

THIRTY FOURTH ANNUAL REPORT

2009-2010



STARDELTATRANSFORMERSLTD.

STAR DELTA TRANSFORMERS LIMITED

BOARD OF DIRECTORS	: Shri Kishore Gupta (Chairman & Managing Director) : Shri Rakesh Gupta (Executive Director) : Shri Laxmendra Maheshwari (Independent Director) : Shri Shashendra Lahri (Independent Director)
REGISTERED OFFICE	: STAR DELTA TRANSFORMERS LTD., 92-A, Industrial Area, Govindpura, Bhopal-462 023
WORKS	: 92-A, Industrial Area, Govindpura, Bhopal - 462 023
AUDITORS	: M/s. A.K. Khabya & Co., Chartered Accountants, Bhopal.
BANKERS	: State Bank of India, SME Branch, Industrial Area, Govindpura, Bhopal-23
REGISTRAR & TRANSFER AGENTS	: System Support Service 209, Shivai Industrial Estate, 89 Andheri Kurla Road, Saki Naka, Andheri (E), Mumbai - 400072

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STAR DELTA TRANSFORMERS LIMITED

REGD.OFFICE : 92-A, INDUSTRIAL AREA, GOVINDPURA, BHOPAL

NOTICE

Notice is hereby given that the 34th Annual General Meeting of the Company will be held on Tuesday, 31st August 2010 at 11.00 A.M., at the Registered office of the Company at 92-A, Industrial Area, Govindpura, Bhopal to transact the following business.

ORDINARY BUSINESS:

1. To consider and adopt the accounts of the company for the financial year ending 31st March 2010, the Audited Balance sheet as at that and the Report of the Board of Directors thereon.
2. To declare Dividend on equity shares for the financial year 31st March, 2010.
3. To appoint a Director in place of Shri Kishore Gupta, being the retiring director, who retires by rotation being eligible and offers himself for re-appointment.
4. To appoint M/s. A.K. Khabya & Co, Chartered Accountants, the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of next annual general meeting and to fix their remuneration.

SPECIAL BUSINESS:

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

LISTING WITH BOMBAY STOCK EXCHANGE :

"RESOLVED that in accordance with the provisions of the Companies Act, 1956 and other provisions and Acts, if any, applicable including any amendments thereto and subject to the consents, permission, sanctions and approvals if any as may be necessary from the members, Stock Exchanges and any other authorities from time to time and subject to the conditions as may be prescribed/made applicable for enlisting of equity shares of the Company by Securities and Exchange Board of India (SEBI), Stock Exchanges and any other relevant authorities, the members do hereby accord their consent to enlist the equity shares of the Company with the Bombay Stock Exchanges (BSE) and also do hereby authorize the board to do all such deeds, acts and complete all the formalities for enlisting of equity shares with these Stock Exchanges.

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

To commence business which is not germane to the existing business of the Company

"RESOLVED THAT pursuant to Section 149(2A) and all other application provisions, if any, of the Companies Act, 1956 the consent of the members of the Company be and is hereby accorded to the Company for commencing and undertaking the business as enumerated in altered clause no. 4 of Part A of the memorandum of Association which is not germane to the existing business of the Company as:

* 4. To carry on in India or elsewhere the business of manufacturing or producing or generating electric power by conventional and non conventional methods including coal, gas, Thermal, solar, hydro, wind and tidal waves and to promote, construct, establish or maintain, manage, operate take on hire, lease, power plant, energy conservation projects, power house transmission CRGO Lamination, control panels, parts of transformers and distribution or supply electrical system for generation and deal in the business of cables, Amorphous cores, wires of all types such as copper conductors or other type of conductors.

By Order of Board of Directors

Sd/-

(KISHORE GUPTA)

CHAIRMAN & MANAGING DIRECTOR

Place : Bhopal

Date : 25th May, 2010

Notes :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN - FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Explanatory Statement Pursuant to section 173 (2) is enclosed and forms a part of this notice.
3. The Register of members and the Share Transfer Books of the company will remain closed from Tuesday 24th August 2010 to Tuesday 31st August 2010.
4. The members are required to notify the change in their address, if any, to the Company immediately.
5. Members desiring any information on the Accounts are requested to write to the company atleast 10 days prior to the date of the meeting to enable the management to keep the information ready.
6. Members are requested to bring their copies of the annual report to the meeting.
7. At the ensuing Annual General Meeting Mr. Kishore Gupta - Chairman and Managing Director, retires by rotation and being eligible offers himself for re-appointment, the brief resume of this director is as under:

ADDITIONAL INFORMATION PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT

NAME OF THE DIRECTOR	KISHORE GUPTA	
DATE OF BIRTH	20.02.1959	
DATE OF APPOINTMENT	31.10.1987	
QUALIFICATION	B.E. (Electrical Engineer)	
RELATION WITH PROMOTERS DIRECTORS	Brother of Shri Rakesh Gupta, Executive Director	
EXPERTISE IN FUNCTIONAL AREA	35 years experience in Electrical Industries	
DIRECTORSHIP IN OTHER COMPANY	1. Bhopal Wires Private Limited 2. ARK Transformers Private Limited	
	CHAIRMENTSHIP	MEMBERSHIP
AUDIT COMMITTEE	–	1
SHAREHOLDER'S GRIEVANCE COMMITTEE	–	–
MEMBERSHIP /CHAIRMANSHIP OF STAR DELTA TRANSFORMERS LIMITED	Chairman & Managing Director	
NUMBER OF SHARES HELD IN STAR DELTA TRANSFORMERS LTD.	583500 Shares	
PERCENTAGE OF SHARE HOLDING	19.45%	

EXPLANATORY STATEMENT

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

ITEM NO. 5

The Company is currently listed at Indore, Delhi and Ahmedabad Stock Exchanges. The trading of shares takes place only at the nationwide Stock Exchange i.e. Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). There is no trading at stock exchanges where the company's shares are presently listed.

The Directors have considered it advisable, and to be in the interest of the Company, to enlist the equity shares of the Company with the Bombay Stock Exchange to unlock the real value of the equity shares of the company and to provide trading platform to the share holders of the Company. The real value of the shares can be find out only if the shares of the Company are traded on any one of the nationwide stock exchange i.e NSE and/or BSE.

The special resolution is for the purpose of seeking the consent of the Company in general meeting to enlist the equity shares of the Company with the Bombay Stock Exchange.

The directors of the Company may be deemed to be interested or concerned in the resolution to the extent of their existing shareholding.

ITEM NO. 6

The company decided to broaden the scope of the work which includes manufacturing or producing or generating electric power by conventional and non conventional methods including coal, gas, thermal, solar, hydro, wind and tidal waves.

The company has accordingly altered the memorandum of association of the company by inserting new clause no. 4 by passing the Special Resolution in the Extra ordinary General Meeting held on 23rd March, 2010.

As per section 149(2) of the Companies Act, 1956 commencement of new business, which is not germane to the existing business given in clause no. 4, can only be made by way of consent of the members as the special resolution. Therefore, it has become necessary to seek your consent by way of special resolution to give effect to such provision.

None of the directors are interested in the above said resolution.

By Order of Board of Directors

Sd/-

(KISHORE GUPTA)

CHAIRMAN & MANAGING DIRECTOR

Place : Bhopal

Date : 25th May, 2010

DIRECTORS REPORT

To
THE MEMBERS
STAR DELTA TRANSFORMERS LIMITED
BHOPAL

Your directors present before you the 34th Annual Report of the Company together with the Audited Statement of Accounts for the year ending 31st March 2010.

1. FINANCIAL RESULTS AND OPERATION:

	(Rupees in Thousands)	
	2008-2009	2009-2010
Sales and Other Income	691097	647127
Profit before Depreciation.	80361	72717
Depreciation	1511	1802
Profit before Tax	78322	70829
Provision for Tax	26625	23665
Deferred	163	332
Net Profit after Tax	51534	46832
Profit brought forward from previous Year	2836	2059
Transfer to General Reserve	48908	40000
Income Tax Earlier year	60	792
Balance carried forward	2059	4589

Your Directors are happy to report that the result achieved by your Company for the year 2009- 2010 are satisfactory.

2. OPERATION :

Your company has manufactured 772.199 MVA of transformers during the year 2009-10 in comparison to 908.644 MVA of last year.

3. DIVIDEND :

Keeping in view the overall performance during the year, you directors are pleased to recommend a dividend of Rs. 1/- per equity Share on the face value of Rs. 10/- each, being 10% dividend, payable to those members whose name appear in the Register of members as on the Book Closure Date.

4. FUTURE OUTLOOK :

The company foresees a great potential in Power Sector during coming years.

The company is already having huge orders for supply of distribution and Power Transformers. As such company expects to enhance sales & profit during the year 2010-2011.

5. FIXED DEPOSITS :

The Company has not invited / accepted / renewed any fixed deposits as per the provisions of Section 58 A of the Companies Act 1956 from the public during the year under review.

6. PARTICULAR OF EMPLOYEES :

There were no employees drawing salary more than the amount as provided under the provisions of Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975.

7. AUDITORS :

M/s A.K.KHABYA & CO., Chartered Accountants, the Statutory Auditors of the Company retire at the forthcoming annual General Meeting and are eligible for re-appointment. The retiring Auditors, have furnished a certificate of their eligibility for re-appointment under Section 224 (1B) of the Companies Act, 1956 and have indicated their willingness to continue.

8. AUDITORS' REPORT :

The observation made in the Auditors' Report read together with relevant notes thereon are self explanatory and hence do not call, any further comments under Section 217 of the Companies Act 1956.

9. DIRECTORS RESPONSIBILITY STATEMENT :

Pursuant to Section 217(2AA) of the companies (Amendment) Act, 2000 the Directors confirm that:

- (i) In the preparation of the annual accounts, the applicable accounting Standards had been followed.
- (ii) The directors has selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view.
- (iii) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (iv) The directors have prepared the annual accounts on a going concern basis.

10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The statement of particulars with respect to conservation of energy, technology absorption and Foreign Exchange earnings and out go pursuant to provisions of section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is annexed hereto as annexure "A" which forms part of this Report .

11. REPORT ON CORPORATE GOVERNANCE :

A separate report on the Corporate Governance and Management Discussion & Analysis is attached as a part of the Annual Report. The Auditors' Certificate regarding compliance of the conditions of Corporate Governance is also annexed

12. SECREATARIAL AUDIT REPORT :

The compliance certificate as required under section 383a of the companies act, 1956 has been obtained from Mr. Anish Gupta, practicing company secretary and is form part of the Balance Sheet.

13. DIRECTORS :

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Shri Kishore Gupta will retire by rotation , and being eligible , offer himself for re-appointment.

14. REISSUE OF FORFEITED SHARES :

The company has reissued 142800 forfeited shares of Rs. 10/- each at a premium of Rs. 40/- in the board meeting

held on 10th September, 2009 pursuant to the special resolution passed in previous year Annual General Meeting held on 31st August, 2009. The reissued shares have been listed with all the three stock exchanges.

15. CHANGE OF OBJECT:

The company decided to broaden the scope of the work which includes manufacturing or producing or generating electric power by conventional and non conventional methods including coal, gas, thermal, solar, hydro, wind and tidal waves. The company has altered the memorandum of association incorporating the new clause no. 4 by passing the Special Resolution in the Extra ordinary General Meeting held on 23rd March, 2010.

16. LISTING OF SHARES WITH BOMBAY STOCK EXCHANGE

The Company is currently listed at Indore, Delhi and Ahmedabad Stock Exchanges. The trading of shares takes place only at the nationwide Stock Exchange i.e. national Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). There is no trading at stock exchanges where the company's shares are presently listed.

The Board of Directors proposed to enlist the equity shares of the Company with the Bombay Stock Exchange to unlock the real value of the equity shares of the company and to provide trading platform to the share holders of the Company subject to the approval of the members and other regulatory authorities. A resolution in this regard has been given in the notice for the shareholders approval.

17. CONNECTIVITY WITH CDSL/NSDL FOR DEMATERIALIZATION OF SHARES:

The Company has been admitted with Central Depository Services Limited (CDSL) and National Securities Depository Limited (NSDL) for dematerialization of shares and has been allotted ISIN No. INE541K01014.

18. ACKNOWLEDGEMENT:

Your Directors offer their sincere thanks for the co-operation of the members of The board, bankers, Government agencies and above all the valued employees.

For and on behalf of the Board

Sd/-

(KISHORE GUPTA)

CHAIRMAN & MANAGING DIRECTOR

Place : Bhopal

Date : 25th May, 2010

ANNEXURE TO DIRECTOR'S REPORT

ANNEXURE "A"

STATEMENT CONTAINING PARTICULARS PURSUANT TO COMPANIES
(DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS)
RULES, 1988 AND FORMING PART OF DIRECTORS' REPORT.

FORM A
(SEE RULE 2)

A. POWER & FUEL CONSUMPTION

I	ELECTRICITY	2008-09	2009-10
	Purchased Units	412077	397990
	Total Amount (Rs.)	2168031	2073305
	Rate per Unit (Rs.)	5.26	5.21
	Own Generation		
	Diesel Generator, Units	604	1296
	Units per Ltr. of Diesel	25.00	29.90
	Average cost per unit (Rs.)	25.00	29.20
II.	COAL		
	Quantity (MT)	---	---
	Total Cost (Rs.)	---	---
	Average Rate (Rs.)	---	---

B. CONSUMPTION PER UNIT OF PRODUCTION

	STANDARD (IF ANY)	2008-2009	2009-2010
Products (With Details)	Transformers	908.644 MVA	772.199 MVA
Units KVAH	---	412077	397990
Electricity/MVA	---	453.51	515.40
Coal	----	----	----

FORM B

PARTICULARS WITH RESPCT OF TECHONOLOGY ABSORPTION

1. Research And Development

Research work has been carried out and therefore there is no expenditure on this account.

2. Technology absorption, adoption and innovation

Company has not obtained any technology under a foreign collaboration.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Your Directors have pleasure in presenting the Management Discussion and Analysis report for the year ended on 31st March 2010.

a. INDUSTRY STRUCTURE, DEVELOPMENT :

The power sector is a key infrastructure back bone of the country. This needs to grow faster than the average growth of the economy, however because of substantial investment the growth of the sector is not to the expected level, The cheaper and stable power could be secured through large size Power projects and for which we require efficient critical technology and better quality of power transformers.

b. OPPORTUNITIES, THREATS AND RISKS :

There is huge demand of Electrical products in the market due to expected significant growth in power sector. Many power infrastructure projects are coming up in XIth & XIIth five year plans. The company will have good opportunity to secure projects orders. There is stiff competition in the market yet because of wide product range the company will be able to secure sufficient orders. Besides, implementation of Electricity Act 2003, Electricity Transmission and distribution sector has been thrown open for Private Sector participation. This will create lot of opportunity for the Growth of the Company.

c. SEGMENTWISE PERFORMANCE :

The company operates broadly into two segments.

(i) Manufacturing and (ii) Contracting.

(i) **Manufacturing Division Co.** has a very wide range of Transformer products varying from 10 KVA, 250V/ 11KV to 40 MVA, 132 KV for Power Transmission & distribution catering to various Electricity Boards like MPSEB, MSEB, RSEB, CSEB, APSEB, HPSEB, HSEB and their Discoms, Infrastructure Cos. like Angelique International Co. Ltd., Delhi, GenusInfra Power Ltd., Jaipur, Nagarjuna Construction Co. Hyderabad, BGR Energy Ltd., Chennai, Sterling Wilson, Mumbai, Hythro Power Ltd., Gurgaon, Steel Plants etc.

(ii) **Contracts : Co.** is executing 2 Turnkey contracts for construction of 11 KV & 33KV lines and 33KV switch yards under M.P. Poorva Kshetra Vidyut Vitaran Co., Jabalpur. During the year, the Co. also secured, through stiff competition, a very prestigious order from Maharashtra State Power Generation Co., Mumbai for Medium Voltage Switchyard for Ash Handling Plant for 2 × 500 MW Thermal Power Station at Bhusawal.

d. INTERNAL CONTROL SYSTEM & THEIR ADEQUACY :

The Company has adequate internal control system commensurate with the size of the operations by a committee. The committee periodically reviews the implementation of management policies to ensure that transactions have been accurately recorded and promptly reported.

e. OUTLOOK :

There is expected to be good demand for Distribution and Power Transformers and power related equipments because massive investments are planned in coming years by the Govt. as well as private sector.

f. HUMAN RESOURCES & INDUSTRIAL RELATION :

The company has maintained very harmonious & cordial Industrial relations. There is continuous emphasis on development of human resources through training. The issues pertaining to workers are resolved in harmonious and in cordial manner through regular interactions.

g. EXPORT :

Your Directors are pleased to report that your Co. has entered in the field of exports in the year 2009-10. 16 transformers in the medium voltage range were exported to Azerbazan (CIS Country) & Myanmar (Burma) through BHEL, a leader in the field of power sector. Physical export deemed export worth Rs. 29,07,38,972.00 were executed in the year.

h. Rating : The CRISIL, a leading Financial Assessment Co. have rated your Company as BBB/Stable for Bank facilities.