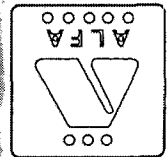


26th Annual Report 2008

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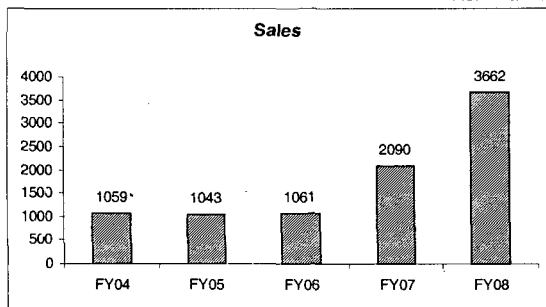
ALFA TRANSFORMERS LIMITED



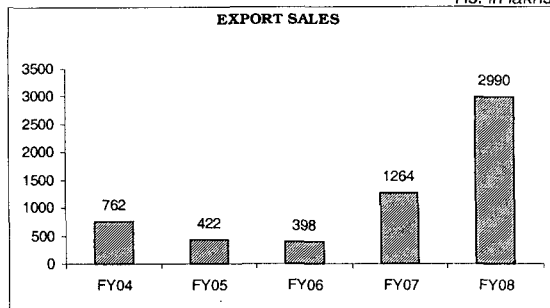


ALFA TRANSFORMERS LIMITED

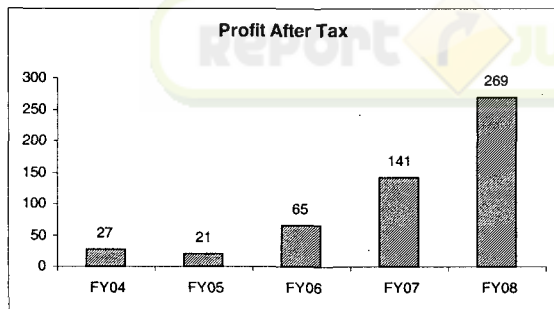
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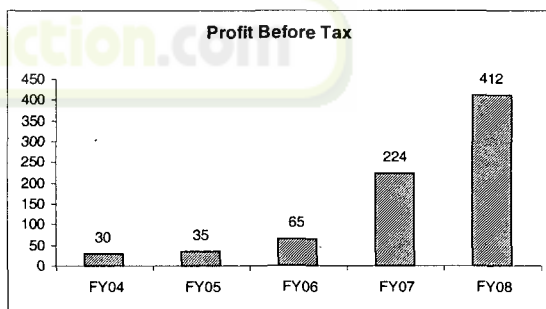
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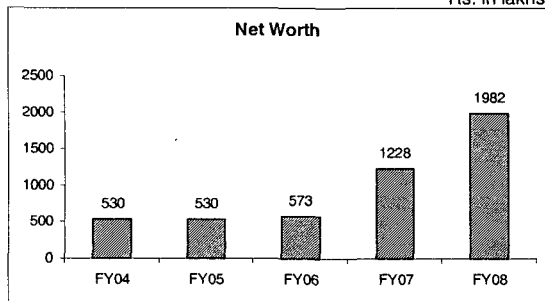
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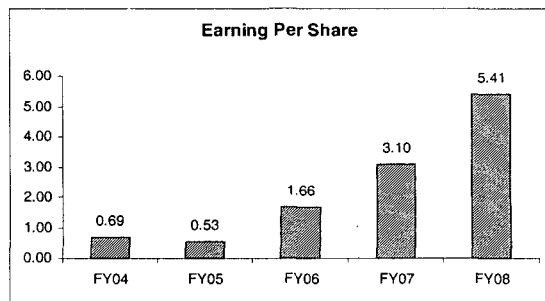
Rs. in lakhs



Rs. in lakhs



Amount in Rs.





ALFA TRANSFORMERS LIMITED

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26th Annual General Meeting

**on Friday, the 25th day of July, 2008 at 11.30 A.M.
at Hotel "The New Marrior", 6, Janpath, Bhubaneswar - 751007.**



ALFA TRANSFORMERS LIMITED

BOARD OF DIRECTORS :

Mr. Dillip Kumr Das	Chairman & Managing Director
Mr. Deepak Kumar Das	Director (Finance)
Mr. Santosh Kumar Pattnaik	Director
Mr. Debasis Das	Director
Mr. S.K. Nanda	Director
Dr. N. C. Pal	Director
Mr. Sambit Mohanty	Director
Mr. Sushil Kumar Nayak	Director
Mr. Sandeep Daga	Director
Mr. Supratim Basu	Director
Mr. L. V. N Muralidhar	Director
Mr. Subhasish Das	Director

COMPANY SECRETARY Mr. Prakash Chandra Sahoo

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

BANKERS State Bank of India,
Commercial Branch,
IDCOL House (Ground Floor)
Unit - II, Ashok Nagar,
Bhubaneswar - 751 001
Dist. : Khurda (Orissa)

**REGISTERED OFFICE
AND FACTORY** Plot No. : 3337
Mancheswar Industrial Estate,
Bhubaneswar - 751 010

**REGISTRAR & SHARE
TRANSFER AGENT** MCS Limited,
77 / 2A, Hazra Road, 5th Floor,
Kolkata - 700 029

*Annual Report 2008***NOTICE**

NOTICE is hereby given that the 26th Annual General Meeting of the company will be held at Hotel "The New Marriion", 6, Janpath, Bhubaneswar – 751001 on Friday the 25th July, 2008 at 11.30 A. M. to transact the following business :-

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Audited Balance Sheet as at 31st March 2008, the profit and Loss account for the year ended on that date and the reports of the auditors and directors thereon.
2. To appoint a Director in the place of Mr. Subhasish Das, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in the place of Mr. Sandeep Daga, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in the place of Mr. L.V.N. Muralidhar, who retires by rotation and being eligible offers himself for reappointment.
5. 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:

6. 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 provision of section 198, 269, 309, Schedule XIII and other applicable provisions of any of the Companies Act, 1956, and subject to other approvals as may be necessary, consent of the Company be and is hereby accorded to the appointment of Mr. Santosh Kumar Patnaik as a Whole-time Director (Technical Services) with effect from 1st July 2008 for a period of two years at the following terms and conditions:

a) SALARY:

Rs.22,500/- per month, which will be paid as a minimum remuneration in the absence of adequacy of profits.

b) COMMISSION:

1% of the net profits of the company computed in the manner referred to in Sec.198 of the Companies Act, 1956.

c) HOUSING:

Mr. Santosh Kumar Patnaik shall be provided with free furnished residential accommodation, the cost of which to the Company shall not exceed 60% of the Salary, provided 10% of the salary shall be recovered from him.

In case he chooses to avail house rent allowance in lieu of free furnished accommodation, he shall be entitled to a house rent allowance of 50% of the salary.

d) MEDICAL REIMBURSEMENT:

Mr. Santosh Kumar Patnaik will be entitled to a reimbursement of the medical expenses for self and family, which shall be subject to a ceiling of Rs.15,000/- in a year or Rs.45,000/- in a block of 3 years.

e) LEAVE TRAVEL CONCESSION:

He shall be entitled to leave travel concession for self and family of one-month salary once in a year.

f) CLUB FEES:

The Company shall pay the fees upto 2 clubs in which Mr. Patnaik may be a member, subject to the condition that no admission fee on life membership fee shall be paid by the Company.

g) PERSONAL ACCIDENT INSURANCE:

The Company shall pay the premium for personal accident insurance of Mr. Santosh Kumar Patnaik subject to a ceiling of Rs. 4, 000/- per annum.

The monetary value of perquisites in para (b,c,d,e,f & g) above shall be restricted to the amount of the salary.

OTHER BENEFITS:**h) Employees Provident Fund:**

Company's contribution to the Employees provident fund, subject to a maximum limit of 12% of the salary.



ALFA TRANSFORMERS LIMITED

i) Gratuity:

Mr. Santosh Kumar Patnaik shall be entitled to a gratuity of half month's salary for each completed year of service, subject to the ceilings as may be prescribed by the Income Tax Act from time to time.

j) Car:

Company shall reimburse to Mr. Santosh Kumar Patnaik the official car maintenance allowance including fuel, repair expenses etc. subject to a ceiling of Rs.75,000/- per annum.

k) Telephone at Residence:

Mr. Santosh Kumar Patnaik shall be provided with the telephone at his residence. Charges on personal long distance calls on telephone shall be recovered from Mr. Patnaik.

l) Leave Encashment:

Leave and encashment of leave as per the Rules of the Company.

No Director of the Company, other than Mr. Santosh Kumar Patnaik is concerned or interested in the aforesaid contract.

7. To Consider and if thought fit to pass, with or without modifications, the following Resolution as a Special Resolution.

"RESOLVED THAT pursuant to Section 17 and other applicable Provisions of the Companies Act, 1956, the Objects Clause of the Memorandum of Association of the Company be and is hereby altered by adding the following four new Sub clauses (33) to (36) after the existing sub-clause no 32 and all the clauses are re-numbered from sl no. 1 to 36.

"i) To manufacture, import, export, buy, sell, assemble, fabricate, galvanize, repair, renovate and otherwise

deal in all kinds of generators, switchgears, meters, transformers, transmission towers, rectifiers, machineries and their components, spares parts, auxiliaries and accessories, wire and cables, lamps, fans, fittings, transformer tanks, electromedical equipments, heaters, radiators, ovens, in India and any part of the world,

ii) To carry on in India or in any part of the world the business of designing, developing, manufacturing, buying, selling including exporting from and importing to India, supplying and otherwise dealing in and the provision of consultancy services and turnkey services with regard to all kinds of equipment capable of being used in connection with generation, distribution, supply, accumulation and employment of electricity, either alone or in conjunction with gas, petrol, or other conventional or non conventional agencies.

iii) To carry on the business in India and any part of the world of as manufacturers, producers, fabricators, processors, buyers, sellers, assemblers, galvanizers, importers, exporters, electricians, electrical engineers, contractors, repairers, reconditioners, job-contractors and dealers in electrical instrument; equipment, machineries, stores, electronic, electrical motors or electromechanical or mechanical equipments, instrumental transformers, electrical transformers, hi-tech transformers, lighting transformers, control transformers, industrial transformers, power transformers, voltage transformers, furnace transformers, phase transformers and electronic transformers and power line carrier communication equipments.

iv) To participate and/or create any Association, Company, Subsidiary, Joint Venture, Special Purpose Vehicle or any other entity or structure in India and any part of the world for the purpose of achieving the above objects."

BY ORDER OF THE BOARD
FOR ALFA TRANSFORMERS LIMITED

PLACE : BHUBANESWAR

Date: 21st May, 2008

Sd/-
PRAKASH CH. SAHOO
COMPANY SECRETARY

*Annual Report 2008***NOTES FOR MEMBER'S ATTENTION:**

- 1 A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE 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 in respect of the business under item No.6 of the Notice as set out above, is annexed hereto.
- 3 The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 21st July, 2008 to Friday, 25th July, 2008 (both days inclusive) in terms of provisions of section 154 of the Companies Act, 1956.
- 4 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.
- 5 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.
- 6 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.
- 7 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.
- 8 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.
- 9 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 Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001
 - b) The Bhubaneswar Stock Exchange Limited
(Applied for De-listing)
Stock Exchange Bhavan, P-2, Jayadev Vihar,
Chandrasekharapur, Bhubaneswar – 751 023
 - c) The Calcutta Stock Exchange Association Ltd.,
(Applied for De-listing)
7, Lyons Range, Kolkata – 700 001

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:**ITEM NO.6 :**

Mr. Santosh Kumar Patnaik, aged 60 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 there to start a small-scale unit named as Oriental Insulated Conductors Private Limited. He has rich experience in the fields of Engineering, Technology, Project Consultancy, Administration and Management etc.



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He is a Director of Oricon Industries Limited, Suman Conductors Private Limited and Managing Director of Oriental Insulated Conductors Private Limited. He is not member of any committee of your company.

According to section 269,309 and schedule XIII of the Companies Act, 1956, the appointment of Whole-time Director is subject to the approval of the shareholders at the 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.

ITEM NO. 7 :

Alteration of Main Object clause of Memorandum of Association:

It is proposed to broad base the objects of the company by modification of the existing objects. The proposed objects inter-alia facilitate taking up of manufacturing and dealing in of wide variety of products and activities. The addition of the new business contribute the company to enlarge its present operations and to attain healthy financial positions to meet the future challenges and also enables your company to enhance shareholder value. Pursuant to provisions of Section 17 of the Companies Act, 1956 the alteration of the main objects clause requires the approval of shareholders by way of special resolution and hence in the best interests of the company your Board recommends the resolution for your approval.

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

(Pursuant to Clause 49 of the Listing Agreement)

Item No.2 of Notice of AGM

Brief Profile of Mr. Subhasish Das:

Mr. Subhasish Das, aged 30 is a graduate in Commerce from Utkal University. He is a young, dynamic and energetic

person. He is associated with one of promoter's group company namely Galaxy Medicare Limited since 1999. He was inducted in its Board in the year 2004. Presently he is responsible of entire marketing network of Galaxy Medicare Limited with his team.

He is also a Director of Industrial Designs & Services Limited and Oricon Industries Limited.

Item No.3 of Notice of AGM

Brief Profile of Mr. Sandeep Daga

Mr.Sandeep Daga, aged 40 years is a Graduate Degree in Electronics Engineering from Amravati University. He has also done MMS-Finance from Narsee Monjee Institute of Management Studies, Mumbai. He started his career with the Corporate Planning Department of Essar Limited as Assistant Manager and then worked with Alpice finance Limited as Manager. In the year 1994 he was the principal founder of Positron Corporate Advisory Services. He was also the Head of ICICI Econet in the year 1999. He was a Director in Private Equity Firm Frontline Ventures Services Private Limited and Strategic Ventures fund (Mauritius) Limited and Frontline Strategy Limited. Currently, he is a Founder Director of Nine Rivers Capital, a Private Equity Firm.

Item No.4 of Notice of AGM

Brief Profile of Mr. L.V.N. Muralidhar

Mr. L V N Muralidhar, aged about 45 years is an Associate Member of Institute of Company Secretaries of India, New Delhi. He is also a Law Graduate from Osmania University, Hyderabad and is a Certified Associate of Indian Institute of Bankers, Mumbai. He started his career in year 1986 with Canara Bank and was shifted to Can Bank Investment Management Services Limited, (a 100% subsidiary of Canara Bank) in 1991. He served in different capacities in Can Bank Investment Management Services Limited till 2001. Presently he is a Director of nine companies including M/s Lastaki Management Consultants (P) Limited and is at Hyderabad.

*Annual Report 2008***DIRECTORS' REPORT****TO THE MEMBERS**

The Directors have pleasure in presenting the Twenty-sixth Annual Report and the Audited Accounts of your Company for the financial year ended 31.03.2008, together with the Auditors' Report thereon.

FINANCIAL RESULTS

Your Company's results for the year in comparison with previous year are given below in a summarized format:

Particulars	2007-08	2006-07	(Rs. In Lakhs)
			Increase / (Decrease) in %
Net Sales/ Income from operations	3338.42	1941.42	72%
a) Export Sales	2989.72	1263.53	137%
b) Domestic Sales	348.70	677.89	(49%)
Other Income	323.23	148.37	118%
TOTAL INCOME	3661.65	2089.79	75%
Total Expenditure	3027.95	1721.67	76%
Profit before Interest & Depreciation	633.70	368.12	72%
Interest and finance Charges	180.04	119.86	50%
Depreciation	41.33	24.08	72%
Profit before Tax	412.33	224.18	84%
Income Tax	112.97	60.65	
Deferred Tax	30.48	22.32	
Net Profit after Tax	268.88	141.21	90%

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

FINANCIAL PERFORMANCE:

During the year under Review, your Company has produced an impressive financial performance in all parameters, namely, revenue growth, operating margins and resource utilization. It is heartening to note that all the business segments have withstood the competition in generating an improved performance. Higher capacity utilization, increased realization and strengthening of operational efficiencies resulted in improved revenues and

profits. Your Company has posted a good performance with all round improvement production, sales and profitability.

The year under review has continued to witness a difficult and challenging one for your Company. The thrust was on optimum utilization of the capacity and on-going initiatives to improve its operations, given the continued effect of adverse factors like increase in cost of major raw-materials in the international market, higher finance cost and lower price realization.



ALFA TRANSFORMERS LIMITED

The Performance of the Company has been satisfactory during the year under review. With the stabilization of the process, the Net Sales of the company increased from Rs. 19.41 crores to Rs. 33.38 crores registering an increase of 72% over previous year. The export turnover has increased 137% during the year as compared to the previous year. Out of the total turnover achieved by the company 89% has been achieved through export of its product to overseas. The profit before tax and profit after tax has been increased to 84% and 90% respectively.

The Company has taken a strategic decision to scale down its domestic activities during the year under review, primarily due to limitations in production, un-remunerative domestic prices, delay in sales realizations and to retain the export market share. Considering the demand for Company's products in domestic markets, your Company is confident of regaining the sustainable growth in future in the domestic market front, once the production of transformers get streamlined at its new factory at Vadodara.

FUTURE PROSPECTS:

The transformer sector is a play on the strong growth in investment on power generation by the public and private sector, as India seeks to correct its chronic power shortages. We expect the annual requirement for transformers to be more than 100,000 MVA per annum for next five years. This includes incremental demand from the power sector and industry. This demand will primarily be fuelled by a) higher spending in the power sector on generation; b) the increased spending on Transmission and Distribution as a result of distribution reforms aimed at upgrading the network; and c) the upswing in the industrial capex cycle. So there is enough demand to keep the transformer manufacturers busy for next few years.

The government's thrust on the electrification of all the villages will give boost to Distribution Transformers. The Accelerated Power and Rural Development program (APRDP) scheme encourages the States to reduce Aggregate Technical and Commercial (AT & C) losses by upgrading their networks and through efficient metering and billing. Your company sees a huge demand for Single Phase Transformers.

During the year, your Company bagged an order from Electrical Construction Company (a joint venture of Govt. of Libya and India) for Technical assistance for shifting of equipment and services for Transformer Plant of GECOL, Libya. and another order for setting up of facilities for repair of Distribution transformers.

Your company is expanding its transformer manufacturing facilities in the other parts of the country. Your company is setting up a new a factory at the Industrial Area near Vadodara, Gujarat for setting up a transformer manufacturing unit to meet the huge demand of transformers in that region. Your Directors are hopeful that the new unit would start production by September, 2008 barring unforeseen circumstances.

Your company has entered into MOU with Hitachi Metals (India) Ltd. on 9th May, 2007 for starting their Metaglas Amorphous Project at their Unit II at Bhubaneswar. The installation of required machinery has been completed and trial production has also been started. Your Directors are hopeful that the project will be fully operational on commercial basis by June, 2008.

Since there will have no place at our Unit II plant after accommodating manufacture of CRGO lamination, Wound Core and Amorphous Core & single phase AMDT Transformers, your company needs space for tank fabrication and power transformers. Your company is putting its efforts to procure additional plot / land in Bhubaneswar to complete the expansion project at the earliest.

Your Company has initially acquired 2.5 acres of land in Nasik, Maharashtra for setting up a Transformer Unit. Negotiations are on to acquire the adjacent land to put up a Power Transformer Unit in that place primarily to cater to the clients in the Western Region of the Country. The cost of the project and means of finance are being worked out for this expansion.

ACHIEVEMENTS :

The Company continues to enjoy "Star Export House" status from the Government of India and ISO 9001-200 certification for quality. During the year under review, your Company received the "Award for Export Excellence for the year. 2005-06" from Engineering Export Promotion Council, Eastern Region.