

2006 - 2007

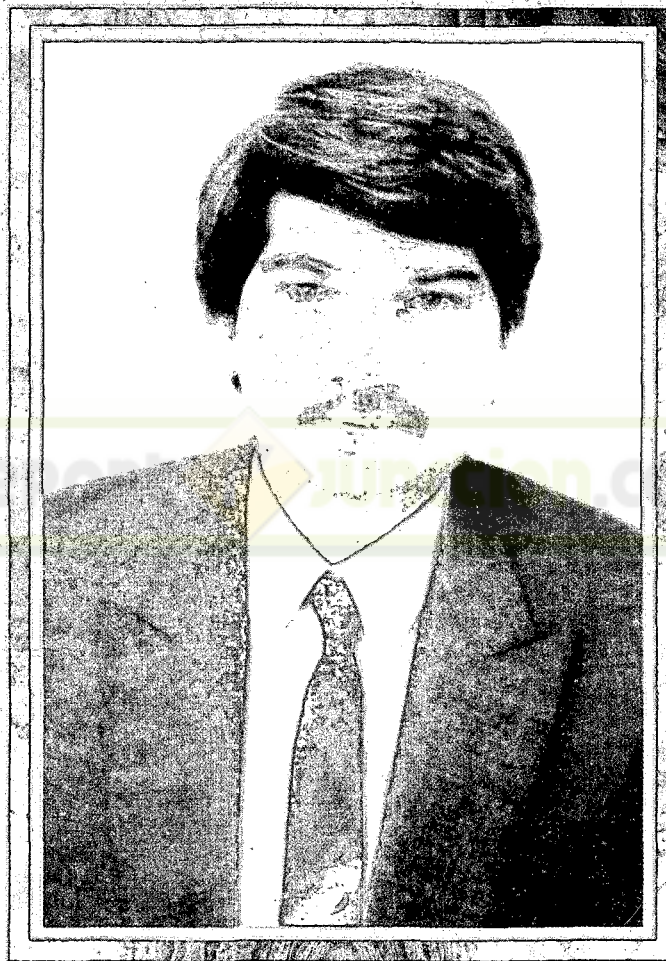
59th

ANNUAL REPORT



RTS POWER CORPORATION LIMITED

Mortal in life - immortal memory



Late Surendra Bhutoria (1961 - 1995)

RTS POWER CORPORATION LIMITED

BOARD OF DIRECTORS :

SRI SARDUL SINGH JAIN

SRI RAJENDRA BHUTORIA

SRI ABHAY BHUTORIA

SRI LOON KARAN PATAWARI

CHAIRMAN
VICE CHAIRMAN & WHOLE-TIME DIRECTOR

MANAGING DIRECTOR
DIRECTOR

COMPANY SECRETARY

SRI J. BISWAS

AUDITORS

A. C. BHUTERIA & CO
CHARTERED ACCOUNTANTS
2, INDIA EXCHANGE PLACE
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 NO. : (033) 2242-6025, 2242-6054

FAX NO. : (033) 2242-6732

E-MAIL ADDRESS : rtspower@vsnl.net

PLANTS :

1. Jaipur - Rajasthan
(Power & Distribution Transformers Unit)

2. Jaipur - Rajasthan
(132KV Extra High Voltage Transformers Unit)

3. Kaladera - Rajasthan
(Oil Unit)

4. Agra - Uttar Pradesh
(Power & Distribution Transformers Unit)

5. Salkia, Howrah - West Bengal
(Power & Distribution Transformers Unit)

6. Dhule - Maharashtra
(Wind Energy Division)

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, 2235-7270 / 7271 / 3070

RTS POWER CORPORATION LIMITED

NOTICE

NOTICE is hereby given that Fifty Ninth Annual General Meeting of Shareholders of the Company will be held at 8B, Lindsay Street, Kolkata-700 087 on Friday, 28th day of September, 2007 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 31st March, 2007 and the Balance Sheet of the Company as at that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Sri Sardul Singh Jain, who retires by rotation, and, being eligible, offers himself for re-appointment.
3. To declare Final 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 and to authorize the Audit Committee of the Board of Directors of the Company to fix their remuneration in consultation with them."

SPECIAL BUSINESS :

5. To consider and if thought fit, to pass, with or without modifications(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 2007-2008, 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."

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

"RESOLVED that the Company hereby approves the increase in the remuneration payable to Sri Abhay Bhutoria as the Managing Director of the Company for the period from 1st October 2006 till the expiry of his present tenure of office namely, upto 30th November 2010 as per the terms and conditions set out in the Supplemental Agreement to be made between the Company of the one part and Sri Abhay Bhutoria of the other part, a draft of which initialed by the Chairman for the purpose of identification is placed before the Meeting."

7. To consider and, if thought fit, to pass, with or without modifications(s), the following Resolution which will be proposed as an Ordinary Resolution:

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"RESOLVED that in accordance with the provisions of Sections 198, 269, 309, 311 and other applicable provisions, if any of the Companies Act, 1956 (the Act), read with Schedule XIII of the Act, or any amendment or re-enactment thereof, the Company hereby approves the appointment of Sri Rajendra Bhutoria as a Whole-time Director of the Company, for a period of 5(five) years with effect from 1st April 2007, on such remuneration and upon such terms and conditions set out in the Explanatory Statement annexed to the Notice convening this Meeting with liberty to the Board of Directors of the Company (the Board) to alter and vary the terms and conditions, including remuneration of the said appointment, if necessary, in such manner as may be agreed to by and between the Board and Sri Rajendra Bhutoria, within the limits specified in the Act read with Schedule XIII thereto."

"RESOLVED FURTHER that the Board be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

Registered Office:

56, Netaji Subhas Road,
Kolkata-700 001.

Dated : 29th August, 2007

By Order of the Board

J. BISWAS
COMPANY SECRETARY

NOTES:

1. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and a proxy need not be a Member of the Company. Proxies in order to be effective must be received by the Company at its Registered Office not less than **48 hours before the Meeting**.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 21st day of September, 2007 to Friday, 28th day of September, 2007, both days inclusive.
3. Members who hold Shares in physical form are requested to notify immediately any change of their addresses to the Company's Registrar & Share Transfer Agent, M/s. Niche Technologies Pvt. Ltd., D-511, Bagree Market, 71, B.R.B. Basu Road, Kolkata-700 001 so that future communications can be correctly despatched.

Mr. J. Biswas, Company Secretary is the Compliance Officer in terms of Clause 12B of the Listing Agreements with the Stock Exchanges. Members may communicate with the Compliance Officer in relation to any query pertaining to their shareholdings.

4. As per the provisions of the Companies Act, 1956 the facility for making nominations is available to the Members in respect of their Shares in the Company. Nomination Forms can be obtained from the Company's aforesaid Registrar & Share Transfer Agent in case they hold their Shares in physical form. If they are holding the Shares in dematerialized form, they may contact their respective Depositories for such nomination.
5. Members holding more than one Share Certificate in the same name and in the same order of names, but under different Ledger Folios, are requested to apply for consolidation of such Folios and send their all relevant Share Certificates to the

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Company's aforesaid Registrar and Share Transfer Agent by Registered Post at the earliest to facilitate better service in case they desire to continue to hold Shares in physical form in the Company.

6. The Company has signed Agreements with National Securities Depository Limited and Central Depository Services (India) Limited for Dematerialization of the Company's Shares. These facilities are now operational since 13th February 2001 and members are requested to avail of the same. Demat ISIN No allotted by NSDL and CDSL is INE005C01017.
7. Members who hold Shares in physical form are requested to inform the Company's aforesaid Registrar and Share Transfer Agent their Income Tax Permanent Account Number (PAN)/General Index Register Number (GIR), if any, allotted to them by the Income Tax Authorities.
8. Members holding Shares in physical form are requested to note that, in order to avoid any loss/interception in postal transit and also to get prompt credit of Dividend, they may provide details of their Bank Account quoting their Folio Numbers to the R&T Agents to enable them to print such details on the Dividend Warrants.
9. Members holding Shares in electronic form may please note that their Bank details as furnished by the respective Depositories to the Company will be printed on their Dividend Warrants as per the applicable Regulations of the Depositories and the Company will not entertain any direct request from such Members for change/deletion in such Bank details. Further, instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to the Dividend paid on Shares held in electronic form. Members may, therefore, give instructions regarding Bank Accounts in which they wish to receive Dividend, to their Depository Participants.
10. **Members are requested to produce the accompanying Attendance Slip at the entrance of the Meeting Hall and bring their copies of the Annual Report to the Meeting as extra copies will not be possible to be supplied. Members who hold shares in Dematerialized form are requested to indicate without fail their DP ID and Client ID Numbers on the Attendance Slip.**
11. **Members intending to require information or clarifications/explanations on any matter regarding Accounts at the Meeting are requested to write to the Company at least 10 days in advance of the Annual General Meeting.**
12. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Items No. 5, 6 and 7 under Special Business is annexed hereto.

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BRIEF PROFILE OF DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT AT THE ANNUAL GENERAL MEETING PURSUANT TO THE CORPORATE GOVERNANCE CODE :

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| 1. Name of the Director | Sri Sardul Singh Jain |
| Age | 72 years |
| Qualifications | B.Com, L.L.B. |
| Nature of expertise | He is a B. Com, L.L.B. and is on the Companys' Board for a period of about 22 years. He has a vast professional expertise in finance, taxation, legal and management for last five decades and is a Member of the Board of various Companies within and outside the Group in his professional capacity. |
| Date of First Appointment | 20.02.1985 |
| Name of the Companies in which he holds Directorship of Boards | BHUTORIA AGROTECH LIMITED OMNI HOLDING LIMITED ALLIANCE UDYOG LIMITED ALLIANCE MILLS SOUTH LIMITED JALPAC INDIA LIMITED EAST INDIA COTTON MANUFACTURING CO. LTD. RGF CAPITAL MARKETS LIMITED EAST INDIA UDYOG LIMITED BHANDARI SALES PRIVATE LIMITED SUNGRACE FINVEST PRIVATE LIMITED HARI HOLDING PRIVATE LIMITED SRI VINDHYACHAL MULTIMEX PRIVATE LIMITED ANNAPURNA SAVINGS & FINANCE PRIVATE LIMITED LINDSAY SECURITIES LIMITED ALFRED HERBERT (INDIA) LIMITED ALFRED HERBERT LIMITED EITA INDIA LIMITED JALAN CHEMICAL INDUSTRIES PRIVATE LIMITED |
| Name of the companies in which he holds Membership of Committees of Board | JALPAC INDIA LIMITED |
| Professional Qualification | L.L.B. |
| No. of shares held in the Co. | NIL |

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|---|---|
| 2. Name of the Director | Sri Abhay Bhutoria |
| Age | 44 years |
| Qualifications | B.Com |
| Nature of expertise | He completed B. Com from the Calcutta University. He joined the Company as a Managing Director in 1995 and since then he has been serving the same position very successfully. There has been tremendous growth in the operation of the Company during his tenure due to his competence, experience and leadership. |
| Date of First Appointment | 17.10.1995 |
| Name of the Companies in which he holds Directorship of Boards | KALINGA PETROCHEMICALS PRIVATE LIMITED LADNUN AGRICULTURAL FARMS PRIVATE LIMITED BHUTORIA TRANSFORMERS & RECTIFIERS PRIVATE LIMITED |
| Name of the companies in which he holds Membership of Committees of Board | NIL |
| Professional Membership | NIL |

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| 3. Name of the Director | Sri Rajendra Bhutoria |
| Age | 49 years |
| Qualifications | B.Com (Honours) |
| Nature of expertise | An Alumni of St. Xaviers College, Kólkata, He has joined the family business at the age of 18 years and has been looking after the affairs of the Company since then. He has ample experience in general administration, production, marketing and finance. During this period he has been looking after the business of Cold Storage, Properties, Warehousing, etc. of Group Companies. |
| Date of First Appointment | 23.12.1975 |
| Name of the Companies in which he holds Directorship of Boards | BHUTORIA BROTHERS LIMITED ABHAY TRANSFORMERS PRIVATE LIMITED BHUTORIA INVESTMENTS PRIVATE LIMITED |
| Name of the companies in which he holds Membership of Committees of Board | NIL |
| Professional Membership | NIL |

RTS POWER CORPORATION LIMITED

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. Dhadha & Co., Chartered Accountants; were appointed the Branch Auditors for the Financial Year 2006 - 2007. It is proposed to re-appoint M/s. N.C. Dhadha & Co., Chartered Accountants as Branch Auditors for the Jaipur - Rajasthan, Agra-U.P. and Dhule - Maharashtra Offices and Units for the Financial Year 2007 -2008.

The Shareholders' approval is, therefore, sought for the appointment of M/s. N.C. Dhadha & Co., Chartered Accountants as Branch Auditors of the Company's Branch Offices and Units in Jaipur - Rajasthan, Agra -U.P. and Dhule - Maharashtra for the Financial Year 2007-2008 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.

Item No. 6:

Sri Abhay Bhutoria was reappointed as the Managing Director of the Company for a period of 5 (five) years with effect from 1st December 2005 after expiry of his earlier term of 5(five) years on 30th November 2005 and the terms of his appointment are recorded in his Agreement dated 7th December 2005 ('the Principal Agreement') with the Company.

His re-appointment and remuneration as Managing Director were approved at the Annual General Meeting of the Company held on 10th September 2005.

Since Sri Abhay Bhutoria's reappointment there has been tremendous growth in the business of the Company which is largely attributable to his competence and to the sustained effort which he has been making as Managing Director of the Company.

The Shareholders of the Company in the Annual General Meeting held on 25th September 2006 also appreciated the commendable work done by the Managing Director which is reflected in the performance and results of the Company and requested the Chairman for increasing his remuneration, since his existing remuneration compared to his performance is very low.

Accordingly the Board of Directors of the Company at its Meeting held on 25th September 2006 immediately following the said Annual General Meeting approved an increase in the remuneration of Sri Abhay Bhutoria in view of his performance and capabilities, in the manner and to the extent set out in the Supplemental Agreement to be entered into between the Company and Sri Abhay Bhutoria in accordance with which, his other terms of appointment and remuneration as contained in the Principal Agreement remaining the same, as from 1st October, 2006:

1. his monthly Salary shall be increased from Rs 7500/- per month to Rs 25000/- per month; and
2. other items of perquisites, if any related to his Salary will also be simultaneously increased.

The increase in Sri Abhay Bhutoria's remuneration as proposed requires the approval of the

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Members of the Company in General Meeting in terms of paragraph 1 of Part III of Schedule XIII to the Act read with Section 310 of the Companies Act, 1956 (the Act) and the payment to him of his remuneration so increased also requires the approval of the Members of the Company in General Meeting under Section 309 of the Act, which will be sought for in this Annual General Meeting of the Company.

The Resolution set out in Item 6 of the convening Notice has to be considered accordingly and the Board recommends the same:

A draft of the Supplemental Agreement referred to in the Resolution set out in Item 6 of the convening Notice will be available for inspection by the Members of the Company at its Registered Office on any working day prior to the date of the Meeting during the usual business hours and will also be available at the Meeting.

No Director in the Company excepting Sri Abhay Bhutoria and Sri Rajendra Bhutoria are concerned or interested in the Resolution.

This may also be regarded as an abstract of the terms of variation of Sri Abhay Bhutoria's appointment as Managing Director and Memorandum of Interest under Section 302 of the Act.

Item No. 7:

Sri Abhay Bhutoria, Managing Director is at present devoting substantial part of his time to manage and control mainly operations of the Company in Northern and Western India under the superintendence, control and direction of the Board of Directors of the Company ('The Board'). It is now being strongly felt that the Company's operations in Eastern India and functions of Head Office should henceforth be looked after by someone from the Board in view of the expanding business of the Company.

Accordingly, the Board in its Meeting held on 27th March 2007 has appointed, subject to the approval of the Members of the Company in its ensuing Annual General Meeting, Sri Rajendra Bhutoria, Director of the Company who has a very rich experience of over 31 years in the Company since his appointment as its Director, as a Whole-time Director of the Company mainly to manage and control function of Head Office and Eastern India operations of the Company under the superintendence, control and direction of the Board.

The terms and conditions of the appointment of Sri Rajendra Bhutoria as the Company's Whole-time Director are embodied in the Agreement ('the Agreement') made between the Company and Sri Bhutoria, the material terms of which may be summarized as follows:

- [1] Sri Rajendra Bhutoria shall be a Whole-time Director of the Company for a period of 5(five) years with effect from 1st April 2007.
- [2] Sri Bhutoria shall subject to the superintendence, control and direction of the Board of Directors of the Company have substantial powers of management and shall perform the duties and exercise the powers referable or in relation thereto and shall also perform such other duties and exercise such further powers as may from time to time be entrusted to or conferred upon him by the Board either alone or jointly with any other person or persons as the Board shall determine and shall devote the whole of his time and attention to the business and affairs of the Company and shall at all times obey and comply with the lawful orders from time to time of other Board and in