



POWER BEHIND POWER

TARAPUR TRANSFORMERS LIMITED

Annual Report 2009 - 10

Board of Directors

Mr. Naresh Kumar Choudhary

Mr. Rajendra Kumar Choudhary

Mr. Mohan Ranadive

Mr. R.G. Subramanian

Mr. Vinod Kumar Agrawal

Mr. Anil Kumar Nevatia

Company Secretary & Compliance Officer

Ms. Astha Rathi

Registered Office

J-20, MIDC, Tarapur Industrial Area,

Boisar, Thane 401506

Tel – (91 2525) 605120

Fax – (91 2525) 645555

Email – complianceofficer@tarapurtransformers.com

Corporate Office

201, Vikas Chamber, Junction of Link & Marve Road,

Malad (West), Mumbai 400064

Tel – (91 22) 40897777

Fax – (91 22) 28811225

Units**Boisar Unit**

J-20, MIDC, Tarapur Industrial Area,

Boisar, Thane 401506

Tel – (91 2525) 605120

Fax – (91 2525) 645555

Pali Unit

141, Manor Road, Village Pali,

Post – Poshari, Taluka – Wada, Dist.- Thane

Tel – (91 2526) 645977

Fax – (91 2526) 271154

Vadodara Unit

L/25/5, GIDC Industrial Estate,

Por- Ramnagamdi, Vadodara

Tel – (91 265) 2830290

Fax – (91 265) 2339629

Statutory Auditors

M/s Raman S Shah & Associates

Chartered Accountants

Sam Plaza, A – Wing, II Floor,

H.K. Irani Road, Dahanu Road (West),

Thane 401602

Registrars & Share Transfer Agents for Physical & Electronic Shares

Bigshare Services Private Limited

E-2/3, Ansa Industrial Estate, Sakivihar Road,

Saki Naka, Andheri (E), Mumbai 400072

Tel – (91 22) 28470652

Main Bankers

Bank of Baroda

Shantinath Shopping Centre,

S.V. Road, Malad (W), Mumbai 400064

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TARAPUR TRANSFORMERS LIMITED



NOTICE

NOTICE is hereby given that the 22nd Annual General Meeting of the Members of **Tarapur Transformers Limited** will be held at J-20, MIDC, Tarapur Industrial Area, Boisar, Thane 401506 on Thursday 30th September, 2010 at 10.30 a.m to transact with or without modification(s), as may be permissible, the following business:

ORDINARY BUSINESS:-

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2010, Profit & Loss Account for the year ended on that date together with the reports of the Directors and Auditors thereon.
2. To declare Dividend on 1,95,00,011 equity shares for the year ended 31st March, 2010.
3. To appoint a Director in place of Mr. Mohan Ranadive, who retires by rotation and being eligible offers himself for re-appointment.
4. To consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:-
“RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s. Raman S. Shah & Associates, Chartered Accountants, be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, on such remuneration as may be fixed by the Board of Directors of the Company”.
“RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary to implement this resolution”.

SPECIAL BUSINESS:-

5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:-
“RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, Mr. R.G. Subramanian, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company liable to retirement by rotation as per the provisions of the Articles of Association of the Company.
6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:-
“RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, Mr. Vinod Kumar Agrawal, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company liable to retirement by rotation as per the provisions of the Articles of Association of the Company.”
7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:-
“RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, Mr. Anil Kumar Nevatia, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company liable to retirement by rotation as per the provisions of the Articles of Association of the Company.”

By Order of the Board of Directors,
For **Tarapur Transformers Limited**

Thane, 14th August, 2010

Registered Office:-

J-20, MIDC, Tarapur Industrial Area
Boisar, Thane 401506

Astha Rathi
Company Secretary



NOTES:-

- a. The explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business under items no. 5, 6 and 7 is annexed hereto.
- b. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY / PROXIES NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY/PROXIES SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- c. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the meeting.
- d.
 - (1) The Company has notified closure of register of members and transfer books from 27th September, 2010 to 30th September, 2010 (both days inclusive) for determining the names of members eligible for dividend on equity shares, if declared at the meeting.
 - (2) The dividend, if declared, on equity shares at the meeting, will be paid after 30th September, 2010, to those members whose names appear in the statement of beneficiary ownership furnished by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
- e. Members are requested to notify to their Depository participants their change in address.
- f. As per the provisions of the Companies Act, 1956, facility for making nomination is available to the shareholders in respect of the Shares held by them. Nomination Forms can be obtained from the registrar and share transfer agents of the Company.
- g. As a measure of economy, copies of Annual Report will not be distributed at the Annual General Meeting. Members are, therefore, requested to bring their respective copy of the Annual Report to the Meeting and affix their signature at the place provided on the attendance slip annexed to the Proxy form and hand over the slip at the entrance to the place of the Meeting.
- h. Non – Resident Indian Members are requested to inform the Company's registrar and share transfer agents M/s. Bigshare Services Private Limited immediately of -
 - (1) The change in the residential status on return to India for permanent settlement.
 - (2) The particulars of the bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
- i. Members may kindly note that their bank account details, as furnished by their depositories to the Company, will be printed on their dividend warrant as per the applicable regulations of the depositories and the Company will not entertain any direct request from such members for deletion of or change in such bank account details. Members who wish to change bank account details are therefore requested to advise their depository participants about such change with complete details of bank accounts.
- j. Relevant documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days except Saturdays between 11.00 a.m. and 1.00 p.m. up to the date of the 22nd Annual General Meeting.
- k. In line with the provisions of amended Clause 32 of the Listing Agreement and circular issued by SEBI, the Company has opted to circulate abridged annual accounts of the Company.

Explanatory Statement

As required under Section 173(2) of the Companies Act, 1956, in respect of the items of Special Business mentioned in the Notice:-

Item No.5

The Board of Directors of the Company has appointed, pursuant to the provisions of Section 260 of The Companies Act, 1956 Mr. R.G. Subramanian as an Additional Director of the Company with effect from 1st September 2009.

In terms of the provisions of Section 260 of the Companies Act, 1956 Mr. R.G. Subramanian would hold office up to the date of this Annual General Meeting.

The Company has received a Notice in writing from a member proposing the candidature of Mr. R.G. Subramanian for the office of Director of the Company under the provisions of Section 257 of the Act.

TARAPUR TRANSFORMERS LIMITED



Mr. R.G.Subramanian is a graduate in Engineering (B.E.) and also holds Masters Degree in Business Administration with specialization in Finance and Production.

A brief resume of Mr. R.G.Subramanian, and nature of his expertise in specific functional area is provided in Report of Corporate Governance forming part of the Annual Report.

The Board of Directors is confident that his vast knowledge and experience will be of great value to the Company and hence commends the resolution set out at item no.5 of the notice for your approval.

Save and except Mr. R.G.Subramanian, none of the other Directors of the Company is in any way, concerned or interested in the resolution.

Item No.6

The Board of Directors of the Company has appointed, pursuant to the provisions of Section 260 of The Companies Act, 1956 Mr. Vinod Kumar Agrawal as an Additional Director of the Company with effect from 1st September 2009.

In terms of the provisions of Section 260 of the Companies Act, 1956 Mr. Vinod Kumar Agrawal would hold office up to the date of this Annual General Meeting.

The Company has received a Notice in writing from a member proposing the candidature of Mr. Vinod Kumar Agrawal for the office of Director of the Company under the provisions of Section 257 of the Act.

Mr. Vinod Kumar Agrawal is a commerce graduate having to his credit, an experience of more than 24 years in the field of Accounts, Finance and Packaging Industry.

A brief resume of Mr. Vinod Kumar Agrawal, and nature of his expertise in specific functional area is provided in Report of Corporate Governance forming part of the Annual Report.

The Board of Directors is confident that his vast knowledge and experience will be of great value to the Company and hence commends the resolution set out at item no.6 of the notice for your approval.

Save and except Mr. Vinod Kumar Agrawal, none of the other Directors of the Company is in any way, concerned or interested in the resolution.

Item No.7

The Board of Directors of the Company has appointed, pursuant to the provisions of Section 260 of The Companies Act, 1956 Mr. Anil Kumar Nevatia as an Additional Director of the Company with effect from 1st September 2009.

In terms of the provisions of Section 260 of the Companies Act, 1956 Mr. Anil Kumar Nevatia would hold office up to the date of this Annual General Meeting.

The Company has received a Notice in writing from a member proposing the candidature of Mr. Anil Kumar Nevatia for the office of Director of the Company under the provisions of Section 257 of the Act.

Mr. Anil Kumar Nevatia is a graduate in Commerce and Fellow Member of the Institute of Chartered Accountants of India. He is a Practicing Chartered Accountant since 1988. He is having more than 20 years of experience in the field of Finance, Audit and Taxation.

A brief resume of Mr. Anil Kumar Nevatia, and nature of his expertise in specific functional area is provided in Report of Corporate Governance forming part of the Annual Report.

The Board of Directors is confident that his vast knowledge and experience will be of great value to the Company and hence commends the resolution set out at item no.7 of the notice for your approval.

Save and except Mr. Anil Kumar Nevatia, none of the other Directors of the Company is in any way, concerned or interested in the resolution.

By Order of the Board of Directors,
For **Tarapur Transformers Limited**

Astha Rathi

Company Secretary

Thane, 14th August, 2010

Registered Office:-

J-20, MIDC, Tarapur Industrial Area

Boisar, Thane 401506



DIRECTORS' REPORT

Dear Members,

The Directors of your Company have pleasure in presenting Twenty Second Annual Report together with the Audited Accounts and Auditors' Report for the year ended 31st March, 2010.

1. Initial Public Offering:-

Your Company entered the Capital Market with an Initial Public Offer (IPO) of 85,00,011 Equity Shares of Rs. 10/- each at a premium of Rs. 65/- per share. Your Company's shares were listed on the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) on 18th May, 2010. The issue was over subscribed by about 1.65 times.

Your Directors take this opportunity to thank all the investors for their overwhelming response to the IPO and the confidence reposed by them.

2. Financial Performance:-

The financial performance of the Company for the Year ended 31st March, 2010 is as summarized below:-

(Rs. in Lacs)

Particulars	2009-2010	2008-2009
Gross Turnover & Other Income	3298.63	2661.38
Profit before Interest, Depreciation & Taxation	343.94	383.84
Less – Interest	(28.41)	(13.49)
Profit before Depreciation & Taxation	315.53	370.35
Less – Depreciation	(50.97)	(34.72)
Profit before tax	264.56	335.63
Less– Provision for Taxation (Including Deferred Tax)	(110.13)	(140.03)
Net Profit for the year	154.43	195.60
Add – Surplus brought forward from previous Year	66.86	34.01
Profit available for Appropriations	221.29	229.61
Appropriations:-		
Transfer to General Reserve	-	75.00
Proposed Dividend	97.50	75.00
Dividend Distribution Tax	16.57	12.75
Balance Carried to Balance Sheet	107.22	66.86

3. Performance Review:-

The performance of the Company during the year was satisfactory. The Turnover of the Company increased by 23.98% and stood at Rs. 32.99 crores as compared to Rs. 26.61 crores in the previous year. The profit after tax was lower at Rs. 1.54 crores, compared to Rs. 1.96 crores during 2008-09.

4. Share Capital:-

During the year under review, 5,00,00,000 Equity Shares of Rs. 2/- each were consolidated to Rs. 10/- each on 25th September, 2009. Your Company issued 10,00,000 Equity Shares of Rs. 10/- each at a premium of Rs. 50/- per share by way of preferential allotment to Bilpower Limited on 19th November, 2009. Further, 85,00,011 Equity Shares of Rs. 10/- each at a premium of Rs. 65/- per share were issued by way of IPO, making total subscribed, issued and paid up Equity Share capital to Rs. 19,50,00,110/- divided into 1,95,00,011 Equity Shares of Rs. 10/- each.

5. Dividend:-

Your Directors are pleased to recommend for the approval of the shareholders, a dividend of 5% (Re.0.50 per equity share) on 1,95,00,011 equity shares of Rs.10/- each being enhanced Equity Share Capital after the allotment in IPO for the financial year ended on 31st March, 2010.

6. Directors:-

Pursuant to the provisions of Section 260 of the Companies Act, 1956, Mr.R.G. Subramanian, Mr.Vinod Kumar Agrawal and Mr.Anil Kumar Nevatia were appointed as Additional Directors of the Company with effect from 1st September, 2009 and would hold Office up to the date of ensuing Annual General Meeting.

Mr. Mohan Waman Ranadive, Director of the Company retires by rotation and being eligible offers himself for re-appointment at the ensuing Annual General Meeting. The Notice convening the Annual General Meeting includes the proposals for re-appointment of Directors.

The Company has received notices in writing from members proposing the candidature of above directors.

Brief resumes of the above Directors, nature of their expertise in specific functional areas and names of the Public Limited Companies in which they hold Directorships and Memberships / Chairmanships of Committees of the Board and their shareholding in the Company, as stipulated under Clause 49 of the Listing Agreement are given in the Report on Corporate Governance forming part of the Annual Report.

7. Directors' Responsibility Statement:-

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, the Directors, to the best of their knowledge and belief, confirm that:-

- A. In the preparation of the Annual Accounts, the applicable accounting standards have been followed and that there are no material departures from the same.
- B. Appropriate accounting policies have been selected and applied consistently and such judgments & estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2010 and of the Profit of the Company for the accounting year ended on that date.
- C. Proper & sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing & detecting fraud and other irregularities; and,
- D. The annual accounts of the Company have been prepared on a going concern basis.

8. Auditors:-

The present Statutory Auditors of the Company, M/s. Raman S. Shah & Associates, Chartered Accountants, Thane, retire as Statutory Auditors at the conclusion of this Annual General Meeting. They are eligible for re-appointment and the Company has received a Certificate from them that their re-appointment, if made, would be within the limits under Section 224 (1B) of the Companies Act, 1956 and that they are not disqualified for such an appointment within the meaning of sub-sections (3) and (4) of Section 226 of the Companies Act, 1956. Their reappointment is recommended by the board.

9. Auditors' Report:-

The notes on accounts referred to in the Auditors' Report are self explanatory and therefore do not call for any further comments under section 217(3) of the Companies Act, 1956.

10. Tax Provisions:-

The Company has made adequate provisions as required under the provisions of Income Tax Act, 1961.

11. Fixed Deposits:-

During the year ended on 31st March 2010, the Company has not accepted any Fixed Deposits from public under Section 58A & 58AA of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975.



12. Corporate Governance:-

We adhere to the principal of Corporate Governance mandated by the Securities and Exchange Board of India (SEBI) and have implemented all the prescribed stipulations. As required by Clause 49 of the Listing Agreement, a detailed report on Corporate Governance forms part of this Report as **Annexure II**. The Auditors' Certificate on compliance with Corporate Governance requirements by the Company is attached.

13 Management's Discussion and Analysis Report:-

A detailed review of the operations, performance and future outlook of the Company and its businesses is given in the Management's Discussion and Analysis Report, which forms of this Report as **Annexure I**.

14. Energy Conservation and Technology Absorption:-

In view of the nature of business of the Company which is labour intensive, the information required under Section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in Report of the Board of Directors) Rules, 1988 with respect to conservation of Energy, Technology absorption is not given as electricity purchased and consumption per unit of production is not amenable to logical presentation.

15. Foreign Exchange earnings and outgo:-

Your Company earned/spent foreign exchange as under during the year.

Earnings : Rs. Nil

Outgo : Rs. 297.38 lacs

16. Particulars of Employees:-

Information in accordance with Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is not applicable for the year under review as none of the employees is drawing a salary of Rs.2.00 Lac per month and / or Rs. 24.00 Lac per annum.

17. Acknowledgement:-

The Board wishes to place on record its sincere appreciation for the assistance and cooperation received from Bankers, Government Departments and other Business Associates for their continued support towards the conduct of operations of the Company efficiently.

The directors express their gratitude to the shareholders for their continuing confidence in the Company. The directors also acknowledge the hard work and persuasive efforts put in by the employees of the Company in carrying forward Company's vision and mission.

On behalf of the Board of Directors,
For **Tarapur Transformers Limited**

Mohan Ranadive
Whole Time Director

Thane, 14th August, 2010

MANAGEMENT DISCUSSION & ANALYSIS REPORT**BACKGROUND**

Tarapur Transformers Limited was originally incorporated on 9th day of May 1988 as a Private Limited Company in the Name and Style of "Tarapur Transformers Private Limited" by its erstwhile promoters Shri Praful Dharia, Shri Rajesh Kumar Shah & Shri Praful Shah.

Bilpower Limited and its promoters acquired entire voting rights in the Company in year 2006-07, followed by change in management control and thus Bilpower Limited became the promoter of our Company.

The constitution of the Company was changed to Public limited company with effect from 27th March 2007 and consequently the name was changed to "Tarapur Transformer Limited".

We currently operate through three manufacturing units situated at Boisar, Wada & Vadodara.

INDUSTRY OVERVIEW

Power is a critical component of any economy's infrastructure without which its development and growth is a big hindrance. An economy's growth, development and ability to handle global competition, all depends on the availability, reliability and quality of the power sector.

The Power Industry constitutes the following segments:

Power Generation

Power Transmission

Power Distribution

Indian Transformer Industry

A Transformer is a voltage changer, used to either step down or step up power depending on its installation base. There are largely two categories of transformers based on function, viz., power and distribution transformers. Other special transformers that are differentiated on usage include welding, traction, furnace etc. many players have the capacity to manufacture up to 400kv, however with ultra mega power plants coming up, need for high rating transformers is felt, which has opened doors for 765kv ratings transformers.

A power transformer is installed at generation site up to the last substation just before distribution activities commence. This transformer is used to either step up or step down power to match voltage requirements. They are oil filled transformer with its range spanning from 11kv – 765kv. Power Transformer would account for about 65-68 % of the total value of the Transformer Industry.

A distribution Transformer is used to transfer power from a substation to the final point of consumption. The basic purpose of a distribution transformer is to provide end users with low voltage power. A distribution transformer could either be oil filled or dry type in nature, with range spanning from 1.1 to 11kv. Distribution transformer would account for the remaining 32-35 % of the total value of the transformer.

A dry transformer is used where there is a space constraint and higher chances of occurrence of fire. These are mostly used by industrial & corporate clients at software parks, hotels, hospitals, high rise buildings etc. These transformers are categorized as distribution transformers due to their nature of operation, i.e. at end users locations.

In India many players belong to the unorganized segment of the Industry and cater to small ratings distribution transformer demand. This is due to lack of infrastructure testing facilities, and technical skill sets available with them. However, over a period of time many of these small players moved up the value chain and graduated to the higher rating transformers. Despite this the number of players qualified for the larger variants of transformers is still small to serve upcoming demand expected over the forthcoming years.

BUSINESS OVERVIEW

Your Company is currently engaged in the areas of manufacturing, rehabilitation, up-gradation, and refurbishment of transformers ranging from power & distribution transformer, Industrial Transformer, Furnace Duty Transformer, Electric Locomotive Transformer, Electric Traction substation Transformer, Dry type transformer, Potential Transformer, Special purpose transformers. We are one of the key players in Indian markets manufacturing & repairing of power & distribution transformers, focusing on quality, timely delivery and customization based on our engineering capabilities without any third party collaboration or technical assistance.

We manufacture Transformers upto 220KV class, with installed capacity of manufacturing of 1840 MVA and repairing of 1800 MVA per annum.