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28th Annual General Meeting

on Friday, the 6th day of August, 2010 at 12.30 P.M.
at Hotel "The New Marrion", 6, Janpath, Bhubaneswar - 751007.



ALFA TRANSFORMERS LIMITED

BOARD OF DIRECTORS :

Mr. Dillip Kumar Das	Chairman & Managing Director
Mr. Deepak Kumar Das	Whole-time Director (Finance)
Mr. Santosh Kumar Patnaik	Whole-time Director (Tech. Service)
Mr. Debasis Das	Whole-time Director (Marketing)
Mr. Supratim Basu	
Mr. Subhasish Das	
Mr. L. V. N. Muralidhar	Non-Executive Independent Director
Mr. S. K. Nanda	Non-Executive Independent Director
Dr. N. C. Pal	Non-Executive Independent Director
Mr. Sambit Kumar Mohanty	Non-Executive Independent Director
Mr. Niranjana Mohanty	Non-Executive Independent Director
Mr. B. N. R. Patnaik	Non-Executive Independent Director

COMPANY SECRETARY : Mr. M. Chandrasekhar

AUDITORS : A. K. Sabat & Co
A/348, Sahid Nagar, Bhubaneswar - 751 007

SECRETARIAL AUDITOR: M/s Saroj Ray & Associates,
Company Secretaries,
Plot No.N-6/215,IRC Village,
Bhubaneswar-751015.

BANKERS :

- State Bank of India,
Commercial Branch, IDCOL House (Ground Floor),
Unit –II, Ashok Nagar, Bhubaneswar -751001
- Axis Bank Limited,
Satyangar, Bhubaneswar.

**REGISTERED OFFICE
AND FACTORY :** Plot No. 3337,
Mancheswar Industrial Estate, Bhubaneswar – 751010

**REGISTRAR & SHARE
TRANSFER AGENT :** MCS Limited,
77/2A, Hazra Road, 5th Floor, Kolkata - 700029

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NOTICE

NOTICE is hereby given that the **28th Annual General Meeting** of the members of Alfa Transformers Limited will be held on Friday the 6th day of August, 2010 at 12.30 P. M. at Hotel "The New Marrion", 6, Janpath, Bhubaneswar - 751001, to transact the following business :-

ORDINARY BUSINESS :

1. To receive, consider, approve and adopt the Audited Balance Sheet as at 31st March 2010, the profit and Loss account for the year ended on that date and the reports of the auditors and directors thereon.
2. To declare dividend for the Financial Year 2009-10.
3. To appoint a Director in the place of Mr. Santosh Kumar Nanda, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in the place of Mr. Sambit Kumar Mohanty, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in the place of Dr. N. C. Pal, who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint Auditors who shall hold office from conclusion of the Annual General Meeting till the conclusion of the Next Annual General Meeting and fix their remuneration.

SPECIAL BUSINESS :

7. To consider and if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution** :
"RESOLVED THAT Mr. Niranjana Mohanty, who was appointed as an Additional Director of the Company by the Board of Directors with effect from 22.12.2009 and who holds the office upto the date of this Annual General Meeting pursuant to the provisions of Section 260 of the Companies Act, 1956 ("the Act") is being eligible for appointment and Company has received notice in writing pursuant to the provisions of Section 257 of the Act from a member of the Company proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Non-Executive Independent Director of the Company and liable to retire by rotation".
No Director of the Company, other than Mr. Niranjana Mohanty is concerned or interested in the aforesaid contract.
8. To consider and if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution**:

PLACE : BHUBANESWAR

Date: 29th May, 2010

"RESOLVED THAT Mr. B. N. R. Patnaik, who was appointed as an Additional Director of the Company by the Board of Directors with effect from 29.01.2010 and who holds the office upto the date of this Annual General Meeting pursuant to the provisions of Section 260 of the Companies Act, 1956 ("the Act") is being eligible for appointment and Company has received notice in writing pursuant to the provisions of Section 257 of the Act from a member of the Company proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Non-Executive Independent Director of the Company and liable to retire by rotation".

No Director of the Company, other than Mr. B. N. R. Patnaik is concerned or interested in the aforesaid contract.

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

"RESOLVED THAT in accordance with the provisions of section 198, 269,309,310,311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 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 to the re-appointment of Mr. Debasis Das, as Whole-time Director (Marketing) of the Company for a further period of five years, with effect from 01.04.2010 and his remuneration shall remain same as approved in the 27th Annual General Meeting held on 30.07.2009."

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

"RESOLVED THAT in accordance with the provisions of section 198, 269,309,310,311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 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 to the re-appointment of Mr. Santosh Kumar Patnaik, as Whole-time Director (Technical Services) of the Company for a further period of two years, with effect from 01.07.2010 and his remuneration shall remain same as approved in the 27th Annual General Meeting held on 30.07.2009."

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

**Sd/-
M. CHANDRASEKHAR
COMPANY SECRETARY**



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 173 (2) of the Companies Act, 1956 relating to the Special Businesses under item No.7 to 10 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 **Wednesday, the 28th July, 2010 to Friday, 6th August, 2010 (both days inclusive)** in terms of provisions of section 154 of the Companies Act, 1956.

4. The dividend, if declared, will be paid within 30 days from the date of Annual General Meeting, to all the members so entitled, whose names appear in the register of members as on 6th August, 2010 being the date of Annual General Meeting of the Company. In respect of shares held in electronic form, the dividend will be paid to those beneficial owners, whose name appears in the statement furnished by the depositories for the purpose as on record date i.e. 27th July, 2010.

The Company had declared Dividend @10% i.e. Re.1/- per equity shares of the Company for the Financial Year 2008-2009 in the 27th Annual General Meeting held on 30th July, 2009. All the equity shareholders of the Company are requested to contact the Company/ Share Transfer Agent i.e. MCS Limited, 77/2A, Harza Road, 5th Floor, Kolkata-700029 for payment of their dividend amount, if they have not been paid. The un-paid dividend for the Financial Year 2008-2009 is Rs. 1,94,497/- as on 31.03.2010.

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 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:
 - (a) the change in the residential status on return to India for Permanent Settlement.
 - (b) 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.(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.

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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 MCS Limited, 77/2A, Harza Road, 5th Floor, Kolkata-700029.
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, Chandrasekharpur, Bhubaneswar-751023.
 - c) The Calcutta Stock Exchange Association Limited,
(Applied for De-listing)
7, Lyons Range, Kolkata-700001.

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

ITEM No. 7 :

Mr. Niranjana Mohanty was appointed as an Additional Director by the Board of Directors of the Company ("the Board") through circular resolution on 22.12.2009 and ratified the same in its meeting held on 29.01.2010. Pursuant to the provision of Section 260 of the Companies Act, 1956("the Act") Mr. Niranjana Mohanty holds the office upto the date of 28th Annual General Meeting of the Company. Notice has received from a member of the Company in pursuance of Section 257 of the Act, alongwith a deposit of Rs.500/- proposing Mr. Niranjana Mohanty as a candidate for the office of Director of the Company. Mr. Niranjana Mohanty has given his consent, if appointed, to act as Director of the Company.

Your Directors recommend that the resolution be passed.

Except Mr. Niranjana Mohanty none of the directors is interested or concerned in the proposed resolution.

ITEM No.8 :

Mr. B.N.R.Patnaik was appointed as an Additional Director by the Board of Directors of the Company ("the Board") in its meeting held on 29.01.2010.

Pursuant to the provision of Section 260 of the Companies Act, 1956("the Act") Mr. B.N.R.Patnaik holds the office upto the date of 28th Annual General Meeting of the Company. Notice has received from a member of the Company in pursuance of Section 257 of the Act, alongwith a deposit of Rs.500/- proposing Mr. B.N.R.Patnaik as a candidate for the office of Director of the Company. Mr. B.N.R.Patnaik has given his consent, if appointed, to act as Director of the Company.

He has been appointed as the Chairman of Share Transfer and Investor Grievance Committee of your Company.

Your Directors recommend that the resolution be passed.

Except Mr. B.N.R.Patnaik none of the directors is interested or concerned in the proposed resolution.

ITEM No.9 :

Mr. Debasis Das was appointed as an Executive Director of the Company with effect from 1st April, 2005 for a period of five years by the Board of Directors ("the Board") at its meeting held on 2nd May, 2005 upon the terms and conditions set out in the agreement entered in to by the Company with Mr. Debasis Das and the said appointment and remuneration of Mr. Debasis Das was approved by the members of the Company at annual general meeting held on 14th September, 2005. In the last Annual General Meeting held on 30.07.2009, members of the Company have approved the proposal for increasing the remuneration of Mr. Debasis Das, Whole-time Director for a period of two years w.e.f. 01.04.2009 alongwith other Executive Directors of the Company and his period of remuneration will be expired on 31.03.2011. The tenure of appointment of Mr. Debasis Das, Whole-time Director of the Company has already expired on 31.03.2010. The Board of Directors of the Company has re-appointed Mr. Debasis Das, as a Whole-time Director of the Company for period of five years w.e.f. 01.04.2010 by circular resolution on 30.03.2010, which was ratified by the Board in its meeting, held on 29.05.2010 and the same has been placed in this notice for approval of the shareholders.

According to section 269,309 and schedule XIII of the Companies Act, 1956, the re-appointment of Mr. Debasis Das as a Whole-time Director of the Company is subject to the approval of the shareholders at the Annual General Meeting. The resolution is proposed for this purpose.

Your Directors recommend that the resolution be passed.



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

ITEM NO.10:

Mr. Santosh Kumar Patnaik was appointed as a Whole-time Director (Technical Services) of the Company for a period of two years w.e.f. 1st July, 2008 in the Annual General Meeting held on 25th July, 2008. His tenure of appointment will be expired on 30.06.2010. In the last Annual General Meeting held on 30.07.2009, members of the Company have approved the proposal for increasing the remuneration of Mr. Santosh Kumar Patnaik, Whole-time Director (Technical Services) for a period of two years w.e.f. 01.04.2009 alongwith other Executive Directors of the Company and his period of remuneration will be expired on 31.03.2011. The tenure of appointment of Mr. Santosh Kumar Patnaik, Whole-time Director (Technical Services) of the Company is going to be expired on 30.06.2010. The Board of Directors of the Company has re-appointed Mr. Santosh Kumar Patnaik, Whole-time Director (Technical Services) of the Company for period of two years w.e.f. 01.07.2010 in its meeting held on 29.05.2010 and the same has been placed in this notice for approval of the shareholders.

According to section 269,309 and schedule XIII of the Companies Act, 1956, the re-appointment of Mr. Santosh Kumar Patnaik, Whole-time Director (Technical Services) of the Company is subject to the approval of the shareholders at the Annual General Meeting. The resolution is proposed for this purpose.

Your Directors recommend that the resolution be passed.

None of the Directors except Mr. Santosh Kumar Patnaik is interested in the proposed resolution.

(Pursuant to Clause 49 of the Listing Agreement)

Item No.3 of Notice of AGM

Brief Profile of Mr. Santosh Kumar Nanda :

Mr. Santosh Kumar Nanda, aged 82 years had his initial education till intermediate in Orissa and Bachelor in Science from Banaras Hindu University. He had his post graduate education in Electrical Technology from Indian Institute of Science, Bangalore in 1950. After serving a brief period in an English firm, Associated Electrical Industries at Calcutta, joined the Electricity Department of Orissa State in 1951 where he had served in different capacities and finally

superannuated as Chairman of the Orissa State Electricity Board in 1985. He served as the Chief Engineer (Thermal) in Talcher Thermal Power station and Member Generation of the Orissa State Electricity Board. He has a vast experience in Erection and Commissioning the Extra High Voltage Transmission system, which was being done departmentally by the Electricity Board. During his tenure in the Government service he was deputed to the Machkund Hydro Project, a joint project of Andhra and Orissa Government as Executive Engineer (Electrical). He had his contribution in the development of the technical training & education in the State, as the Joint Director (Technical Training) for 5 years. He had his training in Thermal Generation with the Central Electricity Generation Board, U.K. and M/s A. Rerolls, Hepburn, U.K. under the Colombo Plan.

After retirement he was a free lancer in power consultancy and later joined the IMFA Group of Companies at Bhubaneswar in 1988 as Executive Vice President, where a coal based 108 MW captive power plant was established for the Group. He is a life fellow member of Institution of Engineers (India) and was the past President of the Institution of Engineers (India), Orissa Centre for one term of two years. He was also the past Chairperson of the Confederation of Indian Industry (E.R.) Orissa Committee, for two terms. Presently he is the Senior Advisor (Power Project) of IMFA Group of Companies and the Convener of Energy Panel, C.I.I., Orissa Committee. He is the Director of Indian Power Corporation Limited, Calcutta, a power generation company and also Director of Indian Power Corporation (Haldia) Limited. He is the Chairman of Audit Committee and Remuneration Committee of your Company.

Item No.4 of Notice of AGM

Brief Profile of Mr. Sambit Kumar Mohanty:

Mr. Sambit Kumar Mohanty, aged 49 years, is a graduate in Law from Utkal University. He is a young emerging Industrialist in Orissa Business Industry. He is having 25 years of work experience in Mechanical Product manufacturing. Presently he is the partner of M/s MM Company, Cuttack engaged in the manufacturing of Hand Pumps and Mechanical Engineering products. He is also a member of prominent Industry and Business Associations. He is the director of Phoenix Surgicare Private Limited (a wholly owned subsidiary company of Alfa Transformers Limited). He is also a member of Audit Committee and Remuneration Committee of your Company.

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Item No.5 of Notice of AGM

Brief Profile of Dr. N.C.Pal :

Dr. N.C.Pal, aged 53 years, is a Fellow Member of the Institute of Cost and Works Accountants of India and Doctorate in Strategic Management of B.H.U. having total experience of 25 years key positions of Finance and Accounts of various organizations including M.N.C., Government of India Undertakings and Joint Sector Undertakings. He is also recipient of 20th Century Excellence Award in 1999 for his achievement in Corporate Finance Management. He has published several technical bulletins on power reforms in Orissa and its implication. He also served as a visiting faculty in the Xavier Institute of Management. Presently, he is the Director of Synergy Institute at Dhenkanal. He is not a Director of any other Companies. He is a member of Audit Committee and Remuneration Committee of your Company.

Item No.7 of Notice of AGM

Brief Profile of Mr. Niranjan Mohanty:

Mr. Niranjan Mohanty, aged 60 years, is M.Sc. in Physics from Ravenshaw College, Cuttack under Utkal University and Post Graduate Diploma in Business Administration from Indian Institute of Management, 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 27 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 Pvt. Ltd., Cyberscribe Technologies Pvt. Ltd., Utkal Infrastructure Development Consortium Pvt. Ltd. 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.8 of Notice of AGM

Brief Profile of Mr. B.N.R.Patnaik:

Mr. Basuru Nageswar Rao Patnaik, aged 60 years, holds a Graduate Degree in Chemical Engineering from Regional Engineering College, Rourkela. Initially he started his career in a Chemical Firm. There-after in the year January, 1974 he joined as Management Trainee in the State Level Industrial Promotion and

Investment Corporation of Orissa Limited and retired as Executive Director in the year August, 2008. He has the experience of funding, setting-up of large and medium scale industries, sanction, recoveries and corporate debt restructuring, raising funds for the corporation. He has fair knowledge and experience in Industrial Development, Financing, Growth, Regulations, Corporate Governance, Corporate responsibility, Company Law, SEBI Regulation, BIFR Act etc. He had participated in the Training Programmes in IIM, Bangalore, Management Development Institute, Delhi and IIM, Calcutta in respect of 'Project Implementation & Evaluation', 'Project Follow-up' and 'Project Appraisal' respectively. He is the Fellow member of Institute of Engineers, Bhubaneswar and member of Institute of Chartered Engineers. He had represented on behalf of IPICOL in the Board of different Companies during his incumbency.

Item No.9 of Notice of AGM

Brief Profile of Mr. Debasis Das

Mr. Debasis Das, aged about 37 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 a 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.

Item No.10 of Notice of AGM

Brief Profile of Mr.Santosh Kumar Patnaik

Mr. Santosh Kumar Patnaik, aged 62 years, holds a Graduate Degree in Mechanical Engineering from Sambalpur University. He served with Larsen & Tubro Limited, Orient Paper Mills Limited and Fertilizer Corporation of India for 10 years. He resigned thereto start a small-scale unit named as Oriental Insulated Conductors private Limited, which has already been amalgamated with Oricon Industries Limited. He has rich experience in the fields of Engineering, Technology, Project Consultancy, Administration and Management etc.

He is a Director of Oricon Industries Limited. He is not a member of any committee of your Company.

**DIRECTORS' REPORT****DEAR SHAREHOLDERS :**

Your Directors are pleased to present the Twenty-eighth Annual Report and the Audited Accounts of your Company for the financial year ended 31.03.2010, together with the Auditors' Report thereon.

FINANCIAL RESULTS :

The financial performance of your Company for the year under review in comparison to previous year are given below in a summarized format:

Particulars	2009-10	2008-09	(Rs.in lakhs)
			Increase/ (Decrease) in %
Net Sales/Income from operations (a+b+c)	2052.19	3304.00	(37.89)
(a) Export Sales	371.82	1823.00	(79.60)
(b) Domestic Sales	1556.92	1189.53	30.89
(c) Income from operations	123.45	291.47	(57.65)
(d) Other Income	99.91	57.04	75.15
Total Income (a+b+c+d)	2152.10	3361.04	(35.97)
Less: Total Expenditure	1771.58	2569.42	(31.05)
Profit before interest & Depreciation	380.52	791.62	(51.93)
Interest & Finance charges	185.14	210.43	(12.02)
Depreciation	77.77	56.31	38.12
Profit Before Tax	117.60	524.88	(77.59)
Income Tax/Fringe Benefit Tax	(15.03)	(149.27)	(89.93)
Deferred Tax	(26.81)	(23.55)	(13.87)
Net Profit after Tax	75.76	352.06	(78.48)

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

FINANCIAL PERFORMANCE:

The impact of global economic meltdown and recession of 2008-09 has been reflected on the financial performance of current year. During the year under review, the Company could not get any export orders, except leftover contracts of previous year. This is due to the impact of global recession of 2008-2009. However, turnover in respect of domestic sales has been increased by 30.89% in comparison to last year. But, overall, financial results of current year have been decreased in comparison to last year. Some of the financial parameters are given hereunder-

Particulars	2009-10	2008-09	Variance +/-
Net Sales			
-- Export Sales	371.82	1823.00	(79.60)
-- Domestic Sales	1556.92	1189.53	30.89
Profit Before Tax	117.60	524.88	(77.59)
Profit after Tax	75.76	352.06	(78.48)
EPS	1.41	6.57	(78.53)

VALUATION :

The Profit before tax & Profit after tax have been decreased by 77.59% and 78.48% respectively from last year. The EPS has also decreased for the accounting year to Rs.1.41 from Rs.6.57 of 2008-09.

FUTURE PROSPECTS :

It is not out of place to mention here that, Government of India has constituted an Organization named as 'Bureau of Energy Efficiency' who have issued a mandate on 9th January 2010, that all Distribution Transformers to be

purchased shall be of minimum of '3-Star' Rating. It is cost effective to manufacture Distribution Transformers with Amorphous Metal Core to achieve 3-Star, 4-Star & 5-Star Ratings. In fact, your Company has already received 5-Star for 16 KVA and 4-Star ratings for 63 & 100 KVA from Bureau of Energy Efficiency. We have also applied for above Star ratings for other Transformers like 10,16,25,63 & 100 KVA for Unit I & IV. The States like Maharashtra, Gujarat and Rajasthan patronizes Energy Efficient Transformers and regularly buying Amorphous Metal Distribution Transformers in large quantities. Further, in view of thrust and policy of Government of India to electrify all Villages by 2020, the demand of Energy Efficient Transformers is likely to grow exponentially in coming year. Recently, Gujarat government called for Amorphous Metal Distribution Transformers worth more than 60 Crores. Rajasthan and Maharashtra are also floating large tender. Keeping these in views, your board in its meeting held on 30.07.2009 approved to set-up an Amorphous Metal Distribution Transformers manufacturing Plant at Vadodara with the support from Hitachi Metal (India) Limited and the process is going-on. The proposed capacity of the Plant would be 1000 Tons per annum and the cost of the project is Rs.445.00 Lakhs. From this project we will be able to meet the demand of AMDT Transformers in Western India.

However, due to global economic meltdown & recession of 2008-09, compelled with inflation of input cost and entry of new transformers Companies & expansion of existing units, the transformer industries as a whole are facing a difficult period. Moreover, the rupee devaluation in comparison to Euro/US Dollars results in decrease in profits in Exports. The prices of main raw materials like

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Copper, CRGO, etc. have been increased in International Market resulting higher input cost. Your Company is focusing on domestic orders from Utilities & Private customers and also taking all possible steps for procuring orders from overseas. During this current year, your Company has already procured orders from Jaipur Vidyut Vitaran Nigam(JVVNL); Rajasthan and hopeful of getting further orders from Gujarat Electricity Utilities, C&SU & other Electricity Board, the orders will be finalized within next two/three months.

SUBSIDIARY COMPANY :

Phoenix Surgicare Private Limited (previously Jashoda Trades Private Limited) is the only wholly owned Subsidiary Company of your Company. The Company has not started any business activities till the end of this financial year. During the year under review, the registered office of the Subsidiary Company has been shifted to Plot No.3337, Mancheswar Industrial Estate, Bhubaneswar-751010, Orissa from 403, Nupur Building, Holly Cross Rd., IC Colony, Boriwali, West Mumbai-400103 as per the CLB order No.05/17/CLB/MB/2010/493 dated 20.01.2010. The proposal of merger of the Subsidiary Company i.e. Phoenix Surgicare Private Limited with the Holding Company i.e. Alfa Transformers Limited has been deferred for the time being.

Audited Statements of accounts of the Company's Subsidiary :

As required under Section 212 of the Companies Act, 1956, the audited statements of accounts, alongwith 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, 2010 are annexed.

ACHIEVEMENTS :

Your Company continues to enjoy "Star Export House" status from the Government of India and ISO 9001-2008 certification for quality. During the year under review, the Company has got the award of STAR PERFORMER FOR THE YEAR 2007-08 from EEPICINDIA (Eastern Region)

DEPOSITS :

The Company has not accepted any deposits so far.

DIRECTORS :

Pursuant to provisions of Section 256 of the Companies Act, 1956, Mr.Santosh Kumar Nanda, Mr. Sambit Kumar Mohanty and Dr. N.C.Pal retire by rotation at the ensuing Annual General meeting and, being eligible, offer themselves for reappointment.

Your Directors recommend their reappointment.

During the year under review, Mr. Niranjana Mohanty and Mr. B.N.R.Patnaik were appointed as an Additional Director of the Company with effect from 22.12.2009 and 29.01.2010 respectively by the Board of Directors. Further, Mr. Sandeep Daga, Mr. Saroj Kumar Ray and Mr. Sushil Kumar Nayak have resigned from the Board with effect from 06.10.2009, 22.12.2009 and 29.01.2010 respectively.

The Board is pleased to welcome Mr. Niranjana Mohanty and Mr. B.N.R.Patnaik, the newly appointed Non-Executive Independent Directors of the Company and placed on record its deep sense of appreciation for the invaluable contribution made by Mr. Sandeep Daga, Mr. Saroj Kumar

Ray and Mr. Sushil Kumar Nayak during their tenure as Non-Executive Independent Directors.

AUDITORS' OBSERVATION :

During the financial year 2009-2010 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.

AUDITORS AND AUDITORS' REPORT :

M/s A.K. Sabat & Co, Chartered Accountants, Bhubaneswar retires at the ensuing Annual General Meeting and has given their consent for re-appointment. The Company has received a certificate from them to the effect that appointment if made, would be within the, prescribed limits under Section 224(1B) of the Companies Act, 1956.

The Notes on Accounts referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

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, 2010, the applicable accounting standards read with requirements set out under 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 are pleased to recommend Dividend of 10% (@Re.1/-per share) which is subject to approval of shareholders in the ensuing 28th Annual General Meeting, which is stated in the notice of the Annual General Meeting.

The un-paid dividend for the Financial Year 2008-09 is Rs.1,94,497/- as on 31.03.2010. All the shareholders who have not received the dividend warrant/not yet en-cashed the same, are requested to apply to the Company or its Registrar and Share Transfer Agent i.e. M/s MCS Limited, 77/2A, Hazra Raad, 5th Floor, Kolkata - 700029.

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.

TRANSFER TO GENERAL RESERVE :

During the financial year ending on 31st March, 2010, an amount of Rs.50,00,000/- (Rupees Fifty Lakhs)only has been transferred to General Reserve in accordance with



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the provisions of Companies(Transfer of profits to Reserves) Rules,1975.

TECHNOLOGY ABSORPTION, ENERGY CONSERVATION, 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 cash flow statement (AS-3) issued by 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-O) attached in compliance of Accounting 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 2010-11 have been paid.

Voluntary Delisting from Bhubaneswar and Calcutta Stock Exchanges :

Permission is still awaited from Bhubaneswar and the Calcutta Stock Exchange with respect to the delisting application made by Company.

CORPORATE GOVERNANCE :

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 :

After expiry of ISO 9001:2000 accredited by NQA QSR, the company has been ISO 9001-2008 accredited by TUV SUD South Asia Private Limited with effect from 26.05.2010. The company successfully established and applies the quality systems. The quality management systems are applicable to "Design, Manufacture, Repair and sale of Power Transformers & Distribution Transformers".

INDUSTRIAL RELATIONS :

Your Company has had harmonious industrial relations throughout the year under review at all levels of the organization, and would endeavor to maintain this cordial relationship. Regular meetings were held with the recognized Union to discuss and resolve the various employees' related issues.

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 wish to express their grateful appreciation for the assistance and co-operation received from State Bank of India and Axis Bank Limited, Bhubaneswar.

Cordial relations prevailed during the year with the employees. Your Directors wish to place on record their deep sense of appreciation to employees at all levels for their hard work, dedication and commitment .The enthusiasm and unstinting efforts of the employees have enabled the Company to maintain in the industry in spite of increased competition.

Your Directors also wish to express their gratitude to investors for the continued faith reposed by them in the Company.

FOR AND ON BEHALF OF THE BOARD

PLACE: BHUBANESWAR **Sd/-**
DATE: 29th May, 2010 **DILLIP KUMAR DAS**
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 are forming part of the Report of the Board of Directors for the period ended 31st March, 2010 :

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.

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	2009-2010	2008-2009
Expenditure	436.13	943.46
Earning	225.35	1988.35

FOR AND ON BEHALF OF THE BOARD

PLACE: BHUBANESWAR **Sd/-**
DATE: 29th May, 2010 **DILLIP KUMAR DAS**
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 has indeed been an integral part of the way we have done business for several years. This emanates from our strong belief that strong governance is integral to creating value on a sustainable basis. It is a journey for constantly improving sustainable value creation and is an upward moving target. 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. 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, 2010 consists of twelve Directors, among which four are Executive Directors and eight are non-Executive Directors. The Chairman being Executive Director, at-least half of the Board should comprise of Independent Directors as per the Listing Agreement. 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	801218
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)	121940
4.	Mr.Santosh Kumar Patnaik	Whole-time Director	Executive and Non independent Director.	200
5.	Mr.Subhasish Das	Director	Non-executive and Non-independent Director.(Relative of Promoters)	40639
6.	Mr.Supratim Basu	Director	Non-Executive and Non-independent Director	-
7.	Mr. Santosh Kumar Nanda	Director	Non-Executive and Independent Director	-
8.	Dr. Nitai Chandra Pal	Director	Non-Executive and Independent Director	-
9.	Mr. Sambit Kumar Mohanty	Director	Non-Executive and Independent Director	-
10.	Mr. Niranjana Mohanty	Director	Non-Executive and Independent Director	-
11.	Mr. B.N.R.Patnaik.	Director	Non-Executive and Independent Director	-
12.	Mr.L.V.N Muralidhar	Director	Non-Executive and Independent Director	-



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Board's Definition of Independent Director:

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

- 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;
- 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;
- has not been an executive of the Company in the immediately preceding three financial years;
- 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;
- is not a supplier, service provider or customer of the Company. This should include lessor-lessee type relationships also; and
- 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.

Numbers & Dates of Board Meetings held during the year:

- During 2009-10, 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.	27th May,2009	12	10
2.	30th July,2009	12	9
3.	30th October,2009	12	8
4.	29th January,2010	12	6

- 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	4	Present	4
Mr. Deepak Kumar Das	4	4	Present	3
Mr.Santosh Kumar Patnaik	4	2	Present	1
Mr. S. K.Nanda	4	4	Present	2
Dr. N.C.Pal	4	4	Present	None
Mr. Sambit Mohanty	4	4	Absent	1
Mr.Debasis Das	4	1	Present	1
Mr. Niranjana Mohanty (1)	4	1	Absent	6

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Mr. L.V.N Muralidhar	4	2	Absent	9
Mr.Subhasish Das	4	3	Absent	3
Mr. Supratim Basu	4	2	Present	4
Mr. Sushil Kumar Nayak (2)	4	2	Present	N.A.
Mr. Sandeep Daga (3)	4	Nil	Absent	N.A.
Mr. B.N.R.Patnaik. (4)	4	Nil	Absent	None
Mr. Saroj Kumar Ray (5)	4	Nil	Present	N.A.

1. Mr. Niranjan Mohanty was appointed as an Additional Director on 22.12.2009.
2. Mr. Sushil Kumar Nayak was resigned on 29.01.2010.
3. Mr. Sandeep Daga was resigned on 06.10.2009.
4. Mr. B.N.R.Patnaik was appointed as an Additional Director on 29.01.2010.
5. Mr. Saroj Kumar Ray was appointed as an Additional Director on 30.10.2009 and resigned on 22.12.2009.

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 initiated 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 2009-10.

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. Supratim Basu	Member	Non-Independent and Non - executive Director

Attendance:

Sl. No.	Date of Meeting	Total Members	Attendance by Members
1.	26th May,2009	3	3
2.	29th July,2009	4	3
3.	30th October,2009	4	3
4.	29th January,2010	4	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.



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- 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) 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 has met one time on 16th May, 2009 during the year ended 31st March 2010 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-independent Director
Mr. Supratim Basu	Member	Non-Independent and Non- executive 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, 2010 are given below.

Name of Director	Remuneration for the year 2009 - 2010				
	Sitting Fees Rs	Salary Rs	Perquisites Rs	Commission Rs	Total Rs
Executive Directors:					
Mr. Dillip Kumar Das	Nil	1104000	356409	NIL	1460409
Mr. Deepak Kumar Das	Nil	600000	193039	NIL	793039
Mr. Debasis Das	Nil	600000	191495	NIL	791495
Mr. Santosh Kumar Patnaik.	Nil	600000	172000	NIL	772000
Non-Executive Directors					
Mr. S.K. Nanda	18000	Nil	Nil	Nil	18000
Dr. N.C. Pal	14000	Nil	Nil	Nil	14000
Mr. Sambit Mohanty	18000	Nil	Nil	Nil	18000
Mr. Sushil Kumar Nayak (Resigned)	4000	Nil	Nil	Nil	4000
Mr. Niranjan Mohanty (Newly appointed)	2000	Nil	Nil	Nil	2000

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, 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 11 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.	2
Mr. Deepak Kumar Das	Member	Promoter and Executive Director.	11
Mr. Debasis Das	Member	Relative of Promoter and Executive Director.	10
Mr. Sushil Kumar Nayak *	Ex-Chairman	Independent and Non-Executive Director.	9

* Mr. Sushil Kumar Nayak resigned on 29.01.2010.

The Company Secretary being the Compliance Officer of the Company is entrusted with responsibility to specifically look into the redressal 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	5	5	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
2006-07	Hotel "The Triumph Residency", Plot No.-5B, Sahid Nagar, Bhubaneswar-751007.	28.07.2007	Saturday	10.30 A.M	None
2007-08	Bhubaneswar-751001	25.07.2008	Friday	11.30 A.M.	One
2008-09	Bhubaneswar-751001	30.07.2009	Thursday	4.00 P.M.	One

Extra-Ordinary General Meeting:

Financial Year	Venue	Date	Day	Time	Special Resolution passed
2006-2007	Hotel "The New Marrion", 6, Janpath, Bhubaneswar-751001.	10.04.2006	Monday	12.30 P.M	Yes
2006-2007	Hotel "The New Marrion", 6, Janpath, Bhubaneswar-751001.	29.04.2006	Saturday	12.30 P.M	Yes

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. "O" 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), Mr. Debasis Das (Executive Director), Mr. Santosh Kumar Patnaik (Executive Director) of the company, shall retire and, if eligible, offer themselves for re-election at the ensuing Annual General Meeting. Accordingly, Mr. Santosh Kumar Nanda, Mr. Sambit Kumar Mohanty and Dr. N.C. Pal retire at the ensuing Annual General Meeting. The Board has recommended the appointment of above three 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 2009-2010 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 proforma are published in the following Newspapers.

- | | |
|---------------------------------|----------------------------------|
| a. Financial Express (English) | c. The Samaj (Regional language) |
| b. The Economic Times (English) | d. Khabara (Regional language) |

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 Twenty-eighth Annual General Meeting ("the AGM") of the company will be held on Friday, the 6th day of August of 2010 at 12.30 P.M. at Hotel " The New Marrison ", 6, Janpath, Bhubaneswar-751001".

9.2) Financial Calendar for the year 2010-11 :

The Company follows April to March as its financial year. The financial Calendar for the year 2010-11 (Provisional) as follows:

Sl.No.	Financial Calendar	Tentative Schedule
a)	Results for the first quarter ending 30th June'10.	By 14th August,2010
b)	Results for the second quarter ending 30th September'10.	By 14th November, 2010.
c)	Results for the third quarter ending 31st December,2010	By 14th February ,2011
d)	Results (Audited) for the financial year ending 31st March, 2011.	By 30th May, 2011.
e)	Annual General Meeting for the year ending 31st March,2011	By the end of September, 2011.

9.3) Dates of Book Closure:

The Register of Members and Share Transfer Books of the Company will remain closed from **Wednesday, the 28th July, 2010 to Friday the 6th August, 2010 (both days inclusive)** for purpose of Annual General Meeting and for declaration of Dividend.

9.4) Dividend Payment Date:

Dividend is to be paid within 30 days of declaration of dividend as per the provisions of the Companies Act, 1956. The Dividend for the Financial Year 2009-2010 shall be paid within 30 days after approval in the ensuing Annual General Meeting to be held on 6th August, 2010.

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.

Details of dividend paid in the last Five Years:

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

Dividend of 10% (i.e. Re.1/- per share) for the Financial Year 2008-09 was declared in the last Annual General Meeting held on 30th July, 2009 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 Limited, 77/2A, Hazra Road, 5th Floor, Kolkata-700029.

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 was declared on 30.07.2009. 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.



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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, Mumbai-400001, which has nationwide trading terminals. The Annual Listing fees for the year 2010-11 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 under review are as under :

Month	High(Rs.)	Low(Rs.)	Volume(Nos)
April, 2009	30.00	22.60	206425
May, 2009	40.70	23.00	246349
June, 2009	44.00	29.75	211251
July, 2009	35.00	27.25	129158
August, 2009	43.50	30.00	351077
September, 2009	42.45	31.00	312433
October, 2009	51.05	31.55	1792184
November, 2009	36.90	29.70	186504
December, 2009	45.00	32.70	366184
January, 2010	43.00	31.85	272641
February, 2010	38.00	31.70	70831
March, 2010	36.00	32.00	166996

9.8) CIN Number:

The Corporate identity Number ("CIN") of the company, as allotted by Ministry of Company Affairs is **U31102OR1982PLC001151**.

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 Limited.

77/2A, Hazra Road, 5th Floor, Calcutta-700029.

Phone: (033) 2476 -7350, 2454-1892/93

Fax: (033) 2454-1961/2474-7674.

9.10) Share transfer systems :

Transfers of Securities in physical form are registered and duly transferred share certificates are dispatched within 30 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 2010, 93.56 % percent 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 41.73% and non-promoters held 58.27 % of these Shares. The details of shares held in Physical and dematerialized form is given below :

Details of Shares	Position as on 31.03.2010	% of holding
NSDLACCOUNT	4296867	80.16
CDSLACCOUNT	718071	13.40
TOTAL DEMAT A/C	5014938	93.56
PHYSICAL HOLDING	345062	6.44
TOTAL SHARES	5360000	100.00

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9.12) Distribution of Shareholdings as on 31st March 2010 :

As of 31st March, 2010 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	3321	82.6325	571345	10.6594
501-1000	372	9.2560	306705	5.7221
1001-2000	162	4.0309	249350	4.6521
2001-3000	38	0.9455	98863	1.8445
3001-4000	26	0.6469	95563	1.7829
4001-5000	26	0.6469	118794	2.2163
5001-10000	35	0.8709	244632	4.5640
10001-50000	26	0.6469	580530	10.8308
50001-100000	7	0.1742	474999	8.8619
100001 & ABOVE	6	0.1493	2619219	48.8660
TOTAL	4019	100	5360000	100

9.13) Shareholding Pattern as on 31st March, 2010:

Category	No of Shares	% of Shares Capital
Indian Promoters	2131022	39.76
Private Corporate Bodies	375800	7.01
Indian Public	1954795	36.47
NRIs/OCBs	898383	16.76
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, 2010 :

Name of Shareholders	No of Shares held	% of Shareholding
Dillip Kumar Das	801218	14.9481
Strategic Ventures Fund (Mauritius) Ltd.	800000	14.9254
Galaxy Medicare limited	380056	7.0906
Industrial Designs & Services Limited	368535	6.8757
Oricon Industries Limited	167900	3.1325
Debasis Das	121940	2.2750
Vegunta Pradeep	90000	1.6791
Divyam Tie- Up Private Limited	80379	1.4996
Nand Kishore Mohta	78000	1.4552
Ventura Securities Limited	58574	1.0928
Dillip Kumar Das, HUF	57545	1.0736
Deepak Kumar Das	57000	1.0634
Geetishree Das	54325	1.0135

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) 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 dematerialisation of shares may please taken up with.

Mr. M.Chandrasekhar

Company Secretary,

Alfa Transformers Limited,

Plot No. 3337, Mancheswar Industrial Estate, Bhubaneswar-751010.

Phone No.0674-2580484/2581036, Fax No.0674-2580495



ALFA TRANSFORMERS LIMITED

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, 2010.

FOR AND ON BEHALF OF THE BOARD

**PLACE: BHUBANESWAR
DATE: 29th MAY, 2010**

**Sd/-
DILLIP KUMAR DAS
CHAIRMAN**

CEO AND CFO CERTIFICATION

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

- a) We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2010 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, 2010 are fraudulent, illegal or violative 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 : 29TH MAY, 2010**

**Sd/-
MANAGING DIRECTOR**

**Sd/-
DIRECTOR (FINANCE)**

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

Forward-Looking Statements :

Statements in this “Management’s Discussion and Analysis” describing the Company’s objective, projections, estimates and expectations may be “forward looking statements” within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company’s operations include global and Indian demand supply conditions, changes in the government regulations, tax regimes, economic developments within India and the countries within which the company conducts business and other factors such as litigation and labour relations.

Forward-looking statements are based on certain assumptions and expectations of future events. The company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company’s actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

Industry Structure and Developments :

The present economic and business scenario alongwith rapid technological innovation are creating an increasingly competitive market environment, which has changed the operations of Transformers Industries. Power is a significant input to the economy and plays a critical role for a sustained economy growth. The transformer is major and indispensable machinery/ equipment for generation, transmission and distribution of electricity in the country. We have a strong base over 500 transformer industries in India with an overall manufacturing capacity of 800,000 MVA per annum. The contribution towards domestic utilities is over 500,000 MVA, the rest are being exported to more

than 50 countries. Today our industries are fully geared-up with proven technology and with enough capacity to undertake manufacturing wide range of power and distribution transformers and other special transformers in the field of welding, instrumentation, traction, mining, furnaces etc. About 95% of the transformers installed in the Indian Power Network are of indigenous origin. Energy efficient transformers with low loss and low-noise level are also made to meet international requirement. Besides, the Transformer industry in India is well versed and matured enough into reliable suppliers of all types of transformers and can meet the country’s demand for transformers for all voltage levels including 800 KV. The growth of Transformer Industry mainly depends on progress of power generation Industry.

The power sector is growing at a reasonable pace and the reforms in the sector have started yielding results. In the international market transformers manufacturers are reportedly closing shop and relying more and more on imports from countries like India, which have the technological base, technical capability and economic advantage.

The power sector appears poised for a strong growth in the near future in the domestic market. The restructuring of State Electricity Boards, passage of Electricity Bill and a thrust on development of the Transmission and Distribution segment have created a strong platform for development of Indian Transformer Industry. Also the transformer Industry is uniquely positioned to leverage in global market.

Greater governmental focus on the power sector in the coming year should see a positive shift in growth of the company. It has worked hard in improving its strengths in the critical competitive environment. In the process, it has consolidated its presence in the market in India as well as overseas.



ALFA TRANSFORMERS LIMITED

Opportunities and Threats :

With the progressive and pragmatic policies of the Government of India, the transformer industries are on fast track for the past couple of years, having impressive growth rate of 15.73% during 2005-06 and a cumulative growth rate of 9% over the past 5 years. Of course, the continued high growth of power sector is vital for GDP. The transformer sector has almost double its installed capacity from 181,785 MVA in FY07 to 324,922 MVA in FY-10E. It has achieved 87% of targets laid out in the 11th 5-year plan and healthy replacement demand-translating into a volume growth of 4% in FY-10E.

The demand for smaller size of Distribution Transformers like 16KVA to 100KVA has grown in a very big way particularly due to thrust given by Central & State Governments for the rural electrification under AREP schemes. However transformers ranging from 250KVA to 630KVA have not registered up ward trend but maintained the normal growth. The transformers at UHV level shall assume priority due to upcoming National grid and interlinking of trunk lines for inter-transfer of bulk power from surplus to deficit states.

Company faces normal market competitions in all its business from Indian as well as international Companies. The rising input costs of major raw material like i.e CRGO, Copper and steel is the main threats for the business. Any adverse change in the government policy, abnormal fluctuation in the exchange rate are other threats for the company and which will have a impact on company's profitability. Past data shows that the fortunes of the transformer sector are closely linked with input costs i.e. copper, CRGO, steel and transformer oil. The input costs directly impact both revenues as well as operating performance. As in the past, the major portions of Company's sales were Export sales, any change in policies of the Government of the Countries wherein these Exports are made and the present global economic condition may affect the business of the Company. The impact of the present global economic condition has reflected in the financial position of current year.

Outlook :

In the present scenario of Transformer Industry (both India & abroad), the demand of AMDT Transformers are huge. Your Company has adopted the new technology of AMDT for manufacturing its Transformers of different capacities. As per the thrust and policy of Government of India to electrify all Villages by 2020, the demand of Energy Efficient Transformers is likely to grow exponentially in coming year. Some of the Electrical Utilities Companies in the Western India are regularly buying Energy Efficient Transformers i.e. AMTD Transformers. Recently,

Government of India has constituted an Organization named as "Bureau of Energy Efficiency" who have issued a mandate that all Distribution Transformers to be purchased shall be of minimum of '3-Star' Rating. Your Company has already received '5-Star' for 16 KVA and '4-Star' for 63 to 100 KVA from B.E.E. Keeping-in-view the huge demand of AMDT transformers in the Western India and other parts of the Country, your Company has set-up its new Plant at Vodadara, which will full-fill the same. We hope to get a good number of orders in the coming years.

Risks and Concerns :

Risk includes interest rates and credit availability risk, Exchange rates risk, Freight rates risk, manufacturing risk etc. Risk is intrinsic to any business and is an essential ingredient to growth. Efficient management of risk is vital for any business organization in order to achieve its business goal. The industry in which your Company is a part, risk management assumes even more significance. Hence optimal risk management strategies are indispensable part of your company's business.

Your company is exposed to foreign exchange risk due to imports of raw material mainly and export of finished goods. Hence the company's revenue and its profitability depend on Rupees Euro/Dollar convertibility factors. Government rules for duty (import duty on raw material & duty on export of finished products) also have greater impact on the business of the company. Apart from those other economic factors like subdued demand, political

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uncertainty, social upheavals and acts of God may affect the business of the company as also the industry at large.

Internal Control Systems and Their Adequacy :

The philosophy we have with regard to internal control systems and their adequacy has been formulation of effective systems and their strict implementation to ensure that assets and interest of the company are safeguarded; checks and balances are in place to determine the accuracy and reliability of accounting data.

The Internal Audit, an independent appraisal function to examine and evaluate the adequacy and effectiveness of the internal controls system, appraises periodically about activities and audit findings to the audit committee, statutory auditors and the top management.

The company has a well-established and comprehensive internal control structure to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition that transactions are authorized, recorded and reported correctly and that operations are conducted in an efficient and cost effective manner. The internal audit is carried out by an independent firm of Chartered Accountant to ensure adequacy of the internal control systems. The internal audit report is reviewed periodically by the Audit Committee to ensure that all policies and procedures are adhered to and all statutory obligations complied with.

The internal control system is supplemented by extensive internal audits, regular reviews by management and well-documented policies and guidelines to ensure reliability of financial and all other records to prepare financial statements and other data.

The Audit Committee of the board consisting of four members ,out of which three members are Independent and non-Executives directors. It investigates any matter relating to the internal control systems and reviews the Internal Audit. The Committee also reviews the quarterly and half- yearly financial report before they are submitted to the Board of Directors.

Financial Condition :

(Rs in Lakh)

	2009-2010	2008-2009
Share Capital		
Authorized:	1200.00	600.00
Issued, Subscribed & Paid-up	536.00	536.00
Reserve & Surplus:	1873.29	1879.86
Secured Loans	1676.95	1491.35
Un-Secured Loans	11.08	3.23
Fixed Assets	1851.26	1740.00
Investments:		
Long Term Investments	147.34	151.92
Current Assets	2856.39	2404.31
Current Liabilities & provisions	644.79	299.71

Results of operation:

The performance of the company for the Financial Year 2009-10 has been reviewed. The company could able to achieved total sales of Rs.2052.19 lakhs, which includes Export Sales of Rs.371.82 lakhs (including export consultancy) and Domestic Sales of Rs.1556.92 lakhs and income from operation Rs. 123.45 lakhs The profit before tax and profit after tax has been decreased to 77.59% and 78.48% respectively.

Human Resources:

Your Company always gives importance to its human resources. In order to enhance the skills, knowledge, efficiencies of employees, it continues to place great emphasis on imparting required training to all the employees of the Company. Every area of work is taken care of with standard operating procedures, checklists, inspection schedules, and other related studies. As on 31st March, 2010 the employee strength of your company is more than hundred. Employee Relations were cordial across all Plants and Offices of Alfa Transformers Limited during the year.

Conclusion :

The performance of the company is not satisfactory during this financial year in the challenging business environments. This is due to the impact of global economic meltdown and recession of 2008-09. The company is optimistic of improving its business in the coming year.



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, 2010, 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.

Bhubaneswar
Date : 29th May, 2010

For A. K. SABAT & CO.,
Chartered Accountants

Sd/-
(A.K. SABAT)
PARTNER
Membership No.030310
Firm Registration No.321012E (ICAI)

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AUDITOR'S REPORT

To
The Members of Alfa Transformers Limited

We have audited the attached Balance Sheet of ALFA TRANSFORMERS LIMITED as at 31st March, 2010, the Profit and Loss Account and also Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In accordance with provisions of Section 227 of the Companies Act, 1956, we report that :

1. As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in Paragraphs 4 & 5 of the said Order.
2. Further to our comments in the Annexure referred to above, we report that :
 - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, Profit and Loss Account and Cash Flow Statement dealt with by this report, are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report have been drawn in accordance with Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (e) on the basis of written representations received from the directors and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (f) Accounting Policy No.1 L of Schedule 14 and Note No.2 M Schedule 14 relating to impairment of assets are based on Management's estimate / evaluation, which we have relied upon; and
 - (g) in our opinion, and to the best of our information and according to the explanations given to us, the said accounts read together with Significant Accounting Policies and other notes appearing in Schedule 14 forming part of the 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 31st March, 2010;
 - (ii) in the case of the Profit and Loss Account, of the Profit 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.

For A. K. SABAT & CO.,
Chartered Accountants

Sd/-
(A.K. SABAT)
PARTNER

Bhubaneswar
Date : 29th May, 2010

Membership No.030310
Firm Registration No.321012E (ICAI)



**ANNEXURE TO THE AUDITOR'S REPORT
REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE**

- (i) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) The Company has a policy of carrying out full physical verification of all assets once in three years. Fixed Assets have been physically verified by the Management during the year in line with the above policy & no material discrepancies between the book records and the physical balance have been noticed in respect of the items physically verified.
 - (c) Substantial parts of fixed assets have not been disposed off during the year.
- (ii) In respect of its inventories:
 - (a) The stock of inventories have been physically verified by the Management at reasonable intervals.
 - (b) In our opinion, the procedures followed by the Management for physical verification of stocks are reasonable and adequate in relation to the size of the Company and nature of its business.
 - (c) The Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of stocks as compared to the book records were not material and have been properly dealt in the books of account.
- (iii) The Company has neither granted nor taken any loan, secured or unsecured to / from Companies, Firm 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 (b) to (g) of this clause are not applicable.
- (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 also for the sale of goods and services business. During the course of our audit, we have not observed any major weaknesses in internal controls.
- (v)
 - (a) According to the information and explanations given to us, 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.
 - (b) 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.
- (vi) The Company has not accepted deposits from the public and as such, the provisions of 58A, 58 AA or any other relevant provisions of the Companies Act, 1956 and rules framed there under have no application to the Company.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- (viii) 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.
- (ix)
 - (a) The Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Fringe Benefit Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess, Service Tax and other statutory dues with the appropriate authorities as per applicability of relevant laws.

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(b) Details of disputed statutory dues of Sales tax / Income Tax / Customs Duty / Wealth Tax / Excise Duty / Cess / ESI are as follows :

Name of the Statute	Period	Dispute (in brief)	Disputed Amount Rs.	Forum where dispute is pending
Central Excise and Salt Act,1944	2002-03	Disallowance of CENVAT on	1,06,711	Commissioner (Appeals)
Income Tax Act,1961	1994-95	Deduction U/S 80 I disallowed in assessment	2,77,227	High Court of Orissa
Income Tax Act,1961	1995-96	Deduction U/S 80 I disallowed in assessment	2,71,209	High Court of Orissa
Income Tax Act,1961	2005-06	Unutilized CENVAT Credit, Loss on discarded assets and Deposits/ advances written off.	11,85,069	1st Appeal filed before CIT(A)II Bhubaneswar. Order received on 26-12-09 and 2nd appeal filed on 02-02-10.
Income Tax Act,1961	2006-07	Disallowance of Cenvat Credit on closing stocks, Deposit/ advances written off, loss on discarded assets and deemed dividend u/s 2(22) (e) and charged Interest thereon.	31,73,355	1st Appeal filed before CIT(A) II Bhubaneswar on 22-01-10
Employee' State Insurance Act, 1948	1999-00	Contribution towards omitted wages	21,320	District Judge Court-cum-ESI Court, Khurda, BBSR
Central Sales Tax,1956	1989-90	Disallowance of CST exemption	2,51,039	High Court of Orissa
Central Sales Tax,1956	1990-91	Disallowance of CST exemption	1,08,000	Addl. Commissioner of Sales Tax
Central Sales Tax,1956	1991-92	Disallowance of CST exemption	15,50,740	Sales Tax Tribunal
Central Sales Tax,1956	2000-01	Surcharge on Central Sales Tax	71,399	Asst. Commissioner of Sales Tax
Central Sales Tax,1956	2002-03	For D Form Transaction	31,837	Asst. Commissioner of Sales Tax.
The Orissa Sales Tax Act, 1947	1996-97	Disallowance of Price Variation Bill	73,008	Sales Tax Tribunal
The Orissa Sales Tax Act, 1947	2001-02	Wanting Form IV & XXXIV	1,29,736	Assistant Commissioner of Sales Tax
The Orissa Sales Tax Act, 1947	2002-03	Wanting Form IV & XXXIV	2,66,710	Assistant Commissioner of Sales Tax
The Orissa Sales Tax Act, 1947	2003-04	Wanting Form IV & XXXIV	6,62,384	Assistant Commissioner of Sales Tax
Central Sales Tax,1956	2005-06	C Form Wanting from Shivashakti	38,850	Assistant Commissioner of Sales Tax
The Orissa Entry Tax Act, 1999	2001-02	Demand on Purchase of Raw Materials	54,539	Assistant Commissioner of Sales Tax
The Orissa Entry Tax Act, 1999	2002-03	Demand on Purchase of Raw Materials	1,16,787	Assistant Commissioner of Sales Tax
The Orissa Entry Tax Act, 1999	2004-05	Demand on Purchase of Raw Materials	2,77,791	Assistant Commissioner of Sales Tax



ALFA TRANSFORMERS LIMITED

- (x) The Company has no accumulated losses at the end of the financial year ending 31st March, 2010 and the Company has not incurred cash losses during the financial year covered by our audit or in the immediately preceding financial year.
- (xi) 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.
- (xii) 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.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, clause 4 (xiii) of the Order is not applicable to the Company.
- (xiv) The Company has not dealt or traded in shares, securities, debentures and other investments during the year except investing surplus funds in units of certain mutual funds. However, it has maintained proper records in respect of shares/units of mutual funds held in the name of the Company.
- (xv) The Company has not given any guarantee for loans taken by others from Banks or Financial Institutions.
- (xvi) In our opinion and according to the explanations given to us, the term loan taken by the Company has been applied for the purpose for which it was raised.
- (xvii) 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.
- (xviii) During the year the Company has not made any preferential allotment of shares.
- (xix) No debentures have been issued by the Company and hence commenting on creation of security or charges does not arise.
- (xx) The Company has not raised any money by way of public issue during the year.
- (xxi) During the course of our examination of books of account carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company nor have we been informed of such case by the Management.

For A.K. SABAT & CO.,
Chartered Accountants

Sd/-

(A.K. SABAT)

PARTNER

BhubaneswarBhubaneswar

Date : 29th May, 2010

Membership No.030310

Firm Registration No.321012E (ICAI)

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BALANCE SHEET AS AT 31ST MARCH, 2010

Figures in Rupees

	Schedule Number	As at 31st March 2010		As at 31st March 2009	
SOURCES OF FUNDS :					
1. SHAREHOLDERS' FUNDS					
Share Capital	1	53600000		53600000	
Reserves & Surplus	2	187328756		187985820	
			240928756		241585820
2. LOAN FUNDS					
Secured Loans	3	167694867		149135362	
Unsecured Loans	4	1108063		323081	
			168802930		149458443
3. Deferred Tax Liability (Net)			11289383		8608036
(Ref. Note L of Sch-14)					
TOTAL			421021069		399652299
APPLICATION OF FUNDS :					
4. FIXED ASSETS					
Gross Block	5	233876265		217859050	
Less: Depreciation		54710216		45734871	
Net Block		179166049		172124179	
Capital Work-in-progress		5960195		1875933	
			185126244		174000112
5. INVESTMENTS :	6		14734398		15192000
6. CURRENT ASSETS, LOANS & ADVANCES:					
Inventories	7	121775407		110310716	
Sundry Debtors		115395693		69607528	
Cash & Bank Balances		18723531		26023478	
Loans and Advances		29744796		34489381	
		285639427		240431103	
Less : CURRENT LIABILITIES & PROVISIONS					
Current Liabilities	8	57945771		22701840	
Provisions		6533229		7269076	
		64479000		29970916	
Net Current Assets			221160427		210460187
TOTAL			421021069		399652299

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS 14
 ADDITIONAL INFORMATION 15

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

A. K. SABAT
 PARTNER
 Membership No. 30310

DILLIP KUMAR DAS
 DEEPAK KUMAR DAS

MANAGING DIRECTOR
 DIRECTOR

BHUBANESWAR
 DATED : 29th MAY 2010

M.CHANDRASEKHAR

COMPANY SECRETARY


ALFA TRANSFORMERS LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

Figures in Rupees

I INCOME	Schedule Number	For the Year ended 31-03-2010		For the Year ended 31-03-2009	
Sales & Services	9	209338615		315055102	
Less: Excise Duty		16464378		13801972	
			192874237		301253130
Other Operating Income	9		12345034		29147473
Other Income	9		9991542		5704090
TOTAL I			215210813		336104693
II EXPENDITURE					
(Accretion)/Depletion of Stocks	10		(6187334)		(3935081)
Operating and Other Expenses	11		183401914		262865456
Interest and Finance Charges	12		18514049		21043228
Depreciation	5	8975345		6847911	
		1198048		1217089	
			7777297		5630822
TOTAL II			203505926		285604425
III PROFIT FOR THE YEAR (I-II)			11704887		50500268
Add: Prior Year Adjustments(Net)	13		55574		1987830
IV PROFIT BEFORE TAXATION			11760461		52488098
Provision for Taxation					
— Current Tax			(1393069)		(13943855)
— Deferred Tax (Net)			(2681347)		(2354840)
— Fringe Benefit Tax			—		(302539)
— Income Tax of Earlier Years			(109832)		(680473)
V PROFIT AFTER TAXATION			7576213		35206390
Add:Balance of Profit brought forward			19202301		20266843
Balance available for appropriation			26778514		55473233
Transfer to General Reserve			5000000		30000000
Proposed Dividend			5360000		5360000
Tax on Proposed Dividend			890229		910932
VI Balance Profit carried to Balance Sheet			15528285		19202301
VII Earnings Per Share (Rs) Basic			1.41		6.57
(Face value of Rs. 10/- each)					

 SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS 14
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 DIRECTOR

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 DATED : 29th MAY 2010

M.CHANDRASEKHAR

COMPANY SECRETARY

Annual Report 2010

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE 1

SHARE CAPITAL	As at 31-03-2010 Rupees	As at 31-03-2009 Rupees
Authorised : 1,20,00,000 (Previous Year - 60,00,000) Equity Shares of Rs.10/- each.	120000000	60000000
Issued , Subscribed & Paid-up : 53,60,000 (Previous year 53,60,000) Equity Shares of Rs.10/- each fully paid up Out of the above shares: (i) 9,04,530 shares are issued as fully paid up Bonus Shares by capitalisation of general reserve. (ii) 2,60,000 Shares of Rs. 10/- each are allotted as fully paid up pursuant to a contract for consideration other than cash	53600000	53600000
	53600000	53600000

SCHEDULE 2

RESERVES AND SURPLUS :				
Share Premium Account - Opening Balance		98370000		98370000
Capital Reserve :				
State Investment Subsidy		991700		991700
General Reserve: Opening Balance	55000000 5000000		25000000 30000000	
Revaluation Reserve: On Revaluation of Fixed Assets	14421819	60000000	15638908	55000000
Less: Reversal on Sale of Land	785000 1198048		- 1217089	
		12438771		14421819
Profit & Loss Account Balance		15528285		19202301
	Total	187328756		187985820

**SCHEDULES FORMING PART OF THE BALANCE SHEET****SCHEDULE 3**

SECURED LOANS :	As at 31-03-2010 Rupees	As at 31-03-2009 Rupees
Term Loan from State Bank of India	32715080	41476660
Term Loan from Axis Bank Ltd	20908734	10074795
Cash Credit from State Bank of India	94858005	84798141
E.P.C from State Bank of India	11819821	12785766
Cash Credit from Axis Bank Ltd.	7393227	—
TOTAL	167694867	149135362

NOTES:

1. The Cash Credit, Export Packing Credit(E.P.C) & Term Loan availed from State Bank of India are secured by :
 - i) Hypothecation of Raw Materials, Stock-in-Progress, Finished Goods, Consumables, Book Debts and other Liquid Assets of Unit-1 and Unit-2 situated at Bhubaneswar.
 - ii) First Charge over Land and Building, Plant & Machinery of factory at Unit-1 and Unit-2 situated at Bhubaneswar.
 - iii) Equitable mortgage of Company's Properties at Plot No. 445, Kalinga Vihar, Bhubaneswar and Flat No. A/7, Lord Gunjan Palace, Bhubaneswar.
2. The Cash Credit & Term Loan facilities from Axis Bank Limited are secured by :
 - i) Hypothecation of Raw Materials, Stock-in-Progress, Finished Goods, Consumables, Book Debts and other Liquid Assets at Unit-4, Vadodara.
 - ii) First Charge over Land and Building, Plant & Machinery of the Unit-4, Vadodara.

SCHEDULE 4

UNSECURED LOAN	As at 31-03-2010 Rupees	As at 31-03-2009 Rupees
ICICI BANK Vehicle loan	—	106183
Kotak Mahindra Bank Vehicle Loan	115441	216898
Axis Bank Ltd- Vehicle Loan	992622	—
TOTAL	1108063	323081

SCHEDULES FORMING PART OF THE BALANCE SHEET

**SCHEDULE - 5
FIXED ASSETS**

(Figures in Rupees)

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
Land	27823933	244600	1152956	26915577	—	—	—	—	26915577	27823933
Office Building	6897268	52748		6950016	558147	215725		773872	6176144	6339121
Factory Shed	45355125	1213473		46568598	12106048	1757614		13863662	32704936	33249077
Main Plant & Machinery	100949892	12151720		113101612	19168911	4999236		24168147	88933465	81780981
Testing Equipments	7004246	805247		7809493	3079772	356269		3436041	4373452	3924474
Material Handling Equipments	13341259	3263		13344522	4748974	437206		5186180	8158342	8592285
Electrical Installations	7635010	148363		7783373	2173562	341254		2514816	5268557	5461448
Energy saving Devices	200000			200000	177536	12462		189998	10002	22464
Auxiliary Equipments	1180236			1180236	991546	21593		1013139	167097	188690
Office Equipments	1272962	212217		1485179	813517	66433		879950	605229	459445
Computers	1747830	127436		1875266	771627	252544		1024171	851095	976203
Furniture & Fixture	801365	431179		1232544	540385	31770		572155	660389	260980
Vehicle	3556317	1777245		5333562	599966	471666		1071632	4261930	2956351
Motor-Cycle & Cycle	93607	2680		96287	4880	11573		16453	79834	88727
TOTAL- CURRENT YEAR	217859050	17170171	1152956	233876265	45734871	8975345	—	54710216	179166049	172124179
Previous year	170057190	49774996	1973136	217859050	39261647	6847911	374687	45734871	172124179	
Capital Work-in-Progress (including advance payment)	1875933	17347967	13263705	5960195					5960195	1875933



ALFA TRANSFORMERS LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE 6

INVESTMENTS (At cost)	As at 31-03-2010 Rupees		As at 31-03-2009 Rupees	
	(A) Long Term Investments :(Unquoted)			
a) 15,000 Equity Shares of Rs.10/- each in Talaja Conductors Pvt. Ltd. Less: Written off / Provision for permanent diminution of value	150000 135000	15000	150000 135000	15000
b) Shares in Subsidiary Companies-Unquoted 1,24,200 Equity Shares of Rs. 10/- each (Previous Year-1,15,000) in Phoneix Surgicare Pvt. Limited.		1267000		1175000
c) Shares in Other Company-Unquoted 5000 Equity Shares of Rs.10/- each with a premium of Rs.3/- each in Utkal Infrastructure Consortium (P) Ltd		65000		-
d) National Savings Certificates (*)		2000		2000
(e) Bonds		5000000		-
Capital Gain Bonds (500 Units of Rs.10000/- each)				
(B) Current Investment :				
i) Birla Mid Cap Fund (27824.151 Units of Rs. 35.940 each) (27886.224 Units of Rs. 35.860 each) (98015.192 Units of Rs. 40.810 each) Birla Mid Cap Fund-Growth (7192.966 Units of Rs.100.130 each) (6334.601 Units of Rs.100.130 each) (6334.601 Units of Rs.100.130 each) (7209.013 Units of Rs.100.130 each)	- 720232 634284 634284 721839		1000000 1000000 4000000	
ii) Birla Sunlife Equity Fund (11217.050 Units of Rs. 89.150 each) Birla Sunlife Frontline Equity Fund-Growth (8243.873 Units of Rs. 76.940 each) (8243.873 Units of Rs. 76.940 each) Birla Sunlife Dividend Yield Plus- Growth (11914.383 Units of Rs. 67.870 each)	- 634284 634284 808629		1000000	
iii) DSP Merrill Lynch India Tiger Fund (23119.096 Units of Rs. 30.278 each) DSP Blackrock Equity Fund-Growth (13871.847 Units of Rs. 13.973 each)	- 193831		700000	
iv) Sundaram BNP Paribas CAPEX Opportunities Fund (24743.390 Units of Rs. 24.249 each) Sundaram BNP Financial Services Opp. Fund (11135.977 Units of Rs. 15.755 each)	- 175447		600000	
v) Tata Infrastructure Fund (22063.992 Units of Rs. 31.726 each) (31892.331 Units of Rs. 31.356 each) Tata Equity P/E Fund-Growth (8711.377 Units of Rs. 42.1199 each)	- - 366922		700000 1000000	
vi) ICICI Prudential Infrastructure Fund (87032.202 Units of Rs. 22.980 each) ICICI Prudential Discovery Fund-Growth (6192.246 Units of Rs. 37.66 each) ICICI Prudential Dynamic Fund-Growth (3149.2 Units of Rs. 87.069 each)	- 233200 274198		2000000	
vii) Reliance Diversified Power Sector Fund (18871.806 Units of Rs. 52.989 each) Reliance Diversified Power Sector Fund-Growth (11706.315 Units of Rs. 75.7159 each)	- 886354		1000000	
viii) SBI Magnum Balance Fund-Growth (31500.544 Units of Rs. 46.59 each)	1467610			
ix) JM Basic Fund (33052.497 Units of Rs. 30.255 each)	-	8385398	1000000	14000000
TOTAL		14734398		15192000
		8871293		4839731

(*) Lodged with Sales Tax authorities as securities.

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SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE 7

CURRENT ASSETS, LOANS & ADVANCES :	As at 31-03-2010 Rupees		As at 31-03-2009 Rupees	
A. CURRENT ASSETS				
INVENTORIES :#				
Indigenous Raw materials & Components		33715617		16045686
Imported Raw materials & Components		42004007		58308484
Semi-finished goods		30674933		14065730
Finished goods		6400913		16822782
Raw-Materials in Transit		8912695		5000792
Discarded Assets		67242		67242
		121775407		110310716
SUNDRY DEBTORS				
Unsecured - Considered Good	45487		6039306	
- Considered Doubtful	307515		1849286	
	353002		7888592	
Less: Provision for Doubtful Debts	307515		1849286	
Other Debts		45487		6039306
		115350206		63568222
		115395693		69607528
CASH AND BANK BALANCES :				
Cash in hand		58548		358666
Balance with Scheduled Banks :				
In Current Accounts	600021		1582923	
In Unpaid Dividend Account	194497	794518	-	1582923
In Fixed Deposit Accounts (*)		17870465		24081889
		18723531		26023478
		255894631		205941722

(*) Lodged with State Bank of India as margin money deposit against Guarantees and Letter of Credit.



ALFA TRANSFORMERS LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET CONTD....SCHEDULE-7

B. LOANS AND ADVANCES : (Unsecured , considered good unless otherwise stated)	As at 31-03-2010 Rupees	As at 31-03-2009 Rupees
Interest Accrued on Term Deposits	2603862	1805979
(#) Advances recoverable in Cash or kind or value to be received.	3532022	6097326
Prepaid expenses	406290	522335
Export Benefit Receivable	82758	2856714
Advance Income tax/ refundable (Net of Provisions)	2191234	814172
Earnest Money and Security Deposits	3038720	1678600
Deposits with Excise & Customs Authority	39889	41015
Claims Recoverable from Excise Authority	15438152	18074807
Deposit with Sales Tax Authority	2411869	2598433
	29744796	34489381
	285639427	240431103
# Includes due from :		
(i) Companies in which directors are interested Maximum amount outstanding at any time during the year	368125 1260217	777043 981713
(ii) Directors Maximum amount outstanding at any time during the year (for expenses)	Nil Nil	Nil 91944

SCHEDULE 8

	As at 31-03-2010 Rupees	As at 31-03-2009 Rupees
CURRENT LIABILITIES AND PROVISIONS :		
Current Liabilities :		
Sundry Creditors	45812049	13932323
Advance from Customers	7332442	2325673
Other liabilities	4606783	6443844
Unpaid Dividend	194497	–
	57945771	22701840
Provisions :		
Provision for taxation (Net of Advances)	–	775816
Provision for Fringe Benefit Tax(Net)	–	78274
Provision for Leave Encashment	283000	144054
Proposed Dividend	5360000	5360000
Tax on Proposed Dividend	890229	910932
	6533229	7269076
TOTAL	64479000	29970916

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SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

SCHEDULE 9

SALES & OTHER INCOME	For the Year ended 31-03-2010 Rupees	For the Year ended 31-03-2009 Rupees
(A) SALES & SERVICES		
S a l e s (Domestic)	165307341	129372210
S a l e s (Export)	10252634	155937290
Project Export/ Consultancy Services	26929670	26362751
Repairing / Service Charges	6848970	3382851
	209338615	315055102
Less: Excise Duty	16464378	13801972
	192874237	301253130
(B) OTHER OPERATING INCOME:		
Export Incentives Received	5472754	16080522
Exchange Variation Gain	2349733	9618905
Other Interest Received (Gross) (Tax Deducted at Source Rs.1880/- (Previous Year-NIL)	1352527	807926
Miscellaneous Receipt	104261	81234
Insurance Claim Received	49746	563603
Discount received	110686	91963
Provision for Doubtful Debt Written Back	1722571	-
Balance Written back	1182756	1903320
	12345034	29147473
(C) OTHER INCOME :		
Interest received on deposits(Gross) (Tax Deducted at Source Rs.2,08,319 (Previous Year-3,54,178/-)	2238234	1598062
Dividend Received	1021264	504051
Profit on Sale of Assets	6732044	3601977
	9991542	5704090
	215210813	336104693



SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT
SCHEDULE 10

	For the Year ended 31-03-2010 Rupees	For the Year ended 31-03-2009 Rupees
(ACCRETION)/ DEPLETION OF STOCKS		
CLOSING STOCKS		
Finished goods	6400913	16822782
Work-in-Progress	30674933	14065730
	37075846	30888512
Less : OPENING STOCKS :		
Finished goods	16822782	9849689
Work-in-Progress	14065730	17103742
	30888512	26953431
(Accretion)/ Depletion	(6187334)	(3935081)

SCHEDULE 11

OPERATING EXPENSES	For the Year ended 31-03-2010 Rupees		For the Year ended 31-03-2009 Rupees	
a) RAW MATERIALS CONSUMED				
Indigenous : -				
— Opening Stock	16045686		12242346	
— Purchases	88992691		93858812	
	105038377		106101158	
— Closing Stock	33715617		16045686	
		71322760		90055472
Imported: -				
— Opening Stock	58308484		44197123	
— Purchases	40947237		114857280	
	99255721		159054403	
— Closing Stock	42004007		58308484	
		57251714		100745919
Total (a)		128574474		190801391
b) MANUFACTURING EXPENSES :				
Job Work Expenses		8417471		6478120
Power & Fuel		3545480		2362679
Testing Expenses		678397		47023
Excise Duty on Stock/other adjustments		562825		(757382)
Research & Development Expenses		218330		1133240
Total (b)		13422503		9263680

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	For the Year ended 31-03-2010 Rupees	For the Year ended 31-03-2009 Rupees
c) EMPLOYEE COST :		
Salaries ,Wages & Bonus	7725914	7392787
Directors' Salaries & Perquisites	3539463	4586743
Employer's contribution to Provident Fund	846750	596644
Employer's contribution to E.S.I.C.	207440	237783
Contribution to Group Gratuity Insurance	312086	336432
Workmen and staff welfare expenses	141190	92522
Total (c)	12772843	13242910
d) REPAIRS & MAINTENANCE		
— Plant & Machinery	1140633	1024405
— Buildings	383446	331795
— Vehicles	727938	513255
— Other Assets	144535	354539
Total (d)	2396552	2223994
e) ADMINISTRATIVE EXPENSES		
Travelling and Conveyance	2872964	2872342
Printing and Stationery	216367	264544
Insurance charges	715224	588668
Advertisement expenses	279474	834842
Postage,Telegram,Telephone	605568	559045
Auditors' Remuneration (Excluding Service Tax)	130000	90000
General Expenses	283377	215943
Fees and subscription	696757	487375
Legal and Professional expenses	737868	1173164
Books and periodicals	25278	34968
Security service charges	805457	615563
Meeting Expenses	82957	110392
Advances Written off	120289	201436
Registrar's fees	90551	15000
Rent Paid	660000	807000
Loss on Sale/discarded assets	-	311182
Loss on Sale of Investment (Mutual Funds)	5416989	-
Exchange Variation Loss	3319271	9344920
Total (e)	17058391	18526384
f) SELLING EXPENSES		
Selling Expenses	2779706	680060
Sales Commission	72338	241942
Carriage Outward	3195381	8904181
Sales Tax	69359	319885
Project Export Expenses	3060366	9664370
Bad Debts Written Off	-	6989739
Provision for Doubtful Debts	-	1849286
Liquidated Damages	-	157634
Total (f)	9177150	28807097
Total (a+b+c+d+e+f)	183401914	262865456

**ALFA TRANSFORMERS LIMITED****SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT****SCHEDULE 12**

INTEREST & FINANCE CHARGES	For the Year ended 31-03-2010 Rupees	For the Year ended 31-03-2009 Rupees
Interest on Term Loans	6155192	5424998
Interest on Cash Credit	8023062	5412211
Interest on Export Credit	727146	3004081
Interest on Usance bills & Others	497002	3256041
ECGC Premium	–	532183
Bank Charges	3111647	3413714
	18514049	21043228

SCHEDULE 13

PRIOR YEAR ADJUSTMENTS	For the Year ended 31-03-2010 Rupees	For the Year ended 31-03-2009 Rupees
Expenses (Short) /Excess accounted in earlier years(Net)	(19820)	(547549)
Income Short /(Excess) accounted in earlier years(Net)	75394	2535379
INCOME/ (EXPENSES)	55574	1987830

SCHEDULE – 14

NOTES FORMING PART OF THE ACCOUNTS: ACCOUNTING POLICIES & NOTES ON ACCOUNTS.

(Annexed to and forming part of the Accounts for the year ended 31st March 2010)

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES.

A. 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) Sales figure disclosed in the Profit and Loss Account is inclusive of excise duty.
- (iv) Revenue recognition in respect of price escalation is carried out in the year of settlement of claims / bills.
- (v) Dividend income from investment is accounted, when the right to receive is established.
- (vi) Duty draw back and other benefits receivable on eligible export of goods manufactured are shown under "Other Income" as per rates applicable thereon.

B. 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. C (ii).
- (iii) Discarded fixed assets are de-capitalized and included under inventories at 5% of value of assets being estimated realizable value.
- (iv) Advance paid towards the acquisition of fixed assets outstanding as of each date balance sheet date and the cost of fixed assets not ready for use before such date are disclosed under capital work-in-progress.

C. 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 values 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.

D. 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.

E. 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.

F. INVENTORIES

- (i) Stock of Raw Materials, Components and stores are valued at lower of cost and net realizable value. Cost is arrived at on FIFO Basis, excluding CENVAT paid on purchases.
- (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.

G. 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.

H. 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.



ALFA TRANSFORMERS LIMITED

I. 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
a) 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.
b) Provision for leave encashment benefit is done on the basis of actuarial valuation.

J. LIQUIDATED DAMAGES

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

K. 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.

L. IMPAIRMENT OF ASSETS

- (a) The Company has one product which is manufactured in and sold from its factories located at Bhubaneswar and Vadodara and accordingly entire Company is treated as Cash Generation Unit for carrying out Impairment Test.
- (b) Estimated future net inflows are made on the basis of estimated growth in volumes considering the expected growth of power industry based on current trends and the rise in input and other costs on past experiences.

M. 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.

2. NOTES ON ACCOUNTS:

Contingent Liabilities not provided for:

Rs. In Lakhs

PARTICULARS	As at 31.03.2010	As at 31.03.2009
- Un expired Letters of Credit	295.91	158.96
- Counter Guarantees for Bank Guarantees issued	235.10	116.99
- Claims against the Company not acknowledged as Debt.		
(i) Income Tax	43.58	20.40
(ii) Sales Tax (*)	31.84	32.25
(iii) Entry Tax (#)	4.49	4.49
(iv) Excise	1.06	1.06
(v) ESI	0.21	0.21
Total	612.19	334.36

(*) Advance against the demands of Rs.21.13 lakhs has been paid under protest which is shown under (Loans and Advances).

(#) Advance against the demands of Rs.2.30 lakhs has been paid under protest which is shown under (Loans and Advances).

B) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs 8,12,036/- (net of advances) [Previous year- Rs 87,50,786/-]

C) Capital Work in Progress of Rs. 59,60,195/- (Previous Year- Rs. 18,75,933/-) disclosed under Schedule - 5. includes Rs.1,11,059/- (Previous Year- Rs. 1,21,226/-) 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.

D) The Company had revalued its Land - Leasehold and freehold Buildings, Plant & Machinery, Testing Equipments, Material handling equipments, Electrical Installations, Computers, Office equipment, Vehicle, Furniture & Fixtures as on 31.10.1999. The increase on revaluation has been transferred to Fixed Assets Revaluation Reserve. The decrease in revaluation has been charged off to profit and loss account.

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E) The Company has transferred Rs. 3,68,43,045/- to Revaluation Reserve (Shown under Reserves & Surplus) on revaluation of Fixed Assets and transferred the additional charge of depreciation on revalued assets amounting to Rs. 11,98,048/- (Previous Year - Rs. 12,12,089/-) from Revaluation Reserve to Profit and Loss Account [Read with Accounting Policy 1 (c) (vi)].

F) Directors' Remuneration:

a) Break up :

Rs. In Lakhs

PARTICULARS	Current Year	Previous Year
- Salary of Managing Director	11.04	5.40
- Salary of Whole time Directors	18.00	7.42
- Commission	-	25.31
- Contribution to Provident and other fund	7.82	1.74
- Other Perquisites	2.01	7.74
Total	38.87	47.61

Note : The above figures do not include contribution to gratuity fund for one whole time Director, since the same is provided on an actuarial basis for the Company as a whole, whereas Gratuity for Managing Director and one whole time director provided during the year as per Payment of Gratuity Act 1972 are included (not being part of actuarial valuation).

b) Manner of Computation of Net Profit:

Computation of Net Profit in accordance with Section 198 (1) of the Companies Act' 1956.

Rs. In Lakhs

PARTICULARS	Current Year	Previous Year
Profit / (Loss) before Taxation	117.60	524.88
Add: Depreciation as per SLM debited to Profit and Loss Account	77.77	56.31
Add: Loss on sale of Assets	-	3.11
Add: Loss on sale of Investments	54.17	-
Add: Provision for Doubtful Debts	-	18.49
Add: Directors' Remuneration	38.87	22.30
Add: Directors' Commission	-	25.31
	288.41	650.40
Less: Depreciation as per Sec-350	77.77	56.31
Less: Profit on Sale of Assets	67.32	36.02
Less: Doubtful Debts Written Back	27.23	-
Net Profit u/s 349 of the Companies Act, 1956	126.09	558.07
(i) to the Chairman and Managing Director @ 3% (Previous year - @2%) of said Net Profit*	-	10.65
(ii) to the two Whole time Directors @ 1.5% (Previous year 1%) of said Net Profit *	-	10.65
(iii) to the one whole time Directors @ 1.5% (previous year - 0.75%)of said Net Profit *	-	4.01
*Commission NIL for the year due to inadequacy profits. Only minimum remuneration payable as per approval within ceiling provided by Law.		

G) Auditors' Remuneration including Service Tax :

PARTICULARS	Current Year (Rs)	Previous Year (Rs)
As Auditor		
— Audit Fees	60,000	50,000
— Tax Audit Fees	20,000	20,000
— In other capacity-Certification charges	50,000	20,000
	1,30,000	90,000
— Service Tax	13,390	9,579
	1,43,390	99,579

H) Sundry Debtors, 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.

I) Under the Micro, Small and Medium Enterprises Development Act, 2006, which came into force on October 2, 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. The Company is in the process of compiling relevant information from its suppliers about their coverage under the Act. which have been relied upon by the Auditors.



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J) As required by Accounting Standard 20 issued by the Institute of Chartered Accountants of India, the reporting in respect of Earnings per Share (EPS) is as follows:

Particulars		Current Year	Previous Year
Profit available to Equity Share holders	Rs.	75,76,213	3,52,06,390
Weighted Average no. of equity share for Basic EPS	Nos	53,60,000	53,60,000
Normal Value of Equity Shares	Rs.	10.00	10.00
Basic earning per Equity Share	Rs.	1.41	6.57

K) In view of taxable income being less than the Book Profit as calculated under section 115JB of Income Tax Act, 1961, the Company is liable to pay Minimum Alternate Tax (on Book Profit) amounting to Rs. 13,93,069/- which has been provided for. The Company has not recognized the same as Credit (in line with Guidance Note of Institute of Chartered Accountants of India in this regards) for equivalent amount during the year as set off is available U/s 115 JAA of Income Tax Act, 1961 in the year when normal taxation arises on the taxable Income.

L) The Company has been recognizing in the financial statements the deferred tax assets / liabilities, in accordance with Accounting Standard 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India. During the year, the Company has charged the Profit and Loss Account with Deferred Tax Liability (Net) of Rs. 26.81 lacs (Previous Year Rs. 23.55 lakhs)

Major Components of Deferred Tax Assets & Liabilities.

Particulars	As at 31 st March,2010 Rupees	As at 31 st March,2009 Rupees
I) Deferred Tax Liability		
Related to Fixed Assets (Depreciation)	(32,49,460)	(32,31,218)
TOTAL – (A)	(32,49,460)	(32,31,218)
II) Deferred Tax Assets :		
Timing Difference :		
a) Disallowance under section 43 B Income Tax Act, 1961		
i) Provision for Gratuity	23,584	1,98,842
ii) Provision for Doubtful Debts	—	6,28,572
iii) Provision for Leave Encashment	54,241	48,964
b) Carried forward business loss as per Income Tax Act, 1961	4,90,288	—
TOTAL – (B)	5,68,133	8,76,378
III) Deferred Tax Liabilities (Net) [(A)+(B)]	(26,81,347)	(23,54,840)
IV) Opening Deferred Tax Liability (Net)	(86,08,036)	(62,53,196)
V) Closing Deferred Tax Liability (Net)	(1,12,89,383)	(86,08,036)

M) 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. The Secondary Segment based on geographical segmentation are considered to be Businesses outside India and within India.

Rs. in Lacs

Details	Within India		Outside India		Total	
	Current Yr.	Previous Yr.	Current Yr.	Previous Yr.	Current Yr.	Previous Yr.
Transformer	1653.07	1293.72	102.53	1559.37	1755.60	2853.09
Project Export/Consultancy	—	—	269.29	263.63	269.29	263.63
Repairing/Service Charges	68.49	33.83	—	—	68.49	33.83
Total	1721.56	1327.55	371.82	1823.00	2093.38	3150.55

N) In terms of Accounting Policy No.1 L above, the Company assessed the Cash Generating Unit for Impairment Test using a discount rate of 7% and did not find any asset that requires a provision for impairment.

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O) Related Party Disclosures: The Company had transactions with the following related parties during the year :

Name	Nature of Transactions	31 st March, 2010	31 st March, 2009
		Rupees	Rupees
a) Related Companies			
Industrial Designs & Services Ltd.	Job Work	21,21,461	25,78,964
Oricon Industries Limited (formerly Oricon Industries Pvt. Ltd.)	Job Work	20,15,656	19,75,519
Galaxy Medicare Ltd.		5,56,947	1,55,144
Phoenix Surgicare Private Limited (has become wholly which owned Subsidiary Company)	Investment in Subsidiary Company	92,000	3,75,000
b) Key Management Personnel			
Dillip Kumar Das Deepak Kumar Das Debasis Das Santosh Kumar Patnaik	Remuneration to all Directors Rs. 38.87(Previous Year Rs.47.61) (Refer Note No.F above)		

P) (1) Disclosure relating to Leave Encashment- As per Actuarial Valuation on 31st March, 2010.

a) Table Showing Changes in Present Value of Obligations :

Particulars	2009-10	2008-09
Present value of obligation as at beginning of the year	1,44,054	1,77,460
(i) Acquisition Adjustments	—	—
(ii) Interest cost	10,550	8,647
(iii) Past Service cost	—	—
(iv) Current Service cost	1,50,659	25,251
(v) Curtailment cost	—	—
(vi) Settlement cost	—	—
(vii) Benefits Paid	24,344	1,24,332
(viii) Actuarial gain/ loss on Obligation	2,080	57,027
Present value of obligation as at end of the year	2,83,000	1,44,054

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

Particulars	2009-10	2008-09
(i) Current Service Cost	1,50,659	25,251
(ii) Past Service Cost	—	—
(iii) Interest Cost	10,550	8,647
(iv) Expected Return on Plan Asset	—	—
(v) Curtailment cost	—	—
(vi) Settlement cost	—	—
(vii) Actuarial gain/ loss on Obligation	2,080	57,027
Expenses Recognized in Statement of Profit and Loss Account	1,63,290	90,926

c) Table Showing Actuarial Assumptions :

Particulars	2009-10	2008-09
(i) Mortality Table	LICI 1994-1996	LICI 1994-1996
(ii) Superannuation Age	58	58
(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	8.00	7.5
(v) Inflation Rate	5.00	5.0
(vi) Return on Asset	0.00	0.00
(vii) Remaining Working Life	13	15
(vii) Formula used		



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

Particulars	2009-10	2008-09
(i) Opening Net Liability	—	—
(ii) Expenses as above	1,63,290	90,926
(iii) Contributions	—	—
(iv) Closing Net Liability	1,63,290	90,926
Closing Fund/ Provision at the year end	2,83,000	1,44,054

(2) Disclosure relating to Gratuity, as certified by Life Insurance Corporation of India, (Pension and Group Scheme Department) for the year ended 31st March, 2010 have been made as below:

- In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan (Gratuity Plan) covering certain categories of employees.
- 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.
- Disclosures as required by AS-15 (Revised) are made as per the details submitted by LIC. Annual premium payable to LIC amounting to Rs. 3,02,130/- (Previous Year - Rs. 3,36,432/-) have been shown under "Employees Cost" in Schedule - 11.

a) Assumptions:

Particulars	31-03-2010	31-03-2009
Discount Rate	8 %	8 %
Salary Escalation	7 %	7 %

b) Table Showing changes in present value of Obligation

Particulars	31-03-2010	31-03-2009
Present value of obligation as at beginning of the year	13,82,586	11,06,810
(i) Interest cost	1,10,607	88,545
(ii) Current Service cost	1,38,226.00	1,12,053
(iii) Benefits Paid	(1,71,269)	—
(iv) Actuarial gain / (loss) on obligation	19,139	75,178
Present value of obligation as at end of the year	14,79,289	13,82,586

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

Particulars	31-03-2010	31-03-2009
Fair value of plan assets at beginning of year	13,15,941	8,82,250
(i) Expected return on plan assets	1,39,872	97,259
(ii) Contributions	3,02,130	3,36,432
(iii) Benefits Paid	(1,71,269)	—
(iv) Actuarial gain/(loss) on plan assets—	—	—
Fair value of plan assets at end of year	15,86,674	13,15,941

d) Table showing fair value of plan assets

Particulars	31-03-2010	31-03-2009
Fair value of plan assets at beginning of year	13,15,941	8,82,250
(i) Expected return on plan assets	1,39,872	97,259
(ii) Contributions	3,02,130	3,36,432
(iii) Benefits Paid	(1,71,269)	—
(iv) Actuarial gain/(loss) on plan assets	—	—
Fair value of plan assets at end of year	15,86,674	13,15,941

e) Actuarial Gain/Loss recognised as on

Particulars	31-03-2010	31-03-2009
(i) Actuarial (gain)/loss on obligations	(19,139)	(75,178)
(ii) Actuarial (gain)/loss for the year- plan assets	—	—
(iii) Actuarial (gain)/loss on obligations	19,139	75,178
(iv) Actuarial (gain)/loss recognized in the year	19,139	75,178

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

Particulars	31-03-2010	31-03-2009
(i) Present value of obligation at the end of year	14,79,289	13,82,586
(ii) Fair value of plan assets as at the end of the year	15,86,674	13,15,941
(iii) Fund status	1,07,385	(66,645)
(iv) Net asset/(liability) recognized in balance sheet	(1,07,385)	66,645

g) Expenses Recognized in statement of Profit and Loss account

Particulars	31-03-2010	31-03-2009
(i) Current Service Cost	1,38,226	1,12,053
(ii) Interest Cost	1,10,607	88,545
(iii) Expected return on plan assets	(1,39,872)	(97,259)
(iv) Net Actuarial (gain) loss recognized in the year	19,139	75,178
(v) Expenses recognized in statement of Profit and loss	1,28,100	1,78,517

(3) Payment of Gratuity (amendment) Act, 2010 has become effective after notification by Ministry of Labour and Employment on 24-05-2010 increasing the ceiling from Rs. 3,50,000/- to Rs. 10,00,000/-. The differential amount arising out of such amendment will be accounted in 2010-2011 when Life Insurance Corporation of India revises the computation actuarially and sends revised demand as payable by the Company the amount where of is not ascertained as of date which is not expected to be material.

Q) Additional information pursuant to provisions of paragraph 3,4C,4D of Part III of Schedule VI to the Companies Act, 1956.

a) Capacities					
(i) Licenced Capacity		Not Applicable to this Company			
(ii) Installed Capacity		Current Year	Previous Year		
Unit - 1		1000 MVA	1000 MVA		
Unit - 4		500000 Nos.	-		
b) Production		Current Year	Previous Year		
Unit - 1		1743 Nos	799 Nos		
Unit - 4		1622 Nos	10 Nos		
c) Turnover during the period		Current Year		Previous Year	
		Qty (Nos)	Value Rs. In lakhs	Qty (Nos)	Value Rs. In lakhs
Finished Transformer	Unit - 1	1719	1334.35	792	2850.71
	Unit - 4	1618	421.24	10	2.40
Others	Unit - 1		324.22		297.44
	Unit - 4		13.57		-
Total			2093.38		3150.55
d) Stock of Goods produced					
Finished Transformer		40	64.00	12	18.59
Others			-		149.64
TOTAL			64.00		168.23



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e) Raw Materials and Components Consumed :

Items	Current Year		%	Previous Year		%
	Qty (MT)	Value (Rs. In lacs)		Qty (MT)	Value (Rs. In lacs)	
Indigenous :						
Conductors	97.398	141.45	11	274.026	388.95	20
Steel Materials	195.705	59.25	5	172.152	59.85	3
Core Lamination	73.470	127.20	10	6.394	13.20	1
Others	—	385.33	30	—	438.91	23
	366.573	713.23	55	452.572	900.55	47
Imported						
CRGO Steel	87.023	147.75	11	304.656	565.29	30
AMDT CORE	163.802	325.05	25	42.114	55.41	3
Conductors	25.302	88.39	7	95.421	340.39	18
Others	—	11.32	1	—	46.37	2
	276.127	572.51	45	346.77	1007.46	53
TOTAL	642.700	1285.74	100	799.27	1908.01	100

f) CIF VALUE OF IMPORTS

Particulars	Current Year Rs. In lakhs	Previous Year Rs. In lakhs
Raw material and components	340.99	855.43
Capital Goods	87.80	81.49

g) Expenditure in Foreign Currency (on Cash Basis)

Particulars	Current Year Rs. In lakhs	Previous Year Rs. In lakhs
Traveling	7.34	6.54

h) Earnings in foreign Currency

Particulars	Current Year Rs. In lakhs	Previous Year Rs. In lakhs
Export on FOB Basis (Direct)	71.31	1876.33
Project Export / Consultancy Services	154.04	112.02

i) Previous Year Figures have been regrouped wherever necessary.

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SCHEDULES FORMING PART OF THE ACCOUNTS

SCHEDULE - 15

ADDITIONAL INFORMATION

BALANCE SHEET ABSTRACT & COMPANY'S GENERAL PROFILE

1. REGISTRATION DETAILS

Registration No. :

1	1	5	1	/	8	2	-	8	3
---	---	---	---	---	---	---	---	---	---

State Code :

1	5
---	---

Balance Sheet Date :

3	1
---	---

0	3
---	---

2	0	1	0
---	---	---	---

2. CAPITAL RAISED DURING THE YEAR

(Figures in Rupees thousand)

Public Issue

			N	I	L
--	--	--	---	---	---

Bonus Issue

			N	I	L
--	--	--	---	---	---

Right Issue

			N	I	L
--	--	--	---	---	---

Private Placement

			N	I	L
--	--	--	---	---	---

3. MOBILISATION AND DEPLOYMENT FUNDS :

Total Liabilities

4	8	5	5	0	0
---	---	---	---	---	---

Total Assets

4	8	5	5	0	0
---	---	---	---	---	---

SOURCES OF FUNDS

Paid – up Capital

	5	3	6	0	0
--	---	---	---	---	---

Reserves & Surplus

1	8	7	3	2	8
---	---	---	---	---	---

Secured Loans

1	6	7	6	9	4
---	---	---	---	---	---

Unsecured Loans

		1	1	0	8
--	--	---	---	---	---

Deferred Tax Liabilities

1	1	2	8	9
---	---	---	---	---

APPLICATION FUNDS

Net Fixed Assets

1	8	5	1	2	6
---	---	---	---	---	---

Investments

	1	4	7	3	4
--	---	---	---	---	---

2	2	1	1	6	0
---	---	---	---	---	---

Misc. Expenditure

			N	I	L
--	--	--	---	---	---

4. PERFORMANCE OF COMPANY

Total Revenue (Net of E.D)

			2	1	5	2	1	0
--	--	--	---	---	---	---	---	---

Total Expenditure

2	0	3	4	5	0
---	---	---	---	---	---

Profit before tax

			1	1	7	6	0
--	--	--	---	---	---	---	---

Profit after Tax

		7	5	7	6
--	--	---	---	---	---

Earning per share (in Rs.)

				1	.	4	1
--	--	--	--	---	---	---	---

Dividend rate (%)

				1	0
--	--	--	--	---	---

5. GENERAL NAMES OF PRINCIPAL PRODUCTS

Item Code No.

8	5	0	4	2	1
---	---	---	---	---	---

Product description

D	I	S	T	R	I	B	U	T	I	O	N	T	R	A	N	S	F	O	R	M	E	R
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

8	5	0	4	2	2
---	---	---	---	---	---

						P	O	W	E	R	T	R	A	N	S	F	O	R	M	E	R
--	--	--	--	--	--	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

7	4	0	8	1	1
---	---	---	---	---	---

												C	O	P	P	E	R	W	I	R	E
--	--	--	--	--	--	--	--	--	--	--	--	---	---	---	---	---	---	---	---	---	---

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

A.K.SABAT
PARTNER

Membership No. 30310
BHUBANESWAR

DATED : 29th MAY 2010

DILLIP KUMAR DAS

DEEPAK KUMAR DAS

M.CHANDRASEKHAR

MANAGING DIRECTOR

DIRECTOR

COMPANY SECRETARY



CASH FLOW STATEMENT FOR THE ENDED 31ST MARCH, 2010

PARTICULARS	CURRENT YEAR (Rs. in Lakhs)	PREVIOUS YEAR (Rs. in Lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Interest, Taxes & Extraordinary Items	302.19	715.43
Add :		
Depreciation	77.77	56.31
	1.20	91.98
Loss on Sale of Investment	54.17	–
	435.34	863.72
Less :		
Interest Income	35.91	24.06
Foreign Exchange Gain / (Loss) (Net)	(14.25)	8.19
Profit / (Loss) on Sale of Assets & Discarded (Net)	67.32	32.91
Balance written back	29.05	19.03
Dividend Income	10.21	5.04
	128.24	89.23
Operating Profit / (Loss) before Working Capital Changes	307.09	774.49
Adjustment for;		
Inventories - Decrease / (Increase)	(114.65)	(240.02)
Trade & Other Receivables Decrease / (Increase)	(381.25)	76.94
Trade Payables & Provisions Decrease / (Increase)	351.89	(245.10)
Cash Generated From Operations	163.09	366.31
Cash Outflow before Prior Year Adjustment	163.09	366.31
Less: Income Tax and FBT Paid	(38.40)	(140.00)
NET CASH FLOW FROM OPERATING ACTIVITIES	124.69	226.31
B. CASH FLOW FROM INVESTING ACTIVITIES		
Additions of Fixed Assets and Capital Work-in-Progress	(212.54)	(405.54)
Proceeds on Sale of Fixed Assets	71.00	1.45
Interest Received	35.91	24.06
Addition to Investments	(71.57)	(11.75)
Proceeds on Sale of Mutual Fund	21.98	–
Dividend Received	10.21	5.04
(increase) / Decrease in Fixed Deposit	62.11	(2.83)
NET CASH FLOW FROM FINANCING ACTIVITIES	(82.90)	(389.57)

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PARTICULARS	CURRENT YEAR Rs. In Lakh	PREVIOUS YEAR Rs. In Lakh
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	(51.66)	–
Dividend Tax Paid	(9.32)	–
Net Increase / (decrease) in secured borrowings	185.60	381.13
Unsecured Loan Received / (Payment)	7.85	(1.38)
Payment of Interest	(185.14)	(210.43)
NET CASH FLOW FROM FINANCING ACTIVITIES	(52.68)	169.32
Net Increase in cash and cash equivalents (A+B+C)	(10.89)	6.06
Cash and cash equivalents as on 31-03-2009	19.42	13.36
CASH & CASH EQUIVALENTS AS ON 31.03.2010	8.53	19.42
Cash and Cash Equivalents comprises		
— Cash	0.59	3.59
— Balance with Schedule Banks	7.95	15.83
	8.53	19.42

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 / recasted 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

A. K. SABAT

PARTNER

Membership No. 30310

BHUBANESWAR

DATED : 29th MAY 2010

DILLIP KUMAR DAS

DEEPAK KUMAR DAS

M.CHANDRASEKHAR

MANAGING DIRECTOR

DIRECTOR

COMPANY SECRETARY

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956. RELATING TO PHOENIX SURGICARE PRIVATE LIMITED, A SUBSIDIARY COMPANY.

1. The extent of the Holding Company's interest in the Subsidiary Company at the end of the financial year ended March 31,2010 100%
2. The net aggregate amount of Profit/(Loss) of the Subsidiary Company so far have been dealt with in the Accounts of Phoneix Surgicare Private Limited.
 - a) Profit/(Loss) for the year ended March 31, 2010 (143764)
 - b) Profit/(Loss) for the previous year ended March 31, 2009 (216755)

FOR AND ON BEHALF OF THE BOARD

DILLIP KUMAR DAS
MANAGING DIRECTOR

DEEPAK KUMAR DAS
DIRECTOR

M.CHANDRASEKHAR
COMPANY SECRETARY



ALFA TRANSFORMERS LIMITED

AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To The Board of Directors of Alfa Transformers Limited

We have audited the attached consolidated Balance Sheet of Alfa Transformers Limited and its subsidiary as at 31st March, 2010, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of the material misstatements. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.
2. We did not audit the financial statements of the subsidiary namely, Phoenix Surgicare Private Limited, Bhubaneswar (transferred on 28.01.2010 from Mumbai) whose financial statements reflect total assets(net) of Rs.8,42,627 as at 31st March, 2010, total revenues of Rs. NIL and net cash outflows of Rs.54,268 for the year ended on that date. These financial statements have been audited by another auditor whose report has been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of this subsidiary is based solely on the report of the other auditor.
3. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of the Accounting Standard (AS) 21 Consolidated Financial Statements and Accounting Standard 23 'Accounting for Investment in Associates in consolidated Financial Statements' specified by the Companies (Accounting Standards) Rules, 2006 and as notified by the Central Government.
4. In our opinion and to the best of our information and explanations given to us and on consideration of the separate audit report on individual audited financial statements of the Alfa Transformers Limited, we are of the opinion that the said consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Consolidated Balance Sheet, of the Consolidated state of affairs of the Alfa Transformers Limited group as at 31st March, 2010;
 - b) in the case of the Consolidated Profit and Loss Account, of the consolidated results of operations of the Alfa Transformers Limited group for the year ended on that date; and
 - c) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the Alfa Transformers Limited group for the year ended on that date.

Bhubaneswar
Dated 29th May , 2010

For A.K. Sabat & Co.,
Chartered Accountants
Sd/-
(A.K. SABAT)
PARTNER
Membership No. 030310
Firm Registration No.321012E (ICAI)

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CONSOLIDATED FINANCIAL STATEMENTS

BALANCE SHEET AS AT 31ST MARCH, 2010

Figures in Rupees

SOURCES OF FUNDS :	Schedule Number	As at	
		31st March 2010	31st March 2009
1. SHAREHOLDERS' FUNDS			
Share Capital	1	53600000	53600000
Reserves & Surplus	2	187769214	187769065
		241369214	241369065
2. LOAN FUNDS			
Secured Loans	3	167694867	149135362
Unsecured Loans	4	1108063	323081
		168802930	149458443
		11241628	8608036
3. Deferred Tax Liability(Net) (Ref. Note M of Sch-14)			
TOTAL		421413772	399435544
APPLICATION OF FUNDS :			
4. FIXED ASSETS	5		
Gross Block		234693063	218739702
Less: Depreciation		54710216	45734871
Net Block		179982847	173004831
Capital Work-in-progress		5960195	1875933
		185943042	174880764
5. INVESTMENTS :	6	13467398	14017000
6. CURRENT ASSETS, LOANS & ADVANCES :	7		
Inventories		121775407	110310716
Sundry Debtors		115395693	69607528
Cash & Bank Balances		18759407	26113621
Loans and Advances		29776873	34519381
		285707380	240551246
Less : CURRENT LIABILITIES & PROVISIONS	8		
Current Liabilities		57955818	22744391
Provisions		6533229	7269076
		64489047	30013467
Net Current Assets		221218332	210537780
TOTAL		420628772	399435544

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS 14
ADDITIONAL INFORMATION 15

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

A. K. SABAT
PARTNER
Membership No. 30310
BHUBANESWAR
DATED : 29th MAY 2010

DILLIP KUMAR DAS
DEEPAK KUMAR DAS
M.CHANDRASEKHAR

MANAGING DIRECTOR
DIRECTOR
COMPANY SECRETARY



ALFA TRANSFORMERS LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

Figures in Rupees

I INCOME	Schedule Number	For the Year ended 31-03-2010		For the Year ended 31-03-2009	
Sales & Services	9	209338615		315055102	
Less: Excise Duty		16464378		13801972	
			192874237		301253130
Other Operating Income	9		12345034		29147473
Other Income	9		9991542		5704090
TOTAL I			215210813		336104693
II EXPENDITURE					
(Accretion) / Depletion of Stocks	10		(6187334)		(3935081)
Operating and Other Expenses	11		183609532		263082211
Interest and Finance Charges	12		18514049		21043228
Depreciation	5	8975345		6847911	
		1198048		1217089	
			7777297		5630822
TOTAL II			203713544		285821180
III PROFIT FOR THE YEAR (I-II)			11497269		50283513
Add: Prior Year Adjustments(Net)	13		55574		1987830
IV PROFIT BEFORE TAXATION			11552843		52271343
Provision for Taxation					
— Current Tax			(1360992)		(13943855)
— Deferred Tax (Net)			(2633592)		(2354840)
— Fringe Benefit Tax			—		(302539)
— Income Tax of Earlier Years			(109832)		(680473)
V PROFIT AFTER TAXATION			7448427		34989635
Add: Balance of Profit brought forward			18985546		20266843
Balance available for appropriation			26433972		55256478
Transfer to General Reserve			5000000		30000000
Proposed Dividend			5360000		5360000
Tax on Proposed Dividend			890229		910932
VI Balance Profit carried to Balance Sheet			15183743		18985546
VII Earnings Per Share (Rs) Basic			1.39		6.53
(Face value of Rs. 10/- each)					

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS 14
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 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
 A. K. SABAT
 PARTNER
 Membership No. 30310
 BHUBANESWAR
 DATED : 29th MAY 2010

DILLIP KUMAR DAS
 DEEPAK KUMAR DAS
 M.CHANDRASEKHAR

MANAGING DIRECTOR
 DIRECTOR
 COMPANY SECRETARY

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CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE 1

SHARE CAPITAL	As at 31-03-2010 Rupees	As at 31-03-2009 Rupees
Authorised : 1,20,00,000 (Previous Year - 60,00,000) Equity Shares of Rs.10/- each.	120000000	60000000
Issued , Subscribed & Paid-up : 53,60,000 (Previous year 53,60,000) Equity Shares of Rs.10/- each fully paid up Out of the above shares : (i) 9,04,530 shares are issued as fully paid up Bonus Shares by capitalisation of general reserve. (ii) 2,60,000 Shares of Rs. 10/- each are allotted as fully paid up pursuant to a contract for consideration other than cash	53600000	53600000
	53600000	53600000

SCHEDULE 2				
RESERVES AND SURPLUS				
Share Premium Account - Opening Balance		98370000		98370000
Capital Reserve : State Investment Subsidy		991700		991700
General Reserve: Opening Balance	55000000 5000000		25000000 30000000	
		60000000		55000000
Revaluation Reserve : On Revaluation of Fixed Assets Less: Reversal on Sale of Land	14421819 785000 1198048		15638908 1217089	
Profit & Loss Account Balance		13223771 15183743		14421819 18985546
	Total	187769214		187769065



SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE 3

SECURED LOANS :	As at 31-03-2010 Rupees	As at 31-03-2009 Rupees
Term Loan from State Bank of India	32715080	41476660
Term Loan from Axis Bank Ltd	20908734	10074795
Cash Credit from State Bank of India	94858005	84798141
E.P.C from State Bank of India	11819821	12785766
Cash Credit from Axis Bank Ltd.	7393227	–
TOTAL	167694867	149135362

NOTES :

- The Cash Credit, Export Packing Credit(E.P.C) & Term Loan availed from State Bank of India are secured by :
 - Hypothecation of Raw Materials, Stock-in-Progress, Finished Goods, Consumables, Book Debts and other Liquid Assets of Unit-1 and Unit-2 situated at Bhubaneswar.
 - First Charge over Land and Building, Plant & Machinery of factory at Unit-1 and Unit-2 situated at Bhubaneswar.
 - Equitable mortgage of Company's Properties at Plot No. 445, Kalinga Vihar, Bhubaneswar and Flat No. A/7, Lord Gunjan Palace, Bhubaneswar.
- The Cash Credit & Term Loan facilities from Axis Bank Limited are secured by :
 - Hypothecation of Raw Materials, Stock-in-Progress, Finished Goods, Consumables, Book Debts and other Liquid Assets at Unit-4, Vadodara.
 - First Charge over Land and Building, Plant & Machinery of the Unit-4,Vadodara.

SCHEDULE 4

UNSECURED LOAN	As at 31-03-2010 Rupees	As at 31-03-2009 Rupees
ICICI BANK Vehicle loan	–	106183
Kotak Mahindra Bank Vehicle Loan	115441	216898
Axis Bank Ltd- Vehicle Loan	992622	–
TOTAL	1108063	323081

SCHEDULES FORMING PART OF THE BALANCE SHEET

**SCHEDULE - 5
FIXED ASSETS**

(Figures in Rupees)

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
Intangible Assets										
Goodwill	63854	-	63854	-	-	-	-	-	-	63854
Tangible Assets										
Land	28640731	244600	1152956	27732375	-	-	-	-	27732375	28640731
Office Building	6897268	52748		6950016	558147	215725		773872	6176144	6339121
Factory Shed	45355125	1213473		46568598	12106048	1757614		13863662	32704936	33249077
Main Plant & Machinery	100949892	12151720	-	113101612	19168911	4999236		24168147	88933465	81780981
Testing Equipments	7004246	805247	-	7809493	3079772	356269		3436041	4373452	3924474
Material Handling Equipments	13341259	3263		13344522	4748974	437206		5186180	8158342	8592285
Electrical Installations	7635010	148363		7783373	2173562	341254		2514816	5268557	5461448
Energy saving Devices	200000	-		200000	177536	12462		189998	10002	22464
Auxiliary Equipments	1180236	-		1180236	991546	21593		1013139	167097	188690
Office Equipments	1272962	212217		1485179	813517	66433		879950	605229	459445
Computers	1747830	127436		1875266	771627	252544		1024171	851095	976203
Furniture & Fixture	801365	431179		1232544	540385	31770		572155	660389	260980
Vehicle	3556317	1777245		5333562	599966	471666		1071632	4261930	2956351
Motor-Cycle & Cycle	93607	2680		96287	4880	11573		16453	79834	88727
TOTAL- CURRENT YEAR	218739702	17170171	1216810	234693063	45734871	8975345	-	54710216	179982847	173004831
Previous year	170057190	49774996	1973136	217859050	39261647	6847911	374687	45734871	172124179	
Capital Work-in-Progress (including advance payment)	1875933	17347967	13263705	5960195					5960195	1875933

CONSOLIDATED FINANCIAL STATEMENTS

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SCHEDULE FORMING PART OF THE BALANCE SHEET
SCHEDULE 6

	As at 31-03-2010 Rupees		As at 31-03-2009 Rupees	
INVESTMENTS (At cost)				
(A) Long Term Investments :(Unquoted)				
a) 15,000 Equity Shares of Rs.10/- each in Talaja Conductors Pvt. Ltd. Less: Written off / Provision for permanent diminution of value	150000 135000	15000	150000 135000	15000
b) Shares in Other Company-Unquoted 5000 Equity Shares of Rs.10/- each with a premium of Rs.3/- each in Utkal Infrastructure Consortium (P) Ltd		65000		-
c) National Savings Certificates (*)		2000		2000
d) Bonds 6.25% Rural Electrification Corporation Limited Capital Gain Bonds (500 Units of Rs.10000/- each)		5000000		-
(B) Current Investment :				
Investment in Mutual Funds :(Dividend Equity)				
i) Birla Mid Cap Fund (27824.151 Units of Rs. 35.940 each) (27886.224 Units of Rs. 35.860 each) (98015.192 Units of Rs. 40.810 each) Birla Mid Cap Fund-Growth (7192.966 Units of Rs.100.130 each) (6334.601 Units of Rs.100.130 each) (6334.601 Units of Rs.100.130 each) (7209.013 Units of Rs.100.130 each)	- - - 720232 634284 634284 721839		1000000 1000000 4000000	
ii) Birla Sunlife Equity Fund (11217.050 Units of Rs. 89.150 each) Birla Sunlife Frontline Equity Fund-Growth (8243.873 Units of Rs. 76.940 each) (8243.873 Units of Rs. 76.940 each) Birla Sunlife Dividend Yield Plus- Growth (11914.383 Units of Rs. 67.870 each)	- 634284 634284 808629		1000000	
iii) DSP Merrill Lynch India Tiger Fund (23119.096 Units of Rs. 30.278 each) DSP Blackrock Equity Fund-Growth (13871.847 Units of Rs. 13.973 each)	- 193831		700000	
iv) (24743.390 Units of Rs. 24.249 each) Sundaram BNP Financial Services Opp. Fund (11135.977 Units of Rs. 15.755 each)	- 175447		600000	
v) Tata Infrastructure Fund (22063.992 Units of Rs. 31.726 each) (31892.331 Units of Rs. 31.356 each) Tata Equity P/E Fund-Growth (8711.377 Units of Rs. 42.1199 each)	- - 366922		700000 1000000	
vi) ICICI Prudential Infrastructure Fund (87032.202 Units of Rs. 22.980 each) ICICI Prudential Discovery Fund-Growth (6192.246 Units of Rs. 37.66 each) ICICI Prudential Dynamic Fund-Growth (3149.2 Units of Rs. 87.069 each)	- 233200 274198		2000000	
vii) Reliance Diversified Power Sector Fund (18871.806 Units of Rs. 52.989 each) Reliance Diversified Power Sector Fund-Growth (11706.315 Units of Rs. 75.7159 each)	- 886354		1000000	
viii) SBI Magnum Balance Fund-Growth (31500.544 Units of Rs. 46.59 each)	1467610			
ix) JM Basic Fund (33052.497 Units of Rs. 30.255 each)	-	8385398	1000000	14000000
TOTAL		13467398		14017000
		8871293		4839731

(*) Lodged with Sales Tax authorities as securities.

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CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE 7

CURRENT ASSETS, LOANS & ADVANCES :	As at 31-03-2010 Rupees		As at 31-03-2009 Rupees	
A. CURRENT ASSETS				
INVENTORIES : #				
Indigenous Raw materials & Components		33715617		16045686
Imported Raw materials & Components		42004007		58308484
Semi-finished goods		30674933		14065730
Finished goods		6400913		16822782
Raw-Materials in Transit		8912695		5000792
Discarded Assets		67242		67242
		121775407		110310716
(#) As certified by the Management and Valued as per Accounting Policy No. F				
SUNDRY DEBTORS				
Unsecured - Considered Good	45487		6039306	
- Considered Doubtful	307515		1849286	
	353002		7888592	
Less: Provision for Doubtful Debts	307515		1849286	
		45487		6039306
Other Debts		115350206		63568222
		115395693		69607528
CASH AND BANK BALANCES :				
Cash in hand		69548		440666
Balance with Scheduled Banks :				
In Current Accounts	624896		1591066	
In Unpaid Dividend Account	194497	819393	-	1591066
In Fixed Deposit Accounts (*)		17870465		24081889
		18759407		26113621
		255930506		206031865

(*) Lodged with State Bank of India as margin money deposit against Guarantees and Letter of Credit.

SCHEDULES FORMING PART OF THE BALANCE SHEET
CONTD....SCHEDULE-7

B. LOANS AND ADVANCES : (Unsecured , considered good unless otherwise stated)	As at 31-03-2010 Rupees	As at 31-03-2009 Rupees
Interest Accrued on Term Deposits	2603862	1805979
(#) Advances recoverable in Cash or kind or value to be received.	3532022	6127326
Prepaid expenses	406290	522335
Export Benefit Receivable	82758	2856714
Advance Income tax/ refundable (Net of Provisions)	2223311	814172
Earnest Money and Security Deposits	3038720	1678600
Deposits with Excise & Customs Authority	39889	41015
Claims Recoverable from Excise Authority	15438152	18074807
Deposit with Sales Tax Authority	2411869	2598433
	29776873	34519381
	285707380	240551246

Includes due from :

(i) Companies in which directors are interested	368125	777043
Maximum amount outstanding at any time during the year	1260217	981713
(ii) Directors	Nil	Nil
Maximum amount outstanding at any time during the year (for expenses)	Nil	91944

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE 8	As at 31-03-2010 Rupees	As at 31-03-2009 Rupees
CURRENT LIABILITIES AND PROVISIONS :		
Current Liabilities :		
Sundry Creditors	45812049	13932323
Advance from Customers	7332442	2325673
Other liabilities	4616830	6486395
Unpaid Dividend	194497	-
	57955818	22744391
Provisions :		
Provision for taxation (Net of Advances)	-	775816
Provision for Fringe Benefit Tax(Net)	-	78274
Provision for Leave Encashment	283000	144054
Proposed Dividend	5360000	5360000
Tax on Proposed Dividend	890229	910932
	6533229	7269076
TOTAL	64489047	30013467

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CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

SCHEDULE 9

SALES & OTHER INCOME	For the Year ended 31-03-2010 Rupees	For the Year ended 31-03-2009 Rupees
(A) SALES & SERVICES		
S a l e s (Domestic)	165307341	129372210
S a l e s (Export)	10252634	155937290
Project Export/ Consultancy Services	26929670	26362751
Repairing/Service Charges	6848970	3382851
	209338615	315055102
Less: Excise Duty	16464378	13801972
	192874237	301253130
(B) OTHER OPERATING INCOME :		
Export Incentives Received	5472754	16080522
Exchange Variation Gain	2349733	9618905
Other Interest Received (Gross)	1352527	807926
(Tax Deducted at Source Rs.1880/- (Previous Year-NIL)		
Miscellaneous Receipt	104261	81234
Insurance Claim Received	49746	563603
Discount received	110686	91963
Provision for Doubtful Debt Written Back	1722571	-
Balance Written back	1182756	1903320
	12345034	29147473
(C) OTHER INCOME :		
Interest received on deposits(Gross)	2238234	1598062
(Tax Deducted at Source Rs.2,08,319 (Previous Year-3,54,178/-)		
Dividend Received	1021264	504051
Profit on Sale of Assets	6732044	3601977
	9991542	5704090
	215210813	336104693



SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

SCHEDULE 10

	For the Year ended 31-03-2010 Rupees	For the Year ended 31-03-2009 Rupees
(ACCRETION)/ DEPLETION OF STOCKS		
CLOSING STOCKS		
Finished goods	6400913	16822782
Work-in-Progress	30674933	14065730
	37075846	30888512
Less : OPENING STOCKS :		
Finished goods	16822782	9849689
Work-in-Progress	14065730	17103742
	30888512	26953431
(Accretion)/ Depletion	(6187334)	(3935081)

SCHEDULE 11

OPERATING EXPENSES	For the Year ended 31-03-2010 Rupees		For the Year ended 31-03-2009 Rupees	
a) RAW MATERIALS CONSUMED				
Indigenous : -				
— Opening Stock	16045686		12242346	
— Purchases	88992691		93858812	
	105038377		106101158	
— Closing Stock	33715617	71322760	16045686	90055472
Imported:-				
— Opening Stock	58308484		44197123	
— Purchases	40947237		114857280	
	99255721		159054403	
— Closing Stock	42004007		58308484	
		57251714		100745919
Total (a)		128574474		190801391
b) MANUFACTURING EXPENSES :				
Job Work Expenses		8417471		6478120
Power & Fuel		3545480		2362679
Testing Expenses		678397		47023
Excise Duty on Stock/other adjustments		562825		(757382)
Research & Development Expenses		218330		1133240
Total (b)		13422503		9263680

Annual Report 2010
CONSOLIDATED FINANCIAL STATEMENTS

	For the Year ended 31-03-2010 Rupees	For the Year ended 31-03-2009 Rupees
c) EMPLOYEE COST :		
Salaries ,Wages & Bonus	7725914	7392787
Directors' Salaries & Perquisites	3468463	4586743
Employer's contribution to Provident Fund	846750	596644
Employer's contribution to E.S.I.C.	207440	237783
Contribution to Group Gratuity Insurance	383086	336432
Workmen and staff welfare expenses	141190	92522
Total (c)	12772843	13242911
d) REPAIRS & MAINTENANCE		
— Plant & Machinery	1140633	1024405
— Buildings	383446	331795
— Vehicles	727938	513255
— Other Assets	144535	354539
Total (d)	2396552	2223994
e) ADMINISTRATIVE EXPENSES		
Travelling and Conveyance	2897374	2872342
Printing and Stationery	220147	268044
Insurance charges	715224	588668
Advertisement expenses	279474	834842
Postage,Telegram,Telephone	606048	559045
Auditors' Remuneration (Excluding Service Tax)	135000	90000
General Expenses	378231	219343
Fees and subscription	696851	641379
Legal and Professional expenses	816868	1229015
Books and periodicals	25278	34968
Security service charges	805457	615563
Meeting Expenses	82957	110392
Advances Written off	120289	201436
Registrar's fees	90551	15000
Rent Paid	660000	807000
Loss on Sale/discarded assets	-	311182
Loss on Sale of Investment (Mutual Funds)	5416989	-
Exchange Variation Loss	3319271	9344920
Total (e)	17266009	18743138
f) SELLING EXPENSES		
Selling Expenses	2779706	680060
Sales Commission	72338	241942
Carriage Outward	3195381	8904181
Sales Tax	69359	319885
Project Export Expenses	3060366	9664370
Bad Debts Written Off	-	6989739
Provision for Doubtful Debts	-	1849286
Liquidated Damages	-	157634
Total (f)	9177150	28807097
Total (a+b+c+d+e+f)	183609532	263082211



SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

SCHEDULE 12

INTEREST & FINANCE CHARGES	For the Year ended 31-03-2010 Rupees	For the Year ended 31-03-2009 Rupees
Interest on Term Loans	6155192	5424998
Interest on Cash Credit	8023062	5412211
Interest on Export Credit	727146	3004081
Interest on Usance bills & Others	497002	3256041
ECGC Premium	—	532183
Bank Charges	3111647	3413714
	18514049	21043228

SCHEDULE 13

PRIOR YEAR ADJUSTMENTS	For the Year ended 31-03-2010 Rupees	For the Year ended 31-03-2009 Rupees
Expenses (Short) /Excess accounted in earlier years(Net)	(19820)	(547549)
Income Short /(Excess) accounted in earlier years(Net)	75394	2535379
INCOME/ (EXPENSES)	55574	1987830

SCHEDULE – 14

CONSOLIDATED FINANCIAL STATEMENTS

NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS: ACCOUNTING POLICIES & NOTES ON ACCOUNTS.

(Annexed to and forming part of the Accounts for the year ended 31st March 2010)

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES.

A. 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) Sales figure disclosed in the Profit and Loss Account is inclusive of excise duty.
- (iv) Revenue recognition in respect of price escalation is carried out in the year of settlement of claims / bills.
- (v) Dividend income from investment is accounted, when the right to receive is established.
- (vi) Duty draw back and other benefits receivable on eligible export of goods manufactured are shown under "Other Income" as per rates applicable thereon.

B. 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. C(ii).
- (iii) Discarded fixed assets are de-capitalized and included under inventories at 5% of value of assets being estimated realizable value.
- (iv) Advance paid towards the acquisition of fixed assets outstanding as of each date balance sheet date and the cost of fixed assets not ready for use before such date are disclosed under capital work-in-progress.
- (v) Goodwill arising on consolidation/acquisition of assets is not amortised. It is tested for impairment on a periodic basis and written off if found impaired.

C. 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.

D. 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.

E. 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.

F. INVENTORIES

- (i) Stock of Raw Materials, Components and stores are valued at lower of cost and net realizable value. Cost is arrived at on FIFO Basis, excluding CENVAT paid on purchases.
- (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.

G. 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.

H. 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.



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I. 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
a) 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.
b) Provision for leave encashment benefit is done on the basis of actuarial valuation.

J. LIQUIDATED DAMAGES

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

K. 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.

L. IMPAIRMENT OF ASSETS

- (a) The Company has one product which is manufactured in and sold from its factories located at Bhubaneswar and Vadodara and accordingly entire Company is treated as Cash Generation Unit for carrying out Impairment Test.
- (b) Estimated future net inflows are made on the basis of estimated growth in volumes considering the expected growth of power industry based on current trends and the rise in input and other costs on past experiences.

M. 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.

2. NOTES ON ACCOUNTS:

A) The Company is holding 1,24,200 Equity Shares (100%) (Previous Year-1,15,000) of Rs. 10/-each of its Subsidiary Company M/s. Phoneix Surgicare Private Limited.

B) Contingent Liabilities not provided for:

Rs. In Lakhs

PARTICULARS	As at 31.03.2010	As at 31.03.2009
- Un expired Letters of Credit	295.91	158.96
- Counter Guarantees for Bank Guarantees issued	235.10	116.99
- Claims against the Company not acknowledged as Debt.		
(i) Income Tax	35.03	20.40
(ii) Sales Tax (*)	31.84	32.25
(iii) Entry Tax (#)	4.49	4.49
(iv) Excise	1.06	1.06
(v) ESI	0.21	0.21
TOTAL	603.64	334.36

(*) Advance against the demands of Rs.21.13 lakhs has been paid under protest which is shown under (Loans and Advances).

(#) Advance against the demands of Rs.2.30 lakhs has been paid under protest which is shown under (Loans and Advances).

C) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 8,12,036/- (net of advances) [Previous year- Rs 87,50,786/-]

D) Capital Work in Progress of Rs. 59,60,195/- (Previous Year- Rs. 18,75,933/-)disclosed under Schedule-5 .includes Rs.1,11,059/- (Previous Year- Rs. 1,21,226/-)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.

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- E) The Company had revalued its Land-Leasehold and freehold Buildings, Plant & Machinery, Testing Equipments, Material handling equipments, Electrical Installations, Computers, Office equipment, Vehicle, Furniture & Fixtures as on 31.10.1999. The increase on revaluation has been transferred to Fixed Assets Revaluation Reserve. The decrease in revaluation has been charged off to profit and loss account.
- F) The Company has transferred Rs. 3,68,43,045/- to Revaluation Reserve (Shown under Reserves & Surplus) on revaluation of Fixed Assets and transferred the additional charge of depreciation on revalued assets amounting to Rs. 11,98,048/- (Previous Year- Rs.12,17,089/-) from Revaluation Reserve to Profit and Loss Account [Read with Accounting Policy 1 (c) (vi)].
- G) Directors' Remuneration:

PARTICULARS	Rs. In Lakhs	
	Current Year	Previous Year
- Salary of Managing Director	11.04	5.40
- Salary of Whole time Directors	18.00	7.42
- Commission	--	25.31
- Contribution to Provident and other fund	7.82	1.74
- Other Perquisites	2.01	7.74
TOTAL	38.87	47.61

Note : The above figures do not include contribution to gratuity fund for one Whole time Director, since the same is provided on an actuarial basis for the Company as a whole , whereas * Gratuity for Managing Director and one whole time director provided during the year as per Payment of Gratuity Act 1972 are included (not being part of actuarial valuation).

- b) Manner of Computation of Net Profit :
Computation of Net Profit in accordance with Section 198 (1) of the Companies Act' 1956.

PARTICULARS	Rs. In Lakhs	
	Current Year	Previous Year
Profit / (Loss) before Taxation	115.52	524.88
Add: Depreciation as per SLM debited to Profit and Loss Account	77.77	56.31
Add: Loss on sale of Assets	--	3.11
Add: Loss on sale of Investments	54.17	--
Add: Provision for Doubtful Debts	--	18.49
Add: Directors' Remuneration	38.87	22.30
Add: Directors' Commission	--	25.31
	286.33	650.40
Less: Depreciation as per Sec-350	77.77	56.31
Less: Profit on Sale of Assets	67.32	36.02
Less: Doubtful Debts Written Back	17.23	--
Net Profit u/s 349 of the Companies Act, 1956	124.01	558.07
i) to the Chairman and Managing Director @ 3% (Previous year -@2%) of said Net Profit*	--	10.65
ii) to the two Whole time Directors @ 1.5% (Previous Year- 1%) of said Net Profit*	--	10.65
iii) to the one Whole time Directors @ 1.5% (Previous Year- 0.75%) of said Net Profit*	--	4.01
* Commission NIL for the year due to inadequacy Profits. Only minimum remuneration payable as per approval within ceiling provided by Law.		

- H) Auditors' Remuneration including Service Tax :

PARTICULARS	Rupees	
	Current Year	Previous Year
As Auditor		
-- Audit Fees	60,000	50,000
-- Tax Audit Fees	20,000	20,000
--In other capacity-Certification charges	50,000	20,000
	1,30,000	90,000
-- Service Tax	13,390	9,579
	1,43,390	99,579



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- I) Sundry Debtors, 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.
- J) Under the Micro, Small and Medium Enterprises Development Act, 2006, which came into force on October 2, 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. The Company is in the process of compiling relevant information from its suppliers about their coverage under the Act which have been relied upon by the Auditors.
- K) As required by Accounting Standard 20 issued by the Institute of Chartered Accountants of India, the reporting in respect of Earnings per Share (EPS) is as follows :

PARTICULARS		Current Year	Previous Year
Profit available to Equity Share holders	Rs.	74,48,427	3,49,89,635
Weighted Average no. of equity share for Basic EPS	Nos	53,60,000	53,60,000
Normal Value of Equity Shares	Rs.	10.00	10.00
Basic earning per Equity Share	Rs.	1.39	6.53

- L) In view of taxable income being less than the Book Profit as calculated under section 115JB of Income Tax Act, 1961, the Company is liable to pay Minimum Alternate Tax (on Book Profit) amounting to Rs. 13,60,992/- which has been provided for. The Company has not recognized the same as Credit (in line with Guidance Note of Institute of Chartered Accountants of India in this regards) for equivalent amount during the year as set off is available u/s 115 JAA of Income Tax Act, 1961 in the year when normal taxation arises on the taxable income.
- M) The Company has been recognizing in the financial statements the deferred tax assets/ liabilities, in accordance with Accounting Standard 22 " Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India. During the year , the Company has charged the Profit and Loss Account with Deferred Tax Liability(Net) of Rs. 26.33 lakhs (Previous Year- Rs. 23.55 lakhs)

Major Components of Deferred Tax Assets and Liabilities :

Particulars	As at 31st March,2010 Rupees	As at 31st March,2009 Rupees
I) Deferred Tax Liability: Related to Fixed Assets (Depreciation)	(32,49,460)	(32,31,218)
Total -(A)	(32,49,460)	(32,31,218)
II) Deferred Tax Assets: Timing Difference:		
a) Disallowance u/s 43B of Income Tax Act, 1961		
i) Provision for Gratuity	23,584	1,98,842
ii) Provision for Doubtful Debts	---	6,28,572
iii) Provision for Leave Encashment	54,241	48,964
b) Carried forward business loss as per Income Tax Act, 1961	5,38,043	--
Total -(B)	6,15,868	8,76,378
III) Deferred Tax Liability (Net)(A+B)	(26,33,592)	(23,54,840)
IV) Opening Deferred Tax Liability (Net)	(86,08,036)	(62,53,196)
V) Closing Deferred Tax Liability (Net)	(1,12,41,628)	(86,08,036)

- N) 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. The Secondary Segment based on geographical segmentation are considered to be Businesses outside India and within India.

Details	Within India		Outside India		Total	
	Current Yr.	Previous Yr.	Current Yr.	Previous Yr.	Current Yr.	Previous Yr.
Transformer	1653.07	1293.72	102.53	1559.37	1755.60	2853.09
Project Export/Consultancy	--	--	269.29	263.63	269.29	263.63
Repairing/Service Charges	68.49	33.83	--	--	68.49	33.83
Total	1721.56	1327.55	371.82	1823.00	2093.38	3150.55

- O) In terms of Accounting Policy No.1 L above, the Company assessed the Cash Generating Unit for Impairment Test using a discount rate of 7% and did not find any asset that requires a provision for impairment.

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- P) Related Party Disclosures:
The Company had transactions with the following related parties during the year :

Name	Nature of Transactions	31 st March, 2010 Rupees	31 st March, 2009 Rupees
<i>a) Related Companies</i>			
Industrial Designs & Services Ltd.	Job Work	21,21,461	25,78,964
Oricon Industries Limited	Job Work	20,15,656	19,75,519
Galaxy Medicare Ltd.		5,56,947	1,55,144
Phoenix Surgicare Private Limited (Subsidiary Company)	Investment in Subsidiary Company	92,000	3,75,000
<i>b) Key Management Personnel</i>			
Dillip Kumar Das Deepak Kumar Das Debasis Das Santosh Kumar Patnaik	Remuneration to all Directors Rs. 38.87 (Previous Year Rs.47.61) (Refer Note No.F above)		

- Q) (1) Disclosure relating to Leave Encashment- As per Actuarial Valuation on 31st March, 2010.

a) Table Showing Changes in Present Value of Obligations :

Particulars	2009-10	2008-09
Present value of obligation as at beginning of the year	1,44,054	1,77,460
(i) Acquisition Adjustments	--	--
(ii) Interest cost	10,550	8,647
(iii) Past Service cost	--	--
(iv) Current Service cost	1,50,659	25,251
(v) Curtailment cost	--	--
(vi) Settlement cost	--	--
(vii) Benefits Paid	24,344	1,24,332
(viii) Actuarial gain/ loss on Obligation	2,080	57,027
Present value of obligation as at end of the year	2,83,000	1,44,054

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

Particulars	2009-10	2008-09
(i) Current Service Cost	1,50,659	25,251
(ii) Past Service Cost	--	--
(iii) Interest Cost	10,550	8,647
(iv) Expected Return on Plan Asset	--	--
(v) Curtailment cost	--	--
(vi) Settlement cost	--	--
(vii) Actuarial gain/ loss on Obligation	2,080	57,027
Expenses Recognized in Statement of Profit and Loss Account	1,63,290	90,926

c) Table Showing Actuarial Assumptions :

Particulars	2009-10	2008-09
(i) Mortality Table	LICI 1994-1996	LICI 1994-1996
(ii) Superannuation Age	58	58
(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	8.00	7.5
(v) Inflation Rate	5.00	5.0
(vi) Return on Asset	0.00	0.00
(vii) Remaining Working Life	13	15
(vii) Formula used	Projected Unit Credit Method	Projected Unit Credit Method


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

Particulars	2009-10	2008-09
(i) Opening Net Liability	--	--
(ii) Expenses as above	1,63,290	90,926
(iii) Contributions	--	--
(iv) Closing Net Liability	1,63,290	90,926
Closing Fund/ Provision at the year end	2,83,000	1,44,054

(2) Disclosure relating to Gratuity, as certified by Life Insurance Corporation of India, (Pension and Group Scheme Department) for the year ended 31st March, 2010 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) Disclosures as required by AS-15 (Revised) are made as per the details submitted by LIC.

Annual premium payable to LIC amounting to Rs. 3,02,130/- (Previous Year- Rs. 3,36,432/-) have been shown under "Employees Cost" in Schedule-11.

a) Assumptions

Particulars	31-03-2010	31-03-2009
Discount Rate	8%	8%
Salary Escalation	7%	7%

b) Table Showing changes in present value of Obligation

Particulars	31-03-2010	31-03-2009
Present value of obligation as at beginning of the year	13,82,586	11,06,810
(i) Interest cost	1,10,607	88,545
(ii) Current Service cost	1,38,226	1,12,053
(iii) Benefits Paid	(1,71,269)	--
(iv) Actuarial gain/(loss) on obligation	19,139	75,178
Present value of obligation as at end of the year	14,79,289	13,82,586

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

Particulars	31-03-2010	31-03-2009
Fair value of plan assets at beginning of year	13,15,941	8,82,250
(i) Expected return on plan assets	1,39,872	97,259
(ii) Contributions	3,02,130	3,36,432
(iii) Benefits Paid	(1,71,269)	--
(iv) Actuarial gain/(loss) on plan assets	--	--
Fair value of plan assets at end of year	15,86,674	13,15,941

d) Table showing fair value of plan assets

Particulars	31-03-2010	31-03-2009
Fair value of plan assets at beginning of year	13,15,941	8,82,250
(i) Expected return on plan assets	1,39,872	97,259
(ii) Contributions	3,02,130	3,36,432
(iii) Benefits Paid	(1,71,269)	--
(iv) Actuarial gain/(loss) on plan assets	--	--
Fair value of plan assets at end of year	15,86,674	13,15,941

e) Actuarial Gain/Loss recognised as on

Particulars	31-03-2010	31-03-2009
(i) Actuarial (gain)/loss on obligations	(19,139)	(75,178)
(ii) Actuarial (gain)/loss for the year- plan assets	--	--
(iii) Actuarial (gain)/loss on obligations	19,139	75,178
(iv) Actuarial (gain)/loss recognized in the year	19,139	75,178

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

Particulars	31-03-2010	31-03-2009
(i) Present value of obligation at the end of year	14,79,289	13,82,586
(ii) Fair value of plan assets as at the end of the year	15,86,674	13,15,941
(iii) Fund status	1,07,385	(66,645)
(iv) Net asset/(liability) recognized in balance sheet	(1,07,385)	66,645

g) Expenses Recognized in statement of Profit and Loss account

Particulars	31-03-2010	31-03-2009
(i) Current Service Cost	1,38,226	1,12,053
(ii) Interest Cost	1,10,607	88,545
(iii) Expected return on plan assets	(1,39,872)	(97,259)
(iv) Net Actuarial (gain) loss recognized in the year	19,139	75,178
(v) Expenses recognized in statement of Profit and loss	1,28,100	1,78,517

(3) Payment of Gratuity (amendment) Act, 2010 has become effective after notification by Ministry of Labour and Employment on 24-05-2010 increasing the ceiling from Rs. 3,50,000/- to Rs. 10,00,000/- . The differential amount arising out of such amendment will be accounted in 2010-2011 when Life Insurance Corporation of India revises the computation actuarially and sends revised demand as payable by the Company the amount where of is not ascertained as of date which is not expected to be material

R) Additional information pursuant to provisions of paragraphs 3,4C,4D of Part III of Schedule VI to the Companies Act, 1956.:

a) Capacities		
(i) Licenced Capacity	Not Applicable to this Company	
(ii) Installed Capacity	Current Year	Previous Year
Unit-1	1000 MVA	1000 MVA
Unit-4	500000 Nos	--
b) Production		
Unit-1	1743 Nos	799 Nos
Unit-4	1622 Nos	10 Nos

c) Turnover during the period		Current Year		Previous Year	
		Qty (Nos)	Value Rs. In lakhs	Qty (Nos)	Value Rs. In lakhs
Finished Transformer	Unit-1	1719	1334.35	792	2850.71
	Unit-4	1618	421.24	10	2.40
Others	Unit-1		324.22		297.44
	Unit-4		13.57		--
TOTAL			2093.38		3150.55
d) Stock of Goods produced		Current Year		Previous Year	
		Qty (Nos)	Value Rs. In lakhs	Qty (Nos)	Value Rs. In lakhs
Finished Transformers					
Others		40	64.00	12	18.59
TOTAL			64.00		149.64
					168.23



e) Raw Materials and Components Consumed :

Items	Current Year		%	Previous Year		%
	Qty (MT)	Value (Rs. In lacs)		Qty (MT)	Value (Rs. In lacs)	
Indigenous :						
Conductors	97.398	141.45	11	274.026	388.95	20
Steel Materials	195.705	59.25	5	172.152	59.85	3
Core Lamination	73.470	127.20	10	6.394	13.20	1
Others	--	385.33	30	--	438.91	23
	366.573	713.23	55	452.572	900.55	47
Imported						
CRGO Steel	87.023	147.75	11	304.656	565.29	30
AMDT CORE	163.802	325.05	25	42.114	55.41	3
Conductors	25.302	88.39	7	95.421	340.39	18
Others	--	11.32	1	--	46.37	2
	276.127	572.51	45	346.77	1007.46	53
TOTAL	642.700	1285.74	100	799.27	1908.01	100

f) CIF VALUE OF IMPORTS

Particulars	Current Year Rs. In lakhs	Previous Year Rs. In lakhs
Raw material and components	340.99	855.43
Capital Goods	87.80	81.49

g) Expenditure in Foreign Currency (on Cash Basis)

Particulars	Current Year Rs. In lakhs	Previous Year Rs. In lakhs
Travelling	7.34	6.54

h) Earning in foreign Currency

Particulars	Current Year Rs. In lakhs	Previous Year Rs. In lakhs
Export on FOB Basis (Direct)	71.31	1876.33
Project Export/Consultancy Services	154.04	112.02

i) Previous Year Figures have been regrouped wherever necessary.

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SCHEDULES FORMING PART OF THE ACCOUNTS

CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE - 15

ADDITIONAL INFORMATION

BALANCE SHEET ABSTRACT & COMPANY'S GENERAL PROFILE

1. REGISTRATION DETAILS

Registration No. :

1	1	5	1	/	8	2	-	8	3
---	---	---	---	---	---	---	---	---	---

State Code :

1	5
---	---

Balance Sheet Date :

3	1
---	---

0	3
---	---

2	0	1	0
---	---	---	---

2. CAPITAL RAISED DURING THE YEAR

(Figures in Rupees thousand)

Public Issue

			N	I	L
--	--	--	---	---	---

Bonus Issue

			N	I	L
--	--	--	---	---	---

Right Issue

			N	I	L
--	--	--	---	---	---

Private Placement

			N	I	L
--	--	--	---	---	---

3. MOBILISATION AND DEPLOYMENT FUNDS :

Total Liabilities

4	2	7	8	6	2
---	---	---	---	---	---

Total Assets

4	2	7	8	6	2
---	---	---	---	---	---

SOURCES OF FUNDS

Paid – up Capital

	5	3	6	0	0
--	---	---	---	---	---

Reserves & Surplus

1	8	7	7	6	9
---	---	---	---	---	---

Secured Loans

1	6	7	6	9	4
---	---	---	---	---	---

Unsecured Loans

		1	1	0	8
--	--	---	---	---	---

Deferred Tax Liabilities

1	1	2	4	6
---	---	---	---	---

APPLICATION FUNDS

Net Fixed Assets

1	8	5	9	4	3
---	---	---	---	---	---

Investments

	1	3	4	6	7
--	---	---	---	---	---

2	2	1	0	4	1
---	---	---	---	---	---

Misc. Expenditure

			N	I	L
--	--	--	---	---	---

4. PERFORMANCE OF COMPANY

Total Revenue (Net of E.D)

			2	1	5	2	1	0
--	--	--	---	---	---	---	---	---

Total Expenditure

2	0	3	6	5	8
---	---	---	---	---	---

Profit before tax

			1	1	5	5	2
--	--	--	---	---	---	---	---

Profit after Tax

		7	4	4	8
--	--	---	---	---	---

Earning per share (in Rs.)

				1	.	3	9
--	--	--	--	---	---	---	---

Dividend rate (%)

				1	0
--	--	--	--	---	---

5. GENERAL NAMES OF PRINCIPAL PRODUCTS

Item Code No.

8	5	0	4	2	1
8	5	0	4	2	2
7	4	0	8	1	1

Product description

D	I	S	T	R	I	B	U	T	I	O	N	T	R	A	N	S	F	O	R	M	E	R
						P	O	W	E	R	T	R	A	N	S	F	O	R	M	E	R	
												C	O	P	P	E	R	W	I	R	E	

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
A.K.SABAT
PARTNER
Membership No. 30310
BHUBANESWAR
DATED : 29th MAY 2010

DILLIP KUMAR DAS
DEEPAK KUMAR DAS
M.CHANDRASEKHAR

MANAGING DIRECTOR
DIRECTOR
COMPANY SECRETARY



CONSOLIDATED CASH FLOW STATEMENT FOR THE ENDED 31ST MARCH, 2010

PARTICULARS	CURRENT YEAR (Rs. in Lakhs)	PREVIOUS YEAR (Rs. in Lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Interest, Taxes & Extraordinary Items	300.11	713.27
Add :		
Depreciation	77.77	56.31
	1.83	91.98
Loss on Sale of Investment	54.17	–
	433.89	861.56
Less :		
Interest Income	35.91	24.06
Foreign Exchange Gain / (Loss) (Net)	(14.25)	8.19
Profit / (Loss) on Sale of Assets & Discarded (Net)	67.32	32.91
Balance written back	29.05	19.03
Dividend Income	10.21	5.04
	128.24	89.23
Operating Profit / (Loss) before Working Capital Changes	305.64	772.33
Adjustment for;		
Inventories - Decrease / (Increase)	(114.65)	(240.02)
Trade & Other Receivables Decrease / (Increase)	(380.95)	68.64
Trade Payables & Provisions Decrease / (Increase)	351.58	(245.07)
Cash Generated From Operations	161.63	355.88
Cash Outflow before Prior Year Adjustment	161.63	355.88
Less: Income Tax and FBT Paid	(38.40)	(140.00)
NET CASH FLOW FROM OPERATING ACTIVITIES	123.23	215.88
B. CASH FLOW FROM INVESTING ACTIVITIES		
Additions of Fixed Assets and Capital Work-in-Progress	(212.54)	(405.96)
Proceeds on Sale of Fixed Assets	71.00	1.45
Interest Received	35.91	24.06
Addition to Investments	(70.65)	–
Proceeds on Sale of Mutual Fund	21.98	–
Dividend Received	10.21	5.04
(increase) / Decrease in Fixed Deposit	62.11	(2.83)
NET CASH FLOW FROM FINANCING ACTIVITIES	(81.98)	(378.24)

Annual Report 2010

CONSOLIDATED FINANCIAL STATEMENTS

PARTICULARS	CURRENT YEAR Rs. In Lakh	PREVIOUS YEAR Rs. In Lakh
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend Paid	(51.66)	—
Dividend Tax Paid	(9.32)	—
Net Increase / (decrease) in secured borrowings	185.60	381.13
Unsecured Loan Received / (Payment)	7.85	(1.38)
Payment of Interest	(185.14)	(210.43)
NET CASH FLOW FROM FINANCING ACTIVITIES	(52.68)	169.32
Net Increase in cash and cash equivalents (A+B+C)	(11.43)	6.06
Cash and cash equivalents as on 31-03-2009	20.32	13.36
CASH & CASH EQUIVALENTS AS ON 31.03.2010	8.89	20.32
Cash and Cash Equivalents comprises		
— Cash	0.70	4.41
— Balance with Schedule Banks	8.19	15.91
	8.89	20.32

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 / recasted 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

A. K. SABAT

DILLIP KUMAR DAS

MANAGING DIRECTOR

PARTNER

Membership No. 30310

DEEPAK KUMAR DAS

DIRECTOR

BHUBANESWAR

DATED : 29th MAY 2010

M.CHANDRASEKHAR

COMPANY SECRETARY

PHOENIX SURGICARE PRIVATE LIMITED
(Wholly owned Subsidiary Company)

DIRECTOR'S REPORT

To,
**The Board of Directors,
Phoenix Surgicare Private Limited.
(Formerly known as Jashoda Trade Private
Limited)**

Your Directors are pleased to present their Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2010.

1. FINANCIAL RESULTS :

The Company has not started any activities yet. However, an expenditure of Rs.1,43,764/- has been incurred towards Audit fees, filing fees, legal expenses, professional fees, printing & stationeries .

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. Ajit Kumar Ray retire by rotation at the ensuing Annual General Meeting and, being eligible, offer him 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 B. Panda & Co., Statutory Auditors will retire at the conclusion of the ensuing Annual General Meeting and being eligible offers themselves for re-appointment.

7. SHIFTING OF REGISTERED OFFICE OF THE COMPANY :

As per the decision of the members in the last Annual General Meeting held on 18.07.2009, the registered office of the Company has been shifted from the 403, Nupur Building, Holly Cross Road, IC Colony, Borivali West, Mumbai, Maharashtra Pin Code 400103 to Plot No.3337, Mancheswar Industrial Estate, Bhubaneswar, Orissa on 28.01.2010.

8. 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, 2010 is given below:

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

9. 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 2009-2010 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 BOARD

Date: 10th April, 2010.
Place: Bhubaneswar

Sd/-
(Deepak Kumar Das)
Chairman

Annual Report 2010

COMPLIANCE CERTIFICATE

Regd. No. of the Company: **15-011535**
Nominal Capital: **Rs. 10,000,000/-**

To
The Members,
M/s. Phoenix Surgicare (P) Ltd.
3337, M. I. Industrial Estate, Bhubaneswar,
Orissa - 751 010

We have examined the registers, records, books and papers of **M/s. Phoenix Surgicare (P) Ltd.** (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 2010**. 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 8 (Eight) times 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 not closed its Register of Members during the financial year.
6. The Annual General Meeting for the financial year ended on 31st March, 2009 was held on 18th July 2009 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 2010.
8. The Company being a Private Company, Section 295 of the Act is not applicable during the financial year.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company was not required to make any 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) issued share certificates on allotment of shares during the year 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. There was no appointment of Additional Director, Alternate Directors and Directors to fill casual vacancy during the financial year.
15. The Company being a Private Company provision of section 269 of the Act with regard to appointment of Managing Director, Whole Time Director, and Manager are not applicable.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company has obtained approval from Company Law Board, Western Region Bench, Mumbai for shifting of Registered office from 403, Nupur Building, Holly Cross Road, I.C. Colony, Borivalli (West), Mumbai-103 in the State of Maharashtra to 3337, Mancheswar Industrial Estate, Bhubaneswar-751010 in the State of Orissa 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 issued 9200 equity shares during the financial year.

PHOENIX SURGICARE PRIVATE LIMITED

(Wholly owned Subsidiary Company)

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 restrictions necessitating the Company to keep 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 under section 58A of the Act.
24. The Company has not borrowed any amount during the financial year.
25. The Company has not made any loans or advances or given guarantees or provided securities to other body corporate and consequently no entries have been made in the register kept for the purpose.
26. The Company has altered the provision of the Memorandum with respect to situation of the Companies registered office from State of Maharashtra to the State of Orissa 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 a 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)
Sd/-

Date: 10.04.2010
Place: Bhubaneswar

CS Saroj Kumar Ray
(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 2010.

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. 2009)	17.08.2009	Yes	No
2	20B	159(1)	Annual Return (Upto 18.07.2009).	17.08.2009	Yes	No
3	66	383A	Compliance Certificate (Upto 31.03.2009)	17.08.2009	Yes	No
4	18	146	Shifting of Registered Office from one State to another state.	22.01.2010	Yes	No
5	21	17(1)	Registration of CLB order.	22.01.2010	Yes	No

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AUDITOR'S REPORT TO THE MEMBER OF PHOENIX SURGICARE PRIVATE LIMITED.

We have audited the attached Balance Sheet of **M/S PHOENIX SURGICARE PRIVATE LIMITED** as at 31st March, 2010 and also the annexed Profit & Loss Account of the Company for the period ended on that date and report that :

- I. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An Audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- II. (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion, proper books of accounts as required by law have been by the company, so far as appears from our examination of the books.
 - (c) The Balance Sheet & Profit and Loss account dealt with by this report are in agreement with the books of Accounts of the company.
 - (d) In our opinion the Profit & Loss Account and balance sheet comply with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956, to the extent applicable.
 - (e) On the basis of the written representation received from the Directors and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956,
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said Accounts, read together with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and present 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 31st March, 2010 and
 - b. In case of Profit and Loss account of the profit for the period ended on that date.

For and on behalf of
B. PANDA AND COMPANY
CHARTERED ACCOUNTANTS

Sd/-
(B. N. PANDA)
PROPRIETOR
Membership No. 52974

Place: Bhubaneswar

Date : 10/04/2010

PHOENIX SURGICARE PRIVATE LIMITED
(Wholly owned Subsidiary Company)

BALANCE SHEET AS AT 31ST MARCH 2010

Figures in Rupees

PARTICULARS	Schedule	As at 31st March 2010	As at 31st March 2009
<u>SOURCE OF FUNDS</u>			
<u>Share Holder's Fund</u>			
Share Capital	A	1242000.00	1150000.00
Total		1242000.00	1150000.00
<u>APPLICATION OF FUNDS</u>			
<u>Fixed Asstes</u>			
Gross Block	B	816798.40	816798.40
Less: Accumulated Depreciation		—	—
Net Block		816798.40	816798.40
<u>Current Assets , Loans and Advances</u>			
Cash & Bank Balance	C	35875.60	90143.60
Loans & Advance	D	—	30000.00
		35875.60	120143.60
<u>Less Current Liabilites and Provisions</u>			
Current Liabilites	E	10047.00	42551.00
		10047.00	42551.00
Net Current Assets		25828.60	77592.60
Profit and Loss Account (Debit Balance)		399373.00	255609.00
Total		1242000.00	1150000.00

Notes : As per Schedule "F" attached
As per our report attached of even date
for M/s. B.PANDA & COMPANY
CHARTERED ACCOUNTANTS

For PHOENIX SURGICARE (P) LIMITED

(B.N.PANDA)
PROPRIETOR
Membership No. 52974

DEEPAK KUMAR DAS
Director

DEBASIS DAS
Director

Place : Bhubaneswar
Date : 10/04/2010

Annual Report 2010

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 ST MARCH 2010

Figures in Rupees

PARTICULARS	For the Year ended 31-03-2010	For the Year ended 31-03-2009
INCOME	—	—
TOTAL INCOME	—	—
EXPENDITURE		
Auditor's Remuneration		
— Audit Fees	5000.00	15000.00
— Service Tax	—	1751.00
Filing Fees	94.00	154004.00
Legal Expenses	30000.00	21600.00
Professional Fees	49000.00	17500.00
Printing & Stationary	3780.00	3500.00
Misc. Expenses	3500.00	3400.00
Office Expenses	27500.00	—
Travelling & Conveyance	24410.00	—
Postage & Stamp	480.00	—
TOTAL EXPENDITURE	143764.00	216755.00
Profit / (Loss) before Taxes	(143764.00)	(216755.00)
Less: Provision for Taxation	Nil	Nil
Profit / (Loss) after Tax	(143764.00)	(216755.00)
Add / (Less): Balance of Profit / (Loss) from last year	(255609.00)	(38854.00)
Balance carried to Balance Sheet	(399373.00)	(255609.00)
Basic & Diluted Earning Per Share	(1.16)	(1.88)
(Refer Note 3 of Schedule G)		

Notes : As per Schedule "F" attached

As per our report attached of even date
for M/s. B. PANDA & COMPANY
CHARTERED ACCOUNTANTS

For PHOENIX SURGICARE (P) LIMITED

(B. N. PANDA)
PROPRIETOR
Membership No. 52974

DEEPAK KUMAR DAS
Director

DEBASIS DAS
Director

Place : Bhubaneswar
Date : 10/04/2010

PHOENIX SURGICARE PRIVATE LIMITED
(Wholly owned Subsidiary Company)

SCHEDULE FORMATING PART OF BALANCE SHEET AS ON 31ST MARCH,2010

Figures in Rupees

PARTICULARS	As at 31st March 2010	As at 31st March 2009
A. SHARE CAPITAL		
AUTHORISED 10,00,000 (Previous Year 10,00,000) Equity Share of Rs.10/- each)	10000000.00	10000000.00
ISSUED, SUBSCRIBED & PAID UP 1,24,200(Previous Year 1,15,000) Equity Shares of Rs.10/- each fully Paid up	1242000.00	1150000.00

B. FIXED ASSETS

DESCRIP- TION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01-04- 2009	Addi- tions	Deduc- tions	As at 31-03- 10	Upto Y.E 31-03- 2009	Deduc- tions for Sale	For the Year	Upto Y.E 31-03- 2009	As at 31-03-10	As at 31-03- 2009

PARTICULARS	As at 31st March 2010	As at 31st March 2009
C. CASH AND BANK BALANCES		
Cash on hand	11000.00	82000.00
Balance With Scheduled Bank: In Current Account	24875.60	8143.60
	35875.60	90143.60
D. LOANS AND ADVANCES		
Other Advances	-	30000.00
	-	30000.00
E. CURRENT LIABILITIES		
Auditor's Remuneration Payable	5000.00	16751.00
Jigna Shah	-	23300.00
S.S.Risbud & Co	-	2500.00
Other Liabilities	5047.00	-
	10047.00	42551.00

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SCHEDULE-F

NOTES ON ACCOUNTS & ACCOUNTING POLICIES FOR THE FOR THE YEAR ENDED 31ST MARCH 2010.

1. SIGNIFICANT ACCOUNTING POLICIES

a) 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.

b) 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.

c) 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.

d) 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.

e) Provisions and Contingent Liability :

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.

2. Contingent liabilities not provided for – Rs. NIL (Previous year- Nil)

3. Earning Per Share :

	31-03-2010	31-03-2009
Net Profit/(Loss) Attributable to Equity Shareholders	(143764)	(216755)
Weighted Average No. of Equity Shares outstanding during the year	124200	115000
Basic and Diluted Earning per Share	(1.16)	(1.88)

4. 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 auditor.

5. Balance of Loans and Advances are subject to confirmation and consequential adjustment if arises.

6. Other clauses of Part-II of Schedule VI are not applicable to the Company.

7. Previous Years' figures have been regrouped, rearranged or restated wherever necessary to make them comparable with those of the current year.

As per our report attached of even date

For M/s. B.PANDA & COMPANY

CHARTERED ACCOUNTANTS

For PHOENIX SURGICARE PRIVATE LIMITED

(B.N.PANDA)

PROPORITOR

Membership No. 52974

Place : Bhubaneswar

Date : 10/04/2010

(DEEPAK KUMAR DAS)

DIRECTOR

(DEBASIS DAS)

DIRECTOR

PHOENIX SURGICARE PRIVATE LIMITED
(Wholly owned Subsidiary Company)

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1. REGISTRATION DETAILS

Registration No. : 1 4 7 1 9 1

State Code : 1 1

Balance Sheet Date : 3 1 0 3 2 0 1 0

2. CAPITAL RAISED DURING THE YEAR

(Figures in Rupees thousand)

Public Issue N I L

Bonus Issue N I L

Right Issue N I L

Private Placement N I L

3. MOBILISATION AND DEPLOYMENT FUNDS :

Total Liabilities 1 2 5 2

Total Assets 1 2 5 2

SOURCES OF FUNDS

Paid – up Capital 1 2 4 2

Reserves & Surplus N I L

Secured Loans N I L

Unsecured Loans N I L

(399.37)

APPLICATION FUNDS

Net Fixed Assets 8 1 7

Investments N I L

2 6

Misc. Expenditure N I L

4. PERFORMANCE OF COMPANY

Total Revenue (Net of E.D)

N I L

Total Expenditure 1 4 3 . 7 6

Profit before tax

(143.76)

Profit after Tax (143.76)

Earning per share (in Rs.)

(1.16)

Dividend rate (%) N I L

5. GENERAL NAMES OF PRINCIPAL PRODUCTS

N O T A P P L I C A B L E

As per our report attached of even date
for M/s. B.PANDA & COMPANY
CHARTERED ACCOUNTANTS

For PHOENIX SURGICARE (P) LIMITED

(B.N.PANDA)
PROPRIETOR
Membership No. 52974

DEEPAK KUMAR DAS
Director

DEBASIS DAS
Director

Place : Bhubaneswar
Date : 10//04/2010



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*

Folio No.

Client Id *

NAME AND ADDRESS OF THE MEMBER:

No.of Share(s) held :

I hereby record my presence at the 28th Annual General Meeting of the Company held on Friday, the 6th day of August, 2010 at 12.30 P.M. at Hotel "The New Marrion", 6, Janpath, Bhubaneswar – 751001.

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

DP. Id*

Folio No.

Client Id *

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 28th Annual General Meeting of the company to be held on Friday, the 6th day of August, 2010 at 12.30 P.M. at Hotel "The New Marrion, 6, Janpath, Bhubaneswar – 751001.

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

ELECTRONIC CLEARING SERVICE (ECS) MANDATE FORM

Members' authorization to receive dividends through Electronic Credit Clearing Mechanism

(Please fill in the information in CAPITAL LETTERS. Please TICK wherever it is applicable)

1. Regd. Folio No. _____ / DP ID: IN _____

CLIENT ID/ BEN. A/C No. _____

2. First Shareholder's Name: Shri/Smt./Kum./M/s _____

3. First Shareholder's Address: _____

_____ Pin Code _____

4. Particulars of Bank: account of First Shareholder:

Bank Name, Branch & Address with Telephone No.:

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SB		CA		CC	
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5. Date from which the mandate should be effective: _____

I hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected for reasons of incomplete or incorrect information, I shall not hold Alfa Transformers Limited responsible. I also undertake to advise any change in the particulars of my account to facilitate updation of records for purpose of credit of the amount through ECS (Credit Clearing).

Place:

Date:

Signature of First Shareholder(s)

NOTE: In case the shareholder is not in a position to enclose a photocopy of a blank cheque, a certificate from the Bank as under may be furnished.

Certified that the particulars furnished above are correct as per our records.

Bank's Stamp

Date:

Signature of the Authorised Official from the Bank.