



TARAPUR
TRANSFORMERS LTD.

Annual Report 2011 - 2012

Board of Directors

Mr. Rajendra Kumar Choudhary
 Mr. Naresh Kumar Choudhary
 Mr. Mohan W Ranadive
 Mr. R.G. Subramanian Iyer
 Mr. Mrugen Shah

Company Secretary & Compliance Officer

Ms. Ekta Kumari

Registered Office

J-20, MIDC, Tarapur Industrial Area
 Boisar, Distt. 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) 42728090

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 - Ramnagamdi, 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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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 (Big Share Services Pvt. Ltd.), to enable us to send all the documents through electronic mode in future.

**NOTICE**

NOTICE is hereby given that the 24th 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 Friday, 28th September, 2012 at 11.30 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 2012, Profit & Loss Account for the year ended on that date together with the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. R. G. Subramanian Iyer, who retires by rotation and being eligible offers himself for re-appointment.
3. 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, having Firm registration number 119891W issued by ‘The Institute of Chartered Accountants of India’, 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: –

4. To consider and if thought fit, to pass 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. Mrugen Harishchandra Shah, 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
Ekta Kumari
Company Secretary

Mumbai 14th August, 2012

Registered Office:-
J-20, MIDC, Tarapur Industrial Area,
Boisar, Thane – 401506.

NOTES:-

- a. The explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business under item no. 4 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 LESS 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. The Company has notified closure of register of members and transfer books from 24th September, 2012 to 28th September, 2012 (both days inclusive) for determining the name of members for the ensuing Annual General Meeting.
- 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, 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 –
- The change in the residential status on return to India for permanent settlement.
 - 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 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 24th Annual General Meeting.

Explanatory Statement

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

Item No. 4

The Board of Directors of the Company has appointed, pursuant to the provisions of Section 260 of The Companies Act, 1956, Mr. Mrugen Harishchandra Shah as an Additional Director of the Company vide circular resolution dated 23rd September, 2011 and he holds office upto the date of this Annual General Meeting.

Mr. Mrugen Shah, aged 33 years is a Fellow member of The Institute of Chartered Accountants of India and holds a Bachelors degree of Commerce, and Diploma in Information Systems Audit DISA (ICAI). He is a partner in M/s Agarwal, Desai & Shah, Chartered Accountants, and has a vast experience in the field of accounts, taxation and especially in bank audits.

He is also the member of Audit Committee, Remuneration Committee and Shareholders' Grievance Committee of the Company. He does not hold any equity shares of the Company. Mr. Mrugen Shah is a Director on the Board of following Companies: Bilpower Limited, Bil Energy Systems Limited and Unibios Laboratories Limited.

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. 4 of the notice as an ordinary resolution for your approval. Save and except Mr. Mrugen Harishchandra Shah, none of the Directors of the Company are in any way, concerned or interested in the resolution.

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

Ekta Kumari
Company Secretary

Mumbai 14th August, 2012

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 Fourth Annual Report together with the Audited Accounts and Auditors' Report for the year ended 31st March, 2012.

1. Financial Performance:-

The financial performance of the Company for the Year ended 31st March, 2012 is as summarized below:- (₹. In Lacs)

Particulars	2011-2012	2010-2011
Gross Turnover & Other Income	3328.65	919.24
Profit /(Loss) before Exceptional Item, Interest, Depreciation & Taxation	(39.45)	(482.89)
Less – Exceptional Items (Loss on Sale of Investments/Fixed Assets)	540.71	1.01
Profit /(Loss) before Interest, Depreciation & Taxation	(580.16)	(483.90)
Less – Interest	135.28	48.00
Profit/(Loss) before Depreciation & Taxation	(715.44)	(531.90)
Less – Depreciation	62.50	66.58
Profit / (Loss) before tax	(777.94)	(598.48)
Less– Provision for Taxation (Including Deferred Tax)	-	(117.02)
Net Profit / (Loss) for the year	(777.94)	(481.46)
Add/(less) Surplus/ (deficit) brought forward from previous Year	(374.24)	107.22
Profit available for Appropriations/(Loss)	(1152.18)	(374.24)
Appropriations:-		
Proposed Dividend	-	-
Balance Carried to Balance Sheet	(1152.18)	(374.24)

2. Performance Review:-

The Turnover of the Company has increased and stood at ₹. 3154.33 Lacs, but the Company has incurred net loss of ₹. 777.94 Lacs for FY 2011-12. The same is mainly due to loss on sale of investments and due to the fact that the Company was in the midst of putting up the Wada plant and due to increase in the cost of major raw materials and high interest rates. However, in the last quarter of the FY. 2011-12, there has been improvement in the financials and sales order and the Company earned a net profit of ₹. 144.83 Lacs.

3. Directors:-

Mr. R.G. Subramanian Iyer, 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 proposal for his re-appointment.

During the year, Mr. Mrugen H. Shah was appointed as an Additional Director vide circular resolution passed by the Board members dated 23rd September, 2011. He seeks appointment as a Director of the Company at the ensuing Annual General Meeting. 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 is given in the Report on Corporate Governance forming part of the Annual Report.

Mr. Anil Kumar Nevatia has tendered his resignation w.e.f 07th May, 2012. Your Directors wish to place on record their sincere appreciation for the invaluable services rendered by him during his tenure as a Director.

4. 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, the applicable accounting standards have been followed and that there are no material departures from the same.
- 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, 2012 and of the 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.

5. Auditors:-

The present Statutory Auditors of the Company, M/s. Raman S. Shah & Associates, Chartered Accountants, Mumbai, 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 re-appointment is recommended by the Board.



6. Cost Auditors:-

The Ministry of Corporate Affairs (MCA) has introduced The Companies (Cost Accounting Records) Rules, 2011 published vide GSR 430(E) dated 03rd June, 2011 which has become applicable to the Company with effect from the financial year 2011-12. Henceforth, the Company is required to maintain and keep cost records of all its units and branches. Further the Company to which these rules apply is required to submit a Compliance Report duly certified by a Cost Accountant, along with the Annexure, to the Central Government in prescribed Form. In view of the above, based on the recommendations of Audit Committee, the Board of Directors at its meeting held on 13th February, 2012, has appointed Mr. Jayant J. Paleja, a Practicing Cost Accountant, as the Cost Auditor to issue Compliance Certificate for the financial year 2011-2012.

Further in compliance with the Industry wise specific Cost Audit order no. 52/26/CAB-2010 dated 24th January, 2012, which became applicable to the products manufactured by the Company, Mr. Jayant J. Paleja has been appointed as the Cost Auditor to conduct cost audit for the financial year 2012-13 at Board Meeting of the Company held on 14th May, 2012.

7. Auditors' Report:-

As regard Auditors' remarks in the Annexure to their report under Item No. (ix), with respect to non-payment of Maharashtra VAT, the same is self explanatory.

8. Tax Provisions:-

The Company has made adequate provisions as required under the provisions of relevant laws governing taxation on the Company.

9. Fixed Deposits:-

During the year ended on 31st March, 2012, 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.

10. 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.

11. 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.

12. Energy Conservation and Technology Absorption:-

In view of the nature of business of the Company which is labour intensive and which consists of repair, refurbishment as well as manufacturing of transformers, 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.

13. Foreign Exchange earnings and outgo:-

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

Earnings	:	₹. Nil
Outgo	:	₹. 1077.01 Lacs

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

Rajendra Kumar Choudhary
Director

Naresh Kumar Choudhary
Director

Mumbai, 14th August, 2012

**MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT****Industry Overview**

The Indian economy has undergone a tough phase in the year 2011-12. After a rebound in growth in 2010-11, the Indian economy has slowed down to 6.5% in the fiscal year 2011-12. With increasing global integration, the Indian economy was impacted by global uncertainties, while at the same time it faced significant domestic challenges of persistent and high inflation, tight monetary conditions, low investment and delays in policy making. The industrial growth remained subdued at 3.4% as compared to 7.2% in the year 2010-11.

Indian Transformer Industry

The Indian Transformer industry today faces tough competition from Chinese manufacturers. Apart from this, there are huge liquidity problems faced by the local utilities, comprising of State Electricity Boards. While the margins are becoming more and more compressed, the warranty periods insisted upon by the buyers are increasing day by day. The industry is now looking up to the Government to extricate it from the problems.

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 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.

Discussion on Results of Operations

During the current fiscal year, your Company has achieved Total Turnover of ₹. 3154.33 Lacs and has incurred Net Loss of ₹. 777.94 Lacs.

The Company has net worth of about ₹. 7142.67 Lacs as on March 31, 2012.

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) Some serious issues, including controlling interest, forced the Company to sell its investment in HMTD Engineering P. Ltd. at a substantial loss.
- (c) 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.
- (d) 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.

Risks & Concerns

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

- Our ability to manufacture transformers as per the requirements 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.

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 a 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 risk 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's 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

Rajendra Kumar Choudhary
Director

Naresh Kumar Choudhary
Director

Mumbai, 14th August, 2012

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:-

1. 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.

2. 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. However, due to resignation of an Independent Non-Executive Director in the month of May, 2012, the Company, in accordance with the provisions of Clause 49(I) (C) (iv) of the Listing agreement, is in process of conforming to the said clause within the stipulated period mentioned therein.

The present strength of the Board is Five (5) Directors, comprising of one Whole Time Director, two Non Executive Promoter Directors 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. Rajendra Kumar Choudhary	Promoter – Non Executive	Director
Mr. Mohan Ranadive	Executive	Whole Time Director
Mr. R.G. Subramanian	Independent – Non Executive	Director
*Mr. Anil Kumar Nevatia	Independent – Non Executive	Director
Mr. Mrugen Shah	Independent – Non Executive	Additional Director

*Resigned w.e.f. 07th May, 2012.

b) Board Meetings and attendance of Directors:-

During the financial year ended on 31st March 2012, Four (4) Board Meetings were held on the following dates:- 14th May, 2011, 16th July, 2011, 14th November, 2011 and 13th February, 2012.

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 to the Board. Considerable time is spent by the Directors on discussions and deliberations at the Board Meetings.

The information as specified in Annexure IA 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 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 30th August, 2011	# Directorship held in other Companies	Committee Memberships / Chairmanships	
				Membership	Chairmanship
Mr. Naresh Kumar Choudhary	02	Absent	Bilpower Limited Bil Energy Systems Limited Nik-San Engineering Company Limited	--	--
Mr. Rajendra Kumar Choudhary	04	Present	Bilpower Limited Bil Energy Systems Limited Choudhary Global Limited	06	01
Mr. Mohan Ranadive	04	Present	--	--	--
Mr. R.G.Subramanian Iyer	03	Absent	Ramkrishna Electricals Ltd.	--	--
*Mr.Anil Kumar Nevatia	04	Present	Comfort Fincap Limited	02	01
Mr. Mrugen Shah	02	--	Bilpower Limited Bil Energy Systems Limited Unibios Laboratories Ltd.	07	05

* Resigned w.e.f. 07th May, 2012

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 Shareholders' Grievance Committee alone shall be considered.

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

The profiles of Directors who are seeking re-appointment / appointment at the Annual General Meeting are furnished below:-

Appointment:

Mr. Mrugen H Shah, aged 33 years is a Fellow member of The Institute of Chartered Accountants of India and holds a Bachelors degree of Commerce and Diploma in Information Systems Audit DISA (ICAI). He is a partner in M/s Agarwal, Desai & Shah, Chartered Accountants, and has a vast experience in the field of accounts taxation and specially bank audits.

He is also the member of Audit Committee, Remuneration Committee and Shareholders' Grievance Committee of the Company. He does not hold any equity shares of the Company.

Re-appointment:

Mr. R.G. Subramanian Iyer, aged 43 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 is the Chairman of the Remuneration Committee. He does not hold any equity shares of the Company.

Committees of the Board of Directors of the Company:-

3. Audit Committee:-

a) Composition and attendance:-

The Audit Committee comprises of experts specializing in accounting / financial management. The Chairman of the Audit Committee is a Non-executive and Independent Director. The composition and attendance of Audit Committee as on 31st March, 2012 is as follows:-

Name of the Members	Position	Category	Attendance
*Mr.Anil Kumar Nevatia	Chairman	Independent & Non Executive Director	4
Mr. Rajendra Kumar Choudhary	Member	Non Executive Director	4
Mr. Mrugen Shah	Member	Independent & Non Executive Director	2

*Resigned w.e.f. 07th May, 2012. Mr. Mrugen Shah has been appointed as the Chairman of Audit Committee vide Board resolution dated 14th August, 2012.

The Audit Committee is constituted in accordance with the provisions of Clause 49 of the Listing Agreement and the Companies Act, 1956. All the members of Audit Committee possess knowledge of corporate finance, accounts and Company Law.

During the financial year 2011-12, Four (4) Audit Committee meetings were held on 13th May, 2011, 15th July 2011, 14th November 2011, and 13th February 2012.

**b) Power & Terms of Reference:-**

The Power and terms of reference of the Audit Committee are as mentioned in Clause 49 II (C), (D) & (E) of the Listing Agreement entered into with the Stock Exchanges and includes overseeing the Company's financial reporting process, reviewing with the management the financial statements and the adequacy of the internal audit function and to discuss significant internal audit findings, statutory compliance issues and issues related to risk management and compliances.

4. Remuneration Committee:-**a) Composition and attendance:-**

The composition of Remuneration Committee as on 31st March, 2012 is as follows:-

Name of the Members	Position	Category
Mr. R.G. Subramanian Iyer	Chairman	Independent & Non Executive Director
*Mr. Anil Kumar Nevatia	Member	Independent & Non Executive Director
Mr. Mrugen Shah	Member	Independent & Non Executive Director

Note: *Resigned as Director w.e.f. 07th May, 2012.

During the year One (1) Remuneration Committee meeting was held on 24th March, 2012.

b) Terms of Reference:-

The broad terms of reference of the committee are to appraise the performance of Chairman, Managing Director, Whole Time Directors and Chief Executive Officer, determine and recommend to the Board compensation payable to Chairman, Managing Director, Whole Time Directors and Chief Executive Officer. The Remuneration policy of the Company is based on review of achievements. The remuneration policy is in consonance with the existing industry practice.

c) Remuneration Policy:-

Subject to approval of the Board of Directors and subsequent approval by the members at the Annual General Meeting and such authorities as the case may be, remuneration of Chairman, Managing Director, Whole Time Directors, Chief Executive officer is fixed by the Remuneration Committee. The remuneration is decided by the Remuneration Committee taking into consideration various factors such as qualifications, experience, expertise, prevailing remuneration in the competitive industries, financial position of the company etc.

The remuneration structure comprises of basic salary, perquisites, allowances (fixed component), and contribution to provident fund, in accordance with the provisions of the Companies Act, 1956.

5. Shareholders' / Investors' Grievance Committee:-**a) Composition and attendance:-**

The Board has delegated the powers to approve transfer of shares etc. to this Committee. The composition of Shareholders' / Investors' Grievance Committee as on 31st March, 2012 is as follows:-

Name of the Members	Position	Category	Attendance
Mr. Rajendra Kumar Choudhary	Chairman	Non Executive Director	02
*Mr. Anil Kumar Nevatia	Member	Independent & Non Executive Director	02
Mr. Mrugen Shah	Member	Independent & Non Executive Director	-

* Resigned w.e.f. 07th May, 2012

During the year Two (2) Shareholders' / Investors' Grievance Committee Meetings were held on 13th May, 2011 and 29th July, 2011.

b) Terms of Reference:-

The Company has a Shareholders' / Investors' Grievance Committee, to look into redressal of Investors Complaints and requests such as delay in transfer of shares, non receipt of Dividend, Annual Report, revalidation of Dividend warrants etc.

The Committee deals with various matters relating to:

- Transfer / transmission of shares.
- Issue of share certificate in lieu of lost, sub-divided, consolidated, rematerialized or defaced certificates.
- Consolidation / splitting of folios.
- Review of shares dematerialized and all other related matters.
- Investors' grievance and redressal mechanism and recommend measures to improve the level of investors' services.

The secretarial department of the Company and Registrar and Share Transfer Agents attend expeditiously to all grievances / correspondences of the shareholders and investors, received directly or through SEBI, Stock Exchanges, Department of Corporate Affairs, and Registrar of Companies etc. The complaints are generally resolved within 30 days of receipt of letter, except in cases that are constrained by disputes or legal impediment.

c) Information on Investor Grievances for the period from 01st April, 2011 to 31st March, 2012:-

Brought Forward	Received Afresh	Disposed	Carried Over
Nil	5	5	Nil



d) Compliance Officer:-

Ms. Ekta Kumari, Company Secretary is the compliance officer for complying with the requirements of SEBI (Prohibition of Insider Trading) Regulation, 1992 and the Listing Agreements with the BSE & NSE.

6. Code of Conduct and Ethics for Directors and Senior Management:-

The Company has laid down a code of conduct for all Board members and senior management personnel of the Company. A copy of the Code of conduct is available on the Company's website www.tarapurtransformers.com.

The Code has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them. A declaration signed by the Whole Time Director is given below:-

“I hereby confirm that –

The Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Conduct and Ethics for Directors and Senior Management in respect of the Financial Year 2011-12”

Mohan W. Ranadive
Whole Time Director

7. General Body Meetings:-

a) Details of the last three Annual General Meetings of the Company are given below:-

Financial Year	AGM	Date	Locations	Time	No. of Special Resolutions Passed
2008-09	21st	31st July, 2009	J-20, MIDC, Tarapur Industrial Area Boisar, Thane 401506	10.30 am.	Nil
2009-10	22nd	30th September, 2010	J-20, MIDC, Tarapur Industrial Area Boisar, Thane 401506	10.30 am.	Nil
2010-11	23rd	30th August, 2011	J-20, MIDC, Tarapur Industrial Area Boisar, Thane 401506	11.30 am.	01*

* Special Resolution was passed to regularize the utilization of IPO Proceeds and to that extent amend the provisions of draft red herring prospectus and red herring prospectus.

- b) No resolution was put through Postal Ballot during the year under reference.
- c) No Extra Ordinary General Meeting of the Company was held during the year.

8. Subsidiary Company:-

The Company does not have any material non-listed Indian subsidiary Company in term of Clause 49 (III) of the Listing Agreement.

9. Compliance with other mandatory requirements:-

1) Disclosures:-

a) Materially significant related party transactions:-

There were no materially significant related party transactions i.e. transactions of the Company of material nature with its promoters, directors or the management, their subsidiary or relatives etc. during the year, that may have potential conflict of interest with the Company at large.

b) Disclosure of accounting treatment:-

In the preparation of financial statements, the Company has followed the Accounting Standards (AS) issued by the Institute of Chartered Accountants of India to the extent applicable.

c) Disclosure of Risk Management:-

The Company has laid down procedure to inform Board members about the risk assessment and minimization procedure. These are periodically reviewed to ensure that executive management controls risks through means of a properly defined framework.

d) CEO / CFO Certification:-

In line with the requirements of Clause 49 (V) of the Listing Agreement, the Director of the Company has submitted the CEO/CFO Certification, certifying to the Board inter alia that the Financial Statements and the Cash Flow Statements for the financial year ended on 31st March, 2012 were reviewed to the best of his knowledge and belief, that they do not contain any untrue statement, omit any material facts, are not misleading statements, together present a true and fair view and are in compliance with applicable laws and regulations.

e) Statutory Compliances, Penalties and Strictures:-

There were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any Statutory Authorities for non compliance of any matter related to the capital markets during last three years.

f) Details relating to utilization of IPO Proceeds:-

As per Clause 49 IV (D) of the Listing Agreement, the Company publishes Quarterly Statement of utilization of funds raised through IPO. The details of utilization of IPO proceeds in the Financial Year 2011-12 are as mentioned under Note no. 41 of Notes to Financial Statement.



10. Means of Communication:-

Quarterly / Half yearly financial results sent to each shareholder's residence.	No, but published in the newspapers
In Which Newspapers Quarterly, half yearly & annual results were normally Published.	English: Free Press Journal Marathi: Nav Shakti
Any website, where results or official news are displayed.	www.bseindia.com www.nseindia.com www.tarapurtransformers.com
Whether Management Discussion & Analysis Report is a part of the Annual Report or not.	Yes, it is part of Annual Report As Annexure – I

11. General Shareholders' Information:-

a) 24th Annual General Meeting:-

Date	28th September, 2012
Venue	J-20, MIDC, Tarapur Industrial Area, Boisar, Dist Thane - 401506, Maharashtra.
Day and Time	Friday at 11.30 a.m.

b) Financial Calendar:-

The Company follows the period of 01st April to 31st March, as the Financial Year. For the Financial Year 2012-13, Financial Results will be announced as per the following tentative schedule.

1st Quarter ending June 2012	By 14th August, 2012
2nd Quarter & Half Year ending September 2012	By 14th November, 2012
3rd Quarter ending December 2012	By 14th February, 2013
4th Quarter / year ending March 2012	Within 45/60 days from 31st March, 2013
Annual General Meeting for the Year 2012-13	By 30th September, 2013

c) Dates of Book Closure:-

Dates of Book Closure	24th September, 2012 to 28th September, 2012 (both days inclusive)
-----------------------	--

d) Listing: The Shares of the Company are listed on the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE).

e) Listing Fees to Stock Exchanges: The Company has paid the Listing Fees for the year 2012-13 to both the above Stock Exchanges.

f) Custodial Fees to Depositories: The Company has paid the custodial fees for the year 2012-13 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

g) Stock Code / Symbol:-

Bombay Stock Exchange Ltd. (BSE)	533203
National Stock Exchange of India Ltd. (NSE)	TARAPUR EQ
International Securities Identification Number (ISIN)	INE747K01017
Corporate Identity Number (CIN)	L99999MH1988PLC047303
Allotted by the Ministry of Corporate Affairs (MCA)	

h) Stock Market Price Data for the year 2011-12 in comparison to BSE Midcap Sensex:-

Month	BSE Share Price (₹.)				NSE Share Price (₹.)				BSE Midcap Sensex			
	Open	High	Low	Close	Open	High	Low	Close	Open	High	Low	Close
April – 11	23.00	27.45	23.00	23.75	23.10	27.90	23.00	23.75	6873.40	7309.29	6873.40	7094.26
May – 11	23.55	23.75	19.90	20.90	23.40	24.40	20.00	21.20	7094.56	7117.32	6607.78	6910.24
June – 11	20.90	23.85	19.00	20.10	21.30	24.00	18.90	20.10	6911.20	6987.72	6475.70	6854.05
July – 11	20.20	23.50	19.50	21.60	19.65	23.50	19.25	21.70	6854.13	7115.91	6854.13	6915.31
Aug – 11	21.75	22.00	16.50	17.45	21.60	22.00	16.10	17.30	6915.46	6987.82	6014.18	6273.60
Sep – 11	17.20	20.40	16.95	17.40	17.50	20.75	16.80	17.50	6273.56	6534.66	6066.34	6129.59
Oct – 11	17.15	19.00	16.50	18.50	17.25	19.00	16.00	18.30	6128.21	6313.30	5871.68	6297.99
Nov – 11	17.80	19.90	15.20	16.50	17.45	19.90	15.20	16.50	6297.99	6341.71	5459.92	5627.69
Dec – 11	16.10	19.00	14.10	15.10	16.50	19.10	14.00	15.20	5627.75	5804.38	5073.25	5135.05
Jan – 12	14.25	18.60	14.10	17.30	14.70	19.40	14.00	17.00	5135.05	5895.72	5101.95	5871.70
Feb – 12	17.05	20.30	16.75	17.30	16.50	21.00	16.10	17.35	5870.43	6654.98	5870.09	6386.82
Mar – 12	17.00	19.05	13.10	16.55	17.00	17.95	14.35	16.20	6384.39	6534.36	6149.74	6346.38

• Source : www.bseindia.com & www.nseindia.com



i) Registrar and Share Transfer Agent:-

Share transfers, dividend payment and all other investor related matters are attended to and processed by our Registrar and Share Transfer Agent viz. Bigshare Services Private Limited.

Bigshare Services Private Limited

E-2/3, Ansa Industrial Estate,
Sakivihar Road, Saki Naka,
Andheri (E), Mumbai 400072
Tel. No. (91 22) 28470652 Fax No. (91 22) 28475207
E mail: investor@bigshareonline.com

j) Share Transfer System:-

Presently, the share transfers received by the R&TA of the Company are processed and returned within a period of 30 days from the date of its receipt, subject to documents being valid and complete in all respect. The Board has delegated the authority for approving the transfers to the Registrar & Share Transfer Agent subject to approval by Grievance Committee. Shareholders' Grievances and other miscellaneous correspondences on change of address, mandates, etc. received from Members are generally processed by R&TA of the Company within 30 days. The Company obtains from a Company Secretary in practice half yearly certificate of compliance with the share transfer formalities as required under clause 47 (c) of the Listing Agreement and files a copy of the certificate with BSE and NSE.

However, the Securities and Exchange Board of India (SEBI) vide its circular no. CIR/MIRSD/8 /2012 dated 05th July, 2012, has reduced the time-line for registering transfer of Equity Shares from 30 days to 15 days and the same shall come into force with effect from 01st October, 2012. The Company and Registrar and Share Transfer Agents, shall adhere to the said circular.

As per the provisions of Clause 5A of the Listing Agreement the Company furnishes the following details of unclaimed shares lying in the Demat Suspense Account.

Details of Unclaimed Shares lying in Demat Suspense Account:Year 2011-12

At Beginning of the year		Transfer during the Year	No. of Shareholders to whom shares transferred during the year	Outstanding at the end of the year
Aggregate no. of Shareholders	No. of outstanding shares			
01	90	90	1	NIL

Details of Reminders sent:

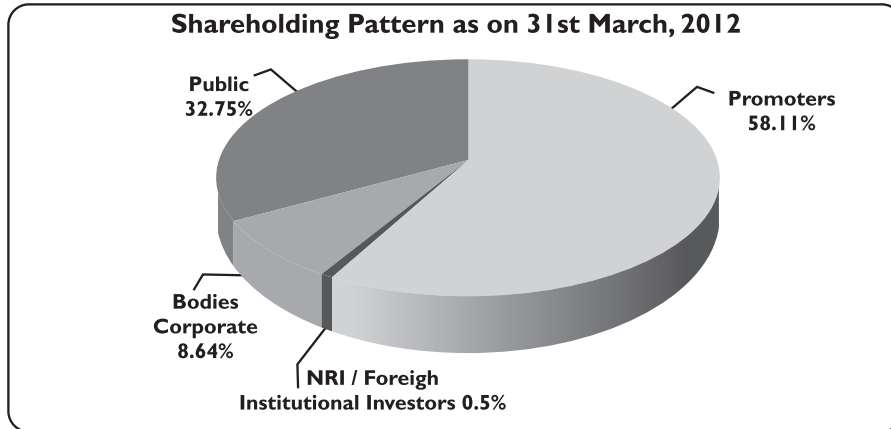
Reminders	Date on which sent
1st Reminder	01/03/2011
2nd Reminder	30/06/2011

k) Distribution of Shareholding as on 31st March, 2012:-

Range of Shareholding	Number of Shareholders	% of Total	Number of Shares	% of Total
1 – 500	10731	82.9738	1843177	9.45
501 – 1000	1225	9.4719	1032751	5.30
1001 – 2000	522	4.0362	822254	4.22
2001 – 3000	148	1.1444	380591	1.95
3001 – 4000	83	0.6418	306578	1.57
4001 – 5000	54	0.4175	253041	1.30
5001 – 10000	90	0.6959	658928	3.38
10001 and above	80	0.6186	14202691	72.83
Total	12933	100.00	19500011	100.00

l) Shareholding pattern (category wise) as on 31st March, 2012:-

Category	Number of Shares held	% of Total Shareholding
Promoters (Incl. Persons Acting in Concert)	11330865	58.11
NRI / Foreign Institutional Investors	98272	0.50
Bodies Corporate	1684335	8.64
Public	6386539	32.75
Total	19500011	100.00



m) Dematerialization of shares and liquidity:-

- About 99.99% of the equity shares have been dematerialized as on 31st March, 2012.
- Trading in the equity shares of the Company is permitted in dematerialized form only as per notification issued by SEBI.

n) Outstanding GDR / ADR / Warrants or any convertible instruments, conversion date and its impact on equity:-
Nil

o) Unclaimed Dividend/ Amounts:-

Section 205 of the Companies Act, 1956, mandates that a Company has to transfer dividend, which has been unclaimed for a period of seven years, from the unpaid dividend account to the Investor Education and Protection Fund (IEPF). Your company had declared dividend in the year 2010 and the balance lying as unpaid and unclaimed dividend, if remaining unclaimed for a period of seven years, shall be transferred to the Investor Education and Protection Fund as per following schedule:

Date of declaration of dividend	Dividend for the financial year	Due date of transfer
30.09.2010	2009-2010	29.10.2017

The Ministry of Corporate Affairs has vide notification dated 10th May, 2012 issued Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012 and has mandated Companies to furnish information regarding unpaid and unclaimed amounts lying with companies alongwith particulars of names, address etc. of investors. In line with the same your Company has furnished the information on MCA website as well as its own website i.e www.tarapurtransformers.com You are requested to check the particulars and put up your claim for your amount lying unclaimed with the Company to our Registrar and Share Transfer Agents or at the Company's address mentioned hereunder at point no. (q).

p) Plant / Unit locations:-

Pali Unit :- 141, Manor Road, Village Pali, Post- Posheri, Taluka Wada, Dist. Thane, Maharashtra.

Vadodara Unit :- L/25/5, GIDC Industrial Estate, Por - Ramnagandi, Vadodara, Gujarat.

q) Address for correspondence:-

The Compliance Officer,
Tarapur Transformers Limited,
836/837, 8th Floor, IJMIMA Complex,
Raheja Metroplex, Link Road,
Malad West, Mumbai – 400 064, Maharashtra.
Email – complianceofficer@tarapurtransformers.com

Non Mandatory Requirements:-

a) Remuneration Committee:-

Please refer item number 4 under Mandatory requirements.

b) Shareholder Rights:-

Company's quarterly financials are published in English newspaper having a wide circulation all over India and in a Marathi newspaper widely circulated in Maharashtra. The quarterly results and limited review report thereon are also put on the Company's website www.tarapurtransformers.com periodically. The same are not sent to the shareholders of the Company, individually.

By Order of the Board of Directors,
For Tarapur Transformers Limited
Ekta Kumari
Company Secretary

Mumbai, 14th August, 2012

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE****To The Members of Tarapur Transformers Limited**

We have reviewed the records concerning the Company's compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into, by the Company, with the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) for the year ended on 31st March, 2012.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the condition of corporate Governance Code. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We further state that, such compliance is neither an assurance as to the further viability of the Company, nor as to the efficiency or effectiveness with which the management has conducted the affairs of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

For **Raman S. Shah & Associates**
Chartered Accountants
Firm Regn. No. 119891W
(CA Raman S. Shah)
Partner
Membership No. 033272

Mumbai, 14th August, 2012

AUDITOR'S REPORT**Auditor's Report to the Members of TARAPUR TRANSFORMERS LIMITED**

1. We have audited the attached Balance Sheet of TARAPUR TRANSFORMERS LIMITED, as at 31st March, 2012 and also the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (iii) The Balance Sheet and Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet and Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the directors, as on 31st March 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - (b) in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **Raman S. Shah & Associates**
Chartered Accountants
Firm Regn. No. 119891W
(CA Raman S. Shah)
Partner
Membership No. 033272

Mumbai, 14th August, 2012



ANNEXURE TO THE AUDITORS' REPORT

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 and explanations given to us and on the basis of such checks, as we considered appropriate, we have to state that:- The nature of the Company's business during the year has been such that clause (xiii) pertaining to Chit Funds etc, and clause (xiv) pertaining to Dealing/Trading in Securities etc, of paragraph 4 of the Companies (Auditor's Report) Order, 2003, are not applicable to the Company.

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
(b) The fixed assets were physically verified by the Management during the year. We have been informed that no material discrepancies were noticed on such physical verification.
(c) Substantial part of fixed assets has not been disposed of during the year.
- ii. (a) The stock of inventory has been physically verified during the year by the Management at reasonable intervals.
(b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
(c) The company is maintaining proper records of inventory. The discrepancies noticed on physical verification of stocks as compared to book records were not material; however, the same have been properly dealt with in the books of account.
- iii. (a) The Company has during the year granted unsecured loans to one party covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹. 1.49 Crores and at the end of the year balance of loans granted to such parties was ₹. 1.49 Crores.
(b) The Company has not taken any loans from parties covered in the register maintained under section 301 of the Companies Act, 1956.
(c) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted by the company from parties listed in the register maintained under section 301 of the Companies Act, 1956 are not prima facie, prejudicial to the interest of the Company.
- iv. In our opinion, there is an adequate internal control system, commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit no major weakness has been observed in the internal controls.
- v. (a) The particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
(b) In our opinion, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public and therefore, the provisions contained in Sections 58A, 58AA or any other relevant provisions of the Act and Rules framed there under are not applicable to the Company.
- vii. In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- viii. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956.
- ix. The Company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities *except Maharashtra Value Added Tax Liability of ₹. 5,67,970/- which is due since more than six months but still not paid.*
- x. The Company has accumulated losses of ₹. 11.52 Crores as on 31st March, 2012 and has incurred cash losses of ₹. 7.15 Crores during the financial year covered by our audit and ₹. 5.32 Crores in the immediately preceding financial year.
- xi. The Company has not defaulted in repayment of dues to financial institutions or banks.
- xii. The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. According to the information and explanations given to us, no guarantee has been given for loans taken by others from banks or financial institutions.
- xiv. Term loans availed by the Company were, prima facie, applied by the Company during the year for the purposes for which the loans were obtained.
- xv. On an overall basis, the funds raised on short-term basis have, prima facie, not been used for long-term investment.
- xvi. The Company has not made preferential allotment of shares to parties and companies covered in the Register, maintained under section 301 of the Companies Act, 1956, during the year.
- xvii. The company has not issued debentures and hence requirement of reporting regarding creation of security in respect of debentures issued does not arise.
- xviii. Based on the checks carried out by us, any fraud on or by the Company has not been noticed or reported during the year.

For **Raman S. Shah & Associates**
Chartered Accountants
Firm Regn. No. 119891W
(CA Raman S. Shah)
Partner
Membership No. 033272



BALANCE SHEET AS AT 31ST MARCH, 2012

(₹. in Lacs)

	Note No.	As at 31st March 2012	As at 31st March 2011
I EQUITY AND LIABILITIES			
I Shareholders' Funds			
Share Capital	2	1950.00	1950.00
Reserves & Surplus	3	5192.67	5970.61
		7142.67	7920.61
2 Non-Current Liabilities			
Long-Term Borrowings	4	60.87	4.55
		60.87	4.55
3 Current Liabilities			
Short-Term Borrowings	5	1567.24	1143.79
Trade Payables	6	1276.34	534.11
Other Current Liabilities	7	454.09	164.63
		3297.67	1842.53
		10501.21	9767.69
II ASSETS			
I Non-Current Assets			
Fixed Assets	8		
Tangible Assets		1692.02	1741.62
Intangible Assets		132.21	132.21
Capital Work In Progress		1771.65	937.27
Long Term Loans And Advances	9	773.33	1484.61
Other Non Current Assets	10	176.13	235.55
		4545.34	4531.26
2 Current Assets			
Current Investments	11	16.60	1075.34
Inventories	12	751.63	933.26
Trade Receivables	13	1935.50	793.60
Cash and Cash Equivalents	14	391.08	1645.67
Short Term Loans and Advances	15	2861.06	788.56
		5955.87	5236.43
		10501.21	9767.69
Significant Accounting Policies	I		

As per our attached report of even date.

For Raman S. Shah And Associates

Chartered Accountants
Firm Regn.No. 119891W

CA Raman S. Shah

Partner
Membership No. 033272
Mumbai: 14th August, 2012

Ekta Kumari
Company Secretary

For and on behalf of the Board

N.K.Choudhary
Director

R.K.Choudhary
Director
Mumbai: 14th August, 2012



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2012

(₹. in Lacs)

	Note No.	As at 31st March 2012	As at 31st March 2011
I INCOME			
Revenue From Operations (Net)	16	3154.33	721.33
Other Income	17	174.32	197.91
Total Revenue		<u>3328.65</u>	<u>919.24</u>
II EXPENSES			
Cost Of Materials Consumed	18	997.76	795.03
Stock-In-Trade Purchases	19	1449.92	437.42
Change In Inventories	20	383.70	(351.12)
Employee Benefits Expenses	21	163.95	145.83
Finance Costs	22	185.30	74.62
Depreciation And Amortisation Expense	8	62.50	66.58
Other Expenses	23	322.75	348.35
Total Expenses		<u>3565.88</u>	<u>1516.71</u>
Profit/(Loss) Before Exceptional Items and Tax		(237.23)	(597.47)
Exceptional Items (Loss on Sale of Investments/Fixed Assets)		(540.71)	(1.01)
Profit/(Loss) Before Tax		(777.94)	(598.48)
Tax Expenses			
Current Tax		-	-
Deferred Tax		-	108.14
Income Tax Earlier Years		-	8.88
		<u>-</u>	<u>117.02</u>
Profit/(Loss) for the Period		(777.94)	(481.46)
Nos of Equity Shares for Computing EPS			
Basic		19500011	19500011
Diluted		19500011	19500011
Earnings per Equity Share (Face value ₹.10/- Per Share)			
Basic (₹.)		(3.99)	(2.47)
Diluted (₹.)		(3.99)	(2.47)

Significant Accounting Policies

I

As per our attached report of even date.

For Raman S. Shah And AssociatesChartered Accountants
Firm Regn.No. 119891W**CA Raman S. Shah**Partner
Membership No. 033272
Mumbai: 14th August, 2012**Ekta Kumari**
Company Secretary**For and on behalf of the Board****N.K.Choudhary**
Director**R.K.Choudhary**
Director
Mumbai: 14th August, 2012


CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

(₹. in Lacs)

As at 31st March 2012 As at 31st March 2011

A. CASH FLOW FROM OPERATING ACTIVITIES	As at 31st March 2012	As at 31st March 2011
Net Profit Before Tax & Extra Ordinary Items	(777.94)	(598.48)
Adjustment For –		
- Deferred Revenue Expenditure	59.42	61.12
- Depreciation	62.50	66.58
- Loss on Sale of Fixed Assets	–	1.01
- Loss on Sale of Investments	540.71	–
- Dividend on Long Term Investment	(2.19)	(88.24)
- Interest Income	(140.63)	(108.11)
- Interest Paid	135.28	48.00
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(122.85)	(618.12)
Adjustment For –		
- Trade Receivables	(1141.90)	457.00
- Inventories	181.63	(395.76)
- Trade and Other Payables	1031.69	(272.85)
Cash Generated From Operations	(51.43)	(829.73)
Decrease in Provision for Taxation	–	(41.12)
CASH FLOW FROM OPERATING ACTIVITIES	(51.43)	(870.85)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(847.28)	72.60
Sale of Fixed Assets	–	2.90
Sale of Investment	538.32	–
Investment in Shares	(20.29)	(1075.34)
Interest Income	140.63	108.11
Movement in Loans And Advances	(1361.22)	(1705.51)
Dividend on Long Term Investment	2.19	88.24
NET CASH USED IN INVESTING ACTIVITIES	(1547.65)	(2509.00)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Total Proceeds From Borrowing (Net of Repayment)	479.77	(1259.63)
Interest Paid	(135.28)	(48.00)
Proceeds from Issue of Shares	–	6375.01
IPO Related Expenses	–	(239.54)
Dividend Paid	–	(97.50)
Dividend Tax Paid	–	(16.57)
NET CASH FROM FINANCING ACTIVITIES	344.49	4713.77
Net Increase / (Decrease) in Cash and Cash Equivalents	(1254.59)	1333.92
CASH AND CASH EQUIVALENT AT BEGINNING OF THE YEAR	1645.67	311.75
CASH AND CASH EQUIVALENT AT THE END OF THE YEAR	391.08	1645.67

- NOTES:
1. All figures in brackets are outflow.
 2. Previous year's figures have been regrouped wherever necessary.
 3. Cash and Cash Equivalent is Cash & Bank Balances as per Balance Sheet.

As per our attached report of even date.

For Raman S. Shah And Associates

 Chartered Accountants
 Firm Regn.No. 119891W

CA Raman S. Shah

 Partner
 Membership No. 033272
 Mumbai: 14th August, 2012

Ekta Kumari
 Company Secretary

For and on behalf of the Board
N.K.Choudhary
 Director

R.K.Choudhary
 Director
 Mumbai: 14th August, 2012

**NOTES TO FINANCIAL STATEMENTS****I. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES –****A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements are prepared as per historical cost convention and in accordance with the generally accepted accounting principles in India, the provisions of the Companies Act, 1956 and the applicable accounting standards issued by the ICAI.

B. USE OF ESTIMATES

The preparation of financial statements requires use of estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statement and the reported amount of revenues and expenses during the reporting period. Differences between the actual results and the estimates are recognised in the period in which the same are known / materialised

C. FIXED ASSETS

Fixed Assets including Leasehold Land are recorded at cost. The Company capitalises all costs relating to Fixed Assets acquisition and installation and other financial cost till commencement of commercial Production. The Company has stated its Fixed Assets net of CENVAT/Value Added Tax.

Expenses incurred relating to Pali Unit prior to commencement of commercial production are classified as project development expenditure and disclosed under Capital work in progress which will be subsequently allocated to the relevant fixed assets on pro-rata basis depending on the prime cost of Assets of Pali Unit.

D. BORROWING COSTS

Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalized as part of cost of such asset is ready for its intended use. All other borrowing costs are charged as Revenue Expenditure.

E. DEPRECIATION/ AMORTISATION

- (a) Depreciation on additions to Assets is calculated Pro-rata from the date of such additions and similarly on deletion from assets is calculated pro-rata up to the date of deletion. Depreciation in the case of uninstalled Fixed Assets has not been provided.
- (b) Depreciation on Assets in Boisar Unit has not been provided as the production was suspended for the entire year therein.
- (c) Depreciation on assets except to the extent stated in (a) and (b) above, has been provided at the rates and in the manner prescribed in schedule XIV to the Companies Act, 1956 on Straight Line Method and in accordance with the provisions of Section 205(2) (b) of the Companies Act, 1956.
- (d) Depreciation on assets, whose actual cost does not exceed Rupees Five Thousand each, has been provided @ 100% p.a.

F. INVENTORIES

- (a) Inventories are valued at lower of Cost or Net Realizable Value.
- (b) Work in Progress is valued at Cost Plus estimated value of overheads. As on 31st March, 2012, the work in progress is not more than the corresponding order value.
- (c) Finished Goods are valued at Cost or Net Realizable Value whichever is lower.
- (d) Packing material and Stores and Spares purchased are written off as expenses in the year of purchases.
- (e) NRV is the estimated selling price in the ordinary course of business.

G. IMPAIRMENT OF ASSETS

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impaired loss is charged to Profit and Loss Account in the year in which an asset is identified as impaired.

H. FOREIGN EXCHANGE TRANSACTIONS

- (a) Foreign Currency Transactions are expressed in Indian Currency at the rates prevailing on the date of transaction. All the Foreign Currency Liabilities / Assets as at the Balance Sheet date are restated at the applicable exchange rates prevailing at that date.
- (b) Exchange differences arising on repayment of liabilities incurred for the purpose of acquiring fixed assets are adjusted with the carrying amount of the respective fixed assets.

I. ACCOUNTING OF CENVAT TRANSACTIONS

CENVAT benefit is accounted for on accrual basis on purchase of material & assets and incurring of expenses and appropriated against payment of Excise Duty on clearance of Finished Goods.

J. TAXATION

Tax expenses for the year comprise of current tax and deferred tax. Current tax is measured after taking into consideration the deductions and exemptions admissible under the provision of Income Tax Act, 1961 and in accordance with Accounting Standard 22 on "Accounting for Taxes on Income", issued by ICAI.

Deferred Tax assets or liabilities are recognized for further tax consequence attributable to timing difference between taxable income and accounting income that are measured at relevant enacted tax rates. At each Balance Sheet date the company reassesses unrecognized deferred tax assets, to the extent they become reasonably certain or virtually certain of realization, as the case may be.

As ascertained by the Management of the company, there is no virtual certainty that future taxable income as per the Income Tax Act, 1961 may be available to offset current year's unabsorbed depreciation & business losses under the Income Tax Act, 1961. As per Para 17 of the Accounting Standard 22 : – Accounting for Taxes on Income, where an enterprise has unabsorbed depreciation or carry



forward of losses under tax laws , deferred tax assets should be recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient taxable income will be available against which such deferred tax asset can be realized.

K. RECOGNITION OF INCOME AND EXPENDITURE

- (a) Incomes & Expenditures are generally accounted on Accrual as they are earned or incurred except Interest on taxes and duties which are accounted on payment basis or at the time of assessment, whichever is earlier.
- (b) Sales are accounted net of Sales Discounts, rebates, etc., if any returns and also Excise Duty and Service tax, VAT and Sales Tax.
- (c) Packing Material and Stores & Spares purchased are written off as expenses in the year of purchase.
- (d) Imports are recognized on presentation of Bill of Entry at the Customs on retiring the Import document whichever is earlier.
- (e) Dividend Income is recognized when the right to receive the dividend is unconditional.

L. EMPLOYEE RETIREMENT BENEFITS

- (a) Provident Fund is a defined contribution scheme and the Company's contribution to Provident Fund is charged to Profit & Loss Account.
- (b) Retirement Benefits in the form of Gratuity and Leave Encashment which are defined benefit plans are determined and accrued on the basis of an independent actuarial valuation and are recognized in Profit & Loss account.
- (c) Short Term Employee Benefits are recognized as an expense in the Profit & Loss account for the year in which the related service is rendered.

M. DEFERRED REVENUE EXPENSES

Deferred Revenue Expenses include Expenses for Public issue of share and increase of Authorized Share Capital. These expenses are being written off over period of 5 Years.

N INVESTMENTS

Investments are stated at cost of Acquisition. No provision is made for the diminution in value, if the decline is only temporary.

O. EARNING PER SHARE

The Company reports basic and diluted Earning Per Share (EPS) in accordance with Accounting Standard 20 on "Earning Per Share". Basic and Diluted EPS are Computed by dividing the net profit for the year attributable to equity share holders by the number of equity shares outstanding during the year.

(₹. in Lacs)

As at 31st March 2012 As at 31st March 2011

2 SHARE CAPITAL

Authorised Share Capital

25000000 (25000000) Equity Shares of ₹. 10/- Each	2500.00	2500.00
Issued, Subscribed & Paid Up		
19500011 (19500011) Equity Shares of ₹. 10/- Each	1950.00	1950.00
	<u>1950.00</u>	<u>1950.00</u>

2.1 Reconciliation of Number of Equity Shares Outstanding At the beginning and at the end of the year :

Particulars	As at 31st March 2012		As at 31st March 2011	
	No.of Shares	₹. in Lacs	No.of Shares	₹. in Lacs
Number of Shares Outstanding as at the beginning of the year	19500011	1950.00	11000000	1100.00
Add: Number of shares allotted as fully paid-up during the year	-	-	8500011	850.00
Less: Number of shares bought back during the year	-	-	-	-
Number of shares outstanding as at the end of the year	19500011	1950.00	19500011	1950.00

2.2 Terms/Rights attached to equity shares

The company has issued only one class of equity shares having a par value of ₹. 10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March 2012 amount per share of dividend recognised as distributions to equity shareholders was ₹. Nil (P.Y. ₹. Nil) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the numbers of equity shares held by shareholders.

2.3 Details of Equity Shares held by each shareholders holding more than 5%

Equity shares of ₹. 10/- each fully paid	As at 31st March 2012		As at 31st March 2011	
	No.of Share	% holding	No.of Share	% holding
Shares Held By				
Bilpower Limited	8416460	43.16	8264323	42.38
Manjulata Choudhary	2000010	10.26	2000010	10.26



NOTES TO FINANCIAL STATEMENTS

(₹. in Lacs)

As at 31st March 2012 As at 31st March 2011

3 RESERVES & SURPLUS

I	Securities Premium Account		
	As per last Balance Sheet	6042.22	517.21
	Add: on Share Issued During the Year	-	5525.01
		<u>6042.22</u>	<u>6042.22</u>
II	Capital Reserve		
	As per last Balance Sheet	22.71	22.71
	Add: Additional During The Year	-	-
		<u>22.71</u>	<u>22.71</u>
III	General Reserve		
	As per last Balance Sheet	279.92	279.92
	Add: Transfer From Profit And Loss Account	-	-
		<u>279.92</u>	<u>279.92</u>
IV	Surplus in the Profit & Loss Account		
	As per last Balance Sheet	(374.24)	107.22
	Add: Profit/(Loss) for the Year	(777.94)	(481.46)
	Amount Available for Appropriations		
	Appropriations:		
		<u>(1152.18)</u>	<u>(374.24)</u>
	Total (I+II+III+IV)	<u>5192.67</u>	<u>5970.61</u>

4 LONG-TERM BORROWINGS

	Secured Loans		
	Terms Loans		
	From Bank	60.10	-
	Other Term Loan	0.77	4.55
		<u>60.87</u>	<u>4.55</u>

- 4.1 Terms of repayment of Term Loan
The Company has Common Loan Agreement during the previous year with Dhanlaxmi Bank Ltd. Rupee Term Loan amount ₹. 500.00 Lacs sanctioned during year by Dhanlaxmi Bank Ltd.
The initial interest rate is 13.50% (Base Rate + 4.25% fixed per annum with reset after 2 years) p.a with monthly rest.
The Loan is to be paid in 18 equal quarterly installments starting after six months from the date of disbursement.
Nature of security for Term Loan from Bank :
Term loan secured by exclusive charge on "HAEFELY" make Impulse Generator of Pali Unit.

- 4.2 Other Terms Loan which are Auto Loans are secured against respective Vehicles.

5 SHORT TERM BORROWINGS

I	Secured Loans		
	Loans Repayable on Demand		
	-Working Capital Loan Repayable on Demand from Bank	1559.61	1135.70
		<u>1559.61</u>	<u>1135.70</u>
II	Unsecured Loans		
	Interest Free Sales Tax Loan	7.63	8.09
		<u>7.63</u>	<u>8.09</u>
	Total (I+II)	<u>1567.24</u>	<u>1143.79</u>

- 5.1 Working Capital facilities is secured by Hypothecation of all Current Assets. The facilities are further collaterally Secured by equitable Mortgage of Land and Building at Boisar Unit and Hypothecation of all Fixed Assets of Boisar Unit.



(₹. in Lacs)

As at 31st March 2012 As at 31st March 2011

6 TRADE PAYABLES

Trade Payables	1276.34	534.11
	1276.34	534.11

- 6.1 Trade Payables Includes ₹. 167.22 Lacs (P.Y.₹. 3.80 Lacs) payable to Related Party Niksan Engineering Co Ltd
Trade Payables Includes ₹. 2.05 Lacs (P.Y.₹. 1.28 Lacs) payable to Related Party Choudhary Stamping
Trade Payables Includes ₹. 76.38 Lacs (P.Y.₹. 129.22 Lacs) payable to Related Party Bilpower Limited

6.2 The Company has not received any intimation from the suppliers under the Micro, Small & Medium Enterprises Development Act 2006 & therefore disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said act have not been given.

7 OTHER CURRENT LIABILITIES

I Current Maturities of Long Term Debts	384.34	-
II Current Maturities of Long Term Car Loan	3.80	4.00
III Trade Advances	0.42	116.71
IV Unclaimed Dividend	1.58	0.00
V Sales Tax Payable	27.78	0.83
VI Other Payables	36.17	43.09
	454.09	164.63

- 7.1 For Current Maturities of Long Terms Debts Refer Note No.4.1
7.2 For Current Maturities of Long Terms Car Loan Refer Note No.4.2
7.3 Other payables includes provision of leave encashment ₹. 1.74 Lacs (P.Y. ₹. 1.48 Lacs)

8 FIXED ASSETS

(₹. in Lacs)

Particulars	Gross Block				Depreciation				Net Block	
	As at 1st April, 2011	Addition	Deduction/ Adjustment	As At 31st March, 2012	Upto 1st April, 2011	Deduction/ Adjustment	For The Year	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2012
A) Tangible Assets										
Land (Lease Hold)	13.03	-	-	13.03	-	-	-	-	13.03	13.03
Building & Premises	720.45	6.50	-	726.95	40.57	(0.03)	10.85	51.45	679.88	675.50
Furniture & Fixture	23.98	3.10	-	27.08	10.03	(0.51)	1.52	12.06	13.95	15.02
Computers	7.07	1.51	-	8.58	2.05	(0.06)	1.26	3.37	5.02	5.21
Tools & Equipments	14.48	0.02	-	14.50	1.09	(0.55)	0.55	2.19	13.39	12.31
Electric Items	34.46	-	-	34.46	6.95	(0.10)	1.41	8.46	27.51	26.00
Vehicles	75.20	-	-	75.20	24.89	0.02	4.10	28.97	50.31	46.23
Plant & Machinery	1106.45	1.59	-	1108.04	179.77	1.67	42.67	220.77	926.68	887.27
Office Equipment	6.07	0.18	-	6.25	1.85	(0.05)	0.17	2.07	4.22	4.18
Air Conditioner	8.33	-	-	8.33	0.70	(0.01)	0.35	1.06	7.63	7.27
Sub Total	2009.52	12.90	-	2022.42	267.90	0.38	62.88	330.40	1741.62	1692.02
B) Intangible Assets										
Goodwill	155.55	-	-	155.55	23.34	-	-	23.34	132.21	132.21
Sub Total	155.55	-	-	155.55	23.34	-	-	23.34	132.21	132.21
Grand Total (A)+(B)	2165.07	12.90	-	2177.97	291.24	0.38	62.88	353.74	1873.83	1824.23
Previous Year	1613.52	557.04	5.49	2165.07	226.23	1.57	66.58	291.24	1387.29	1873.83
Capital Work -In-Progress	937.27	834.38	-	1771.65	-	-	-	-	937.27	1771.65

Note: Capital work in Progress excluded advances on capital accounts.
Previous year figures have been regrouped wherever necessary.



NOTES TO FINANCIAL STATEMENTS

(₹. in Lacs)

As at 31st March 2012 As at 31st March 2011

9 LONG-TERM LOANS AND ADVANCES

I Capital Advances (Unsecured, Considered Good)	523.32	1186.49
II Security Deposit (Unsecured, Considered Good)	152.01	199.49
III Other Loans And Advance (Unsecured, Considered Good) Balances With Statutory/Revene Authorities	98.00	98.63
	773.33	1484.61

10 OTHER NON CURRENT ASSETS

Miscellaneous Expenditure (to the Extent not Written Off)	176.13	235.55
	176.13	235.55

11 CURRENT INVESTMENTS

	Qty			
	31.03.2012	31.03.2011		
I Trade Investments				
Equity Shares, Quoted, Valued At Cost-Fully Paid Up				
In Other				
Marsons Ltd (F.V. ₹.10/-)	118660	-	16.60	-
Mutual Fund Units, Unquoted (At Cost)				
HDFC Cash Management Fund	-	4352989.47	-	436.67
II Other Investments				
Equity Shares, Unquoted, Valued At Cost-Fully Paid Up				
In Other				
HMTD Engineering Pvt Ltd (F.V. ₹.100/-)	-	48980	-	638.67
			16.60	1075.34
Aggregate Amount of Quoted Investment			16.60	-
Market Value of Quoted Investments			10.94	-
Aggregate Amount of Unquoted Investment			-	1075.34

12 INVENTORIES

(As taken valued & certified by the Management)

Raw Materials	520.21	318.14
Work In Progress	231.11	614.59
Finished Goods	0.31	0.53
	751.63	933.26

13 TRADE RECEIVABLES

I Due For A Period Exceeding Six Months - (Unsecured And Considered Good)	725.25	476.91
II Other - (Unsecured And Considered Good)	1210.25	316.69
	1935.50	793.60

13.1 Trade receivables includes amount due from following related parties Bil Energy Systems Limited ₹. 519.23 Lacs (P.Y. ₹. 198.52 Lacs)



(₹. in Lacs)

As at 31st March 2012 As at 31st March 2011

14 CASH AND CASH EQUIVALENTS

I	Balances With Banks		
a)	Current Accounts	63.87	14.60
b)	Earmarked Balances With Banks-Unpaid Dividend	1.58	0.00
c)	Cash In Hand	22.45	13.25
		87.90	27.85
II	Other Bank Balances		
a)	Amount Held As Margin Money	76.87	-
b)	Fixed Deposit With Banks	226.31	1617.82
	(Held As Margin Money Or Security Against Guarantees, Letter Of Credits And Other Commitments)	303.18	1617.82
	Total (I+II)	391.08	1645.67

15 SHORT-TERM LOANS AND ADVANCES

(Unsecured And Considered Good)

I	Loan And Advance Recoverable in Cash or Kind		
	To Related Party	148.50	-
	To Others	2484.12	574.53
II	Balance With Statutory/Revenue Authorities Excise And Service Tax	186.96	187.69
III	Prepaid Expenses	9.56	7.75
IV	Advance Income Tax (Net of Provision)	31.92	18.59
		2861.06	788.56

15.1 Loans and advances recoverable from following related party Bil Energy Systems Limited ₹. 148.50 Lacs (P.Y. ₹. NIL)

16 REVENUE FROM OPERATIONS

I	Sales Of Manufactured Goods		
-	Transformers	1381.09	187.29
-	Transformers (Repair)	83.00	71.36
		1464.09	258.65
II	Sales of Trading Goods		
-	Iron & Steel, CRGO Electrical Steel Sheet/Stripe	1236.54	198.91
-	Others	227.25	243.73
		1463.79	442.64
III	Sales of Services		
-	Labour Job	22.51	16.17
		22.51	16.17
IV	Other Operating Revenues		
-	Scrap Sales	343.79	32.78
		343.79	32.78
	Sub Total (I+II+III+IV)	3294.18	750.24
	Less Excise Duty	139.85	28.91
	Total Revenue From Operations (Net)	3154.33	721.33



NOTES TO FINANCIAL STATEMENTS

(₹. in Lacs)

	As at 31st March 2012	As at 31st March 2011
17 OTHER INCOME		
I Interest Income		
- Interest from Bank on Deposit	54.76	69.49
- Interest on Loans and Advances	85.87	38.62
II Dividend Income		
- From Others	2.19	88.24
III Other Non-Operating Income		
- Sundry Balance Written Back	3.92	-
- Insurance Claim Received	0.36	0.45
- Miscellaneous Income	8.41	1.13
- Speculation Profit /Loss on Share Trading	0.01	-
- Gain on Foreign Exchange Fluctuation	18.80	(0.02)
	<u>174.32</u>	<u>197.91</u>
18 COST OF MATERIALS CONSUMED		
Raw Material Consumed		
Opening Stock	318.14	273.50
Add Purchase During The Year	1199.83	839.67
Less Closing Stock	520.21	318.14
	<u>997.76</u>	<u>795.03</u>
19 STOCK IN TRADE PURCHASE		
- Iron & Steel, CRGO Electrical Steel Sheet/Stripe	1226.51	194.07
- Others	223.41	243.35
	<u>1449.92</u>	<u>437.42</u>
20 CHANGES IN INVENTORIES		
I. At the End of the Year		
Finished Goods	0.31	0.53
Work-In-Progress	231.11	614.59
	<u>231.42</u>	<u>615.12</u>
II. At the Beginning of the Year		
Finished Goods	0.53	0.69
Work-in-Progress	614.59	263.31
	<u>615.12</u>	<u>264.00</u>
Total (II-I)	<u>383.70</u>	<u>(351.12)</u>
21 EMPLOYEE BENEFITS EXPENSES		
I Salaries,Wages, Bonus & Allowances	151.41	138.90
II Contribution to Provident & Other Funds	8.57	3.46
III Staff Welfare Expenses	3.97	3.47
	<u>163.95</u>	<u>145.83</u>
21.1 Salaries,Wages,Bonus & Allowances includes provision of Leave Encashment ₹. 1.68 Lacs (P.Y.₹. 1.99 Lacs)		
22 FINANCE COSTS		
Interest Expenses		
From Bank	133.97	46.39
From Other	1.31	1.61
	<u>135.28</u>	<u>48.00</u>
Other Borrowing Costs	50.02	26.62
	<u>185.30</u>	<u>74.62</u>



(₹. in Lacs)

As at 31st March 2012 As at 31st March 2011

23 OTHER EXPENSES

Manufacturing Expenses

Store & Spares	7.50	0.70
Power and Fuel	46.95	38.51
Factory Expenses	18.60	15.81
Labour Charges	49.32	31.06
Repair and Maintenance		
- Repair and Maintenance-Plant & Machinery	3.66	3.32
- Repair and Maintenance-Others	1.40	1.92
Packing Expenses	0.94	-

Selling And Distribution Expenses

Freight and Transport Charges	23.30	3.51
Commission and Brokerage	3.41	3.05
Advertisement and Publicity Expenses	0.79	0.94
Liquidated Damages (Penalty)	11.38	87.64
Price Variation	1.49	-
Business Promotion Expenses	4.66	2.19

Administrative & Office Expenses

Insurance Charges	2.07	0.53
Conveyance and Travelling	24.64	29.60
Postage, Telegram and Telephone	5.64	5.54
Testing Charges	10.30	21.09
Payment to Auditors		
- Audit Fees (Including Tax Audit)	2.00	1.00
- Certification and Consultation Fees	0.06	2.59
Legal & Professional Fees-Other Than Payment to Auditors		
- Consultancy Fees	6.20	0.80
- Legal & Professional Fees	14.48	21.05
Stamp Duty, Stamp Paper and Franking Charges	6.86	-
Rates & Taxes	3.35	3.48
Listing, Registrar & Share Transfer Expenses	-	0.39
Printing & Stationery	2.10	2.15
Rent	3.85	-
Office & General Expenses	8.54	10.36
Miscellaneous Expenditure W/Off	59.20	61.12
Sundry Balance W/Off	0.06	-
	322.75	348.35

24. CONTINGENT LIABILITIES

Guarantee given to Various Electricity Board etc, ₹. 1605.87 Lacs (P.Y Guarantee ₹. 829.09 Lacs)

25. C.I.F.VALUE OF IMPORTS, EXPENDITURES AND EARNINGS IN FOREIGN CURRENCY

(₹. in Lacs)

Particulars	As at 31st March 2012	As at 31st March 2011
(A) C.I.F.Value of Imports		
Import Purchase	377.71	200.19
Capital Goods (Including Advances)	696.22	85.29
Total	1073.93	285.48
(B) Expenditure in Foreign Currency		
Travelling Expenses	1.30	2.51
Buyers credit interest	1.78	0.74
(C) Earnings Foreign Currency	Nil	Nil



NOTES TO FINANCIAL STATEMENTS

(₹. in Lacs)

As at 31st March 2012 As at 31st March 2011

26. SEGMENT REPORTING

The company primarily deals in the business of Manufacturing, Repair, refurbishment and upliftment of transformers and there are no material exports hence there is no Primary reportable segment, either product wise or geographical, in the context of Accounting Standard 17 issued by The Institute of Chartered Accountants of India.

27. RELATED PARTY DISCLOSURES

(A) The Company had transaction with the following related parties:

Sr. No.	Name of The Related Party	Relationship
1)	Bilpower Limited	Associate
2)	Bil Energy Systems Ltd	Associate
3)	Niksan Engineering Company Ltd	Associate
4)	Mohan W. Randive	Key Management Personnel
5)	Choudhary Stamping	Proprietary concern of relative of – KMP.

(B) Related Party Transactions

(₹. In Lacs)

Sr. No.	Nature of Transactions	Nature of Relationship			Total of Transactions
		Associates	Key Management Personnel (KMP)	Relatives of KMP & Their Proprietary Concern	
1	Purchases of Goods/ Fixed Assets	331.98 (292.59)	- -	- -	331.98 (292.59)
2	Sale of Goods	984.65 (198.91)	- -	- -	984.65 (198.91)
3	Labour Income	0.12 -	- -	- -	0.12 -
4	Receiving of Services				
	A) Payment of Remuneration	-	6.51 (6.72)	- -	6.51 (6.72)
	B) Labour Charges (Expenses)	-	-	2.29 (1.48)	2.29 (1.48)
5	Finance (Including Loans and Equity Contributions in Cash or Kind)				
	A) Loans & Advances Received	- (70.33)	- -	- -	- (70.33)
	B) Loans & Advances Given	148.50 (330.74)	- -	- -	148.50 (330.74)
6	Purchase of Investments	2.00 -	- -	- -	2.00 -
7	Outstanding As At 31st March 2012				
	A) Trade Payables	243.60 (133.02)	- -	2.05 (1.28)	245.65 (134.30)
	B) Trade Receivables	519.23 (198.52)	- -	- -	519.23 (198.52)
	C) Loans & Advances Given	148.50 -	- -	- -	148.50 -

Note : Figures In Brackets Relate to Previous Year

Disclosure in respect of Material Related Party Transactions During the year :

- Purchase of Goods/Expenses includes: Niksan Engineering Co Ltd ₹.301.73 Lacs (P.Y. ₹.13.57 Lacs), Bil Energy Systems Limited ₹. 30.25 Lacs (P.Y. ₹.181.20 Lacs), Bilpower Limited ₹.NIL (P.Y. ₹. 97.82 Lacs).
- Sales of Goods includes: Niksan Engineering Co Ltd. ₹. 2.01 Lacs (P.Y. ₹. Nil), Bilpower Limited ₹. 595.95 Lacs (P.Y. ₹. Nil), Bil Energy Systems Limited ₹. 386.69 Lacs (P.Y. ₹. 198.91 Lacs).
- Labour Charge (Income) includes: Bil Energy Systems Limited ₹. 0.12 Lacs (P.Y. ₹. Nil)
- Receiving of Services
 - Payment of Remuneration includes: Mohan Ranadive ₹. 6.51 Lacs (P.Y. ₹. 6.72 Lacs).
 - Labour Charges (Expenses) includes: Choudhary Stamping ₹. 2.29 Lacs (P.Y. ₹. 1.48 Lacs)
- Finance (Including Loans & Equity Contributions on Cash or Kind)
 - Loans & Advances Received includes: Bilpower Limited ₹. Nil (P.Y. ₹. 70.33 Lacs)
 - Loans & Advances Given includes: Bil Energy Systems Limited ₹. 148.50 Lacs (P.Y. ₹. Nil), Bilpower Limited ₹. Nil (P.Y. ₹. 330.74 Lacs)
- Purchase of Investment Includes: Bilpower Limited ₹. 2.00 Lacs (P.Y. ₹. Nil)



(₹. in Lacs)

As at 31st March 2012 As at 31st March 2011

7. Outstanding as at 31st March, 2012.

- A) Trade Payables includes: Niksan Engineering Co Ltd ₹. 167.22 Lacs (P.Y. ₹. 3.80 Lacs), Bilpower Limited ₹. 76.38 Lacs (P.Y. ₹. 129.22 Lacs), Choudhary Stamping ₹. 2.05 Lacs (P.Y. ₹. 1.28 Lacs)
- B) Trade Receivables includes: Bil Energy Systems Limited ₹. 519.23 Lacs (P.Y. ₹. 198.52 Lacs)
- C) Loans & Advance Given includes: Bil Energy Systems Limited ₹. 148.50 Lacs (P.Y. ₹. Nil)

28. DEFERRED TAX LIABILITY STATEMENT

(₹. In Lacs)

Particulars	Deferred tax Liability/asset as at 31st March 2011 Rupees	Current Period Changes Rupees	Deferred tax liability/asset as at 31st March 2012 Rupees
Deferred Tax Liabilities			
Difference between book and tax depreciation	Nil	Nil	Nil
	Nil	Nil	Nil

29. RAW MATERIAL CONSUMED

The material purchases have been applied towards manufacturing as well as repairs of transformers. Since the material has been used in common facilities towards both and since the requirement of law is to show consumption of Raw Material for Manufacturing, the same has not been given.

30. PURCHASE OF TRADED GOODS

(₹. In Lacs)

Sr. No.	Category	As at 31st March, 2012	As at 31st March, 2011
1	C R Sheet / Coil	324.50	-
2	M.S. Plate	113.38	-
3	CRGO/CRNGO Electrical Steel Sheet/Stripe	377.71	194.07
4	Futcom Copper (MCX)	223.41	243.35
5	H.R.Plate	410.92	-
	Total	1449.92	437.42

31. SALES OF PRODUCTS COMPRISES

I) Manufactured Goods

(₹. In Lacs)

Sr. No.	Category	As at 31st March, 2012	As at 31st March, 2011
1	Transformers & Parts	83.00	71.36
2	Current & Potential Transformer	41.17	132.77
3	Distribution Transformer	722.82	54.52
4	Power Transformers	617.10	-
5	Scrap	343.79	32.78
	Total	1807.88	291.43

II) Traded Goods

Sr. No.	Category	As at 31st March, 2012	As at 31st March, 2011
1	C R Sheet / Coil	324.69	-
2	M.S. Plate	113.64	-
3	CRGO/CRNGO Electrical Steel Sheet/Stripe	386.69	198.91
4	Futcom Copper (MCX)	227.25	243.73
5	H.R.Plate	411.52	-
	Total	1463.79	442.64

32. DETAILS OF CLOSING STOCK

I) Closing Stock of Finished Goods

(₹. In Lacs)

Sr. No.	Category	As at 31st March, 2012	As at 31st March, 2011
1	Distribution Transformer	0.31	0.53
	Total	0.31	0.53

II) Closing Stock of Traded Goods

Sr. No.	Category	As at 31st March, 2012	As at 31st March, 2011
1	C R Sheet / Coil	-	-
	Total	-	-



NOTES TO FINANCIAL STATEMENTS

33. EARNINGS PER SHARE (EPS)

(₹. In Lacs)

Particulars	As at 31st March, 2012	As at 31st March, 2011
Profit after tax	(777.94)	(481.46)
Weighted average number of Equity Shares – Basic & Diluted	19500011	19500011
Earning Per Share (in ₹.) – Basic & Diluted	(3.99)	(2.47)

34. PAYMENT TO AUDITORS

(₹. In Lacs)

Particulars	As at 31st March, 2012	As at 31st March, 2011
As Auditors	2.00	1.00
Other Jobs	0.06	1.21
IPO related Jobs	-	1.38
Total	2.06	3.59

35. Term Deposit Receipts wherever obtained are endorsed in favour of Banks and Government Departments against Bank Guarantee, L/C Facility etc.
36. Disclosure pursuant to adoption of accounting standard 15
Gratuity liability for the year is determined on actuarial valuation by the Life Insurance Co of India with whom the company has taken a policy for the settlement of future liability.
37. Some of the Creditors / Debtors / Loans / Advances are subject to Confirmations and resultant reconciliation, if any.
38. The Company has not received any intimation from the suppliers under the Micro, Small & Medium Enterprises Development Act 2006 & therefore disclosures, if any relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.
39. In terms of the requirements of the Accounting Standards-28 on "Impairment of Assets" issued by the Institute of Chartered Accountants of India, the amount recoverable against Fixed Assets has been estimated for the period by the management based on present value of estimated future cash flows expected to arise from the continuing use of such assets. The recoverable amount so assessed was found to be adequate to cover the carrying amount of the assets, therefore no provision for impairment in value thereof has been considered necessary, by the management.
40. As per the best estimate of the management, no provision is required to be made as per Accounting Standard (AS) 29 "Provision, Contingent Liabilities & Contingent Assets" as notified by the companies (Accounting Standards) Rules 2006, in respect of any present obligation as a result of a past event that could lead to a probable outflow of resources which would be required to settle the obligation.
41. As at 31st March, 2012, IPO proceeds have been utilised as stated below. The utilisation of fund was as amended and ratified by the shareholder in the AGM held on 30th August, 2011.

(₹. In Lacs)

Particulars	Objects as per Prospectus	Actual Utilisation
Amount Received From IPO ₹. 6375.00 Lacs		
Expansion and modernization of Pali Unit	3414.46	2707.18
Financing Working Capital Requirement	800.00	2031.36
Marketing and Brand development expenses	200.00	-
Acquisition of Business	2500.00	638.67
General Corporate Purpose	1351.91	689.01
Issue Expenses	299.53	308.79
Total	8565.90	6375.00

Note: As on 31st March, 2011 unutilized funds have been invested in liquid mutual fund schemes, Bank Fixed deposits and repayment of term loan to bank.

42. Previous Year Figures have been regrouped / Re cast wherever necessary.

Signature to the Balance Sheet, Statement of Profit and Loss and notes which form an integral part of accounts.

As per our attached report of even date.

For Raman S. Shah And Associates

Chartered Accountants
Firm Regn.No. 119891W

CA Raman S. Shah

Partner
Membership No. 033272
Mumbai: 14th August, 2012

Ekta Kumari
Company Secretary

For and on behalf of the Board

N.K.Choudhary
Director

R.K.Choudhary
Director
Mumbai: 14th August, 2012



Tarapur Transformers Limited

Regd. Office: J-20, MIDC, Tarapur Industrial Area, Boisar, Tal-Palghar, Distt. Thane- 401506, Maharashtra

PROXY FORM

FOLIO NO. (Shares in physical mode)	
DP ID	
CLIENT ID	
NO. OF SHARES HELD	

I/We.....resident at
 being a Member / Member(s) of Tarapur
 Transformers Limited hereby appoint Mr. / Ms. or failing him/her, Mr. /
 Ms..... as my / our proxy to vote for me/us on my/our behalf at the 24th Annual General
 Meeting of the Company to be held on Friday, 28th September, 2012 at 11.30 a.m. at J-20, MIDC, Tarapur Industrial Area, Boisar, Tal-Palghar,
 Distt. Thane- 401506, Maharashtra and at any adjournment thereof.

Signed this day of.....2012.

Affix ₹ 1.00
 Revenue
 Stamp

- Notes: a) The form should be signed across the stamp as per specimen signature registered with the Company.
 b) The form should be deposited at the Registered Office of the Company forty-eight hours before the time for holding the Meeting.

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Tarapur Transformers Limited

Regd. Office: J-20, MIDC, Tarapur Industrial Area, Boisar, Tal-Palghar, Distt. Thane- 401506, Maharashtra

ATTENDANCE SLIP

FOLIO NO. (Shares in physical mode)	
DP ID	
CLIENT ID	
NO. OF SHARES HELD	

I certify that I am a registered shareholder / proxy for the registered shareholder of the Company. I hereby record my presence at the
 24th Annual General Meeting of the Company held on Friday, 28th September, 2012 at 11.30 a.m. at J-20, MIDC, Tarapur Industrial Area,
 Boisar, Tal-Palghar, Distt. Thane- 401506, Maharashtra and at any adjournment thereof.

.....
 Signature of Member/Proxy

(THIS ATTENDANCE SLIP DULY FILLED TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL)

BOOK - POST

To

If not delivered, please return to :

TARAPUR TRANSFORMERS LIMITED

Corporate Office: 836/837, 8th Floor, IJMIMA Complex, Raheja Metroplex,
Link Road Malad (W), Mumbai – 400 064

Tel.: (91 22) 42728080 Fax: (91 22) 42728090 • Email: info@tarapurtransformers.com