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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	Non-Executive Non-Independent Director
Mr. Subhasish Das	Non-Executive Non-Independent Director
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 :

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

**REGISTERED OFFICE
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



ALFA TRANSFORMERS LIMITED

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, Chandrasekharapur, 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.



ALFA TRANSFORMERS LIMITED

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 Chambr 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, CESU & 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