

THIRTY SIXTH ANNUAL REPORT

2011-2012



**STAR DELTA
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 |
| COMPANY SECRETARY & COMPLIANCE OFFICER | : Vaishali Rathod |

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STAR DELTA TRANSFORMERS LIMITED

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

NOTICE

Notice is hereby given that the 36th Annual General Meeting of the Company will be held on Saturday, 29th day, September, 2012 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 receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and the Statement of Profit and Loss for the year ended 31st March, 2012 and Report of the Director's, Company Secretaries and Auditor's thereon.
2. To declare Dividend on equity shares for the financial year 31st march, 2012.
3. To appoint a Director in place of Shri Shashendra Lahari, 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 modification(s) the following resolution as a Special Resolution:

"**RESOLVED THAT**" pursuant to the provisions of section 31 and all other applicable provisions if any, of the Companies Act, 1956, the articles contained in the draft Articles of Association submitted to this meeting, and for the purpose of identification initiated by the Chairmen thereof be and are hereby approved and adopted as new set of Articles of Association of the Company in substitution for, and to the entire exclusion of the existing Articles of Association."

By Order of the Board of Directors

Sd/-

(KISHORE GUPTA)

CHAIRMAN & MANAGING DIRECTOR

Place : Bhopal

Date : 01st September, 2012

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 25th September, 2012 to Saturday, 29th day September 2012 (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. **Green initiative in Corporate Governance :** The Government Of India, Ministry Of Corporate 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.
8. The dividend, as recommended by the Board, if approved at the meeting, will be paid on or after 29th September, 2012 to those members or their mandates whose names are registered on the Company's Register of Members :
- Pursuant to the provisions of Section 205A of the Act, as amended, dividend for the financial year 2008-2009 and 2009-2010, which remain unpaid or unclaimed for a period of 7 years will be transferred to the IEPF. Shareholders who have so far not encashed the dividend warrant(s) for the financial year 2008-2009 and 2009-2010 are requested to make their claim to the Secretarial Department at the Registered Office of the Company or the office of the RTA, failing which after the expiry of 7 years the unpaid unclaimed amount will be transferred to the IEPE. It may also be noted that once the unpaid/unclaimed dividend is transferred to the IEPF as above, no claim shall lie against the Company or the IEPF in respect of such amount by the Member.
9. At the ensuing Annual General Meeting Mr. Shashendra Lahari - Director, retires by rotation and being eligible offers himself for re-appointment, the brief resume of this director is an under :

ADDITIONAL INFORMATION PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT

| | | |
|---|------------------------------------|------------|
| NAME OF THE DIRECTOR | Shashendra Lahri | |
| DATE OF BIRTH | 19.09.1960 | |
| DATE OF APPOINTMENT | 25.06.2009 | |
| QUALIFICATION | B.Com. MBA | |
| RELATION WITH PROMOTERS DIRECTORS | No any relation with the Promoters | |
| EXPERTISE IN FUNCTIONAL AREA | Service Technical | |
| DIRECTORSHIP IN OTHER COMPANY | NO | |
| | CHAIRMANSHIP | MEMBERSHIP |
| AUDIT COMMITTEE | – | 1 |
| SHAREHOLDER'S GRIEVANCE COMMITTEE | – | – |
| MEMBERSHIP /CHAIRMANSHIP OF STAR DELTA TRANSFORMERS LIMITED | Director | |
| NUMBER OF SHARES HELD IN STAR DELTA TRANSFORMERS LTD. | NIL | |
| PERCENTAGE OF SHARE HOLDING | N.A. | |

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

Item No. 5

Replacement of Articles of Association :

The existing Articles of Association of the Company need a thorough revision to reflect the several changes in the Companies Act, 1956. Instead to piecemeal corrections it is thought fit to replace the existing Articles of Association with the new set of Articles of Association to enable the Company to meet its changing needs.

The Board of Directors accordingly recommends the resolution set out in Item no. 5 of the accompanying Notice for approval of the Members.

None of the directors is interested in this resolution.

Place : Bhopal

Date: 1st September, 2012

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 36th Annual Report of the Company together with the Audited Statement of Accounts for the year ending 31st March, 2012.

1. FINANCIAL RESULTS AND OPERATION:

| | (Rupees in Thousands) | |
|---|-----------------------|-----------|
| | 2011-2012 | 2010-2011 |
| Sales and Other Income | 668594 | 652046 |
| Profit before Depreciation. | 55630 | 48984 |
| Depreciation | 3810 | 3595 |
| Profit before Tax | 51820 | 45389 |
| Provision for Tax | 17000 | 15500 |
| Deferred | 00 | 9940 |
| Net Profit after Tax | 34820 | 19949 |
| Profit brought forward from previous Year | 1756 | 4589 |
| Transfer to General Reserve | 30000 | 20000 |
| Income Tax Earlier year | -235 | 1027 |

Your Directors are happy to report that the result achieved by your Company for the year 2011- 2012 are satisfactory.

2. OPERATION :

Your company has manufactured 1023.082 MVA of transformers during the year 2011-12 in comparison to 882.616 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 2012-2013.

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 Shashendra Lahri will retire by rotation , and being eligible , offer himself for re-appointment.

14. LISTING OF EQUITY SHARES OF COMPANY ON BOMBAY STOCK EXCHANGE.

The Shares of the company is currently listed on Stock Exchange at Indore, Ahmedabad and Delhi. The management of the company is in process of getting the equity shares of the company listed on Bombay Stock Exchange in order to list on a nationwide stock exchange and to provide an opportunity to its share holders to trade on the nationwide stock exchange.

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 : 1st September, 2012

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 | 2011-12 | 2010-11 |
|------------|-----------------------------|----------------|----------------|
| | Purchased Units | 363753 | 385566 |
| | Total Amount (Rs.) | 2818732 | 2418474 |
| | Rate per Unit (Rs.) | 7.75 | 6.27 |
| | Own Generation | | |
| | Diesel Generator, Units | 1110 | 1050 |
| | Units per Ltr. of Diesel | 33.05 | 32.00 |
| | Average cost per unit (Rs.) | 33.05 | 32.00 |
| II. | COAL | | |
| | Quantity (MT) | ---- | ---- |
| | Total Cost (Rs.) | ---- | ---- |
| | Average Rate (Rs.) | ---- | ---- |

B. CONSUMPTION PER UNIT OF PRODUCTION

| | STANDARD (IF ANY) | 2011-2012 | 2010-2011 |
|-------------------------|------------------------------|------------------|------------------|
| Products (With Details) | Transformers | 1023.082 MVA | 882.616 MVA |
| Units KVAH | ---- | 363753 | 385566 |
| Electricity/MVA | ---- | 355.55 | 436.85 |
| Coal | ---- | ---- | ---- |

FORM B**PARTICULARS WITH RESPECT OF TECHNOLOGY 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 31 st March, 2012.

a. INDUSTRY STRUCTURE, DEVELOPMENT :

The power sector is a key infrastructure back bone of the country. The demand for power 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 & other power plant equipments.

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 envisaged in XIIth five year plans. The company will have good opportunity to secure projects orders. Although there is stiff competition in the market yet because of vide product range the company will be able to secure sufficient orders. Besides, implementation of Electricity Act 2003, Electricity Generation, 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) **Turnkey 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 (GET Limited), Gurgaon, L & T, ABB Ltd., Blue Star Ltd. Monte Carlo Ltd., Bajaj Electricals Ltd., Lanco Infra Ltd., 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 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:

Co. is expected to have good demand for Distribution and Power Transformers and power related equipments because massive investments are planned in coming years by the Govt. (Central & States) 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 CARE, a leading Financial Assessment Co. have rated your Company as BBB/Stable for Bank facilities.