

THIRTY FIFTH ANNUAL REPORT

2010-2011



STARDELTA TRANSFORMERS LTD.

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 35th Annual General Meeting of the Company will be held on Friday, 30th day, September 2011 at 11.00 A.M., at their 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 2011, 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, 2011.
3. To appoint a Director in place of Shri Laxmendra Maheshwari, 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 pass with or without modification.

"RESOLVED THAT" pursuant to the provisions of section 314 (1) (a) of the Companies Act, 1956 and consent of the members of the company be and is hereby accorded for the revision of the salary of Mr. Mayank Gupta son of Mr. Kishore Gupta the Managing Director of the Company with effect from 15th April, 2011 on remuneration upto 2,49,900/- per month.

"RESOLVED FURTHER THAT" Board of Directors be and is hereby authorised to increased the same upto Rs. 2,49,900/- per month from time to time without further approval of the members in the general meeting.

"RESOLVED FURTHER THAT" the remuneration payable to Mr. Mayank Gupta as aforesaid will be subject to such modifications as may be suggested or required and which the Directors are hereby authorized to accept on behalf of the Company and which shall be acceptable by Mr. Mayank Gupta"

By Order of Board of Directors

Sd/-
(KISHORE GUPTA)
CHAIRMAN & MANAGING DIRECTOR

Place : Bhopal

Date : 03rd September, 2011

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 Monday 26th September 2011 to Friday, 30th day September 2011 (both days inclusive).

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. Laxmendra Maheshwari - 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	Laxmendra Maheshwari	
DATE OF BIRTH	09.11.1958	
DATE OF APPOINTMENT	25.06.2009	
QUALIFICATION	B.Com. LLB	
RELATION WITH PROMOTERS DIRECTORS	No any relation with the Promoters.	
EXPERTISE IN FUNCTIONAL AREA	Business	
DIRECTORSHIP IN OTHER COMPANY	Madhya Bharat Ventures Pvt. Ltd. Vidarbha Veneear Ind. Ltd.	
	CHAIRMANSHIP	MEMBERSHIP
AUDIT COMMITTEE	–	1
SHAREHOLDER'S GRIEVANCE COMMITTEE	–	–
MEMBERSHIP /CHAIRMANSHIP OF STAR DELTA TRANSFORMERS LIMITED	Director	
NUMBER OF SHARES HELD IN STAR DELTA TRANSFORMRS LTD.	NIL	
PERCENTAGE OF SHARE HOLDING	N.A.	

8. *Green initiative in Corporate Governance: The Government Of India, Ministry Of Corpotate Affairs (MCA) vide its circular no 17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 has taken a ? Green Initiative? and has allowed companies to make service of documents including Annual Report, Audited Financial Statements, Director?s Report, Auditor?s Report, etc. to the members through the electronic mode to the registered email addresses of the members. This is a golden opportunity to contribute to our Nation at large. All you have to do is to register your e-mail address with the company to receive communication through the electronic mode.*

ANNEXURE TO NOTICE
EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES
ACT, 1956

Item No. 5

The proposed special resolution is intended to obtain the approval of the company under section 314 of the Companies Act, 1956, in respect of Mr. Mayank Gupta, holding or continuing to hold office of profit under the Company, being the relative of Mr. Kishore Gupta, Managing Director of the Company.

Since total remuneration would exceed the maximum limit specified in Section 314(1), the proposal would require approval of the member in the general meeting. Therefore your directors recommend the resolution for adoption.

None of the directors except Mr. Mayank Gupta, Mr. Rakesh Gupta and Mr. Kishore Gupta are interested in the said resolution.

Place : Bhopal

Date: 3rd September, 2011

By order of the Board of Directors

Sd-

(Kishore Gupta)

Chairman & Managing Director

DIRECTORS REPORT

To
THE MEMBERS
STAR DELTA TRANSFORMERS LIMITED
BHOPAL

Your directors present before you the 35th Annual Report of the Company together with the Audited Statement of Accounts for the year ending 31st March 2011.

1. FINANCIAL RESULTS AND OPERATION:

	(Rupees in Thousands)	
	2010-2011	2009-2010
Sales and Other Income	625999	647127
Profit before Depreciation.	48984	72717
Depreciation	3595	1802
Profit before Tax	45389	70829
Provision for Tax	15500	23665
Deferred	9940	332
Net Profit after Tax	19949	46832
Profit brought forward from previous Year	4589	2059
Transfer to General Reserve	20000	40000
Income Tax Earlier year	1027	792
Balance carried forward	1756	4589

Your Directors are happy to report that the result achieved by your Company for the year 2010- 2011 are satisfactory.

2. OPERATION :

Your company has manufactured 873.916 MVA of transformers during the year 2010-11 in comparison to 772.199 MVA of last year.

3. DIVIDEND :

Keeping in view the overall performance during the year, your directors are pleased to recommend a dividend of Rs. 0.50 per equity Share on the face value of Rs. 10/- each, being 5% 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 2011-2012.

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. SECRETARIAL 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 Laxmendra Maheshwari will retire by rotation , and being eligible , offer himself for re-appointment.

14. 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.

15. 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 : 3rd September, 2011

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	2010-11	2009-10
	Purchased Units	385566	397990
	Total Amount (Rs.)	2418474	2073305
	Rate per Unit (Rs.)	6.27	5.21
	Own Generation		
	Diesel Generator, Units	1050	1296
	Units per Ltr. of Diesel	32.00	29.90
	Average cost per unit (Rs.)	32.00	29.20
II.	COAL		
	Quantity (MT)	—	—
	Total Cost (Rs.)	—	—
	Average Rate (Rs.)	—	—

B. CONSUMPTION PER UNIT OF PRODUCTION

	STANDARD (IF ANY)	2010-2011	2009-2010
Products (With Details)	Transformers	873.916 MVA	772.199 MVA
Units KVAH	----	385566	397990
Electricity/MVA	----	441.19	515.40
Coal	----	-----	-----

FORM B**PARTICULARS WITH RESPCT OF TECHONOLOGY ABSORPTION**

- Research And Development
Research work has been carried out and therefore there is no expenditure on this account.
- 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 31 st March 2011.

a. INDUSTRY STRUCTURE, DEVELOPMENT :

The power sector is a key infrastructure back bone of the country. This needs to grow at a much faster rate than the average rate of growth of the Indian economy. However, because of limited 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 essential requirement is for efficient technology and better quality of power transformers.

b. OPPORTUNITES, 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 Trans-mission and distribution sector has been thrown open for Private Sector participation. This will create lot of opportunity for the Growth of the Co.

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/ 1 1KV 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 1 1 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 x 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. Rating -

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