



RTCL LIMITED



**THIRTEENTH ANNUAL REPORT
2006-2007**



RTCL LIMITED

| | |
|--------------------------------|---|
| BOARD OF DIRECTORS: | MR. OM PRAKASH AGRAWAL : Chairman |
| | MR. SRI PRAKASH AGRAWAL : Director |
| | MR. BREJESH KATIYAR : Director (Whole-time 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 - 110 024 |
| BANKERS: | STATE BANK OF INDIA |
| REGISTERED OFFICE: | Mandhana Bithoor Road, Village Choudhaipur, Bithoor, Kanpur - 209 201 |
| CORPORATE OFFICE: | 6926, Jaipuria Mills, Clock Tower, Subzi Mandi, Delhi - 110 007 |
| HEAD OFFICE: | 123/778, Fazalganj, Kanpur (U.P.) |
| CONVENIENCES 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 |

CONTENTS

| | |
|---|----|
| Notice | 2 |
| Director's Report | 5 |
| Corporate Governance & Shareholder Information | 10 |
| Management Discussion and Analysis | 21 |
| Auditors' Report | 25 |
| Balance Sheet | 30 |
| Profit and Loss Account | 31 |
| Schedules forming Part of the Balance Sheet and Profit and Loss Account | 32 |
| Balance Sheet Abstract and Company's General Business Profile | 51 |
| Cash Flow Statement | 53 |
| Subsidiary | |
| Statement under Section 212 of the Companies Act 1956 | 43 |
| Mandakini Motels Private Limited | 44 |
| Auditor Report on Consolidated Accounts | 53 |
| Consolidated Accounts | 54 |
| Proxy form and Attendance Slip | 72 |



NOTICE

NOTICE is hereby given that the **Thirteenth** Annual General Meeting of the Members of RTCL LIMITED will be held on Saturday, the 29th September, 2007 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, 2007 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. Rajesh Agrawal who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Sailesh Kumar Gupta 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 is eligible for re-appointment.

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 pursuant to the provisions of Section 198, 269 & 309 read with Schedule-XIII and all other applicable provisions, if any, of the Companies Act, 1956, including any statutory modifications or re-enactment thereof for the time being in force, the approval of the members of the Company be and is hereby granted for the appointment of Mr. Brejesh Katiyar as Whole-Time Director of the Company w.e.f. September 30th, 2006 for a period of 5 (Five) years on the following terms and conditions, which has been approved by the Remuneration Committee at their meeting held on September 30th, 2006, in accordance with the amended provisions of Part II, Section II of Schedule- XIII to the Companies Act, 1956:
 - (1) **SALARY:** Salary @ Rs. 5,150/- (Rupees Five Thousand One Hundred Fifty Only) per month.
 - (2) **PERQUISITES:** Whole-time Director shall be entitled to the following perquisites and benefits:
 - (i) Company's contribution to Provident Fund, ESI and Superannuation Fund to the extent these either singly or put together are not taxable under the Income Tax Act.
 - (ii) Gratuity at the rate of one month's salary for each completed year of service.
 - (iii) Reimbursement of medical expenses incurred in India or abroad including hospitalization nursing home and surgical charges for himself and family subject to a ceiling of one month salary in a year or three months salary over a period of three years.
 - (3) **Incremen:** He shall be entitled for the yearly increment on salary within the range of 10% to 20%, as may be decided by the Board of Directors."

By Order of the Board

Place: Delhi
Dated: June 30, 2007

Ashish Tiwari
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.

THIRTEENTH ANNUAL REPORT – 2006-2007

3. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 15, 2007 to Saturday, September 29, 2007 (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.

EXPLANATORY STATEMENT (PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956)

ITEM NO. 5

Board of Directors of the Company at their meeting held on September 30th, 2006 have, have subject to the shareholders' approval and provision of the articles of association of the company, appointed Mr. Brijesh Katiyar as Whole-time Director for a period of five years w.e.f. September 30th, 2006 on the terms and conditions as set out in the Resolution. As per the provisions of Section 269 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII, approval of the members of the Company is required for the appointment of Mr. Brijesh Katiyar as Whole-time Director of the Company.

The remuneration payable to and the terms of appointment of Shri Brijesh Katiyar during the tenure of his appointment for a period of Five years will comprise of salary, allowances and perquisites, the aggregate monetary value of such salary, allowances and perquisites being limited to Rs. 65,000.00 per annum.

The perquisites and allowances payable to Shri Brijesh Katiyar, subject to aforesaid limits will include the company's contribution to provident fund, superannuation or annuity fund, gratuity and such other perquisites and / or allowances, within the amount specified above. The said perquisites and allowances shall be evaluated, wherever applicable as per the Income-tax Act, 1961 or any rules there under (including any statutory modification(s) or re-enactment thereof, for the time being in force). In addition he shall be entitled to encashment of leave at the end of the tenure as per the rules of the company.

The terms and conditions set out for appointment and payment of remuneration herein and / or in the agreement may be altered and varied from time to time by the board as it may, at its discretion, deem fit within the overall ceiling fixed herein.

He shall be entitled for the yearly increment on salary within the range of 10% to 20%, as may be decided by the Board of Directors.

The board or any committee thereof is entitled to revise the salary, allowances and perquisites payable to the whole-time director of the company at any time, such that the overall remuneration payable shall not exceed the aggregate amount of Rs. 65,000.00 as specified above.

The aforesaid agreement may be terminated by either party (company or the whole-time director) by giving three months' prior notice of termination in writing to the other party.

Your directors recommend the resolution for your approval.

The above may also be treated as abstract of the terms of the contract/agreement between the company and Shri Brijesh Katiyar pursuant to section 302 of the Companies Act, 1956.

Shri Brijesh Katiyar is interested in the resolution, which pertains to his appointment and / or remuneration payable to him. Save and except the above, no other director of the company is, in any way, concerned or interested, in this resolution.

By Order of the Board

Place: Delhi
Dated: June 30, 2007

Ashish Tiwari
Company Secretary



DIRECTORS' REPORT

To

The Members of RTCL Limited

Your Directors have pleasure in presenting the Thirteenth Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2007.

FINANCIAL RESULTS

The highlights of the Financial Results are as under:

(Rupees in Lakhs)

| PARTICULARS | Year ended 2006-2007 | Year ended 2005-2006 |
|---|-------------------------|-------------------------|
| Sales and Other Income | 577.52 | 524.20 |
| Profit/(Loss) before Interest and Depreciation | 130.07 | 77.37 |
| Less: Finance Charges | (20.17) | (09.02) |
| Less: Depreciation | (35.85) | (37.15) |
| Profit/(Loss) for the Year | 74.05 | 31.20 |
| Add/(Less): Extraordinary Items | (0.72) | 1.51 |
| Less: Fringe Benefit Tax | (1.56) | (1.42) |
| Less: Provision for Income Tax | (28.58) | (10.01) |
| Less: Wealth Tax | (0.15) | (0.02) |
| Add/(Less): Deferred Tax Assets/ (Liability) | 0.21 | 0.10 |
| Net Profit/(Loss) for the Year | 43.25 | 21.36 |
| Add: Balance brought forward | 1.92 | (19.44) |
| Profit/(Loss) carried to the Balance Sheet | 45.17 | 1.92 |

OPERATIONS

During the year under review, the Gross Turnover of the Company increased to Rs. 577.52 lacs as compared to Rs. 524.20 lacs in the previous year. However, the Company was able to earn profit of Rs. 74.05 lacs as against profit of Rs. 31.20 lacs in the previous year. The net profit of the Company enhanced to Rs. 43.25 lacs in comparison to Rs. 21.36 lacs in the previous year registering a growth of 102.48 %.

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. Rajesh Agrawal and Mr. Sailesh Kumar Gupta are liable to retire by rotation and are eligible for re-appointment.

THIRTEENTH ANNUAL REPORT – 2006-2007

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, 2007, 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, 2007, 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 exists in Electronic Form and Physical Form as on March 31st, 2007 is as under:

| Particulars | Nos. of Shares | Percentage |
|------------------------|--------------------|---------------|
| <i>Electronic Mode</i> | | |
| NSDL | 78,27,241 | 65.22 |
| CDSL | 6,81,089 | 5.68 |
| | 85,08,330 | 70.90 |
| <i>Physical Mode</i> | 34,92,840 | 29.10 |
| 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, 2007 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.

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.

AUDITORS REPORT

In respect of observation made by the Auditors in their Report, your Directors wish to state that the respective notes to the accounts are self-explanatory, and do not call for any further comments

INDUSTRIAL RELATIONS

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



RTCL LIMITED

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

A Statement relating to Subsidiary Company – Mandakini Motels Private Limited pursuant to the provision of Section 212 of the Companies Act, 1956 is attached to the Balance Sheet.

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

Place: Delhi
Date: June 30, 2007

(Om Prakash Agrawal)
Chairman

Report  junction.com

THIRTEENTH ANNUAL REPORT – 2006-2007

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 | : | NIL |
| (ii) | Total Foreign Exchange outgo | : | NIL |

For and on behalf of the Board

Place: Delhi
Date: June 30, 2007

(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, 2007

The Board of Directors as on 31st March, 2007 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* | Non Executive, Director Promoter | 2 | 1 | — |
| Mr. Sri Prakash Agrawal* | Non Executive, Director Promoter | 1 | — | 1 |
| Mr. Brejesh Katiyar** | Executive, Whole Time Director | — | — | — |
| Mr. Shanker Lal Agrawal | Non-Executive Independent Director | — | — | — |
| Mr. Rajesh Agrawal | Non-Executive Independent Director | — | — | — |
| Mr. Sailesh Kumar Gupta | Non-Executive Independent Director | 1 | — | — |

*Resigned from whole-time directorship of the Company w.e.f.30.09.2006

**Appointed as whole-time directorship of the Company w.e.f.30.09.2006

3. Board Meetings

The Board held 13 (Thirteen) Meetings during the year 2006-2007 on 14.04.2006, 30.06.2006, 31.07.2006, 03.09.2006, 30.09.2006, 04.10.2006, 31.10.2006, 16.11.2006, 29.12.2006, 09.01.2007, 30.01.2007, 31.01.2007 and 28.03.2007.

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

THIRTEENTH ANNUAL REPORT – 2006-2007

| Name of the Director | No. of Board Meetings Attended | Whether Attended the Last AGM |
|-------------------------|--------------------------------|-------------------------------|
| Mr. Om Prakash Agrawal | 13 | Yes |
| Mr. Sri Prakash Agrawal | 13 | Yes |
| Mr. Brejesh Katiyar | 13 | Yes |
| Mr. Rajesh Agrawal | 13 | Yes |
| Mr. Shanker Lal Agrawal | 13 | Yes |
| Mr. Sailesh Kumar Gupta | 13 | 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 2006-2007, 5 (Five) Meetings of the Audit Committee were held on 20.04.2006, 30.06.2006, 31.07.2006, 31.10.2006 and 30.01.2007

| Name of the Member | Category | No. of Meetings Attended |
|------------------------------------|---------------------------|--------------------------|
| Mr. Sailesh 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.

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 |

Only one meeting of the above constituted Remuneration Committee was held on September 30th 2006, for the purpose of approval of remuneration of Mr Brijesh Katiyar, appointed as Whole-time Director of the Company, in which all the members of the Committee were present.