



TARAPUR
TRANSFORMERS LIMITED

Annual Report 2013-2014

Board of Directors

Mr. Rajendrakumar Anandilal Choudhary
 Mr. Naresh Kumar Choudhary
 Mr. Ramalingam Ganesh Subramanian Iyer
 Mr. Kesavan Mudakkarpillil Sugathan

Company Secretary & Compliance Officer
 Ms. Ekta Kumari

Registered Office

J-20, MIDC, Tarapur Industrial Area
 Boisar, Dist. Thane – 401506, Maharashtra
 Tel – +91 2525 605120
 Fax – +91 2525 645555
 Email – complianceofficer@tarapurtransformers.com

Corporate Office

836/837, 8th Floor, IJMIMA Complex
 Raheja Metroplex, Link Road
 Malad (West), Mumbai – 400064, Maharashtra
 Tel – +91 22 42728080
 Fax – +91 22 28811225

UNITS**Pali Unit**

141, Manor Road, Village Pali
 Post – Posheri, Taluka – Wada, Dist. – Thane
 Tel – +91 2526 645977
 Fax – +91 2526 271154

Vadodara Unit

L/25/5, GIDC Industrial Estate
 Por – Ramangamdi, Vadodara, Gujarat
 Tel – +91 265 2830290 Fax – +91 265 2339629

Statutory Auditors

M/s Raman S. Shah & Associates
 Chartered Accountants
 Indra Darshan 'A' Wing 102, 1st Floor,
 Next to Jain Temple, Borivali (W),
 Mumbai – 400 092.

Registrar & Share Transfer Agents for Physical & Electronic Shares

Bigshare Services Private Limited
 E-2/3, Ansa Industrial Estate, Sakivihar Road,
 Saki Naka, Andheri (E), Mumbai – 400 072.
 Tel – +91 22 28470652
 Email: investor@bigshareonline.com

Main Bankers

Canara Bank
 Overseas Main Branch,
 211, Dalamal Tower, Nariman Point,
 Mumbai – 400021

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CORPORATE IDENTITY NUMBER

L99999MH1988PLC047303

Website

www.tarapurtransformers.com

Investor Relations Email ID

complianceofficer@tarapurtransformers.com

Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to update their email addresses with the Company or Registrar and Share Transfer Agents (Bigshare Services Pvt. Ltd.), to enable us to send all the documents through electronic mode in future.



NOTICE is hereby given that the 26th Annual General Meeting of the Members of **Tarapur Transformers Limited** will be held at J-20, MIDC, Tarapur Industrial Area, Boisar, Thane- 401506, Maharashtra on Monday, 29th September, 2014 at 10.00 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 of the Company as at 31st March, 2014 and statement of Profit & Loss Account for the year ended as on that date together with the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Rajendrakumar Anandilal Choudhary (Din : 00494663) who retires by rotation and being eligible offers himself for re-appointment.
3. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:-
"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, M/s. Raman S. Shah & Associates, Chartered Accountants, Mumbai having firm registration number 119891W issued by the Institute of Chartered Accountants of India (ICAI), be and is hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of Twenty Seventh Annual General Meeting (AGM) of the Company, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.
RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary to implement this resolution".

SPECIAL BUSINESS:-

4. To appoint Mr. Kesavan Mudakkarappillil Sugathan(DIN: 00269892) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Kesavan Mudakkarappillil Sugathan(DIN: 00269892), who was appointed as a Director liable to retire by rotation, has submitted a declaration that he meets the criteria for Independent Director pursuant to section 149(6) of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from the said Director under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the company, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years starting from 29th September, 2014 up to 28th September, 2019 and whose office shall not be liable to retire by rotation."
5. To appoint Mr. Ramalingam Ganesh Subramanian Iyer (DIN : 01747352) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Ramalingam Ganesh Subramanian Iyer (DIN: 01747352), who was appointed as a Director liable to retire by rotation, has submitted a declaration that he meets the criteria for Independent Director pursuant to section 149(6) of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from the said Director under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the company, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years starting from 29th September, 2014 up to 28th September, 2019 and whose office shall not be liable to retire by rotation."

NOTES:-

- a. A member entitled to attend and vote at the annual general meeting is entitled to appoint a proxy / 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 proxy/proxies should, however, be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.
- b. A person can act as proxy on behalf of Members not exceeding Fifty (50) and holding in the aggregate not more than 10% of the total share Capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
- 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. The Company has notified closure of register of members and transfer books from Thursday, September 25, 2014 to Monday, September 29, 2014 (both days inclusive).
- e. Members holding shares in Physical form are requested to notify change of address, if any, to Registrar and Share Transfer Agents and those who hold shares in dematerialized form are requested to notify to their Depository participants their change in address.
- f. As per the provisions of the Companies Act, 2013, 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 Pvt. Ltd. immediately of -
 - a. The change in the residential status on return to India for permanent settlement.
 - b. 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. Relevant documents referred to in the accompanying Notice 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 26th Annual General Meeting.
- j. Members holding shares in physical form and who have not registered their email IDs, are requested to register the same with the Company's



- registrar and share transfer agents M/s. Bigshare Services Pvt. Ltd.
- k. The Notice of the AGM along with the Annual Report 2013-14 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
 - l. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with the Company's registrar and share transfer agents M/s. Bigshare Services Private Limited.
 - m. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Members are provided with the facility to cast their vote electronically through the e-voting services provided by Central Depository Services (India) Limited (CDSL), on all resolutions set forth in this Notice.

Instructions for Members for e-voting are as under:-

- i. Log on to the e-voting website <https://www.evotingindia.com>
- ii. Click on "Shareholders" tab.
- iii. Now, select "TARAPUR TRANSFORMERS LIMITED" from the drop down menu and click on "SUBMIT"
- iv. Now enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID). Members holding shares in physical form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
- v. If you are holding shares in electronic form and had logged on to <https://www.evotingindia.com> and voted on an earlier e-voting of any company, then your existing password is to be used.
- vi. For Shareholders holding shares in physical form and first time users holding shares in electronic form, the steps given below are to be followed:

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department. <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/DP are requested to use the first two letters of their name in CAPITAL followed by the last 8 digits of their demat account number/Folio No., as the case may be, in the PAN field. In case the Folio No. is less than 8 digits enter the applicable number of 0s before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar and Folio No. is 1 then enter RA00000001 in the PAN field.
Date of Birth or Date of Incorporation OR Bank Account Number	Enter the Date of Birth as recorded in your demat account or in the Company's records for the Said demat account in dd/mm/yyyy format or enter Folio No. OR Enter the Bank Account Number as recorded in your demat account or in the Company's records for the said demat account or Folio No. Please enter any one of the details in order to login. In case both the details are not recorded with the Depository or the Company, please enter the number of shares held in the Bank Account Number field.

- vii. After entering these details appropriately, click on "SUBMIT" tab.
- viii. For Members holding shares in physical form, the login details can be used only for e-voting on the resolutions contained in this Notice. On logging in, Members holding shares in physical form will be directed to the Company selection screen.
- ix. Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the electronic holders for voting on resolutions of other companies, as well, on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x. Click on the EVSN for the TARAPUR TRANSFORMERS LIMITED.
- xi. On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO, as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xii. Click on the "Resolutions File" Link if you wish to view the entire Notice.
- xiii. After selecting the Resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xiv. Once you "CONFIRM" your vote on the Resolution, you will not be allowed to modify your vote.
- xv. You can also take a print of the voting done by you.
- xvi. If an electronic account holder has forgotten the set password, then he has a 'Forgot password' option to reset the password.
- xvii. Note for Institutional Shareholders:
 - Institutional shareholders (i.e. other than Individuals, HUFs, NRIs etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details, they have to create a compliance user using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.
- xviii. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (FAQs) and e-voting manual available at <https://www.evotingindia.com> under help section or write an email to helpdesk.evoting@cdslindia.com.

Other Instructions:

- i. The e-voting period commences on 23rd September, 2014 (10.00 A.M. IST) and ends on 25th September, 2014 (6.00 P.M. IST). During this period, Members of the Company, holding shares either in physical form or in electronic form, as on 22nd August, 2014, may cast their vote electronically.



- The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast and confirmed by the Member, he shall not be allowed to change it subsequently.
- ii. The voting rights of Members shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on 22nd August, 2014 which is the cutoff date for the purpose of e-voting.
 - iii. M/s. Bhuvnesh Bansal & Associates, Practicing Company Secretary (Membership No. FCS 6526 & COP 9089), has been appointed as the Scrutinizer to conduct the e-voting process in a fair and transparent manner.
 - iv. The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and submit a Scrutinizer's Report of the votes cast in favor of or against, if any, forthwith to the Chairman of the Company.
 - v. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.tarapurtransformers.com and on the website of CDSL <https://www.evoting.cdsi.com> within two days of the passing of the resolutions at the Twenty Sixth AGM of the Company on 29th September, 2014 and communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

**By Order of the Board of Director
For Tarapur Transformers Limited
Ekta Kumari
Company Secretary**

Registered Office: -

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

Tel.: +91 22 42728080, Fax: +91 22 28811225

Website: www.tarapurtransformers.com • E-mail: complianceofficer@tarapurtransformers.com

CIN-L99999MH1988PLC047303

Mumbai, 14th August, 2014

EXPLANATORY STATEMENT

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

The following Explanatory Statement sets out the material facts relating to the business under Item No. 4 & 5 of the accompanying Notice:

Item No. 4 & 5

Pursuant to the provisions of Section 149 of the Companies Act, 2013, and amended Listing agreement the Board of Directors of the Company should have at least one-third of the total number of Directors as Independent Director. The tenure of Independent Director will be for a period of five years and provisions relating to retirement of Directors shall not be applicable to Independent Directors.

The Board recommends the appointment of Mr. Kesavan Mudakkarpillil Sugathan (DIN: 00269892) and Mr. Ramalingam Ganesh Subramanian Iyer (DIN: 01747352) as Independent Directors, in accordance with the Provisions of Section 149 read with Schedule IV of the Companies Act, 2013 to hold office for a term up to five consecutive years on the Board of Directors of the Company with effect from the date of this Annual General Meeting.

The Company has received Notices in writing from the respective directors along with the requisite Deposit in accordance with Section 160 of the Companies Act, 2013 proposing themselves as candidates to be appointed as Independent Directors.

The Company has also received the declarations from the above mentioned Independent Directors to the effect that they meet the criteria of Independence as prescribed under sub-section (6) of section 149 of the Companies Act, 2013 and clause 49 of the Listing Agreement.

In the opinion of Board, each of these Directors fulfill the conditions specified in the Companies Act, 2013 read with the relevant Rules and the Listing Agreement, for their respective appointment as Independent Director and they are independent of Management.

Brief Profile of an Independent Directors to be appointed, the nature of their expertise, names of Companies in which they hold Directorship and Membership/Chairmanship of Board Committee shareholding in the Company etc. as stipulated in Clause 49 of the Listing Agreement with the Stock Exchange are furnished in the Corporate Governance Report forming part of the Annual Report.

The Board of Directors is confident that their vast knowledge and experience will be of great value to the Company and hence commends the resolution set out at item no. 4 & 5 of the notice as an ordinary resolution for the your approval.

The above Independent Directors are interested in the Resolutions mentioned at Item Nos. 4 & 5 of the Notice with regard to their respective appointments only.

Except as provided above, none of the other Directors, Key Managerial Personnel of the Company or their respective relative is in any way concerned or interested in the said resolutions. The explanatory statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

**By Order of the Board of Director
For Tarapur Transformers Limited
Ekta Kumari
Company Secretary**

Registered Office: -

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

Tel.: +91 22 42728080, Fax: +91 22 28811225

Website: www.tarapurtransformers.com • E-mail: complianceofficer@tarapurtransformers.com

CIN-L99999MH1988PLC047303

Mumbai, 14th August, 2014

**DIRECTORS' REPORT**

Dear Members,

The Directors of your Company have pleasure in presenting Twenty Sixth Annual Report together with the Audited Accounts and Auditors' Report for the year ended 31st March, 2014.

1. Financial Performance:-

The financial performance of the Company for the Year ended 31st March, 2014 is as summarized below:-

(₹. In Lacs)

Particulars	2013-2014	2012-2013
Gross Turnover & Other Income	4458.70	5624.44
Profit/(Loss) before Interest, Depreciation & Taxation	(721.40)	11.25
Less – Interest	398.44	247.97
Profit/(Loss) before Depreciation & Taxation	(1119.84)	(236.72)
Less – Depreciation	92.29	62.74
Profit/(Loss) before tax	(1212.13)	(299.46)
Less– Provision for Taxation (Including Deferred Tax)	-	-
Net Profit/(Loss) for the year	(1212.13)	(299.46)
Add/(less) Surplus/(deficit) brought forward from previous Year	(1451.64)	(1152.18)
Profit available for Appropriations/(Loss)	(2663.77)	(1451.64)
Appropriations:-		
Balance Carried to Balance Sheet	(2663.77)	(1451.64)

2. Performance Review:-

The Turnover of the Company has decreased to ₹ 4255.60 Lacs, and the Company has incurred net loss of ₹ 1212.13 Lacs for the F.Y 2013-14. The same is mainly due to fall in demand and rise in the prices of major raw materials and high interest rates.

3. Dividend:

Your Directors do not recommend any dividend for the year under review in view of losses incurred.

4. Directors:-

Mr. Rajendrakumar Anandilal Choudhary, Director, retire from the Board by rotation and being eligible has offered himself for re-appointment at the ensuing Annual General Meeting.

Pursuant to Sections 149, 150 & 152 of the Companies Act, 2013 read with Companies (Appointment and qualification of Director) Rules, 2014 along with Schedule IV or re-enactment thereof for the time being in force, an Independent Directors can hold office for a term of five consecutive years on the Board of your Company. Accordingly, it is proposed to appoint Mr. Kesavan Mudakkarpillil Sugathan and Mr. Ramalingam Ganesh Subramanian Iyer, existing Directors as Non – Executive Independent Directors for a term of five consecutive years and shall not be liable to retire by rotation.

The Company has received requisite notice from the respective directors proposing their candidature for appointment as an Independent Director and has also received declaration from the aforesaid Independent Directors confirming that they meet the criteria of Independence as prescribed under provisions of Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges.

Brief resume of the Directors proposed to be appointed/ re-appointed, qualification, experience and the names of the Companies in which they hold directorship, membership of the board committees, as stipulated in the clause 49 of the listing agreement are provided in the Report on Corporate Governance forming a part of the annual report.

5. 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: –

- In the preparation of the annual accounts for the financial year 2013-14, the applicable accounting standards have been followed and there are no material departures;
- 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, 2014 and of the Profit / loss of the Company for the accounting year ended on that date;
- 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
- The annual accounts of the Company have been prepared on a going concern basis.

6. Auditors:-

M/s. Raman S. Shah & Associates, Chartered Accountants, who are the Statutory Auditors of the Company, hold office till the conclusion of the forthcoming AGM and are eligible for re-appointment. Pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules framed there under, it is proposed to appoint M/s. Raman S. Shah & Associates, Chartered Accountants, as statutory auditors of the Company from the conclusion of the Twenty Sixth Annual General Meeting (AGM) till the conclusion of Twenty Seventh Annual General Meeting (AGM) of the Company.

The Company has received a Certificate from them that their re-appointment, if made, would be within the limits and that they are not disqualified for such an appointment under the Companies Act, 2013. Their reappointment is recommended by the board.

8. Auditors' Report:-

As regard Auditors' remarks in the Annexure to their report under Item No. (ix) (a) and (ix) (b) With respect to non-payment of Maharashtra VAT, Service Tax, Income Tax and Professional Tax the same is self explanatory.

7. Cost Auditors:

Jayant J. Paleja, Practicing Cost Accountant, has been appointed as Cost Auditor to conduct cost audit of the records of the Company for the financial year 2014-2015.

The Company has received a Certificate from them that their appointment would be within the limits and that they are not disqualified for such an appointment under the Companies Act, 2013. Their appointment is accepted by the board.

8. Tax Provisions:-

The Company has made adequate provisions as required under the provisions of Income Tax Act, 1961, as well as other relevant laws governing taxation on the company.



9. Fixed Deposits:-

During the year ended on 31st March, 2014, the Company has not accepted any Fixed Deposit from public under Section 58A & 58AA of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975.

10. 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 part of this Report as Annexure I.

11. 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. The Auditors' Certificate on compliance with Corporate Governance requirements by the Company is attached with the Corporate Governance Report as Annexure II.

12. Energy Conservation and Technology Absorption:-

The nature of business of the Company is such where electricity consumption comprises of internally DG set generated electricity as well as electricity made available by MSEDCL. Since it is not possible to bifurcate accurately between these two sources, 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.

13. Foreign Exchange earnings and outgo:-

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

Earnings: ₹ Nil

Outgo: ₹ Nil

14. Particulars of Employees:

There are no employees covered under Section 217(2A) of the Companies Act, 1956.

15. Acknowledgement:-

The Board wishes to place on record its sincere appreciation for the assistance and co-operation 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**

Rajendrakumar Anandilal Choudhary
Din : 00494663
Chairman

Mumbai, 28th May, 2014

Annexure I to the Directors' Report

MANAGEMENT DISCUSSION & ANALYSIS REPORT

INDUSTRY OVERVIEW

The Indian economy is witnessing signs of restoration and so is the power sector. The transformer market which had more than doubled manufacturing capacity over the last five years anticipating huge domestic and overseas demand is suffering from overcapacity. However, a shift in the Government of India's focus to strengthen the power T&D system opens up abundant opportunities for the transformer markets. The Indian transformers market has been in the forefront for over five decades and has a well-matured technology base up to the 800 KV class. With increasing demand for reliable power in the country, the power transformers market is witnessing a growth trend.

INDIAN TRANSFORMER INDUSTRY

"The Indian economy is witnessing a restoration and so are the electrical industry and its various segments including the transformer industry. High demand arising from the energy intensive oil and gas, and cement segments has buoyed prospects for the Indian power transformer market. Developments in the power sector will have huge ramifications for the Indian transformer industry.

The Government of India is encouraging investments at the T&D level to increase access to reliable power supply and reduce technical and commercial losses in the system through schemes such as Revised Accelerated Power Development and Reform Program (R-APDRP) and Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY). The R-APDRP scheme aims to bring down the Aggregate Technical and Commercial (AT&C) losses in the T&D network. This entails huge investments in the T&D sector including use of energy efficient transformers, besides renovation, modernization, restructuring and up gradation of the T&D infrastructure. Evidence points to a conscious effort to upgrade the grid voltages to 765 KV to minimize the transmission losses and the corridor width. Major participants are gearing up their manufacturing facilities to this changing paradigm with MNCs bringing technology from their parent companies, while local participants are obtaining the technology through acquisition and technology transfer. The Bureau of Energy Efficiency (BEE), Ministry of Power, is actively working to ensure that quality products are procured by the electricity boards and has accordingly stipulated mandatory star rating for distribution transformers. Distribution transformer procurement for R-APDRP is likely to be set at a minimum of 3 star rating. A large number of distribution transformer manufacturers have already applied to BEE for acquiring star ratings."

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, and Special Purpose Transformers. We are one of the few players in Indian markets manufacturing & repairing power & distribution transformers, focusing on quality, timely delivery and customization based on our engineering capabilities without any third party collaboration or technical assistance.



In India many players belong to the unorganized segment of the Industry and cater to small ratings distribution transformer's demand. 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 forthcoming years.

DISCUSSIONS ON RESULTS OF OPERATIONS

During the financial year 2013-14, your Company has achieved Total Turnover of ₹ 4255.60 Lacs and has incurred Net Loss of ₹ 1212.13 Lacs.

The Company has net worth of about ₹ 5631.08 Lacs as on March 31, 2014.

The Company has incurred losses during the year, mainly due to the following reasons:

- (a) Due to the ongoing capital expansion at Wada unit of the Company, production facilities were not undertaken to the extent of available capacity.
- (b) Due to the qualification criteria laid down by the utilities, who happen to be main customers of the Company, the Company has to go for orders at cost or lower to enable the Company to participate in future tenders of utilities.
- (c) The nature of business is working capital intensive and we mainly deal with State Electricity Boards which are known for delayed payments. As payments are blocked with SEB's, there is need to borrow for short term to carry on operations, which impacts our profitability as high interest payments are to be made.

FUTURE OUTLOOK

As the number of competitors in the higher range of power transformers manufacturing is very small, the board still foresees a bright future for the Company. However, the targeted profitability will be achieved only after the Company meets the minimum qualifying criteria set up by various utilities who happen to be our main customers.

RISK & CONCERNS

Our future results of operations could potentially be affected by the following factors:

- Our ability to manufacture transformers as per the requirement of our clients;
- Our ability to continuously operate and maintain our manufacturing facilities optimally;
- Our ability to continue to source raw material at competitive rates;
- Our ability to manufacture transformers using the latest technologies in terms of modern materials, components and processes.
- Our ability to generate working capital funds at reasonable interest rates.

HUMAN RESOURCES

Your Company strongly believes that employees are central to the Company's transformation agenda and that it is important to build capabilities of employees to handle both current and future needs. During the year, the Company continued to work on identifying the needs of employees across all categories and level. The Company has built a strong team of highly qualified and competent professionals to meet the emerging business challenges and market competition.

INTERNAL CONTROL AND ITS ADEQUACY

The Internal audit was carried out by firm of Chartered Accountants who conduct the audit on the basis of Annual Audit Plan. The process includes review and evaluation of effectiveness of the existing process, controls and compliance. It also ensures adherence to policies and systems, and mitigation of the operational risks perceived for each area under audit. Significant observations including recommendations for improvement of the business processes were reviewed by the Management before reporting to the Audit Committee which reviewed the Internal Audit procedures, findings and status of implementation of the agreed action plan.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis Report, describing the Company's objectives, projections and estimates, are forward-looking statements and progressive within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling prices, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

**On behalf of the Board of Directors,
For Tarapur Transformers Limited
Rajendrakumar Anandilal Choudhary
Din : 00494663
Chairman**

Mumbai, 28th May, 2014

Annexure II to the Directors' Report

REPORT ON CORPORATE GOVERNANCE

(As required under Clause 49 of the Listing Agreement entered into with the Stock Exchanges)

Corporate Governance is the application of best management practices, compliance of laws and adherence to ethical standards to achieve the Company's objective of maximizing stakeholders' value and discharge of social responsibility. The Corporate Governance structure in the Company assigns responsibilities and entrusts authority among different participants in the organization viz. the Board of Directors, the Senior Management, Employees etc.

In addition to these, the Company has also adopted the requirements of Corporate Governance under Clause 49 of the Listing Agreements, the disclosure requirements of which are given below:

MANDATORY REQUIREMENTS:-**i. Company's Philosophy on Corporate Governance:-**

The Company's philosophy on Corporate Governance is to observe the highest level of ethics in all its dealings, to ensure the efficient conduct of the affairs of the Company to achieve its goal of maximizing value for all its stakeholders.

ii. Board of Directors (Board):-**a) Board Composition:-**

The Board of the Company should consist of optimum combination of Executive, Non Executive – Independent Directors, which should be in conformity with the requirement of Clause 49 of the Listing Agreement with Stock Exchanges.



The present strength of the Board is Four (4) Directors, comprising of one Whole Time Director, one Non Executive Promoter Director and Two Independent & Non Executive Directors. The Board Members possess the skills, expertise & experience necessary to guide the Company.

Name of Director	Category of Directorship	Designation
Mr. Naresh Kumar Choudhary	Promoter – Non Executive	Director
Mr. Rajendrakumar Anandilal Choudhary	Promoter - Executive	Whole Time Director
Mr. Ramalingam Ganesh Subramanian Iyer	Independent – Non Executive	Director
*Mr. Kesavan Mudakkarpillil Sugathan	Independent – Non Executive	Director

*Appointed as Director of the Company w.e.f. 13th November, 2013.

b) Board Meetings and attendance of Directors:-

During the financial year ended on 31st March, 2014, Four (4) Board Meetings were held on the following dates:-

29th May, 2013, 13th August, 2013, 13th November, 2013 and 10th February, 2014.

Agenda papers containing all necessary information / documents are made available to the Board in advance to enable the Board members to discharge their responsibilities effectively and take informed decisions. Where it is not practicable to attach or send the relevant information as part of Agenda Papers, the same are tabled at the meeting or / and the presentations are made by the concerned managers to the Board. Considerable time is spent by the Directors on discussions and deliberations at the Board Meetings.

The information as specified in Annexure 1A to Clause 49 of the Listing Agreement is regularly made available to the Board, whenever applicable, for discussion and consideration.

The attendance at the Board Meetings held during the year and attendance at the last Annual General Meeting, number of directorships in other Public Limited companies and membership/chairmanship in committees across various companies of which the Director is a Member / Chairman are given below:-

Name of Directors	No. of Board Meetings Attended	Attendance at last AGM held on 28th September, 2013	# Directorship held in other Companies	Committee Memberships / Chairmanships	
				Membership	Chairmanship
Mr. Naresh Kumar Choudhary	1	Absent	-Nik-San Engineering Company Ltd.	-	-
Mr. Rajendrakumar Anandilal Choudhary	4	Present	-Bilpower Ltd. -Bil Energy Systems Ltd. -Choudhary Global Ltd.	9	-
*Mr. Kesavan Mudakkarpillil Sugathan	2	Absent	-Bilpower Ltd. -Bil Energy Systems Ltd.	3	6
Mr. Ramalingam Ganesh Subramanian Iyer	2	Absent	-Ramkrishna Electricals Ltd. -Ramkrishna Infra Builder & Developers LLP	2	1
** Mr. Mrugen H. Shah	2	Present	-	-	-

*Appointed as Director of the Company w.e.f. 13th November, 2013.

** Resigned w.e.f. 13th November, 2013.

Excluding Private Companies and Companies under Section 25 of the Companies Act, 1956.

The necessary disclosures regarding Committee positions have been made by all the Directors. None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49), across all companies in which they are Directors. As per Clause 49 of the Listing Agreement, for the purpose of reckoning the said limit, Chairmanship/ membership of the Audit Committee and the Stakeholders Relationship Committee alone shall be considered.

None of the Directors of the Company are related to each other except Mr. Naresh Kumar Choudhary and Mr. Rajendrakumar Anandilal Choudhary who are relative.

c) Information of Directors' Appointment / Re-appointment:-

Mr. Rajendrakumar Anandilal Choudhary, aged 53 years, has over 25 years of experience in the field of manufacturing of electrical lamination, distribution and power transformers, Motor Stamping and Banking & Finance. As a director of the Company he is actively involved in day to day operations of the Company, and heads the marketing and finance operations of the Company. He is the member of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee of the Company. He is holding 914355 equity shares of the Company as on 31st March, 2014

Mr. Kesavan Mudakkarpillil Sugathan, aged 66 years, had been appointed as "Non Executive Independent Director" of the Company by the Board of Directors. He is M.B.A. in Marketing and Advertising from Cochin University and also holds degree of Bachelor in Economics. He started his career with Kerala Electrical & Allied Engineering Co. Limited (owned by Kerala State Government) in 1974 and was subsequently designated as General Manager - Marketing and Director up to 2006. He was also a director in Travancore-Cochin Chemicals Limited (State Public Undertaking Owned by Kerala State Government). Mr. Kesavan Mudakkarpillil Sugathan has wide experience in Finance, Sales and Marketing especially in Alternators, Transformers and Structural Engineering and Lighting Alternators business. He is not holding any equity shares of the Company.

Mr. Ramalingam Ganesh Subramanian Iyer, aged 45 years, designated as "Non Executive Independent Director" is a graduate in Engineering (B.E.) and also holds Masters Degree in Business Administration with specialization in Finance and Production. He has vast knowledge and experience in the production, manufacturing and operations in the transformers industry. He does not hold any equity shares of Tarapur Transformers Limited.

Committees of the Board of Directors of the Company:-

iii. Audit Committee:-

a) Composition :-

The Audit Committee comprises of experts specializing in accounting / financial management. The Chairman of the Audit Committee is a "Non-executive Independent Director." The composition of Audit Committee is as follows:-

Name of the Members	Position	Category
*Mr. Kesavan Mudakkarpillil Sugathan	Chairman	Independent & Non Executive Director
Mr. Rajendrakumar Anandilal Choudhary	Member	Executive Director