of the country is expected to grow at 5.6 to 6.4 % per annum over the next few years. With this objects in view, the Central government has fixed a target for supply of at least 30 Units of electricity supply to every household in the country by the year 2012. At the same time, it has been also planned to set up the country's power infrastructure in such a way so that the supply is ensured in such a manner that power consumption per person increases from the present level of 612 Units to 1000 Units per annum.

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

Your Company's Cable and Conductor Unit is now fully operational. It will also boost the Turnover of your Company . The Production of Wound Core Type Transformers has stabilized and the Company is receiving regular Orders . The Company's Dhulagori Factory is now fully operational and certain teething problems there are being addressed .

Worldwide financial recession has adversely affected the revenue and profitability of your Company. But only silver lining on the horizon being seen that the cloud of such worldwide financial crisis is slowly dispersing away, particularly in India and hopefully, things may improve from the end of the second –half of the current Financial Year. Thus, on the whole the outlook of Industry in which your Company operates looks positive. Risks and threats are there, but not in that alarming proportion, and the Management is fully aware and cautious of the same. The Management of your Company is deeply committed to the profitable growth of your Company.

### **Risks and Concerns**

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

### **Internal Control Systems and their Adequacy**

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

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

Your Company has proper and adequate system of internal and budgetary control in all areas of its operations. This internal control system are regularly reviewed and monitored. The Audit Committee of the Board of Directors supervises the functioning and effectiveness of internal controls.

### **Financial Performance**

(Rs in Lacs)

<b>PARTICULARS</b>	<b>Year Ended 31.03.2009</b>	<b>Year Ended 31.03.2008</b>
<b>Total Income</b>	11673.41	10261.93
<b>Total Expenditure</b>	11362.48	9921.66
<b>Profit Before Tax (PBT)</b>	310.93	340.27
<b>Profit After Tax (PAT)</b>	192.17	217.08

### **Operational Performance**

The Turnover of your Company showed a marginal improvement during the year. The Turnover during the year was Rs 123.36 Crores against Rs 110.71 Crores during the previous Year. This is an improvement by 11.42 % amidst keen competition and global financial crisis and the resultant recession in India.

The consolidation and cost cutting measures have enabled your Company to achieve this year the Profit Before Tax of Rs 310.93 Lacs, which is marginally less than the previous year's Profit Before Tax of Rs 340.27 Lacs. Continuous abnormal price fluctuations of the major raw materials both in India and abroad have caused hardship to your Company's activities to some extent and have ultimately contributed towards such squeeze in Profit . Your Company could perform well despite all such odds and adverse economic scenario.

Production of Wound Core Type Single Phase Transformers started at your Company's main Factory at Jaipur has peaked up quite well and Orders are being executed. Operations at your Company's newly installed Cable and Conductor Plant have since stabilized. Cable and Conductor sale has increased from Rs 16,54,53,328/- in last year to Rs 26,33,89,487/- in this year representing an increase of about 59% over last year. The Company developed Dry Type Transformer last year which are being manufactured now at its new Dhulagori Factory and regular Orders are also being received .

### **Human Resources Development / Industrial Relations**

Your Company's capabilities are centered around its highly dedicated employees numbering 127 as on 31st March,2009. Employee care is the philosophy of the Company.

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

We continue to maintain our excellent industrial relation scenario.

**Registered Office :**  
56, Netaji Subhas Road  
Kolkata - 700 001  
Dated : 21st August, 2009

**For and on behalf of the Board of Directors**

**S. S. JAIN**  
**Chairman**

## AUDITORS' REPORT

- 1) We have audited the attached Balance Sheet of **RTS POWER CORPORATION LIMITED** as at 31st March, 2009 and also the annexed Profit & Loss Account and Cash Flow Statement for the year ended on that date annexed hereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examination, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Sub Section (4A) of Section 227 of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order as far as applicable:
- 4) Further to above -
  - i) *We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.*
  - ii) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of the books.
  - iii) The Branch Auditor's Report of branches not visited by us, have been properly dealt with in preparing our report.
  - iv) The Balance Sheet, the Profit & loss Account and Cash Flow Statement dealt with by the report are in agreement with the books of accounts of the Company.
  - v) In our opinion, the Profit and Loss Account, Balance Sheet and Cash Flow Statement comply with the mandatory Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 to the extent applicable.
  - vi) On the basis of written representations received from the Directors as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.
  - vii) In our opinion and to the best of our information and according to the explanations given to us, the said accounts **subject to Notes in Schedule - 19**



- Note No. 18 regarding non compliance of Section 205(1A) of the Companies Act, 1956 in the matter of depositing interim Dividend of Rs. 35.94 lacs in a separate bank account, there being a delay of 92 days.
- Note No. 19 regarding transactions with M/s Bhutoria Transformers & Rectifiers (P) Ltd., a party covered in the Register maintained under Section 301 of the Companies Act, 1956, in excess of the Limits of price and value approved by the Board of Directors and Central Government under Section 297 of the Companies Act, 1956, the value exceeding being Rs. 204.40 lacs.

and read with significant accounting policies & notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009.
- b) In the case of the Profit & loss Account, of the Profit for the year ended as on that date and
- c) In the case of the Cash Flow Statement, the Cash Flows for the year ended on that date.

2, India Exchange Place  
Place : Kolkata - 700 001  
Dated : 21<sup>st</sup> August, 2009

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

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

- i) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets. The management has physically verified fixed assets during the year-end and no discrepancy was noticed on such verification. There was no substantial disposal of fixed assets during the year.
- ii) Physical verification of inventory has been conducted at reasonable intervals by the management. In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business. The Company is maintaining proper records of inventory. Discrepancies noticed on physical verification as compared to books records, which were not material, have been properly dealt with in the books of accounts.
- iii)
  - a) As informed, the Company has not granted any loan, secured or unsecured, to companies, firms or parties listed in the register maintained under section 301 of the Companies Act 1956.
  - b) The Company has taken unsecured loan from one party and eleven companies covered in the register maintained under section 301 of the Companies Act 1956. The maximum amount involved during the year was Rs. 1426.39 Lacs & the year-end balance as such loan taken was Rs 950.85 Lacs.
  - c) In our opinion and according to information and explanation given to us, the rate of interest and other terms and conditions on which loan has been taken from companies listed in register maintained under Section 301 of the Companies Act 1956 are not prima facie, prejudicial to the interest of the Company.
  - d) The Company is regular in repaying the principal amounts as per stipulations, wherever made and has been regular in the payment of interest.
- iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure commensurate with the size of the company and nature of its business for purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control.
- v)
  - a) According to the information and explanations given to us, the transactions that need to be entered into a register maintained under Section 301 of the Companies Act, 1956 have been so entered.
  - b) **In our opinion, the transactions made in pursuance of such contacts or arrangement have been made at prices which are reasonable having regard to the prevailing market prices except otherwise stated in Note No. 19 in Schedule - 19.**
- vi) In our opinion & according to the information & explanations given to us, the Company has not accepted any deposit from public during the year.
- vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- viii) We are informed that maintenance of cost records has not been prescribed by the Central Government under section 209(1)(d) of the Companies Act 1956.

- ix) a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, customs duty, service tax, cess and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty, service tax or cess were in arrears, as at the close of the year for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, excise duty, service tax and cess, which have not been deposited on account of any dispute.
- x) The Company does not have any accumulated losses. The Company has not incurred any cash losses in the current financial year and in the immediately preceding financial year.
- xi) The Company has not defaulted in repayment of dues to banks or financial institutions. The Company has no debenture holders.
- xii) As informed and explained to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund /nidhi/mutual benefit fund/ societies.
- xiv) The Company does not have any dealing or trading in shares, securities, debentures or other investments, and accordingly clause 4 (xiv) of the Order is not applicable.
- xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- xvi) Term loans obtained by the Company were applied for the purpose for which the loans were obtained.
- xvii) According to the information and explanation given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short term on short-term basis have been used for long-term investments.
- xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under of the Companies Act, 1956.
- xix) The Company has not issued any debentures during the year.
- xx) The Company has not raised any money through a public issue during the year.
- xxi) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor we have been informed of any such case by the management.

2, India Exchange Place  
Place : Kolkata - 700 001  
Dated : 21<sup>st</sup> August, 2009

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

**BALANCE SHEET as at 31st March, 2009**

	Schedule No.	As at 31.03.2009 Rs. P.	As at 31.03.2008 Rs. P.
<b>SOURCES OF FUNDS</b>			
<b>A) Share Holders Funds</b>			
Share Capital	1	71,885,000.00	71,885,000.00
Reserves & Surplus	2	302,743,607.70	287,731,626.91
<b>TOTAL</b>	<b>(A)</b>	<b>374,628,607.70</b>	<b>359,616,626.91</b>
<b>B) Loan Funds</b>			
Secured Loans	3	245,571,632.23	181,359,484.15
Unsecured Loans	4	106,674,695.00	49,976,855.00
<b>TOTAL</b>	<b>(B)</b>	<b>352,246,327.23</b>	<b>231,336,339.15</b>
<b>C) Deferred Tax Liability</b>	<b>(C)</b>	<b>13,762,000.00</b>	<b>14,662,000.00</b>
<b>TOTAL</b>	<b>(A+B+C)</b>	<b>740,636,934.93</b>	<b>605,614,966.06</b>
<b>APPLICATION OF FUNDS</b>			
<b>A) Fixed Assets</b>			
Gross Block	5	223,834,316.48	185,484,107.48
Less : Depreciation		91,044,404.24	76,627,091.08
<b>NET BLOCK</b>		<b>132,789,912.24</b>	<b>108,857,016.40</b>
<b>CAPITAL WORK IN PROGRESS</b>		<b>260,000.00</b>	<b>10,047,889.81</b>
		<b>133,049,912.24</b>	<b>118,904,906.21</b>
<b>B) Investments</b>	6	371,500.00	371,500.00
<b>C) Current Assets, Loans And Advances</b>			
Inventories	7	246,214,568.51	228,369,264.64
Sundry Debtors	8	509,523,658.93	478,551,902.93
Cash & Bank Balances	9	110,412,134.20	53,341,275.34
Other Current Assets	10	—	5,346,556.00
Loans & Advances	11	30,523,943.73	35,795,281.23
	<b>(A)</b>	<b>896,674,305.37</b>	<b>801,404,280.14</b>
<b>D) Less : Current Liabilities &amp; Provisions</b>	<b>(B)</b>	<b>289,458,782.68</b>	<b>315,065,720.29</b>
<b>Net Current Assets</b>	<b>(A-B)</b>	<b>607,215,522.69</b>	<b>486,338,559.85</b>
<b>TOTAL :</b>		<b>740,636,934.93</b>	<b>605,614,966.06</b>
Significant Accounting Policies & Notes to the Accounts	19		

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

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

**R. Bhutoria**  
Vice Chairman & Wholetime Director  
**L. K. Patawari**  
Director

**S. S. Jain**  
Chairman  
**Abhay Bhutoria**  
Managing Director  
**J. Biswas**  
Company Secretary

**PROFIT & LOSS ACCOUNT for the year ended 31st March, 2009**

	Schedule No.	Year ended 31.03.2009		Year ended 31.03.2008	
		Rs.	P.	Rs.	P.
<b>INCOME</b>					
Sales - Turnover	13	1,233,635,492.73		1,107,133,187.09	
<b>Less : Excise Duty</b>		145,534,452.31		165,940,672.00	
		1,088,101,040.42		941,192,515.09	
Job Charges	14	66,556,174.36		70,993,410.15	
Other Income	15	12,683,680.34		14,007,412.49	
Increase/(Decrease) in Stock	16	37,246,046.68		34,256,000.87	
		1,204,586,941.80		1,060,449,338.60	
<b>EXPENDITURE</b>					
Manufacturing & Other Expenses	17	1,108,300,029.11		972,006,390.85	
Interest & Financial Expenses	18	50,512,096.74		40,974,955.52	
Depreciation	5	14,681,242.16		13,441,329.00	
		1,173,493,368.01		1,026,422,675.37	
<b>Profit/(Loss) Before Tax</b>		31,093,573.79		34,026,663.23	
<b>Less : Provision for Current Tax</b>		12,288,000.00		12,000,000.00	
Deferred Tax Charged/(Credit)		(900,000.00)		(16,000.00)	
Fringe Benefit Tax		488,500.00		458,000.00	
Income Tax for Earlier Years		—		(122,887.00)	
<b>Profit/(Loss) After Tax</b>		19,217,073.79		21,707,550.23	
<b>Add : Profit/(Loss) Brought Forward</b>		61,938,857.91		48,641,493.68	
		81,155,931.70		70,349,043.91	
<b>Less : Interim Dividend</b>		—		3,594,250.00	
Corporate Dividend Tax on Interim Dividend		—		610,843.00	
Proposed Dividend (Final)		3,594,250.00		3,594,250.00	
Corporate Dividend Tax on Final Dividend		610,843.00		610,843.00	
<b>Balance Carried to Balance Sheet</b>		76,950,838.70		61,938,857.91	
Basic/diluted Earning Per Share (Refer Note No.8 in Schedule 19)			2.67		4.15
<b>SIGNIFICANT ACCOUNTING POLICIES &amp; NOTES TO THE ACCOUNTS</b>	19				

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

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

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

# **SCHEDULES** 1 to 12 annexed to & forming part of Balance Sheet as at 31st March, 2009

	As at 31.03.2009		As at 31.03.2008	
	Rs.	P.	Rs.	P.
<b>SCHEDULE - 1</b>				
<b>SHARE CAPITAL</b>				
<b>Authorised</b>				
1,20,00,000 Equity Shares of Rs. 10/- each	120,000,000.00		120,000,000.00	
<b>Issued, Subscribed &amp; Paid-up</b>				
71,88,500 (31/03/08 71,88,500) Equity Shares of Rs.10/- each	71,885,000.00		71,885,000.00	
fully paid-up in cash	71,885,000.00		71,885,000.00	
<b>SCHEDULE - 2</b>				
<b>RESERVES AND SURPLUS</b>				
<b>Share Forfeited</b>				
- As per last Account	15,500.00		15,500.00	
<b>Generator Subsidy Reserve</b>				
- As per last Account	61,000.00		61,000.00	
<b>Rajasthan State Investment Subsidy</b>				
- As per last Account	521,505.00		521,505.00	
<b>Securities Premium Account</b>				
- As per last Account	2,15,605,500.00		4,36,05,500.00	
Add : During the year	—	215,605,500.00	17,20,00,000.00	
<b>General Reserve</b>				
- As per last Account	95,89,264.00		8,218,000.00	
Add : Adjustment for Employees Benefits as per transitional provisions of AS - 15 (including related tax effect)	—	9,589,264.00	13,71,264.00	
Profit & Loss Account	7,69,50,838.70		61,938,857.91	
	302,743,607.70		287,731,626.91	
<b>SCHEDULE - 3</b>				
<b>SECURED LOANS</b>				
<b>From Banks</b>				
i) On Cash Credit Account	134,680,720.58		124,727,834.00	
ii) Working Capital Term Loan	50,113,014.00		1,106,041.00	
iii) Bill discounting	11,341,059.00		—	
iv) Term Loan :	48,633,368.71		53,746,633.00	
(The above loans are secured by hypothecation of all present and future movable Plant & Machinery, Stock and Book Debts and other current assets and hypothecation of all fixed assets and equitable mortgage of some immovable properties and personally guarantee by two directors.)				
v) On Auto Loan Account :				
(Secured against hypothecation of Motor Car & personal guarantee of two Directors)				
(Term Loan, Auto Loan and Working Capital Term Loan - Due within one year Rs 128.28 lacs, 31/03/08 Rs 17.87 lacs)				
	803,469.94		1,778,976.15	
	245,571,632.23		181,359,484.15	
<b>SCHEDULE - 4</b>				
<b>UNSECURED LOANS</b>				
From Bodies Corporate (Short Term)	100,755,859.00		41,580,794.00	
From Rajasthan State Govt.				
(Under Sales Tax Deferment Scheme)	4,844,049.00		8,396,061.00	
From Directors (Short Term)	1,074,787.00		—	
	106,674,695.00		49,976,855.00	

**SCHEDULE - 5****FIXED ASSETS****Schedule '5' of Fixed Assets Annexed to and Forming Part of Balance Sheet As on 31st March, 2009**

PARTICULARS	GROSS BLOCK				D E P R E C I A T I O N				NET BLOCK	
	As on 31.03.08 Rs.	Addition Rs.	Deduction Rs.	Total As on 31.03.09 Rs.	Up to 31.03.08 Rs.	For the year Rs.	Deduction Rs.	Total Up to 31.03.09 Rs.	As on 31.03.09 Rs.	As on 31.03.08 Rs.
LAND (LEASE HOLD)	3564274.58	0.00	0.00	3564274.58	0.00	0.00	0.00	0.00	3564274.58	3564274.58
LAND (FREE HOLD)	4721977.00	4423651.70	0.00	9145628.70	0.00	0.00	0.00	0.00	9145628.70	4721977.00
BUILDING	28076614.92	18492099.24	0.00	46568714.16	14080231.60	1367449.32	0.00	15447680.92	31121033.24	13996383.32
BUILDING OFFICE	571076.00	5213260.37	0.00	5784336.37	351277.00	57016.00	0.00	408293.00	5376043.37	219799.00
BUILDING TIME SHARE	48400.00	0.00	0.00	48400.00	0.00	0.00	0.00	0.00	48400.00	48400.00
PLANT & MACHINERY (MAIN)*	69033625.24	5205419.00	19570.00	74219474.24	30445467.24	5767070.40	0.00	36212537.64	38006936.60	38585730.00
OIL STORING TANK	2688060.74	0.00	0.00	2688060.74	2161317.74	73270.00	0.00	2234587.74	453473.00	529171.00
WIND TURBINE GENERATOR	54196340.00	0.00	0.00	54196340.00	14120633.00	5574531.00	0.00	19695164.00	34501176.00	40075707.00
HANDLING EQUIPMENTS	4361754.41	2464165.28	0.00	6825919.69	3442655.41	250886.00	0.00	3693541.41	3132378.28	919099.00
RESEARCH & DEVELOPMENT EQUIPMENTS	846886.04	0.00	0.00	846886.04	732134.04	13259.00	0.00	745393.04	101493.00	114752.00
DIES & TOOLS	47062.62	0.00	0.00	47062.62	45288.62	247.00	0.00	45535.62	1527.00	1774.00
AUXILIARY MACHINERY	366818.57	2000.00	0.00	368818.57	274410.57	14676.00	0.00	289086.57	79732.00	92408.00
FIRE EXTINGUISHER	120080.68	0.00	0.00	120080.68	88768.68	4355.00	0.00	93123.68	26957.00	31312.00
FURNITURE & FIXTURE	1488263.99	842443.00	0.00	2330706.99	1330991.99	108689.00	0.00	1439680.99	891026.00	157272.00
TYPE WRITER	119117.74	0.00	0.00	119117.74	112496.74	1198.00	0.00	113694.74	5423.00	6621.00
GENERATOR	537723.65	592129.28	0.00	1129852.93	435071.65	43146.00	0.00	478217.65	651635.28	102652.00
TUBE WELL	586185.32	22710.28	0.00	608895.60	203357.56	40516.04	0.00	243873.60	365022.00	382827.76
TELEVISION	61390.00	0.00	0.00	61390.00	53665.00	1127.00	0.00	54792.00	6598.00	7725.00
AIR CONDITIONER	757295.31	262517.66	0.00	1019812.97	493806.31	53745.66	0.00	547551.97	472261.00	263489.00
COMPUTER	2588185.78	128679.00	42700.00	2674164.78	2182333.49	186227.29	30654.00	2337906.78	336258.00	405852.29
OFFICE EQUIPMENT	761083.50	0.00	0.00	761083.50	472986.81	45114.69	0.00	518101.50	242982.00	288096.69
ELECTRIC INSTALLATION	2816027.70	727251.19	0.00	3543278.89	1920733.55	148156.15	0.00	2068889.70	1474389.19	895294.15
VEHICLES	6657844.37	250000.00	350952.00	6556892.37	3308122.76	914215.61	233275.00	3989063.37	2567829.00	3349721.61
FAX MACHINE	143008.32	11740.00	0.00	154748.32	121874.32	2840.00	0.00	124714.32	30034.00	21134.00
WATER COOLER	58108.00	0.00	0.00	58108.00	51094.00	976.00	0.00	52070.00	6038.00	7014.00
REFRIGERATOR	82956.00	0.00	0.00	82956.00	33122.00	6932.00	0.00	40054.00	42902.00	49834.00
CLOSE CIRCUIT TELEVISION	93497.00	98865.00	0.00	192362.00	84669.00	1824.00	0.00	86493.00	105869.00	8828.00
TEMPO	46800.00	0.00	0.00	46800.00	45728.00	278.00	0.00	46006.00	794.00	1072.00
EPBX SYSTEM	43650.00	26500.00	0.00	70150.00	34854.00	3497.00	0.00	38351.00	31799.00	8796.00
<b>TOTAL</b>	<b>185484107.48</b>	<b>38763431.00</b>	<b>413222.00</b>	<b>223834316.48</b>	<b>76627091.08</b>	<b>14681242.16</b>	<b>263929.00</b>	<b>91044404.24</b>	<b>132789912.24</b>	<b>108857016.40</b>
PREVIOUS YEAR FIGURES	167811527	18300381	627801	185484107	63607452	13441329	421690	76627091	108857016	

\* Plant &amp; Machinery includes Rs. 9706059.00 cost of Erection, Foundation &amp; Installation

	As at 31.03.2009	As at 31.03.2008
	Rs. P.	Rs. P.
<b>SCHEDULE - 6</b>		
<b>INVESTMENTS [Long Term (at Cost) Unquoted]</b>		
National Saving Certificate (Deposited with Government Departments)	21,500.00	21,500.00
In Equity Shares; (Trade)		
35,000 (35,000) Equity Shares of Bhutoria		
Agrotech Limited of Rs. 10/- each fully paid-up in cash	350,000.00	350,000.00
	<b>371,500.00</b>	<b>371,500.00</b>

## SCHEDULE - 7

### INVENTORIES

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

Stores & Spares	10,548,489.98	13,484,461.13
Raw Materials	36,784,640.56	51,627,591.22
Work-in-process	132,825,522.66	110,197,336.00
Finished Goods ( Including lying with parties Rs.6110887/- )	64,514,980.31	50,977,947.86
Scrap	1,540,935.00	2,053,660.00
Empty Drums	—	20,492.43
Tools	—	7,776.00
	<b>246,214,568.51</b>	<b>228,369,264.64</b>

## SCHEDULE - 8

### SUNDRY DEBTORS

(Unsecured considered good)

Debts outstanding for a period exceeding six months	80,287,851.22	143,840,596.38
Other Debts	429,235,807.71	334,711,306.55
	<b>509,523,658.93</b>	<b>478,551,902.93</b>

## SCHEDULE - 9

### CASH & BANK BALANCES

Cash in hand	481,311.81	506,446.74
Balance with Scheduled Banks		
In Current Account	66,213,140.50	19,276,265.73
In Unpaid Dividend Account	146,482.89	111,056.87
In Fixed Deposit Account	43,527,706.00	33,415,993.00
(Receipt lodged with Bank)		
Interest accrued on Fixed Deposit	43,493.00	31,513.00
	<b>110,412,134.20</b>	<b>53,341,275.34</b>



	As at 31.03.2009		As at 31.03.2008	
	Rs.	P.	Rs.	P.
<b>SCHEDULE - 10</b>				
<b>OTHER CURRENT ASSETS</b>				
Insurance Claim Receivable		—	5,346,556.00	
		—	<b>5,346,556.00</b>	

**SCHEDULE - 11****LOANS & ADVANCES**

(Unsecured considered good)

Advances recoverable in cash or in

kind or for value to be received

Advance - Capital Items

Security Deposits

Earnest Money

Balance with Excise &amp; Sales Tax Department

3,714,946.10

1,100,000.00

5,310,546.29

10,083,663.00

10,314,788.34

**30,523,943.73**

4,881,611.37

—

5,060,685.29

7,989,263.00

17,863,721.57

**35,795,281.23****SCHEDULE - 12****CURRENT LIABILITIES & PROVISIONS****(A) Current Liabilities****Sundry Creditors**

Total Outstanding dues of Micro &amp; Small Enterprises

Total Outstanding dues of Creditors other than Micro and Small Enterprises

Unclaimed Dividend

(Amount due for transfer to Investor Education &amp; Protection Fund Rs Nil)

Other Liabilities

1,209,113.00

256,926,263.26

146,482.89

15,478,955.69

**273,760,814.84**

—

285,869,172.18

111,056.87

12,772,157.40

**298,752,386.45****(B) Provisions :**

Provision for Taxation (Net)

Provision for Fringe Benefit Tax (Net)

Provision for - Interim Dividend

Provision for Proposed Dividend - Final

Provision for Corporate Dividend Tax on Interim Dividend

Provision for Corporate Dividend Tax on Final Dividend

Provision for Gratuity

Provision for Leave Encashment

4,359,256.84

480,702.00

—

3,594,250.00

—

610,843.00

5,988,000.00

664,916.00

**15,697,967.84**

1,368,963.84

409,288.00

3,594,250.00

3,594,250.00

610,843.00

610,843.00

5,446,000.00

678,896.00

**16,313,333.84****Total (A+B)****289,458,782.68****315,065,720.29**

**SCHEDULES** 13 to 18 annexed to & forming part of Profit & Loss Account for the year ended 31st March, 2009

	Year ended 31.03.2009 Rs. P.		Year ended 31.03.2008 Rs. P.	
<b>SCHEDULE - 13</b>				
<b>SALES : TURNOVER</b>				
Sales	1,233,635,492.73		1,148,155,013.09	
Less : Rate Difference	—		(41,021,826.00)	
	<b>1,233,635,492.73</b>		<b>1,107,133,187.09</b>	

**SCHEDULE - 14**

**JOB CHARGES**

Job Charges ( Gross TDS Rs 1264525/- Previous Year Rs.1604950/-)	66,556,174.36	70,993,410.15
	<b>66,556,174.36</b>	<b>70,993,410.15</b>

**SCHEDULE - 15**

**OTHER INCOME**

Interest (Gross TDS Rs 636077/- Previous Year Rs.633084/-)		
From Bank on fixed deposits	3,410,738.00	2,962,118.00
From Others - Sundry Debtors etc	1,192,394.00	3,996,142.00
Profit on sale of fixed assets	42,323.00	87,130.06
Miscellaneous Income (Gross TDS Rs 60261/- Previous Year Rs.NIL)	4,255,993.59	5,258,663.43
Man Power Charges	541,480.00	714,232.00
Prior Period Adjustment	—	989,127.00
Generation Gurantee Claim for earlier years	2,755,143.00	—
Generation Gurantee Claim	393,592.00	—
Liability no longer required written back	92,016.75	—
	<b>12,683,680.34</b>	<b>14,007,412.49</b>

**SCHEDULE - 16**

**INCREASE/DECREASE IN STOCK**

**Closing Stock**

Finished Goods	64,514,980.31	50,977,947.86
Work-in-process	132,825,522.66	110,197,336.00
Empty Drums	—	20,492.43
Scrap & Replaced materials	1,540,935.00	2,053,660.00
<b>(A) :</b>	<b>198,881,437.97</b>	<b>163,249,436.29</b>

**Less : Opening Stock**

Finished Goods	50,977,947.86	50,749,864.28
Work-in-process	110,197,336.00	78,552,855.71
Empty Drums	20,492.43	20,492.43
Scrap & Replaced materials	2,053,660.00	665,803.00
<b>(B) :</b>	<b>163,249,436.29</b>	<b>129,989,015.42</b>

**(A-B) :**

Less : Excise Duty on Inventories (Net)	35,632,001.68	33,260,420.87
	<b>(1,614,045.00)</b>	<b>(995,580.00)</b>
<b>Increase/(Decrease) in Stock</b>	<b>37,246,046.68</b>	<b>34,256,000.87</b>

	Year ended 31.03.2009		Year ended 31.03.2008	
	Rs.	P.	Rs.	P.
<b>SCHEDULE - 17</b>				
<b>MANUFACTURING &amp; OTHER EXPENSES</b>				
Raw Materials Consumed	906,513,550.43		812,145,592.63	
Packing Material Consumed	6,092,978.04		31,669,163.65	
Stores Consumed	61,282,194.60		58,151,673.50	
Damaged Conductors Purchased	31,865.00		2,270,702.00	
Fabrication & Job Charges	13,513,908.50		11,247,699.12	
Semi Finished Goods Purchased	4,892,431.00		2,505,747.28	
Power & Fuel	7,395,113.50		7,126,105.50	
Carriage Inward	5,460,872.65		3,650,931.02	
Foreign Exchange Fluctuation	7,117,430.00		250,331.05	
Salary, Wages & Bonus	15,747,216.90		15,016,394.99	
Employers Contribution to PF & FPF	1,091,928.00		1,091,199.00	
(Including Adm.charges-Rs 185357/- Previous year Rs.168325/-)				
Travelling & Conveyance	2,691,062.20		2,573,972.56	
Insurance	1,134,569.26		1,139,955.00	
Repairs & Maintenance :				
To Plant & Machinery	1,850,768.02		827,350.24	
To Building	2,800,391.90		1,682,408.74	
To Others	928,299.94	5,579,459.86	1,059,379.12	
Rent		701,611.00	159,500.00	
Rates & Taxes		390,965.00	57,807.96	
Consultancy & Testing Fees		3,825,518.00	2,182,017.00	
Postage, Telegram & Telephone		918,913.14	932,609.46	
Commission		2,180,105.00	2,851,823.00	
Miscellaneous Expenses		8,295,091.08	7,082,916.75	
Vehicle Upkeep Expenses		1,022,083.86	807,178.36	
Sales Tax		603,051.80	415,348.10	
Claims & Damages		46,356,733.55	1,500,338.55	
Staff Welfare Expenses		551,006.24	803,206.09	
Carriage Outward		314,557.00	650,697.00	
Directors Remuneration		480,000.00	480,000.00	
Auditor's Remuneration				
Statutory Auditors :				
For Audit Fees		63,000.00	38,000.00	
For Tax Audit Fees		8,000.00	8,000.00	
For Certification Fees / Limited Review		96,653.00	106,423.00	
For Company Law Matter		3,483.00	16,854.00	
Reimbursement of expenses (Including Service Tax)		7,313.00	5,686.00	
Branch Auditors :				
For Audit Fees		55,000.00	55,000.00	
For Tax Audit Fees		20,000.00	20,000.00	
For Certification Fees / Other Services		20,730.00	33,202.00	
For Service Tax		7,725.00	9,270.00	
Donation		1,285,224.00	1,000,000.00	
Transformers After Sales Service		734,513.50	245,706.50	
Loss on Sale of Fixed Assets		6,546.00	95,241.00	
Prior Period Adjustments		12,938.00	40,960.68	
Insurance Claim Receivable W/off		2,054,688.00	—	
	1,108,560,029.11		972,006,390.85	
Less : Allocated to Capital Work In Progress	260,000.00		—	
	1,108,300,029.11		972,006,390.85	
<b>SCHEDULE - 18</b>				
<b>INTEREST &amp; FINANCIAL EXPENSES</b>				
Interest to Bank (Including Rs. 2,278,789.77 on term loan, Previous Year - Rs. 6,841,370.31)	28,160,703.77		22,302,815.70	
Interest to others	14,848,321.47		13,397,407.52	
Interest to Directors	83,375.00		—	
Bank & Financial Charges	7,419,696.50		5,274,732.30	
	50,512,096.74		40,974,955.52	

## SCHEDULE – 19

(Annexed to and forming part of Balance Sheet as at 31st March, 2009 and Profit & Loss Account for the year ended on that date)

### SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS

#### 1. SIGNIFICANT ACCOUNTING POLICIES

##### a. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

##### b. FIXED ASSETS

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

##### c. DEPRECIATION

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

##### d. INVESTMENT

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

##### e. INVENTORIES

(i) Raw materials, Stores & Spare Parts, Work-in-process and Finished goods are valued at lower of cost and net realizable value. Cost of raw material and stores & spare parts are ascertained on FIFO method basis. Cost of work-in-process and finished goods are ascertained on absorption cost basis incorporating cost of material on weighted average basis.

(ii) Scrap, empty drums and replaced material are valued at net realizable value.

(iii) Excise Duty on inventories of finished goods as at the year end are provided for and included in the valuation of the said inventories of finished goods.

##### f. REVENUE RECOGNITION

Sales include excise duty but does not include VAT collected.

##### g. EMPLOYEE BENEFITS

###### (i) Short term employee benefits

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

###### (ii) Post-employment Benefits

###### (a) Defined Contribution Plans

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

**(b) Defined Benefit Plans**

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

(iii) Termination benefits are recognised as an expense as and when incurred.

(iv) The Actuarial gains and losses arising during the year are recognised in the Profit and Loss Account.

**h. FOREIGN CURRENCY TRANSACTIONS**

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

**i. EARNINGS PER SHARE**

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

**j. TAXATION**

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

**k. IMPAIRMENT OF ASSETS**

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

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

Provisions involving substantial degree of estimation in measurements are recognized when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statement.

2. The amount due to suppliers covered under the Micro & Small Enterprises Development Act, 2006 given in Schedule 12 - Current Liabilities & Provision is based on details regarding the status of the suppliers obtained by the company. This has been relied upon by the auditors.
3. Sales include inter branch transfers amounting to Rs. NIL (Previous year Rs. 1183.38 lacs). In the opinion of the management the impact of such transfer on the financial statements will be revenue neutral.
4. **EMPLOYEE BENEFITS**

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

**(b) Post Retirement Benefits****Defined Contribution Plans**

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

Particulars	2008-09	2007-08
Contribution to Employees' Provident Fund and Family Pension Fund	9.07	9.23

**(c) Defined Benefit Plans - Gratuity**

(Rs. in Lacs)

Particulars	2008-09	2007-08
<b>(i) Changes in the Present Value of Obligation</b>		
(a) Present Value of Obligation as at April 1, 2008	54.46	48.35
(b) Interest Cost	8.41	4.11
(c) Past Service Cost	-	-
(d) Current Service Cost	3.69	3.82
(e) Curtailment Cost/(Credit)	-	-
(f) Settlement Cost/(Credit)	-	-
(g) Benefits Paid	-	(3.29)
(h) Actuarial (Gain)/Loss	(6.68)	1.47
(i) Present Value of Obligation as at Mar 31, 2009	59.88	54.46
<b>(ii) Changes in the Fair value of Plan Assets</b>		
(a) Present Value of Plan Assets as at April 1, 2008	<b>N.A., as Gratuity benefit is not funded.</b>	N.A., as Gratuity benefit is not funded.
(b) Expected Return on Plan Assets		
(c) Actuarial Gain/(Loss)		
(d) Employers' Contributions		
(e) Employees' Contributions		
(f) Benefits Paid		
(g) Fair Value of Plan Assets as at Mar 31, 2009		
<b>(iii) Amount recognised in the Balance Sheet including a reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets</b>		
(a) Present Value of Funded Obligation as at Mar 31, 2009	-	-
(b) Fair Value of Plan Assets as at Mar 31, 2009	-	-
(c) Funded (Asset)/Liability recognised in the Balance Sheet	-	-
(d) Present Value of Unfunded Obligation as at Mar 31, 2009	59.88	54.46
(e) Unrecognised Past Service Cost	-	-
(f) Unrecognised Actuarial (Gains)/Losses	-	-
(g) Unfunded Net Liability recognised in the Balance Sheet	59.88	54.46

(iv) Expenses recognised in the Profit and Loss Account		
(a) Current Service Cost	3.69	3.82
(b) Past Service Cost	-	-
(c) Interest Cost	8.41	4.11
(d) Expected Return on Plan Assets	-	-
(e) Curtailment Cost/(Credit)	-	-
(f) Settlement Cost/(Credit)	-	-
(g) Net actuarial (Gain)/Loss	(6.68)	1.47
(h) Employees' Contribution	-	-
(i) Total Expenses recognised in the Profit and Loss Account	5.42	9.40
(v) Percentage of each Category of Plan Assets to total		
Fair Value of Plan Assets as at Mar 31, 2009		
(a) Government of India Securities	N.A.	N.A.
(b) Corporate Bonds	N.A.	N.A.
(c) Special Deposit Scheme	N.A.	N.A.
(d) Equity Shares of Listed Companies	N.A.	N.A.
(e) Property	N.A.	N.A.
(f) Insurer Managed Funds	N.A.	N.A.
(g) Others	N.A.	N.A.

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

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

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

PARTICULARS	2008-09	2007-08
(a) Interest Rate	-	-
(b) Discount Rate	7.50%	7.50%
(c) Expected Rate of Return on Plan Assets	-	-
(d) Salary Escalation Rate	5.00%	5.00%

**(f) The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.****(g) Retirement age : 58 years****5. Related party disclosures (where transactions have taken place)****(i) Key Management Personnel**

Shri Rajendra Bhutoria

Shri Abhay Bhutoria

**(ii) Directors / Relatives of Key Management Personnel**

Shri S. S. Jain

Shri L. K. Patawari

Shri Sharad Bhutoria

(iii) Enterprises where key management personnel have significant influence :

Bhutoria Brothers Ltd.	Abhay Transformers Pvt Ltd.
Kalinga Petrochemicals Pvt Ltd.	Bhutoria Transformers & Rectifiers Pvt Ltd.
BLB Cables & Conductors Pvt Ltd.	Bhutoria Properties
Bhutoria Investments Pvt Ltd.	Howrah Warehouse Pvt Ltd.

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

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

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



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



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

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

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

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

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

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

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

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

**13. Expenditure in Foreign Currency**

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

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

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

(A) Particulars in respect of capacity and goods manufactured

Description	Installed Capacity	Actual Production
Transformers & Accessories	Not Applicable	7055 Nos & 10412.2 Kgs (7348 Nos.)
Semi-Finished Transformers	Not Applicable	(NIL)
Transformer Oil	Not Applicable	NIL (NIL)
Wind Energy	1.25MW (1.25MW)	1840979 KWH (1944345 KWH)
Cable & Conductor	Not Applicable	163 Nos, 16270.17 Km (2286 Nos, 8158 Km & 664 Mtr)

Licensed Capacity : Not Applicable

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

1 Nos. of Transformer were self consumed.

(B) Particulars of Finished Goods Sold

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

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

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

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

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

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

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

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

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

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

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

Particulars	Outstanding Balance as on 31/03/2009 (Rs. in Lacs)	Maximum Balance outstanding during the year (Rs. in Lacs)
i) Loans and advances in the nature of loans to subsidiaries	NIL	NIL
ii) Loans and advances in the nature of loans to associates	NIL	NIL
iii) Loans and advanced in the nature of Loans where there is		
a) No repayment schedule or repayment beyond seven years	NIL	NIL
b) No interest or interest below Section 372A of the Companies Act, 1956	NIL	NIL
iv) Loans & Advances in the nature of loans to firms/companies in which directors are interested	NIL	NIL
v) Investment by loans in the shares of parent companies and subsidiary companies when the company has made a loan or advance in the nature of loan	NIL	NIL

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

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

**b) Remuneration to Whole time Director**

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

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

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

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

**I. Registration Details**

Registration No.	16105
State Code	21
Balance Sheet Date	31.03.2009

**II. Capital raised during the Year (Amount in Rs. Thousand)**

Public Issue	NIL
Right Issue	NIL
Bonus Issue	NIL
Private Placement	NIL

**III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousand)**

Total Liabilities	1,030,096
Total Assets	1,030,096

**Sources of Funds :**

Paid-up Capital	71,885
Reserves & Surplus	302,744
Secured Loans	245,572
Unsecured Loans	106,675
Deferred Tax Liability	13,762

**Application of Funds :**

Net Fixed Assets	133,050
Investments	372
Net Current Assets	607,216

**IV. Performance of Company (Amount in Rs. Thousand)**

Turnover (Including other Income)	1,312,875
Total Expenditure	1,281,782
Profit/(Loss) Before Tax	31,094
Profit/(Loss) After Tax	19,217
Earning Per share in Rs.	2.67

**V. Generic Names of Three Principal Products/Services of the Company (as per monetary terms)**

Item Code No. (ITC Code)	: 85042100
Product Description	: Electrical Transformers having a Power handling capacity not exceeding 650 KVA
Item Code No. (ITC Code)	: 85042200
Product Description	: Electrical Transformers having a Power handling capacity exceeding 650 KVA but not exceeding 10000 KVA
Item Code No. (ITC Code)	: 76141000
Product Description	: Acsr Conductor

As per our Report of even date  
 For **A. C. BHUTERIA & CO.**

Chartered Accountants

**Mohit Bhuteria**

Partner

Place : Kolkata

Dated : 21<sup>st</sup> August, 2009

**S. S. Jain**  
 Chairman

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

**Abhay Bhutoria**  
 Managing Director

**L. K. Patawari**  
 Director

**J. Biswas**  
 Company Secretary

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

	2008-09 Rs. in lacs	2007-08 Rs. in lacs
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax and Extra Ordinary Items	310.93	340.26
<b>Adjustment for :</b>		
Depreciation	146.81	134.41
Interest on borrowings	505.12	409.75
Interest Income	(46.03)	(69.58)
Adjustment for transitional provisions of AS - 15	-	13.71
Loss on Sale of Fixed Assets	0.07	0.95
Profit on Sale of Fixed Assets	(0.42)	(0.87)
Operating Profit before Working Capital Change	916.47	828.63
<b>Adjustment for :</b>		
Trade & Other Receivable	(192.54)	(1,993.73)
Inventories	(178.44)	(241.65)
Trade Payable	(244.99)	1,252.39
(982.99)	(615.96)	
Cash generated from operations	300.51	(154.36)
Direct Tax paid/refund (including interest)	(97.15)	(133.17)
Net Cash from/(used in) Operating activities (A)	203.37	(287.53)
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Addition to Fixed Assets/Capital work in progress (Net of Refund)	(300.76)	5.71
Sale of Fixed Assets	1.85	1.98
Interest received	46.03	69.58
Net Cash Flow from Investing activities (B)	(252.87)	77.27
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds/Repayment of Long Term borrowings (net)	(96.41)	(81.52)
Proceeds/Repayment of Short Term borrowings (net)	1,305.50	(848.12)
Proceeds from Issue of Warrant	-	-
Proceeds from Issue of Shares	-	1,728.00
Interest Paid	(505.12)	(409.75)
Dividend Paid	(71.54)	(25.60)
Corporate Dividend Tax Paid	(12.22)	(4.41)
Net Cash used in Finance Activity (C)	620.22	358.60
Net Increase in Cash & Cash equivalent (A + B + C)	570.71	148.34
Cash & Cash equivalents (Opening)	533.41	385.07
Cash & Cash equivalents (Closing)	1,104.12	533.41

## Notes :

- Cash Flow Statement has been prepared under "Indirect Method" as per AS - 3 "Cash Flow Statements".
- Cash and Cash equivalents includes Rs. 435.28 Lacs (Rs. 334.16 Lacs) lying in Fixed Deposit with Bank under lien and Rs. 1.46 Lacs (Rs. 1.11 Lacs) in Unpaid Dividend Account.

As per our Report of even date  
For **A. C. BHUTERIA & CO.**

Chartered Accountants

**Mohit Bhuteria**

Partner

Place : Kolkata

Dated : 21<sup>st</sup> August, 2009

**S. S. Jain**

Chairman

**R. Bhutoria**

Vice Chairman & Wholetime Director

**Abhay Bhutoria**

Managing Director

**L. K. Patawari**

Director

**J. Biswas**

Company Secretary



## RTS POWER CORPORATION LIMITED

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

### ATTENDANCE SLIP

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

DP ID ..... Client ID : .....

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

I/We hereby record my/our presence at the 61st Annual General Meeting of the above named Company at Hotel Lindsay, 8B Lindsay Street, Kolkata 700 087, on Wednesday, the 16th day of September, 2009 at 10.00 A.M.

Name of Member/Proxy (in Block Letters) :

.....  
Signature of Member / Proxy

#### Notes :

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

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

## RTS POWER CORPORATION LIMITED

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

### PROXY FORM

DP ID ..... Client ID : .....

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

I/We ..... S/o, D/o, W/o .....

residing at ..... being a

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

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

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

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

16th September, 2009 at 10.00 A.M. at Hotel Lindsay, 8B, Lindsay Street, Kolkata - 700 087 and at any

adjournment thereof.

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

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

Affix  
Re. 1.00  
Revenue  
Stamp

Signature

(Please sign across the Stamp)

# BOOK POST

## **RTS POWER CORPORATION LIMITED**

**Registered Office :** 56, Netaji Subhas Road (2nd Floor), Kolkata - 700 001

Phone : (033) 2242-6025, 2242-6054 • Fax : (033) 2242-6732 • e-mail : [rtspower@vsnl.net](mailto:rtspower@vsnl.net)

**Plants :** Jaipur & Kaladera - Rajasthan • Agra - Uttar Pradesh • Salkia & Dhulagori, Howrah - West Bengal • Dhule - Maharashtra