

65th *Annual Report 2012-2013*



RTS POWER CORPORATION LIMITED

Mortal in Life - immortal memory



Late Surendra Bhutoria (1961-1995)

CORPORATE INFORMATION

BOARD OF DIRECTORS

Sri Sardul Singh Jain
Sri Rajendra Bhutoria
Sri Abhay Bhutoria
Sri Loon Karan Patawari
Sri Bachhraj Begwani
Sri Ram Lal Saini

Chairman
Vice Chairman & Wholtime Director
Managing Director
Director
Director
Director

COMPANY SECRETARY

Sri J. Biswas

AUDITORS

A. C. Bhuteria & Co.
Chartered Accountants
2, India Exchange Place (2nd Floor)
Kolkata - 700 001

BANKERS

State Bank of Bikaner & Jaipur
ICICI Bank Limited
Bank of Baroda
Canara Bank
Oriental Bank of Commerce

REGISTERED OFFICE

56, Netaji Subhas Road (2nd Floor)
Kolkata - 700 001
Phone : (033) 2242-6025, 2242-6054
Fax : (033) 2242-6732
E-mail : rtspower@vsnl.net
Website : www.rtspower.com

PLANTS

1. Rajasthan Transformers & Switchgears
(A Unit of RTS Power Corporation Limited)
Power & Distribution Transformers Unit
C-174, Road No 9J Vishwakarma Industrial Area
Chomu Road, Jaipur - 302013 (Rajasthan)
2. Rajasthan Transformers & Switchgears
(A Unit of RTS Power Corporation Limited)
Power & EHV Division Unit - 132 KV Class Transformers
E-346, Road No. 16, Vishwakarma Industrial Area
Jaipur - 302013 (Rajasthan)
3. Rajasthan Transformers & Switchgears
(A Unit of RTS Power Corporation Limited)
Distribution Transformers Division
F 139 to 142 Udyog Vihar, Jelpura, Jaipur (Rajasthan)
4. RTS Power Corporation Limited
Transformer & Speciality Oil Unit
A-25, 26 Riico Industrial Area, Kaladera
Chomu, Jaipur, (Rajasthan)
5. Rajasthan Transformers & Switchgears
(A Unit of RTS Power Corporation Limited)
Power & Distribution Transformers Unit
Near 14 KM Mile Stone, Mathura Road
P.O. Artoni, Agra - 282007 (U.P.)
6. RTS Power Corporation Limited
Power & Distribution Transformers Unit
Jala Dhulagori, Sankrail, Dhulagori
Howrah - 711302 (West Bengal)
7. RTS Power Corporation Limited
Wind Energy Division
Dhule - Maharashtra
8. RTS Power Corporation Limited
Wind Energy Division
Barmer - Rajasthan

REGISTRAR & SHARE TRANSFER AGENT :

NICHE TECHNOLOGIES PRIVATE LIMITED
D-511, BAGREE MARKET, 71, B.R.B.BASU ROAD, KOLKATA-700001
PHONE : (033) 2234-3576, 2235-7270/7271/3070 Fax No (033) 2215-6823
E-mail: nichetechpl@nichetechpl.com

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NOTICE

NOTICE is hereby given that Sixty Fifth Annual General Meeting of Shareholders of the Company will be held at Hotel Lindsay, 8B Lindsay Street, Kolkata - 700 087 on Friday, 27th day of September, 2013 at 10.00 A.M to transact the following business :

1. To receive, consider and adopt the Statement of Profit & Loss of the Company for the year ended 31st March, 2013 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 appoint a Director in place of Sri Ram Lal Saini, who retires by rotation, and, being eligible, offers himself for re-appointment.
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 (Registration No with ICAI being 303105E) be and are hereby re-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 / Units of the Company, situated at Jaipur - Rajasthan, Barmer - Rajasthan, Agra - U.P and Dhule - Maharashtra for the Financial Year 2013-2014, 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 : 23rd August, 2013

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 Monday, 23rd day of September, 2013 to Friday, 27th day of September, 2013, both days inclusive.
3. Mr. J. Biswas, Company Secretary is the Compliance Officer in terms of Clause 47 (a) 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 Registrar & Share Transfer Agent M/s. Niche Technologies Pvt. Ltd., D-511, Bagree Market, 71, B.R.B. Basu Road, Kolkata-700001 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 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.**
6. **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 so as to enable the Company to keep the information or clarifications / explanations ready.**
7. Pursuant to Section 205 A(5) of the Companies Act, 1956 all Unpaid or Unclaimed Dividends for and upto and including the Company's Financial Year 2004-2005 ended on 31st March 2005 has been transferred to the " Investor Education and Protection Fund ".
8. Pursuant to the provisions of Section 205A of the Companies Act, 1956 as amended , Dividend which remains Unpaid or Unclaimed for a period of 7 (seven) years is required to be transferred to the "Investor Education and Protection Fund " (IEPF) of the Central Government. Members who have not encashed their Dividend Warrants (including Warrants for Interim Dividend, wherever applicable) for the Financial Years from 2005-2006 to 2010-2011 are requested to send their claims to the Company immediately along with unencashed Dividend Warrants lying with them. It may also be noted that once the Unclaimed Dividend is transferred to the IEPF as above, no claim shall lie in respect thereof.
9. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item Nos. 5 under Special Business is annexed hereto.

BRIEF PROFILE OF DIRECTOR SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING PURSUANT TO THE CORPORATE GOVERNANCE CODE :

Name of the Director	Sri Sardul Singh Jain
Age	78 years
Qualifications	B. Com, L.L.B
Nature of expertise	He is a B Com, L.L.B and is on the Company's Board for a period of about 28 years. He has vast professional expertise in finance, taxation, legal and management for last five decades and is Members 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 Holdings Limited Alliance Udyog Limited Alliance Mills South Private Limited East India Cotton Manufacturing Company Limited RGF Capital Markets Limited East India Udyog Limited Sungrace Finvest Private Limited Hari Holdings Private Limited Sri Vindhyaachal Multimex Private Limited Annapurna Savings & Finance Private Limited Lindsay Securities Private Limited Alfred Herbert (India) Limited Alfred Herbert Limited EITA India Limited Jalan Chemical Industries Pvt. Limited Lodha Capital Markets Limited Baroda Agents & Trading Co. Pvt. Ltd.
Name of the companies in which he holds Membership of Committees of Board	Audit Committee - Alfred Herbert (India) Limited -Chairman EITA India Limited-Member
Professional Qualification	L.L.B
No of Shares held in the Company	Nil

Note : Disclosure of relationship between Directors inter-se as required under Sub-Clause (ia) of Clause (G) of Part IV of the Corporate Governance Code — No relationship

RTS POWER CORPORATION LIMITED

BRIEF PROFILE OF DIRECTOR SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING PURSUANT TO THE CORPORATE GOVERNANCE CODE:

Name of the Director	Sri Ram Lal Saini
Age	59 years
Qualifications	M. Com. FCA
Nature of expertise	About 34 years' experience in Accounting, Auditing, Budgeting, Banking operations, Project and Working Capital Financing and Management for Hotels as well as Manufacturing Industries. Has been rendering Consultancy Services to the Company on Accounting and Auditing matters for last 26 years
Date of First Appointment	14th May, 2011
Name of the companies in which he holds Directorship of Boards	NIL
Name of the companies in which he holds Membership of Committees of Board	NIL
Professional Membership	Fellow Member of the Institute of Chartered Accountants of India
No of Shares held in the Company	160

Note : Disclosure of relationship between Directors inter-se as required under Sub-Clause (ia) of Clause (G) of Part IV of the Corporate Governance Code — No relationship

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, Barmer - Rajasthan , Agra-U.P and Dhule-Maharashtra. M/s. Jain Shrimal & Co, Chartered Accountants, (Registration No with ICAI being 001704C) were appointed the Branch Auditors for the Financial Year 2012-2013. It is proposed to reappoint M/s. Jain Shrimal & Co, Chartered Accountants, as Branch Auditors for the Jaipur-Rajasthan, Barmer - Rajasthan , Agra-U.P and Dhule-Maharashtra Offices and Units for the Financial Year 2013-2014.

The Shareholders' approval is, therefore, sought for the appointment of M/s. Jain Shrimal & Co., Chartered Accountants as Branch Auditors of the Company's Branch Offices and Units at Jaipur -Rajasthan, Barmer-Rajasthan, Agra-U.P and Dhule-Maharashtra for the Financial Year 2013-2014 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 of the Company is concerned or interested in this Resolution.

Registered Office :

56, Netaji Subhas Road

Kolkata - 700 001

Dated : 23rd August, 2013

By Order of the Board

J. Biswas

Company Secretary

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have the pleasure in presenting their 65th Annual Report on the business and operations of your Company and the audited Financial Statements of your Company for the year ended 31st March, 2013 :

FINANCIAL RESULTS

	(₹ In Lacs)	
	2012-2013	2011 - 2012
Total Income	10,292.89	13,754.46
Total Expenditure	10,600.52	13,603.27
Profit /(Loss) Before Tax	(307.63)	151.19
Less :		
Provision for Current Tax	—	65.40
Deferred Tax (Credit)	(97.93)	(15.48)
Income Tax for Earlier Years	—	0.99
	97.93	50.91
Profit /(Loss) After Tax	(209.70)	100.28
Add : Profit Brought Forward	1,134.38	1,034.10
Balance Carried to Reserves & Surplus	924.68	1,134.38

DIVIDEND

The Board of Directors has not recommended payment of any Dividend for the Financial Year 2012-2013 in view of the Loss incurred by the Company in the year and its continuing trend also in the current year 2013-2014.

OPERATIONAL REVIEW

The Total Revenue during the year was ₹ 102.93 Crores as against ₹137.54 Crores during the previous year, representing a downfall during the year by 25.16%, mainly due to Cable & Conductors Sales decreased from ₹ 57.32 Crores approximately in last year to ₹ 20.36 Crores approximately this year i.e. a decrease of about ₹ 37 Crores (65%). Mushroom growth and unhealthy competition from various Transformer Manufacturing Units in unorganized sector is posing problems to organized sector, like your Company, resulting in very low selling prices and your Company is not in a position to sell Transformers at such lower prices.

The Loss for this year is ₹ 3.08 Crores, whereas there was Profit before Tax of ₹ 1.51 Crores in the last year. Many factors have contributed towards such reversal of profitability, namely, lower selling prices, so also the margins, continuous abnormal price hike of major raw materials both in India and abroad, unexpected delay in payments by Electricity Boards, etc. As a result of abnormal delay in payments by the Company's Customers and to meet the additional Working Capital requirements and maintain cash flow position of your Company arising out of such delay in payments by Customers, the Company's borrowings have substantially increased. Increase in Finance Costs comprising of Interest Expenses and other borrowing costs by about ₹ 1.85 Crores this year compared to last year has also largely contributed towards such fall in profitability of your Company.

Salkia & Dhulagori Factory

The Members are aware that the Company has built up a new state of art Factory on its own land at Dhulagori in 2008 and all the production activities which were earlier carried on at its old rented Factory at Salkia have been shifted in phases from time to time during the last five years to such new Factory at Dhulagori. Side by side Dhulagori Factory has also been expanded on a continuous basis after it was set up five years ago. Now the Salkia Unit, so far being utilised mainly for repairs of Transformers after the main operations of the said Unit was shifted to Dhulagori Unit in 2008 as said above, has been closed after the close of the business on 31st March, 2013 and the Company's entire manufacturing and repairing activities in Eastern India are being carried out in Dhulagori Unit with effect from 1st April, 2013. This has been done for better, efficient and economical management of manufacturing as well as repairing operations of the Company at one place.

However, manufacturing operations at the Company's other Factories at Jaipur and Agra are continuing as before.

FUTURE OUTLOOK

The Government of India's plan of electrifying each and every village in rural areas will boost the demand of Distribution Transformers. Your Company with technical expertise and various manufacturing set-ups are trying to take share of such future growth in Power Sector in our Country.

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

Your Company's Cable and Conductor Unit is now fully operational. It contributes to the Turnover of your Company. But due to lower selling prices, margin has become low and profitability in this segment has also reduced because of downfall in sales. Your Company cannot sell Cables & Conductors at such lower prices. The Production of Dry Type Transformers has stabilized and your Company is receiving regular Orders. Your Company's Dhulagori Factory is now fully operational and is under the process of continuous expansion.

Your Company is continuously exploring the possibility to develop export market. Its continued effort in this regard has been fruitful as your Company has made some exports this year. Your Company is also planning to set up Transformer Factories abroad to achieve further exports in coming years.

In addition to its existing Wind Mill at Dhule, Maharashtra, your Company has also set up another Wind Mill at Barmer, Rajasthan.

CORPORATE GOVERNANCE

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

PUBLIC DEPOSITS

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

PARTICULARS OF EMPLOYEES

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

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 since your Company has neither hired nor imported any technology from outside sources.

Your Company has made export business and Foreign Exchange earnings (FOB) during this year was ₹ 39.14 Lacs. The Foreign Exchange outgo during this year was as follows :

1.	Value of Imports calculated on CIF basis - Raw Materials	₹	74.85	lacs
2.	Expenditure in Foreign Currency (Paid or Payable)			
	Foreign Travelling	₹	0.53	lacs
	Foreign Exchange Fluctuation (on settlement of dues)	₹	1.69	lacs
	Interest Expense	₹	0.02	lacs