



TARAPUR
TRANSFORMERS LTD.

Annual Report 2010 - II

Board of Directors

Mr. Naresh Kumar Choudhary
Mr. Rajendra Kumar Choudhary
Mr. Mohan Ranadive
Mr. R.G. Subramanian
Mr. Anil Kumar Nevatia

Company Secretary & Compliance Officer

Ms. Ekta Kumari

Registered Office

J-20, MIDC, Tarapur Industrial Area,
Boisar, Thane - 401 506
Tel - (91 2525) 605120
Fax - (91 2525) 645555
Email - complianceofficer@tarapurtransformers.com

Corporate Office

836/837, 8th Floor, IJMIMA Complex
Raheja Metroplex, Link Road
Malad (West), Mumbai - 400064
Tel - (91 22) 42728080
Fax - (91 22) 42728090

Units

Boisar Unit

J-20, MIDC, Tarapur Industrial Area,
Boisar, Thane - 401506
Tel – (91 2525) 605120
Fax – (91 2525) 645555

Pali Unit

141, Manor Road, Village Pali,
Post - Posheri, Taluka - Wada, Dist.- Thane
Tel - (91 2526) 645977
Fax - (91 2526) 271154

Vadodara Unit

L/25/5, GIDC Industrial Estate,
Por- Ramnagamdi, Vadodara
Tel - (91 265) 2830290
Fax - (91 265) 2339629

Statutory Auditors

M/s Raman S Shah & Associates
Chartered Accountants
Indra Darshan, 'A' Wing, 102, 1st Floor,
Next to Jain Temple,
Borivali (W), Mumbai - 400 092.

Registrars & Share Transfer Agents for Physical & Electronic Shares

Bigshare Services Private Limited
E-2/3, Ansa Industrial Estate, Sakivihar Road,
Saki Naka, Andheri (E), Mumbai - 400072
Tel – (91 22) 28470652

Bankers

Canara Bank
Overseas Main Branch,
211, Dalamal Tower, Nariman Point,
Mumbai - 400 021.

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Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to update their email address with the Company or Registrars (Big Share Services Pvt. Ltd.), to enable us to send all the documents through electronic mode in future.

**NOTICE**

NOTICE is hereby given that the 23rd Annual General Meeting of the Members of **Tarapur Transformers Limited** will be held at J-20, MIDC, Tarapur Industrial Area, Boisar, Thane 401506 on Tuesday, 30th August, 2011 at 11.30 a.m to transact with or without modification(s), as may be permissible, the following business:

ORDINARY BUSINESS:-

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2011, Profit & Loss Account for the year ended on that date together with the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Naresh Kumar Choudhary, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Rajendra Kumar Choudhary, who retires by rotation and being eligible offers himself for re-appointment.
4. To consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:-
“RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s. Raman S. Shah & Associates, Chartered Accountants, be and are hereby appointed as the Statutory 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, on such remuneration as may be fixed by the Board of Directors of the Company”.
“RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary to implement this resolution”.

SPECIAL BUSINESS:-

5. To consider and if thought fit, to pass the following resolution as a special resolution:-
“RESOLVED THAT the permission is granted to the Board of Directors to utilize the proceeds from the IPO to serve the working capital requirements of the Company and for general corporate purposes, notwithstanding anything contrary mentioned in the draft red herring prospectus, red herring prospectus or prospectus.”
“RESOLVED FURTHER THAT the repayment of outstanding term loan due to Standard Chartered Bank amounting to ₹ 12.52 crores (inclusive of interest and charges) be and is hereby approved as utilisation of IPO proceeds.”
“RESOLVED FURTHER THAT the utilization of funds as mentioned in the draft red herring prospectus, red herring prospectus stands amended to the extent of reduced term loan from banks”.

By Order of the Board of Directors,
For Tarapur Transformers Limited

Mumbai, 16th July, 2011

Registered Office:-

J-20, MIDC, Tarapur Industrial Area
Boisar, Thane 401506

Ekta Kumari
Company Secretary

NOTES:-

- a. The explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business under items no. 5 is annexed hereto.
- b. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY / PROXIES NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY/PROXIES SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- c. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the meeting.
- d. The Company has notified closure of register of members and transfer books from 25th August, 2011 to 30th August, 2011, both days inclusive.
- e. Members holding shares in Physical form are requested to notify change of address, if any, to Registrar and Share Transfer Agents and those who hold shares in dematerialized form are requested to notify to their Depository participants, their change in address.
- f. As per the provisions of the Companies Act, 1956, facility for making nomination is available to the shareholders in respect of the Shares held by them. Nomination Forms can be obtained from the registrar and Share Transfer Agents of the Company.
- g. As a measure of economy, copies of Annual Report will not be distributed at the Annual General Meeting. Members are, therefore, requested to bring their respective copy of the Annual Report to the Meeting and affix their signature at the place provided on the attendance slip annexed to the Proxy form and hand over the slip at the entrance to the place of the Meeting.
- h. Non - Resident Indian Members are requested to inform the Company's Registrar and Share Transfer Agents M/s. Bigshare Services Private Limited immediately of –
 - a. The change in the residential status on return to India for permanent settlement.
 - b. The particulars of the bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.



- i. Your Company is concerned about the environment and utilizes natural resources in a sustainable way. Recently, the Ministry of Corporate Affairs (MCA), Government of India, through its Circular Nos. 17/2011 and 18/2011, dated 21st April, 2011 and 29th April, 2011 respectively, has allowed companies to send official documents to their shareholders electronically as part of its green initiatives in corporate governance. Recognizing the spirit of the circular issued by the MCA, we have already sent emails to those shareholders who have registered their email addresses with their depositories and in turn have sent this Annual report to all the shareholders who have given their consent for receiving documents through email mode. We now request all the shareholders who have not given their consent to please support this Green Initiative and update your email address with your depository participant to ensure that the annual report and other documents reach you on your preferred email.
- j. Relevant documents referred to in the accompanying Notice and Explanatory Statements are open for inspection at the Registered Office of the Company on all working days except Saturdays between 11.00 a.m. and 1.00 p.m. up to the date of the 23rd Annual General Meeting.

Explanatory Statement

As required under Section 173(2) of the Companies Act, 1956, in respect of the item of Special Business mentioned in the Notice:-

Item No.5 :-

At the time of Initial Public Offer (IPO), the Company had estimated the end uses of funds as under:

Total amount received from IPO ₹ 6375 Lacs

Particulars	Objects as per Prospectus (₹ in Lacs)
Expansion & Modernisation of Pali Unit	3414.46
Financing Working Capital Requirement	800.00
Marketing & Brand Development Expenses	200.00
Acquisition of Business	2500.00
General Corporate Purposes	1351.91
Issue Expenses	299.53
TOTAL	8565.9

Against the same, upto 31st March, 2011, the Company has utilized the IPO proceeds as under:

Particulars	Actual utilisation Upto 31.03.2011 (₹ in Lacs)
Expansion & Modernisation of Pali Unit	2414.93
Financing Working Capital Requirement	937.27
Marketing & Brand Development Expenses	0.00
Acquisition of Business	638.67
General Corporate Purposes	157.77
Issue Expenses	308.79
TOTAL	4457.43

Balance money as on 31st March, 2011 was temporarily invested in mutual funds and Bank Fixed Deposits. The Company had an outstanding term loan from Standard Chartered Bank (SCB) and the rate of interest on this loan was substantially more than the rate of interest / dividend which the Company was earning from the investments in mutual funds and fixed deposits. This being the case, as a matter of prudence, the term loan was repaid to Standard Chartered Bank. The Company has been able to make some savings in the capital expenditure to be made and some part of the capital expenditure is now no longer required in the present circumstances.

The Company has planned to invest ₹ 25.00 crores for acquisition of business. In this direction, the Company had invested ₹ 6.39 crores in purchase of shares in HMTD Engineering Co. Private Limited. However, there have been some issues in the due diligence process and controlling interest in acquisition, which have forced the Company, to drop the plans for the said acquisition.

In the meantime, the Company's Order Book suggests that there will be sizeable requirement of working capital.

With the above background, the management proposes to utilize the balance unutilized IPO proceeds in the best interest of the Company.

Your Directors recommend the resolution to regularize the amount already invested in the repayment of term loan and to give the required flexibility for future utilization of funds.

Your Directors recommend resolution at Item No – 5 for your approval as a Special Resolution.

None of the other Directors of the Company is in any way, concerned or interested in the said resolution.

By Order of the Board of Directors
For Tarapur Transformers Limited

Mumbai, 16th July, 2011

Registered Office:-
J-20, MIDC, Tarapur Industrial Area
Boisar, Thane 401506

Ekta Kumari
Company Secretary



DIRECTORS' REPORT

Dear Members,

The Directors of your Company have pleasure in presenting Twenty Third Annual Report together with the Audited Accounts and Auditors' Report for the year ended 31st March, 2011.

1. Financial Performance:-

The financial performance of the Company for the Year ended 31st March, 2011 is as summarized below:-

(₹ in Lacs)

Particulars	2010-2011	2009-2010
Gross Turnover & Other Income	910.06	3298.63
Profit / (Loss) before Interest, Depreciation & Taxation	(531.90)	343.94
Less – Interest	-	(28.41)
Profit / (Loss) before Depreciation & Taxation	(531.90)	315.53
Less – Depreciation	66.58	(50.97)
Profit / (Loss) before tax	(598.48)	264.56
Less– Provision for Taxation (Including Deferred Tax)	117.02	(110.13)
Net Profit / (Loss) for the year	(481.46)	154.43
Add – Surplus brought forward from previous Year	107.22	66.86
Profit / (Loss) available for Appropriations	(374.24)	221.29
Appropriations:-		
Proposed Dividend	-	97.50
Dividend Distribution Tax	-	16.57
Balance Carried to Balance Sheet	(374.24)	107.22

2. Performance Review:-

The Turnover of the Company decreased and stood at ₹ 910.06 Lacs and has incurred net loss of ₹ 481.46 Lacs for the year 2010-11. The same is mainly due to the fact that the Company was in the midst of putting up the Wada plant as per the latest standard and equipped with the best machines and testing equipments.

3. Directors:-

Mr. Naresh Kumar Choudhary, Director of the Company retires by rotation and being eligible offers himself for re-appointment at the ensuing Annual General Meeting. The Notice convening the Annual General Meeting includes the proposals for re-appointment of Director.

Mr. Rajendra Kumar Choudhary, Director of the Company retires by rotation and being eligible offers himself for re-appointment at the ensuing Annual General Meeting. The Notice convening the Annual General Meeting includes the proposals for re-appointment of Director.

The Company has received notices in writing from members proposing the candidature of above director.

Brief resumes of the above Directors, nature of their expertise in specific functional areas and names of the Public Limited companies in which they hold directorships and memberships / chairmanships of Committees of the Board and their shareholding in the Company, as stipulated under Clause 49 of the Listing Agreement are given in the Report on Corporate Governance forming part of the Annual Report.

Mr. Vinod Kumar Agarwal has tendered his resignation w.e.f 30th March, 2011. Your Directors wish to place on records their sincere appreciation for the invaluable services rendered by him.

4. Company Secretary :-

Ms. Astha Rathi, has resigned w.e.f. 1st June, 2011 from being the Whole Time Company Secretary and in her place Ms. Ekta Kumari has been appointed as the Whole Time Company Secretary w.e.f 16th July, 2011. Your Directors wish to place on records their sincere appreciation for the invaluable services rendered by Ms. Astha Rathi.

5. Directors' Responsibility Statement:-

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, the Directors, to the best of their knowledge and belief, confirm that:-

- In the preparation of the Annual Accounts, the applicable accounting standards have been followed and that there are no material departures from the same.
- Appropriate accounting policies have been selected and applied consistently and such judgments & estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2011 and of the loss of the Company for the accounting year ended on that date.



- c. Proper & sufficient care has been taken 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 & detecting fraud and other irregularities; and,
- d. The annual accounts of the Company have been prepared on a going concern basis.

6. Auditors:-

The present Statutory Auditors of the Company, M/s. Raman S. Shah & Associates, Chartered Accountants, Mumbai, retire as Statutory Auditors at the conclusion of this Annual General Meeting. They are eligible for re-appointment and the Company has received a Certificate from them that their re-appointment, if made, would be within the limits under Section 224 (1B) of the Companies Act, 1956 and that they are not disqualified for such an appointment within the meaning of sub-sections (3) and (4) of Section 226 of the Companies Act, 1956. Their re-appointment is recommended by the board.

7. Auditors' Report:-

The notes on accounts referred to in the Auditors' Report are self explanatory and therefore do not call for any further comments under section 217(3) of the Companies Act, 1956.

8. Tax Provisions:-

The Company has made adequate provisions as required under the provisions of relevant laws governing taxation on the company.

9. Fixed Deposits:-

During the year ended on 31st March 2011, the Company has not accepted any Fixed Deposits from public under Section 58A & 58AA of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975.

10. Corporate Governance:-

We adhere to the principal of Corporate Governance mandated by the Securities and Exchange Board of India (SEBI) and have implemented all the prescribed stipulations. As required by Clause 49 of the Listing Agreement, a detailed report on Corporate Governance forms part of this Report as **Annexure II**. The Auditors' Certificate on compliance with Corporate Governance requirements by the Company is attached.

11. Management's Discussion and Analysis Report:-

A detailed review of the operations, performance and future outlook of the Company and its businesses is given in the Management's Discussion and Analysis Report, which forms part of this Report as **Annexure- I**.

12. Energy Conservation and Technology Absorption:-

In view of the nature of business of the Company which is labour intensive, the information required under Section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in Report of the Board of Directors) Rules, 1988 with respect to conservation of Energy, Technology absorption is not given as electricity purchased and consumption per unit of production is not amenable to logical presentation.

13. Foreign Exchange earnings and outgo:-

Your Company earned/spent foreign exchange as under during the year.

Earnings	:	₹ Nil
Outgo	:	₹ 288.73 lakhs

14. Particulars of Employees:-

Information in accordance with Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is not applicable for the year under review as none of the employees is drawing a salary of ₹ 5.00 Lac per month and / or ₹ 60.00 Lac per annum.

15. Acknowledgement:-

The Board wishes to place on record its sincere appreciation for the assistance and co-operation received from Bankers, Government Departments and other Business Associates for their continued support towards the conduct of operations of the Company efficiently.

The directors express their gratitude to the shareholders for their continuing confidence in the Company. The directors also acknowledge the hard work and persuasive efforts put in by the employees of the Company in carrying forward Company's vision and mission.

On behalf of the Board of Directors,
For Tarapur Transformers Limited

Naresh Kumar Choudhary
Director

Rajendra Kumar Choudhary
Director

**MANAGEMENT DISCUSSION & ANALYSIS REPORT****Industry Overview**

Power is a critical component of any economy's infrastructure without which its development and growth is a big hindrance. An economy's growth, development and ability to handle global competition, all depends on the availability, reliability and quality of the power sector.

Indian Transformer Industry

A Transformer is a voltage changer, used to either step down or step up power depending on its installation base. There are largely two categories of transformers based on function, viz., power and distribution transformers. Other special transformers that are differentiated on usage include welding, traction, furnace etc. Many players have the capacity to manufacture up to 400kv, however with ultra mega power plants coming up, need for high rating transformers is felt, which has opened doors for 765kv and higher ratings transformers.

In India many players belong to the unorganized segment of the Industry and cater to small ratings distribution transformer demand. This is due to lack of infrastructure testing facilities, and technical skill sets available with them. However, over a period of time many of these small players moved up the value chain and graduated to the higher rating transformers. Despite this the number of players qualified for the larger variants of transformers is still small to serve upcoming demand expected over the forthcoming years.

Business Overview

Your Company is currently engaged in the areas of manufacturing, rehabilitation, up-gradation, and refurbishment of transformers ranging from power & distribution transformer; Industrial Transformer; Furnace Duty Transformer; Electric Locomotive Transformer; Electric Traction substation Transformer; Dry type transformer; Potential Transformer; Special purpose transformers. We are one of the few players in Indian markets manufacturing & repairing of power & distribution transformers, focusing on quality, timely delivery and customization based on our engineering capabilities without any third party collaboration or technical assistance.

Discussions on Results of Operations

During the current fiscal our Company has achieved

Total income from operations of ₹ 910.06 Lacs and has incurred Net Loss of ₹ 481.46 Lacs

Earnings per share (EPS) for the year is ₹ (2.47)

The Company has incurred losses during the year, mainly due to the following reasons:

- (a) Due to the ongoing capital expansion at Wada unit of the Company, production facilities were seriously hampered.
- (b) One particular order for repair of a 50 MVA transformer was executed during the year for which order was received about 10 years back. The costs have risen astronomically during the period. The order was pending when the management of the Company had changed during November 2006. The earlier management could not execute the order due to labour and financial problems.
- (c) Due to the qualification criteria laid down by the utilities, who happen to be main customers of the Company, the Company has to go for orders at cost or lower to enable the Company to participate in the future tenders of utilities.

To reduce the burden of expenditure and to improve profitability of the Company, the management has suspended operations of the Boisar plant. These operations can be carried out at the Pali plant with reduced expenditure and equally effectively.

Future Outlook

As the number of competitors in the higher range of power transformers manufacturing is very small, the board foresees a bright future for the Company once the project is fully on stream. However, the targeted profitability will be achieved only after the Company meets the minimum qualifying criteria set up by the various utilities who happen to be our main customers.

Risk & Concerns

Our future results of operations could potentially be affected by the following factors:

- Our ability to successfully commission the Expansion Project at the scheduled time;
- Our ability to manufacture the transformers as per the requirement of our clients;
- Our ability to continuously operate and maintain our manufacturing facilities optimally;
- Our ability to continue to source raw material at competitive rates;
- Our ability to manufacture transformers using the latest technologies in terms of modern materials, components and processes;

Human Resources

During the year under review, HR continued with its initiatives towards development, enhancement and retention of workforce.



Your Company strongly believes that employees are central to the Company's transformation agenda and that is important to build capabilities of employees to handle both current and future needs. During the year, the Company worked extensively on identifying the needs of employees across all categories and level. The Company has built a strong team of highly qualified and competent professionals to meet the emerging business challenges and market competition.

Internal Control And Their Adequacy

The Internal audit was carried out by an independent firm of Chartered Accountants who conduct the audit on the basis of Annual Audit Plan. The process includes review and evaluation of effectiveness of the existing process, controls and compliance. It also ensures adherence to policies and systems, and mitigation of the operational risk perceived for each area under audit. Significant observations including recommendations for improvement of the business process were reviewed by the Management before reporting to the Audit Committee which reviewed the Internal Audit procedures, findings and status of implementation of the agreed action plan.

Cautionary Statement

Statement in the Management Discussion and Analysis, describing the Company's objectives, projections and estimates, are forward-looking statements and progressive within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling prices, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

On behalf of the Board of Directors,
For **Tarapur Transformers Limited**

Naresh Kumar Choudhary
Director

Rajendra Kumar Choudhary
Director

Mumbai, 16th July, 2011

Annexure II to the Directors' Report

REPORT ON CORPORATE GOVERNANCE

(As required under Clause 49 of the Listing Agreement entered into with the Stock Exchanges)

Corporate Governance is the application of best management practices, compliance of law and adherence to ethical standards to achieve the Company's objective of maximizing stakeholders' value and discharge of social responsibility. The Corporate Governance structure in the Company assigns responsibilities and entrusts authority among different participants in the organization viz. the Board of Directors, the Senior Management, Employees etc. The Company had adopted Corporate Governance and disclosure practices even before these were mandated legislations.

In addition to these, the Company has also adopted the requirements of Corporate Governance under Clause 49 of the Listing Agreements, the disclosure requirements of which are given below:

Mandatory Requirements:-

1. Company's Philosophy on Corporate Governance:-

The Company's philosophy on Corporate Governance is to observe the highest level of ethics in all its dealings, to ensure the efficient conduct of the affairs of the Company to achieve its goal of maximizing value for all its stakeholders.

2. Board of Directors (Board):-

a) Board Composition:-

The Board of the Company should consist of optimum combination of Executive, Non Executive – Independent Directors, which should be in conformity with the requirement of Clause 49 of the Listing Agreement with Stock Exchanges. However, due to resignation of an independent non-executive Director in the month of March, 2011, the Company, in accordance with the provisions of Clause 49(l) (C) (iv) of the Listing agreement, is in process of conforming to the said clauses within the stipulated period mentioned therein.

The present strength of the Board is Five (5) Directors, comprising of Chairman – Non Executive / Promoter Director, one Whole Time Director, one Non Executive / Promoter Director and Two Independent & Non Executive Directors. The Board Members possess the skills, expertise & experience necessary to guide the Company.



Name of Director	Category of Directorship	Designation
Mr. Naresh Kumar Choudhary	Promoter – Non Executive	Director
Mr. Rajendra Kumar Choudhary	Promoter – Non Executive	Director
Mr. Mohan Ranadive	Executive	Whole Time Director
Mr. R.G. Subramanian	Independent – Non Executive	Director
Mr. Anil Kumar Nevatia	Independent – Non Executive	Director

b) Board Meetings and attendance of Directors:-

During the financial year ended on 31st March 2011, Eight (8) Board Meetings were held on the following dates:-

15th April 2010, 03rd May 2010, 11th May, 2010, 18th May, 2010, 14th August, 2010, 11th November 2010, 12th February, 2011 and 14th February 2011,

Agenda papers containing all necessary information / documents are made available to the Board in advance to enable the Board to discharge its responsibilities effectively and take informed decisions. Where it is not practicable to attach or send the relevant information as part of Agenda Papers, the same are tabled at the meeting or / and the presentations are made by the concerned managers to the Board. Considerable time is spent by the Directors on discussions and deliberations at the Board Meetings.

The information as specified in Annexure IA to Clause 49 of the Listing Agreement is regularly made available to the Board, whenever applicable, for discussion and consideration.

The attendance at the Board Meetings held during the year and attendance at the last Annual General Meeting, number of directorships in other Public Limited companies and membership in committees across various companies of which the Director is a Member / Chairman are given below: -

Name of Directors	No. of Board Meetings Attended	Attendance at last AGM held on 30th Sept, 2010	# No. of Directorship held in other Companies	Committee Memberships / Chairmanships	
				Membership	Chairmanship
Mr. Naresh Kumar Choudhary	08	-	05	-	-
Mr. Rajendra Kumar Choudhary	08	Present	04	03	02
Mr. Mohan Ranadive	07	Present	-	-	-
Mr. R.G. Subramanian	08	Present	01	01	-
Mr. Anil Kumar Nevatia	05	Present	01	04	01
*Mr. Vinod Kumar Agarwal	04	-	-	04	01

*Resigned as being director of the Company w.e.f. 30.03.2011

Excluding Private Companies and Companies under Section 25 of the Companies Act, 1956.

The necessary disclosure regarding Committee positions have been made by all the Directors. None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49), across all companies in which they are Directors.

However, due to resignation of Mr. Vinod Kumar Agarwal, independent non-executive Director w.e.f. 30.03.2011, the Company, in accordance with the provisions of Clause 49(l) (C) (iv) of the Listing agreement, is in process of appointing new independent Director within 180 days from the day of such resignation.

c) Information of Directors’ appointment / Re-appointment:-

The profiles of Directors who are seeking re-appointment / appointment at the Annual General Meeting are furnished below:-

Mr. Naresh Kumar Choudhary aged - 51 years, designated as “Director” is one of the founder promoters of M/s Bilpower Limited. He has more than 25 years of experience in the field of manufacturing of electrical lamination, distribution and power transformers. As a director of the Company he is actively involved in the entire technical operations of the Company and also reviews the order positions and status of transformers. He is holding 10 (Ten) equity shares of the Company.

Mr. Rajendra Kumar Choudhary aged 50 years, designated as “ Director” has over 24 years of experience in the field of manufacturing of electrical lamination, distribution and power transformers, Motor Stamping and Banking & Finance. As a director of the Company he is actively involved in day to day operations of the Company, and heads the marketing and finance operations of the Company. He is holding 914355 equity shares of the Company.

**Committees of the Board of Directors of the Company:-****3. Audit Committee:-****a) Composition and attendance:-**

The Audit Committee comprises of experts specializing in accounting / financial management. The Chairman of the Audit Committee is a Non-executive and Independent Director. The composition and attendance of Audit Committee as on 31st March, 2011 is as follows:-

Name of the Members	Position	Category	Attendance
Mr. Anil Kumar Nevatia	Chairman	Independent & Non Executive Director	3
Mr. Rajendra Kumar Choudhary	Member	Non Executive Director	3
*Mr. Vinod Kumar Agarwal	Member	Independent & Non Executive Director	3

*Resigned as director and member of Audit Committee w.e.f. 30.03.2011

The Audit Committee is constituted in accordance with the provisions of Clause 49 of the Listing Agreement and the Companies Act, 1956. All the members of Audit Committee possess knowledge of corporate finance, accounts and company law.

During the financial year 2010-11, Four (4) Audit Committee meetings were held on 18th May, 2010, 14th August 2010, 11th November 2010, and 12th February 2011.

b) Power & Terms of Reference:-

The Power and terms of reference of the Audit Committee are as mentioned in Clause 49 II (C), (D) & (E) of the Listing Agreement entered into with the Stock Exchanges and includes overseeing the Company's financial reporting process, reviewing with the management the financial statements and the adequacy of the internal audit function and to discuss significant internal audit findings, statutory compliance issue and issues related to risk management and compliances. The CFO/Advisor and the Statutory Auditors are invited to the meeting.

4. Remuneration Committee:-**a) Composition and Attendance:-**

The composition of Remuneration Committee as on 31st March, 2011 is as follows:-

Name of the Members	Position	Category
*Mr. Vinod Kumar Agarwal	Chairman	Independent & Non Executive Director
Mr. Anil Kumar Nevatia	Member	Independent & Non Executive Director
Mr. R.G. Subramanian	Member	Independent & Non Executive Director

*Resigned as director and member of Remuneration Committee w.e.f. 30.03.2011.

During the year, two (2) Remuneration Committee meetings were held on 27th November, 2011 and 28th March, 2011.

b) Terms of Reference:-

The broad terms of reference of the committee are to appraise the performance of Chairman, Managing Director, Whole Time Directors and Chief Executive Officer; determine and recommend to the Board compensation payable to Chairman, Managing Director, Whole Time Directors and Chief Executive Officer. The Remuneration policy of the Company is based on review of achievements. The remuneration policy is in consonance with the existing industry practice.

c) Remuneration Policy:-

Subject to approval of the Board of Directors and subsequent approval by the members at the Annual General Meeting and such authorities as the case may be, remuneration of Chairman, Managing Director, Whole Time Directors, Chief Executive officer is fixed by the Remuneration Committee. The remuneration is decided by the Remuneration Committee taking into consideration various factors such as qualifications, experience, expertise, prevailing remuneration in the competitive industries, financial position of the company etc.

The remuneration structure comprises of basic salary, perquisites, allowances (fixed component), and contribution to provident fund, in accordance with the provisions of the Companies Act, 1956.



5. Shareholders' / Investors' Grievance Committee:-

a) Composition and attendance:-

The Board has delegated the powers to approve transfer of shares etc. to this Committee. The quorum for functioning of the committee is any two (2) Directors present. The composition of Shareholders'/Investors' Grievance Committee as on 31st March, 2011 is as follows:-

Name of the Members	Position	Category	Attendance
Mr. Rajendra Kumar Choudhary	Chairman	Non Executive Director	3
*Mr. Vinod Kumar Agrawal	Member	Independent & Non Executive Director	3
Mr. Anil Kumar Nevatia	Member	Independent & Non Executive Director	2

*Resigned as being director and member of shareholders'/ Investors' Grievance Committee w.e.f. 30.03.2011.

During the year, three (3) Shareholders/ Investors' Grievance Committee Meetings were held on 14th August, 2010, 11th November, 2011 and 12th February, 2011.

b) Terms of Reference:-

The Company has a Shareholders' / Investors' Grievance Committee, to look into redressal of Investors Complaints and requests such as delay in transfer of shares, non receipt of Dividend, Annual Report, revalidation of Dividend warrants etc.

The committee deals with various matters relating to –

- Transfer / transmission of shares.
- Issue of share certificate in lieu of lost, sub-divided, consolidated, rematerialized or defaced certificates.
- Consolidation / splitting of folios.
- Review of shares dematerialized and all other related matters.
- Investors' grievance and redressal mechanism and recommend measures to improve the level of investors' services.

The share department of the Company and Registrar and Transfer Agents, Bigshare Services Private Limited attend expeditiously to all grievances / correspondences of the shareholders and investors, received directly or through SEBI, Stock Exchanges, Department of Corporate Affairs, and Registrar of Companies etc. The complaints are generally resolved within 30 days of receipt of letter, except in the cases that are constrained by disputes or legal impediment.

c) Information on Investor Grievances for the period from 01st April 2010 to 31st March 2011:-

Brought Forward	Received Afresh	Disposed	Carried Over
Nil	18	18	Nil

d) Compliance Officer:-

Ms. Ekta Kumari, Company Secretary is the compliance officer for complying with the requirements of SEBI (Prohibition of Insider Trading) Regulation, 1992 and the Listing Agreements with the BSE & NSE.

6. IPO Committee:-

a) Terms of Reference:-

The IPO Committee of the Board or the Board is authorised to approve, adopt and file the prospectus for the Public Issue as required under Section 60 of the Companies Act, 1956 with the Registrar of Companies, Maharashtra at Mumbai and to make any corrections or alterations therein. The IPO Committee is also authorised to issue notice convening the meeting of the shareholders authorising the issue of the shares, the Public Issue and to comply with all requirements of the Companies Act, 1956 in this regard.

b) Composition and Attendance:-

The composition and attendance of IPO Committee as on 31st March, 2011 is as follows:-

Name of the Members	Position	Category	Attendance
Mr. Rajendra Kumar Choudhary	Chairman	Non Executive Director	3
*Mr. Vinod Kumar Agarwal	Member	Independent & Non Executive Director	3
Mr. Anil Kumar Nevatia	Member	Independent & Non Executive Director	3

*Resigned as being director and member of IPO Committee w.e.f. 30.03.2011

During the year, three (3) IPO Committee Meetings were held on 15th April 2010, 29th April 2010, and 3rd May 2010.

**7. Code of Conduct and Ethics for Directors and Senior Management:-**

The Company has laid down a code of conduct for all Board members and senior management personnel of the Company. A copy of the Code of conduct is available on the Company's website www.tarapurtransformers.com

The Code has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them. A declaration signed by the Whole Time Director is given below:-

"I hereby confirm that –

The Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Conduct and Ethics for Directors and Senior Management in respect of the Financial Year 2010-11"

Mohan Ranadive
Whole Time Director

8. General Body Meetings:-

a) Details of the last three Annual General Meetings of the Company are given below:-

Financial Year	AGM	Date	Locations	Time	No. of Special Resolutions Passed
2007-08	20 th	31 st July, 2008	J-20, MIDC, Tarapur Industrial Area Boisar, Thane 401506	11.30 am.	Nil
2008-09	21 st	31 st July, 2009	J-20, MIDC, Tarapur Industrial Area Boisar, Thane 401506	10.30 am.	Nil
2009-10	22 nd	30 th September, 2010	J-20, MIDC, Tarapur Industrial Area Boisar, Thane 401506	10.30 am.	Nil

b) No resolution was put through Postal Ballot during the year under reference.

c) Details of Extra Ordinary General Meetings held during the year

No Extra Ordinary General Meeting of the Company was held during the year.

9. Subsidiary Company:-

The Company does not have any material non-listed Indian subsidiary company in term of Clause 49 (III) of the Listing Agreement.

10. Compliance with other mandatory requirements:-**1) Disclosures:-****a) Materially significant related party transactions:-**

There were no materially significant related party transactions i.e. transactions of the Company of material nature with its promoters, directors or the management, their subsidiary or relatives etc. during the year, that may have potential conflict with interest of the Company at large.

b) Disclosure of accounting treatment:-

In the preparation of financial statements, the Company has followed the Accounting Standards (AS) issued by the Institute of Chartered Accountants of India to the extent applicable.

c) Disclosure of Risk Management:-

The Company has laid down procedure to inform Board members about the risk assessment and minimization procedure. These would be periodically reviewed to ensure that executive management controls risks through means of a properly defined framework.

d) CEO / CFO Certification:-

In line with the requirements of Clause 49 (V) of the Listing Agreement, the Whole Time Director of the Company has submitted the CEO/CFO Certification, certifying to the Board inter alia that the Financial Statements and the Cash Flow Statements for the financial year ended on 31st March, 2011 were reviewed to the best of their knowledge and belief, that they do not contain any untrue statement, omit any material facts, are not misleading statements, together present a true and fair view and are in compliance with applicable laws and regulations.

e) Statutory Compliance, Penalties and Strictures:-

There were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any Statutory Authorities for non compliance of any matter related to the capital markets during last three years.



f) Details relating to utilization of IPO Proceeds:-

As per Clause 49 IV (D) of the Listing Agreement, the Company publishes Quarterly Statement of utilization of funds raised through IPO. The details of utilization of IPO proceeds in the Financial Year 2010-11 are as mentioned under point no. B (15) of Schedule M of Significant Accounting Policies and Notes to Accounts.

11. Means of Communication:-

Quarterly / Half yearly financial results sent to each shareholder's residence.	No, but published in the newspapers
In Which Newspapers Quarterly, half yearly & annual results were normally Published.	English: Free Press Journal Marathi: Nav Shakti
Any website, where results or official news are displayed.	www.bseindia.com www.nseindia.com www.tarapurtransformers.com
Whether Management Discussion & Analysis Report is a part of the Annual Report or not.	Yes, it is part of Annual Report As Annexure – I

12. General Shareholder Information:-

a) 23rd Annual General Meeting:-

Date	30 th August, 2011
Venue	J-20, MIDC, Tarapur Industrial Area, Boisar, Thane 401506
Day and Time	Tuesday at 11.30 a.m.

b) Financial Calendar:-

The Company follows the period of 01st April to 31st March, as the Financial Year. For the Financial Year 2011-12, Financial Results will be announced as per the following tentative schedule.

1 st Quarter ending June 2011	By 14 th August 2011
2 nd Quarter & Half Year ending September 2011	By 14 th November 2011
3 rd Quarter ending December 2011	By 14 th February 2012
4 th Quarter / year ending March 2012	Within 45/60 days from 31 st March, 2012
Annual General meeting for the Year 2011-12	By September 2012

c) Book Closure:-

Date of Book Closure	Thursday, 25 th August, 2011 to Tuesday, 30 th August, 2011 (both days inclusive)
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d) Listing:-

The Shares of the Company have been listed on the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) since 18th May, 2010.

e) Listing Fees to Stock Exchanges:-

The Company has paid the Listing Fees for the year 2011-12 to both the above exchanges.

f) Custodial Fees to Depositories:-

The Company has paid the custodial fees for the year 2011-12 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

g) Stock Code / Symbol:-

Bombay Stock Exchange Ltd. (BSE)	533203
National Stock Exchange of India Ltd. (NSE)	TARAPUR EQ
International Securities Identification Number (ISIN)	INE747K01017
Corporate Identity Number (CIN) Allotted by the Ministry of Corporate Affairs (MCA)	L99999MH1988PLC047303



h) Stock Market Price Data for the year 2010-11 in comparison to BSE Midcap Sensex:-

Month	BSE Share Price (₹)				NSE Share Price (₹)				BSE Midcap Sensex			
	Open	High	Low	Close	Open	High	Low	Close	Open	High	Low	Close
May – 10	75.00	97.50	38.50	38.75	75.00	97.45	38.45	38.65	7,177.56	7,202.94	6,466.33	6,834.87
June – 10	39.00	41.45	36.05	38.80	38.60	41.40	37.10	38.80	6,830.92	7,198.91	6,734.06	7,149.21
July – 10	38.85	40.95	35.75	35.95	39.00	41.00	35.50	35.95	7,138.43	7,519.18	7,106.00	7,407.91
Aug – 10	36.20	39.70	33.80	34.05	36.25	39.80	34.00	34.20	7,438.57	7,918.03	7,438.57	7,596.84
Sep – 10	34.20	37.55	34.20	35.15	34.40	37.50	34.40	35.10	7,622.61	8,202.91	7,622.61	8,084.14
Oct – 10	35.20	37.50	32.80	33.90	35.45	37.40	32.55	34.10	8,112.29	8,521.43	8,112.29	8,302.56
Nov – 10	35.00	38.80	30.85	32.05	34.50	38.70	31.05	32.10	8,302.56	8,791.10	7,339.55	7,764.02
Dec – 10	32.80	34.00	28.00	30.05	32.00	34.10	27.05	30.05	7,764.02	8,105.73	7,176.49	7,802.71
Jan – 11	30.15	31.20	25.95	26.10	30.05	31.20	25.85	26.15	7,802.71	7,929.37	6,722.59	6,868.35
Feb – 11	26.15	28.50	21.45	23.10	26.10	27.00	21.45	22.95	6,868.35	6,922.12	6,182.86	6,373.23
Mar – 11	23.85	25.30	22.70	23.05	22.95	25.25	22.10	23.10	6,373.23	6,894.10	6,373.23	6,873.40

• Source : www.bseindia.com & www.nseindia.com

i) Registrar and Share Transfer Agent:-

Share transfers, dividend payment and all other investor related matters are attended to and processed by our Registrar and Share Transfer Agent viz. Bigshare Services Private Limited.

Bigshare Services Private Limited

E-2/3, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai 400072

Tel. No. (91 22) 28470652 Fax No. (91 22) 28475207

j) Share Transfer System:-

Presently, the share transfers received by the R&TA of the Company are processed and returned within a period of 30 days from the date of its receipt, subject to documents being valid and complete in all respect. The Board has delegated the authority for approving the transfers to the registrar & transfer agent subject to approval by Grievance Committee. Shareholders' Grievances and other miscellaneous correspondence on change of address, mandates, etc. received from Members are generally processed by R&TA of the Company within 30 days. The Company obtains from a Company Secretary in practice half yearly certificate of compliance with the share transfer formalities as required under clause 47 (c) of the Listing Agreement and files a copy of the certificate with BSE and NSE. As per the provisions of Clause 5A of the Listing agreement the company furnishes the following details of unclaimed shares lying in the Demat Suspense Account.

Details of Unclaimed Shares lying in Demat Suspense Account Year 2010-11

At Beginning of the year				
Aggregate no. of Shareholders	No. of outstanding shares	Transfer during the Year	No. of Shareholders to whom shares transferred during the year	Outstanding at the end of the year
26	15451	15361	25	1 case for 90 shares.

Details of Reminders sent:

Reminders	Date on which sent
1 st Reminder	01/03/2011
2 nd Reminder	30/06/2011

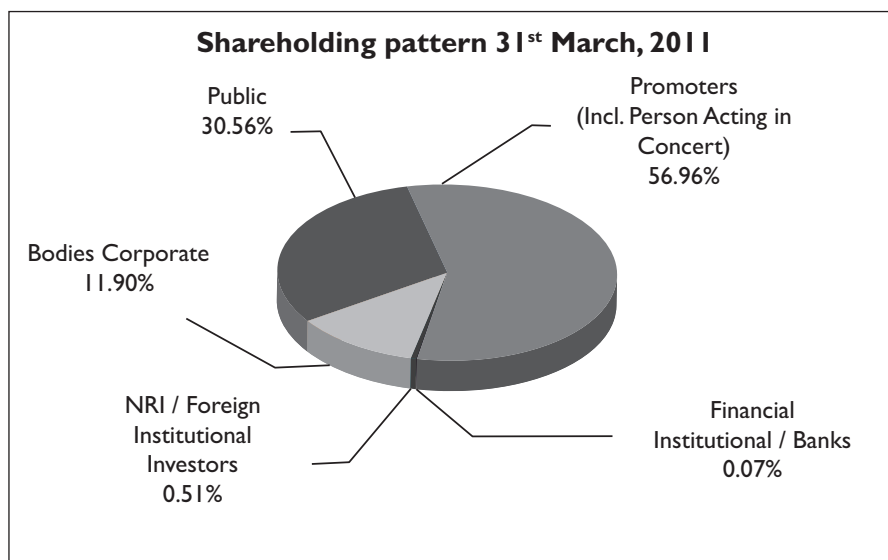
k) Distribution of Shareholding as on 31st March, 2011:-

Range of Shareholding	Number of Shareholders	% of Total	Number of Shares	% of Total
1 - 500	11877	83.82	2032769	10.42
501 - 1000	1301	9.18	1111216	5.70
1001 - 2000	532	3.75	840446	4.31
2001 - 3000	158	1.11	409324	2.10
3001 - 4000	69	0.49	251723	1.29
4001 - 5000	61	0.43	287094	1.47
5001 - 10000	83	0.59	617754	3.17
10001 and above	89	0.63	13949685	71.54
Total	14170	100.00	19500011	100.00



l) Shareholding pattern (category wise) as on 31st March, 2011:-

Category	Number of Shares held	% of Total Shareholding
Promoters (Incl. Person Acting in Concert)	11107026	56.96
Financial Institutions / Banks	13730	0.07
Insurance Companies	0	0
NRI / Foreign Institutional Investors	99134	0.51
Bodies Corporate	2320442	11.90
Public	5959679	30.56
Total	19500011	100.00



m) Dematerialization of shares and liquidity:-

- About 99.99% of the shares have been dematerialized as on 31st March 2011.
- Trading in the shares of the Company is permitted in dematerialized form only as per notification issued by SEBI.

n) Outstanding GDR / ADR / Warrants or any convertible instruments, conversion date and its impact on equity:-

Nil

o) Plant / Unit locations:-

The Company has the following manufacturing units –

Boisar Unit

J-20, MIDC, Tarapur Industrial Area, Boisar, Dist. Thane 401506.

Pali Unit

141, Manor Road, Village Pali, Post- Poshari, Taluka Wada, Dist. Thane.

Vadodara Unit

L/25/5, GIDC Industrial Estate, Por-Ramnagamdi, Vadodara.

p) Address for correspondence:-

The Compliance Officer,

Tarapur Transformers Limited,

836/837, 8th Floor, IJMIMA Complex, Raheja Metroplex,

Link Road, Malad West, Mumbai - 400 064.

Email - complianceofficer@tarapurtransformers.com



Non Mandatory Requirements:-

a) Remuneration Committee:-

Please refer item number 4 under Mandatory requirements.

b) Shareholder Rights:-

Company's quarterly financials are published in English newspaper having a wide circulation all over India and in a Marathi newspaper widely circulated in Maharashtra. The quarterly results are also put on the Company's website www.tarapurtransformers.com. The same are not sent to the shareholders of the Company, individually.

By Order of the Board of Directors,
For Tarapur Transformers Limited

Ekta Kumari
Company Secretary

Mumbai, 16th July 2011

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF TARAPUR TRANSFORMERS LIMITED

We have reviewed the records concerning the Company's compliance of conditions of Corporate Governance as stipulated in Clause 49 the Listing Agreement entered into, by the Company, with the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) on 18th May, 2010.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the condition of corporate Governance Code. 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For **Raman S. Shah & Associates**
Chartered Accountants
Firm Regn. No. 119891W

(CA. Raman S. Shah)
Partner

Membership No. 33272

Mumbai, 16th July, 2011

**AUDITOR'S REPORT****TO THE MEMBERS OF TARAPUR TRANSFORMERS LIMITED**

1. We have audited the attached Balance Sheet of M/S. **Tarapur Transformers Limited** as at 31st March, 2011 and also the Profit & Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. 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 examining, 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 (Auditor's Report) Order, 2003 (as amended), issued by the Central Government in terms of Section-227(4A) of the Companies Act, 1956, we enclose herewith the annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that :-
 - (a) 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;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, the Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, the Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956. (Refer Note- 10 of Part A of Schedule – M of the Notes Attached to & Forming part of the accounts for the year ended 31st March, 2011);
 - e) On the basis of written representations received from the Directors as on 31st March 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as director in terms of clause (g) of sub Section (1) of Section 274 of the Companies Act, 1956;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statement read with the 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:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011; and
 - (ii) in the case of the Profit and Loss Account, of the loss for the year ended on that date.
 - (iii) in the case of Cash Flow Statement, of the Cash Flow for the year ended on that date.

For **Raman S. Shah & Associates**
Chartered Accountants
Firm Regn No : 119891W

CA Raman S. Shah
(Partner)
Membership No : 33272

Mumbai, 16th July, 2011



ANNEXURE TO AUDITOR'S REPORT

REFERRED TO IN PARAGRAPH OF OUR REPORT OF EVEN DATE

- 1 In respect of its Fixed Assets:
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b. According to the information and explanations given to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner which, in our opinion, is reasonable, having regard to the size of the Company and nature of the assets, no material discrepancies were noticed on such verification.
 - c. In our opinion, the Company has not disposed off substantial part of fixed assets during the year and the going concern status of the Company is not affected.
- 2 In respect of its Inventories:
 - a. As explained to us, inventories have been physically verified by the management at regular intervals during the year.
 - b. In our opinion and according to the information & explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
- 3 In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.

We are informed that the Company has taken unsecured loans and advances from one company covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 70.33 lacs and the year end balance of loan taken from such party was ₹ Nil
- 4 In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods & services keeping in view the close supervision and authorisation by the director. During the course of our audit, we have not observed any major weaknesses in internal controls.
- 5 In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:
 - a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of the contracts or arrangements that need to be entered in the register maintained under Section-301 of the Companies Act, 1956 have been so entered.
 - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of the contracts or arrangements entered in the Register maintained under Section 301 of the Companies Act, 1956 and exceeding the value ₹ 5,00,000/- in respect of the each party during the year have been made at prices which are reasonable having regard to the prevailing market price at the relevant time.
- 6 In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public and therefore, the provisions contained in Sections 58A, 58AA or any other relevant provisions of the Act and Rules framed there under are not applicable to the Company. Hence the requirements of clause (vi) of paragraph 4 of the Order are not applicable to the Company.
- 7 In respect of internal audit system of the Company:

The Company has internal audit systems commensurate with the turnover and operation of the Company. In our opinion, the same is reasonable.
- 8 In respect of maintenance of Cost Records u/s 209(1)(d) of the Companies Act, 1956:

As per information's and explanations given to us and taking into consideration the size and the nature of the business of the Company, this clause is not applicable.



9 In respect of undisputed statutory dues:

According to the information and explanations given to us, there are no undisputed statutory dues payable in respect of Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess which are outstanding as at for a period of more than six months from the date they became payable. The Company had outstanding sales tax liability of ₹ 0.45 lac which as on 31st March 2011 was outstanding for more than Six months from its due date. The same has been paid subsequently.

10 In respect of accumulated losses & Cash Losses:

The Company has accumulated losses of ₹ 374.24 lacs as on 31st March, 2011 and has incurred cash losses of ₹ 469.77 lacs during the financial year covered by our audit or in the immediately preceding financial year.

- 11 According to the information and explanations given to us the Company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.
- 12 In our opinion and according to the information & explanation given to us, no loan and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- 13 In our opinion, the Company is not a Chit fund, Nidhi or mutual benefit Society, Hence the requirements of clause (xiii) of paragraph 4 of the Order is not applicable to the Company.
- 14 The company is not dealing or trading in shares, securities, debentures and other investments. Hence the requirement of clause (xiv) of paragraph 4 of the Order is not applicable to the Company.
- 15 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.
- 16 To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the Company were prima facie, applied by the Company during the year for the purposes for which the loans were obtained.
- 17 According to the information and explanations given to us, no funds raised on short-term basis have been used for long-term investment. Similarly, no funds raised on long term basis have been used for short-term investment.
- 18 During the year, the Company has not made preferential allotment of shares to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
- 19 The Company has not issued any debentures. Hence the requirement of clause (xix) of paragraph 4 of the Order is not applicable to the Company.
- 20 The Company has not raised net proceeds of ₹ 63.75 crores by way of initial public offer (IPO) during the year ended 31st March, 2011. The Company has disclosed the end use of money by way of Notes Accounts in Point 16 of part "B" of the any money by way of public issues during the year.
- 21 In our opinion & according to the information and explanations given to us, a fraud on or by the Company has not been noticed or reported during the year.

For **Raman S. Shah & Associates**
Chartered Accountants
Firm Regn No : 119891W

CA Raman S. Shah
(Partner)
Membership No : 33272

Mumbai, 16th July, 2011



BALANCE SHEET AS AT - 31ST MARCH 2011

(₹ in Lacs)

	Schedule	2010-11	2009-10
I SOURCES OF FUNDS			
1) Shareholders' Funds			
Share Capital	"A"	1,950.00	1,100.00
Reserves & Surplus	"B"	6,344.85	927.06
2) Loan Funds	"C"		
Secured Loans		1,144.26	1,653.32
Unsecured Loans		8.09	758.66
3) Deferred Tax Liability		-	108.14
		<u>9,447.20</u>	<u>4,547.18</u>
II APPLICATION OF FUNDS			
1) Fixed Assets	"D"		
Gross Block		2,165.07	1,613.52
Less - Depreciation		291.24	226.23
Net Block		1,873.83	1,387.29
Capital Work In Process and Advance on Capital Account		2,123.76	1,566.90
		<u>3,997.59</u>	<u>2,954.19</u>
2) Investment	"E"	1,075.34	-
3) Current Assets, Loans & Advances	"F"		
Inventories		933.26	537.50
Sundry Debtors		793.60	1,250.61
Cash & Bank Balances		1,645.67	311.75
Loans & Advances		1,086.69	567.66
		<u>4,459.22</u>	<u>2,667.52</u>
Less : Current Liabilities & Provisions	"G"		
Current Liabilities		694.74	967.59
Provisions		-	164.07
		<u>694.74</u>	<u>1,131.66</u>
Net Current Assets		<u>3,764.48</u>	<u>1,535.86</u>
4) Miscellaneous Expenditure		235.55	57.13
5) Profit & Loss Account		374.24	-
TOTAL		<u>9,447.20</u>	<u>4,547.18</u>
Significant Accounting Policies and Notes to the Accounts	"M"		

Schedules "A" to "M" form part of the Accounts

As per our attached report of even date

For Raman S. Shah & Associates

Chartered Accountants
Firm Regn No : 119891W

CA. Raman S. Shah
(Partner)
Membership No. 33272

Mumbai, 16th July, 2011

Ekta Kumari
Company Secretary

For and on behalf of the Board

N. K. Choudhary
Director

R.K. Choudhary
Director

Mumbai, 16th July, 2011



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED - 31ST MARCH 2011

(₹ in Lacs)

	Schedule	2010-11	2009-10
I INCOME			
Sales		758.13	3,298.50
Other Income	"H"	151.93	0.13
		910.06	3,298.63
II. EXPENDITURE			
Cost of Sales	"I"	1,019.28	2,500.87
Excise Duty		26.85	163.10
Office & Administrative Expenses	"J"	200.52	139.36
Selling & Distribution Expenses	"K"	97.62	21.54
Financial Expenses	"L"	26.62	48.28
Depreciation		66.58	50.97
Miscellaneous Expenditure W/Off		61.12	1.45
Service Tax		2.35	7.56
Sales Tax		7.60	100.94
		1,508.54	3,034.07
III PROFIT /(LOSS) BEFORE TAX		(598.48)	264.56
Provision for Taxation			
- Current Tax		-	(50.00)
Provision For Income Tax - Earlier Year		8.88	(7.53)
- Provision For Income Tax - Deferred		108.14	(52.60)
IV PROFIT/(LOSS) AFTER TAX		(481.46)	154.43
Balance Brought Forward From Previous Year		107.22	66.86
Appropriation			
Proposed Final Dividend on Equity Shares		-	97.50
Tax On Proposed Dividend		-	16.57
BALANCE CARRIED TO BALANCE SHEET		(374.24)	107.22
Earning Per Share (Refer Note (B) 8 of Schedule "M")			
- Basic & Diluted		(2.47)	1.49
Face Value of Equity Shares (in ₹)		10.00	10.00
Significant Accounting Policies and Notes to the Accounts	"M"		

Schedules "A" to "M" form part of the Accounts

As per our attached report of even date

For Raman S. Shah & Associates

Chartered Accountants
Firm Regn No : 119891W

CA. Raman S. Shah
(Partner)
Membership No. 33272

Mumbai, 16th July, 2011

Ekta Kumari
Company Secretary

For and on behalf of the Board

N. K. Choudhary
Director

R.K. Choudhary
Director

Mumbai, 16th July, 2011



CASH FLOW STATEMENT FOR THE YEAR ENDED - 31ST MARCH 2011

(₹ in Lacs)

	2010-11	2009-10
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) Before Tax & Extra Ordinary Items	(598.48)	264.56
Adjustment for -		
- Deferred Revenue Expenditure	61.12	1.45
- Depreciation	66.58	50.97
- Loss/(profit) on Sale of Fixed Assets	1.01	-
- Dividend on Long Term Investment - Trade	(88.24)	(0.13)
- Interest Income (Net)	(60.11)	28.41
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(618.12)	345.26
Adjustment for -		
- Debtors, Loans & Advances	(62.02)	(432.96)
- Inventories	(395.76)	117.77
- Current Liabilities and Provisions	(272.85)	612.56
Cash Generated from Operations	(1,348.75)	642.63
Decrease in Provision for Taxation	(41.12)	(98.65)
CASH FLOW FROM OPERATING ACTIVITIES	(1,389.87)	543.98
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,113.89)	(1,119.62)
Sale of Fixed Assets	2.90	-
Purchase of Investments	(1,075.34)	0.89
Dividend on Long Term Investment - Trade	88.24	0.13
NET CASH USED IN INVESTING ACTIVITIES	(2,098.09)	(1,118.60)
C CASH FLOW FROM FINANCING ACTIVITIES		
Total Proceeds from borrowings (Net of repayments)	(1,259.63)	948.62
Proceeds from issue of Share	6,375.01	600.00
Share Application Money	-	(590.00)
IPO Related Expenses	(239.54)	(54.24)
Dividend Paid	(97.50)	(75.00)
Corporate Dividend Tax Paid	(16.57)	(12.75)
Interest Income(Net)	60.11	(28.41)
NET CASH FROM FINANCING ACTIVITIES	4,821.88	788.22
Net Increase / (Decrease) in Cash and Cash Equivalents	1,333.92	213.60
Cash and Cash Equivalent at beginning of the year	311.75	98.15
CASH AND CASH EQUIVALENT AT THE END OF THE YEAR	1,645.67	311.75

- NOTES : 1. All figures in brackets are outflow.
 2. Previous year's figures have been regrouped wherever necessary.
 3. Cash and Cash Equivalent is Cash & Bank Balances as per Balance Sheet.

As per our attached report of even date

For Raman S. Shah & Associates

Chartered Accountants
 Firm Regn No : 119891W

CA. Raman S. Shah
 (Partner)
 Membership No. 33272

Mumbai, 16th July, 2011

Ekta Kumari
 Company Secretary

For and on behalf of the Board

N. K. Choudhary
 Director

R.K. Choudhary
 Director

Mumbai, 16th July, 2011



SCHEDULES FORMING PART OF BALANCE SHEET

(₹ in Lacs)

	2010-11	2009-10
SCHEDULE (A) - SHARE CAPITAL		
Authorised		
25000000 (25000000) Equity Shares of ₹ 10/- (10/-) Each	<u>2,500.00</u>	<u>2,500.00</u>
Issued, Subscribed & Paid Up		
19500011 (11000000) Equity Shares of ₹ 10/- (10/-) Each	<u>1,950.00</u>	<u>1,100.00</u>
	<u>1,950.00</u>	<u>1,100.00</u>
SCHEDULE (B) - RESERVES & SURPLUS		
Share Premium	6,042.22	517.21
General Reserve	279.92	279.92
Capital Reserve	22.71	22.71
Profit & Loss Account	-	107.22
	<u>6,344.85</u>	<u>927.06</u>
SCHEDULE (C) - LOANS FUNDS		
Secured Loans		
Working Capital Facilities	1,135.70	293.60
Term Loan From Bank	-	1,356.48
Other Term Loans	8.56	3.24
	<u>1,144.26</u>	<u>1,653.32</u>
Unsecured Loans		
Interest Free Sales Tax Loan	8.09	8.31
Loan From Holding Company	-	750.35
	<u>8.09</u>	<u>758.66</u>

Notes:

- 1) Working Capital facilities is secured by Hypothecation of all Current Assets. The facilities are further collaterally Secured by equitable Mortgage of Land and Building at Boisar Unit and hypothecation of all Fixed Assets of Boisar Unit.
- 2) Other Term Loan which are Auto Loans are Secured against respective Vehicles.

SCHEDULE (D) - FIXED ASSETS

(₹ in Lacs)

Particulars	Gross Block				Depreciation				Net Block	
	As at 1st April, 2010	Addition	Deduction/ Adjustment	As at 31st March, 2011	Upto 1st April, 2010	Deduction/ Adjustment	For the Year	As at 31st March, 2011	As at 31st March, 2010	As at 31st March, 2011
Land (Lease Hold)	13.03	-	-	13.03	-	-	-	-	13.03	13.03
Factory Building	459.30	261.15	-	720.45	31.63	-	8.94	40.57	427.67	679.88
Furniture & Fixture	16.63	7.35	-	23.98	8.77	-	1.26	10.03	7.86	13.95
Computers	4.56	2.51	-	7.07	1.19	-	0.86	2.05	3.37	5.02
Tools & Equipments	5.59	8.89	-	14.48	0.66	-	0.43	1.09	4.93	13.39
Electric Items	30.36	4.10	-	34.46	5.38	-	1.57	6.95	24.98	27.51
Vehicles	66.75	13.94	5.49	75.20	19.76	1.57	6.70	24.89	46.99	50.31
Plant & Machinery	850.49	255.96	-	1,106.45	141.35	-	38.42	179.77	709.14	926.68
Goodwill	155.55	-	-	155.55	15.56	-	7.78	23.34	139.99	132.21
Office Equipment	4.75	1.32	-	6.07	1.57	-	0.28	1.85	3.18	4.22
Air Conditioner	6.51	1.82	-	8.33	0.36	-	0.34	0.70	6.15	7.63
Total	1,613.52	557.04	5.49	2,165.07	226.23	1.57	66.58	291.24	1,387.29	1,873.83
Capital Work - In Progress	1,566.90	556.86	-	2,123.76	-	-	-	-	1,566.90	2,123.76
Grand Total	3,180.42	1,113.90	5.49	4,288.83	226.23	1.57	66.58	291.24	2,954.19	3,997.59
Previous Year	2,060.80	1,290.38	170.76	3,180.42	175.26	-	50.97	226.23	1,885.54	2,954.19

Note: Capital Work In Progress Includes Advances on Capital Accounts



SCHEDULES FORMING PART OF BALANCE SHEET

(₹ in Lacs)

		2010-11	2009-10
SCHEDULE (E) - INVESTMENT			
	QTY / UNITS(NOS.)		
	2010-11	2009-10	
Equity Shares, Unquoted (At Cost)			
HMTD Engineering Pvt. Ltd (F.V. ₹100/-)	48980	-	638.67
Mutual Fund Units, Unquoted (At Cost)			
HDFC Cash Management Fund	4352989.47	-	436.67
			1,075.34
SCHEDULE (F) - CURRENT ASSETS, LOANS & ADVANCES			
I Inventories			
(As Taken, Valued & Certified by the Management)			
Raw Material			318.14
Finished Goods			0.53
Work-In-Progress			614.59
			933.26
II Sundry Debtors			
(Unsecured, Considered Good by the Management)			
Outstanding for Periods Exceeding Six Months			482.86
Other Debts			310.74
			793.60
III Cash & Bank Balances			
A. Balance With Scheduled Banks			
In Current Accounts			14.60
In Deposit Accounts and as Margin			1,617.82
			1,632.42
B. Cash On Hand			13.25
			1,645.67
IV Loans & Advances			
(Unsecured, Considered Good by the Management)			
Income Tax & TDS			18.59
Prepaid Expenses			7.75
Advances Recoverable In Cash or Kind or for Value to be Received			860.86
Deposits			199.49
			1,086.69
SCHEDULE (G) - CURRENT LIABILITIES & PROVISIONS			
I Current Liabilities			
Sundry Creditors			
- Due To MSME			0.04
- Due To Others			534.07
Trade Advances			116.71
Unclaimed Dividend			-
Other Current Liabilities			43.92
			694.74
II Provisions			
Provisions For Taxation			-
Proposed Dividend			-
Tax On Proposed Dividend			-
			164.07



SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT

(₹ in Lacs)

	2010-11	2009-10
SCHEDULE (H) - OTHER INCOME		
Dividend Income	88.24	0.13
Interest Income(Net)	60.11	-
Miscellaneous Income	3.58	-
	<u>151.93</u>	<u>0.13</u>
SCHEDULE (I) - COST OF SALES		
Opening Stock	537.50	655.27
Purchases	1,251.04	2,212.72
Customs Duty	0.49	-
Clearing & Forwarding Charges	0.27	-
Insurance Charges	0.24	0.64
Stores & Spares Consumed	0.70	0.90
Transportation Charges	26.09	29.71
Repairs & Maintenance	3.32	0.97
Wages	21.82	22.45
Testing Charges	21.06	-
Power & Fuel	21.90	24.82
Other Direct Expenses	68.11	90.89
	<u>1,952.54</u>	<u>3,038.37</u>
Less - Closing Stock	933.26	537.50
	<u>1,019.28</u>	<u>2,500.87</u>
SCHEDULE (J) - OFFICE & ADMINISTRATIVE EXPENSES		
Payment To & Provision For Employees		
Salaries, House Rent Allowance And Bonus	115.92	72.05
Contribution / Provision To And For -		
Provident And Other Funds	3.46	5.37
Staff Welfare	3.47	3.52
Travelling & Conveyance	26.36	28.55
Postage, Telegram & Telephone	5.54	3.50
Legal & Professional Charges	25.43	11.44
General Expenses	11.39	9.39
Rent, Rates & Taxes	3.48	3.30
Repairs & Maintenance	1.92	0.33
Registrar & Share Transfer Charges	0.39	-
Loss On Sale Of Fixed Asset	1.01	-
Printing & Stationery	2.15	1.91
	<u>200.52</u>	<u>139.36</u>
SCHEDULE (K) - SELLING & DISTRIBUTION EXPENSES		
Advertisement Expenses	0.94	0.10
Commission On Sales	3.05	3.70
Bad Debts	-	1.32
Liquidated Damages	87.64	-
Insurance Charges	0.29	0.32
Transportation Charges	3.51	14.82
Business Promotion Expenses	2.19	1.28
	<u>97.62</u>	<u>21.54</u>
SCHEDULE (L) - FINANCIAL EXPENSES		
Interest	-	28.41
Bank And Other Financial Charges	26.62	19.87
	<u>26.62</u>	<u>48.28</u>



SCHEDULE – “M”

A. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES -

1. Basis of Preparation of Financial Statements

The financial statements are prepared as per historical cost convention and in accordance with the generally accepted accounting principle in India, the provisions of the Companies Act, 1956 and the applicable accounting standards issued by the ICAI.

2. Use of Estimates

The preparation of financial statements requires use of estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statement and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and the estimate are recognised in the period in which the same are known / materialised.

3. Fixed Assets

Fixed Assets including Leasehold Land are recorded at cost. The Company capitalises all costs relating to Fixed Assets acquisition and installation and other financial cost till commencement of commercial Production. The Company has stated its Fixed Assets net of CENVAT/Value Added Tax.

Expenses incurred relating to Pali Unit prior to commencement of commercial production are classified as project development expenditure and disclosed under Capital work in progress which will be subsequently allocated to the relevant fixed assets on pro rata basis depending on the prime cost of Assets of Pali Unit.

4. Borrowing Costs

Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalized as part of cost of such asset is ready for its intended use. All other borrowing costs are charged as Revenue Expenditure.

5. Depreciation / Amortisation

(a) Depreciation on additions to Assets is calculated pro-rata from the date of such additions and similarly on deletion from assets is calculated pro rata up to the date of deletion. Depreciation in the case of uninstalled Fixed Assets has not been provided.

(b) Depreciation on assets except to the extent stated in (a) above, has been provided at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 on Straight Line Method and in accordance with the provisions of Section 205(2) (b) of the Companies Act, 1956.

(c) Depreciation on assets, whose actual cost does not exceed Rupees Five Thousand each, has been provided @ 100% p.a.

6. Inventories

(a) Inventories are valued at lower of Cost or Net Realizable Value.

(b) Work in Progress is valued at Cost Plus estimated value of overheads. As on 31st March, 2011, the work in progress is not more than the corresponding order value.

(c) Finished Goods are valued at Cost or Net Realizable Value whichever is lower.

(d) Packing material and Stores and Spares purchased are written off as an expenses in the year of purchases.

(e) NRV is the estimated selling price in the ordinary course of business.

7. Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impaired loss is charged to Profit and Loss Account in the year in which an asset is identified as impaired.

8. Foreign Exchange Transactions

(a) Foreign Currency Transactions are expressed in Indian Currency at the rates prevailing on the date of transaction. All the Foreign Currency Liabilities / Assets as at the Balance Sheet date are restated at the applicable exchange rates prevailing at that date.

(b) Exchange differences arising on repayment of liabilities incurred for the purpose of acquiring fixed assets are adjusted with the carrying amount of the respective fixed assets.

9. Accounting of Cenvat Transactions

CENVAT benefit is accounted for on accrual basis on purchase of material & assets and incurring of expenses and appropriated against payment of Excise Duty on clearance of Finished Goods.

10. Taxation

Tax expenses for the year comprise of current tax and deferred tax. Current tax is measured after taking into consideration the deductions and exemptions admissible under the provision of Income Tax Act, 1961 and in accordance with Accounting Standard 22 on “Accounting for Taxes on Income”, issued by ICAI.

Deferred Tax assets or liabilities are recognized for further tax consequence attributable to timing difference between taxable income and accounting income that are measured at relevant enacted tax rates. At each Balance Sheet date the Company reassesses unrecognized deferred tax assets, to the extent they become reasonably certain or virtually certain of realization, as the case may be.



As ascertained by the Management of the Company, there is no virtual certainty that future taxable income as per the Income Tax Act, 1961 may be available to offset current year's unabsorbed depreciation & business losses under the Income Tax Act, 1961. As per Para 17 of the Accounting Standard 22 :- Accounting for Taxes on Income, where an enterprise has unabsorbed depreciation or carry forward of losses under tax laws, deferred tax assets should be recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient taxable income will be available against which such deferred tax asset can be realized.

11. Recognition of Income and Expenditure

- (a) Incomes & Expenditures are generally accounted on Accrual as they are earned or incurred except Interest on taxes and duties which are accounted on payment basis or at the time of assessment, whichever is earlier.
- (b) Sales are accounted net of Sales Discounts, rebates, etc., if any and returns but inclusive of Excise Duty and Service Tax, Vat, Sales Tax and Freight, Insurance.
- (c) Packing Material and Stores & Spares purchased are written off as expenses in the year of purchase.
- (d) Imports are recognized on presentation of Bill of Entry at the Customs on retiring the Import document whichever is earlier.
- (e) Dividend Income is recognized when the right to receive the dividend is unconditional.

12. Employee Retirement Benefits

- (a) Provident Fund is a defined contribution scheme and the Company's contribution to Provident Fund is charged to Profit & Loss Account.
- (b) Retirement Benefits in the form of Gratuity and Leave Encashment which are defined benefit plans are determined and accrued on the basis of an independent actuarial valuation and are recognized in Profit & Loss Account.
- (c) Short Term Employee Benefits are recognized as an expense in the Profit & Loss Account for the year in which the related service is rendered.

13. Deferred Revenue Expenses:

Deferred Revenue Expenses include Expenses for Public issue of share and increase of Authorized Share Capital. These expenses are being written off over period of 5 years.

14. Investments

Investments are stated at cost of Acquisition. No provision is made for the diminution in value, if the decline is only temporary.

15. Earning Per Share

The Company reports basic and diluted Earning Per Share (EPS) in accordance with Accounting Standard 20 on "Earning Per Share". Basic and Diluted EPS are Computed by dividing the net profit for the year attributable to equity share holders by the number of equity shares outstanding during the year.

B. NOTES FORMING PART OF THE ACCOUNTS -

1. Contingent Liabilities

Guarantee given to Various Electricity Board etc, ₹ 829.09 Lacs (P.Y Guarantee ₹ 659.02 Lacs)

2. C.I.F. Value of Imports, Expenditures and Earnings in Foreign Currency

(₹ in Lacs)

	2010-2011	2009-2010
(A) C.I.F.Value of Imports		
Raw Material	200.19	159.43
Capital Goods (Including Advances)	85.29	137.95
Total	<u>285.48</u>	<u>297.38</u>
(B) Expenditure in Foreign Currency		
Traveiling Expenses	2.51	Nil
Buyers credit interest	0.74	Nil
(C) Earnings Foreign Currency	Nil	Nil

3. Segment Reporting

The Company primarily deals in the business of Manufacturing, Repair, refurbishment and upliftment of transformers and there are no material exports hence there is no Primary reportable segment, either productwise or geographical, in the context of Accounting Standard 17 issued by The Institute of Chartered Accountants of India.



4. Related Party Disclosures

(A) The Company had transaction with the following related parties:

Sr. No.	Name of the Related Party	Relationship
1)	Bilpower Limited	Associate
2)	Bil Energy Systems Ltd	Associate
3)	Niksan Engineering Company (P) Ltd	Associate
4)	Mohan W. Randive	Key Management Personnel
5)	Choudhary Stamping	Proprietary concern of relative of- KMP.

(B) Related Party Transactions

(₹ in Lacs)

Sr. No.	Nature of Transactions	Nature of Relationship			Total of Transactions
		Associates	Key Management Personnel (KMP)	Relatives of KMP & Their Proprietary Concern	
1	Purchases Of Goods/ Fixed Assets	292.59 (558.52)	-	-	292.59 (558.52)
2	Sale of Goods	198.91 (162.78)	-	-	198.91 (162.78)
3	Interest Income	- (3.58)	-	-	- (3.58)
4	Receiving of Services Payment of Remuneration	-	6.72 (6.51)	-	6.72 (6.51)
	Labour Charges	-	-	1.48 (1.30)	1.48 (1.30)
5	Finance (Including Loans And Equity Contributions in Cash or Kind)				
	A) Loans & Advances Received	70.33 (750.35)	-	-	70.33 (750.35)
	B) Loans & Advances Given	330.74	-	-	330.74
6	Dividend Received	- (2.00)	-	-	- (2.00)
7	Outstanding Payable.	133.02 (1,174.23)	-	1.28	134.31 (1,174.23)
	Receivable	198.52 (0.32)	-	-	198.52 (0.32)

Note : Figures in Brackets relate to previous year.

5. Deferred Tax Liability Statement

(₹ in Lacs)

Particulars	Deferred Tax Liability/Asset as at 1-4-2010	Current Period Changes	Deferred Tax Liability/Asset as at 31-3-2011
Deferred Tax Liabilities			
Difference between book and tax depreciation	108.14	(108.14)	Nil
	108.14	(108.14)	Nil

6. Production, Turnover and Stock:-

(₹ in Lacs)

Sr.No.	Particulars	Opening Stock	Sales	Closing Stock
1	Transformers Mfg.	0.69	190.85	0.53
2	Transformers Repairs	Nil	87.43	Nil
3	Others (Including Waste, Copper etc.)	Nil	479.85	Nil
	Total	0.69	758.13	0.59

Note:

Quantities are not given as the transformers Sold/ repaired are of varied capacities and specifications hence the numbers of transformers would not be meaningful. In view of this the Production column has been omitted as this column normally contains quantities only and not amount.



7. Raw Material Consumed:-

The material purchases have been applied towards manufacturing as well as repairs of transformers Since the material has been used in common facilities towards both and since the requirement of law is to show consumption of Raw Material for Manufacturing, the same has not been given.

8. Earnings Per Share (EPS)

(₹ in Lacs)

Particulars	2010-2011	2009-2010
Profit after tax	(481.46)	154.43
Weighted average number of Equity Shares		
-Basic & Diluted	19500011	10364384
Earning Per Share (in ₹) -Basic & Diluted	(2.47)	1.49

9. Payment to Auditors :

(₹ in Lacs)

Particulars	2010-2011	2009-2010
As Auditors	1.00	1.00
Other Jobs	1.21	1.56
IPO related Jobs	1.38	-
Total	3.59	2.56

10. Managerial Remuneration

Paid to Executive Director

(₹ In Lacs)

Particulars	2010-2011	2009-2010
Salaries & Contribution to Provident Fund	6.72	6.51
Total	6.72	6.51

11. Term Deposit Receipts wherever obtained are endorsed in favor of Banks and Government Departments against Bank Guarantee, L/C Facility etc.
12. Gratuity liability for the year is determined on actuarial valuation by the Life Insurance Corporation of India with whom the Company has taken a policy for the settlement of future liability.
13. Some of the Creditors / Debtors / Loans / Advances are subject to Confirmations and resultant reconciliation, if any.
14. Interest Income is net of interest expense of ₹ 48.00 Lacs (P.Y. Interest expense is net of interest income of ₹ 23.35 Lacs). Interest income is gross on which tax has been deducted amounting to ₹ 9.98 Lacs (P.Y. ₹ 3.87 Lacs)
15. As at 31st March, 2011, IPO proceeds have been utilised as stated below. (₹ In Lacs)

Particulars	Objects as per Prospectus	Actual Utilisation
Amount Received From IPO ₹ 6375.00 Lacs		
Expansion and modernization of Pali Unit	3414.46	2414.93
Financing Working Capital Requirement	800.00	937.27
Marketing and Brand development expenses	200.00	-
Acquisition of Business	2500.00	638.67
General Corporate Purpose	1351.91	157.77
Issue Expenses	299.53	308.79
Total	8565.90	4457.43

Note:

As on 31st March, 2011 unutilized funds have been invested in liquid mutual fund schemes, Bank Fixed deposits and repayment of term loan to bank.

16. Previous Year Figures have been regrouped / Re cast wherever necessary.



17. Information required in terms of Part IV to Schedule VI of the Companies Act, 1956 is attached

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(₹ in Lacs)

I REGISTRATION DETAILS	
Registration Number (CIN No.)	U99999MH1988PLC047303
State Code	11
Balance Sheet Date	March 31, 2011
II CAPITAL RAISED DURING THE YEAR	
Public Issue	6,375.00
Rights Issue	-
Bonus Issue	-
Private Placement	-
III POSITION OF MOBILIZATION AND DEPLOYMENT OF FUND	
Total Liabilities	9447.20
Total Assets	9447.20
Sources of Funds	
Paid up capital	1950.00
Reserves & Surplus	6344.85
Secured Loans	1144.26
Unsecured Loans	8.09
Deferred Tax Liability	-
Application of Funds	
Net Fixed Assets	3997.59
Investment	1075.34
Net Current Assets	3764.48
Miscellaneous Expenditure	235.55
IV PERFORMANCE OF THE COMPANY	
Turnover	758.13
Other Income	151.93
Total Expenditure	1508.54
Profit / (Loss) Before Tax	(598.48)
Profit / (Loss) After Tax	(481.46)
Earning Per Share in ₹ (Basic & Diluted)	(2.47)
Dividend Rate %	-
V GENERIC NAMES OF THREE PRINCIPAL / SERVICES OF THE COMPANY (As Per Monetary Terms)	
Item Code No. (ITC Code)	85.04
Product Description	Manufacturing, Repair, Refurbishment & Upliftment of Power Transformers

As per our attached report of even date

For Raman S. Shah & Associates

Chartered Accountants

Firm Regn No : 119891W

CA. Raman S. Shah

(Partner)

Membership No. 33272

Mumbai, 16th July, 2011

Ekta Kumari
Company Secretary

For and on behalf of the Board

N. K. Choudhary
Director

R.K. Choudhary
Director

Mumbai, 16th July, 2011



Tarapur Transformers Limited

Regd. Office : J-20, MIDC, Tarapur Industrial Area, Boisar, Thane 401 506

PROXY FORM

FOLIO NO. (Shares in physical mode)	
DP ID	
CLIENT ID	
NO. OF SHARES HELD	

I/We _____ resident at _____ being a Member/Member(s) of **Tarapur Transformers Limited** hereby appoint Mr. / Ms. _____ or failing him/her, Mr. / Ms. _____ as my/our proxy to vote for me/us on my/our behalf at the 23rd Annual General Meeting of the Company to be held on Tuesday, 30th August, 2011 at 11.30 a.m. at J-20, MIDC, Tarapur Industrial Area, Boisar, Thane 401506 and at any adjournment thereof.

Signed this _____ day of _____ 2011.

Affix ₹1.00 Revenue Stamp

Notes:

- The form should be signed across the stamp as per specimen signature registered with the Company.
- The form should be deposited at the Registered Office of the Company **forty-eight hours before** the time for holding the Meeting.

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Tarapur Transformers Limited

Regd. Office : J-20, MIDC, Tarapur Industrial Area, Boisar, Thane 401 506

ATTENDANCE SLIP

FOLIO NO. (Shares in physical mode)	
DP ID	
CLIENT ID	
NO. OF SHARES HELD	

I certify that I am a registered shareholder / proxy for the registered shareholder of the Company. I hereby record my presence at the 23rd Annual General Meeting of the Company to be held on Tuesday, 30th August, 2011 at 11.30 a.m. at J-20, MIDC, Tarapur Industrial Area, Boisar, Thane 401506 and at any adjournment thereof.

Signature of Member/Proxy

(THIS ATTENDANCE SLIP DULY FILLED TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL)

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BOOK - POST

If not delivered, please return to:

TARAPUR TRANSFORMERS LIMITED

Corporate Office : 836/837, 8th Floor, IJMIMA Complex, Raheja Metroplex, Link Road Malad (W), Mumbai – 400 064

Tel.: (91 22) 42728080 Fax: (91 22) 42728090

Email: info@tarapurtransformers.com