



RTCL LIMITED

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*Twelfth Annual Report
2005-2006*


RTCL LIMITED

RTCL LIMITED
BOARD OF DIRECTORS

Mr. Om Prakash Agrawal
Chairman (Whole-time Director)

Mr. Sri Prakash Agrawal
Whole-time Director

Mr. Brejesh Katiyar
Director

Mr. Shankar Lal Agrawal
Director

Mr. Rajesh Agrawal
Director

Mr. Sailesh Kumar Gupta
Director

COMPANY SECRETARY

Mr. Ashish Tiwari

AUDITORS

KUMAR PIYUSH & CO.
Chartered Accountants
C-5, Lajpat Nagar, Phase-III,
New Delhi - 110024

BANKERS

STATE BANK OF INDIA,

REGISTERED OFFICE

Mandhana Bithoor Road,
Village Chaudharipur,
Bithoor, Kanpur - 209 201

CORPORATE OFFICE

6926, Jaipuria Mills, Clock Tower,
Subzi Mandi, Delhi-110007

HEAD OFFICE

123/778, Fazalganj,
Kanpur (U.P.)

CONVENIENCE STORES AT

Civil Lines, Vikas Nagar and Govind Nagar,
Kanpur

SHARE TRANSFER AGENT

Abhipra Capital Limited
Abhipra Complex, Dilkhush Industrial Area, A-387,
G. T. Karnal Road, Azadpur, Delhi-110033

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TWELFTH ANNUAL REPORT

NOTICE

NOTICE is hereby given that the Twelfth Annual General Meeting of the Members of RTCL LIMITED will be held on Friday, the 29th September, 2006 at 11.00 A.M. at the Registered Office of the Company at Mandhana Bithoor Road, Village Choudharipur, Bithoor, Kanpur-209201 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended March 31, 2006 and the Balance Sheet as at that date and the Report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Brejesh Katiyar who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Shanker Lal Agrawal who retires by rotation and being eligible, offers himself for re-appointment.
4. To re-appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration. M/s Kumar Piyush & Co., Chartered Accountants, retiring Auditors are eligible for re-appointment.

By Order of the Board

Place : Delhi

Ashish Tiwari

Dated : June 30, 2006

Company Secretary

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES TO BE EFFECTIVE SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. M/s Abhipra Capital Limited, Abhipra Complex, Dilkhush Industrial Area, A-387, G.T. Karnal Road, Azadpur, Delhi-110033 is the Registrar and Share Transfer Agent for physical shares of the Company. M/s Abhipra Capital Limited is also the depository interface of the Company with both NSDL and CDSL.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, September 15, 2006 to Friday, September 29, 2006 (both days inclusive).
4. Members/Proxies should bring the attendance slips duly filled in and signed for attending the meeting.
5. Members who are holding shares in the identical order of names in more than one folio, are requested to write to the Company to enable it to consolidate their holding in one folio.
6. As per the provisions of the Companies Act, 1956, facility for making nomination is available for Members of the Company in respect of shares held by them. The Members, who wish to nominate a person, may furnish the required details to the Company in prescribed form.


RTCL LIMITED

DIRECTORS' REPORT

To
The Members of RTCL Limited

Your Directors have pleasure in presenting the Twelfth Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2006.

FINANCIAL RESULTS

The highlights of the Financial Results are as under:

(Rupees in Lakhs)

PARTICULARS	Year ended 2005-2006	Year ended 2004-2005
Sales and Other Income	524.20	541.94
Profit/(Loss) before Interest and Depreciation	77.37	(145.17)
Less: Finance Charges	(09.02)	(16.24)
Less: Depreciation	(37.15)	(45.99)
Profit/(Loss) for the Year	31.20	(207.40)
Add/(Less): Extraordinary Items	1.51	347.80
Less: Fringe Benefit Tax	(1.42)	-
Less: Provision for Income Tax	(10.01)	(49.58)
Less: Wealth Tax	(0.02)	-
Add/(Less): Deferred Tax Assets/ (Liability)	0.10	(0.29)
Net Profit/(Loss) for the Year	21.36	90.53
Add: Balance brought forward	(19.44)	(109.97)
Profit/(Loss) carried to the Balance Sheet	1.92	(19.44)

OPERATIONS

During the year under review, the Gross Turnover of the Company dropped to Rs.524.20 lacs as compared to Rs.541.94 lacs in the previous year. However, the Company was able to earn profit of Rs.31.20 lacs as against loss of Rs.207.40 lacs in the previous year. The net profit (after adjustments of Extra Ordinary Items and Taxes) reduced to Rs.21.36 lacs as compared to Rs.90.53 lacs in the previous year.

The Company will continue to be responsive to changes in market dynamics and consumer behaviour and other key factors influencing the business, and will formulate its strategies accordingly.

DIVIDEND

With a view to conserve resources for future needs of the Company, the Directors regret their inability to propose any dividend for the year under review.

DIRECTORS

In accordance with the requirements of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Brejesh Katiyar and Mr. Shanker Lal Agrawal are liable to retire by rotation and are eligible for re-appointment.

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DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 217 (2AA) of the Companies Act, 1956, with respect to the Directors' Responsibility Statement, it is hereby confirmed:

- (i) That in the preparation of the annual accounts for the financial year ended 31st March, 2006, the applicable accounting standards had been followed and no material departure have been made from the same;
- (ii) That the Directors had 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 the year under review;
- (iii) That Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That Directors have prepared the annual accounts for the financial year ended 31st March, 2006, on a 'going concern' basis.

DEMATERIALIZATION OF EQUITY SHARES

The Company's equity shares are available for trading in the Depository systems of both the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL). The International Security Identification Number (ISIN) allotted by NSDL and CDSL to RTCL Limited is INE754B01012 for the equity shares of your Company. The status of Equity Capital exist in Electronic Form and Physical Form as on March 31st, 2006 is as under:

Particulars	Nos. of Shares	Percentage
<i>Electronic Mode</i>		
NSDL	79,10,518	65.91
CDSL	5,21,612	4.35
	84,32,130	70.26
<i>Physical Mode</i>	35,69,040	29.74
Total :	1,20,01,170	100.00

CORPORATE GOVERNANCE

Your Company has successfully implemented the mandatory provisions of Corporate Governance in accordance with the provisions of Clause 49 of the Listing Agreement of the Stock Exchanges. Separate Reports on Corporate Governance and Management Discussion & Analysis are included in the Annual Report and Certificate dated June 30, 2006 of the Auditors of your Company confirming the compliance of conditions of Corporate Governance is also annexed thereto.

PARTICULARS OF EMPLOYEES

There was no employee in respect of whom information is required to be given pursuant to Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended up-to-date.

**RTCL LIMITED**

AUDITORS

M/s. Kumar Piyush & Co. Chartered Accountants, the Statutory Auditors, will retire at the conclusion of ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

INDUSTRIAL RELATIONS

During the year under review, your Company had cordial and harmonious industrial relations at all levels of the Organization.

PUBLIC DEPOSITS

During the year under review, your Company has not accepted any fixed deposits from the public within the meaning of Section 58A of the Companies Act, 1956 and the Rules made there under.

SUBSIDIARY COMPANY

There was no Subsidiary Company during the year under review.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO:

The information required under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is attached hereto as Annexure-'A' and forms part of the Directors' Report.

ACKNOWLEDGEMENTS :

The Directors acknowledge with gratitude, the co-operation and assistance received from the Government, Banks, Authorities and other Business Constituents. The Directors would also like to thank the employees, shareholders, customers and suppliers for their continuous support given by them to the Company and their confidence in the Management.

For and on behalf of the Board

(Om Prakash Agrawal)

Chairman

Place : Delhi

Date : June 30, 2006

TWELFTH ANNUAL REPORT

ANNEXURE-A

The information required under Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY

The Company's operations involve low energy consumption. There are no major areas where any energy conservation measure can be taken. However, efforts are being made to conserve and optimize the use of energy, wherever possible.

B. FORM OF DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION OF TECHNOLOGY, RESEARCH AND DEVELOPMENT:

Technology Absorption:

The Company is in Trading and real estate Industry and therefore, specific technology absorption, adaptations and innovation will be taken care of/ implemented, wherever required.

Research & Development:

Sr. No.	Particulars	Status
1.	Specific areas in which Research and Development carried out by the Company.	NIL
2.	Benefit derived as a result of the above Research and Development.	NIL
3.	Future plan of action.	NIL
4.	Expenditure on Research and development.	NIL

C. FOREIGN EXCHANGE EARNINGS & OUTGO:

- (i) Total Foreign Exchange earned: Rs.65,06,669/-
- (ii) Total Foreign Exchange outgo: NIL

Place : Delhi
Date : June 30, 2006

For and on behalf of the Board
(Om Prakash Agrawal)
Chairman


RTCL LIMITED

CORPORATE GOVERNANCE REPORT

1. The Company's Philosophy on Code of Corporate Governance

Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. Good governance practices stem from the culture and mindset of the organization. The Company believes that good Corporate Governance practices should be enshrined in all activities of the Company. This would ensure efficient conduct of the affairs of the Company and help the Company achieve its goal of maximizing value for all its stakeholders. The Company has a strong legacy of fair, transparent and ethical governance.

The Company recognizes that good Corporate Governance is a continuing exercise and reiterates its commitment to pursue highest standards of Corporate Governance in the overall interest of all the stakeholders.

2. Board of Directors

Composition as on March 31, 2006

The Board of Directors as on 31st March, 2006 consisted of 6 (Six) Directors out of whom 3 (Three) are Independent Directors. The Chairman of the Company is Whole-time Executive Director. The composition of Board is in conformity with Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

Name	Category	No. of Directorships held in other Public Limited Companies	No. of Board Committee position held in other Public Limited Companies	
			Chairman	Member
Mr. Om Prakash Agrawal	Executive, Whole Time Director, Promoter	1	1	-
Mr. Sri Prakash Agrawal	Executive, Whole Time Director, Promoter	1	-	1
Mr. Brejesh Katiyar	Non-Executive Director	-	-	-
Mr. Shanker Lal Agrawal	Non-Executive Independent Director	-	-	-
Mr. Rajesh Agrawal	Non-Executive Independent Director	-	-	-
Mr. Saitesh Kumar Gupta	Non-Executive Independent Director	1	-	-

3. Board Meetings

The Board held 11 (Eleven) Meetings during the year 2005-2006 on 15.04.2005, 02.05.2005, 25.06.2005, 30.06.2005, 08.07.2005, 30.07.2005, 01.08.2005, 28.10.2005, 15.12.2005, 30.01.2006 and 27.03.2006.

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Attendance of Directors at Board Meetings and at the Annual General Meeting

Name of the Director	No. of Board Meetings Attended	Whether Attended the Last AGM
Mr. Om Prakash Agrawal	11	Yes
Mr. Sri Prakash Agrawal	11	Yes
Mr. Brejesh Katiyar	10	Yes
Mr. Rajesh Agrawal	11	Yes
Mr. Shanker Lal Agrawal	11	Yes
Mr. Sailesh Kumar Gupta	11	Yes

The Board ensures compliance of all laws applicable to the Company and takes steps to rectify non-compliances, if any.

4. Committees of the Board

(i) Audit Committee

The Audit Committee has been constituted as per Section 292A of the Companies Act, 1956 and the guidelines set out in the Listing Agreements with the Stock Exchanges. The terms of the reference of the Audit Committee are as per the Guidelines set out in the Listing Agreement with the Stock Exchanges that inter-alia include the overview of the Company's financial reporting processes, review of quarterly, half-yearly and annual financial statements, review of adequacy of internal control systems, review of financial and risk management policies and review of significant finding and adequacy of internal control system etc.

Composition and Attendance

During the year 2005-2006, 5 (Five) Meetings of the Audit Committee were held on 20.04.2005, 25.06.2005, 30.07.2005, 28.10.2005 and 30.01.2006

Name of the Member	Category	No. of Meetings Attended
Mr. Shailesh Kumar Gupta (Chairman)	Non-Executive Independent	5
Mr. Shanker Lal Agrawal	Non-Executive Independent	5
Mr. Rajesh Agrawal	Non-Executive Independent	5

The Members of the Audit Committee have requisite knowledge in the field of Finance, Accounts and Management. Minutes of each Meeting of Audit Committee are placed and discussed before the Board of Directors.

The Chief Financial Officer and representative of Statutory Auditors attended the meetings of Audit Committee.

(ii) Remuneration Committee

The terms of reference of Remuneration Committee are as per the Guidelines set out in the Listing Agreement with the stock exchange(s), falling under the category of non-mandatory requirements of Corporate Governance that inter alia includes formulation and recommendation to the Board from time to time, a remuneration structure for the Whole-time Members of the Board.



RTCL LIMITED

Composition of Remuneration Committee

Name	Category
Mr. Shanker Lal Agrawal (Chairman)	Non-Executive, Independent
Mr. Rajesh Agrawal	Non-Executive, Independent
Mr. Sailesh Kumar Gupta	Non-Executive, Independent

No meeting of the Remuneration Committee was held during the year.

Remuneration Policy

The Remuneration Committee determines and recommends to the Board, the remuneration of the Directors and the same is subject to the approval of Members.

The key components of the Company's Remuneration policy are:

- Remuneration will be a major driver of performance.
- Remuneration will be transparent, fair and simple to administer.
- Remuneration is determined in accordance with experience and nature of responsibilities.
- Remuneration will be fully legal and tax compliant.

At present, the Company is not paying remuneration / sitting fees to its Non-Executive Directors. However, remunerating the Non Executive Directors by way of payment of sitting fee is under consideration. Non Executive Directors do not hold any shares and convertible instruments of the Company.

The details of remuneration paid to the Whole-time Directors during the year from 01.04.2005 to 31.03.2006 is given below:

1. The salary paid to Mr. Om Prakash Agrawal is Rs.3,00,000/-.
 2. The salary paid to Mr. Sri Prakash Agrawal is Rs.3,00,000/-.
 3. The salary paid to Mr. Brijesh Katiyar is Rs.64,608/-*
- *Resigned from whole-time directorship of the Company w.e.f.30.07.2005

The detail of service contract of Whole-time Directors of the Company is as under:

Name	Date of appointment	Tenure	From	To
Mr. Om Prakash Agrawal	1 st November, 2004	5 years	1 st November, 2004	30 th October, 2009
Mr. Sri Prakash Agrawal	1 st November, 2004	5 years	1 st November, 2004	30 th October, 2009

- Notice period as per Company's Rules.
- No severance fee and stock is payable to the Directors.

(iii) Shareholders/Investors' Grievance Committee:

The terms of reference of Shareholders/Investors' Grievance Committee are as under:

- a. Approval of requests received for transfer/transmission of shares including dematerialization/ rematerialization of securities.
- b. Approval of requests received for issue of duplicate certificates.
- c. Rejection of requests for share transfers, wherever applicable.