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30th Annual General Meeting

*on Saturday, the 11th day of August, 2012 at 03.00 P.M.
at Hotel "The New Marrion", 6, Janpath, Bhubaneswar – 751001.*



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. S.K.Nanda	Non-Executive Independent Director
Dr. N. C. Pal	Non-Executive Independent Director
Mr. Sambit Mohanty	Non-Executive Independent Director
Mr. Niranjana Mohanty	Non-Executive Independent Director
Mr. B. N. R. Patnaik	Non-Executive Independent Director
Mr. Supratim Basu	Non-Executive Non-Independent Director

COMPANY SECRETARY : Mr. Susanta Kumar Satpathy

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,
Unit - I, Mancheswar Industrial Estate, Bhubaneswar – 751010

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

Unit - III, Plot No. - C/12, Industrial Estate
Madhupatna, Cuttack - 753 010

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

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

NOTICE

NOTICE is hereby given that the **30th Annual General Meeting** of the members of Alfa Transformers Limited will be held on Saturday the 11th day of August, 2012 at 3.00 P. M. at Hotel "The New Marriion", 6, Janpath, Bhubaneswar - 751 001, to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Audited Balance Sheet as at 31st March 2012, 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. Santosh Kumar Nanda, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in the place of Mr. B.N.R. Patnaik, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in the place of Mr. Niranjana Mohanty, who retires by rotation and being eligible offers himself for re-appointment.
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 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. Dillip Kumar Das, as Managing Director of the Company for period of one year, with effect from 7th August 2012 and his remuneration shall remain same as approved in the 29th Annual General Meeting held on 12.08.2011."

7. 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 of the Company for a period of one year or attaining 65 years of age whichever is earlier, with effect from 1st July 2012 and his remuneration shall remain same as approved in the 29th Annual General Meeting held on 12.08.2011."

By orders of the Board

For Alfa Transformers Limited

Place: Bhubaneswar

(S. K. Satapathy)

Date : 22nd June, 2012.

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.6 and 7 of the Notice as set out above, are annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from **Wednesday, the 1st August, 2012 to Saturday, 11th August, 2012 (both days inclusive)** in terms of provisions of section 154 of the Companies Act, 1956.
4. The Company had declared Dividend @10% i.e. Re.1/- per equity shares of the Company for the Financial Year 2008-2009 and 2009-10 in



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the 27th & 28th Annual General Meeting held on 30th July, 2009 and 6th August, 2010 respectively. All the equity shareholders of the Company are requested to contact the Company/ Share Transfer Agent i.e. 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 2008-09 and 2009-10 as on 31.03.2011 are Rs.1,87,087.45 and Rs.1,44,096.00.

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:
 - i. the change in the residential status on return to India for Permanent Settlement.
 - ii. the particulars of NRE Account with Bank in India, if not furnished earlier.
7. (a) Members are requested to notify immediately any change of address:
 - (i) to their Depository participants (DPs) in respect of their electronic share accounts;

and (ii) to the Company/Share Transfer Agent in respect of their physical share folio, if any.

- (b) In case the mailing address on this Annual Report is without the PINCODE, Members are requested to kindly inform their PINCODE immediately.
8. A member desirous of getting any information on the accounts or operations of the company is required to forward his/her queries to the company at least seven days prior to the meeting so that the required information can be made available at the meeting.
9. Members/Proxies are requested to bring their copies of Annual Report to the meeting and the attendance slip duly filled in for attending the meeting.
10. Trading in the equity shares of the company is compulsorily in dematerialized form for all investors. The ISIN (International Securities Identification Number) allotted to the company's equity share is INE 209C01015.
11. The members who hold shares in dematerialized form are requested to bring their client ID and DP ID numbers for easy identification of attendance at the meeting.
12. Members are requested to send all communications relating to shares to the company's Share Transfer Agent. (Physical and Electronic) to 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 Jeejeebhoy Tower, Dalal Street, Mumbai-400001.
 - b) The Bhubaneswar Stock Exchange Limited, **(Applied for De-listing)** Stock Exchange Bhavan, P-2, Jayadev Vihar, Chandrasekhar, Bhubaneswar-751023.
 - c) The Calcutta Stock Exchange Association Limited, **(Applied for De-listing)** 7, Lyons Range, Kolkata-700001.

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

ITEM No.6 :

Members may recall that Mr. Dillip Kumar Das has been appointed as Managing Director of the Company for a period of five years with effect from 7th August, 2007. Accordingly, the tenure of office of Mr. Dillip Kumar Das will end on 6th August 2012. The Board at its Meeting held on 22nd June 2012, re-appointed Mr. Dillip Kumar Das as Managing Director for a further period of one year from 7th August, 2012. The remuneration and terms of appointment of Mr Dillip Kumar Das shall remain same as approved in the 29th Annual General Meeting held on 12.08.2011."

According to section 269,309 and schedule XIII of the Companies Act, 1956, the re-appointment of Managing Director of the Company 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. Dillip Kumar Das, Mr. Deepak Kumar Das, and Mr. Debasis Das, are interested in the proposed resolution

ITEM No.7:

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, 2010 in the Annual General Meeting held on 28th July, 2010. The tenure of appointment of Mr. Santosh Kumar Patnaik, Whole-time Director (Technical Services) of the Company is going to be expired on 30.06.2012. The Board of Directors of the Company has re-appointed Mr. Santosh Kumar Patnaik, Whole-time Director of the Company for period of one year or attaining 65 years of age, whichever is earlier w.e.f. 01.07.2012 in its meeting held on 22.06.2012 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 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.

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. Santosh Kumar Nanda:

Mr. Santosh Kumar Nanda, aged 85 years is a Post Graduate in Electrical Technology from Indian Institute of Science, Bangalore. He is also Fellow member of Institute of Engineers India, past Chairman of Institute of Engineers India, Orissa Centre and past Chairman of Confederation Engineering Industry. He started his carrier as Assistant Electrical Engineer in Electricity Department of Government of Orissa and retired from the Government services as Chairman, Orissa State Electricity Board. After his retirement, he worked as Charter Engineers & Electrical Consultants. He is also a Director in India Power Corporation Limited and India Power Corporation (Haldia) Limited. He is the Chairman of Audit Committee and Remuneration Committee of your Company.

Item No.3 of Notice of AGM

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

Mr. Basuru Nageswar Rao Patnaik, aged 62 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



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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.4 of Notice of AGM

Brief Profile of Mr. Niranjan Mohanty:

Mr. Niranjan Mohanty, aged 62 years, is M.Sc. in Physics from Ravenshaw College, Cuttack under Utkal University and Post Graduate Diploma in Business Administration from Indian Institute of Ahmedabad. He has also completed six week training course of Small Industries Extension Training Institute. He started his carrier in Union Bank of India and worked there for two years. After that, he worked in IPICOL as a Manager Investment for five years. After resigned from the service, he started his own industries in Garment manufacturing and export, Fishing net manufacturing etc. He has over 29 years of experience as an entrepreneur. Presently, he is the Director of Magnum Apparel Private Limited, Intemark Private Limited, Utkal Chamber of Commerce and Industries Limited, Orissa Knit Complex Private Limited, Cyberscribe Technologies Private Limited, Utkal Infrastructure Development Consortium Private Limited. He was the President of Utkal Chamber of Commerce & Industries. He has extra curricular activities i.e. play writing for stage and AIR, represented during his college carrier at Ravenshaw College, Cuttack and

IIM, Ahmedabad in Football.

Item No.6 of Notice of AGM

Brief Profile of Mr. Dillip Kumar Das

Mr. Dillip Kumar Das, 64 years of age, is Graduate in Electrical Engineering from University College of Engineering, Burla, Sambalpur. He is a member of IEEE, USA; Institute of Standard Engineers and Fellow of Institute of Engineers India and also life member of Indian Council of Management Executives, Mumbai. He graduated in 1969 and worked under Government of Orissa as Assistant Engineer till August, 1973 & then resigned to start his proprietorship business for manufacture and repair of distribution Transformers. He is the promoter & managing Director of your company since 1982. He has 40 years of rich experience over manufacturing and repairing of transformers. He is responsible for overall technical & commercial activities including designing, production planning, marketing, import & export etc.

Item No.7 of Notice of AGM

Brief Profile of Mr.Santosh Kumar Patnaik

Mr. Santosh Kumar Patnaik, aged 64 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 from the service in order to 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.

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

**PLACE : BHUBANESWAR
Date: 22nd June, 2012**

**Sd/-
COMPANY SECRETARY**

DIRECTORS' REPORT

DEAR SHAREHOLDERS :

Your Directors are pleased to present the Thirtieth Annual Report and the Audited Accounts of your Company for the financial year ended 31st March, 2012, 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:

	(Rs.in lakhs)	
Particulars	2011-12	2010-11
Net Sales/Income from operations (a+b+c)	1924.30	2057.55
(a) Export Sales	16.35	243.63
(b) Domestic Sales	1850.08	1752.54
(c) Income from operations	57.87	61.38
(d) Other Income	20.30	25.17
Total Income (a+b+c+d)	1944.60	2082.72
Less: Total Expenditure	1793.68	1855.04
Profit before interest & Depreciation	150.92	227.68
Interest & Finance charges	270.62	206.67
Depreciation	89.92	82.92
Profit Before Tax	(209.62)	(61.91)
Income Tax	0.00	0.00
Deferred Tax	(19.10)	19.10
Net Profit after Tax	(228.72)	(42.81)

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

FINANCIAL PERFORMANCE :

The Company's financial position during the year has been badly affected due to global economic meltdown and recession of 2008-09 and subsequent political turmoil during the year of 2011 in Libya.

Due to disturbance in Libya our outstanding dues of 3.15 cores remain unpaid for 2 years and only recently we have received Euro 2.50 Lacks (Rs.1.67 Cores) . Similarly payment against export consignment of worth Rs.1.03 Cores was received partly (90%) after 10 months. Transformers, raw-materials, & Goods in process about 1.5 cores could not be exported, which are still remains in stock. The resultant effect on finance was extremely bad, as there is reduction of working capital, & increase of interest on fresh Working capital Term Loan of 3.3 cores to meet the short fall.

Some of the financial parameters are given hereunder:

Particulars	2011-12	2010-11
Export Sales	16.35	243.63
Domestic Sales	1850.08	1752.54
Other Income	20.30	25.17
Profit Before Tax	(209.62)	(61.91)
Profit after Tax	(228.72)	(42.81)
EPS	(4.27)	(0.80)

VALUATION:

The Profit before tax & Profit after tax have been decreased by (238.92) % and (434.75) % respectively from last year. The EPS has decreased for the accounting year to Rs(4.27) from Rs (0.80) of 2010-11.

FUTURE PROSPECTS:

With effect from 9th January 2010, all distribution transformers purchased by Govt. Electricity utilities are of Star rated transformer. Your company has already received following ratings from Bureau of Energy efficiency (BEE):

5 star rating for 16 KVA, 25KVA, 63 KVA, 100 KVA
4 Star rating for 16 KVA, 25KVA, 63 KVA, 100 KVA and 200 KVA

3 star rating for 25KVA, 63 KVA

The states like Gujarat, & Rajasthan patronizes Energy Efficient Transformers and regularly buying Amorphous Metal Distribution Transformers in large quantities. Recently Gujarat Electricity utilities have floated tenders for the requirement for the distribution transformers of about 100 Cores. Hence your company is expecting orders during next financial year.

The company is also very much hopeful of execution of export Orders during the Year 2012-13. The 1st Lot of 34 numbers of different ratings of distribution transformers are inspected and kept ready for shipment.



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The company is also hopeful of receipt of the old outstanding towards services during the Year.

Your company is now planning to dispose of surplus, unutilized assets for reducing the working capital & term Loan Liabilities during the year.

The performance of the company is expected to be better during the year 2012-13.

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.

Audited Statements of accounts of the Company's Subsidiary:

As required under Section 212 of the Companies Act, 1956, the audited statements of accounts, along with the report of the Board of Directors relating to the Company's Subsidiary i.e. Phoenix Surgicare Private Limited, together with the Auditors' Report thereon for the year ended 31st March, 2012 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 2008-09** from EEPCINDIA (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.S. K. Nanda, Mr. B. N. R. Patnaik and Mr. Niranjana Mohanty retire by rotation at the ensuing Annual General meeting and, being eligible, may offer themselves for reappointment.

Your Directors recommend their reappointment.

AUDITORS' OBSERVATION :

During the financial year 2011-2012 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, 2012, the applicable accounting standards read with requirements set out under Revised Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same;
- ii) The accounting policies adopted are consistent and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the financial year.
- iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the annual accounts have been on a going concern basis.

DIVIDEND :

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

The un-paid dividend for the Financial Year 2008-09 & 2009-10 is Rs.1,87,087.45 & Rs.1,44,096.00 as on 31.03.2012 respectively. 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, 2012, no amount has been transferred to General Reserve in accordance with the provisions of Companies (Transfer of profits to Reserves) Rules, 1975.

TECHNOLOGY ABSORPTION, ENERGY CONSERVATION, 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"**.

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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-7) attached in compliance of Account Standard No.AS-18.

Listing:

The Company's shares are listed on the 'The Bombay Stock Exchange Limited'. The Annual listing fees to the 'The Bombay Stock Exchange Limited' for the year 2012-13 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:

Though your Company had harmonious relations with their workmen in the past years, recently it is disturbed. The last settlement with workers union has expired since 30th April 2011. Reconciliation proceeding were held in the office of DLO for charter of demand submitted by the union. While the discussion was in progress in stages the union all of a sudden declined to discuss further. The failure report was submitted by DLO on 10.04.2012.

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 financial institutions.

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

DILLIP KUMAR DAS

CHAIRMAN

PLACE: BHUBANESWAR

DATE: 22nd June, 2012

ANNEXURE "A" TO THE DIRECTORS' REPORT

Disclosure of particulars with respect to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo as required under Companies (Disclosure of particulars in the Report of directors) Rules, 1988 and forming part of the Report of the Board of Directors for the period ended 31st March, 2012:

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	2011-2012	2010-2011
Expenditure	0.63	518.85
Earning	111.29	212.49

FOR AND ON BEHALF OF THE BOARD

DILLIP KUMAR DAS

CHAIRMAN

PLACE: BHUBANESWAR

DATE: 22nd June, 2012



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

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

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

2) BOARD OF DIRECTORS:

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

2.1) Composition:

The Board has an optimum combination of Executive and non-Executive Directors and is in conformity with Clause 49 of the listing agreement entered into with the stock exchanges, in which the Company’s Shares are listed. The composition of the Board as on 31st March, 2012 consists of ten Directors, among which four are Executive Directors and six 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	808267
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.Supratim Basu	Director	Non-Executive and Non-independent Director	-
6	Mr. Santosh Kumar Nanda	Director	Non-Executive and Independent Director	-
7	Dr. Nitai Chandra Pal	Director	Non-Executive and Independent Director	-
8	Mr. Sambit Mohanty	Director	Non-Executive and Independent Director	-
9	Mr. Niranjana Mohanty	Director	Non-Executive and Independent Director	-
10	Mr. B.N.R.Patnaik.	Director	Non-Executive and Independent Director	-

Board’s Definition of Independent Director:

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

- 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;