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32nd Annual General Meeting

*on Wednesday, the 13th day of August, 2014 at 12.30 P.M.
at Hotel VITS, Cuttack Puri Road, Bhubaneswar – 751 006.*



ALFA TRANSFORMERS LIMITED

BOARD OF DIRECTORS	Mr. Dillip Kumar Das Mr. Deepak Kumar Das Mr. Debasis Das Mr. S.K.Nanda Dr. N. C. Pal Mr. Sambit Mohanty Mr. Niranjana Mohanty Mr. B.N.R. Patnaik	Chairman & Managing Director Whole-time Director (Finance)&CFO Whole-time Director (Marketing) Non-Executive Independent Director Non-Executive Independent Director Non-Executive Independent Director Non-Executive Independent Director Non-Executive Independent Director
COMPANY SECRETARY	Mr. Susanta Kumar Satpathy	
AUDITORS	A.K.Sabat & Co. Chartered Accountants, A/348, Sahid Nagar, Bhubaneswar -751007	
SECRETARIAL AUDITOR:	M/s Saroj Ray & Associates, Company Secretaries, Plot No. N-6/215, IRC Village, Bhubaneswar-751015.	
COST AUDITOR:	M/s S.S. Sonthalia & Co, Cost Accountant, Plot No: 395/4688 & 172/4689, Padmavati Vihar, Sailashree Vihar Bhubaneswar-7510021	
BANKERS	a) State Bank of India, Commercial Branch, IDCOL House (Ground Floor), Unit -II, Ashok Nagar, Bhubaneswar -751001 b) Axis Bank Limited, Satyangar, Bhubaneswar.	
REGISTERED OFFICE FACTORY	Plot No. 3337, Mancheswar Industrial Estate, Bhubaneswar – 751010 Unit - I, Plot No. 3337, Mancheswar Industrial Estate, Bhubaneswar–751010 Unit - II, Plot No. - 2, Zone - D, Phase - A Mancheswar Industrial Estate, Bhubaneswar – 751010 Unit - III, Plot No. - C/12, Industrial Estate Madhupatna, Cuttack - 753 010 Unit - IV, Plot No. - 1046, 1047 & 1048, GIDC Estate Waghodia, Vadodara - 391760, Gujrat	
REGISTRAR & SHARE TRANSFER AGENT	M/s MCS Share Transfer Agent Limited, 12/1/5, Manoharpukur Road, Kolkata-700026 Phone : 4072-4051 to 53, Fax : 4072-4054 e-mail: mcssta@rediffmail.com	

**NOTICE**

NOTICE is hereby given that the **32nd Annual General Meeting** of the members of Alfa Transformers Limited will be held on Wednesday the 13th day of August, 2014 at 12.30 P.M at HOTEL VITS, Cuttack Puri Road, Bhubaneswar-751 006, to transact the following business.

ORDINARY BUSINESS :

- To receive, consider, approve and adopt the Audited Balance Sheet as at 31st March 2014. the profit and Loss account for the year ended on that date and the reports of the auditors and directors thereon.
- To appoint a Director in the place of Mr. Niranjana Mohanty (DIN: 00916858), who retires by rotation and being eligible offers himself for re-appointment.
- To appoint a Director in the place of Mr. S.K. Nanda: DIN: 00463749), who retires by rotation and being eligible offers himself for re-appointment.
- To appoint statutory Auditors of the company and fix his remuneration & in that connection to consider and if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution** :

“RESOLVED THAT pursuant to section 139 and other applicable provisions, if any of companies Act, 2013 including any statutory modification or re-enactment therefore for the time being in force, M/s A.K. Sabat & Co, Chartered Accountants (Reg. No.321012E) be and are hereby appointed as statutory Auditors of the company to hold office from the conclusion of this Annual General meeting. Till the conclusion of the next Annual General meeting of the company as such remuneration as shall be fixed by the Board of Directors of the Company.

SPECIAL BUSINESS:

- To consider and if though fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT in accordance with the provisions of section 196, 197 and 203 read with schedule V and all other applicable provisions of companies Act 2013 and the companies (appointment and remuneration) Rules 2014 including any statutory modifications or re-enactment thereof for the time being in force and subject to other approvals as may be necessary, approval of the company be and is hereby accorded to the re-appointment of Mr. Deepak Kumar Das (DIN:00402984), as whole-time Director (Chief Financial Officer) of the Company for period of Five years, with effect from 02nd January 2014 on the terms and conditions as approved by Board on its meeting on 12.11.2013 with remuneration as fixed by the Company from time to time.

- To consider & if thought fit to fix salary, perquisites and allowances per annum for CMD & other whole time Directors and pass with or without modifications the following resolution as on **Ordinary Resolution**.

“RESOLVED THAT in accordance with the provisions of section 196, 197, & 203 read with, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 or any statutory modification(s) or re-enactment there-of, and subject to other approvals as may be necessary, consent of the Company be and is hereby accorded for fixation of annual salary perquisites and allowances etc. for Sri Dillip Kumar Das, CMD, Deepak Kumar Das & Debasis Das, whole time Directors of the Company with effect from 01.04.2014 for two years as per details given hereunder :

A) ANNUAL SALARY & PERQUISITES

Name	Salary	(in Lakhs)	
		Perquisites & Allowances	
DILLIP KUMAR DAS, CMD	13.80	1.20	
DEEPAK KUMAR DAS, Whole time Director	7.20	0.80	
DEBASIS DAS, Whole time Director	7.20	0.80	

The perquisites and allowances, as aforesaid, shall include medical reimbursement and /or premium for medical insurance accommodation (furnished or otherwise) or house rent allowance in lieu thereof: house maintenance allowance together with reimbursement of expenses and / or allowances for utilization of gas, electricity, water, furnishing and repairs and leave travel concession for self and family including dependents. The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules there under or any statutory modification(s) or re-enactment thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

The Company's contribution of 12% & 15% of salary respectively towards provident fund, superannuation or annuity fund, (to the extent these singly or together are not taxable under the Income Tax law,) gratuity payable and encashment of leave, as per the rules of the Company, shall not be included for the purpose of computation of the overall ceiling of remuneration.

B) COMMISSION/PERFORMANCE BONUS

Performance Bonus/Commission @3% of Net Profit for CMD and @1.5% of net profit for Whole time Directors for each Financial Year or part there-of, computed in the manner as prescribed under Sections 197, 203 and other applicable provisions of the Companies Act 2013 read with Schedule V to the Act as may for the time being in force.

C) REIMBURSEMENT OF EXPENSES :

Expenses incurred for traveling, board and lodging during business trips, and provision of cars with Driver for use on the Company's business and telephone & mobile phone expenses at residence & office shall be reimbursed at actual and not considered as perquisites.

D) MINIMUM REMUNERATIONS

In the event of loss or inadequacy of profits in any financial year during the currency of tenure of service of the Managing Director



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/ Whole time Director, the payment of salary, commission & perquisites shall be governed by the limits prescribed under Part-II of Section-II of Schedule V of the Companies Act, 2013 as may for the time being in force.

E) GENERAL

- 1) The Managing Director and the Whole time Director will perform their respective duties as such with regard to all work of the Company and they will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board and the functions of the Whole time Director will be under the overall authority of the Managing Director.
- 2) The Managing Director and the whole time Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.
- 3) The Managing Director and the Whole time Directors shall adhere to the Company's code of Business Conduct & Ethics for Directors and Management personnel.
- 4) The office of the Managing Director and the Whole time Director may be terminated by the Company or the concerned Director by giving the other 3(three) months prior notice in writing.

ITEM NO. 7. FOR POWERS FOR DISPOSAL OF UNDERTAKING

U/S 180 (1) (a):

To consider and, if thought fit, to pass with or without modification the following resolution as **Special Resolution**.

RESOLVED THAT pursuant to the provisions of section 180 (1) (a) and other provisions, if any of the companies Act 2013, the consent of the company be and is hereby accorded to the Board of Directors of the company to dispose the whole of the factory Unit at Plot No.1046, 1047 & 1048, GIDC Estate Waghodia, Vadodara-391760, Gujarat in the shape of outright sale or transfer to a wholly owned subsidiary company of Alfa Transformers Ltd.

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorized to finalized the documents for creating the aforesaid transfer of Factory Units & assets, and to do all such acts, deeds, matters and things as may be necessary to give effect to this resolution.

NOTES FOR MEMBER'S ATTENTION :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. An Explanatory Statement pursuant to section 102 (1) of the Companies Act, 2013 relating to the Special Businesses under

item No.6 and 7 of the Notice as set out above, are annexed hereto.

3. The Register of Members and Share Transfer Books of the Company will remain closed from **Monday the 04th August, 2014 to Wednesday, 13th August, 2014 (both days inclusive)** in terms of provisions of section 91 of the Companies Act, 2013.

4. The Company had declared Dividend @10% i.e. Re.1/ - per equity shares of the Company for the Financial Year 2008-2009 and 2009-10 in the 27th & 28th Annual General Meeting held on 30th July, 2009 and 6th August, 2010 respectively. . All the equity shareholders of the Company are requested to contact the Company/ Share Transfer Agent i.e. M/s MCS Share Transfer Agent Limited, 12/1/5, Manoharpukur Road, Kolkata-700026. for payment of their dividend amount, if they have not been paid. The un-paid dividend for the Financial Year 2008-09 and 2009-10 as on 31.03.2014 are Rs.1, 43,796 & Rs.1, 86,022 respectively.

Members are requested to note that dividends not en-cashed or claimed within seven years from the date of transfer to the Company's Un-paid Dividend Account will as per Section 124 of the Companies Act, 2013, be transferred to the Investor Education and Protection Fund.

The Securities and Exchange Board of India (SEBI) has made it mandatory for all Companies to use the bank account details furnished by the depositories for depositing dividends. As per the recent RBI guidelines, effective from September 30, 2009, ECS credit will be moved completely on National Electronic Clearance System (NECS) platform through core banking system. Accordingly, dividend will be credited to the shareholders' bank account through NECS where complete core banking details are available with the Company. In the event any branch of a Bank has not migrated to core banking system, or where the core banking account number is not furnished by the shareholder to the Depository/Company as the case may be, the Company will print the details available in its records on the dividend warrants to be issued to the shareholders. The Company is complying with SEBI's directive in this regard.

- 5 All the physical shareholders of the Company are requested to dematerialize their shares.
- 6 Non-Resident Indian Shareholders are requested to inform Share Transfer Agent immediately :
 - i. The change in the residential status on return to India for Permanent Settlement.
 - ii The particulars of NRE Account with Bank in India, if not furnished earlier.
- 7 (a)Members are requested to notify immediately any change of address:
 - (i) to their Depository participants(DPs) in respect of their electronic share accounts; and (ii) to the Company/Share Transfer Agent in respect of their physical share folio, if any.

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- (b) In case the mailing address on this Annual Report is without the PINCODE, Members are requested to kindly inform their PINCODE immediately.
8. A member desirous of getting any information on the accounts or operations of the company is required to forward his/her queries to the company at least seven days prior to the meeting so that the required information can be made available at the meeting.
 9. Members/Proxies are requested to bring their copies of Annual Report to the meeting and the attendance slip duly filled in for attending the meeting.
 10. Trading in the equity shares of the company is compulsorily in dematerialized form for all investors. The ISIN (International Securities Identification Number) allotted to the company's equity share is INE 209C01015.
 11. The members who hold shares in dematerialized form are requested to bring their client ID and DP ID numbers for easy identification of attendance at the meeting.
 12. Members are requested to send all communications relating to shares to the company's Share Transfer Agent. (Physical and Electronic) to M/s MCS Share Transfer Agent Limited, 12/1/5, Manoharpukur Road, Kolkata-700026. e-mail: mcssta@rediffmail.com
 13. The names and address of the stock exchanges where-at the company's Share are listed, are given below :
 - a) Bombay Stock Exchange Limited,
Phiroze JeeJeebhoi Tower, Dalal Street,
Mumbai-400001.
 - b) The Bhubaneswar Stock Exchange Limited,
(Applied for De-listing)
Stock Exchange Bhavan, P-2, Jayadev Vihar,
Chandrasekhar,
Bhubaneswar-751023.
 - c) The Calcutta Stock Exchange Association Limited,
(Applied for De-listing)
7, Lyons Range, Kolkata-700001.
 14. In compliance with the provisions of section 108 of the Companies Act 2013 and the rules framed there under and as per Clause 35B of Listing agreement, the members are provided with the facility to cast their vote electronically, though the e-voting services provided by CDSL, on the resolutions set forth in this Notice.
- The instructions for shareholders voting electronically are as under :**
- (i) The voting period begins on Thursday 31st July 2014, 10.00am and ends on Saturday the 02nd August 2014 at 6.00 pm . During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 30.06.2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period
 - (iii) Click on "Shareholders" tab.
 - (iv) Now, select the "COMPANY NAME: Alfa Transformers Ltd" from the drop down menu and click on "SUBMIT"
 - (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (vi) Next enter the Image Verification as displayed and Click on Login.
 - (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)-</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).



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- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant ALFA TRANSFORMERS Ltd EVSN Reference No: 140705005 on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Institutional Shareholders
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

Other Instructions:

- The e-voting period commence on Thursday 31st July 2014 (10.00 a. m.) and end on Saturday 02nd August 2014 (6.00 P.m.). During this period, member of the company holding share either in physical form or in dematerialize form as on 30.June 2014 may cast their vote electronically. The e-voting module shall be disabling by CDSL for voting Thereafter. Once the vote on resolution is cast by the member, he shall not be allowed to change it subsequently.
- The voting rights of members shall be incorporation to their shares of the paid-up equity share capital of the company as on 30 June 2014.
- Mr. Saroj Ray & Associates Practicing company secretary of the company (membership No:FCS 5098 has been appointed as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- The scrutinizer, shall ,within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the company and make scrutinizer's report of the vote cast in favour or against, if any, forthwith to the chairman of the company.
- The results declared along with the scrutinizers report shall be placed on the company website www.alfa.in and with the website of CDSL within two days of passing of resolutions at the 32nd AGM of the company on 13th August 2014 and communicated to the BSE Limited where the share of the company are listed.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 :

ITEM No.5 and 6 :

The Board of Director of the company (the Board) at its meeting held on 12th November 2013 has subject to approval of members re-appointed Mr. Deepak Kumar Das as whole-time Director for a period of 5 years with effect from 02.01.2014, with the remuneration as fixed by the Company from time to time.

Further the boards at its meeting held on 27th May 2014 subject to approval of the members provide remuneration to Managing Director

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& other whole time Directors at the remuneration recommended by the Nomination & remuneration Committee of the Board.

None of the Directors except Mr. Dillip Kumar Das, Mr. Deepak Kumar Das, and Mr. Debasis Das, are interested in the proposed resolution

ITEM No.7: The Board of Directors, in its meeting held on 27th May 2014 had decided that in order to better management of the company should take up dispose of the whole of the factory Unit at Plot No.1046, 1047 & 1048, GIDC Estate Waghodia, Vadodara-391760, Gujarat in the shape of outright sale or transfer to a wholly owned subsidiary company of Alfa Transformers Ltd.

None of the Directors of the Company are concerned or interested in the proposed resolution, except to the extent of their holding of equity shares in the Company.

ADDITIONAL INFORMATION ON DIRECTORS RECOMMENDED FOR APPOINTMENT/RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING:

(Pursuant to Clause 49 of the Listing Agreement)

Item No.2 of Notice of AGM

Brief Profile of Mr. Niranjan Mohanty:

Mr. Niranjan Mohanty, aged 63 years, is M.Sc. in Physics from Ravenshaw College, Cuttack under Utkal University and Post Graduate Diploma in Business Administration from Indian Institute of Ahmedabad. He has also completed six week training course of Small Industries Extension Training Institute. He started his carrier in Union Bank of India and worked there for two years. After that, he worked in IPICOL as a Manager Investment for five years. After resigned from the service, he started his own industries in Garment manufacturing and export, Fishing net manufacturing etc. He has over 29 years of experience as an entrepreneur. Presently, he is the Director of Magnum Apparel Private Limited, Intemark Private Limited, Utkal Chamber of Commerce and Industries Limited, Orissa Knit Complex Private Limited, Cyberscribe Technologies Private Limited, Utkal Infrastructure Development Consortium Private Limited. He was the President of Utkal Chamber of Commerce & Industries. He has extra curricular activities i.e. play writing for stage and AIR, represented during his college carrier at Ravenshaw College, Cuttack and IIM, Ahmedabad in Football.

Item No.3 of Notice of AGM

Brief Profile of Mr. Santosh Kumar Nanda:

Mr. Santosh Kumar Nanda, aged 85 years is a Post Graduate in Electrical Technology from Indian Institute of Science, Bangalore. He is also Fellow member of Institute of Engineers India, past Chairman of Institute of Engineers India, Orissa Centre and past Chairman of Confederation Engineering Industry. He started his carrier as Assistant Electrical Engineer in Electricity Department of Government of Orissa and retired from the Government services as Chairman, Orissa State Electricity Board. After his retirement,

he worked as Charter Engineers & Electrical Consultants. He is also a Director in India Power Corporation Limited and India Power Corporation (Haldia) Limited. He is the Chairman of Audit Committee and Remuneration Committee of your Company.

Item No.5 of Notice of AGM

Brief Profile of Mr. Deepak Kumar Das

Mr. Deepak Kumar Das, aged about 64 years of age, is Post Graduate in Chemistry from Utkal University. He started his carrier as Lecturer in Chemistry in Government College and resigned there from to join in his brother in promoting M/s Alfa Transformers Limited. He has over 29 years of experience in business including Finance and Management functions. Presently, he is Director (Finance) of your Company.

He is the Director of Industrial Designs & Services Limited and Alfa Infraventures Private Limited, and nominee Director of Phoenix Surgicare Private Limited,(A 100% Subsidiary Company of Alfa Transformers Limited). He is also a member of Share Transfer and Investor Grievance Committee of your Company.

Item No.6 of Notice of AGM

Brief Profile of Mr. Dillip Kumar Das

Mr. Dillip Kumar Das, 66 years of age, is Graduate in Electrical Engineering from University College of Engineering, Burla, Sambalpur. He is a member of IEEE, USA; Institute of Standard Engineers and Fellow of Institute of Engineers India and also life member of Indian Council of Management Executives, Mumbai. He graduated in 1969 and worked under Government of Orissa as Assistant Engineer till August, 1973 & then resigned to start his proprietorship business for manufacture and repair of distribution Transformers. He is the promoter & managing Director of your company since 1982. He has 41 years of rich experience over manufacturing and repairing of transformers. He is responsible for overall technical & commercial activities including designing, production planning, marketing, import & export etc.

Item No.6 of Notice of AGM

Brief Profile of Mr. Debasis Das

Mr. Debasis Das, aged about 39 years of age, is a graduate from Utkal University and also hold the professional qualification of M.B.A. from X.I.M.B. He is a young, dynamic, energetic and positive esteemed person. He has been associated with the Company since 1997. He has started his carrier as an Assistant Manager (Marketing) in your Company. Due to his sincere and dedicated efforts, the Company could able to increase its sales in domestic market. He was appointed as Additional Director in the Board in their meeting held on 28.06.2004.

He is a Director of Phoenix Surgicare Private Limited, (A 100% Subsidiary Company of Alfa Transformers Limited). He is also member of Remuneration Committee & Share Transfer and Investor Grievance Committee of your Company.

PLACE : BHUBANESWAR

Date: 27th May, 2014

CIN : L31002OR1982PLC001151

Regd. Office : Plot No. 3337, Mancheswar I.E.

Bhubaneswar - 751010

E-mail : info@alfa.in/sales@alfa.in

**BY ORDER OF THE BOARD
FOR ALFA TRANSFORMERS LIMITED**

**Sd/-
COMPANY SECRETARY**

**DIRECTORS' REPORT****Dear Members,**

We are pleased to present the Thirty-two Annual Report, Audited Accounts and Auditors report of your Company for the financial year ending 31st March'2014.

FINANCIAL RESULTS:

The summarized financial results of our operations for the Financial Year ending 31st March'2014 is detailed hereunder. (Rs.in lakhs)

Particulars	2013-14	2012-13
1. Net Sales/Income from operations	2624.25	2147.88
2. Other Income	52.72	14.72
3. Total Income (1+2)	2676.97	2162.60
4. Profit /(Loss) before Interest & Depreciation& Tax	64.89	(20.46)
5. Less : Interest & Finance charges	196.56	243.14
6. Less : Depreciation	84.34	91.50
7. Profit / (Loss) before Exceptional Items (4-5-6)	(216.01)	(355.10)
8. Add : Exceptional items	201.92	—
9. Profit /(Loss) Before Tax (7+8)	(14.09)	(355.10)
10. Less : Income Tax-Earlier Years	—	(0.95)
11. Net Profit /(Loss) after Tax (9-10)	(14.09)	(356.05)
12. Add : Balance carried forward from Profit and Loss A/c.	(472.30)	(116.25)
13. Balance Carried to Balance Sheet (11+12)	(486.39)	(472.30)
14. Earning Per Share (Basic & Diluted)	(0.26)	(6.64)

Note: Previous year's figures are regrouped wherever necessary.

FINANCIAL PERFORMANCE:

- The total income of the company has increased by approximately 23.78% and the loss was reduced to Rs. 14.09 lakhs during the year against the previous year loss of Rs. 356.05 Lakhs.
- Bad Debt of Rs.215 lakhs was written off during the year against old outstanding receivable from Govt. Electricity Utility Companies, Maytas Infra (Now IL&FS Infra) & ECCO, Libya, which could not be collected in spite of best efforts.
- In addition, the company has also received Rs.232.33 Lakhs during the year out of sale of unutilized, non industrial Land
- Working capital & term Loan were substantially reduced during the year as detail below :

	<u>F.Y. 2012-13</u>	<u>F.Y. 2013-14</u>	<u>(Rs.in Lakhs) Changes</u>
a. Working capital Loan			
From SBI	791.98	576.90	- 215.08
From AXIS BANK	243.05	137.35	- 105.70
b. Term Loan			
From SBI - I	22.50	Nil	- 22.50
From SBI WTCL	79.00	Nil	- 79.00
From AXIS BANK	67.02	34.52	- 32.50
c. Interest & Financial Charges	243.14	196.56	- 46.58

- This has resulted in reduction of financial charges from 243.14 lakhs to 196.56 lakhs.

FUTURE PROSPECTS:

Sales are expected to grow to Rs.31.00 Cores from Rs.26.25 cores. We are expecting to get order worth Rs.8.00 cores at Boroda Units

The company is trying to review export markets in Nepal & Bangladesh.

SUBSIDIARY COMPANY:

Phoenix Surgicare Private Limited is the only wholly owned Subsidiary Company of your Company. The business

operations in the subsidiary Company has not started .Land at Nasik is sold for Rs. 36.70 Lakhs.

Audited Statements of accounts of the Company's Subsidiary:

The audited statements of accounts, along with the report of the Board of Directors relating to the Company's Subsidiary i.e. Phoenix Surgicare Private Limited, together with the Auditors' Report thereon for the year ended 31st March, 2014 are annexed.

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Star Export House:

Your Company continues to enjoy "Star Export House" status from the Government of India. During the year under review, the Company has got the award of **STAR PERFORMER FOR THE YEAR 2008-09** from EEPCINDIA (Eastern Region).

DEPOSITS:

The Company has not accepted any public deposits so far.

DIRECTORS:

Pursuant to provisions of Section 256 of the Companies Act, 1956, Mr. Niranjana Mohanty(DIN:00916858, and Mr. S.K. Nanda(DIN:00463749) retire by rotation at the ensuing Annual General meeting and, being eligible, may offer themselves for reappointment. Your Directors recommend their reappointment.

Mr. Supratim Basu Non-executive & Non Independent Director resigned w.e.f.23rd July 2013 and Mr. Santosh Kumar Patnaik whole-Time Director retired on 21st February 2014. We all appreciate and convey our gratitude for the contribution made by Mr. Basu & Mr.Patnaik for their dedicated and sincere efforts for the company.

COST AUDITOR:

The company has appointed M/s S. S. Sonthalia & Co. Cost Accountants, Bhubaneswar to audit the cost accounts for the financial year 2014-15. Mr. Sonthalia has submitted his consent letter along with the eligibility certificate under section 141(3)(g) of companies Act 2013, for the year 2014-15

SECRETARIAL AUDITOR:

The company has appointed M/S Saroj Ray & Associates Company Secretaries, Bhubaneswar (under Section 204 of Companies Act 2013) for the financial year 2014-15. Mr. Saroj Kumar Ray has submitted his consent letter along with the eligibility certificate under section 141(3) (g) of companies Act 2013, for the year 2014-15

AUDITORS REPORT & AUDITORS' OBSERVATION:

There is no audit qualification in the Company's financial statements. The company continues to adopt practices to ensure best practice as per Indian Accounting Standards. The Notes on Accounts referred to in the Auditors' Report enclosed are self-explanatory and do not call for any further comments.

AUDITORS:

M/s A.K. Sabat & Co, Chartered Accountants, Bhubaneswar retires at the ensuing Annual General Meeting and has given their consent for re-appointment along with the eligibility certificate as per Section 141(3) (g) of the Companies Act, 2013.

DIRECTOR'S RESPONSIBILITY STATEMENT:

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

- i) In the preparation of the annual accounts for the year ended March 31, 2014 the applicable accounting

standards read with requirements set out under Revised Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same;

- ii) The accounting policies adopted are consistent and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the financial year.
- iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The annual accounts have been on a going concern basis.

DIVIDEND:

Your Directors has not recommended any Dividend during this financial year.

TRANSFER TO GENERAL RESERVE:

During the financial year ending on 31st March, 2014, no amount has been transferred to General Reserve in accordance with the provisions of Companies (Transfer of profits to Reserves) Rules, 1975.

TECHNOLOGY ABSORPTION, ENERGY CONSERVATION, AND FOREIGN EXCHANGE EARNING AND OUTGO:

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 are given in **Annexure "A"**.

PERSONNEL

None of the employees of the Company has been in receipt of remuneration exceeding the amounts envisaged by section 217(2A) of the Companies, Act, 1956.

DISCLOSURE AS PER LISTING AGREEMENT:

Cash Flow:

The cash flow statement in accordance with accounting standard and (AS-3) of ICAI is appended to this Annual Report.

Related Party Transactions:

As a matter of policy, your company carries out transactions with related parties on an arm-length basis. Statement of these transactions is given in the Notes to Account (Note-26(7a)) attached in compliance of Account Standard No.AS-18.

Listing:

The Company's shares are listed on the 'The Bombay Stock Exchange Limited'. The Annual listing fees to the 'The Bombay Stock Exchange Limited' for the year 2014-15 have been paid.

Voluntary Delisting from Bhubaneswar and Calcutta Stock Exchanges:- The company has submitted all documents as per rule to Bhubaneswar & Calcutta stock Exchange for delisting of shares since 1st July 2003, Permission is still awaited.



CORPORATE GOVERNANCE:

“Corporate Governance is the system by which Companies are directed and controlled. It also includes Board’s accountability to the Company and stakeholders, strategic vision and effective monitoring by the Board, protection and equitable treatment of all stakeholders as well as timely disclosure. Corporate governance is a journey for constantly improving sustainable value creation and is an upward moving target.

Corporate governance at Alfa Transformers Limited (ATL)’s a value-based framework to manage our Company affairs in a fair and transparent manner. We have evolved guidelines and best practices over the years to ensure timely and accurate disclosure of information regarding our financials, performance, leadership and governance of the Company. We are an ethically responsible company, operate with transparency, validate commitment and sincerity, both vertically and horizontally across the organization with a spirit of integrity.

The Company has complied with all mandatory provisions of Corporate Governance as prescribed under clause 49 of the Listing Agreement. A report on Corporate Governance is annexed in “**Annexure B**” to the report, along with the certificate on its compliance from the Auditors forms part of this report.

QUALITY SYSTEM:

The ISO 9001-2008 for quality management system with respect to “Design, Manufacture, Repair and sales of Power Transformers & Distribution Transformers” and “Manufacturing of CRGO Core Laminations , CRGO Wound Core and Amorphous Core “ was accredited by TUV SUD South Asia Private Limited.

INDUSTRIAL RELATIONS:

The industrial relations continued to be generally peaceful & cordial.

MANAGEMENT’S DISCUSSION AND ANALYSIS:

Management’s Discussion and Analysis for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate section as **Annexure ‘C’** forming part of the Annual Report.

ACKNOWLEDGEMENTS:

Your Directors would like to acknowledge and place on record their sincere appreciation to all stakeholders’

clients, Bank, Central & State government, the company’s valued investors and all other business partner for their continued co-operation and excellent support received during the year.

FOR AND ON BEHALF OF THE BOARD

PLACE : BHUBANESWAR DILLIP KUMAR DAS
DATE : 27th May,2014 CHAIRMAN

ANNEXURE “A” TO THE DIRECTORS’ REPORT

Disclosure of particulars with respect to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo as required under Companies (Disclosure of particulars in the Report of directors) Rules, 1988 and forming part of the Report of the Board of Directors for the period ended 31st March, 2014:

A. CONSERVATION OF ENERGY:

Energy conservation continues to be accorded high priority by your Company. The Company has already taken up steps for implementing Energy Conservation measures by replacing of all conventional machineries, creating awareness among employees, regulated usage of plant, machinery and other equipments and use of energy saving equipments.

Rooftop solar generation to 35KV is being installed.

B. TECHNOLOGY ABSORPTION:

Your Company successfully absorbed the transfer of Technology from Hitachi Metals (India) Limited for its Metaglas Amorphous Project.

C. FOREIGN EXCHANGE EARNINGS & OUTGO:

(Rs in Lakhs)

Year	2013-2014	2012-2013
Expenditure	0.15	1.65
Earning	414.41	561.49

FOR AND ON BEHALF OF THE BOARD

PLACE : BHUBANESWAR DILLIP KUMAR DAS
DATE : 27th May,2014 CHAIRMAN

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ANNEXURE “B” TO THE DIRECTORS’ REPORT REPORT ON CORPORATE GOVERNANCE

1) COMPANY’S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE :

Corporate Governance is a journey for constantly improving sustainable value creation and is an upward moving target and your Company has been doing its business within the framework of a good Corporate Governance. It is the mechanism to ensure, adopt and practice transparency, accountability, developing an internal system encompassing policies, process and people which serves best interest of the stakeholders by directing and controlling the management activities with good business law, objectivity and integrity. This emanates from our strong belief that strong governance is integral to creating value on a sustainable basis. Sound corporate governance is reliant on external market place commitment and legislation including a healthy board culture which safeguards policies and process and enhances the value system of the Organization. Hence, your Company believes in implementing the system of good corporate governance, as it is the key driver for sustainable growth and long-term value addition to the investments made by all shareholders. Your Company therefore is committed to the highest standards of corporate governance and follows the basic tenets of integrity, transparency, accountability and responsibility in all its activities and put in place a system of good Corporate Governance.

2) BOARD OF DIRECTORS:

A fundamental requirement of Board membership is independence, knowledge and experience based upon the absence of relationships and interest that could compromise, or could be perceived as compromising the ability of a Director to exercise judgment in the best interests of the Company.

2. 1) Composition:

The Board has an optimum combination of Executive and non-Executive Directors and is in conformity with Clause 49 of the listing agreement entered into with the stock exchanges, in which the Company’s Shares are listed. The composition of the Board as on 31st March, 2014 consists of eight Directors, among which three are Executive Directors and Five are non-Executive Independent Directors. The Board is classified broadly as follows:

Sl. No	Name of the Director	Status	Category	Shareholding in the Company
1.	Mr. Dillip Kumar Das	Chairman & Managing Director	Promoter and Executive Director	1019514
2.	Mr. Deepak Kumar Das	Whole-time Director (Finance)	Promoter and Executive Director	57000
3	Mr. Debasis Das	Whole –time Director	Executive and Non-independent Director. (Relative of Promoters)	121683
4.	Mr. Santosh Kumar Nanda	Director	Non-Executive and Independent Director	-
5.	Dr. Nitai Chandra Pal	Director	Non-Executive and Independent Director	-
6.	Mr. Sambit Mohanty	Director	Non-Executive and Independent Director	-
7.	Mr. Niranjan Mohanty	Director	Non-Executive and Independent Director	-
8.	Mr. B.N.R.Patnaik.	Director	Non-Executive and Independent Director	-



Board's Definition of Independent Director:

Independent Director shall mean non-Executive Director of the Company who :

- a) apart from receiving director's remuneration, does not have any material pecuniary relationships or transactions with the Company, its promoters, its senior management or its holding Company, its subsidiaries and associated Companies;
- b) is not related to Promoters, Chairman, Managing Director, whole-time Director, Secretary, Chief Executive Officer or Chief Finance Officer and of any person in the management at one level below the Board;
- c) has not been an executive of the Company in the immediately preceding three financial years;
- d) is not a partner or an executive of the Statutory Audit firm or the Internal Audit firm that is associated with the Company and has not been a partner or an executive of any such firm for the last three years. This will also apply to legal firm(s) and consulting firm(s) that have a material association with the entity;
- e) Is not a supplier, service provider or customer of the Company? This should include lessor-lessee type relationships also; and
- f) Is not a substantial shareholder of the Company i.e. owning two percent or more of the block of voting shares?

2.2) Code of Conduct :

The Company has adopted the Alfa Code of Conduct for all Directors, Senior Management and employees of the Company. This Code is derived from three interlinked fundamental principles, viz good corporate governance, good corporate citizenship and exemplary personal conduct. Further, all the Board members and senior management personnel (as per Clause 49 of the Listing agreement) have affirmed compliance with the respective Code of Conduct. A declaration to this effect signed by the Managing Director forms part of this report.

2.3) Board Meetings & Procedures:

The Board meets in executive session at least four times in a year at quarterly intervals and more frequently if deemed necessary, to transact its business. The Company Secretary, in consultation with the Chairman and Managing Director, prepares the agenda for the meeting. Information and data that are important to the Board's understanding of the business in general and relating to matters tabled for discussion. The Agenda and relevant enclosures are distributed to the members of the Board sufficiently in advance of the meeting. Sensitive material, however, is presented for discussion at the meeting only. The meetings of the Board of Directors are generally held at Company's registered office at Bhubaneswar, and are generally scheduled well in advance. The Company Secretary records the minutes of the proceedings of each Board Meeting and Committee Meeting. Draft minutes are circulated to all the members of the Board/Board Committee for their comments. The minutes are entered in the Minutes Book within 30 days from the conclusion of the meeting. The important decision taken in the Board/Committee Meetings are communicated to the concerned departments/persons for taking necessary actions and a action taken report is placed in the next meeting of the Board/Committee for noting the same.

Numbers & Dates of Board Meetings held during the year :

- (i) During 2013-14, the Board of Directors met 4 times on the following dates :

Sl.No	Date of Board Meeting	Total Members	Attendance by number of members
1.	29 th May,2013	10	08
2.	10 th August ,2013	09	08
3.	12 th November,2013	09	06
4.	14 th Febuary,2014	09	08

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- (ii) The details of attendance of each Director at the Board Meetings, last Annual General Meeting and number of other Directorships and Chairman/Memberships of Committee are as follows:

Name of the Director	Attendance Particulars			Directorship in other Companies
	No of Board Meetings held	No of Board Meetings attended	Last AGM	
Mr. Dillip Kumar Das	4	3	Present	5
Mr. Deepak Kumar Das	4	4	Present	3
Mr.Santosh Kumar Patnaik**	4	3	Present	1
Mr. S. K.Nanda	4	4	Present	2
Dr. N.C.Pal	4	3	Present	None
Mr. Sambit Mohanty	4	3	Present	1
Mr.Debasis Das	4	3	Present	1
Mr. Niranjan Mohanty	4	4	Present	5
Mr. Supratim Basu*	1	0	Present	3
Mr. B.N.R.Patnaik	4	4	Present	None

* Resigned w.e.f. 23rd July 2013

** Retire on 21st February 2014

No Director holds membership of more than 10 Committees of Board nor is a Chairman of more than 5 Committees of Boards of all the companies in which he is a Director.

3) COMMITTEES OF BOARD:

The Board has constituted various committees for smooth and efficient operation of the activities and is responsible for constituting, assigning, co-opting and fixing the term of reference of the committees in line with the laws of the land. The chairman, quorum and the terms of reference of each committee has been approved by the Board.

The draft minutes of the proceedings of each committee meeting duly initialed by the Chairman of the respective committee meeting are circulated to the members of that committee for their comments and thereafter, confirmed by the respective committee in its next meeting. The Board also takes note of the minutes of the meetings of the committees duly approved by their respective Chairman and material recommendations/decisions of the committees are placed before the Board for approval.

3.1) AUDIT COMMITTEE:

The Primary objective of the Audit Committee of the Company is to monitor and provide effective supervisions of the management's financial reporting process with a view to ensuring accurate, timely and proper disclosures and transparency, integrity and quality of financial reporting.

The Audit Committee met four times during the year 2013-14.

The composition and attendance of the committee are given below:

Composition:

Name of Director	Designation	Status
Mr. S.K.Nanda	Chairman	Independent and Non- executive Director
Mr.Sambit Mohanty	Member	Independent and Non- executive Director
Dr.N.C.Pal	Member	Independent and Non- executive Director
Mr. Niranjan Mohanty	Member	Independent and Non- executive Director

Attendance:

Sl. No.	Date of Meeting	Total Members	Attendance by Members
1.	29 th May,2013	4	3
2.	10 th August,2013	3	2
3.	12 th November,2013	3	2
4.	14 th February,2014	3	3



Audit Committee Charter :

- a) Oversight of the Company’s financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) Recommending to the Board, the appointment, re-appointment and removal of external auditor, fixation of audit fee and also approval for payment of any other services.
- c) Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:
 - Any change in the Accounting policies and practices.
 - Major accounting entries based on exercise of judgment by the management.
 - Qualification on draft Audit Report.
 - Significant adjustments arising out of audit.
 - The going concern assumption.
 - Compliance with accounting standards.
 - Compliance with Stock Exchange and legal requirements concerning financial statements.
 - Any related party transactions i.e. transaction of the company of material nature, with promoters or the management, their subsidiaries or relatives etc that may have potential conflict with the interest of the company at large.
- d) Reviewing with management, external and internal auditor, adequacy of internal controls systems.
- e) Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- f) Discussion with internal auditors any significant findings and follow up thereon.
- g) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- h) Discussion with external auditors before the audit commences on the nature and scope of audit as well as has post audit discussion to ascertain any area of concern.
- i) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- j) To approve un-audited Quarterly Financial Results and publish the same as required in the Listing Agreement.

The meetings of the Audit Committee were also attended by Internal Auditor, Accounts Executive of the company and representatives of the Statutory Auditors as invitees for the relevant meetings. The recommendations of audit committee are usually accepted and implemented by the Board.

3.2) NOMINATION & REMUNERATION COMMITTEE :

The purpose of the Remuneration committee of the company shall be to discharge the Board’s responsibilities relating to remuneration of the Company’s Executive Directors. The committee has overall responsibility for approving and evaluating and recommending plan, policies and programs relating to remuneration of Executive Directors of the Company.

The Committee consists of majority of Independent Directors and non-Executive Director and the composition of the Committee is given below :

Name of Director	Designation	Status
Mr. S.K.Nanda	Chairman	Independent and Non- executive Director
Mr. Sambit Mohanty	Member	Independent and Non- executive Director
Dr. N.C.Pal	Member	Independent and Non- executive Director
Mr. Debasis Das	Member	Executive and Non-independence Director

Terms of Reference:

- To appraise the performance of Managing and Executive Director; and
- To determine and recommend to the Board, compensation payable to Managing and Executive Director.

REMUNERATION TO DIRECTORS :

The Company does not remunerate the non-Executive Directors of the Company except for the payment of sitting fees for attending each meeting of the Board or Committee thereof. Remuneration to Executive Directors is recommended by the Remuneration Committee and approved by the Board of Directors subject to the approval of the shareholders in the

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General Meeting and such authorities, as the case may be. Particulars of their remuneration for the year ended 31st March, 2014 are given below.

Name of Director	Remuneration for the year 2013 - 2014				
	Sitting Fees Rs	Salary Rs	Perquisites Rs	Commission Rs	Total Rs
Executive Directors:					
Mr. Dillip Kumar Das	Nil	1104000	395480	NIL	1499480
Mr. Deepak Kumar Das	Nil	600000	199104	NIL	799104
Mr. Debasis Das	Nil	600000	199084	NIL	799084
Mr. Santosh Kumar Patnaik.	Nil	535714	178786	NIL	714500
Non-Executive Directors					
Mr. S.K. Nanda	16000	Nil	Nil	Nil	16000
Dr. N.C. Pal	12000	Nil	Nil	Nil	12000
Mr. Sambit Mohanty	Nil	Nil	Nil	Nil	Nil
Mr. B.N.R. Patnaik	8000	Nil	Nil	Nil	8000
Mr. Niranjan Mohanty	8000	Nil	Nil	Nil	8000

3.3) SHARE TRANSFER AND INVESTOR GRIEVANCE COMMITTEE :

The "Share Transfer and Investor Grievance Committee" comprising Two Executive Directors and one Independent non-Executive Director headed the committee of the company. The functioning and terms of reference of the Committee, inter-alia, approves issue of duplicate certificates and overseas and reviews all matters connected with securities transfers. The Committee also looks into redressing of investor's grievance pertaining to transfer/transmission of shares, dividends, dematerialization/re-materialization, and replacement of lost/stolen/mutilated share certificates, splitting, conversion and other related issues and to strengthen investor relation. In addition to the above, the Committee also addresses to complaints like non-transfer of shares, non-receipt of declared dividends, etc.

During the year, the Committee has met 03 times for consideration of share transfers, issue of duplicate shares, re-materialization of shares and other investors' grievances. The constitution of the Committee and the attendance of each member of the Committee are given below :

Name of the Director	Designation	Status	Committee Meetings Attended
Mr. B.N.R. Patnaik	Chairman	Independent and Non-Executive Director.	3
Mr. Deepak Kumar Das	Member	Promoter and Executive Director.	3
Mr. Debasis Das	Member	Relative of Promoter and Executive Director.	3

The Company Secretary being the Compliance Officer of the Company is entrusted with responsibility to specifically look into the redresses of Shareholders and Investors complaints and report the same to the Share Transfer and Investor Grievance Committee.

During the year under review, the following complaint received from investors were replied/ resolved to the satisfaction of the investors as follows:

Sl.No	Nature of Complaint	Total No. of Complaints	Resolved	Not Resolved	Reason for pending
1	Non-receipt of Dividend Warrant	2	2	Nil	-
2	Non-receipt of certificate	1	1	Nil	-



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4. GENERAL BODY MEETINGS :

Details of location and time of last 3 years Annual General Meetings are as under:

Annual General Meeting:

Financial Year	Venue	Date	Day	Time	Special Resolution passed
2010-11	Hotel "The New Marrion", 6, Janpath, Bhubaneswar-751001	12.08.2011	Friday	12.30 P.M.	None
2011-12	Hotel "The New Marrion", 6, Janpath, Bhubaneswar-751001	11.08.2012	Saturday	3.00P. M.	None
2012-13	Hotel "The New Marrion", 6, Janpath, Bhubaneswar-751001	10.08.2013	Saturday	12.30P. M.	None

Extra-Ordinary General Meeting:

Financial Year	Venue	Date	Day	Time	Special Resolution passed
2010-11	No Extra-ordinary General Meeting was held during the year.				
2011-12	At-Registered Office	23.01.12	Monday	11.00a.m.	None
2012-13	No Extra-ordinary General Meeting was held during the year.				

No special resolutions were required to be put through postal ballot at the above meetings.

5. DISCLOSURES:

5.1) Disclosure regarding materially significant related party transactions :

- There are no materially significant related party transactions made by the Company with its promoters, Directors or the management, their relatives conflicting with company's interests. Other related party transactions have been reported at item No. "26(7a)" of Notes on Accounts. The Register of Contracts containing transactions, in which Directors are interested, is placed before the Board regularly.

5.2) Disclosure of non-compliance by the company:

- No penalty or strictures have been imposed on the company by Stock Exchanges or SEBI on any matter related to capital markets during the last three years.

5.3) Disclosures regarding appointment/re-appointment of Directors:

- Pursuant to the Articles of Association of the company, all the Directors for the time being except Mr. Dillip Kumar Das (Managing Director), Mr. Deepak Kumar Das (Executive Director), and Mr. Debasis Das (Executive Director) , of the company, shall retire and, if eligible, offer themselves for re-election at the ensuing Annual General Meeting. Accordingly, Mr. Niranjana Mohanty, and Mr. S.K. Nanda retire at the ensuing Annual General Meeting. The Board has recommended the appointment of above two directors.

The abbreviated resume of all these Directors being appointed/re-appointed and other relevant information is given elsewhere in this Annual Report, which form part of the Corporate Governance Report.

6) NON-MANDATORY REQUIREMENT:

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement relating to corporate Governance.

- The company has setup a remuneration Committee pursuant to Clause 49 of the listing Agreement.
- During the financial year 2013-2014 there is no audit qualification in the Company's financial statements. The company will continue to adopt best practices to ensure the regime of unqualified financial Statements.

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7) MEANS OF COMMUNICATION:

The quarterly, half yearly and annual results of the Company in the prescribed format are published in the following Newspapers.

English (Financial Express /The Economic Times)

Regional Language (The Samaj /Khabara /Pramaya)

There is no practice of sending half yearly results to the household of shareholders.

8) MANAGEMENT DISCUSSION AND ANALYSIS:

Management Discussion and Analysis Report form part of the Annual Report as annexed in **Annexure “C”** to the Director’s Report.

9) GENERAL SHAREHOLDERS INFORMATION:

9.1) Annual General Meeting:

The Thirty-two Annual General Meeting (“the AGM”) of the company will be held on Wednesday, the 13th day of August of 2014 at 12.30 P.M. at Hotel “ VITS”Cuttack Puri Road, Bhubaneswar-751006.

9.2) Financial Calendar for the year 2014-15:

The Company follows April to March as its financial year. The financial Calendar for the year 2013-14 (Provisional) as follows:

Sl.No.	Financial Calendar	Tentative Schedule
a)	Results for the first quarter ending 30 th June’14.	By 14 th August,2014
b)	Results for the second quarter ending 30 th September’14.	By 14 th November, 2014.
c)	Results for the third quarter ending 31 st December,2014	By 14 th February ,2015
d)	Results (Audited) for the financial year ending 31 st March, 2015	By 30 th May, 2015.
e)	Annual General Meeting for the year ending 31 st March,2015	By the end of September, 2015.

9.3) Dates of Book Closure :

The Register of Members and Share Transfer Books of the Company will remain closed from **Tuesday, the 05th August, 2014 to Wednesday the 13th August, 2014 (both days inclusive)** for purpose of Annual General Meeting.

9.4) Dividend:

The Board of Directors has decided not to declare dividend for the year under review due to bad financial condition of the Company.

The Securities and Exchange Board of India (SEBI) has made it mandatory for all Companies to use the bank account details furnished by the depositories for depositing dividends. As per the recent RBI guidelines, effective from September 30, 2009, ECS credit will be moved completely on National Electronic Clearance System (NECS) platform through core banking system. Accordingly, dividend will be credited to the shareholders’ bank account through NECS where complete core banking details are available with the Company. In the event any branch of a Bank has not migrated to core banking system, or where the core banking account number is not furnished by the shareholder to the Depository/Company as the case may be, the Company will print the details available in its records on the dividend warrants to be issued to the shareholders. The Company is complying with SEBI’s directive in this regard.



ALFA TRANSFORMERS LIMITED

Details of dividend paid in the last Five Years:

Dividend of Rs. 53, 60,000/- paid during the Financial Year 2008-09 and 2009-10.

Dividend of 10% (i.e. Re.1/- per share) for the Financial Year 2008-09 was declared in the 27th Annual General Meeting held on 30th July, 2009

Dividend of 10% (i.e. Re.1/- per share) for the Financial Year 2009-10 was declared in the 28th Annual General Meeting held on 6th August, 2010 and paid within 30 days of declaration of dividend as per the provisions of the Companies Act, 1956. Those who have not received the dividend amount, may contact the company or its RTA i.e. M/s MCS Share Transfer Agent Limited, 12/1/5, Manoharpukur Road, Kolkata-700026

Members are requested to note that dividends not en-cashed or claimed within seven years from the date of transfer to the Company's Un-paid Dividend Account will as per Section 205A of the Companies Act, 1956, be transferred to the Investor Education and Protection Fund. The dividend of the financial year 2008-09 and 2009-10 was declared on 30.07.2009 and 06.08.2010 respectively. Hence, the due date of transfer to Investor Education and Protection Fund as per the Section 205 A of the Companies Act, 1956 is 28.08.2016 for 2008-09 and 04.09.2017 and for 2009-10.

9.5) Listing on Stock Exchanges :

The Company's shares are presently listed with The Bombay Stock Exchange Limited (BSE), Phiroze Jee Jeebhoy Towers, Dalal Street, and Mumbai-400001, which has nationwide trading terminals. The Annual Listing fees for the year 2014-15 have been paid to The Bombay Stock Exchange Limited (BSE).

Confirmation of de-listing of the Company's shares from The Bhubaneswar Stock Exchange Limited, P-2, Jayadev Vihar, Chandrasekharpur, Bhubaneswar-751023 and The Calcutta Stock Exchange Association Limited, 7, Lyons Range, Kolkata-700001 is still awaited. However, Company is not paying listing fees to these two Stock Exchanges.

9.6) Company Stock code:

The Mumbai Stock Exchange Scrip Code '517546'.

The ISIN Number of Alfa (or demat number) on both NSDL and CDSL is **ISIN INE209C01015**

9.7) Stock Market Data:

The monthly high and low quotations of Company's shares at Bombay Stock Exchange Limited (BSE) during the year 2013-14 under review are as under:

Month	High(Rs.)	Low(Rs.)	Volume(Nos)
April, 2013	29.05	20.45	10726
May, 2013	21.30	14.30	5718
June, 2013	24.55	13.65	11844
July, 2013	31.00	23.50	5485
August, 2013	29.50	21.55	126204
September, 2013	20.50	13.95	31936
October, 2013	15.30	12.62	7169
November, 2013	17.08	12.05	8209
December, 2013	17.00	12.50	8839
January, 2014	16.60	12.00	5078
February, 2014	20.25	17.05	2571
March, 2014	17.90	14.25	816800

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9.8) CIN Number :

The Corporate identity Number ("CIN") of the company, as allotted by Ministry of Company Affairs is **L31102OR1982PLC001151**.

9.9) Registrar and Share Transfer Agents:

All share transfer and related operations are conducted by the Registrar and Share transfer Agent of the company both in physical and dematerialized form, the address of which is given below:

M/s MCS Share Transfer Agent Limited,

12/1/5, Manoharpukur Road,

Kolkata-700026

Phone: 4072-4051to53,

Fax: 4072-4054

e-mail-mcssta@rediffmail.com

9.10) Share transfer systems :

Transfers of Securities in physical form are registered and duly transferred share certificates are dispatched within 15 days of receipt, provided the documents are in order. With regard to Shares in demat mode, the procedure is adopted as per the provisions of Depositories Act, 1996. The Shareholders are advised to contact the Registrar and Share Transfer Agents at their address for effecting transfer of shares both in physical and electronic form.

9.11) Shares held in physical and dematerialized form:

As on 31st March 2014, 94.52% of shares of the company were held in dematerialized form and the rest in physical form. Out of this dematerialized, promoter and their associates own 50.45% and non-promoters held 44.07 % of these Shares. The details of shares held in Physical and dematerialized form is given below:

Details of Shares	Position as on 31.03.2014	% of holding
NSDLACCOUNT	4308203	80.38%
CDSLACCOUNT	758145	14.14%
TOTAL DEMAT A/C	5066348	94.52%
PHYSICAL HOLDING	293652	5.48%
TOTAL SHARES	5360000	100.00

9.12) Distribution of Shareholdings as on 31st March 2014:

As of 31st March, 2014 the distribution of company share holding were as follows:

No of Equity Shares held	No of shareholders	% of shareholders	No. of shares	% of shareholding
1-500	2747	83.699	459310	8.5692
501-1000	271	8.2572	225301	4.2034
1001-2000	135	4.1133	212171	3.9584
2001-3000	32	0.9750	83019	1.5489
3001-4000	21	0.6399	76379	1.4250
4001-5000	15	0.4570	69105	1.2893
5001-10000	23	0.7008	156307	2.9162
10001-50000	26	0.7922	650230	12.1312
50001-100000	3	0.0914	215114	4.0133
100001 & ABOVE	9	0.2742	3213064	59.9452
TOTAL	3316	100	5360000	100



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9.13) Shareholding Pattern as on 31st March, 2014 :

Category	No of Shares	% of Shares Capital
Indian Promoters	2725797	50.8544
Private Corporate Bodies	151054	2.8182
Indian Public	1941040	36.2134
NRIs/OCBs	542109	10.114
Total	5360000	100

9.14) GDRs/ADRs/Warrants:

The Company has not issued any GDRs/ ADRs/ Warrants or any convertible instruments.

9.15) Details of Shares held more than 1% as on 31st March, 2014:

Name of Shareholders	No of Shares held	% of Shareholding
Dillip Kumar Das	1019514	19.0208
Galaxy Medicare limited	380256	7.0943
Industrial Designs & Services Limited	666582	12.4362
Oricon Industries Limited	167900	3.1325
Debasis Das	121683	2.2702
K Shiva Kumar	282710	5.2744
Dillip Kumar Das, HUF	88953	1.6596
Deepak Kumar Das	57000	1.063
Geetishree Das	69161	1.2903
Daga Anjana Sandeep	106419	1.9854
Sujata Vithalrao Cowlagi	200000	3.7313
Prashant Kothari	268000	5.000

9.16) Factory Locations of the Company:

Unit - I : 3337, Mancheswar Industrial Estate, Bhubaneswar-751010.

Unit - II : Plot No.-2, Zone-D, Phase-A, Mancheswar Industrial Estate, Bhubaneswar-751010.

Unit - III : C-12, Industrial Estate, Madhupatna, Cuttack-753010.

Unit - IV : Plot No.1046, 1047 & 1048, GIDC Estate, Waghodia, Vadodara, Gujrat-391760.

9.17) SEBI Complaints Redress System (SCORES)

Securities Exchange Board of India introduced for quick resolution of Investors Grievances SEBI Complaints Redress System (SCORES). The investor complaints are processed in a centralized web based complaints redress system. The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.

9.18) Address for Correspondence:

Any query relating to shares and requests for transactions such as transfer, transmission and nomination facilities, duplicate share certificates, change of address, non-receipt dividend/ Annual Report, as also regarding dematerialization of shares may please taken up with.

Mr. Susanta Kumar Satapathy

Company Secretary & Compliance Officer,
Alfa Transformers Limited,
Plot No. 3337, Mancheswar Industrial Estate,
Bhubaneswar-751010.
Phone No.0674-2580484/2581036
Fax No.0674-2580495

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DECLARATION

I, Dillip Kumar Das, Managing Director of Alfa Transformers Limited, hereby declare that all the members of the board of Directors and the Senior Management personnel have affirmed compliance with the code of conduct, for the year ended 31st March, 2014.

FOR AND ON BEHALF OF THE BOARD

PLACE: BHUBANESWAR

DILLIP KUMAR DAS

DATE: 27th May, 2014

CHAIRMAN

CEO AND CFO CERTIFICATION

We, Dillip Kumar Das, Managing Director and Deepak Kumar Das, Chief Financial Officer, responsible for the finance function certify that :

- a) We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2014 and to the best of our knowledge and belief:
 - i) these statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
 - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2014 are fraudulent, illegal or volatile of the company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. Deficiencies in the designs or operation of such internal controls, if any of which we are aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d)
 - i) There has not been any significant change in internal control over financial reporting during the year under reference;
 - ii) There has not been any significant change in accounting policies during the year requiring disclosures in the notes to the financial statements; and
 - iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place: Bhubaneswar

Date: 27th May, 2014

Managing Director

Chief Financial Officer



ANNEXURE “C” TO DIRECTORS’ REPORT MANAGEMENT DISCUSSION AND ANALYSIS

PERFORMANCE REVIEW:

In the competitive market, the Company was able to achieve Sales and Other Income, in monetary terms for the year to Rs. 26.76 cores as compared to Rs. 21.62 cores in the previous year and the Loss was decreased to Rs. 14.09 cores as compared to Rs. 3.55 cores in the previous year. The profitability of the Company was adversely affected due to the company has made Bad debt of Rs.2.15 cores against old outstanding receivable amount mainly from Govt. Electricity utility companies, Maytas & ECCO. The Rupee depreciation against US Dollar has also adversely impacted during the financial year. However, compared to its peers in industry, profitability of the Company is relatively better though it is on lower side compared to previous year.

The Company is continuing to be very selective in taking orders as still the price realization remains very low. The present challenge is managing orders within the budgeted costs and high volatility in the prices of major raw materials.

Credit period extended to customers not getting honored results into high level of receivables with resultant strain on cash flow. Barring unforeseen circumstances, the Company expects to increase its volume of business in the current year.

INDUSTRY OVERVIEW :

The overall transformer industry in India is a matured one with domestic as well as export markets, as power sector development is key to the economic development. Demand generated from capacity additions, which is expected to be **76,000 MW** during 12th five year plan; and replacement of demand, will increase demand further. Thrust and policy of Government of India to electrify all villages by 2020 and programmes like the RGGVY will provide opportunities and growth in the transformer industry. However, looking to current recession in the global market, cut throat

competition, escalation in prices of raw materials, credit squeeze, delayed financial closure, delay in implementation of plans by government and environment concerns, we believe that there will be pressure on the margins in the short-run. The Distribution Transformer has grown at the rate of 24% .

Transformers are an indispensable component of an alternate current (AC) electrical system for electricity generation, transmission or distribution. In addition, the demand for transformers increases proportionately with the amplification of power generation, transmission or distribution networks in the country. In India, the demand for equipment used in power sector is multiplying at a rapid rate because of social, economic and industrial development. Government’s attempt of attaining 100% electrification across the country by 2017 would contribute to the demand for power transformers. However, power deficit across the country is likely to continue during the next decade. As of now, out of 5160 towns in India, only 35% towns have over 90% households using electricity for lighting purpose. In more than 15% of the towns, the penetration rate of electricity across households is less than 50 per cent.

“**India Power Transformers Market Forecast & Opportunities, 2018**” details about power transformers market in India, its growth prospects and opportunities. The power transformers market revenues in India are expected to grow at the CAGR of 14% till 2018. Under the 12th Five Year Plan (2012-17), the government plans to spend USD 200 Billion on developing and strengthening power infrastructure in India

OUTLOOK FOR THE COMPANY :

With upcoming projects and added efforts being put in for power generation, transmission & distribution, the long term prospects are bright. However, due to sizable unutilized capacity in the transformer industry, prices are under pressure

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which leads to immense competition amongst the industry players. Increasing competition, delay in government projects, high volatility in the prices of major raw materials like copper, electrical steel sheets, transformer oil, steel and related components will continue to impact realizations, both at gross and net level, and hence hindering the proper growth of the industry in the near future. The rupee depreciation against US Dollar may also adversely impact further during the financial year.

FACTORS AFFECTING OUR FUTURE RESULTS OF OPERATIONS :

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

- Competitive conditions in the industry.
- Growth of power sector in India.
- Our ability to continuously operate and maintain our manufacturing facilities optimally.
- Technological changes in the industry.
- Escalation in prices as well as the availability of raw materials.
- General economic and business conditions in India.

HUMAN RESOURCES:

The Company continues its focus on development of human resource. The relations of the management with employees during the year continued to be cordial. Learning and development has been strengthened to bring value addition in the employee and to enhance Team Building leading towards success. The Company focuses on providing the employees motivating work environment and excellent career development opportunities.

INTERNAL CONTROL SYSTEMS:

The Company has effective internal control systems for compliance of laws, rules and regulations to safeguard the interest of the Company. The Company maintains a system of internal controls designed to provide reasonable assurance regarding the effectiveness and efficiency of operations and for safeguarding the assets of the

Company and for ensuring appropriate recording and reporting of financial information for ensuring reliability of financial controls and for ensuring compliance of applicable laws and regulations. The internal audit covers a wide variety of operational matters and ensures compliance with specific standards with regard to reliability and suitability of policies and procedures. The internal auditor reports to the top management through Chairman & Managing Director and continuously monitors adherence to lay down systems and policies through a structured internal audit process. Services of internal auditors are being outsourced through established audit firm. The systems are regularly reviewed and modified for changes in operating and regulatory requirements. The Audit Committee reviews the adequacy and effectiveness of internal control systems and suggests improvement for strengthening the same from time to time.

RISKS & CONCERNS:

The unprecedented variation in the prices of raw materials, particularly copper, transformer oil and special steels for lamination, is a major area of concern for executing transformer orders in uncertain market condition. Depreciation of Indian Rupee against US Dollar is also a concern which continues to adversely affect the profitability. The unutilized capacity in the transformer industry and intense competition adversely impact product prices and margins. The present challenge for the Company is successfully executing low prices orders, within the budgeted cost. The delay by government in implementation of its plans may lead to a fall in demand for transformers, in short term. Further, change in government policy on land acquisition for industrial projects, allotment of natural resources and its pricing and policy changes in environmental related laws is having major impact on investment in new projects. Almost all the players in the industry have expanded their existing capacities. Further, continued strong presence of foreign (Chinese & Korean) transformer manufacturers is keeping the competitive pressures high, which is expected to continue during the year 2014-15 also.



ALFA TRANSFORMERS LIMITED

AUDITOR'S REPORT ON CORPORATE GOVERNANCE

To
The Members,
Alfa Transformers Limited.

We have examined the compliance of conditions of Corporate Governance by Alfa Transformers Limited for the year ended on 31st March, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. 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, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For A. K. Sabat & Co.
Chartered Accountants
Firm Registration No. 321012E (ICAL)

(S.CHAND)
PARTNER
Membership No. 050063

Place : Bhubaneswar
Date : 27th May, 2014

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INDEPENDENT AUDITORS' REPORT

To the Members of Alfa Transformers Limited

Report on Financial Statements

We have audited the accompanying financial statements of Alfa Transformers Limited ("the Company") which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Subsection (3C) of Section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the said accounts 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 March 31, 2014;
- ii) in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
- iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.



ALFA TRANSFORMERS LIMITED

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 ("the Order"), we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required under provisions of section 227(3) of the Companies Act, 1956, 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 purposes 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 Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - e. on the basis of the written representations received from the Directors as on March 31, 2014 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2014 from being appointed as a Director in terms of Section 274(1)(g) of the Companies Act, 1956;
 - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For A. K. Sabat & Co.
Chartered Accountants
Firm Registration No. 321012E

(S.CHAND)
PARTNER
Membership No. 050063

Place : Bhubaneswar
Date : 27th May, 2014

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ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT RE: ALFA TRANSFORMERS LIMITED ("THE COMPANY")

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) During the year, in our opinion, a substantial part of fixed assets has not been disposed off by the Company.
- (ii) (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion, the Company has maintained proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) According to information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii)(b) to (d) of the Order are not applicable to the Company and hence not commented upon.
- (b) The Company has taken unsecured loan from companies & other parties covered in the register maintained under Section 301 of the Companies Act, 1956 amounting to Rs 70.70 lakh.
- (c) Rate of interest, other terms and conditions are prima facie not prejudicial to the interest of the Company.
- (d) Payment of principal amount & interest in respect of the above mentioned loan have been regular.
- (iv) 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 for the sale of goods and services. Further, on the basis of our examination, we have neither come across nor have we been informed of any instance of major weakness in the aforesaid internal control systems.
- (v) (a) According to the information and explanations provided by Management, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that need to be entered into the register maintained under Section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of rupees five Lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and the nature of its business.
- (viii) We have broadly reviewed the cost records maintained by the Company, including the records prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 for the products of the Company, and are of the opinion that prima facie the prescribed cost records have been maintained and are being made up. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.



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- (ix) (a) According to the records of the Company and information and explanations given to us, in our opinion, undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us, there were no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other statutory dues outstanding as at 31.03.2014 for a period of more than six months from the date they became payable except Rs 27645/- & Rs 142536/- pertaining to entry tax & sales tax respectively.
- (b) As at March 31, 2014, details of disputed statutory dues of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other statutory dues are as follows:

Name of the Statute	Financial Year	Dispute (in brief)	Demand Amount	Forum where dispute is pending
Income Tax Act,1961	1994-95	Deduction U/S 80 I disallowed in assessment	277227	Case filed at High Court of Orissa filed on dt. 03-09-2004
Income Tax Act,1961	1995-96	Deduction U/S 80 I disallowed in assessment	271209	Case filed at High Court of Orissa filed on dt. 03-09-2004
Income Tax Act,1961	2006-07	Disallowance of Deposit/ advances written off, loss on discarded assets.	1190020	Assessing officer passed the order u/s 143 (3) / 254 dt. 30-03-2013 (order received on 30-03-12) = on relief allowed -appealed before CIST (a) (II) BBSR on 29-04-2013 (FY-2005-06, Asst Year-2006-07 Income Tax Appellate Tribunal, Cuttack
Income Tax Act,1961	2010-11	i) Travelling Expenses - Rs.1,14,920/- ii) Selling Expenses- Rs.1,11,190/- = total = Rs.2,26,110/-	23860	Appeal filed before CIT (a) (II) on dt. 09-05-2013
Income Tax Act,1961	2004-05	i) Delayed in deposit of EPF & ESI Rs. 62239/-.	-	Case filed at High Court of Orissa, filed on 25-06-2010.
Central Excise and Salt Act,1944	2002-03	Disallowance of CENVAT on inputs purchased from 100% EOU	106711	Commissioner (Appeals) , return the file to Asst. Commissioner, Bhubaneswar for re-assessment
Central Sales Tax,1956	1989-90	Disallowance of CST exemption	251039	High Court of Orissa
Central Sales Tax,1956	1990-91	Disallowance of CST exemption	108000	Revision petition before Commissioner of Sales Tax, Cuttack
Central Sales Tax,1956	1991-92	Disallowance of CST exemption	1550740	2nd Appeal at Sales Tax Tribunal
Central Sales Tax,1956	2000-01	Surcharge on Central Sales Tax	71,399	1st appeal file at Asst. Commissioner of Sales Tax
Central Sales Tax,1956	2002-03	For D Form Transaction	31,837	1st appeal file at Asst. Commissioner of Sales Tax
The Orissa Sales Tax Act, 1947	1996-97	Disallowance of Price Variation Bill	73,008	Sales Tax Tribunal (as per direction of Tribunal documents submitted for re-assessment)
The Orissa Sales Tax Act, 1947	2002-03	Wanting Form IV & XXXIV	266710	1st appeal file at Asst. Commissioner of Sales Tax

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The Orissa Sales Tax Act, 1947	2003-04	Wanting Form IV & XXXIV	662384	1st appeal file at Asst. Commissioner of Sales Tax
Central Sales Tax, 1956	2005-06	C Form Wanting	38,850	1st appeal file at Asst. Commissioner of Sales Tax
The Orissa Entry Tax Act, 1999	2002-03	Demand on Purchase of Raw Materials	116787	1st appeal file at Asst. Commissioner of Sales Tax
The Orissa Entry Tax Act, 1999	2004-05	Demand on Purchase of Raw Materials	277791	Appeal Sales Tax Tribunal, Cuttack. Division Bench. Next dt. 04-01-2014 & 27-01-2014
The Orissa Entry Tax Act, 1999	2005-06, 2006-07 & 2007-08	Demand on Non payment of Entry Tax on purchase of materials for used in Export Purpose and Freight Inward.	8706714	Stay petition filed at Orissa High Court vide W.P (C) No. 556 of 2013 dt. 08-01-13.

- (x) The Company has no accumulated losses at the end of the financial year ending 31.03.2014. The Company has not incurred cash losses during the financial year covered by our audit but had incurred cash losses in the immediately preceding financial year.
- (xi) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution, bank or to debenture holders during the year.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
- (xiv) In our opinion and according to the information and explanations given to us, the Company is not dealer or trader in securities. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- (xv) 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.
- (xvi) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- (xvii) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not been used during the year for long-term investment.
- (xviii) During the year the Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money through public issue during the year.
- (xxi) Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the Management.

For A. K. Sabat & Co.
Chartered Accountants
Firm Registration No. 321012E

(S.CHAND)
PARTNER
Membership No. 050063

Place : Bhubaneswar
Date : 27/05/2014


ALFA TRANSFORMERS LIMITED
BALANCE SHEET AS AT 31ST MARCH 2014

(₹ in Lakhs)

Particulars	Note No.	As at 31st March 2014		As at 31st March 2013	
I. EQUITY AND LIABILITIES					
1 Shareholders' Funds					
(a) Share Capital	1	536.00		536.00	
(b) Reserves and Surplus	2	1179.93		1213.21	
			1715.93		1749.21
2 Share Application Money Pending Allotment			—		—
3 Non-Current Liabilities					
(a) Long-Term Borrowings	3	4.52		32.02	
(b) Deferred Tax Liabilities (Net)	4	112.89		112.89	
(c) Other Long Term Liabilities		—		—	
(d) Long-Term Provisions	5	11.87		10.16	
			129.28		155.07
4 Current Liabilities					
(a) Short-Term Borrowings	6	741.87		1039.49	
(b) Trade Payables	7	475.79		483.90	
(c) Other Current Liabilities	8	161.52		283.48	
(d) Short-Term Provisions	9	1.15		1.98	
			1380.33		1808.85
TOTAL			3225.54		3713.13
II. ASSETS					
1 Non-Current Assets					
(a) Fixed Assets					
(i) Tangible Assets	10	1625.52		1741.80	
(ii) Intangible Assets	10	7.26		7.61	
(iii) Capital Work-in-Progress	10	6.00		8.04	
(iv) Intangible Assets under Development		—		—	
(b) Non-Current Investments	11	13.49		13.49	
(c) Long-Term Loans & Advances	12	53.22		51.06	
(d) Other Non-Current Assets		—		—	
			1705.49		1822.00
2 Current assets					
(a) Current Investments	13	—		50.00	
(b) Inventories	14	790.23		805.39	
(c) Trade Receivables	15	440.59		731.42	
(d) Cash and Cash equivalents	16	151.38		127.53	
(e) Short-Term Loans & Advances	17	137.85		176.79	
(f) Other Current Assets		—		—	
			1520.05		1891.13
TOTAL			3225.54		3713.13
SIGNIFICANT ACCOUNTING POLICIES	25				
ADDITIONAL NOTES ON ACCOUNTS	26				

 THE SCHEDULES REFERRED ABOVE FORM PART OF ACCOUNTS
 AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR AND ON BEHALF OF THE BOARD

 FOR A.K.SABAT & CO
 CHARTERED ACCOUNTANTS

 S.CHAND
 PARTNER
 Membership No.050063
 BHUBANESWAR
 DATED : 27th May 2014

 DILLIP KUMAR DAS
 DEEPAK KUMAR DAS
 SUSANTA KU. SATAPATHY

 MANAGING DIRECTOR
 CHIEF FINANCIAL OFFICER
 COMPANY SECRETARY

Annual Report 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2014

(₹ in Lakhs)

Particulars	Note No.	For the year ended 31st March, 2014	For the year ended 31st March, 2013
I. Revenue from Operations	18	2624.25	2147.88
II. Other Income	19	52.72	14.72
III. Total Revenue (I + II)		2676.97	2162.60
IV. EXPENDITURE :			
Cost of Materials Consumed	20	1906.68	1488.43
Changes in Inventories of Finished Goods Work-in-Progress	21	56.26	164.14
Employee Benefits Expenses	22	125.04	136.27
Finance Costs	23	196.56	243.14
Depreciation and Amortization expense	10	84.34	91.50
Other Expenses	24	524.10	394.22
Total Expenses		2892.98	2517.70
V. Profit/(Loss) Before Exceptional and Extraordinary Items and Tax (III-IV)		(216.01)	(355.10)
VI. Exceptional Items		201.92	—
VII. Profit/(Loss) Before Extraordinary Items and Tax (V - VI)		(14.09)	(355.10)
VIII. Extraordinary Items		—	—
IX. Profit/(Loss) Before Tax (VII- VIII)		(14.09)	(355.10)
X Tax Expenses:			
(1) Current Tax		—	—
(2) Income Tax earlier year		—	(0.95)
XI Profit/(Loss) for the period (IX-X)		(14.09)	(356.05)
XII Earnings Per Equity Share (of face value ₹ 10/- each)			
(1) Basic & Diluted (in ₹)		(0.26)	(6.64)
SIGNIFICANT ACCOUNTING POLICIES	25		
ADDITIONAL NOTES ON ACCOUNTS	26		

THE SCHEDULES REFERRED ABOVE FORM PART OF ACCOUNTS
AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR AND ON BEHALF OF THE BOARD

FOR A.K.SABAT & CO

CHARTERED ACCOUNTANTS

S. CHAND

PARTNER

Membership No.050063

BHUBANESWAR

DATED : 27th May 2014

DILLIP KUMAR DAS

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SUSANTA KU. SATAPATHY

MANAGING DIRECTOR

CHIEF FINANCIAL OFFICER

COMPANY SECRETARY


ALFA TRANSFORMERS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in Lakhs)

PARTICULARS	Year Ended 31-03-2014	Year Ended 31-03-2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Interest, Taxes & Extraordinary Items	182.47	(111.97)
Add :		
Depreciation	84.34	91.50
Bad Debts Written off/Provisions & Liquidated Damages etc.	214.99	102.57
	481.80	82.10
Less :		
Interest Income	17.18	16.85
Foreign Exchange Gain/ (Loss) (Net)	25.67	(1.07)
Profit/ (Loss) on Sale of Assets & Discarded (Net)	200.07	1.35
Balances written back	2.92	8.43
Dividend Received	—	0.05
	245.84	25.62
Operating Profit / (Loss) before Working Capital Changes		
Capital Changes	235.96	56.48
Adjustment for;		
Inventories - Decrease / (Increase)	15.16	418.37
Trade & Other Receivables- Decrease/(Increase)	111.18	52.72
Trade Payables & Provisions- Decrease/ (Increase)	(18.77)	81.08
Cash Generated From Operations	343.53	608.65
Less: Income Tax(Paid)/Refunded	—	34.44
NET CASH FLOW FROM OPERATING ACTIVITIES	343.53	643.09
B. CASH FLOW FROM INVESTING ACTIVITIES		
Additions of Fixed Assets & Capital Work-in-Progress	(20.30)	(6.05)
Proceeds on Sale of Fixed Assets	218.19	6.82
Interest Received	17.18	16.85
Proceeds on Sale of REC Bond	50.00	—
Short Term Loans & Advances	38.94	—
Dividend Received	—	0.05
(Increase)/ Decrease in Fixed Deposit	(30.16)	32.25
NET CASH FLOW FROM INVESTING ACTIVITIES	273.85	49.92

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in Lakhs)

PARTICULARS	Year Ended 31-03-2014	Year Ended 31-03-2013
C. CASH FLOW FROM FINANCING ACTIVITIES		
Net Increase/ (decrease) in secured borrowings	(427.13)	(443.84)
Repayments of Loans	—	1.74
Payment of Interest	(196.56)	(243.14)
NET CASH FLOW FROM FINANCING ACTIVITIES	(623.69)	(685.24)
Net Increase in cash and cash equivalents(A+B+C)	(6.31)	7.77
Cash and cash equivalents as on 31-03-2013	16.87	9.10
CASH & CASH EQUIVALENTS AS ON 31-03-2014	10.56	16.87
Cash and Cash Equivalents comprises		
— Cash	3.69	2.38
— Balance with Schedule Banks (*)	6.87	14.49
[* Includes Dividend Account of Rs. 3.31 lakhs (Previous year- Rs.3.32 lakhs)]	10.56	16.87

Note :

1. All figures in brackets are outflow.
2. Cash flow statement has been prepared under the indirect method as set out in Accounting Standard-3 issued by the Institute of Chartered Accountants of India.
3. Previous year figures regrouped/recast where ever necessary.

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR AND ON BEHALF OF THE BOARD

FOR A.K.SABAT & CO

CHARTERED ACCOUNTANTS

S. CHAND

PARTNER

Membership No.050063

BHUBANESWAR

DATED : 27th May 2014

DILLIP KUMAR DAS

DEEPAK KUMAR DAS

SUSANTA KU. SATAPATHY

MANAGING DIRECTOR

CHIEF FINANCIAL OFFICER

COMPANY SECRETARY



ALFA TRANSFORMERS LIMITED

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

1. SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at 31st March 2014		As at 31st March 2013	
	No. of Shares in lakhs	Amount	No. of Shares in lakhs	Amount
Authorised Share Capital				
Equity Shares of Rs. 10/- Each	120.00	1200.00	120.00	1200.00
Issued , Subscribed & Paid up:				
Equity Shares pf Rs. 10/- each fully paid up	53.60	536.00	53.60	536.00
Total	53.60	536.00	53.60	536.00

Details of Shareholders holding more than 5% shares :

(₹ in Lakhs)

Name of Shareholders	As at 31st March 2014		As at 31st March 2013	
	No. of Shares in lakhs	% held	No. of Shares in lakhs	% held
Dillip Kumar Das	10.20	19.02%	10.09	18.82%
Industrial Designs & Services Limited	6.67	12.44%	4.85	9.06%
Galaxy Medicare Limited	3.80	7.09%	3.80	7.09%
Strategic Venture Fund (Mauritius) Limited	—	—	7.44	13.88%
K Shiva Kumar	2.83	5.27%	2.81	5.25%

2. RESERVES AND SURPLUS

(₹ in Lakhs)

Particulars	As at 31st March 2014	As at 31st March 2013
a. Capital Reserves		
State Investment Subsidy		
Opening Balance as per Last Balance Sheet	9.92	9.92
Add : Current Year Transfer	—	—
Less : Written Back in Current Year	—	—
Closing Balance	9.92	9.92
b. Share Premium Account		
Opening Balance as per Last Balance Sheet	983.70	983.70
Add : Current Year Transfer	—	—
Less : Written Back in Current Year	—	—
Closing Balance	983.70	983.70
c. General Reserve		
Opening Balance as per Last Balance Sheet	600.00	600.00
Add : Transferred to Profit and Loss Account	—	—
Closing Balance	600.00	600.00
d. Revaluation Reserve		
Opening Balance as per Last Balance Sheet	91.89	102.66
Less : Transferred to Profit and Loss Account	(10.72)	(10.77)
Less : Transferred to Land	(8.47)	—
Closing Balance	72.70	91.89
e. Profit and Loss Account		
Opening Balance as per Last Balance Sheet	(472.30)	(116.25)
Less : Profit/(Loss) for the year	(14.09)	(356.05)
Closing Balance	(486.39)	(472.30)
Total	1179.93	1213.21

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3. LONG TERM BORROWINGS

(₹ in Lakhs)

Particulars	As at 31st March 2014	As at 31st March 2013
SECURED LOAN		
a. Term Loans		
From Axis Bank Limited	4.52	32.02
	4.52	32.02
UNSECURED LOAN	—	—
Total	4.52	32.02
Terms and Conditions Secured Term Loans as set out below :		
Particulars	Axis Bank Term Loan	
Period of maturity with reference to Balance Sheet date	13 Months	
Number of Instalments outstanding as at 31st March,2014	13 Months	
Outstanding Amount of Instalments as at 31st March,2014	34.52	
Rate of Interest	Base Rate Plus 5.00%	
Amount of default and period of default	NIL	

The Term Loan availed from Axis Bank Limited is secured by :

- i. Exclusive charge by way of hypothecation of entire movable fixed assets of the Company at its Vadodara Unit (both present and future).
- ii. Equitable mortgage over lease hold right of the industrial land and factory building constructed/ to be constructed located at Plot No. 1046 to 1048. GIDC Estate, Waghodia, Vadodara, Gujarat.
- iii. Personal Guarantees given by three Directors including Managing Director.

4. DEFERRED TAX LIABILITY (Net)

(₹ in Lakhs)

Particulars	As at 31st March 2014	As at 31st March 2013
I. Deferred Tax Liability :		
Related to Fixed Assets	(120.03)	(136.78)
	(120.03)	(136.78)
II. Deferred Tax Assets :		
Timing Difference for various items restricted	7.14	23.89
III. Deferred Tax Liability (Net) (I+II)	(112.89)	(112.89)

The Company has been recognising in the financial statements the deferred tax assets/ liabilities, in accordance with Accounting Standard 22 "Accounting of Taxes on Income" issued by the Institute of Chartered Accountants of India. During the year, the Company has charged/(credited) to the Statement of Profit and Loss with Deferred Tax Asset (Net) of Rs NIL [Previous year- Nil] by restricting Deferred Tax Assets to Deferred Tax Liability figure making Deferred Tax element recognition at NIL during the year.

5. LONG TERM PROVISIONS

(₹ in Lakhs)

Particulars	As at 31st March 2014	As at 31st March 2013
(a) Provision for Employee benefits		
Gratuity (Non-funded) *	9.40	8.69
Leave Encashment (Non-Funded)	2.47	1.47
Total	11.87	10.16

* Above mentioned provision pertains to Managing Director and Wholetime Director and has been computed on the basis of fifteen days salary for each completed year of service.

**ALFA TRANSFORMERS LIMITED****6. SHORT TERM BORROWINGS****(₹ in Lakhs)**

Particulars	As at 31st March 2014	As at 31st March 2013
SECURED LOAN		
a. Working Capital Loan		
From State Bank of India	576.90	791.98
From Axis Bank Limited	137.35	243.05
	714.25	1035.03
UN-SECURED LOAN		
Loan From Phoneix Surgicare Private Limited	27.62	4.46
	27.62	4.46
Total	741.87	1039.49

- a) *The Working Capital Loan availed from State Bank of India is secured by :*
- Equitable Mortgage over factory land and building at Plot No. 3337, Mancheswar Industrial Estate, Bhubaneswar
 - First Charge on fixed assets of the Company at Bhubaneswar Unit (Unit -1 & Unit-2) other than Factory Land & Building and assets financed by State Bank of India , Commercial Branch, Bhubaneswar.
 - Equitable Mortgage of Company's Properties Flat No. A/7, Lord Gunjan Palace, Bhubaneswar.
 - Second Charge on fixed and current assets of the Vadodara unit .
 - Personal Guarantees are given by three Directors including Managing Director.
- b) *The Working Capital Loan availed from Axis Bank Limited is secured by :*
- Exclusive charge by way of hypothecation on entire current assets (both present & future) of Vadodara Unit of the Company.
 - Personal Guarantees are given by three Directors including Managing Director.

Disclosure :		
Particulars	State Bank of India Cash Credit	Axis Bank Ltd Cash Credit
Preioud of maturity with reference to Balance Sheet date	Renewal every year	Renewal every year
Outstanding amount as at 31st March,2014	576.90	137.35
Rate of Interest	Base Rate Plus 4.75%	Base Rate Plus 5%
Overdue amount and Period	Nil	Nil

7. TRADE PAYABLE**(₹ in Lakhs)**

Particulars	As at 31st March 2014	As at 31st March 2013
a) Trade Payables	456.66	468.84
b) Others	19.13	15.06
Total	475.79	483.90

- 7.1 Trade Payables includes Rs.6.41 lakhs (Previous Year-Rs.39.86 lakhs) due to Micro,Small and Medium Enterprises based on available information with the Company details of which as follows :

(₹ in Lakhs)

Particulars	As at 31st March 2014	As at 31st March 2013
Principal amount due and remaining unpaid	6.41	38.42
Interest due on above and the unpaid interest	0.86	1.44
Interest paid during the year	—	—
Payment made beyond the appointed day during the year	—	—
Interest due and payable for the period of delay	0.86	1.44
Interest accrued and remaining unpaid	0.86	1.44
Amount of further interest remaining due and payable in succeeding years.	—	—

Note : This information is required to be disclosed under the Micro,Small and Medium Enterprises Development Act,2006 and has been determined to the extent such parties have been identified on the basis of information available with the Company.

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8. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March 2014	As at 31st March 2013
(a) Current maturities of long-term debt *	34.48	136.50
(b) Interest accrued and due on borrowings	0.57	5.29
(c) Unpaid dividends	3.31	3.32
(d) Creditors for Capital Goods	0.25	2.91
(e) <i>Other Liabilities</i>		
i. Advance from Customers	62.50	67.36
ii. Advance against Sale of Land	—	10.00
iii. Statutory Liabilities	32.08	29.57
iv. Liabilities for Expenses	11.68	20.00
v. Payable to employees	16.65	8.53
Total	161.52	283.48

*** Details of Current Maturities of Long Term Debt :**

a. Term Loans		
From State Bank of India	—	101.50
From Axis Bank Limited	30.00	35.00
b. Vehicle Loan from Bank		
From Kotak Mahindra Bank	4.48	—
Total	34.48	136.50

The Term Loan availed from Axis Bank Limited is secured by :

- i. Exclusive charge by way of hypothecation of entire movable fixed assets of the Company at its Vadodara unit (both present & future) excluding vehicles & equipment charged to other Banks/FI.
- ii. Exclusive charge over lease hold right of the industrial land and factory building constructed /to be constructed located at Plot No. 1046 to 1048, GIDC Estate, Waghodia, Vadodara, Gujarat.

9. SHORT TERM PROVISIONS

(₹ in Lakhs)

Particulars	As at 31st March'2014	As at 31st March'2013
(a) Provision for employee benefits		
Leave Encashment (Non-Funded)	1.15	1.98
Total	1.15	1.98



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

10. FIXED ASSETS

(₹ in Lakhs)

DESCRIPTION	GROSS BLOCK				DEPRECIATION			NETBLOCK		
	Cost as at 31-03-2013	Additions during the year	Sale/ adjustment during the year	Cost as at 31-03-2014	Up to 31-03-2013	For the Period	On Sale/ adjustment during the year	Up to 31-03-2014	As at 31-03-2014	As at 31-03-2013
TANGIBLE ASSETS :										
Land	269.16	5.75	35.61	239.30	—	—	—	—	239.30	269.16
Office Building	68.97	—	—	68.97	14.21	2.16	—	16.37	52.60	54.77
Factory Shed	479.61	0.39	—	480.00	193.87	18.57	—	212.44	267.56	285.74
Main Plant & Machinery	1308.75	2.97	0.28	1311.44	401.63	56.60	0.07	458.16	853.28	907.12
Testing Equipments	107.20	—	—	107.20	46.56	3.93	—	50.49	56.71	60.64
Material Handling Equipments	143.00	0.28	—	143.28	65.84	4.85	(0.07)	70.76	72.52	77.17
Electrical Installations	80.76	—	—	80.76	33.71	2.83	—	36.54	44.22	47.05
Energy saving Devices	2.00	—	—	2.00	1.97	—	—	1.97	0.03	0.03
Auxiliary Equipments	7.10	—	—	7.10	6.62	0.22	—	6.84	0.26	0.49
Office Equipments	15.53	0.28	3.47	12.34	10.48	0.55	2.99	8.04	4.30	5.05
Computers	13.77	0.31	3.62	10.46	11.40	0.60	3.48	8.52	1.94	2.37
Furniture & Fixture	13.10	0.03	—	13.13	7.11	0.50	—	7.61	5.52	5.99
Vehicle	44.26	11.83	16.02	40.07	18.28	3.70	8.47	13.51	26.56	25.99
Motor-Cycle & Cycle	0.50	0.50	—	1.00	0.23	0.05	—	0.28	0.72	0.26
Total - A	2553.71	22.34	59.00	2517.05	811.91	94.56	14.94	891.53	1625.52	1741.83
INTANGIBLE ASSETS :										
Technical Knowhow	9.78	—	—	9.78	2.40	0.46	—	2.86	6.92	7.38
Software	2.29	—	—	2.29	2.06	0.04	0.16	1.94	0.35	0.22
Total - B	12.07	—	—	12.07	4.46	0.50	0.16	4.80	7.26	7.60
Capital Work-in-Progress	8.04	4.09	6.13	6.00	—	—	—	—	6.00	8.04
Total - C	8.04	4.09	6.13	6.00	—	—	—	—	6.00	8.04
TOTAL - CURRENT YEAR	2573.82	26.43	65.13	2535.12	816.37	95.06	15.10	896.33	1638.78	1757.47
Previous year	2595.19	19.97	41.34	2573.82	736.17	102.27	22.07	816.37	1757.45	

Particulars	As at 31-03-2014	As at 31-03-2013
Depreciation	95.06	102.27
Less : Transferred to Revaluation Reserve	(10.72)	(10.77)
Total	84.34	91.50

The Gross Block of Fixed Assets includes Rs.368.43 Lakhs on account of revaluation of Fixed Assets carried out on 31.10.1999. Consequent to the said revaluation there is an additional charge of depreciation of Rs. 10.72 lakhs (Previous year- Rs.10.77 lakhs) during the year and an equivalent amount has been withdrawn from Revaluation Reserve and Credited to the Profit and Loss Account. This has no impact on profit for the year.

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11. NON-CURRENT INVESTMENTS (Valued at Cost) (₹ in Lakhs)

Particulars	As at 31st March 2014	As at 31st March 2013
Long Term Investments : (Unquoted,at cost)		
I. Trade Investments		
a) 15,000 Equity Shares of Rs.10/- each in Taloja Conductors Pvt. Ltd.	1.50	1.50
Less : Written off / Provision for permanent diminution of value	1.35	1.35
	0.15	0.15
b) Shares in Subsidiary Companies-Unquoted 1,24,200 Equity Shares of Rs. 10/- each (Previous Year-1,24,000) in Phoneix Surgicare Pvt. Limited.	12.67	12.67
II. Other Investments		
a) 5000 Equity Shares of Rs.10/- each with a premium of Rs.3/- each in Utkal Infrastructure Consortium (P) Ltd.	0.65	0.65
b) National Savings Certificates (*)	0.02	0.02
Total	13.49	13.49

* Lodged with Sales Tax authorities as securities

12. LONG TERM LOANS AND ADVANCES (₹ in Lakhs) (Un secured and Considered Good)

Particulars	As at 31st March 2014	As at 31st March 2013
a) Security Deposits	19.06	19.03
b) Advance Income Tax/refundable (Net of Provision)	9.30	7.17
c) Sales Tax Deposits	24.86	24.86
Total	53.22	51.06

13. CURRENT INVESTMENTS [Valued at Cost] (₹ in Lakhs)

Particulars	As at 31st March 2014	As at 31st March 2013
Investment in Bonds Other than Trade (Unquoted)		
6.25% Rural Electrification Corporation Limited Capital Gain Bonds (500 Units of Rs.10000/- each)	-	50.00
Total	-	50.00

14. INVENTORIES (*) (₹ in Lakhs)

Particulars	As at 31st March 2014	As at 31st March 2013
Indigenous Raw materials & Components	297.45	249.68
Imported Raw materials & Components	116.96	124.39
Semi-finished goods	160.43	220.18
Finished goods	212.83	209.34
Raw-Materials in Transit	2.56	1.80
Total	790.23	805.39

(*) As certified by the Management and Valued as per Accounting Policy Note No. 25 (6).



ALFA TRANSFORMERS LIMITED

15. TRADE RECEIVABLES

(Unsecured and Considered Good)

(₹ in Lakhs)

Particulars	As at 31st March 2014	As at 31st March 2013
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured - Considered Good	102.20	84.98
- Considered Doubtful	—	60.05
	102.20	145.03
Less: Provision for doubtful debts	—	60.05
	102.20	84.98
Trade receivables outstanding for a period less than six months from the date they are due for payment		
— Considered Good	338.39	646.44
	338.39	646.44
Total	440.59	731.42

16. CASH AND BANK BALANCES

(₹ in Lakhs)

Particulars	As at 31st March 2014	As at 31st March 2013
A) Cash and Cash Equivalents		
a) Balances with banks		
— In Current Account	3.56	11.17
b) Cash on hand	3.69	2.38
B) Other Bank balances		
i) In Deposits Account (#)	140.82	110.66
ii) In earmarked Account		
- Unpaid dividend account	3.31	3.32
Total	151.38	127.53

(#) Deposit account includes Margin Money kept with Bank for opening of Letter of Credit and Bank Guarantees :

Maturing within 3 Months	50.00	32.53
Maturing between 3 and 12 Months	90.82	73.28
Maturity period more than 12 Months	—	4.85

17. SHORT TERM LOANS AND ADVANCES

(Unsecured and Considered Good)

(₹ in Lakhs)

Particulars	As at 31st March 2014	As at 31st March 2013
Deposit with Custom & Central Excise Authorities	66.74	96.64
Earnest Money and Security Deposits	18.47	24.42
Deposit with Sales Tax Authority	0.31	0.39
Advance to suppliers, staff and others*	9.28	7.72
Export Benefit Receivable	16.51	27.35
Interest accrued on Term Deposits	7.88	5.79
Prepaid Expenses	18.66	14.48
Total	137.85	176.79

* Includes :

a) Loans and Advances due by Directors or other officers of the Company	—	—
b) Loans and Advances due by private companies in which a director is a member.	0.15	0.15

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18. REVENUE FROM OPERATION :

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2014	For the Year Ended 31st March, 2013
Sale of products		
Sales (Domestic)	2553.45	1815.05
Sales (Export)	278.29	397.88
Sale of services		
Repairing Services	33.79	2.96
Project Consultancy Services-Export	-	82.90
Other operating revenues	32.60	45.86
Total	2898.13	2344.65
Less: Excise duty	273.88	196.77
Total	2624.25	2147.88

19. OTHER INCOME :

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2014	For the Year Ended 31st March, 2013
Interest Income	13.33	11.04
Dividend Income	-	0.05
Foreign Exchange Fluctuations (Net)	39.39	2.28
Gain on Sale of Assets (Net)	-	1.35
Total	52.72	14.72

20. COST OF MATERIALS CONSUMED :

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2014	For the Year Ended 31st March, 2013
Indigenous:-		
Opening Stock	249.68	442.53
Purchases	1648.73	1110.02
	1898.41	1552.55
Closing Stock	297.45	249.68
Sub Total-A	1600.96	1302.88
Imported :-		
Opening Stock	124.39	185.25
Purchases	298.29	124.69
	422.68	309.94
Closing Stock	116.96	124.39
Sub Total-B	305.72	185.55
Total Consumption (A+B)	1906.68	1488.43

21. CHANGE IN INVENTORIES OF FINISHED AND STOCK-IN-PROCESS :

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2014	For the Year Ended 31st March, 2013
Opening Stocks :		
Finished Goods	209.34	107.58
Stock-in- Process	220.18	486.08
	429.52	593.66
Less : Closing Stocks		
Finished Goods	212.83	209.34
Stock-in- Process	160.43	220.18
	373.26	429.52
(Accretion)/Depletion of Stocks	56.26	164.14



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22. EMPLOYEE BENEFITS EXPENSES

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2014	For the Year Ended 31st March, 2013
Salaries, Wages and Incentives	110.77	120.35
Contributions to Provident ,E.S.I and Gratuity *	12.38	13.83
Staff welfare expenses	1.89	2.09
Total	125.04	136.27

* Includes contribution to E.S.I Rs.0.49 lakhs during the current year (Previous year- Rs.0.35 lakhs) pertaining to Contract Labour.

23. FINANCE COSTS

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2014	For the Year Ended 31st March, 2013
Interest expenses		
Interest on Term Loans	15.29	37.04
Interest on Working Capital Loans	124.35	170.80
Other borrowing costs	56.92	35.30
Total	196.56	243.14

24. OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2014	For the Year Ended 31st March, 2013
A MANUFACTURING EXPENSES		
1 Job Work Charges	94.89	64.06
2 Power & Fuel	46.03	41.76
3 Testing Expenses	6.20	2.93
4 Factory Rent	7.26	7.26
5 Excise Duty on increase/decrease of stock	8.97	(0.59)
Total-A	163.35	115.42
B REPAIRS AND MAINTENANCE		
1 Repairs to machinery	6.82	6.36
2 Repairs to Building	3.68	4.39
3 Repairs to Vehicles	6.64	8.93
4 Repairs to Others	1.59	1.00
Total-B	18.73	20.68
C SELLING AND DISTRIBUTION EXPENSES		
1 Selling Expenses	16.25	15.98
2 Sales Commission	2.94	24.98
3 Carriage Outward	45.16	50.98
4 Taxes and Duties	2.86	6.18
5 Bad Debts Written off	212.34	23.03
6 Liquidated Damages	2.65	25.70
7 Provision for Doubtful Debts	0.00	53.35
Total-C	282.20	200.20
D ADMINISTRATIVE EXPENSES		
1 Travelling Expenses	13.67	17.57
2 Printing & Stationery	1.85	1.58
3 Insurance Charges	3.95	5.65
4 Advertisement Expenses	3.80	1.44
5 Postage and Telephone Charges	4.04	4.62
6 Auditors Remuneration	1.60	1.65
7 Fees and Subscription	4.89	5.69
8 Legal & Professional Fees	5.62	6.91
9 Security Service Charges	13.59	10.14
10 Rent	—	0.41
11 General Expenses	2.90	3.06
12 Books and Periodicals	—	0.14
13 Meeting Expenses	0.84	0.63
14 Registrar's Fees	0.23	0.25
Total-D	56.98	59.75
E OTHER EXPENSES		
1 Loss on sale of Assets (Net)	1.85	—
2 Advances Written off	1.05	0.49
3 Prior Year Adjustment (Net)	(0.06)	(2.32)
Total-E	2.84	(1.83)
Total	524.10	394.22

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NOTE NO- 25 :SIGNIFICANT ACCOUNTING POLICIES AND ADDITIONAL NOTES ON ACCOUNTS :

A. 1 REVENUE RECOGNITION

- i. Revenues/ Incomes and Costs/ Expenditures are generally accounted on accrual basis as they are earned or incurred.
- ii. Sales are recognized on the date of dispatch of materials to customers. Services are recognized on completion.
- iii. Revenue recognition in respect of price escalation is carried out in the year of settlement of claims / bills.
- iv. Dividend income from investment is accounted, when the right to receive is established.
- v. Duty draw back and other benefits receivable on eligible export of goods manufactured are shown under "Other Income" as per rates applicable thereon.

2 FIXED ASSETS

- i. Fixed Assets other than those which have been revalued are stated at cost which includes all direct expenses including attributable borrowing cost incurred up to the date of installation of assets less accumulated depreciation (other than "Leasehold Land" where no depreciation is charged).
- ii. Revalued assets are shown at the revalued cost less accumulated depreciation as per the Accounting policy no. 3(ii).
- iii. Discarded fixed assets are de-capitalized and included under inventories at 5% of value of assets being estimated realizable value.
- iv. The cost of fixed assets not ready for use before such date are disclosed under capital work-in-progress.

3 DEPRECIATION

- i. Depreciation on Fixed Assets (Other than revalued assets) is provided on Straight Line Method in accordance with the rates specified under Schedule XIV to the Companies Act, 1956.
- ii. Depreciation on revalued assets is calculated on their respective revalued amount on Straight Line Method over the balance useful life as determined by the valuers or the balance remaining useful life as per Schedule – XIV whichever is lower.
- iii. Leasehold land is not amortized since the period of lease is 99 years.
- iv. Items costing Rs. 5000/- or less are fully depreciated in the year of purchase.
- v. Depreciation on additions to assets and on sale/ discard of assets is calculated pro-rata from the date of such additions or up to the date of such sale/ discard, as the case may be.
- vi. The charge over and above the depreciation calculated on the original cost of the revalued assets is transferred from Fixed Asset Revaluation Reserve to Profit and Loss Account and shown as a deduction from Revaluation Reserve.

4 BORROWING COST:

Borrowing costs relating to the acquisition/ construction of qualifying assets are capitalized until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

5 INVESTMENT

Long Term investments are carried at cost less provision, if any, for permanent diminution in value of such investments. Current investments are carried at lower of cost and market value.

6 INVENTORIES

- i. Stock of Raw Materials, Components and stores are valued at lower of cost and net realizable value. Cost of raw material is determined on weighted average method, excluding CENVAT paid on purchases. Scrap is valued at estimated realisable value.
- ii. Stock of Materials-in-Process and Finished Goods are valued at lower of cost and net realizable value. Cost excludes CENVAT paid on inputs but includes excise duty payable on completion of manufacture of the Finished Goods.

7 FOREIGN CURRENCY TRANSACTION

- i. Receipts and Payments are recorded at actual rates prevailing on the date of transaction.
- ii. Balances in the form of Current Assets and Current Liabilities (including for procurement of Fixed Assets) in foreign currency, outstanding at the close of the year, are converted (in Indian Currency) at the appropriate rates of exchange prevailing on the date of Balance Sheet and the resultant loss or gain is taken to exchange variation account which gets charged in or credited to the Profit and Loss Account.



ALFA TRANSFORMERS LIMITED

- iii. Forward Exchange Contracts not intended for trading or speculation purpose : The premium or discount arising at the inception of forward exchange contracts is amortized as expenses or income over the life of the respective contracts. Exchange differences on such contracts are recognized in the statement of profit and loss on the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or expense for the year.

8 RESEARCH AND DEVELOPMENT

Revenue expenditure including overheads on Research and Developments are charged off as an expense through the natural heads of account in the year in which incurred. Expenditure which results in the creation of capital assets is taken to fixed assets and depreciation is provided on such assets as applicable.

9 EMPLOYEE BENEFITS

(i) Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering service are classified as short term employees benefits. Benefits such as salaries, wages, short term compensated absences, etc and the expected cost of bonus, ex-gratia are recognized in the period in which the employees rendered the related service.

(ii) Defined Contribution Plans.

Provident Fund, Superannuation Fund and Employees State Insurance Scheme are defined contribution plans. The contribution paid/ payable under the schemes is recognized during the period in which the employees renders the related services.

(iii) Defined Benefits Plans

Gratuity on account of services gratuity is covered under Gratuity-cum-Life Assurance Scheme of Life Insurance Corporation of India. Annual premium paid for the scheme is charged to Profit and Loss Account.

Provision for leave encashment benefit is done on the basis of actuarial valuation.

10 LIQUIDATED DAMAGES

Liquidated damages are accounted only when finally agreed upon and settled with the parties.

11 TAXATION :

Income Tax provision comprises Current tax and Deferred Tax charge or credit. The Deferred Tax assets and Deferred Tax Liabilities are calculated by applying tax rate and tax laws that have been enacted or substantially enacted by the Balance Sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is a reasonable certainty that the assets can be realized in future.

12 IMPAIRMENT OF ASSETS

The carrying amounts of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on external/internal factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the net selling price and "Value in use" of the assets. The estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

In case of impairment, if any depreciation is provided on the revised carrying amount of the assets over their remaining useful life.

A previous recognised impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

13 PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS.

- (a) The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.
- (b) Liabilities contingent upon happening of future event are disclosed by way of a note in the accounts. Claims against the Company where a demand has been raised by any authority or disputed in arbitration are recognized as Contingent Liability, if contested.
- (c) Contingent assets are not recognized.
- (d) Provision is made regarding disputed statutory levies only when the appeal is decided by the Appellate Tribunal.

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NOTE NO.26 ADDITIONAL NOTES ON ACCOUNT :

1. RAW MATERIALS AND COMPONENTS CONSUMED :

Items	2013 - 14			2012 - 13		
	Qty (MT)	Value (Rs. In lakhs)	%	Qty (MT)	Value (Rs. In lakhs)	%
INDIGENOUS :						
Conductors	166.521 MT	362.32	19	114.141 MT	280.18	19
Steel Materials	211.352 MT	82.22	4	93.365 MT	49.35	3
Core Lamination	313.727 MT	398.18	21	189.996 MT	291.56	20
Transformer Oil	539.089KL	335.04	18	414.360KL	225.70	15
Others		423.20	22		456.10	31
Sub Total	1230.689	1600.96	84	811.862	1302.89	88
IMPORTED :						
CRGO Steel	32.362 MT	48.10	3	33.330 MT	43.17	3
AMDT Core	181.205 MT	257.62	14	106.070 MT	140.38	9
Conductors	—	—	—	0.541 MT	2.03	0
Sub Total	213.567 MT	305.72	17	139.941 MT	185.58	12
Total	1444.256	1906.68	100	951.803	1488.47	100

2. PAYMENT TO AUDITORS:

(₹ in Lakhs)

SR No	Particulars	2013 - 14	2012 - 13
i.	Audit Fees	0.70	0.70
ii.	Limited Review Fees	0.35	0.35
iii.	Tax Audit Fees	0.25	0.25
iv.	Taxation matters	—	0.05
v.	In Other Capacity of Certification (etc)	0.30	0.30
	TOTAL	1.60	1.65

3. EARNING PER SHARE :

(₹ in Lakhs)

SR No	Particulars	2013 - 14	2012 - 13
i.	Profit/(Loss) available to Equity Share Holders (Rs. In lakhs)	(14.09)	(356.05)
ii.	Weighted Average number of equity shares for Basic EPS in lakhs	53.60	53.60
iii.	Nominal Value of Equity Shares in Rs.	10.00	10.00
iv.	Basic and diluted Earning Per Equity Share in Rs	(0.26)	(6.64)

4. CIF VALUE OF IMPORTS

(₹ in Lakhs)

SR No	Particulars	2013 - 14	2012 - 13
i.	Raw Material and Components	284.02	116.76

5. EXPENDITURE IN FOREIGN CURRENCY

(₹ in Lakhs)

SR No	Particulars	2013 - 14	2012 - 13
i.	Travelling	0.15	1.65

6. EARNING IN FOREIGN CURRENCY

(₹ in Lakhs)

SR No	Particulars	2013 - 14	2012 - 13
i.	Export on FOB Basis (Direct)	414.41	259.81
ii.	Project Export/Consultancy Services	—	295.47



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7. RELATED PARTY DISCLOSURES

(₹ in Lakhs)

Name	Nature of Transactions	2013 - 14	2012 - 13
a) Related Companies			
Industrial Designs & Services Ltd	Job Work	19.72	7.85
	Loan taken	6.00	—
Oricon Industries Limited	Job Work	59.10	37.93
Galaxy Medicare Limited	Loan taken	38.70	28.77
Galaxy Medicare Limited	Purchase & Sale of Raw materials	0.64	0.17
Phoneix Surgicare (P) Ltd (wholly owned subsidiary Company)	Advances	2.84	0.38
	Loan taken	26.00	5.00
Alfa Electricals & Co	Factory Rent	7.26	7.08
D.K.Das & Sons (HUF)	Loan taken	—	12.22
b) Key Management Personnel			
Dillip Kumar Das	Remuneration	15.00	14.99
Deepak Kumar Das	Remuneration	8.00	8.00
Debasis Das	Remuneration	8.00	8.00
Santosh Kumar Pattnaik	Remuneration	7.15	7.86

8. CONTINGENT LIABILITIES & COMMITMENTS

(₹ in Lakhs)

SR No	Particulars	2013 - 14	2012 - 13
A.	Contigent Liabilities		
i.	Un expired Letters of Credit	319.57	223.66
ii.	Counter Guarantees for Bank Guarantees issued	377.33	261.39
iii.	Claims against the Company not acknowledged as Debt		
	a) Income Tax	17.62	17.62
	b) Sales Tax (*)	30.54	30.54
	c) Entry Tax (#)	91.01	91.01
	d) Excise	1.06	1.06
		837.13	625.29
B.	Commitments		
a)	Estimated amount of contracts remaining to be executed on capital account and not provided for.	—	—
	TOTAL	837.13	625.29

* Amount paid under protest against the demands amounting to Rs. 20.66 lakhs is shown under "Long-term Loans and Advances" under Note No.12

Amount paid under protest against the demands amounting to Rs.4.20 lakhs which is shown under "Long Term Loans and Advances" under Note no.12

9. SEGMENT REPORTING :

The Company is mainly engaged in only one product i.e Transformer, which is considered the Primary reportable business segment as per Accounting standard (AS-17) "Segment reporting" issued by the Institute of Chartered Accountants of India. Business outside India and within India are considered to be Secondary Segment based on geographical segmentation. Details of expenses, assets and liabilities of the respective segments have not been ascertained.

(₹ in Lakhs)

Particulars of Sale of	Within India		Outside India		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Transformer	2553.45	1815.05	278.29	397.88	2831.74	2212.93
Project Export/Consultancy	—	—	—	82.90	—	82.90
Repairing/Service Charges	33.79	2.96	—	—	33.79	2.96
Total	2587.24	1818.01	278.29	480.78	2865.53	2298.79

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10. Disclosure relating to Leave Encashment - As per Actuarial Valuation on 31st March,2014

a) Table Showing Changes in Present Value of Obligations :

Particulars	Current Year	Previous Year
Present value of obligation as at beginning of the year	3.45	3.71
(i) Acquisition Adjustments	—	—
(ii) Interest cost	0.26	0.27
(iii) Past Service cost	—	—
(iv) Current Service cost	0.94	0.63
(v) Curtailment cost	—	—
(vi) Settlement cost	—	—
(vii) Benefits Paid	(0.98)	(0.63)
(viii) Actuarial gain/ loss on Obligation	(0.04)	(0.52)
Present value of obligation as at end of the year	3.63	3.45

b) Table Showing Expenses Recognized in Statement of Profit & Loss :

Particulars	Current Year	Previous Year
(i) Current Service Cost	0.94	0.63
(ii) Past Service Cost	—	0.00
(iii) Interest Cost	0.26	0.27
(iv) Expected Return on Plan Asset	—	—
(v) Curtailment cost	—	—
(vi) Settlement cost	—	—
(vii) Actuarial gain/ loss on Obligation	(0.04)	(0.52)
Expenses Recognized in Statement of Profit and Loss Account	1.15	0.38

c) Table Showing Actuarial Assumptions :

Particulars	Current Year	Previous Year
(i) Mortality Table	IALM (2006-2008) ULTIMATE	LICI 1994-1996
(ii) Superannuation Age	58.00	58.00
(iii) Early Retirement & Disablement	10 Per Thousand P.A 6 above age 45 3 between 29 and 45 1 below age 29	10 Per Thousand P.A 6 above age 45 3 between 29 and 45 1 below age 29
(iv) Discount Rate	0.09	0.09
(v) Inflation Rate	0.06	0.06
(vi) Return on Asset	—	—
(vii) Remaining Working Life	13 years	13 years
(viii) Formula used	Projected Unit Credit Method	Projected Unit Credit Method

d) Table Showing Movements in the Liability Recognized in Balance Sheet :

Particulars	Current Year	Previous Year
(i) Opening Net Liability	0.37	3.71
(ii) Expenses as above	1.15	0.63
(iii) Contributions	—	—
(iv) Closing Net Liability	1.15	0.38
Closing Fund / Provision at the year end	3.63	3.45



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11. Disclosure relating to Gratuity, as certified by Life Insurance Corporation of India, (Pension and Group Scheme Department) for the year ended 31st March, 2014 have been made as below :

- i) In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan (Gratuity Plan) covering certain categories of employees.
- ii) The Company provides the gratuity benefit through annual contributions to a fund managed by the Life Insurance Corporation of India (LIC). Under the plan, the settlement obligation remains with the Company, although the Life Insurance Corporation of India administers the plan and determines the contribution premium required to be paid by the Company.
- iii) Annual premium payable to LIC amounting to Rs. 1.00 lakhs (Previous Year- Rs. 1.91 lakhs) have been shown under "Employee Benefit Expenses" in Schedule-22.
- iv) Disclosures as required by AS-15 (Revised) are made as per the details submitted by LIC which are given below :

a) Assumptions

Particulars	31-03-2014	31-03-2013
Discount Rate	8%	8%
Salary Escalation	7%	7%

b) Table Showing changes in present value of Obligation

Particulars	31-03-2014	31-03-2013
Present value of obligation as at beginning of the year	15.12	15.12
(i) Interest cost	1.21	1.21
(ii) Current Service cost	1.13	1.13
(iii) Benefits Paid	(0.10)	(6.55)
(iv) Actuarial gain/(loss) on obligation	(6.70)	(0.24)
Present value of obligation as at end of the year	10.67	10.67

c) Table showing changes in the fair value of plan assets

Particulars	31-03-2014	31-03-2013
Fair value of plan assets at beginning of year	12.08	15.61
(i) Actual returns on plan assets	1.09	1.22
(ii) Contributions	0.88	1.81
(iii) Benefits Paid	(0.10)	(6.55)
(iv) Actuarial gain/(loss) on plan assets	NIL	NIL
Fair value of plan assets at end of year	13.95	12.08

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d) Table Showing fair value of plan assets

Particulars	31-03-2014	31-03-2013
(i) Fair value of plan assets at beginning of year	12.08	15.61
(ii) Actual return of plan assets	1.09	1.22
(iii) Contributions	0.88	1.81
(iv) Benefit Paid	(0.10)	(6.55)
(v) Fair value of plan assets at the end of year	13.95	12.08
(vi) Funded status	3.28	1.41
(vii) Excess of Actual over estimated return on plan assets	NIL	NIL

e) Actuarial Gain / Loss recognised as on

Particulars	31-03-2014	31-03-2013
(i) Actuarial (gain) / loss on obligations	6.70	0.24
(ii) Actuarial (gain) / loss for the year- plan assets	NIL	NIL
(iii) Total Actuarial (gain) / loss	(6.70)	(0.24)
(iv) Actuarial (gain) / loss recognized in the year	(6.70)	(0.24)

f) The amounts to be recognized in the balance sheet and statements of profit and loss account

Particulars	31-03-2014	31-03-2013
(i) Present value of obligation at the end of year	10.67	10.67
(ii) Fair value of plan assets as at the end of the year	13.95	12.08
(iii) Fund status	3.28	1.41
(iv) Net asset / (liability) recognized in balance sheet	3.28	1.41

g) Expenses Recognized in statement of Profit and Loss

Particulars	31-03-2014	31-03-2013
(i) Current Service Cost	1.13	1.13
(ii) Interest Cost	1.21	1.21
(iii) Expected return on plan assets	(1.09)	(1.22)
(iv) Net Actuarial (gain) / loss recognized in the year	(6.70)	(0.24)
(v) Expenses recognized in statement of Profit and loss	(5.45)	0.88

12. Capital Work in Progress of Rs.6.00 lakhs (Previous Year- Rs. 8.04 lakhs) disclosed under Note No. -10 includes Rs.Nil (Previous Year - Nil) being the borrowing cost/ Up-front Charges on Bank Borrowings for the Qualifying Assets in line with Accounting Standard 16 issued by The Institute of Chartered Accountants of India.
13. Trade Receivables, deposits and advance to parties include some old balances pending reconciliation/ adjustment/ confirmation. Efforts are being made for recovery/ reconciliation of such balances and resultant effect will be accounted for in the year of such adjustments.
14. Trade Receivables, includes deduction made towards liquidated damages/penalty amounting to Rs.59.59 lakhs, for which no provision is created in line with Accounting Policy No. 10.
15. In terms of Accounting Policy Note No. 25 (12), the Company assessed the Cash Generating Unit for Impairment Test using a discount rate of 8% and did not find any asset that requires a provision for impairment.
16. Operating Cycle is considered to be twelve months period.
17. Previous Year's Figures have been regrouped and re arranged wherever necessary.



ALFA TRANSFORMERS LIMITED

INDEPENDENT AUDITORS' REPORT

To the Members of Alfa Transformers Limited

We have audited the accompanying consolidated financial statements of Alfa Transformers Limited and its subsidiary (the Company) which comprise the consolidated balance sheet as at 31 March 2014, the consolidated statement of profit and loss and consolidated cash flows statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India :

- (i) in the case of the consolidated balance sheet, of the state of affairs of the Company as at 31 March 2014;
- (i) in the case of the consolidated statement of profit and loss, of the profit for the year ended on that date; and
- (ii) in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

For A. K. Sabat & Co.
Chartered Accountants
Firm Registration No. 321012E

(S.CHAND)
PARTNER
Membership No. 050063

Place: Bhubaneswar

Date : 27/05/2014


ALFA TRANSFORMERS LIMITED
**CONSOLIDATED FINANCIAL STATEMENTS
BALANCE SHEET AS AT 31ST MARCH 2014**

(₹ in Lakhs)

Particulars	Note No.	As at 31st March 2014		As at 31st March 2013	
I. EQUITY AND LIABILITIES					
1 Shareholders' Funds					
(a) Share Capital	1	536.00		536.00	
(b) Reserves and Surplus	2	1195.42		1208.11	
			1731.42		1744.11
2 Share Application Money Pending Allotment					
			—		—
3 Non-Current Liabilities					
(a) Long-Term Borrowings	3	4.52		32.02	
(b) Deferred Tax Liabilities (Net)	4	112.89		112.89	
(c) Other Long Term Liabilities		—		—	
(d) Long-Term Provisions	5	11.87		10.16	
			129.28		155.07
4 Current Liabilities					
(a) Short-Term Borrowings	6	714.25		1035.03	
(b) Trade Payables	7	475.79		483.90	
(c) Other Current Liabilities	8	161.84		288.68	
(d) Short-Term Provisions	9	1.15		1.98	
			1353.03		1809.59
TOTAL			3213.72		3708.77
II. ASSETS					
1 Non-Current Assets					
(a) Fixed Assets					
(i) Tangible Assets	10	1625.52		1749.98	
(ii) Intangible Assets	10	7.26		7.61	
(iii) Capital Work-in-Progress	10	6.00		8.04	
(iv) Intangible Assets under Development		—		—	
(b) Non-Current Investments	11	0.82		0.82	
(c) Long-Term Loans & Advances	12	52.74		51.06	
(d) Other Non-Current Assets -					
			1692.34		1817.51
2 Current assets					
(a) Current Investments	13	—		50.00	
(b) Inventories	14	790.23		805.39	
(c) Trade Receivables	15	440.59		731.42	
(d) Cash and Cash equivalents	16	152.71		127.66	
(e) Short-Term Loans & Advances	17	137.85		176.79	
(f) Other Current Assets		—		—	
			1521.38		1891.26
TOTAL			3213.72		3708.77
SIGNIFICANT ACCOUNTING POLICIES	25				
ADDITIONAL NOTES ON ACCOUNTS	26				

 THE SCHEDULES REFERRED ABOVE FORM PART OF ACCOUNTS
AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR AND ON BEHALF OF THE BOARD

 FOR A.K.SABAT & CO
CHARTERED ACCOUNTANTS

 S.CHAND
PARTNER
Membership No.050063
BHUBANESWAR
DATED : 27th May 2014

 DILLIP KUMAR DAS
DEEPAK KUMAR DAS
SUSANTA KU. SATAPATHY

 MANAGING DIRECTOR
CHIEF FINANCIAL OFFICER
COMPANY SECRETARY

Annual Report 2014
CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2014
(₹ in Lakhs)

Particulars	Note Number	For the year ended 31st March,2014	For the year ended 31st March,2013
I. Revenue from Operations	18	2624.25	2147.88
II. Other Income	19	52.92	14.72
III. Total Revenue (I + II)		2677.17	2162.60
IV. EXPENDITURE :			
Cost of Materials Consumed	20	1906.68	1488.43
Changes in Inventories of Finished Goods Work-in-Progress	21	56.26	164.14
Employee Benefits Expenses	22	125.04	136.27
Finance Costs	23	196.57	243.15
Depreciation and Amortization expense	10	84.34	91.50
Other Expenses	24	524.64	394.59
Total Expenses		2893.53	2518.08
V. Profit/(Loss) Before Exceptional and Extraordinary Items and Tax (III-IV)		(216.36)	(355.48)
VI. Exceptional Items		227.71	—
VII. Profit/(Loss) Before Extraordinary Items and Tax (V - VI)		11.35	(355.48)
VIII. Extraordinary Items		—	—
IX. Profit/(Loss) Before Tax (VII- VIII)		11.35	(355.48)
X Tax Expenses:			
(1) Current Tax		(4.84)	—
(2) Income Tax earlier year		—	(0.95)
XI Profit/(Loss) for the period (IX-X)		6.51	(356.43)
XII Earnings Per Equity Share (of face value ₹ 10/- each)			
(1) Basic & Diluted (in ₹)		0.12	(6.65)
SIGNIFICANT ACCOUNTING POLICIES	25		
ADDITIONAL NOTES ON ACCOUNTS	26		

THE SCHEDULES REFERRED ABOVE FORM PART OF ACCOUNTS
AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR AND ON BEHALF OF THE BOARD

FOR A.K.SABAT & CO
CHARTERED ACCOUNTANTS

S.CHAND
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SUSANTAKU. SATAPATHY

MANAGING DIRECTOR
CHIEF FINANCIAL OFFICER
COMPANY SECRETARY



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in Lakhs)

PARTICULARS	Year Ended 31-03-2014	Year Ended 31-03-2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before Interest, Taxes & Extraordinary Items	207.92	(112.33)
Add :		
Depreciation	84.34	91.50
Bad Debts Written off/Provisions & Liquidated Damages etc.	214.99	102.57
	507.25	81.74
Less :		
Interest Income	17.37	16.85
Foreign Exchange Gain / (Loss) (Net)	25.67	(1.07)
Profit / (Loss) on Sale of Assets & Discarded (Net)	228.61	1.35
Balances written back	2.92	8.43
Dividend Received	—	0.05
	274.57	25.62
Operating Profit / (Loss) before Working Capital Changes	232.68	56.12
Adjustment for;		
Inventories- Decrease / (Increase)	15.16	418.37
Trade & Other Receivables - Decrease / (Increase)	111.16	52.72
Trade Payables & Provisions - Decrease / (Increase)	(18.80)	85.96
Cash Generated From Operations	340.20	613.17
Less: Income Tax (Paid) / Refunded	(4.35)	34.44
NET CASH FLOW FROM OPERATING ACTIVITIES	335.85	647.61
B. CASH FLOW FROM INVESTING ACTIVITIES		
Additions of Fixed Assets and Capital Work-in-Progress	(20.30)	(6.05)
Proceeds on Sale of Fixed Assets	250.05	6.82
Interest Received	17.37	16.85
Proceeds on Sale of REC Bond	50.00	—
Short Term Loans & Advances	38.94	—
Dividend Received	—	0.05
(Increase) / Decrease in Fixed Deposit	(31.16)	32.25
NET CASH FLOW FROM INVESTING ACTIVITIES	304.90	49.92

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CONSOLIDATED FINANCIAL STATEMENTS

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ in Lakhs)

PARTICULARS	Year Ended 31-03-2014	Year Ended 31-03-2013
C. CASH FLOW FROM FINANCING ACTIVITIES		
Net Increase/ (decrease) in secured borrowings	(450.30)	(443.84)
Repayments of Loans	—	(2.72)
Payment of Interest	(196.57)	(243.15)
NET CASH FLOW FROM FINANCING ACTIVITIES	(646.87)	(689.71)
Net Increase in cash and cash equivalents(A+B+C)	(6.12)	7.82
Cash and cash equivalents as on 31-03-2013	17.01	9.19
CASH & CASH EQUIVALENTS AS ON 31-03-2014	10.89	17.01
Cash and Cash Equivalents comprises		
— Cash	3.69	2.38
— Balance with Schedule Banks (*)	7.20	14.62
[* Includes Dividend Account of Rs. 3.31 lakhs (Previous year- Rs.3.32 lakhs)]		
	10.89	17.01

Note :

1. All figures in brackets are outflow.
2. Cash flow statement has been prepared under the indirect method as set out in Accounting Standard-3 issued by the Institute of Chartered Accountants of India.
3. Previous year figures regrouped/recast where ever necessary.

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR AND ON BEHALF OF THE BOARD

FOR A.K.SABAT & CO

CHARTERED ACCOUNTANTS

S.CHAND

PARTNER

Membership No.050063

BHUBANESWAR

DATED : 27th May 2014

DILLIP KUMAR DAS

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SUSANTA KU. SATAPATHY

MANAGING DIRECTOR

CHIEF FINANCIAL OFFICER

COMPANY SECRETARY



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

1. SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at 31st March 2014		As at 31st March 2013	
	No. of Shares in lakhs	Amount	No. of Shares in lakhs	Amount
Authorised Share Capital				
Equity Shares of Rs. 10/- Each	120.00	1200.00	120.00	1200.00
Issued , Subscribed & Paid up:				
Equity Shares pf Rs. 10/- each fully paid up	53.60	536.00	53.60	536.00
Total	53.60	536.00	53.60	536.00

Details of Shareholders holding more than 5% shares :

(₹ in Lakhs)

Name of Shareholders	As at 31st March 2014		As at 31st March 2013	
	No. of Shares in lakhs	Amount	No. of Shares in lakhs	% held
Dillip Kumar Das	10.20	19.02 %	10.09	18.82 %
Industrial Designs & Services Limited	6.67	12.44 %	4.85	9.06 %
Galaxy Medicare Limited	3.80	7.09 %	3.80	7.09 %
Strategic Venture Fund (Mauritius) Limited	—	—	7.44	13.88 %
K Shiva Kumar	2.83	5.27 %	2.81	5.25 %

2. RESERVES AND SURPLUS

(₹ in Lakhs)

Particulars	As at 31st March 2014	As at 31st March 2013
a. Capital Reserves		
State Investment Subsidy		
Opening Balance as per Last Balance Sheet	9.92	9.92
Add : Current Year Transfer	—	—
Less : Written Back in Current Year	—	—
Closing Balance	9.92	9.92
b. Share Premium Account		
Opening Balance as per Last Balance Sheet	983.70	983.70
Add : Current Year Transfer	—	—
Less : Written Back in Current Year	—	—
Closing Balance	983.70	983.70
c. General Reserve		
Opening Balance as per Last Balance Sheet	600.00	600.00
Add : Transferred to Profit and Loss Account	10.00	—
Closing Balance	610.00	600.00
d. Revaluation Reserve		
Opening Balance as per Last Balance Sheet	91.89	102.66
Less : Transferred to Profit and Loss Account	(10.72)	(10.77)
Less : Transferred to Land	(8.48)	—
Closing Balance	72.69	91.89
e. Profit and Loss Account		
Opening Balance as per Last Balance Sheet	(477.40)	(120.97)
Add : Profit/(Loss) for the year	6.51	(356.43)
Less : Transferred to General Reserve	(10.00)	—
Closing Balance	(480.89)	(477.40)
Total	1195.42	1208.11

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3. LONG TERM BORROWINGS

(₹ in Lakhs)

Particulars	As at 31st March 2014	As at 31st March 2013
SECURED LOAN		
a. Term Loans		
From Axis Bank Limited	4.52	32.02
	4.52	32.02
UNSECURED LOAN	—	—
Total	4.52	32.02

Terms and Conditions Secured Term Loans as set out below :

Particulars	Axis Bank Term Loan
Period of maturity with reference to Balance Sheet date	13 Months
Number of Instalments outstanding as at 31st March,2014	13 Months
Outstanding Amount of Instalments as at 31st March,2014	34.52
Rate of Interest	Base Rate Plus 5.00%
Amount of default and period of default	NIL

The Term Loan availed from Axis Bank Limited is secured by :

- i. Exclusive charge by way of hypothecation of entire movable fixed assets of the Company at its Vadodara Unit (both present and future).
- ii. Equitable mortgage over lease hold right of the industrial land and factory building constructed/ to be constructed located at Plot No. 1046 to 1048. GIDC Estate, Waghodia, Vadodara, Gujarat.
- iii. Personal Guarantees given by three Directors including Managing Director.

4. DEFERRED TAX LIABILITY (Net)

(₹ in Lakhs)

Particulars	As at 31st March 2014	As at 31st March 2013
I. Deferred Tax Liability :		
Related to Fixed Assets	(120.03)	(136.78)
	(120.03)	(136.78)
II. Deferred Tax Assets :		
Timing Difference for various items restricted	7.14	23.89
III. Deferred Tax Liability (Net) (I+II)	(112.89)	(112.89)

The Company has been recognising in the financial statements the deferred tax assets/ liabilities, in accordance with Accounting Standard 22 " Accounting of Taxes on Income" issued by the Institute of Chartered Accountants of India. During the year, the Company has charged/(credited) to the Statement of Profit and Loss with Deferred Tax Asset (Net) of Rs NIL [Previous year- Nil] by restricting Deferred Tax Assets to Deferred Tax Liability figure making Deferred Tax element recognition at NIL during the year.

5. LONG TERM PROVISIONS

(₹ in Lakhs)

Particulars	As at 31st March 2014	As at 31st March 2014
(a) Provision for Employee benefits		
Gratuity (Non-funded) *	9.40	8.69
Leave Encashment (Non-Funded)	2.47	1.47
Total	11.87	10.16

* Above mentioned provision pertains to Managing Director and Wholetime Director and has been computed on the basis of fifteen days salary for each completed year of service.



CONSOLIDATED FINANCIAL STATEMENTS

6. SHORT TERM BORROWINGS

(₹ in Lakhs)

Particulars	As at 31st March 2014	As at 31st March 2013
SECURED LOAN		
a. Working Capital Loan		
From State Bank of India	576.90	791.98
From Axis Bank Limited	137.35	243.05
	714.25	1035.03
UN-SECURED LOAN		
Loan From Phoneix Surgicare Private Limited	—	—
	—	—
Total	714.25	1035.03

a) *The Working Capital Loan availed from State Bank of India is secured by :*

- i. Equitable Mortgage over factory land and building at Plot No. 3337, Mancheswar Industrial Estate, Bhubaneswar.
- ii. First Charge on fixed assets of the Company at Bhubaneswar Unit (Unit -1 & Unit-2) other than Factory Land & Building and assets financed by State Bank of India , Commercial Branch, Bhubaneswar.
- iii. Equitable Mortgage of Company's Properties Flat No. A/7, Lord Gunjan Palace, Bhubaneswar.
- iv. Second Charge on fixed and current assets of the Vadodara unit .
- v. Personal Guarantees are given by three Directors including Managing Director.

b) *The Working Capital Loan availed from Axis Bank Limited is secured by :*

- i. Exclusive charge by way of hypothecation on entire current assets (both present & future) of Vadodara Unit of the Company.
- ii. Personal Guarantees are given by three Directors including Managing Director.

Disclosure :

Particulars	State Bank of India Cash Credit	Axis Bank Ltd Cash Credit
Preiod of maturity with reference to Balance Sheet date	Renewal every year	Renewal every year
Outstanding amount as at 31st March,2014	576.90	137.35
Rate of Interest	Base Rate Plus 4.75%	Base Rate Plus 5 %
Overdue amount and Period	Nil	Nil

7. TRADE PAYABLE

(₹ in Lakhs)

Particulars	As at 31st March 2014	As at 31st March 2013
a) Trade Payables	456.66	468.84
b) Others	19.13	15.06
Total	475.79	483.90

7.1 Trade Payables includes Rs.6.41 lakhs (Previous Year-Rs.39.86 lakhs) due to Micro,Small and Medium Enterprises based on available information with the Company details of which as follows :

(₹ in Lakhs)

Particulars	As at 31st March 2014	As at 31st March 2013
Principal amount due and remaining unpaid	6.41	38.42
Interest due on above and the unpaid interest	0.86	1.44
Interest paid during the year	—	—
Payment made beyond the appointed day during the year	—	—
Interest due and payable for the period of delay	0.86	1.44
Interest accrued and remaining unpaid	0.86	1.44
Amount of further interest remaining due and payable in succeeding years.	—	—

Note : This information is required to be disclosed under the Micro,Small and Medium Enterprises Development Act,2006 and has been determined to the extent such parties have been identified on the basis of information available with the Company.

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CONSOLIDATED FINANCIAL STATEMENTS

8. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March 2014	As at 31st March 2013
(a) Current maturities of long-term debt *	34.48	136.50
(b) Interest accrued and due on borrowings	0.57	5.29
(c) Unpaid dividends	3.31	3.32
(d) Creditors for Capital Goods	0.25	2.91
(e) <i>Other Liabilities</i>		
i. Advance from Customers	62.50	67.36
ii. Advance against Sale of Land	-	15.00
iii. Statutory Liabilities	32.35	29.57
iv. Liabilities for Expenses	11.73	20.20
v. Payable to employees	16.65	8.53
Total	161.84	288.68

*** Details of Current Maturities of Long Term Debt :**

a. Term Loans		
From State Bank of India	-	101.50
From Axis Bank Limited	30.00	35.00
b. Vehicle Loan from Bank		
From Axis Bank Limited	4.48	-
Total	34.48	136.50

The Term Loan availed from Axis Bank Limited is secured by :

- i. Exclusive charge by way of hypothecation of entire movable fixed assets of the Company at its Vadodara unit (both present & future) excluding vehicles & equipment charged to other Banks/FI.
- ii. Exclusive charge over lease hold right of the industrial land and factory building constructed /to be constructed located at Plot No. 1046 to 1048, GIDC Estate, Waghodia, Vadodara, Gujarat.

9. SHORT TERM PROVISIONS

(₹ in Lakhs)

Particulars	As at 31st March, 2014	As at 31st March, 2013
(a) Provision for employee benefits		
Leave Encashment (Non-Funded)	1.15	1.98
Total	1.15	1.98



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

10. FIXED ASSETS

(₹ in Lakhs)

DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Cost as at 31-03-2013	Additions during the year	Sale/adjustment during the year	Cost as at 31-03-2014	Up to 31-03-2013	For the Period	On Sale/adjustment during the year	Up to 31-03-2014	As at 31-03-2014	As at 31-03-2013
TANGIBLE ASSETS :										
Land	277.32	5.75	43.77	239.30	—	—	—	—	239.30	277.32
Office Building	68.97	—	—	68.97	14.21	2.16	—	16.37	52.60	54.77
Factory Shed	479.61	0.39	—	480.00	193.87	18.57	—	212.44	267.56	285.74
Main Plant & Machinery	1308.75	2.97	0.28	1311.44	401.63	56.60	0.07	458.16	853.28	907.12
Testing Equipments	107.20	—	—	107.20	46.56	3.93	—	50.49	56.71	60.64
Material Handling Equipments	143.00	0.28	—	143.28	65.84	4.85	(0.07)	70.76	72.52	77.17
Electrical Installations	80.76	—	—	80.76	33.71	2.83	—	36.54	44.22	47.05
Energy saving Devices	2.00	—	—	2.00	1.97	—	—	1.97	0.03	0.03
Auxiliary Equipments	7.10	—	—	7.10	6.62	0.22	—	6.84	0.26	0.49
Office Equipments	15.53	0.28	3.47	12.34	10.48	0.55	2.99	8.04	4.30	5.05
Computers	13.77	0.31	3.62	10.46	11.40	0.60	3.48	8.52	1.94	2.37
Furniture & Fixture	13.10	0.03	—	13.13	7.11	0.50	—	7.61	5.52	5.99
Vehicle	44.26	11.83	16.02	40.07	18.28	3.70	8.47	13.51	26.56	25.99
Motor-Cycle & Cycle	0.50	0.50	—	1.00	0.23	0.05	—	0.28	0.72	0.26
Total -A	2561.87	22.34	67.16	2517.05	811.91	94.56	14.94	891.53	1625.52	1749.98
INTANGIBLE ASSETS :										
Technical Knowhow	9.78	—	—	9.78	2.40	0.46	—	2.86	6.92	7.38
Software	2.29	—	—	2.29	2.06	0.04	0.16	1.94	0.35	0.22
Total -B	12.07	—	—	12.07	4.46	0.50	0.16	4.80	7.26	7.61
Capital Work-in-Progress	8.04	4.09	6.13	6.00	—	—	—	—	6.00	8.04
Total -C	8.04	4.09	6.13	6.00	—	—	—	—	6.00	8.04
TOTAL- CURRENT YEAR	2581.98	26.43	73.29	2535.12	816.37	95.06	15.10	896.33	1638.78	1765.63
Previous year	2595.19	19.97	41.34	2573.82	736.17	102.27	22.07	816.37	1757.45	
Particulars				As at 31-03-2014				As at 31-03-2013		
Depreciation				95.06				102.27		
Less : Transferred to Revaluation Reserve				(10.72)				(10.77)		
				84.34				91.50		
				Total						

The Gross Block of Fixed Assets includes Rs.368.43 Lakhs on account of revaluation of Fixed Assets carried out on 31.10.1999. Consequent to the said revaluation there is an additional charge of depreciation of Rs. 10.72 lakhs (Previous year- Rs.10.77 lakhs) during the year and an equivalent amount has been withdrawn from Revaluation Reserve and Credited to the Profit and Loss Account. This has no impact on profit for the year.

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CONSOLIDATED FINANCIAL STATEMENTS

11. NON-CURRENT INVESTMENTS (Valued at Cost) (₹ in Lakhs)

Particulars	As at 31st March 2014	As at 31st March 2013
Long Term Investments : (Unquoted,at cost)		
I. Trade Investments		
a) 15,000 Equity Shares of Rs.10/- each in Taloja Conductors Pvt. Ltd.	1.50	1.50
Less : Written off / Provision for permanent diminution of value	1.35	1.35
	0.15	0.15
II. Other Investments		
a) 5000 Equity Shares of Rs.10/- each with a premium of Rs.3/- each in Utkal Infrastructure Consortium (P) Ltd.	0.65	0.65
b) National Savings Certificates (*)	0.02	0.02
Total	0.82	0.82

* Lodged with Sales Tax authorities as securities

12. LONG TERM LOANS AND ADVANCES (Un secured and Considered Good) (₹ in Lakhs)

Particulars	As at 31st March 2014	As at 31st March 2013
a) Security Deposits	19.06	19.03
b) Advance Income Tax/refundable (Net of Provision)	8.82	7.17
c) Sales Tax Deposits	24.86	24.86
Total	52.74	51.06

13. CURRENT INVESTMENTS [Valued at Cost] (₹ in Lakhs)

Particulars	As at 31st March 2014	As at 31st March 2013
Investment in Bonds Other than Trade (Unquoted)		
6.25% Rural Electrification Corporation Limited Capital Gain Bonds (500 Units of Rs.10000/- each)	—	50.00
Total	—	50.00

14. INVENTORIES (*) (₹ in Lakhs)

Particulars	As at 31st March 2014	As at 31st March 2013
Indigenous Raw materials & Components	297.45	249.68
Imported Raw materials & Components	116.96	124.39
Semi-finished goods	160.43	220.18
Finished goods	212.83	209.34
Raw-Materials in Transit	2.56	1.80
Total	790.23	805.39

(*) As certified by the Management and Valued as per Accounting Policy Note No. 25 (6).



15. TRADE RECEIVABLES

(Unsecured and Considered Good)

(₹ in Lakhs)

Particulars	As at 31st March 2014	As at 31st March 2013
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured - Considered Good	102.20	84.98
- Considered Doubtful	—	60.05
	102.20	145.03
Less: Provision for doubtful debts	—	60.05
	102.20	84.98
Trade receivables outstanding for a period less than six months from the date they are due for payment		
— Considered Good	338.39	646.44
	338.39	646.44
Total	440.59	731.42

16. CASH AND BANK BALANCES

(₹ in Lakhs)

Particulars	As at 31st March 2014	As at 31st March 2013
A) Cash and Cash Equivalents		
a) Balances with banks		
– In Current Account	3.89	11.30
b) Cash on hand	3.69	2.38
B) Other Bank balances		
i) In Deposits Account (#)	141.82	110.66
ii) In earmarked Account		
- Unpaid dividend account	3.31	3.32
Total	152.71	127.66

(#) Deposit account includes Margin Money kept with Bank for opening of Letter of Credit and Bank Guarantees :

Maturing within 3 Months	50.00	32.53
Maturing between 3 and 12 Months	90.82	73.28
Maturity period more than 12 Months	—	4.85

17. SHORT TERM LOANS AND ADVANCES

(Unsecured and Considered Good)

(₹ in Lakhs)

Particulars	As at 31st March 2014	As at 31st March 2013
Deposit with Custom & Central Excise Authorities	66.74	96.64
Earnest Money and Security Deposits	18.47	24.42
Deposit with Sales Tax Authority	0.31	0.39
Advance to suppliers, staff and others*	9.28	7.72
Export Benefit Receivable	16.51	27.35
Interest accrued on Term Deposits	7.88	5.79
Prepaid Expenses	18.66	14.48
Total	137.85	176.79

* Includes :

a) Loans and Advances due by Directors or other officers of the Company	—	—
b) Loans and Advances due by private companies in which a director is a member.	0.15	0.15

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CONSOLIDATED FINANCIAL STATEMENTS

18. REVENUE FROM OPERATION :

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2014	For the Year Ended 31st March, 2013
Sale of products		
Sales (Domestic)	2553.45	1815.05
Sales (Export)	278.29	397.88
Sale of services		
Repairing Services	33.79	2.96
Project Consultancy Services-Export	—	82.90
Other operating revenues	32.60	45.86
	2898.13	2344.65
Less: Excise duty	273.88	196.77
Total	2624.25	2147.88

19. OTHER INCOME :

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2014	For the Year Ended 31st March, 2013
Interest Income	13.52	11.04
Dividend Income	—	0.05
Foreign Exchange Fluctuations (Net)	39.39	2.28
Gain on Sale of Assets (Net)	—	1.35
Total	52.92	14.72

20. COST OF MATERIALS CONSUMED :

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2014	For the Year Ended 31st March, 2013
Indigenous:-		
Opening Stock	249.68	442.53
Purchases	1648.73	1110.02
	1898.41	1552.55
Closing Stock	297.45	249.68
Sub Total-A	1600.96	1302.88
Imported :-		
Opening Stock	124.39	185.25
Purchases	298.29	124.69
	422.68	309.94
Closing Stock	116.96	124.39
Sub Total-B	305.72	185.55
Total Consumption (A+B)	1906.68	1488.43

21. CHANGE IN INVENTORIES OF FINISHED AND STOCK-IN-PROCESS :

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2014	For the Year Ended 31st March, 2013
Opening Stocks :		
Finished Goods	209.34	107.58
Stock-in- Process	220.18	486.08
	429.52	593.66
Less : Closing Stocks		
Finished Goods	212.83	209.34
Stock-in- Process	160.43	220.18
	373.26	429.52
(Accretion) / Depletion of Stocks	56.26	164.14



CONSOLIDATED FINANCIAL STATEMENTS

22. EMPLOYEE BENEFITS EXPENSES

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2014	For the Year Ended 31st March, 2013
Salaries, Wages and Incentives	110.77	120.35
Contributions to Provident, E.S.I and Gratuity *	12.38	13.83
Staff welfare expenses	1.89	2.09
Total	125.04	136.27

* Includes contribution to E.S.I Rs.0.49 lakhs during the current year (Previous year-Rs.0.35 lakhs) pertaining to Contract Labour.

23. FINANCE COSTS

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2014	For the Year Ended 31st March, 2013
Interest expenses		
Interest on Term Loans	15.29	37.04
Interest on Working Capital Loans	124.35	170.80
Other borrowing costs	56.93	35.31
Total	196.57	243.15

24. OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2014	For the Year Ended 31st March, 2013
A MANUFACTURING EXPENSES		
1 Job Work Charges	94.89	64.06
2 Power & Fuel	46.03	41.76
3 Testing Expenses	6.20	2.93
4 Factory Rent	7.26	7.26
5 Excise Duty on increase/decrease of stock	8.97	(0.59)
Total-A	163.35	115.42
B REPAIRS AND MAINTENANCE		
1 Repairs to machinery	6.82	6.36
2 Repairs to Building	3.68	4.39
3 Repairs to Vehicles	6.64	8.93
4 Repairs to Others	1.59	1.00
Total-B	18.73	20.68
C SELLING AND DISTRIBUTION EXPENSES		
1 Selling Expenses	16.25	15.98
2 Sales Commission	2.94	24.98
3 Carriage Outward	45.16	50.98
4 Taxes and Duties	2.86	6.18
5 Bad Debts Written off	212.34	23.03
6 Liquidated Damages	2.65	25.70
7 Provision for Doubtful Debts	—	53.35
Total-C	282.20	200.20
D ADMINISTRATIVE EXPENSES		
1 Travelling Expenses	14.02	17.57
2 Printing & Stationery	1.85	1.58
3 Insurance Charges	3.95	5.65
4 Advertisement Expenses	3.80	1.44
5 Postage and Telephone Charges	4.04	4.62
6 Auditors Remuneration	1.65	1.70
7 Fees and Subscription	4.93	5.77
8 Legal & Professional Fees	5.72	7.16
9 Security Service Charges	13.59	10.14
10 Rent	—	0.41
11 General Expenses	2.90	3.07
12 Books and Periodicals	—	0.14
13 Meeting Expenses	0.84	0.63
14 Registrar's Fees	0.23	0.25
Total-D	57.52	60.12
E OTHER EXPENSES		
1 Loss on sale of Assets (Net)	1.85	—
2 Advances Written off	1.05	0.49
3 Prior Year Adjustment (Net)	(0.06)	(2.32)
Total-E	2.84	(1.83)
Total	524.64	394.59

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CONSOLIDATED FINANCIAL STATEMENTS

NOTE NO- 25 :SIGNIFICANT ACCOUNTING POLICIES AND ADDITIONAL NOTES ON ACCOUNTS :

A. 1 REVENUE RECOGNITION

- i. Revenues/ Incomes and Costs/ Expenditures are generally accounted on accrual basis as they are earned or incurred.
- ii. Sales are recognized on the date of dispatch of materials to customers. Services are recognized on completion.
- iii. Revenue recognition in respect of price escalation is carried out in the year of settlement of claims / bills.
- iv. Dividend income from investment is accounted, when the right to receive is established.
- v. Duty draw back and other benefits receivable on eligible export of goods manufactured are shown under "Other Income" as per rates applicable thereon.

2 FIXED ASSETS

- i. Fixed Assets other than those which have been revalued are stated at cost which includes all direct expenses including attributable borrowing cost incurred up to the date of installation of assets less accumulated depreciation (other than "Leasehold Land" where no depreciation is charged).
- ii. Revalued assets are shown at the revalued cost less accumulated depreciation as per the Accounting policy no. 3(ii).
- iii. Discarded fixed assets are de-capitalized and included under inventories at 5% of value of assets being estimated realizable value.
- iv. The cost of fixed assets not ready for use before such date are disclosed under capital work-in-progress.

3 DEPRECIATION

- i. Depreciation on Fixed Assets (Other than revalued assets) is provided on Straight Line Method in accordance with the rates specified under Schedule XIV to the Companies Act, 1956.
- ii. Depreciation on revalued assets is calculated on their respective revalued amount on Straight Line Method over the balance useful life as determined by the valuers or the balance remaining useful life as per Schedule – XIV whichever is lower.
- iii. Leasehold land is not amortized since the period of lease is 99 years.
- iv. Items costing Rs. 5000/- or less are fully depreciated in the year of purchase.
- v. Depreciation on additions to assets and on sale/ discard of assets is calculated pro-rata from the date of such additions or up to the date of such sale/ discard, as the case may be.
- vi. The charge over and above the depreciation calculated on the original cost of the revalued assets is transferred from Fixed Asset Revaluation Reserve to Profit and Loss Account and shown as a deduction from Revaluation Reserve.

4 BORROWING COST:

Borrowing costs relating to the acquisition/ construction of qualifying assets are capitalized until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

5 INVESTMENT

Long Term investments are carried at cost less provision, if any, for permanent diminution in value of such investments. Current investments are carried at lower of cost and market value.

6 INVENTORIES

- i. Stock of Raw Materials, Components and stores are valued at lower of cost and net realizable value. Cost of raw material is determined on weighted average method, excluding CENVAT paid on purchases. Scrap is valued at estimated realisable value.
- ii. Stock of Materials-in-Process and Finished Goods are valued at lower of cost and net realizable value. Cost excludes CENVAT paid on inputs but includes excise duty payable on completion of manufacture of the Finished Goods.

7 FOREIGN CURRENCY TRANSACTION

- i. Receipts and Payments are recorded at actual rates prevailing on the date of transaction.
- ii. Balances in the form of Current Assets and Current Liabilities (including for procurement of Fixed Assets) in



CONSOLIDATED FINANCIAL STATEMENTS

foreign currency, outstanding at the close of the year, are converted (in Indian Currency) at the appropriate rates of exchange prevailing on the date of Balance Sheet and the resultant loss or gain is taken to exchange variation account which gets charged in or credited to the Profit and Loss Account.

- iii. Forward Exchange Contracts not intended for trading or speculation purpose : The premium or discount arising at the inception of forward exchange contracts is amortized as expenses or income over the life of the respective contracts. Exchange differences on such contracts are recognized in the statement of profit and loss on the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or expense for the year.

8 RESEARCH AND DEVELOPMENT

Revenue expenditure including overheads on Research and Developments are charged off as an expense through the natural heads of account in the year in which incurred. Expenditure which results in the creation of capital assets is taken to fixed assets and depreciation is provided on such assets as applicable.

9 EMPLOYEE BENEFITS

(i) Short Term Employee Benefits:

All employee benefits payable wholly within twelve months of rendering service are classified as short term employees benefits. Benefits such as salaries, wages, short term compensated absences, etc and the expected cost of bonus, ex-gratia are recognized in the period in which the employees rendered the related service.

(ii) Defined Contribution Plans.

Provident Fund, Superannuation Fund and Employees State Insurance Scheme are defined contribution plans. The contribution paid/ payable under the schemes is recognized during the period in which the employees renders the related services.

(iii) Defined Benefits Plans

Gratuity on account of services gratuity is covered under Gratuity-cum-Life Assurance Scheme of Life Insurance Corporation of India. Annual premium paid for the scheme is charged to Profit and Loss Account. Provision for leave encashment benefit is done on the basis of actuarial valuation.

10 LIQUIDATED DAMAGES

Liquidated damages are accounted only when finally agreed upon and settled with the parties.

11 TAXATION :

Income Tax provision comprises Current tax and Deferred Tax charge or credit. The Deferred Tax assets and Deferred Tax Liabilities are calculated by applying tax rate and tax laws that have been enacted or substantially enacted by the Balance Sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is a reasonable certainty that the assets can be realized in future.

12 IMPAIRMENT OF ASSETS

The carrying amounts of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on external/internal factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the net selling price and "Value in use" of the assets. The estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

In case of impairment, if any depreciation is provided on the revised carrying amount of the assets over their remaining useful life.

A previous recognised impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

13 PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS.

- (a) The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.
- (b) Liabilities contingent upon happening of future event are disclosed by way of a note in the accounts. Claims against the Company where a demand has been raised by any authority or disputed in arbitration are recognized as Contingent Liability, if contested.
- (c) Contingent assets are not recognized.
- (d) Provision is made regarding disputed statutory levies only when the appeal is decided by the Appellate Tribunal.

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CONSOLIDATED FINANCIAL STATEMENTS

NOTE NO.26 ADDITIONAL NOTES ON ACCOUNT :

1. RAW MATERIALS AND COMPONENTS CONSUMED :

Items	2013 - 14			2012 - 13		
	Qty (MT)	Value (Rs. In lakhs)	%	Qty (MT)	Value (Rs. In lakhs)	%
INDIGENOUS :						
Conductors	166.521 MT	362.32	19	114.141 MT	280.18	19
Steel Materials	211.352 MT	82.22	4	93.365 MT	49.35	3
CRGO Steel & Lamination	313.727 MT	398.18	21	189.996 MT	291.56	20
Transformer Oil	539.089KL	335.04	18	414.360KL	225.70	15
Others		423.20	22		456.10	31
Sub Total	1230.689	1600.96	84	811.862	1302.89	88
IMPORTED :						
CRGO Steel	32.362 MT	48.10	3	33.330 MT	43.17	3
AMDT Core	181.205 MT	257.62	14	106.070 MT	140.38	9
Conductors	—	—	—	0.541 MT	2.03	0
Sub Total	213.567 MT	305.72	17	139.941 MT	185.58	12
Total	1444.256	1906.68	100	951.803	1488.47	100

2. PAYMENT TO AUDITORS:

(₹ in Lakhs)

SR No	Particulars	2013 - 14	2012 - 13
i.	Audit Fees	0.70	0.70
ii.	Limited Review Fees	0.35	0.35
iii.	Tax Audit Fees	0.25	0.25
iv.	Taxation matters	—	0.05
v.	In Other Capacity of Certification (etc)	0.30	0.30
	TOTAL	1.60	1.65

3. EARNING PER SHARE :

(₹ in Lakhs)

SR No	Particulars	2013 - 14	2012 - 13
i.	Profit/(Loss) available to Equity Share Holders (Rs. In lakhs)	6.50	(356.43)
ii.	Weighted Average number of equity shares for Basic EPS in lakhs	53.60	53.60
iii.	Nominal Value of Equity Shares in Rs.	10.00	10.00
iv.	Basic and diluted Earning Per Equity Share in Rs	0.12	(6.65)

4. CIF VALUE OF IMPORTS

(₹ in Lakhs)

SR No	Particulars	2013 - 14	2012 - 13
i.	Raw Material and Components	284.02	116.76

5. EXPENDITURE IN FOREIGN CURRENCY

(₹ in Lakhs)

SR No	Particulars	2013 - 14	2012 - 13
i.	Travelling	0.15	1.65

6. EARNING IN FOREIGN CURRENCY

(₹ in Lakhs)

SR No	Particulars	2013 - 14	2012 - 13
i.	Export on FOB Basis (Direct)	414.41	259.81
ii.	Project Export / Consultancy Services	—	295.47



7. RELATED PARTY DISCLOSURES

(₹ in Lakhs)

Name	Nature of Transactions	2013 - 14	2012 - 13
a) Related Companies			
Industrial Designs & Services Ltd	Job Work	19.72	7.85
	Loan taken	6.00	—
Oricon Industries Limited	Job Work	59.10	37.93
Galaxy Medicare Limited	Loan taken	38.70	28.77
Galaxy Medicare Limited	Purchase & Sale of Raw materials	0.64	0.17
Phoneix Surgicare (P) Ltd (wholly owned subsidiary Company)	Advances	2.84	0.38
	Loan taken	26.00	5.00
Alfa Electricals & Co	Factory Rent	7.26	7.08
D.K.Das & Sons (HUF)	Loan taken	—	12.22
b) Key Management Personnel			
Dillip Kumar Das	Remuneration	15.00	14.99
Deepak Kumar Das	Remuneration	8.00	8.00
Debasis Das	Remuneration	8.00	8.00
Santosh Kumar Pattnaik	Remuneration	7.15	7.86

8. CONTINGENT LIABILITIES & COMMITMENTS

(₹ in Lakhs)

SR No	Particulars	2013 - 14	2012 - 13
A. Contingent Liabilities			
i.	Un expired Letters of Credit	319.57	223.66
ii.	Counter Guarantees for Bank Guarantees issued	377.33	261.39
iii.	Claims against the Company not acknowledged as Debt		
	a) Income Tax	17.62	17.62
	b) Sales Tax (*)	30.54	30.54
	c) Entry Tax (#)	91.01	91.01
	d) Excise	1.06	1.06
		837.13	625.29
B. Commitments			
a)	Estimated amount of contracts remaining to be executed on capital account and not provided for.	—	—
	TOTAL	837.13	625.29

* Amount paid under protest against the demands amounting to Rs. 20.66 lakhs is shown under "Long-term Loans and Advances" under Note No.12

Amount paid under protest against the demands amounting to Rs.4.20 lakhs which is shown under "Long Term Loans and Advances" under Note no.12

9. SEGMENT REPORTING :

The Company is mainly engaged in only one product i.e Transformer, which is considered the Primary reportable business segment as per Accounting standard (AS-17) "Segment reporting" issued by the Institute of Chartered Accountants of India. Business outside India and within India are considered to be Secondary Segment based on geographical segmentation. Details of expenses, assets and liabilities of the respective segments have not been ascertained.

(₹ in Lakhs)

Particulars of Sale of	Within India		Outside India		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Transformer	2553.45	1815.05	278.29	397.88	2831.74	2212.93
Project Export/Consultancy	—	—	—	82.90	—	82.90
Repairing/Service Charges	33.79	2.96	—	—	33.79	2.96
Total	2587.24	1818.01	278.29	480.78	2865.53	2298.79

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CONSOLIDATED FINANCIAL STATEMENTS

10. Disclosure relating to Leave Encashment - As per Actuarial Valuation on 31st March, 2014

a) Table Showing Changes in Present Value of Obligations :

Particulars	Current Year	Previous Year
Present value of obligation as at beginning of the year	3.45	3.71
(i) Acquisition Adjustments	—	—
(ii) Interest cost	0.26	0.27
(iii) Past Service cost	—	—
(iv) Current Service cost	0.94	0.63
(v) Curtailment cost	—	—
(vi) Settlement cost	—	—
(vii) Benefits Paid	(0.98)	(0.63)
(viii) Actuarial gain/ loss on Obligation	(0.04)	(0.52)
Present value of obligation as at end of the year	3.63	3.45

b) Table Showing Expenses Recognized in Statement of Profit & Loss :

Particulars	Current Year	Previous Year
(i) Current Service Cost	0.94	0.63
(ii) Past Service Cost	0.00	0.00
(iii) Interest Cost	0.26	0.27
(iv) Expected Return on Plan Asset	—	—
(v) Curtailment cost	—	—
(vi) Settlement cost	—	—
(vii) Actuarial gain/ loss on Obligation	(0.04)	(0.52)
Expenses Recognized in Statement of Profit and Loss Account	1.15	0.38

c) Table Showing Actuarial Assumptions :

Particulars	Current Year	Previous Year
(i) Mortality Table	IALM (2006-2008) ULTIMATE	LICI 1994-1996
(ii) Superannuation Age	58.00	58.00
(iii) Early Retirement & Disablement	10 Per Thousand P.A 6 above age 45 3 between 29 and 45 1 below age 29	10 Per Thousand P.A 6 above age 45 3 between 29 and 45 1 below age 29
(iv) Discount Rate	0.09	0.09
(v) Inflation Rate	0.09	0.09
(vi) Return on Asset	—	—
(vii) Remaining Working Life	13 years	13 years
(vii) Formula used	Projected Unit Credit Method	Projected Unit Credit Method

d) Table Showing Movements in the Liability Recognized in Balance Sheet :

Particulars	Current Year	Previous Year
(i) Opening Net Liability	3.71	3.71
(ii) Expenses as above	1.15	0.63
(iii) Contributions	—	—
(iv) Closing Net Liability	1.15	0.38
Closing Fund/ Provision at the year end	3.63	3.45



11. Disclosure relating to Gratuity, as certified by Life Insurance Corporation of India, (Pension and Group Scheme Department) for the year ended 31st March, 2014 have been made as below :

- i) In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan (Gratuity Plan) covering certain categories of employees.
- ii) The Company provides the gratuity benefit through annual contributions to a fund managed by the Life Insurance Corporation of India (LIC). Under the plan, the settlement obligation remains with the Company, although the Life Insurance Corporation of India administers the plan and determines the contribution premium required to be paid by the Company.
- iii) Annual premium payable to LIC amounting to Rs. 1.00 lakhs (Previous Year- Rs. 1.91 lakhs) have been shown under "Employee Benefit Expenses" in Schedule-22.
- iv) Disclosures as required by AS-15 (Revised) are made as per the details submitted by LIC which are given below :

a) Assumptions

Particulars	31-03-2014	31-03-2013
Discount Rate	8%	8%
Salary Escalation	7%	7%

b) Table Showing changes in present value of Obligation

Particulars	31-03-2014	31-03-2013
Present value of obligation as at beginning of the year	15.12	15.12
(i) Interest cost	1.21	1.21
(ii) Current Service cost	1.13	1.13
(iii) Benefits Paid	(0.10)	(6.55)
(iv) Actuarial gain / (loss) on obligation	(6.70)	(0.24)
Present value of obligation as at end of the year	10.67	10.67

c) Table showing changes in the fair value of plan assets

Particulars	31-03-2014	31-03-2013
Fair value of plan assets at beginning of year	12.08	15.61
(i) Actual returns on plan assets	1.09	1.22
(ii) Contributions	0.88	1.81
(iii) Benefits Paid	(0.10)	(6.55)
(iv) Actuarial gain/(loss) on plan assets	NIL	NIL
Fair value of plan assets at end of year	(13.95)	12.08

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d) Table Showing fair value of plan assets

Particulars	31-03-2014	31-03-2013
(i) Fair value of plan assets at beginning of year	12.08	15.61
(ii) Actual return of plan assets	1.09	1.22
(iii) Contributions	0.88	1.81
(iv) Benefit Paid	(0.10)	(6.55)
(v) Fair value of plan assets at the end of year	13.95	12.08
(vi) Funded status	3.28	1.41
(vii) Excess of Actual over estimated return on plan assets	NIL	NIL

e) Actuarial Gain / Loss recognised as on

Particulars	31-03-2014	31-03-2013
(i) Actuarial (gain) / loss on obligations	6.70	0.24
(ii) Actuarial (gain) / loss for the year- plan assets	NIL	NIL
(iii) Total Actuarial (gain) / loss	(6.70)	(0.24)
(iv) Actuarial (gain) / loss recognized in the year	(6.70)	(0.24)

f) The amounts to be recognized in the balance sheet and statements of profit and loss account

Particulars	31-03-2014	31-03-2013
(i) Present value of obligation at the end of year	10.67	10.67
(ii) Fair value of plan assets as at the end of the year	13.95	12.08
(iii) Fund status	3.28	1.41
(iv) Net asset / (liability) recognized in balance sheet	3.28	1.41

g) Expenses Recognized in statement of Profit and Loss

Particulars	31-03-2014	31-03-2013
(i) Current Service Cost	1.13	1.13
(ii) Interest Cost	1.21	1.21
(iii) Expected return on plan assets	(1.09)	(1.22)
(iv) Net Actuarial (gain) / loss recognized in the year	(6.70)	(0.24)
(v) Expenses recognized in statement of Profit and loss	(5.45)	0.88

12. Capital Work in Progress of Rs.6.00 lakhs (Previous Year- Rs. 8.04 lakhs) disclosed under Note No. -10 includes Rs.Nil (Previous Year- Nil) being the borrowing cost/ Up-front Charges on Bank Borrowings for the Qualifying Assets in line with Accounting Standard 16 issued by The Institute of Chartered Accountants of India.
13. Trade Receivables, deposits and advance to parties include some old balances pending reconciliation/ adjustment/ confirmation. Efforts are being made for recovery/ reconciliation of such balances and resultant effect will be accounted for in the year of such adjustments.
14. Trade Receivables, includes deduction made towards liquidated damages/penalty amounting to Rs.59.59 lakhs, for which no provision is created in line with Accounting Policy No. 10.
15. In terms of Accounting Policy Note No. 25 (12), the Company assessed the Cash Generating Unit for Impairment Test using a discount rate of 8% and did not find any asset that requires a provision for impairment.
16. Operating Cycle is considered to be twelve months period.
17. Previous Year's Figures have been regrouped and re arranged wherever necessary.

PHOENIX SURGICARE PRIVATE LIMITED
(Wholly owned Subsidiary Company)

PHOENIX SURGICARE PRIVATE LIMITED

(Wholly owned Subsidiary Company)

DIRECTOR'S REPORT

Your Directors are pleased to present their Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2014.

1. FINANCIAL RESULTS:

The Company has not started any activities yet. However, an expenditure of Rs.54,896/- has been incurred towards Audit fees, filing fees, professional fees, printing & stationeries and Rs.25,78,202/- was received towards profit on sale of Land.

2. DIVIDEND

As your Company has not started any activities yet and also there is no income during the year under review, the Directors have not recommended any dividend.

3. DIRECTORS

In accordance with the article 36 of the Articles of Association the Directors of the Company are not liable to retire by rotation. But, as per the Section 256 of the Companies Act, 1956, Mr. Sambit Mohanty retire by rotation at the ensuing Annual General Meeting and, being eligible, offer himself for reappointment. Your Directors recommend his reappointment.

4. DIRECTOR'S RESPONSIBILITY STATEMENT

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

- i) In the preparation of annual accounts, the applicable accounting standards had been followed;
- ii) The accounting policies adopted are consistent and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the financial year.
- iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The annual accounts have been on a going concern basis.

5 STATUTORY INFORMATION:

PARTICULARS OF EMPLOYEES:

As required under the provisions of Section 217(2A)

of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules 1975, is not applicable.

6 AUDITOR'S AND THEIR REPORT

Comments of the Auditors in their report and notes forming part of the Accounts are self-explanatory and need no comments.

M/s Goutam & Co., Statutory Auditors will resign on 17.04.2014 after submitting his audited report to the Board of Directors at its meeting and being providing his unwillingness to re-appointment and M/s A S S A & Associates. Chartered Accountants, Jhanjiri Mangala, Cuttack offers & eligible for appointment are being appointed.

7. TECHNOLOGY ABSORPTION, ENERGY CONSERVATION, FOREIGN EXCHANGE EARNING AND OUTGO:

Disclosure of particulars with respect to details regarding Technology absorption, Conservations of Energy, Foreign Exchange Earnings and Outgo as required under Companies (Disclosure of particulars in the Report of Directors) Rules 1988 and forming part of the Report of the Board of Directors for the period ended 31st March, 2014 is given below:

- A. Conservation of Energy : Nothing to Report.
- B. Technology Absorption : Nothing to Report.
- C. Foreign Exchange Earnings and Outgo: NIL

8. SECRETARIAL COMPLIANCE CERTIFICATE:

As per the provisions to sub-section (1) of section 383A, of the Companies Act, 1956, we are hereby attaching the Secretarial Compliance Certificate for the year 2013-2014 duly certified by a Company Secretary in whole time practice, forming a part of the Director's Report.

10. ACKNOWLEDGEMENT:

Your Directors place on record their deep appreciation of the continued co-operation and support extended by all Employees, Financers, Banker, Customers and various agencies.

FOR AND ON BEHALF OF THE BAORD

Date : 17th April, 2014.
Place : Bhubaneswar

Sd/-
(Deepak Kumar Das)
Chairman

Annual Report 2014

PHOENIX SURGICARE PRIVATE LIMITED

(Wholly owned Subsidiary Company)

COMPLIANCE CERTIFICATE

CIN. No. : U70100OR2004PTC011535

Nominal Capital : ₹ 10,000,000/-

To
The Members,
M/s. Phoenix Surgicare Private Limited.
Plot No-3337
M. I. Industrial Estate
Bhubaneswar
Odisha-751010

We have examined the registers, records, books and papers of **M/s. Phoenix Surgicare Private Limited** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ending on **31st March 2014**. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its Officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in **Annexure-'A'** to this certificate as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in **Annexure-'B'** to this certificate with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company being Private Limited Company has the minimum prescribed paid-up capital and its maximum number of members during the financial year was within the limit excluding its present and past employees and the Company during the year under scrutiny:
 - i. has not invited public to subscribe for its shares or debentures; and
 - ii. has not invited or accepted any deposits from persons other than its members, directors or their relatives.
4. The Board of Directors duly met 6 (six) times respectively on 18th Feb, 2013, 19th April, 2013, 29th June, 2013, 16th Sep, 2013, 20th Dec, 2013, 10th March, 2014 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes book maintained for the purpose.
5. The Company has closed Register of Members and transfer books from 08th May, 2013 (Wednesday) to 17th May, 2013 (Friday) during the financial year as per Section 154 of the Companies Act 1956.
6. The Annual General Meeting for the financial year ended on **31st March, 2013** was held on **17th May 2013** after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra-ordinary General Meeting was held during the financial year ended 31st March 2014.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approval from the Board of Directors, Members or Central Government.
12. The Company has not issued any duplicate share certificates during the financial Year.
13. The Company has
 - (i) not allotted any shares or securities and there was no lodgment of transfer during the period under scrutiny.
 - (ii) not declared any dividend during the financial year.
 - (iii) not declared any dividend so posting of dividend warrant does not arise during the financial year
 - (iv) not required to transfer any amounts as there is no money remains due for refund on unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.
 - (v) duly complied with requirement of section 217 of the Act.
14. The Board of Directors of the Company duly constituted. Sri Dillip Kumar Das was appointed as Additional Director on 29th June, 2013 in compliance with the provisions of the Act.
15. The Company has not appointed any Managing Director, Whole Time Director, Manager during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.

PHOENIX SURGICARE PRIVATE LIMITED
(Wholly owned Subsidiary Company)

17. The Company was not required to obtain any approval of the Central Govt. Company Law Board, Regional Director, Registrar and such Authorities prescribed under the various provision of the Act during the financial year.
18. The Directors have disclosed their interest in other firms, Companies to the Board of Directors pursuant to the provision of the Act and the rules made there under.
19. The Company has not issued any shares or securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. Since there are no preference shares or debentures, the question of redemption does not arise.
22. There were no transactions necessitating the Company to keep in abeyance the right to dividend, right shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited, accepted, any deposits including any unsecured loans falling within the purview of section 58A during the financial year.
24. The Company has not made any borrowing during the financial year ended 31st March, 2014.
25. As per the information and explanation given to us, the Company has granted unsecured loans & advances amounting '27,61,703 to M/s Alfa Transformers Ltd, in compliance with the provisions of the Act and has made necessary entries in the registrar kept for the purpose.
26. The Company has not altered the provision of the Memorandum with respect to situation of the Companies registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provision of the Memorandum with respect to the object of the Company during the year under scrutiny.
28. The Company has not altered the provision of the Memorandum with respect to the name of the Company during the year under scrutiny.
29. The Company has not altered the provision of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or a show-cause notice received by the Company and no fines or penalty or any other punishment was imposed on the Company during the financial year for offenses under the Act.
32. The Company has not received any security from its employees during the financial year.
33. As per information given to us by the Management, the Company has not required to deposit any amount under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952.

For Saroj Ray & Associates
(Company Secretaries)

Date : 17.04.2014
Place : Bhubaneswar

CS Saroj Kumar Ray, FCS
(Partner)
C.P.No.3770

Annexure – A

REGISTERS AS MAINTAINED BY THE COMPANY

Statutory Registers:

1. Register of Charges under section 143 of the Act.
2. Register of members under section 150 of the Act.
3. Minutes Book of meetings under section 193 of the Act.
4. Register of Director, Managing Director, Manager & Secretary under section 303.
5. Register of Director Shareholdings under section 307.

Annexure - B

**FORMS & RETURNS AS FILED BY THE COMPANY WITH REGISTRAR OF COMPANIES
DURING THE FINANCIAL YEAR ENDING 31ST MARCH 2014.**

Sl. No.	Form No.	Relevant Section	Description	Date of Filing	Whether filed within prescribed time Yes/No	If delay in filing whether requisite additional fee paid Yes/No
1	23AC & ACA	220(1)	Balance Sheet (As on 31.03.13)	28.06.13	No	Yes
2	20B	159(1)	Annual Return (Upto 17.05.13).	24.06.13	Yes	No
3	66	383A	Compliance Certificate (Upto 31.03.13)	22.06.13	No	Yes
4	32	303(2)	Appointment of Sri Dillip Ku. Das	27.07.13	Yes	No
5	23B	224(1A)	Information by Auditor to ROC (For the Year 2013-14)	31.05.13	Yes	No

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PHOENIX SURGICARE PRIVATE LIMITED

(Wholly owned Subsidiary Company)

INDEPENDENT AUDITORS' REPORT

**To the Members of
M/S PHOENIX SURGICARE PRIVATE LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of PHOENIX SURGICARE PRIVATE LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Profit and Loss Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014; and
- b) in the case of the Profit and Loss Statement, of the profit of the Company for the year ended on that date.

Emphasis of Matter

We draw attention to Note No. 10 (sub-point 4) of the financial statements regarding the company not having any operation activities. Also, the company has disposed all of its Fixed Assets during the current year. However, the financial statements have been prepared on going concern basis.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, 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 purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet and the Profit and Loss Statement, dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet and the Profit and Loss Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **GOUTAM & CO**
Chartered Accountants
(Firm Registration No. 326869E)

CA GOUTAM LENKA
Partner
(Membership No. 067906)

Place: Bhubaneswar
Date : April 17, 2014

PHOENIX SURGICARE PRIVATE LIMITED

(Wholly owned Subsidiary Company)

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our report of even date)

1. (a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
(b) As explained to us, the management is carrying out the physical verification of fixed assets at the yearend in a phased manner. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Company and nature of its assets. As explained to us, no material discrepancies were noticed by the management on such physical verification.
(c) The Company has disposed off its only fixed asset (Land) during the year ended 31.03.2014 and the Going Concern status of the Company is not affected due to such disposal.
2. As the Company has not purchased / sold goods during the year ended 31.03.2014 nor are there any stocks, requirement of reporting on physical verification of stocks or maintenance of inventory records does not arise.
3. *The company has granted an unsecured interest free short term loan to Alfa Transformers Limited, its holding company. The maximum amount outstanding during the year was Rs. 27,61,703 and the year end balance is also Rs. 27,61,703. According to the information and explanations given to us, there are no specific covenants with regard to the repayment of loan. In our opinion, since it is an interest free loan, the rate of interest is prima-facie prejudicial to the interest of the company. Further, as no stipulations for repayment have been prescribed, no comments regarding regularity of payments are been made.*
The company has not taken any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. . Accordingly, the provisions regarding rate of interest, payment of principal and interest and overdue amount as per the sub-clauses (e) to (g) of this clause are not applicable.
4. Having regard to the nature of Company's business and based on our scrutiny of Company's records and the information and explanations received by us, we report that Company's activities do not include purchase of inventory and sale of goods. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regards to purchase of fixed assets. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls with regard to purchase of fixed assets.
5. Based on the audit procedures applied by us and the information and explanations provided by the management, we are of the opinion that the contracts / arrangements that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered. Further, in our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 are reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public.
7. In our opinion and according to the information's and explanations given to us, the Company has an internal audit system, which is commensurate with the size and nature of business of the Company.
8. We are informed that maintenance of cost records has not been prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956 in respect of the products manufactured by the Company.
9. In respect of statutory dues, on the basis of information and explanations given to us and on the basis of our examination of the records of the company, we report that:

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- (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Income tax, etc. as applicable to it and there is no undisputed amounts payable in respect of aforesaid dues outstanding for a period of more than six months as on 31st March 2014, as per the accounts of the company.
- (b) According to the records of the Company, there are no dues of Income tax / Wealth tax / Service tax, etc., which have not been deposited by the Company on account of any dispute, as per the accounts of the Company.
10. The Company has accumulated losses at the end of year ended 31.03.2014. The company has not incurred any cash losses during the period covered by our audit and also in the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions or banks.
12. In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is neither a chit fund nor a nidhi/mutual benefit fund/society. Hence, the requirements of clause 4(xiii) of the 'Order' do not apply to the Company.
14. Based on our examination of the records, we are of the opinion that proper records have been maintained of the transactions and contracts relating to shares, securities and other investments dealt in by the company and timely entries have been made in the records. We also report that the company has held the shares, securities and other investments in its own name except to the extent of exemption granted under section 49 of the Companies Act, 1956.
15. The Company has not given any guarantee for loans taken by others from Banks or Financial Institutions.
16. The company has not raised any term loans during the year.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that the funds raised on short-term basis have not been used for long-term investment.
18. According to the records of the Company and the information and explanations given to us, the Company has not made any preferential allotment of shares, to parties and Companies covered in the Register maintained under Section 301 of the Companies Act, 1956. Therefore the provisions of clause 4(xviii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
19. The company has not issued any debentures during the year.
20. The Company has not raised any money by way of public issue during the year.
21. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For **GOUTAM & CO**
Chartered Accountants
(Firm Registration No. 326869E)

CA GOUTAM LENKA
Partner
(Membership No. 067906)

Place: Bhubaneswar
Date : April 17, 2014

PHOENIX SURGICARE PRIVATE LIMITED
(Wholly owned Subsidiary Company)

BALANCE SHEET AS AT 31ST MARCH, 2014

(₹ in Lakhs)

Particulars	Note No.	As at 31st March 2014		As at 31st March 2013	
I. EQUITY AND LIABILITIES					
1 Shareholders' Funds					
(a) Share Capital	1	12,42,000		12,42,000	
(b) Reserves and Surplus	2	15,72,592		(4,85,474)	
			28,14,592		7,56,526
2 Share Application Money Pending Allotment			—		—
3 Non-Current Liabilities					
(a) Long-Term Borrowings		—		—	
(b) Deferred Tax Liabilities (Net)		—		—	
(c) Other Long Term Liabilities		—		—	
(d) Long-Term Provisions		—		—	
4 Current Liabilities					
(a) Short-Term Borrowings		—		—	
(b) Trade Payables		—		—	
(c) Other Current Liabilities	3	32,500		5,20,000	
(d) Short-Term Provisions	4	4,84,483		—	
			5,16,983		5,20,000
TOTAL			33,31,575		12,76,526
II. ASSETS					
1 Non-Current Assets					
(a) Fixed Assets					
(i) Tangible Assets	5	—		8,16,798	
(b) Non-Current Investments		—		—	
(c) Long-Term Loans & Advances		—		—	
(d) Other Non-Current Assets		—		—	
					8,16,798
2 Current assets					
(a) Current Investments		—		—	
(b) Inventories		—		—	
(c) Trade Receivables		—		—	
(d) Cash and Cash equivalents	6	1,33,264		13,611	
(e) Short-Term Loans and Advances	7	31,98,311		4,46,117	
(f) Other Current Assets		—		—	
			33,31,575		4,59,728
TOTAL			33,31,575		12,76,526
SIGNIFICANT ACCOUNTING POLICIES & ADDITIONAL NOTES ON ACCOUNTS	9 & 10				

THE SCHEDULES REFERRED ABOVE FORM PART OF ACCOUNTS
AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR AND ON BEHALF OF THE BOARD

FOR GOUTAM & CO
CHARTERED ACCOUNTANTS

DEEPAK KUMAR DAS DIRECTOR

(GOUTAM LENKA)
PARTNER
Membership No. 067906
FRN - 326869E
BHUBANESWAR
DATED : April 17, 2014

DILLIP KUMAR DAS DIRECTOR

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STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014 (₹ in Lakhs)

Particulars	Note No.	For the year ended 31st March, 2014	For the year ended 31st March, 2013
I. Revenue from Operations		—	—
II. Other Income			
Interest on Fixed Deposits		19,243	—
III. Total Revenue (I + II)		19,243	—
IV. EXPENDITURE :			
Cost of Materials Consumed		—	—
Changes in Inventories of Finished Goods			
Work-in-Progress		—	—
Employee Benefits Expenses		—	—
Finance Costs		—	—
Depreciation and Amortization expense		—	—
Other Expenses		54,896	37,562
Total Expenses	8	54,896	37,562
V. Profit/(Loss) Before Exceptional and Extraordinary Items and Tax (III-IV)		(35,653)	(37,562)
VI. Exceptional Items- Profit on Sale of Land		25,78,202	—
VII. Profit/(Loss) Before Extraordinary Items and Tax (V - VI)		25,42,549	(37,562)
VIII. Extraordinary Items		—	—
IX. Profit/(Loss) Before Tax (VII- VIII)		25,42,549	(37,562)
X Tax Expenses:			
(1) Current Tax		(4,84,483)	—
(2) Deferred Tax Assets/(Liabilities) [Net]		—	—
XI Profit/(Loss) for the period (IX-X)		20,58,066	(37,562)
XII Earnings Per Equity Share:			
(1) Basic & Diluted		16.57	(0.30)
SIGNIFICANT ACCOUNTING POLICIES 9 & 10 & ADDITIONAL NOTES ON ACCOUNTS			

THE SCHEDULES REFERRED ABOVE FORM PART OF ACCOUNTS
AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR AND ON BEHALF OF THE BOARD

FOR GOUTAM & CO
CHARTERED ACCOUNTANTS

DEEPAK KUMAR DAS DIRECTOR

(GOUTAM LENKA)
PARTNER

DILLIP KUMAR DAS DIRECTOR

Membership No. 067906
FRN - 326869E
BHUBANESWAR
DATED : April 17, 2014

PHOENIX SURGICARE PRIVATE LIMITED
(Wholly owned Subsidiary Company)

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

1. SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at 31st March 2014		As at 31st March 2013	
	Number	Amount	Number	Amount
Authorised Share Capital				
Equity Shares of Rs. 10/- Each	10,00,000	1,00,00,000	10,00,000	1,00,00,000
Issued , Subscribed & Paid up:				
Equity Shares pf Rs. 10/- each fully paid up	1,24,200	12,42,000	1,24,200	12,42,000
Total	1,24,200	12,42,000	1,24,200	12,42,000

1.1

(₹ in Lakhs)

Particulars	As at 31st March 2014		As at 31st March 2013	
	Number	Amount	Number	% held
Shares outstanding at the beginning of the year	1,24,200	12,42,000	1,24,200	12,42,000
Shares issued during the year	—	—	—	—
Shares brought back during the year	—	—	—	—
Shares outstanding at the end of the year	1,24,200	12,42,000	1,24,200	12,42,000

1.2 124100 Equity Shares (Previous Year- 124100) are held by Alfa Transformers Limited and 100 Equity Shares (Previous Year- 100) are held by Sri Deepak Kumar Das as a nominee Director of Alfa Transformers Limited, the Holding Company. Above disclosure is required for each class of shares held by its holding Company or its ultimate holding Company including shares held by or by subsidiaries or associates of the holding Company or the ultimate holding Company in aggregate.

1.3 Details of Shareholders holding more than 5% shares :

(₹ in Lakhs)

Particulars	As at 31st March 2014		As at 31st March 2013	
	Number	% held	Number	% held
Alfa Transformers Limited	124,100	99.92 %	124,100	99.92 %

2. RESERVES AND SURPLUS

(₹ in Lakhs)

Particulars	As at 31st March 2014	As at 31st March 2013
General Reserve :		
Opening Balance as per Last Balance Sheet	—	—
Add: Transfer from Profit and Loss Account	10,00,000	—
Closing Balance	10,00,000	—
Profit and Loss Account :		
Opening Balance as per Last Balance Sheet	(4,85,474)	(4,47,912)
Add : Profit/(Loss) for the year	20,58,066	(37,562)
Less: Transferred to Profit and Loss Account	10,00,000	—
Closing Balance	5,72,592	(4,85,474)
TOTAL	15,72,592	(4,85,474)

3. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March 2014	As at 31st March 2013
a. Advance for Sale of Land	—	5,00,000
b. Audit Fees Payable	5,000	20,000
c. TDS Payable	27,500	—
	32,500	5,20,000

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4. SHORT TERM PROVISIONS

(₹ in Lakhs)

Particulars	As at 31st March 2014	As at 31st March 2013
Provision for Income Tax	484,483	—
	484,483	—

5. FIXED ASSETS

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at 31-3-2013	Additions during the year	Sale / adjustment during the year	Cost as at 31-3-2014	Up to 31-3-2013	For the year	On Sale / adjustment during the year	Up to 31-3-2014	As at 31-3-2014	As at 31-3-2013
TANGIBLE ASSETS :										
Land at Nashik	8,16,798	—	8,16,798	—	—	—	—	—	—	8,16,798
TOTAL-CURRENT YEAR	8,16,798	—	8,16,798	—	—	—	—	—	—	8,16,798
Previous year	8,16,798	—	8,16,798	—	—	—	—	—	—	8,16,798

6. CASH AND BANK BALANCES

(₹ in Lakhs)

Particulars	As at 31st March 2014	As at 31st March 2013
Balance With Banks		
— In Current Account	32,964	13,311
— In Fixed Deposit Account	1,00,000	
Cash on Hand	300	300
	1,33,264	13,611

7. SHORT TERM LOANS AND ADVANCES

(₹ in Lakhs)

Particulars	As at 31st March 2014	As at 31st March 2013
a. Loans and Advance to related parties Alfa Transformers Limited	27,61,703	4,46,117
b) Advance Income Tax (FY-2013-14)	4,34,683	—
c) Tax Deducted at Source (Fy-2013-14)	1,925	—
	31,98,311	4,46,117

8. OTHER EXPENSES

(₹ in Lakhs)

Particulars	For the Year Ended 31st March, 2014	For the Year Ended 31st March, 2013
Auditors' Remuneration	5,000	5,000
Travelling Expenses	35,114	—
Filing Fees	3,500	8,000
Bank Charges	1,294	550
Legal and Professional Fees	9,988	24,012
TOTAL	54,896	37,562

NOTE NO - 9 : SIGNIFICANT ACCOUNTING POLICIES AND ADDITIONAL NOTES ON ACCOUNTS :

1 PREPARATION OF FINANCIAL STATEMENTS

The financial statements are prepared under historical cost convention on the accrual basis and the accordance with the applicable Accounting Standards and the relevant provisions of the Companies Act, 1956 and Companies Act, 2013 to the extent applicable.

PHOENIX SURGICARE PRIVATE LIMITED

(Wholly owned Subsidiary Company)

2 REVENUE RECOGNITION

Revenue from sale of goods is recognized when ownership in goods is transferred to the customers, normally at the point of dispatch. As regards services, income is accounted as and when services are rendered.

3 FIXED ASSETS/DEPRECIATION

Fixed assets are stated at cost less accumulated depreciation. Depreciation is charged on straight line method in accordance with the Companies' Act, 1956 and as per rates specified in Schedule XIV of the above Act. In case of additions/ sales of the assets depreciation is charged on pro-rata basis

4 TAXATION

Provision for current tax is made on the accounts on the basis of estimated tax liability as per the applicable provisions of the Income Tax Act, 1961.

5 PROVISIONS AND CONTIGENT LIABILITIES

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimates can ne made of the amount the of obligation. Disclosure for the contingent liability is made when there is possible obligation or present obligation that may, but probably will not, require an outflow of resources. Where there is possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

NOTE NO- 10: Notes on Financial Statements for the Year ended 31st March, 2014

- 1 Contigent Liabilities not provided for - Rs. Nil (Previous Year- Nil)
- 2 The Company is the subsidiary Company of M/s. Alfa Transformers Limited, which holds 99.92% Equity Shares of the Company.
- 3 There is no dues to Micro, Small and Medium Enterprises. The Liability has been determined to the extent such parties have been identified on the basis of information available with the Company and the same has been relied by the auditors.
- 4 The Company has no operation activities during the financial year ended 31st March, 2014 , So no operating cycle is considered.
- 5 Previous Year's figures have neen regrouped and re arranged wherever necessary.

THE SCHEDULES REFERRED ABOVE FORM PART OF ACCOUNTS
AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR AND ON BEHALF OF THE BOARD

FOR GOUTAM & CO

CHARTERED ACCOUNTANTS

DEEPAK KUMAR DAS

DIRECTOR

(GOUTAM LENKA)

DILLIP KUMAR DAS

DIRECTOR

PARTNER

Membership No. 067906

FRN - 326869E

BHUBANESWAR

DATED : April 17, 2014



ALFA TRANSFORMERS LIMITED

ATTENDANCE SLIP

ALFA TRANSFORMERS LIMITED

**Regd. Office: Plot No.3337, Mancheswar Industrial Estate, Bhubaneswar – 751010
Telephone: 0674 - 2580484 / 2581036**

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.
Joint Share-holders may obtain additional Attendance Slip at the Venue of the Meeting.

DP. Id*	
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Folio No.	
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Client Id *	
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NAME AND ADDRESS OF THE MEMBER:

No.of Share(s) held :

I hereby record my presence at the 32nd Annual General Meeting of the Company held on Wednesday, the 13th day of August, 2014 at 12.30 P.M. at Hotel "VITS, Cuttack Puri Road, Bhubaneswar– 751006.

Signature of **Member / Proxy**
(Name)

NOTE:

Please sign this attendance slip and hand it over at the verification counter of the Meeting Hall.
*Applicable for investors holding shares in electronic form.

TEAR HEAR

PROXY FORM

ALFA TRANSFORMERS LIMITED

**Regd. Office: Plot No.3337, Mancheswar Industrial Estate, Bhubaneswar – 751010
Telephone: 0674 - 2580484 / 2581036**

DP. Id*	
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Folio No.	
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Client Id *	
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I/We, _____ of _____

Being Member / Members of Alfa Transformers Limited, hereby appoint..... of
..... of failing him of

..... As my/our proxy to vote for me/us and on my/our behalf at the 32nd Annual General Meeting of the company to be held on Wednesday, the 13th day of August, 2014 at 12.30 P.M. at Hotel "VITS, Cuttack Puri Road, Bhubaneswar– 751006.

Affix Re. 1/-
Revenue
Stamp

* Applicable for investors holding shares in electronic form.

NOTE:

1. The proxy form signed across Re.1/- stamp should reach Company's Registered Office Atleast 48 Hours before the schedule time of Meeting.
2. The Form should be signed across the stamp as per specimen signature registered with the Company.
3. A proxy need not be a member.
4. The above Attendance Slip should be sent to the Proxy appointed by you and not to the Company.



ALFA TRANSFORMERS LIMITED

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 register the same with M/s MCS Share Transfer Agent Limited, 12/1/5, Manoharpukur Road, Kolkata-700026, Phone: (033) 40724051 to 53, Fax : (033) 40724054, e-mail:mcssta@rediffmail.com. RTA of the Company. Please furnish the data as per the format given below :

SUBMISSION OF E-MAIL ADDRESS OF MEMBERS OF ALFA TRANSFORMERS LIMITED

NAME	
E-MAIL I.D.	
ADDRESS	
D.P. I.D.	
CLIENT I.D.	
FOLIO NO. (In case of Physical Holding)	
NO. OF EQUITY SHARES HELD (The period for which held)	
Specimen signature of the member	



FORM A
(Pursuant to Clause 31(a) of Listing Agreement)

1.	Name of the Company:	Alfa Transformers Ltd.
2.	Annual financial statements for the year ended	31st March 2014
3.	Type of Audit observation	Un-qualified/
4.	Frequency of observation	N.A.
5.	To be signed by- <ul style="list-style-type: none">• Managing Director: Mr. Dillip Kumar Das• CFO (Director Finance): Mr. Deepak Kumar Das• Auditor of the company: Refer to our Audit Report dated 27.05.2014 on the Consolidated Financial Statement of the Company For A.K. Sabat & Co. Chartered Accountants Firm Reg.No.:321012E Siddhartha Chand (S. Chand) PARTNER Membership No:050063• Audit Committee Chairman: Mr. S.K Nanda	

