

**VOLTAMP**  
**VADODARA**

**THE POWER OF INDUSTRY**

**VOLTAMP TRANSFORMERS LIMITED**  
**45th Annual Report 2011-2012**

# VOLTAMP TRANSFORMERS LIMITED

## BOARD OF DIRECTORS

**Shri Lalitkumar H. Patel**  
**Shri Kunjal L. Patel**  
**Shri Kanubhai S. Patel**  
**Shri Kewalkrishna G. Tuli**  
**Shri Vasantlal L. Patel**  
**Shri Jagannath S. Aiyar**  
**Shri Arvind N. Shelat**  
**Shri Vallabh N. Madhani**

**Chairman**  
**Vice Chairman & Managing Director**  
**CEO & Managing Director**  
**Director**  
**Director**  
**Director**  
**Director**  
**Director**

### **BANKERS:**

#### **1) ICICI BANK LTD.**

Land Mark Building,  
Race Course Circle,  
Vadodara – 390007,  
Gujarat

#### **2) AXIS BANK LTD.**

Vardhman Complex,  
Opp. GEB Office,  
Race Course Circle,  
Vadodara – 390007,  
Gujarat

#### **3) BANK OF BARODA**

Sayajigunj Branch,  
Vadodara - 390005,  
Gujarat

### **DIRECTOR & COMPANY SECRETARY :**

Shri Vallabh N. Madhani

### **AUDITORS:**

#### **M/S. CHANDULAL M. SHAH & CO.**

Chartered Accountants  
601, Samruddhi, Opp. Sakar III,  
Sattar Taluka Society,  
Ahmedabad - 380014, Gujarat

### **REGISTRAR & SHARE TRANSFER AGENTS:**

#### **LINK INTIME INDIA PVT. LTD.**

B- 102 & 103, Shangrila Complex,  
First Floor, Opp. HDFC Bank,  
Near Radhakrishna Char Rasta,  
Vadodara – 390020, Gujarat

### **REGISTERED OFFICE :**

Makarpura, Vadodara – 390 014, Gujarat

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## NOTICE

Notice is hereby given to the Members of VOLTAMP TRANSFORMERS LIMITED, that the 45<sup>th</sup> Annual General Meeting of the Members of the Company will be held at Auditorium of the VANIJYA BHAVAN, Central Gujarat Chamber of Commerce & Industries, Race Course Circle, Vadodara –390007, on Tuesday, 14<sup>th</sup> August, 2012 at 10:00 a.m. to transact the following business:

### ORDINARY BUSINESS:

- 1) To receive and adopt the Audited Statement of Profit and Loss for the Financial Year ended 31<sup>st</sup> March, 2012, the Balance Sheet as on that date, the Directors' and the Auditors' Reports thereon.
- 2) To declare dividend on equity shares.
- 3) To appoint a Director in place of Shri Kewalkrishna G. Tuli, who retires by rotation and being eligible offers himself for reappointment.
- 4) To appoint a Director in place of Shri Lalitkumar H. Patel, who retires by rotation and being eligible offers himself for reappointment.
- 5) To appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration. The retiring Auditors are eligible for reappointment.

### SPECIAL BUSINESS:

- 6) To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 198, 269, 309, 310 and 311 read with Schedule XIII and pursuant to recommendation of the Remuneration Committee and approval of the Board of Directors, at their respective meetings, both held on 13.02.2012 and other applicable provisions, if any, of the Companies Act, 1956 and such other approvals, if any, as may be necessary, the consent of the Company be accorded to the reappointment of Shri Kunjal L. Patel as a Vice Chairman and Managing Director of the Company for further period of five years with effect from 15.03.2012 on the terms and conditions and remuneration and perquisites payable as under :

#### **A) Consolidated Salary :**

Consolidated salary of ` 6,75,000/- p.m. in the scale of ` 6,75,000/- - 50,000/- - 8,75,000/- p.m.

#### **B) Commission :**

At the rate of 1% (one percent) of net profits (profit before tax) of the Company.

#### **C) Perquisites :**

(a):

##### **(i) Medical Benefits :**

Full reimbursement of all the expenses (including for Hospitalization) actually incurred for self and family including premium on medical insurance.

##### **(ii) Leave Encashment :**

As per the Rules of the Company with full pay and allowances. Unavailed leaves can be encashed at the end of tenure. Encashment of leave at the end of the tenure will not be included in the computation of ceiling of perquisites.

**(iii) Leave Travel Allowance :**

As per the Rules of the Company.

**(iv) Personal Accident Insurance :**

As per the Rules of the Company.

**(v) Bonus :**

As per the Rules of the Company.

- (b)** The Company shall contribute to Provident Fund to the extent not taxable under the Income Tax Act and contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act. The Gratuity payable should not exceed one month's salary for each completed year of total services rendered in the Group.

**(c) Reimbursement of Entertainment Expenses:**

The Managing Director shall also be entitled to reimbursement of reasonable expenses actually and properly incurred during the course of business of the Company, subject to maximum ceiling of ₹ 10,000/- p.m.

**(d) Car & Telephone :**

The Company shall provide a Car for use of Company's business and telephone at the residence and also provide mobile, internet and other communication facilities at his residence.

If the Company has no profits or the profits are inadequate in any financial year, the Managing Director shall be entitled to receive the above remuneration and perquisites as minimum remuneration."

**"RESOLVED FURTHER THAT** the term of office of Shri Kunjal L. Patel as a Managing Director of the Company shall not be subject to retirement by rotation."

**"RESOLVED FURTHER THAT** the Board of Directors ("the Board" which term shall be deemed to mean and include any Committee constituted by the Board) be and is hereby authorized to take such steps and do such acts, deeds and things as may be necessary or desirable to give effects to this Resolution or incidental thereto."

**FOR AND ON BEHALF OF THE BOARD**

**Place : Vadodara**  
**Date : 21<sup>st</sup> May, 2012**

**V. N. MADHANI**  
**DIRECTOR & COMPANY SECRETARY**

**NOTES:**

- 1) A MEMBER ENTITLED TO ATTEND THE MEETING AND VOTE THEREAT IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. DULY EXECUTED PROXIES MUST BE REGISTERED WITH THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE SCHEDULE TIME OF THE MEETING.
- 2) Members desirous of getting any information about the accounts and operations of the Company are requested to address their queries in writing to the Company Secretary at least seven days in advance of the Meeting so that the information required can be made readily available at the Meeting.
- 3) Members are requested to bring their Attendance Slip along with their copy of the Annual Report to the Meeting.

## 45TH ANNUAL REPORT 2011-12

- 4) Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their folio number in the attendance slip for attending the Meeting.
- 5) In case of joint holders attending the Meeting, only such joint holder who is higher in order of names will be entitled to vote.
- 6) Register of Members and Share Transfer Books will remain closed from Wednesday, 1<sup>st</sup> August, 2012 to Tuesday, 14<sup>th</sup> August, 2012 (Both days inclusive).
- 7) The dividend as recommended by the Board, if sanctioned at the Meeting, will be paid to those Members or their mandatees whose names appear in the Register of Members on Tuesday, 14<sup>th</sup> August, 2012, for those holding shares in physical form. In respect of the shares held in dematerialized form, the dividend will be paid on the basis of beneficial ownership as per the details furnished by the Depositories for this purposes at the end of business hours on Tuesday, 31<sup>st</sup> July, 2012.
- 8) Corporate Members intending to send their authorized representative to attend the Meeting are requested to send the certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- 9) As required under Clause 49(IV)(G) of the Listing Agreement with the Stock Exchanges, the relevant details of persons seeking appointment / reappointment as Directors are furnished in the Corporate Governance Report.
- 10) The Company has implemented the "Green Initiative" as per the 'Go Green Initiative' letter sent with the last Annual Report for the year 2010-11, pursuant to Circular Nos. 17/2011 & 18/2011 dated April 21, 2011 & April 29, 2011 respectively issued by the Ministry of Corporate Affairs (MCA), to enable electronic delivery of Notices/Documents and Annual Reports to Shareholders. Henceforth, the e-mail addresses indicated in your respective Depository Participant (DP) Accounts which will be periodically downloaded from NSDL/CDSL will be deemed to be your registered e-mail address for serving Notices/Documents including those covered under Section 219 of the Companies Act, 1956. Members are requested to support this green initiative by registering/updating their e-mail addresses, in respect of shares held in dematerialised form with their respective Depository Participant and in respect of shares held in physical form, shareholders can register their e-mail address with the Company at **vnm\_ipo@voltamptransformers.com** mentioning their name(s) and folio number or send the details to the Company's Registrars and Transfer Agent, Link Intime India Private Limited.

### **EXPLANATORY STATEMENT TO ITEM NO.6 PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 :**

Shri Kunjal L. Patel has been associated with the Company since 1994. He has degree in Electrical Engineering from the M. S. University of Vadodara, Gujarat. He has 16 years of experience in production, marketing and general management of the Company. He is in charge of general management comprising of purchase and planning, technical aspects of quality control, manufacturing & design aspects of transformers.

Shri Kunjal L. Patel was appointed as an Additional Director of the Company on 4<sup>th</sup> June, 1994. In view of his long association with the Company, he was promoted and re-designated as a permanent Vice Chairman of the Company on 04.09.2001. Thereafter, he was promoted and re-designated as a Vice Chairman & Joint Managing Director of the Company for a period of five (5) years from 15.03.2002 to 14.03.2007. Thereafter, he was re-appointed as a Vice Chairman & Managing Director for a further period of five (5) years from 15.03.2007 to 14.03.2012.



Looking to his total involvement and contribution in the growth of the Company, and in recognition of the valuable services rendered by him, it will be in the interest of the Company to re-appoint him as Managing Director for a further period of five years, i.e. from 15.03.2012 to 14.03.2017.

In recognition of his contribution and as recommended by the Remuneration Committee at their meeting held on 13.02.2012, he has been re-appointed as a Vice Chairman & Managing Director, by the Board of Directors at their meeting held on 13.02.2012, subject to the approval of the Shareholders of the Company at this Annual General Meeting, for a further period of five (5) years, i.e. from 15.03.2012 to 14.03.2017.

The Board recommends the above resolution for your approval.

The terms and conditions, including remuneration payable to Shri Kunjal L. Patel are contained in the resolution at item no. 6 of the accompanying Notice. An abstract in respect of this item has already been circulated separately to all the shareholders within the prescribed time.

Except, Shri Kunjal Patel, himself and Shri Lalitkumar H. Patel, being relative of Shri Kunjal L. Patel, none of the Directors of the Company are interested in the above resolution.

**FOR AND ON BEHALF OF THE BOARD**

**Place : Vadodara**  
**Date : 21<sup>st</sup> May, 2012**

**V. N. MADHANI**  
**DIRECTOR & COMPANY SECRETARY**

## DIRECTORS' REPORT

To,  
The Members  
**VOLTAMP TRANSFORMERS LIMITED**  
Makarpura, Vadodara – 390014, Gujarat

Your Directors have pleasure in presenting the 45<sup>th</sup> Annual Report and Accounts for the Financial Year ended 31<sup>st</sup> March, 2012.

### WORKING RESULTS:

(` in Thousand)

PARTICULARS	2011-2012	2010-2011
Sales & Services Income	56,98,051	53,53,394
Profit before Financial Charges and Depreciation	5,71,777	8,48,906
Financial Charges	4,774	5,950
Depreciation	82,694	74,962
Profit before Taxation	4,84,309	767,994
Provisions for Taxation : Current Tax	1,52,000	245,000
Deferred Tax	(452)	5,185
Net Profit for the year	3,32,761	517,809
Add: Previous years' surplus	1,34,650	123,019
<b>Profits available for appropriation:</b>	<b>4,67,411</b>	<b>640,828</b>
<b>Appropriation therefrom:</b>		
A. Proposed Dividend	1,01,171	91,054
B. Dividend Tax on above	16,412	15,124
C. General Reserve	2,50,000	4,00,000
D. Surplus	99,828	134,650
	<b>4,67,411</b>	<b>640,828</b>

### DIVIDEND:

The Directors recommend payment of dividend of ` 10/- per equity share of ` 10/- each (i.e. 100%) on 10117120 equity shares for the year ended March 31, 2012.

### PERFORMANCE REVIEW:

In the competitive market, the Company was able to achieve Sales and Other Income, in monetary terms for the year to ` 585 crores as compared to ` 554 crores in the previous year. The sales in terms of volume remained almost same and stood at 8991 MVA as compared to 8973 MVA in the previous year. However, the Profit Before Tax (PBT) was reduced to ` 48 crores as compared to ` 77 crores in the previous year and Profit After Tax (PAT) reduced to ` 33 crores as compared to ` 52 crores in the previous year. The profitability of the Company was adversely affected largely, due to intense price war amongst manufacturers in view of over capacity in the Industry and also on account of sharp increase in raw material prices on fixed price contracts. The Rupee depreciation against US Dollar has also adversely impacted further during the financial year. However, compared to its peers in industry, profitability of the Company is relatively better though it is on lower side compared to previous year.

The current year has begun with lower order backlog of ` 295 crores (4736 MVA). The enquiry level has been improved but decision making is very very slow and all the orders are booked on very very low margin, with attendant risk of uncertainty during its execution, in view of intense competition in market. Again, the Company is continuing to be very selective in taking orders as still the price realization remains very low. The present challenge is managing orders within the budgeted costs and high volatility in the prices of major raw materials.

Credit period extended to customers not getting honoured results into high level of receivables with resultant strain on cash flow. Barring unforeseen circumstances, the Company expects to increase its volume of business in the current year.

For detailed analysis of the performance, please refer to the management's discussion and analysis section of the annual report.

**DISCLOSURE OF PARTICULARS:**

The disclosure of particulars as required by Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in Annexure - I.

**EMPLOYEES:**

The industrial relations during the year under review have remained cordial and satisfactory. The Board thanks all the Employees for their valuable contribution to the working of the Company.

The statement under sub-section (2A) of Section 217 of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended and forming part of this report is given in Annexure - II. The said Annexure – II shall, however, be provided to the Members on request to be made to the Company Secretary at the Registered Office of the Company.

**CORPORATE GOVERNANCE:**

In line with requirement of the Listing Agreement with the Stock Exchanges, Report on Corporate Governance is given in Annexure - III.

**MANAGEMENT DISCUSSION AND ANALYSIS:**

Management Discussion and Analysis Report is given in Annexure - IV.

**DIRECTORS' RESPONSIBILITY STATEMENT UNDER SECTION 217 (2AA) OF THE COMPANIES ACT, 1956:**

The Directors confirm that:

- 1) In the preparation of the annual accounts, the applicable accounting standards have been followed by the Company.
- 2) Such accounting policies have been selected and consistently applied and judgments and estimates 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 31<sup>st</sup> March, 2012 and of the profit of the Company for the year ended on that date.
- 3) Proper and 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 and detecting fraud and other irregularities.
- 4) Annual accounts have been prepared on a going-concern basis.

**DIRECTORS:**

Shri Kewalkrishna G. Tuli and Shri Lalitkumar H. Patel, Directors of the Company retire by rotation, and being eligible offer themselves for reappointment.

**AUDITORS:**

The present Auditors of the Company M/s. Chandulal M. Shah & Co. are retiring at the forthcoming Annual General Meeting of the Company and are eligible for reappointment.

**APPRECIATION AND ACKNOWLEDGEMENT:**

Your Directors wish to convey their thanks to all the Company's valued Customers, Bankers, Vendors, Business Associates, Government Authorities, and Shareholders for their continued support and confidence in the Company.

The Board also expresses its appreciation towards the contribution made by all the Employees of the Company.

**FOR AND ON BEHALF OF THE BOARD**

**Place : Vadodara**  
**Date : 21<sup>st</sup> May, 2012**

**LALITKUMAR H. PATEL**  
**CHAIRMAN**

## ANNEXURE - I TO THE DIRECTORS' REPORT

### A] CONSERVATION OF ENERGY:

[a] Energy conservation measures taken :

1. Closely monitoring use of heating ovens.
2. Use of energy efficient lighting & modernization in distribution system.
3. Systematic studies of power consumption to avoid unwanted energy losses.
4. Close monitoring and control of Diesel / LDO consumption.
5. Timers in AC Circuits, to bring down Energy Consumption.
6. Creating awareness among all employees to conserve energy.
7. Use of energy efficient motors.

[b] Additional investments and proposal if any, being implemented for reduction of consumption of energy:

1. State of art latest vapour phase drying ovens imported from Hedrich Germany.
2. Additional 80 T energy efficient crain installed.

[c] Impact of the measures at [a] and [b] above for reduction of energy consumption and consequent impact on the cost of production of goods:

The various measures taken by the Company have resulted in reduction in consumption of energy and efforts are going on to further reduce the consumption of energy and the consequent impact on the cost of production.

[d] Total energy consumption and energy consumption per unit of production as per Form-A: Not Applicable.

### B] TECHNOLOGY ABSORPTION:

Research and Development (R&D):

[a] Specific areas in which R&D carried out by the Company:

1. Short Circuit Force / Stress Calculations
2. In house developed foil winding machine.

[b] Benefits derived as a result of the above R&D :

1. Transformer is able to withstand severe short circuit conditions without deformation, hence reliability is ensured.
2. Foil wound windings are better in mechanical stability even during abnormal forces.

[c] Further plan of action:

1. Continued emphasis on development of cost effective components and process and import substitution.
2. Identification and narrowing down the gaps in the areas of product, process, manufacturing and information technologies.
3. Wastage reduction.

Technology Absorption, Adaptation & Innovation:

[a] Efforts, in brief, made towards technology absorption, adaptation and innovation :

1. Extensive training in technical and management fields with a special emphasis on Total Quality Management.

[b] Benefits derived as a result of the above efforts : Improvement in product quality.

[c] Technology imported during the last five years :

1. Installed most modern State-of-the-art lightning impulse testing system imported from HIGH VOLTS, GERMANY- 2010-2011.
2. State of art latest vapour phase drying ovens imported from Hedrich Germany- 2010-2011.

### C] FOREIGN EXCHANGE EARNINGS AND OUTGO:

[a] Foreign Exchange used : ` 19,09,061/-

[b] Foreign Exchange earned : ` 43,23,652/-

## ANNEXURE - III TO THE DIRECTORS' REPORT

### CORPORATE GOVERNANCE REPORT:

#### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Corporate Governance ensures best management practices, compliance of laws, rules, and regulations in the Company and also provides appropriate framework for the Board and its Committees, to achieve objectives of the Company for the benefit of the Company and its stakeholders. Since inception, our Company is committed to good Corporate Governance. Requirement of Clause 49 of the Listing Agreement with Stock Exchanges, Code of Conduct on Prevention of Insider Trading and also a Code of Conduct for Directors and Senior Management Personnel is fully complied by our Company.

#### 2. BOARD MEETINGS AND BOARD OF DIRECTORS:

**(A) In the Financial Year 2011-12 four Board Meetings were held on the following dates:**

- |                                    |                                    |
|------------------------------------|------------------------------------|
| 1) 30 <sup>th</sup> May, 2011      | 2) 12 <sup>th</sup> August, 2011   |
| 3) 09 <sup>th</sup> November, 2011 | 4) 13 <sup>th</sup> February, 2012 |

**(B) Composition / Category of Directors / Attendance at Meetings / Directorship & Committee Membership in other Companies as on 31<sup>st</sup> March, 2012:**

Sr. No.	Name of Director	Category of Director	Attendance		No. of other Directorship	Membership of other Committees	
			At the Board Meetings	At the Last AGM		As Member	As Chairman
1.	Shri Lalitkumar H. Patel	Chairman	3	Yes	2	Nil	Nil
2.	Shri Kunjal L. Patel	Vice Chairman & Managing Director	4	Yes	3	1	Nil
3.	Shri Kanubhai S. Patel	CEO & Managing Director	4	Yes	Nil	2	Nil
4.	Shri Kewalkrishna G. Tuli	Director	4	Yes	1	1	1
5.	Shri Vasantlal L. Patel	Director	4	Yes	1	1	Nil
6.	Shri Jagannath S. Aiyar	Director	1	No	Nil	1	1
7.	Shri Arvind N. Shelat	Director	4	Yes	Nil	Nil	1
8.	Shri Vallabh N. Madhani	Director	4	Yes	Nil	Nil	Nil

#### 3. AUDIT COMMITTEE:

**(A) Composition, Name of Members, Chairperson, Meetings held during the year and Attendance at the Meetings:**

**(i) Composition:**

- |                              |          |  |
|------------------------------|----------|--|
| 1. Shri Arvind N. Shelat     | Chairman | Independent and Non Executive Director |
| 2. Shri Kewalkrishna G. Tuli | Member   | Independent and Non Executive Director |
| 3. Shri Kanubhai S. Patel    | Member   | C.E.O & Managing Director              |

**(ii) Meetings and Attendance:**

In the Financial Year 2011-12 four Audit Committee Meetings were held on the following dates:

- |                                    |                                    |
|------------------------------------|------------------------------------|
| 1) 30 <sup>th</sup> May, 2011      | 2) 12 <sup>th</sup> August, 2011   |
| 3) 09 <sup>th</sup> November, 2011 | 4) 13 <sup>th</sup> February, 2012 |

All members were present in all the above meetings.

**(B) Terms of Reference:**

The role of the Audit Committee shall include the followings:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.



## 5. SHAREHOLDERS' GRIEVANCE COMMITTEE:

### (A) Composition:

- |                            |          |                                     |
|----------------------------|----------|-------------------------------------|
| 1. Shri Jagannath S. Aiyar | Chairman | Independent Non Executive Director  |
| 2. Shri Kunjal L. Patel    | Member   | Vice Chairman and Managing Director |
| 3. Shri Kanubhai S. Patel  | Member   | CEO,CFO & Managing Director         |

Shri Vallabh N. Madhani, Vice President (Commercial) & Company Secretary, has been designated as the Compliance Officer of the Company.

Number of shareholders complaints received during the year : Nil

Number of complaints solved during the year : Nil

Number of pending complaints at the end of the year : Nil

## 6. GENERAL BODY MEETINGS:

### (A) Location and time where last three Annual General Meetings were held:

Financial Year	Date	Time	Venue
2010-11	12-08-2011	10:00 a.m.	Auditorium of the Vanijya Bhavan, Race Course Circle, Vadodara-390007.
2009-10	30-07-2010	10:00 a.m.	Auditorium of the Vanijya Bhavan, Race Course Circle, Vadodara-390007.
2008-09	31-07-2009	10:00 a.m.	Auditorium of the Vanijya Bhavan, Race Course Circle, Vadodara-390007.

### (B) Special Resolution passed in the last three Annual General Meetings:

No Special resolution was passed by the Company in the last three Annual General Meetings.

### (C) Postal Ballot:

No Special Resolution passed by the Company in the last three years through postal ballot. As on date, the Company does not have any proposal to pass any special resolution by way of postal ballot.

## 7. DISCLOSURES:

### (A) Disclosure on materially significant related party transactions:

There was no materially significant related party transaction during the year having potential conflict with the interest of the Company.

### (B) Details of non-compliance by the Company, penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any Statutory Authorities or any matter related to capital markets during the last three years:

The Company has complied with all the requirements of the Listing Agreement with the Stock Exchanges as well as regulations and guidelines of SEBI. No penalties have been levied or strictures have been passed by SEBI, Stock Exchange, or any Statutory Authority on the matters relating to the capital market, in the last three years.

### (C) Whistle Blower Policy and affirmation that no personnel has been denied access to the Audit Committee:

The Company has not adopted Whistle Blower Policy. However, the Company has not denied access to any personnel to approach the Management on any issues.

### (D) Details of compliance with mandatory requirements and adoption of the non- mandatory requirements of this clause:

The Company has fully complied with mandatory requirements of the clause 49 of the Listing Agreement of the Stock Exchanges. Further, the Company has adopted non-mandatory requirement of the clause 49 of the Listing Agreement, viz., Remuneration Committee of the Board which has constituted to determine the remuneration package of the Executive Directors.

**8. MEANS OF COMMUNICATION:****(A) Quarterly Financial Results:**

The quarterly / annual financial results are published in the Business Standard/ the Financial Express (English daily) and Vadodara Samachar (Gujarati). The financial results and the official news releases are also placed on the Company's website [www.voltamptransformers.com](http://www.voltamptransformers.com).

**(B) Official News Release:**

The Company holds conference calls / one to one meet with analysts, issue press release and makes necessary presentation to apprise and make public the information relating to the Company's working and future outlook.

**9. GENERAL SHAREHOLDER INFORMATION:****(i) Annual General Meeting:**

Date : Tuesday, 14<sup>th</sup> August, 2012

Time : 10:00 a.m.

Venue : Auditorium of the VANIJYA BHAVAN, Central Gujarat Chamber of Commerce & Industries, Race Course Circle, Vadodara – 390007.

**(ii) Profile of Directors seeking appointment / re-appointment:**

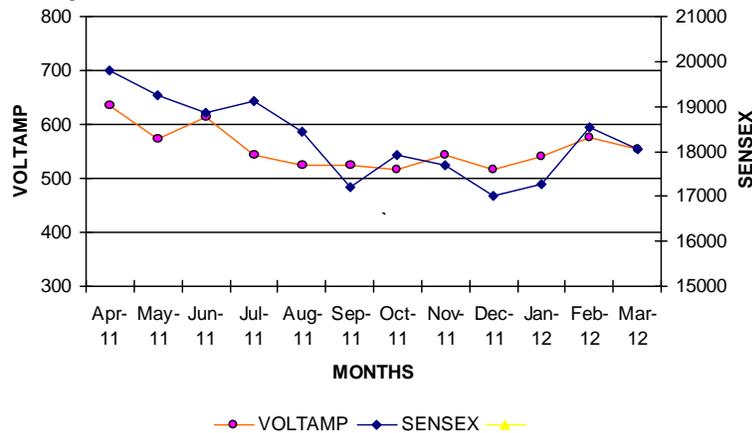
The profiles of the directors who are seeking appointment / re-appointment at the Annual General Meeting are furnished below:

Brief Resume of Directors and their expertise in functional areas	Directorship/ Committee Membership in other Companies	Shareholding in Voltamp Transformers Ltd.
<p><b>1) Shri Lalitkumar H. Patel</b> Shri Lalitkumar H. Patel – Founder and Chairman, 77 years is B.Sc. (Engg.), A.C.G.I. M.I.E. from London. He worked in Germany with M/s. Siemens GmbH at their Nuremberg Transformer Division from 1959 to 1960. On his return, he worked with M/s. Bharat Bijlee Limited then a Licensee of M/s.Siemens Ltd., Germany and M/s. Siemens India Ltd. from 1960 to 1962. Subsequently in 1963, he initiated a partnership business of manufacturing transformers in the name of M/s. Voltamp Corporation. In 1967, "M/s. Voltamp Transformers Private Limited" was incorporated which acquired the business of erstwhile Partnership Firm established by him, which was converted into Public Limited Company w.e.f. 22.02.2006.</p>	<p>DIRECTORSHIP 1. Patson Transformers Pvt. Ltd. 2. Kunjal Investment Pvt. Ltd.</p> <p>COMMITTEE MEMBERSHIP Nil</p>	<p>2,93,640</p>
<p><b>2) Shri Kewalkrishna G. Tuli</b> Shri Kewalkrishna G. Tuli, Independent Director, 75 years, is a B.E. civil from the M.S. University, Vadodara Gujarat. He is the Promoter and Managing Director of Paramount Limited, which is engaged in the business of environment engineering. He has also founded the Paramount Charity Trust, which is actively involved in providing medical, educational and living support to weaker sections of the society.</p>	<p>DIRECTORSHIP 1. Paramount Ltd.</p> <p>COMMITTEE MEMBERSHIP Nil</p>	<p>300</p>

- (iii) **Financial Year:** The Company follows April-March as its financial year.
- (iv) **Date of Book Closure:** Wednesday, 1<sup>st</sup> August, 2012 to Tuesday, 14<sup>th</sup> August, 2012 (Both days inclusive).
- (v) **Dividend Payment Date:** Within one month from the date on which the shareholders approve the dividend.
- (vi) **Listing on Stock Exchanges:** The equity shares of the Company are currently listed at BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).
- (vii) **Stock Code:** a) BSE Limited: 532757  
b) National Stock Exchange of India Limited: VOLTAMP
- (viii) **Market Price Data for the year 2011-12:**

PERIOD	BSE (₹)		BSE SENSEX (₹)		NSE (₹)	
	High	Low	High	Low	High	Low
April 2011	635	555	19811	19015	635	554
May 2011	574	480	19253	17786	577	480
June 2011	614	494	18873	17314	614	480
July 2011	542	501	19131	18131	542	470
August 2011	524	451	18440	15765	523	451
September 2011	525	490	17211	15801	526	491
October 2011	515	476	17908	15745	512	474
November 2011	542	482	17702	15478	542	482
December 2011	516	451	17003	15135	517	449
January 2012	540	456	17258	15358	540	451
February 2012	576	495	18523	17061	573	500
March 2012	555	498	18040	16920	556	495

(ix) **Performance in comparison to broad-based indices BSE Sensex:**



(x) **Registrar and Share Transfer Agents:**

**LINK INTIME INDIA PVT. LTD.**

B- 102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank,  
Near Radhakrishna Char Rasta, Akota, Vadodara 390020.

(xi) **Share Transfer System:**

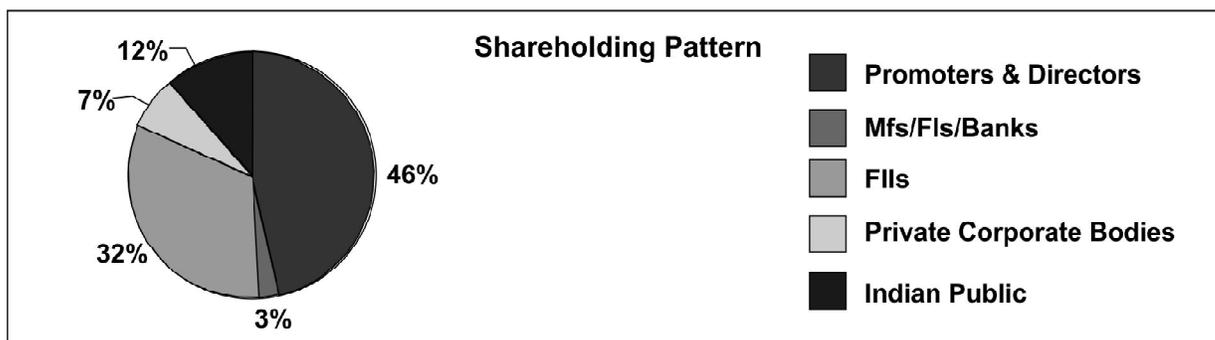
The Company's shares are being in compulsory demat list, are transferable through the depository system.

(xii) **Dematerialization of shares and liquidity:**

The shares of the Company are available under dematerialized form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Company's equity shares are compulsorily traded in the dematerialized form. The code number allotted by NSDL and CDSL to your Company is INE540H01012.

## (xiii) Shareholding Pattern As on 31-03-2012:

Sr. No.	Category	No. of Shares Held	% to total Shareholding
1.	Promoters, Directors and their Relatives	4659080	46.05
2.	Mutual Funds, Banks, Financial Institutions, Insurance Companies, Trusts	249673	2.47
3.	Foreign Institutional Investors	3272928	32.35
4.	Private Corporate Bodies	710591	7.03
5.	Indian Public	1176382	11.63
6.	NRIs	48466	0.47
	<b>Total</b>	<b>10117120</b>	<b>100.00</b>



## (xiv) Distribution of Shareholding as on 31-03-2012:

Sr. No.	No. of Equity Shares held	No. of Shareholders	% of Shareholder	No. of Shares held	% of Shareholding
1.	1 - 500	17949	98.30	795243	7.86
2.	501 - 1000	182	0.99	139078	1.38
3.	1001 - 2000	67	0.37	99445	0.98
4.	2001 - 3000	18	0.10	42918	0.43
5.	3001 - 4000	4	0.02	13502	0.13
6.	4001 - 5000	7	0.04	31690	0.31
7.	5001 - 10000	3	0.02	23593	0.23
8.	10001 - above	30	0.16	8971651	88.68
	<b>Total</b>	<b>18260</b>	<b>100.00</b>	<b>10117120</b>	<b>100.00</b>

## (xv) Disclosure with respect to shares lying in suspense account:

Particulars	Shareholders	Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	11	324
Number of shareholders who approached Company for transfer of shares from suspense account during the year	1	45
Number of shareholders to whom shares were transferred from suspense account during the year	1	45
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	10	279

The voting rights on the shares lying in suspense account are frozen till the rightful owner of such shares claims shares.

**(xvi) Code of Conduct:**

- a) The Company has in place a Code of Conduct applicable to the Board Members as well as the Senior Management and that the same has been hosted on the Company's website. All the Board Members and the Senior Management personnel have affirmed compliance with the code of conduct as on 31<sup>st</sup> March, 2012. The declaration signed by the CEO & Managing Director of the Company is given below:

"I, Kanubhai S. Patel, CEO & Managing Director of the Company, hereby declare that all Board Members and Senior Management Personnel of the Company have affirmed the compliance of the Code of Conduct during the Financial Year ended 31<sup>st</sup> March, 2012".

**Place : Vadodara**  
**Date : 21<sup>st</sup> May, 2012**

**K. S. PATEL**  
**CEO & MANAGING DIRECTOR**

- b) In terms of the Clause 49 of the Listing Agreement, the certification by the CEO & CFO & Managing Director of the Company on the financial statements and internal control relating to financial reporting, obtained by the Board of Directors is given below :

**CEO/CFO CERTIFICATION**

**To**  
**The Board of Directors**  
**Voltamp Transformers Limited**  
**Makarpura, Vadodara.**

I certify that:

1. I have reviewed the financial statements and cash flow statements of Voltamp Transformers Limited for the year ended 31<sup>st</sup> March, 2012 and to the best of my knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statement that might be mis-leading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. To the best of my knowledge and belief, there are, no transactions entered into by the Company during the year, which are fraudulent, illegal or violating the Company's code of conduct.
3. I accept responsibility for establishing and maintaining internal controls over financial reporting and I have evaluated the effectiveness of internal control systems of the Company over financial reporting and I have discussed to the auditors and Audit Committee, deficiencies in the design or operation of internal control over financial reporting, if any, of which I am aware and the steps I have taken, proposes to take to rectify these deficiencies. In my opinion, there is adequate internal control over financial reporting.
4. I have indicated to the auditors and the Audit Committee that there are:
  - (i) significant improvement in internal control over financial reporting during the year;
  - (ii) no significant changes in accounting policies during the year;
  - (iii) no instances of significant fraud of which I have become aware and the involvement there in, if any, of the management or and employee having a significant role in the Company's internal control system on financial reporting.

**Place : Vadodara**  
**Date : 21<sup>st</sup> May, 2012**

**K. S. PATEL**  
**CEO & CFO & MANAGING DIRECTOR**

**(xvii) Plant Location:**

The Company's plants are located at:

1. Makarpura, Vadodara, 390014, Gujarat.
2. Village Vadadla, Jarod-Samlaya Road, Tehsil Savli, District Vadodara, 391520, Gujarat.

**(xviii) Address for correspondence:**

Voltamp Transformers Limited, Makarpura, Vadodara, 390 014, Gujarat.

As per requirement of the Clause 47(f) of the Listing Agreement with Stock Exchanges, the Company has created a dedicated email ID **vnm\_ipo@voltamptransformers.com** exclusively for the purpose of registering complaints of the investors and is prominently displayed on the Company's website [www.voltamptransformers.com](http://www.voltamptransformers.com).

**FOR AND ON BEHALF OF THE BOARD**

**Place : Vadodara**  
**Date : 21<sup>st</sup> May, 2012**

**LALITKUMAR H. PATEL**  
**CHAIRMAN**

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## **Auditors' Certificate on Corporate Governance**

**To**  
**The Members,**  
**Voltamp Transformers Limited**

We have examined compliance of the conditions of the Corporate Governance by Voltamp Transformers Limited for the year ended 31<sup>st</sup> March, 2012, as stipulated in Clause 49 of the Listing Agreement, of the said Company with the Stock Exchanges.

The compliance of the conditions of the Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us and based on the representation made by the Directors and the Management, we certify that the Company has complied with conditions of Corporate Governance as stipulated in the Clause 49 of the above mentioned Listing Agreement.

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

**FOR CHANDULAL M. SHAH & CO.**  
**CHARTERED ACCOUNTANTS**  
**FR No. : 101698W**

**Place : Ahmedabad**  
**Date : 21<sup>st</sup> May, 2012**

**K. H. VASAVADA**  
**PARTNER**  
**MEMBERSHIP NO. 012322**

## ANNEXURE - IV TO THE DIRECTORS' REPORT

### MANAGEMENT DISCUSSION AND ANALYSIS

#### INDUSTRY OVERVIEW:

The overall transformer industry in India is a matured one with domestic as well as export markets, as power sector development is key to the economic development. Demand generated from capacity additions, which is expected to be 76,000 MW during 12th five year plan; and replacement of demand, will increase demand further. Thrust and policy of Government of India to electrify all villages by 2020 and programmes like the RGGVY will provide opportunities and growth in the transformer industry. However, looking to current recession in the global market, cut throat competition, escalation in prices of raw materials, credit squeeze, delayed financial closure, delay in implementation of plans by government and environment concerns, we believe that there will be pressure on the margins in the short-run.

#### OUTLOOK FOR THE COMPANY:

With upcoming projects and added efforts being put in for power generation, transmission & distribution, the long term prospects are bright. However, due to sizable unutilized capacity in the transformer industry, prices are under pressure which leads to immense competition amongst the industry players. Increasing competition, delay in government projects, high volatility in the prices of major raw materials like copper, electrical steel sheets, transformer oil, steel and related components will continue to impact realizations, both at gross and net level, and hence hindering the proper growth of the industry in the near future.

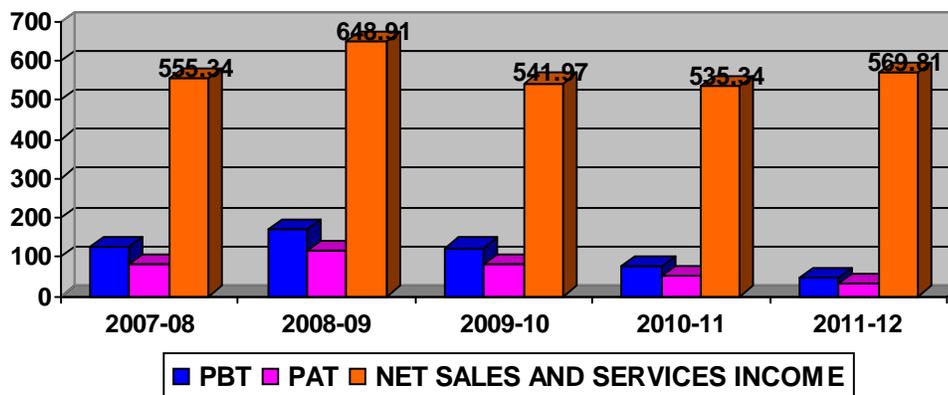
The practice of many MNCs operating in project business and sourcing transformers from outside vendors is still on chase, as most of them are going ahead with plan to have captive units to manufacture transformers, which will adversely impact business volume from those MNCs in the long term. The rupee depreciation against US Dollar may also adversely impact further during the financial year.

Despite the above, as on date, orders available for execution in the current year amount to ₹ 411 crores, totaling 7075 MVA, providing revenue visibility for approx. 7-8 months.

#### PERFORMANCE OF THE COMPANY DURING THE LAST FIVE YEARS:

Profit Before Tax (PBT), Profit After Tax (PAT) and Sales & Services Income of the last five years:

₹ in Crores



The Company could achieve sales of ₹ 569.81 crores (8991 MVA) as compared to ₹ 535.34 crores (8973 MVA) in the previous year. However, the PBT reduced to ₹ 48 crores and PAT reduced to ₹ 33 crores.

#### FINANCE:

The Company continued to remain debt free during the year. The Company could leverage its cash availability position to get better terms from suppliers. The Company also invests surplus funds available, in the debt and equity schemes of mutual funds, fixed deposit with banks, debentures and bonds, PMS, etc. to earn market return on it. The Company continued to focus on optimizing its working capital. During the year, the Company

has changed its banking operations from AXIS Bank Ltd. to ICICI Bank Ltd. with better and favorable terms. However, higher inventory level due to increased prices of key input materials and delay in lifting of finished transformers by customers and also higher investment in receivables remain area of concern.

**FACTORS AFFECTING OUR FUTURE RESULTS OF OPERATIONS:**

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

- ◆ Competitive conditions in the industry.
- ◆ Growth of power sector in India.
- ◆ Our ability to continuously operate and maintain our manufacturing facilities optimally.
- ◆ Technological changes in the industry.
- ◆ Escalation in prices as well as the availability of raw materials.
- ◆ General economic and business conditions in India.

**HUMAN RESOURCES:**

The Company continues its focus on development of human resource. The relations of the management with employees during the year continued to be cordial. Learning and development has been strengthened to bring value addition in the employee and to enhance Team Building leading towards success. The Company focuses on providing the employees motivating work environment and excellent career development opportunities.

**INTERNAL CONTROL SYSTEMS:**

The Company has effective internal control systems for compliance of laws, rules and regulations to safeguard the interest of the Company. The Company maintains a system of internal controls designed to provide reasonable assurance regarding the effectiveness and efficiency of operations and for safeguarding the assets of the Company and for ensuring appropriate recording and reporting of financial information for ensuring reliability of financial controls and for ensuring compliance of applicable laws and regulations.

The internal audit covers a wide variety of operational matters and ensures compliance with specific standards with regard to reliability and suitability of policies and procedures.

The internal auditor reports to the top management through CEO & Managing Director and continuously monitors adherence to lay down systems and policies through a structured internal audit process. Services of internal auditors are being outsourced through established audit firm. The systems are regularly reviewed and modified for changes in operating and regulatory requirements.

The Audit Committee reviews the adequacy and effectiveness of internal control systems and suggests improvement for strengthening the same from time to time.

**RISKS & CONCERNS:**

The unprecedented variation in the prices of raw materials, particularly copper, transformer oil and special steels for lamination, is a major area of concern for executing transformer orders in uncertain market condition. Depreciation of Indian Rupee against US Dollar is also a concern which continues to adversely affect the profitability. The unutilized capacity in the transformer industry and intense competition adversely impact product prices and margins. The present challenge for the Company is successfully executing low prices orders, within the budgeted cost.

The delay by government in implementation of its plans may lead to a fall in demand for transformers, in short term. Further, change in government policy on land acquisition for industrial projects, allotment of natural resources and its pricing and policy changes in environmental related laws is having major impact on investment in new projects.

Almost all the players in the industry have expanded their existing capacities. Further, continued strong presence of foreign (Chinese & Korean) transformer manufacturers is keeping the competitive pressures high, which is expected to continue during the year 2012-13 also.

**STRENGTH:**

The Company is a debt free and has efficient working capital management, good amount of investments in debt and equity mutual funds, bonds, debentures, fixed deposits, PMS, etc. The Company has a diverse industrial client base and not dependent on any particular industry segment or region to book orders.

## AUDITORS' REPORT

To

**The Members of Voltamp Transformers Limited**

1. We have audited the attached Balance Sheet of VOLTAMP TRANSFORMERS LIMITED, as at 31<sup>st</sup> March, 2012 and also the Statement of Profit and Loss Account 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 paragraph 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 purpose 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, Statement of Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
  - (iv) In our opinion, the Balance Sheet, Statement of Profit and Loss Account 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 31<sup>st</sup> March, 2012 taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31<sup>st</sup> 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) *Attention is invited to Note No. 1 (c) and 1(d) regarding non provision of Central Excise Duty and Penalty amounting to ` 278.96 lacs as the Company has agitated the same and preferred appeal against the same; and*
  - (vii) Subject to above and read together with the notes on accounts, 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 31<sup>st</sup> March, 2012;
    - (b) in the case of the Statement of Profit and Loss Account, of the Profit 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 CHANDULAL M. SHAH & CO.**

Chartered Accountants

**FR No. : 101698W**

**K. H. VASAVADA**

Partner

M.No.: 012322

Place : Ahmedabad  
Date : 21<sup>st</sup> May, 2012

## ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 3 of our report on the accounts of Voltamp Transformers Limited for the year ended on 31<sup>st</sup> March, 2012 :

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets;
- (b) According to the information and explanations given to us, the management, during the year, has physically verified the fixed assets. The management has informed us that, no material discrepancies between the book record and the physical inventory have been noticed;
- (c) During the year substantial part of fixed assets have not been disposed off.
- (ii) (a) As explained to us, the inventory has been physically verified by the management at reasonable intervals. In respect of materials lying with third parties, we have relied on the confirmations obtained from them. In our opinion the frequency of verification is reasonable;
- (b) The procedure of physical verification of stock followed by the management is 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 verification between the physical stocks and book records were not material.
- (iii) (a) The Company has not granted any loans to company, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore, para (b) to (d) are not applicable;
- (b) The Company has not taken loan from company, firm or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, the internal control procedures are commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. Further, there is no continuing failure to correct major weaknesses in internal control.
- (v) According to the information and explanations given to us, there is no transaction which is required to be entered in the register required to be maintained under that section.
- (vi) In our opinion and according to information and explanations given to us, the Company has not accepted deposit from the public and therefore provisions of section 58A, 58AA or any other relevant provisions of Companies Act, 1956 and the rules made there under are not applicable.
- (vii) In our opinion, the Company's internal audit system is commensurate with the size of the company and nature of its business;
- (viii) We have broadly reviewed the records maintained by the Company relating to the manufacture of Transformers pursuant to the rules made by the Central Government for the maintenance of cost records u/s. 209(1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed records have been made and maintained. We have, however, not made detailed examination of such records.
- (ix) (a) According to the information and explanations given to us the company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Service Tax, Excise Duty and any other material statutory dues applicable to it;
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax and Excise Duty were in arrears as at the end of the year, for a period of more than six months from the date they become payable;

- (c) According to the information and explanations given to us, there are no disputed dues which are not deposited of Sales Tax/Income Tax/Wealth Tax/Custom Duty/Excise Duty except stated below :

Name of the Statute	Nature of Dues	Amount ( ` in Lacs)	Period to which it relates	Forum where dispute is pending
Central Excise Act	Excise Duty	10.25	2004-2005	Appellate Tribunal, CEGAT
Central Excise Act	Penalty	0.50	1980-1981	High Court of Gujarat
Central Excise Act	Excise Duty	10.25	2006-07	Appellate Tribunal, CEGAT
	Penalty	1.02		
Central Excise Act	Excise Duty	8.91	2007-08 and 2008-09	Commissioner (Appeals)
	Penalty	8.91		
Central Excise Act	Excise Duty	130.57	April 2004 to May 2009	Commissioner (Appeals)
	Penalty	130.57		

- (x) The Company does not have accumulated losses as on 31<sup>st</sup> March, 2012. Further it has not incurred cash loss during the financial year 2011-2012 and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a bank. The Company has not obtained any loans from financial institution or debenture holders.
- (xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund or a Nidhi / mutual benefit fund / society. Therefore provisions of clause (xiii) of the Order are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. The shares and securities held by the Company as investments are in its own name.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The Company has not obtained any term loans during the year.
- (xvii) Based on the information and explanations given to us and on an overall examination of the balance sheet of the Company, in our opinion, there are no funds raised on a short-term basis which have used for long term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
- (xix) The Company has not issued any debentures and therefore the creation of securities or charge does not arise.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanation given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

**FOR CHANDULAL M. SHAH & CO.**  
Chartered Accountants  
**FR No. : 101698W**

**K. H. VASAVADA**  
Partner  
M.No.: 012322

Place : Ahmedabad  
Date : 21<sup>st</sup> May, 2012

**BALANCE SHEET AS ON 31<sup>ST</sup> MARCH 2012**

Particulars	Note No.	As at 31-Mar-2012 ( ` )	As at 31-Mar-2011 ( ` )
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	1	10,11,71,200	10,11,71,200
(b) Reserves and surplus	2	3,85,02,18,775	3,63,50,40,894
<b>2 Non-current liabilities</b>			
(a) Deferred tax liabilities (Net)	3	28,02,564	32,55,076
(b) Other long-term liabilities	4	20,98,647	20,29,736
(c) Long-term provisions	5	6,22,72,074	4,62,94,103
<b>3 Current liabilities</b>			
(a) Trade payables		7,40,56,089	2,65,30,323
(b) Other current liabilities	6	28,02,47,196	28,44,42,270
(c) Short-term provisions	7	15,19,67,416	16,76,28,294
<b>TOTAL</b>		<b>4,52,48,33,961</b>	<b>4,26,63,91,896</b>
<b>II. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets	8		
(a) Tangible assets		53,66,28,391	55,37,01,592
(b) Intangible assets		40,47,792	47,63,661
(c) Capital work-in-progress		79,92,739	84,29,724
(b) Non-current investments	9	86,64,38,805	61,62,50,739
(c) Long-term loans and advances	10	1,41,75,822	1,24,14,510
<b>2 Current assets</b>			
(a) Current investments	11	23,21,01,466	31,52,67,556
(b) Inventories	12	1,02,16,15,307	88,18,09,475
(c) Trade receivables	13	1,73,98,88,748	1,44,98,05,924
(d) Cash and Bank Balance			
Cash and cash equivalents	14	4,58,96,138	34,88,28,754
Other cash and bank balance	14	22,66,200	63,86,298
(e) Short-term loans and advances	15	5,28,19,439	6,62,63,069
(f) Other current assets	16	9,63,114	24,70,594
<b>TOTAL</b>		<b>4,52,48,33,961</b>	<b>4,26,63,91,896</b>

The Notes referred to above, form an integral part of Balance Sheet and Statement of Profit & Loss.

As per our report of even date  
**For Chandulal M. Shah & Co.**  
Chartered Accountants  
FR No. 101698W

**K. H. Vasavada**  
Partner  
M. No. 012322

**Place : Ahmedabad**  
**Date : 21<sup>st</sup> May, 2012**

For and on behalf of the Board  
**For Voltamp Transformers Limited**

<b>L. H. Patel</b>	Chairman	<b>K. L. Patel</b>	Vice Chairman & MD
<b>K. S. Patel</b>	CEO & MD		
<b>K. G. Tuli</b>	Director	<b>A. N. Shelat</b>	Director
<b>V. N. Madhani</b>	Director & Company Secretary	<b>V. L. Patel</b>	Director

**Place : Vadodara**  
**Date : 21<sup>st</sup> May, 2012**

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH 2012

Particulars	Note No.	For the year ended on 31-Mar-2012 ( ` )	For the year ended on 31-Mar-2011 ( ` )
Revenue from operations (Gross)	18	6,18,77,97,156	5,97,14,69,197
Less : Excise Duty		48,97,45,277	61,80,74,225
Revenue from operations (Net)		5,69,80,51,879	5,35,33,94,972
Other income	19	15,45,45,578	18,30,82,494
<b>Total Revenue</b>		<b>5,85,25,97,457</b>	<b>5,53,64,77,466</b>
<b>Expenditure :</b>			
Cost of materials consumed	20	4,71,46,94,110	4,17,60,17,523
Changes in inventories of finished goods			
WIP and stock-in-trade	21	(15,16,31,393)	(11,20,14,169)
Employee benefits expense	22	18,81,47,082	15,93,14,974
Finance costs	23	47,74,157	59,50,331
Depreciation and amortization expense	8	8,26,93,943	7,49,61,738
Other Expenses	24	52,96,10,491	46,42,52,494
<b>Total Expenses</b>		<b>5,36,82,88,390</b>	<b>4,76,84,82,889</b>
<b>Profit Before Tax</b>		<b>48,43,09,067</b>	<b>76,79,94,577</b>
Tax Expense:			
Current tax		15,20,00,000	24,50,00,000
Deferred tax		(4,52,512)	51,85,230
<b>Total Tax Expense</b>		<b>15,15,47,488</b>	<b>25,01,85,230</b>
<b>Profit (Loss) for the period</b>		<b>33,27,61,579</b>	<b>51,78,09,347</b>
Earnings per equity share:	25(b)		
Basic		32.89	51.18
Diluted		32.89	51.18

The Notes referred to above, form an integral part of Balance Sheet and Statement of Profit & Loss.

As per our report of even date  
**For Chandulal M. Shah & Co.**  
Chartered Accountants  
FR No. 101698W  
**K. H. Vasavada**  
Partner  
M. No. 012322

**Place : Ahmedabad**  
**Date : 21<sup>st</sup> May, 2012**

For and on behalf of the Board  
**For Voltamp Transformers Limited**

<b>L. H. Patel</b> Chairman <b>K. S. Patel</b> CEO & MD <b>K. G. Tuli</b> Director <b>V. N. Madhani</b> Director & Company Secretary	<b>K. L. Patel</b> Vice Chairman & MD <b>A. N. Shelat</b> Director <b>V. L. Patel</b> Director
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**Place : Vadodara**  
**Date : 21<sup>st</sup> May, 2012**

**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH 2012**

Particulars	31 <sup>st</sup> March, 2012 (₹)	31 <sup>st</sup> March, 2011 (₹)
<b>(A) Cash Flow From Operating Activities :</b>		
<b>Net Profit before tax and extra ordinary items</b>	<b>484,309,067</b>	<b>767,994,577</b>
<b>Adjustment for :</b>		
Interest paid	6,640,835	7,509,937
Interest received	(23,163,131)	(50,168,997)
Dividend received	(18,305,894)	(19,543,477)
Depreciation	82,693,943	74,961,737
Loss on sale of assets	4,723	22,833
Wealth tax provision	59,916	133,000
Profit on sale of assets	(355,839)	(231,341)
	47,574,553	12,683,692
Operating Profit(Loss) before working capital changes	<b>531,883,620</b>	<b>780,678,269</b>
<b>Adjustment for :</b>		
Trade and other receivable	(385,332,199)	(68,256,437)
Inventories	(139,805,834)	(276,556,159)
Trade payables	72,196,144	(56,116,553)
<b>Cash generated from operating activities</b>	<b>78,941,731</b>	<b>379,749,120</b>
Less : Income tax paid	(148,411,568)	(229,026,550)
<b>Cash flow before extra ordinary item</b>	<b>(69,469,837)</b>	<b>150,722,570</b>
Extra ordinary Item	----	----
<b>Net cash flow from operating activities (Total-A)</b>	<b>(69,469,837)</b>	<b>150,722,570</b>
<b>(B) Cash Flow From Investing Activities :</b>		
Purchase of fixed assets	(66,465,080)	(170,359,619)
Sales of fixed assets	1,291,157	1,139,900
Purchase/sale of investments	(96,938,884)	57,934,500
Interest received	23,163,131	50,168,997
Dividend received	18,305,894	19,543,477
<b>Net cash flow from investing activities (Total-B)</b>	<b>(120,643,782)</b>	<b>(41,572,745)</b>
<b>(C) Cash Flow From Financing Activities :</b>		
Proceeds from borrowing		
Interest paid	(6,640,835)	(7,509,937)
Dividend and dividend tax	(106,178,163)	(147,468,090)
<b>Net cash flow from financing activities (Total-C)</b>	<b>(112,818,998)</b>	<b>(154,978,027)</b>
<b>Total (A)+(B)+(C)</b>	<b>(302,932,617)</b>	<b>(45,828,202)</b>
Cash & Cash equivalent as at 1 <sup>st</sup> April	348,828,755	394,656,957
Cash & Cash equivalent as at 31 <sup>st</sup> March	45,896,138	348,828,755
	<b>(302,932,617)</b>	<b>(45,828,202)</b>

As per our report of even date

**For Chandulal M. Shah & Co.**

Chartered Accountants

FR No. 101698W

**K. H. Vasavada**

Partner

M. No. 012322

**Place : Ahmedabad****Date : 21<sup>st</sup> May, 2012**

For and on behalf of the Board

**For Voltamp Transformers Limited****L. H. Patel**

Chairman

**K. L. Patel**

Vice Chairman

**K. S. Patel**

CEO &amp; MD

&amp; MD

**K. G. Tuli**

Director

**A. N. Shelat**

Director

**V. N. Madhani**

Director &amp;

**V. L. Patel**

Director

Company Secretary

**Place : Vadodara****Date : 21<sup>st</sup> May, 2012**

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2012

### 1. SHARE CAPITAL

#### a. Details of Share Capital

Particulars	As at 31-Mar-2012		As at 31-Mar-2011	
	Number		Number	
<b>Authorized</b>				
Equity Shares of ₹ 10 each	1,20,00,000	12,00,00,000	1,20,00,000	12,00,00,000
	1,20,00,000	12,00,00,000	1,20,00,000	12,00,00,000
<b>Issued, Subscribed &amp; Paid up</b>				
Equity Shares of ₹ 10 each fully paid up	1,01,17,120	10,11,71,200	1,01,17,120	10,11,71,200
<b>Total</b>	<b>1,01,17,120</b>	<b>10,11,71,200</b>	<b>1,01,17,120</b>	<b>10,11,71,200</b>

- b. The Company is not a subsidiary of any other Company and it does not have any subsidiary. Shareholding details of the persons holding more than 5% shares are as under :

Names of person holding more than 5% shares	No. of Shares held	
	As at 31-Mar-2012	As at 31-Mar-2011
Kunjai Investments Pvt. Ltd.	37,51,540	37,51,540
Nalanda India Fund Limited	10,05,340	10,05,340
Nalanda India Equity Fund Limited	6,47,732	----
Royce Micro Cap Fund	5,24,000	5,24,000
Citigroup Global Markets Mauritius Pvt. Ltd.	----	6,83,713
<b>Total</b>	<b>59,28,612</b>	<b>59,64,593</b>

- c. The Company has not issued any share by way of bonus or without payment being received in cash in pursuant to any contract during the period of last five years.
- d. The Company has not bought back any share during the period of last five years.
- e. The Company has only one class of equity share of ₹ 10 each. Each holder of equity share 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 the approval of the shareholders in the ensuing Annual General Meeting.

Particulars	As at 31-Mar-2012	As at 31-Mar-2011
<b>2. RESERVES &amp; SURPLUS</b>		
<b>Capital Reserves</b>		
Opening balance	3,90,241	3,90,241
<i>Closing balance</i>	3,90,241	3,90,241
<b>General Reserve</b>		
Opening balance	3,50,00,00,000	3,10,00,00,000
Add : Current year transfer	25,00,00,000	40,00,00,000
<i>Closing balance</i>	3,75,00,00,000	3,50,00,00,000
<b>Surplus</b>		
Opening balance	13,46,50,653	12,30,19,469
Add : Net Profit for the current year	33,27,61,579	51,78,09,347
Less : Proposed Dividend (including Dividend Distribution Tax)	11,75,83,698	10,61,78,163
Less : Transferred to General Reserves	25,00,00,000	40,00,00,000
<i>Closing balance</i>	9,98,28,534	13,46,50,653
<b>Total</b>	<b>3,85,02,18,775</b>	<b>3,63,50,40,894</b>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2012

Particulars	As at 31-Mar-2012	As at 31-Mar-2011
<b>3. DEFERRED TAX LIABILITY</b>		
<b>Deferred Tax Liability</b>		
Depreciation	44,29,812	47,80,676
<i>Total</i>	44,29,812	47,80,676
<b>Deferred Tax Asset</b>		
Disallowance under Income tax for retirement benefits	16,27,248	15,25,600
<i>Total</i>	16,27,248	15,25,600
<b>Net Deferred Tax Liability</b>	<b>28,02,564</b>	<b>32,55,076</b>
<b>4. OTHER LONG TERM LIABILITIES</b>		
Trade Payables	----	----
Others	20,98,647	20,29,736
<b>Total</b>	<b>20,98,647</b>	<b>20,29,736</b>
<b>5. LONG TERM PROVISIONS</b>		
<b>Provision for employee benefits</b>		
Leave Encashment	93,87,773	97,39,240
<i>Total</i>	93,87,773	97,39,240
<b>Others</b>		
Provision for Post Retirement Medical Benefits	51,07,703	51,07,703
Provision for Taxation (Net of advance tax)	4,77,76,598	3,14,47,160
<i>Total</i>	5,28,84,301	3,65,54,863
<b>Total</b>	<b>6,22,72,074</b>	<b>4,62,94,103</b>
<b>6. OTHER CURRENT LIABILITY</b>		
Unpaid dividends	12,040	12,040
Other payables		
Expense payable	3,45,97,768	1,83,37,037
Payable against capital work	----	48,732
Advance received against order	21,17,14,678	23,80,79,549
Indirect tax payable	2,77,40,159	1,51,38,090
TDS payable	38,87,946	96,89,641
Other current liabilities	22,94,605	31,37,181
<b>Total</b>	<b>28,02,47,196</b>	<b>28,44,42,270</b>
<b>7. SHORT TERM PROVISIONS</b>		
<b>Provision for employee benefits</b>		
Leave Encashment	14,33,870	11,78,630
<i>Total</i>	14,33,870	11,78,630
<b>Others</b>		
Provision for wealth tax	59,915	1,33,000
Provision for income tax (Net of advance tax)	43,06,859	1,69,14,865
Other employee benefit	96,29,058	89,32,321
Provision for warranties	1,89,54,016	3,42,91,315
Proposed dividend and dividend tax	11,75,83,698	10,61,78,163
<i>Total</i>	15,05,33,546	16,64,49,664
<b>Total</b>	<b>15,19,67,416</b>	<b>16,76,28,294</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2012

### 8. FIXED ASSETS

Sr. No.	Fixed Assets	Gross Block				Accumulated Depreciation				Net Block	
		As at 31-Mar-2011	Additions	Adjustment during the year	As at 31-Mar-2012	As at 31-Mar-2011	Depreciation charge for the year	Adjustment during the year	As at 31-Mar-2012	As at 31-Mar-2012	As at 31-Mar-2011
a	<b>Tangible Assets</b>										
	Land	2,31,90,271	1,12,66,736	----	3,44,57,007	----	----	----	----	3,44,57,007	2,31,90,271
	Buildings	34,71,62,402	83,93,115	----	35,55,55,517	6,08,24,324	2,80,94,315	----	8,89,18,639	26,66,36,878	28,63,38,078
	Plant and equipment	39,05,02,541	3,30,87,218	1,48,346	42,34,41,413	19,30,70,883	4,09,46,607	1,40,929	23,38,76,561	18,95,64,852	19,74,31,658
	Furniture and fixtures	3,07,09,744	38,61,408	----	3,45,71,152	1,30,38,231	37,28,918	----	1,67,67,149	1,78,04,003	1,76,71,513
	Vehicles	3,18,22,265	54,03,014	44,91,750	3,27,33,529	1,53,79,003	46,82,295	35,66,050	1,64,95,248	1,62,38,281	1,64,43,262
	Office equipment	1,29,67,499	8,40,977	16,084	1,37,92,392	53,01,765	11,33,863	9,160	64,26,468	73,65,924	76,65,734
	Computers	2,31,01,689	18,10,257	----	2,49,11,946	1,81,40,613	22,09,887	----	2,03,50,500	45,61,446	49,61,076
	<b>Total</b>	<b>85,94,56,411</b>	<b>6,46,62,725</b>	<b>46,56,180</b>	<b>91,94,62,956</b>	<b>30,57,54,819</b>	<b>8,07,95,885</b>	<b>37,16,139</b>	<b>38,28,34,565</b>	<b>53,66,28,391</b>	<b>55,37,01,592</b>
	Tangible Assets Previous Year	66,99,21,164	19,23,38,497	28,03,112	85,94,56,549	23,42,22,517	7,34,04,022	18,71,720	30,57,54,819	55,37,01,730	43,56,98,647
b	<b>Intangible Assets</b>										
	Computer software	87,10,267	11,82,189	----	98,92,456	39,46,606	18,98,058	----	58,44,664	40,47,792	47,63,661
	Technical know how	81,04,481	----	----	81,04,481	81,04,481	----	----	81,04,481	----	----
	<b>Total</b>	<b>1,68,14,748</b>	<b>11,82,189</b>	<b>----</b>	<b>1,79,96,937</b>	<b>1,20,51,087</b>	<b>18,98,058</b>	<b>----</b>	<b>1,39,49,145</b>	<b>40,47,792</b>	<b>47,63,661</b>
	Intangible Assets Previous Year	1,21,76,927	46,37,821	----	1,68,14,748	1,04,93,371	15,57,716	----	1,20,51,087	47,63,661	16,83,556
	<b>Total (a+b)</b>	<b>87,62,71,159</b>	<b>6,58,44,914</b>	<b>46,56,180</b>	<b>93,74,59,893</b>	<b>31,78,05,906</b>	<b>8,26,93,943</b>	<b>37,16,139</b>	<b>39,67,83,710</b>	<b>54,06,76,183</b>	<b>55,84,65,253</b>
c	<b>Capital Work In Progress</b>	84,29,724	79,92,739	84,29,724	79,92,739	----	----	----	----	79,92,739	84,29,724
	<b>Total (a+b+c)</b>	<b>88,47,00,883</b>	<b>7,38,37,653</b>	<b>1,30,85,904</b>	<b>94,54,52,632</b>	<b>31,78,05,906</b>	<b>8,26,93,943</b>	<b>37,16,139</b>	<b>39,67,83,710</b>	<b>54,86,68,922</b>	<b>56,68,94,977</b>
	Capital Work In Progress Previous Year	3,53,22,706	84,29,724	3,53,22,706	84,29,724	----	----	----	----	84,29,724	3,53,22,706
	<b>Previous Year figures</b>	<b>71,74,20,797</b>	<b>20,54,06,042</b>	<b>3,81,25,818</b>	<b>88,47,01,021</b>	<b>24,47,15,888</b>	<b>7,49,61,738</b>	<b>18,71,720</b>	<b>31,78,05,906</b>	<b>56,68,95,115</b>	<b>47,27,04,909</b>

Particulars	As at 31-Mar-2012	As at 31-Mar-2011
<b>9. NON CURRENT INVESTMENTS</b>		
<b>a. Summarized information of investments</b>		
<b>Other Investments</b>		
Investment in equity instruments	1,31,323	1,31,323
Investments in debentures or bonds	32,07,95,900	19,88,86,900
Investments in mutual funds	25,41,84,166	11,94,68,775
Other investments	29,13,27,416	29,77,63,741
<b>Total</b>	<b>86,64,38,805</b>	<b>61,62,50,739</b>
<b>b. Summarized details of quoted and unquoted investments and market values in case of quoted investments</b>		
Aggregate of quoted investment	70,64,82,976	42,20,89,088
Aggregate of unquoted investment	15,99,55,829	19,41,61,651
Market value of quoted investment	66,79,69,078	40,87,88,552

**c. Investments are valued at cost.**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2012

## d. Details of other Non-current Investment

Sr. No.	Name of the Body Corporate	No. of Shares / Units		Face Value		Amount (₹)	
		2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
<b>a</b>	<b>Investment in Equity Instruments</b>						
	Quoted						
	Larsen & Toubro Ltd.	100	100	10	10	5,042	5,042
	Ultra Tech Cement Ltd.	20	20	10	10	4,033	4,033
	Madras Petrochem Ltd	100	100	10	10	4,050	4,050
	Siemens Ltd.	620	620	10	10	24,800	24,800
	W. S. Insulators of India Ltd.	100	100	10	10	6,200	6,200
	Alstom Projects India Ltd.	88	88	10	10	16,325	16,325
	Jyoti Ltd.	50	50	10	10	2,837	2,837
	Reliance Industries Ltd	100	100	10	10	14,575	14,575
	IDBI Ltd.	140	140	10	10	3,600	3,600
	Crompton Greaves Ltd.	612	350	2	2	9,013	9,013
	Bharat Bijlee Ltd.	200	200	10	10	23,175	23,175
	Schneider Electric Infra Ltd.	25	5	2	2	8,400	8,400
	IMP Power Ltd.	5	5	10	10	625	625
	Indotech Transformers Ltd.	5	5	10	10	1,750	1,750
	Transformers & Ret. Ltd.	5	5	10	10	1,729	1,729
	Easunreyl Ltd.	5	5	2	2	200	200
	Emco Ltd.	5	5	2	2	150	150
	Diamond Power Infrastructure Ltd.	5	5	10	10	890	890
	Kemrock Industries and Exports Ltd.	5	5	10	10	2,660	2,660
	Megmani Organics Ltd.	5	5	10	10	879	879
	Shilcher Technologies Ltd.	5	5	10	10	390	390
	<i>Total</i>					<b>1,31,323</b>	<b>1,31,323</b>
<b>b</b>	<b>Investments in Debentures or Bonds</b>						
	Quoted						
	Tata Capital Ltd.-10.25% NCDs	20	20	5,00,000	5,00,000	1,00,00,000	1,00,00,000
	Tata Motors Ltd.-10.90% TMFL Bond	40	40	5,00,000	5,00,000	2,02,30,000	2,02,30,000
	Tata Motors Ltd.-10.70% TMFL Bond	30	30	5,00,000	5,00,000	1,54,72,500	1,54,72,500
	IIFCL-6.85% - Tax Free Bonds	100	100	1,00,000	1,00,000	1,02,80,000	1,02,80,000
	IIFCL-6.85% - Tax Free Bonds	20	20	1,00,000	1,00,000	20,45,000	20,45,000
	Cholamandalam DBS Finance Ltd.10.85%	11	11	10,00,000	10,00,000	1,11,26,500	1,11,26,500
	IRFC-6.70%- Tax Free Bonds	200	200	1,00,000	10,00,000	2,00,30,000	2,00,30,000
	IRFC-6.05%- Tax Free Bonds	100	100	1,00,000	1,00,000	1,00,00,000	1,00,00,000
	Hudco Bonds-8.10%	50,000	----	1,000	----	5,00,00,000	----
	State Bank Of India Bonds-7.45%	15	15	10,00,000	10,00,000	1,44,30,000	1,44,30,000
	State Bank Of India Bonds-9.95%	180	180	10,000	10,000	18,68,400	18,68,400
	Sundaram Finance Ltd Bonds - 9.85%	30	30	10,00,000	10,00,000	3,02,55,000	3,02,55,000
	Indian Overseas Bank Bonds - 8%	7	7	10,00,000	10,00,000	69,37,000	69,37,000
	LIC Housing Finance Bonds - 8.90%	10	10	10,00,000	10,00,000	1,00,15,000	1,00,15,000
	Government of India Bonds - 8.30%	1,00,000	1,00,000	100	100	99,37,500	99,37,500
	Sundaram Finance Ltd. Bonds - 10%	20	20	10,00,000	10,00,000	2,03,30,000	2,03,30,000
	Nabard Bhavishya Nirman	500	500	20,000	20,000	59,30,000	59,30,000
	Shriram City Union Finance Ltd.						
	11.60% NCDs	20,936	----	1,000	----	2,09,36,000	----
	Shri Ram Transport Finance - 11%	10,000	----	1,000	----	1,00,00,000	----
	National Highway Authority of India Tax Free Bonds - 8.20%	18,543	----	1,000	----	1,85,43,000	----
	Power Finance Corporation Ltd.						
	Tax Free Bonds - 8.20%	7,120	----	1,000	----	71,20,000	----
	Rural Electrification Corp. Ltd.						
	Tax Free Bonds - 8.13%	15,310	----	1,000	----	1,53,10,000	----
	<i>Total</i>					<b>32,07,95,900</b>	<b>19,88,86,900</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2012

Sr. No.	Name of the Body Corporate	No. of Shares / Units		Face Value		Amount (₹)	
		2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
<b>c</b>	<b>Investments in Mutual Funds</b>						
	BIRLA Capital Protection Fund	10,00,000	10,00,000	10	10	1,00,00,000	1,00,00,000
	Frankline Templeton Fixed Maturity Plan	5,00,000	---	10	---	50,00,000	---
	HDFC Gold Fund	1,00,000	---	10	---	10,00,000	---
	HDFC FMP 36M April 10	10,00,000	10,00,000	10	10	1,00,00,000	1,00,00,000
	KOTAK FMP Series - 50 Growth	5,00,000	---	10	---	50,00,000	---
	KOTAK FMP Series 47 - Growth	5,00,000	---	10	---	50,00,000	---
	RELIANCE Dual Advantage Fixed Tenure Plan -A	10,00,000	10,00,000	10	10	1,00,00,000	1,00,00,000
	RELIANCE Dual Advantage Fixed Tenure Plan -B	5,00,000	5,00,000	10	10	50,00,000	50,00,000
	RELIANCE Fixed Horizon Fund XIX - Series 19 - Growth Plan	10,00,000	---	10	---	1,00,00,000	---
	RELIANCE Fixed Horizon Fund XIX - Series 20 Growth	10,00,000	---	10	---	1,00,00,000	---
	RELIANCE Dual Advtg. Fixed Tenure Fund I - Plan - J	2,50,000	---	10	---	25,00,000	---
	SBI Debt Fund Series-36 Months -1 Growth	10,00,000	---	10	---	1,00,00,000	50,00,000
	TATA Fixed Tenure Fund-Series 1 - Growth	5,00,000	5,00,000	10	10	50,00,000	50,00,000
	AXIS Income Saver - Growth	4,80,714	---	10	---	50,00,000	---
	AXIS Income Fund - Growth	2,50,000	---	10	---	25,00,000	---
	BIRLA Monthly Income Growth	2,07,070	1,52,462	10	10	74,56,823	54,36,623
	CANARA Yield Advantage Fund Growth Plan	5,39,061	---	10	---	53,90,610	---
	DSP BlackRock Balance Fund - Growth	16,269	---	10	---	10,00,000	---
	DSP BlackRock Balanced Fund- Dividend	3,15,214	1,02,563	10	10	69,25,144	25,01,200
	HDFC Balanced Fund - Growth	1,78,459	---	10	---	1,00,00,000	---
	HDFC Prudence Fund - Growth	15,867	10,264	10	10	34,00,000	22,00,000
	HDFC Mid-Cap Opportunities Fund - Growth	3,54,410	---	10	---	55,00,000	---
	HDFC Debt Fund for Cancer Cure - 100 % Dividend Donation	1,00,000	1,00,000	10	10	10,00,000	10,00,000
	HDFC Multiple Yield Fund - Plan 2005 Growth	8,98,655	---	10	---	1,50,00,000	---
	HDFC Prudence Fund - Dividend	3,87,127	3,87,127	10	10	1,16,00,000	1,16,00,000
	HDFC Equity Fund - Growth	21,303	---	10	---	55,00,000	---
	HDFC Monthly Income Plan-Long Term-Gr.	14,20,607	9,81,577	10	10	3,20,45,458	2,18,69,013
	HDFC Monthly Income Plan - Short Term - Growth	4,03,631	5,47,010	10	10	66,49,853	90,00,000
	IDFC Short Term Plan - B - Fortnightly Dividend	5,39,399	---	10	---	58,54,337	---
	IDFC Monthly Income Plan - Fund of Fund	5,29,050	5,29,050	10	10	53,81,675	53,81,675
	RELIANCE Monthly Income Plan - Growth	3,91,220	3,91,220	10	10	83,00,000	83,00,000
	RELIANCE Regular Savings Fund - Balance Fund - Growth	2,72,133	2,72,133	10	10	61,80,264	61,80,264
	UTI Short Term Income Fund - Institutional - Income Option Payout	9,43,850	---	10	---	1,00,00,000	---
	UTI MIS - Advantage Plan - Growth	52,623	52,623	10	10	10,00,000	10,00,000
	UTI Dynamic Bond Fund - Growth	9,39,073	---	10	---	1,00,00,000	---
	<i>Total</i>					<b>25,41,84,166</b>	<b>11,94,68,775</b>
<b>d</b>	<b>Investment through PMF</b>						
	ASK Wealth Advisor Pvt. Ltd. PMS	---	---	---	---	8,41,48,540	5,38,51,387
	HDFC Portfolio Management PMS	---	---	---	---	4,72,23,047	4,97,50,703
	Oriental Bank of Commerce Fix Deposit					15,99,55,829	19,41,61,651
	<i>Total</i>					<b>29,13,27,416</b>	<b>29,77,63,741</b>
	<b>Total</b>					<b>86,64,38,805</b>	<b>61,62,50,739</b>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2012

Particulars		As at 31-Mar-2012	As at 31-Mar-2011
<b>10. LONG TERM LOANS AND ADVANCES</b>			
<b>Capital Advances</b>			
Unsecured, considered good		15,35,058	16,35,678
	<i>Total</i>	15,35,058	16,35,678
<b>Deposits</b>			
Unsecured, considered good		68,32,429	45,63,070
	<i>Total</i>	68,32,429	45,63,070
<b>Other loans and advance in nature of Noncurrent asset</b>			
Unsecured, considered good		58,08,335	62,15,762
	<i>Total</i>	58,08,335	62,15,762
	<b>Total</b>	<b>1,41,75,822</b>	<b>1,24,14,510</b>
<b>11. CURRENT INVESTMENTS</b>			
<b>a. Summarized information of investments</b>			
Investments in debentures or bonds		2,38,91,500	2,38,91,500
Investments in Mutual Funds		20,82,09,966	29,13,76,056
	<b>Total</b>	<b>23,21,01,466</b>	<b>31,52,67,556</b>
<b>b. Summarized details of quoted and unquoted investments and market values in case of quoted investments</b>			
Aggregate of quoted investment		23,21,01,466	31,52,67,556
Aggregate of unquoted investment		----	----
Market Value of quoted investment		25,40,09,379	31,77,85,400

c. Above investments are valued at lower of cost or fair value.

d. Details of Current Investments

Sr. No.	Name of the Body Corporate	No. of Shares / Units		Extent of Holding (Face Value)		Amount (₹)	
		2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
<b>a</b>	<b>Investments in Debentures or Bonds</b>						
	Quoted						
	Hudco Bonds - 7.90%	19	19	10,00,000	10,00,000	1,87,34,000	1,87,34,000
	ICICI Bank Ltd Regular Income Bond -9.80%	500	500	10,000	10,000	51,57,500	51,57,500
	<i>Total</i>					<b>2,38,91,500</b>	<b>2,38,91,500</b>
<b>b</b>	<b>Investments in Mutual Funds</b>						
	BIRLA Fixed Term Plan Series CY Growth	10,00,000	----	10	----	1,00,00,000	----
	DSP Black Rock FMP - 12M Series 19 - Growth	10,00,000	----	10	----	1,00,00,000	----
	HDFC FMP 25M September 2010 - Series 10 - DP	5,00,000	5,00,000	10	10	50,00,000	50,00,000
	HDFC FMP 370D May 2011 (1) GR- Series	10,00,000	----	10	----	1,00,00,000	----
	ICICI Prudential FMP 54 - 1 Year Plan C Cumulative	10,00,000	----	10	----	1,00,00,000	----
	ICICI Prudential FMP 54 - 1 Year Plan D Cumulative	10,00,000	----	10	----	1,00,00,000	----

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2012

Sr. No.	Name of the Body Corporate	No. of Shares / Units		Extent of Holding (Face Value)		Amount ( ` )	
		2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
	ICICI Prudential FMP 56 - 1 Year Plan E Cumulative	10,00,000	---	10	---	1,00,00,000	---
	IDFC FMP - Yearly Series 43 - Growth	5,00,000	---	10	---	50,00,000	---
	KOTAK FMP 24M Series - 1 - Growth	5,00,000	5,00,000	10	---	50,00,000	50,00,000
	KOTAK FMP Series - 44 Growth	10,00,000	---	10	---	1,00,00,000	---
	KOTAK FMP 18M Series 6- Growth	5,00,000	---	10	---	50,00,000	---
	KOTAK FMP Series 45 - Growth	10,00,000	---	10	---	1,00,00,000	---
	RELIANCE Fixed Horizon Fund - XIV - Series - 7 Growth	10,00,000	10,00,000	10	10	1,00,00,000	1,00,00,000
	RELIANCE Fixed Horizon Fund - XIX - Series 12 Growth	10,00,000	---	10	---	1,00,00,000	---
	RELIANCE Fixed Horizon Fund - XIX - Series 13 Growth	5,00,000	5,00,000	10	10	50,00,000	50,00,000
	RELIANCE Fixed Horizon Fund XIV- SERIES 9 - Growth	10,00,000	10,00,000	10	10	1,00,00,000	1,00,00,000
	SBI Debt Fund Series - 370 Days -14 - Dividend	10,00,354	---	10	---	1,00,03,540	---
	SBI Debt Fund Series - 370 Days -15 - Dividend	10,00,000	---	10	---	1,00,00,000	---
	TATA Fixed Maturity Plan Series - 34 Scheme B Growth	10,00,000	---	10	---	1,00,00,000	---
	UTI Fixed Income interval fund- Annual Plan Series-I - Growth	9,22,492	9,22,492	10	10	1,00,00,000	1,00,00,000
	UTI Fixed Term Income Fund - Series - III (367 days) - Growth	10,00,000	---	10	---	1,00,00,000	---
	UTI Fixed Term Income Fund - Series - IX-IV (368 days) - Growth	5,00,000	---	10	---	50,00,000	---
	UTI Fixed Term Income Fund - Series IX - II (369 days) - Growth	10,00,000	---	10	---	1,00,00,000	---
	AXIS Liquid Fund -DD	5,281	---	1,000	---	52,81,635	---
	BIRLA Savings Fund - DD	4,245	2,35,425	100	10	4,24,791	23,54,250
	ICICI Prudential Regular Savings Fund Growth	2,42,030	---	10	---	25,00,000	---
	UTI Fixed Term Income Fund - Series VIII (367 days) DP	---	4,00,000	---	10	---	40,00,000
	ICICI Prudential FMP Series 52- 1 Year Plan B Cumulative	---	5,00,000	---	10	---	50,00,000
	SBI Debt Fund Series - 90 Days - 38- Dividend	---	2,50,000	---	10	---	25,00,000
	SBI SDFS 370 Days - 3 -Growth	---	1,00,000	---	10	---	10,00,000
	TATA Fixed Horizon Fund Series 25 Scheme - A	---	10,00,000	---	10	---	1,00,00,000
	RELIANCE Fixed Horizon Fund - XV SERIES 7 GR	---	5,00,000	---	10	---	50,00,000
	RELIANCE Fixed Horizon Fund - XV SERIES 8 Dividend	---	10,00,000	---	10	---	1,00,00,000
	RELIANCE Fixed Horizon Fund XVI Series - 4	---	5,00,000	---	10	---	50,00,000
	RELIANCE Fixed Horizon Fund - XVII Series - 3	---	5,00,000	---	10	---	50,00,000
	RELIANCE Fixed Horizon Fund - XIII - Series 4- Dividend	---	10,00,000	---	10	---	1,00,00,000
	RELIANCE Fixed Horizon Fund - XIV- Series - 2	---	10,00,000	---	10	---	1,00,00,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2012

Sr. No.	Name of the Body Corporate	No. of Shares / Units		Extent of Holding (Face Value)		Amount ( ` )	
		2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
	HDFC FMP 370D August 2010 (1) GR - Series XV	---	50,00,000	---	10	---	50,00,000
	HDFC FMP 370D June 2010(1) GR- Series	---	10,00,000	---	10	---	1,00,00,000
	HDFC FMP 13M March 2010 - Growth - Series XII	---	10,00,000	---	10	---	1,00,00,000
	HDFC FMP 367D March 2010 (1) - Growth - Series XII	---	10,00,000	---	10	---	1,00,00,000
	HDFC FMP 35D March 2011 (2) Series XVII	---	5,00,000	---	10	---	50,00,000
	HDFC FMP 13M March 2010 - Growth - Series XII	---	20,00,000	---	10	---	2,00,00,000
	UTI FMP Yearly Series YFMP (8/10) DP	---	5,00,000	---	10	---	51,48,596
	ICICI Prudential FMP Series 53-1 Year Plan C Cumulative	---	5,00,000	---	10	---	50,00,000
	ICICI Prudential FMP Series 50-24 Months Plan - B	---	10,00,000	---	10	---	1,00,00,000
	ICICI Prudential FMP Series 51-13 Months Plan - C	---	5,00,000	---	10	---	50,00,000
	IDFC Fixed Maturity Yearly Series - 32 - GR	---	5,00,000	---	10	---	50,00,000
	IDFC Hybrid Portfolio Fund Series-1 Growth	---	5,00,000	---	10	---	50,00,000
	IDFC Fixed Maturity Plan Fourteen Months Series 1 Growth	---	5,00,000	---	10	---	50,00,000
	RELIGARE Fixed Maturity Plan - Series - II Plan -E	---	5,00,000	---	10	---	50,00,000
	BIRLA Gov. Securities Long Term - DP	---	1,72,069	---	10	---	2,00,00,000
	KOTAK FMP 19M Series - 2 - Growth	---	5,00,000	---	10	---	50,00,000
	KOTAK Credit Opportunities - Growth	---	15,22,243	---	10	---	1,52,80,305
	CANARA Robaco - FMP S- 5 - 13 Months (Plan - A) Growth	---	5,00,000	---	10	---	50,00,000
	CANARA Robaco Indigo Growth Fund	---	5,09,291	---	10	---	50,92,905
	DSP Black Rock FMP 13M Series - Growth	---	5,00,000	---	10	---	50,00,000
	DSP Black Rock FMP 12M Series-7 Growth	---	2,50,000	---	10	---	25,00,000
	DSP Black Rock FMP 12M Series - 5 Growth	---	5,00,000	---	10	---	50,00,000
	DSP Black Rock FMP 3M Series 29 - Dividend	---	3,50,000	---	10	---	35,00,000
	FRANKLINE Templeton Fixed Maturity Plan	---	5,00,000	---	10	---	50,00,000
	<i>Total</i>					<b>20,82,09,966</b>	<b>29,13,76,056</b>
	<b>Total</b>					<b>23,21,01,466</b>	<b>31,52,67,556</b>

Particulars	As at 31-Mar-2012	As at 31-Mar-2011
<b>12. INVENTORIES</b>		
Raw Materials and Components		
Raw Material	15,55,51,849	18,78,77,936
Components	7,02,54,297	5,82,90,671
<i>Total</i>	22,58,06,146	24,61,68,607
Work-in-progress	76,24,38,800	61,08,07,408
Stores and spares	3,33,70,361	2,48,33,460
<b>Total</b>	<b>1,02,16,15,307</b>	<b>88,18,09,475</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2012

Particulars	As at 31-Mar-2012	As at 31-Mar-2011
<b>13. TRADE RECEIVABLE</b>		
<b>Outstanding for a period less than six months from the date they are due</b>		
Unsecured, considered good (Net of Provision)	34,19,38,128	1,30,40,92,182
<b>Outstanding for a period exceeding six months from the date they are due</b>		
Unsecured, considered good (Net of Provision)	1,39,79,50,620	14,57,13,742
<b>Total</b>	<b>1,73,98,88,748</b>	<b>1,44,98,05,924</b>
<b>14. CASH AND BANK BALANCE</b>		
<b>a. Cash and cash equivalent</b>		
Balances with banks	4,43,19,329	34,79,64,470
Cash on hand	15,76,809	8,64,284
<b>Total</b>	<b>4,58,96,138</b>	<b>34,88,28,754</b>
<b>b. Other Cash Balance</b>		
Margin money deposit	22,66,200	63,86,298
<b>Total</b>	<b>22,66,200</b>	<b>63,86,298</b>
<b>15. SHORT-TERM LOANS AND ADVANCES</b>		
<b>Loans and Advance to other parties in nature of current asset</b>		
Unsecured, considered good (Net of Provision)	5,28,19,439	6,62,63,069
<b>Total</b>	<b>5,28,19,439</b>	<b>6,62,63,069</b>
<b>16. OTHER CURRENT ASSETS</b>		
Unsecured, considered good	9,63,114	24,70,594
<b>Total</b>	<b>9,63,114</b>	<b>24,70,594</b>
<b>17. OTHER DETAILS TO BALANCE SHEET</b>		
<b>a. Contingent Liabilities and commitments (to the extent not provided for)</b>		
<b>Contingent Liabilities</b>		
Claims against the company not acknowledged as debt	27,29,000	27,29,000
<b>Commitments</b>		
Counter guarantee for guarantees issued by banks	1,36,26,62,283	1,42,36,250
Capital commitments	57,15,000	60,20,000
	1,36,83,77,283	2,02,56,250
<b>Total</b>	<b>1,37,11,06,283</b>	<b>2,29,85,250</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2012

- b. The company has received following demand notices from the Central Excise Department :

Nature of Dues	Amount `	Period to which it relates
Excise Duty	10,25,000	2004-2005
Penalty	50,000	1980-1981
Excise Duty	10,25,000	2006-07
Penalty	1,02,000	
Excise Duty	8,91,000	2007-08 and 2008-09
Penalty	8,91,000	
Excise Duty	1,30,57,000	April 2004 to May 2009
Penalty	1,30,57,000	

No provision is made in the accounts for the above, as the Company has not accepted its liability to pay such demand of duty and penalty and agitated the said demand and has filed appeal before the Commissioner (Appeals).

- c. The Board of Directors has proposed a dividend of ` 10,11,71,200/- to be distributed to equity share holders at the rate of ` 10/- per equity share.
- d. The Company is in the business of manufacturing of single product namely transformers. Further, organization set up is unified and is not organised segment wise. Therefore, segment wise information as required by AS-17 on Segment Reporting is not applicable.
- e. In the opinion of the management, there are no indication, internal or external which could have the effect of impairing the value of the assets to any material extent as at the Balance sheet date requiring recognition in terms of AS-28.
- f. In the opinion of the Board, the current assets are approximately of the value stated if realised in the ordinary course of business. The provision for the depreciation and for all known liabilities are adequate and not in excess of amount reasonably necessary. There are no contingent liabilities other than stated.
- g. Balance of trade receivables & loans and advances is subject to confirmation by them.

Particulars	For the year ended on 31-Mar-2012	For the year ended on 31-Mar-2011
<b>18. REVENUE</b>		
Sale of products	6,01,22,72,851	5,79,91,97,680
Sale of services	6,31,56,537	5,54,41,873
Other operating revenues	11,23,67,768	11,68,29,644
<i>Total</i>	6,18,77,97,156	5,97,14,69,197
<u>Less:</u>		
Excise duty	48,97,45,277	61,80,74,225
<b>Total</b>	<b>5,69,80,51,879</b>	<b>5,35,33,94,972</b>
<b>19. OTHER INCOME</b>		
Interest income	6,87,19,984	10,29,33,384
Dividend income	1,83,05,894	1,95,43,477
Net gain/loss on sale of investments	1,33,51,430	2,34,90,757
Other income		
Miscellaneous income	5,41,68,270	3,71,14,876
<b>Total</b>	<b>15,45,45,578</b>	<b>18,30,82,494</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2012

Particulars	For the year ended on 31-Mar-2012	For the year ended on 31-Mar-2011
<b>20. COST OF MATERIAL CONSUMED</b>		
<b>a. Consumption of raw material and components under broad heads</b>		
Consumption of raw materials	3,48,47,43,246	3,08,50,40,971
Consumption of components	1,22,99,50,864	1,09,09,76,552
<b>Total consumption of raw material and components</b>	<b>4,71,46,94,110</b>	<b>4,17,60,17,523</b>
<b>b. Consumption of raw material and components in details</b>		
Copper	1,92,57,98,004	1,54,07,70,605
CRGO lamination	99,17,91,979	99,06,32,374
Transformer oil	39,37,72,537	35,44,21,341
Insulating material	8,59,94,442	11,25,04,756
Other raw materials	8,73,86,284	8,67,11,895
Electrical components	37,16,03,431	23,07,62,245
Other components	85,83,47,433	86,02,14,307
<b>Total consumption of raw material and components</b>	<b>4,71,46,94,110</b>	<b>4,17,60,17,523</b>
<b>21. CHANGE IN INVENTORY</b>		
WIP at the beginning of the financial year	61,08,07,408	49,87,93,239
WIP at the end of the financial year	76,24,38,801	61,08,07,408
<b>Change in Inventory</b>	<b>(15,16,31,393)</b>	<b>(11,20,14,169)</b>
<b>22. EMPLOYEE BENEFITS EXPENSE</b>		
<b>a. Details of expenses</b>		
Salaries and incentives	16,85,17,563	14,78,29,716
Contribution to		
Provident fund	77,46,511	62,10,529
Superannuation scheme	64,04,222	46,60,003
Gratuity fund contributions	50,37,929	---
Staff welfare expenses	4,40,857	6,14,726
<b>Total</b>	<b>18,81,47,082</b>	<b>15,93,14,974</b>

**b. Details as required under Accounting Standard 15**

The Accounting Standard – 15 (Revised) “Employee Benefits” is issued under the Companies Accounting Standards Rules, 2006. In accordance with the above standard, the obligations of the Company, on account of employee benefits, based on independent actuarial valuation, is accounted for in the books of account.

The Company has classified the various benefits provided to employees as under:

**I. Defined Contribution Plans:**

- 1) Provident Fund / Employees' Pension Fund
- 2) Superannuation Fund
- 3) Group Life Insurance Cover

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss :

Particulars	2012 (₹)	2011 (₹)
Employer's Contribution to Provident Fund / Employees' Pension Fund	77,46,511	62,10,529
Employer's Contribution to Superannuation Fund	64,04,222	46,60,003

The above amounts are included in Contribution to Provident and Superannuation Fund under Employee benefits expense in Note No. 22(a) above.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2012

### II. Defined Benefit Plans:

- 1) Contribution to Gratuity Fund
- 2) Provision for Post Retirement Medical Benefits [PRMB]
- 3) Provision for Compensated Absences [CA]

In accordance with Accounting Standard- 15, relevant disclosures are as under:

#### Changes in Defined Benefit Obligation:

Particulars	Gratuity [Funded Scheme]		PRMB		CA	
			[Non-Funded Scheme]			
	2012 (₹)	2011 (₹)	2012 (₹)	2011 (₹)	2012 (₹)	2011 (₹)
Defined Benefit Obligation as at 1 <sup>st</sup> April	4,19,33,198	4,27,40,579	51,07,703	51,07,703	1,09,17,870	1,04,43,660
Current service cost	23,14,915	23,68,297	----	----	----	----
Interest cost	36,00,822	33,18,837	----	----	----	----
Benefits paid	(12,03,569)	(17,15,435)	----	----	----	----
Actuarial (gain)/loss on obligations	36,60,780	(47,79,079)	----	----	----	----
<b>Defined Benefit Obligation as at 31<sup>st</sup> March</b>	<b>5,03,06,146</b>	<b>4,19,33,198</b>	<b>51,07,703</b>	<b>51,07,703</b>	<b>1,08,21,643</b>	<b>1,09,17,870</b>

#### Changes in the Fair Value of Plan Assets for Gratuity (Funded Scheme):

Particulars	2012 (₹)	2011 (₹)
Fair Value of Plan Assets as at 1 <sup>st</sup> April	5,03,18,753	3,72,72,837
Expected actual return on Plan Assets	41,66,053	38,22,139
Actuarial gains / (losses)	4,74,547	(4,22,408)
Contributions	23,58,700	1,13,61,620
Benefits paid	(12,03,569)	(17,15,435)
<b>Fair Value of Plan Assets as at 31<sup>st</sup> March</b>	<b>5,61,14,484</b>	<b>5,03,18,753</b>

#### Amount recognized in the Balance Sheet:

Particulars	Gratuity [Funded Scheme]		PRMB		CA	
			[Non-Funded Scheme]			
	2012 (₹)	2011 (₹)	2012 (₹)	2011 (₹)	2012 (₹)	2011 (₹)
Defined Benefit Obligation as at 31 <sup>st</sup> March	5,03,06,146	4,19,33,198	51,07,703	51,07,703	1,09,17,870	1,04,43,660
Fair Value of Plan Assets as at 31 <sup>st</sup> March	5,61,14,484	5,03,18,753	----	----	----	----
Liability / (Asset) recognized in the Balance Sheet included in Current Liabilities and Provisions	(58,08,338)	(83,85,555)	51,07,703	51,07,703	1,08,21,643	1,09,17,870

#### Expenses recognized in the statement of Profit & Loss :

Particulars	Gratuity [Funded Scheme]	
	2012 (₹)	2011 (₹)
Current service cost	23,14,915	23,68,297
Interest cost	36,00,822	33,18,837
Expected Return on Plan Assets	(41,66,053)	(38,22,139)
Net actuarial (gain) / loss recognized in the period	31,86,233	(43,56,672)
<b>Total Expenses recognized in the Statement of Profit &amp; Loss included in Contribution to Provident and Other Funds</b>	<b>49,35,917</b>	<b>(24,91,677)</b>

#### Category of Plan Assets:

The Company's Plan Assets in respect of Gratuity are funded through the Group Scheme of the Life Insurance Corporation of India.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2012

### Actuarial Assumptions:

In accordance with Accounting Standard - 15, actuarial valuation as at the year end was performed in respect of the aforesaid Defined Benefit Plans based on the following assumptions:

Sr. No.	Particulars	2012	2011
(a)	Discount rate [per annum]	8.75 %	8.25%
(b)	Rate of return on Plan Assets [for funded scheme]	8.00 %	8.00%
(c)	Expected retirement age of employees [years]	60	60
(d)	Mortality rates considered are as per the published rates in the Life Insurance Corporation [1994-1996] Mortality table.		
(e)	Rates of leaving service	6.00%	4.00%
(f)	Leave Availment Pattern, the balance leave is available for encashment on separation from the Company.		
(g)	The estimates of future salary increases, considered in the actuarial valuation, taken on account of inflation, security, promotion and other relevant factors such as supply and demand in the employment market.		

Particulars	For the year ended on 31-Mar-2012	For the year ended on 31-Mar-2011
<b>23. FINANCE COST</b>		
Interest expense	----	----
Bank guarantee commission	47,74,157	59,50,331
<b>Total</b>	<b>47,74,157</b>	<b>59,50,331</b>
<b>24. OTHER EXPENSES</b>		
<b>Manufacturing Expenses</b>		
Factory expenses	27,73,493	13,40,761
Labour charges	27,78,35,023	21,33,84,161
Power and fuel	2,72,28,328	2,22,96,437
Repair to plant and machinery	78,61,734	63,42,982
Factory maintenance expenses	1,06,85,616	34,78,299
Other manufacturing expenses	50,85,027	70,89,992
<i>Total</i>	33,14,69,221	25,39,32,632
<b>Administrative Expenses</b>		
Office rent	19,65,696	26,54,780
Telephone expenses	26,10,012	24,34,417
Professional fess	37,58,156	26,44,100
Auditors remuneration	13,53,867	13,05,570
Stationery and printings	19,66,913	15,39,494
Travelling expenses	80,34,259	87,72,288
Insurance	28,18,094	42,82,091
Donation	24,72,000	22,16,500
Repair and maintenance - others	22,92,637	6,61,493
Other expenses	3,28,95,429	2,93,00,709
<i>Total</i>	6,01,67,063	5,58,11,443
<b>Selling and Distribution Expenses</b>		
Transportation expenses	10,83,74,063	11,57,36,122
Advertisement expenses	4,50,296	6,78,164
Sales promotion expenses	40,86,966	34,32,192
Warranty expenses	81,11,379	76,43,666
Sales commission expenses	1,12,82,570	2,34,54,416
Other selling expenses	56,68,933	35,63,859
<i>Total</i>	13,79,74,207	15,45,08,419
<b>Total</b>	<b>52,96,10,491</b>	<b>46,42,52,494</b>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2012

Particulars	For the year ended on 31-Mar-2012	For the year ended on 31-Mar-2011
<b>25. OTHER INFORMATION - PROFIT AND LOSS STATEMENT</b>		
<b>a. Details of payment to Auditors</b>		
Audit fee	10,00,000	10,00,000
Taxation work	2,50,000	2,50,000
For reimbursement of expenses	1,03,867	55,570
<b>Total</b>	<b>13,53,867</b>	<b>13,05,570</b>
<b>b. Earnings per share</b>		
<b>Basic</b>		
Profit attributable to equity shareholders	33,27,61,579	51,78,09,347
Nominal Value of equity share	10	10
Weighted average number of ordinary equity shares for Basic EPS	1,01,17,120	1,01,17,120
<b>Basic EPS</b>	<b>32.89</b>	<b>51.18</b>
<b>Diluted</b>		
Profit attributable to equity shareholders	33,27,61,579	51,78,09,347
Add : interest/dividend on convertible instruments	----	----
Profit after tax for Diluted EPS	33,27,61,579	51,78,09,347
Weighted average number of ordinary equity shares for Basic EPS	1,01,17,120	1,01,17,120
Add: Adjustment for conversion option	----	----
Weighted average number of ordinary equity shares for Diluted EPS	1,01,17,120	1,01,17,120
<b>Diluted EPS</b>	<b>32.89</b>	<b>51.18</b>
<b>c. Expenditure in foreign currency</b>		
Traveling expenses	2,48,123	6,49,786
Exhibition	----	26,75,116
<b>Total</b>	<b>2,48,123</b>	<b>33,24,902</b>
<b>d. Earning in foreign currency</b>		
Export of goods	43,23,653	34,85,894
<b>Total</b>	<b>43,23,653</b>	<b>34,85,894</b>

- e. The amount of excise duty disclosed as deduction from turnover is the total excise duty collected for the year. Excise duty related to the difference between the closing stock and the opening stock, has been included in other expenses as per Note No. 24 annexed and forming part of the Statement of Profit and Loss.

**26. RELATED PARTY DISCLOSURES****a. List of related parties**

Sr.No.	Name of related party	Nature of relation
1	Patson Transformers Pvt. Ltd.	Associated Company
2	Kunjai Investments Pvt. Ltd.	Associated Company
3	The Banyan Club	Associated Firm
4	Shri Lalitkumar H. Patel	Key Managerial Person
5	Shri Kunjal L. Patel	Key Managerial Person
6	Shri Kanubhai S. Patel	Key Managerial Person
7	Smt. Urmilaben L. Patel	Relative of Key Managerial Person
8	Smt. Taral K. Patel	Relative of Key Managerial Person
9	Smt. Vanlila K. Patel	Relative of Key Managerial Person

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2012

<b>b. Transactions with Related parties</b>				
Sr. No.	Name of party	Nature of Transaction	2011-12	2010-11
1	Shri Kunjal L. Patel	Managerial Remuneration	1,29,05,230	1,49,99,059
2	Shri Kanubhai S. Patel	Managerial Remuneration	1,82,33,246	1,90,98,869
<b>c. Balance with related parties</b>				
Sr. No.	Name of party		As at 31-Mar-2012	As at 31-Mar-2011
1	Shri Kunjal L. Patel		63,73,801	60,00,760
2	Shri Kanubhai S. Patel		68,15,567	64,47,880

### 27. MEDIUM AND SMALL ENTERPRISES

Based on the information available with the Company and relied upon by the auditors to the extent enterprise could be identified as Micro and Small, the following disclosure in respect of Medium and Small Enterprises as defined under Micro, Small & Medium Enterprises Development Act, 2006 is as under :

Sr. No.	Particulars	2011-12 (₹)
a)	The principal amount and the interest due thereon remaining unpaid to any supplier as Principal Amount Interest Amount	Nil Nil
b)	The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day for the year ending March 31, 2011	Nil
c)	The amount of interest due and payable for the period of delay in making payment (beyond the appointed day during the year)	Nil
d)	The amount of interest accrued and remaining unpaid for the year ending March 31, 2011	Nil
e)	The amount of further interest remaining due and payable for the earlier years	Nil
f)	Total outstanding dues of Micro Enterprises and Small Enterprises	Nil
g)	Total outstanding dues of the creditors other than Micro Enterprises and Small Enterprises	7,40,56,089

### 28. PROVISIONS

#### a. Movement of provisions

Particulars	As at 31-Mar-2012	As at 31-Mar-2011
Opening balance	3,42,91,615	4,25,05,008
Add : Provided during the year	81,11,379	76,43,666
	<b>4,24,02,994</b>	<b>5,01,48,674</b>
Less : Utilized during the year	2,34,48,978	1,58,57,059
<b>Closing balance</b>	<b>1,89,54,016</b>	<b>3,42,91,615</b>

#### b. Nature of provision

Warranties – The Company provides warranty for its products, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Provision made as on March 31, 2012 represents the amount of the expected cost based on past experience of meeting such obligations.

### 29. PRIOR PERIOD COMPARATIVES

The Company has prepared financial statement as per Revised Schedule VI to the Companies Act, 1956 and accordingly, the assets, liabilities, income and expenditure of the previous year is regrouped/ reclassified to conform to the current year's presentation.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2012

### 30. SIGNIFICANT ACCOUNTING POLICIES

#### a. Basis of preparation of financial statements

The financial statements are prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the Accounting Standards issued under Companies Accounting Standard Rules, 2006 and the relevant provisions of the Companies Act, 1956, to the extent applicable.

#### b. Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles in India requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements. Actual results may differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

#### c. Fixed assets and depreciation/amortisation

##### Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation. Cost comprises purchase price, duties, levies and other directly attributable expenses of bringing the asset to its working condition for the intended use.

Borrowing costs directly attributable to acquisition or construction of those tangible fixed assets, which necessarily take a substantial period of time to get ready for their intended use, are capitalised.

Advances paid towards acquisition of fixed assets and the cost of assets acquired but not ready for use as at the balance sheet date are disclosed under capital work-in-progress.

Depreciation on tangible fixed assets, is provided using the written down value method at the rates specified under Schedule XIV to the Companies Act, 1956. In respect of fixed assets purchased during the year, depreciation is provided on a pro-rata basis from the date on which such asset is ready to be put to use.

##### Intangible fixed assets

Intangible fixed assets are stated at historical cost less accumulated amortisation. Cost comprises purchase price, duties, levies and other directly attributable expenses of bringing the assets to its working condition for the intended use. Cost is amortised over its useful economic life based on expected benefit.

#### d. Impairment of assets

In accordance with accounting standard 28 on 'Impairment of assets', the Company assesses at each balance sheet date whether there is an indication that assets of the Company may be impaired. Where any such indication exists, the Company estimates the recoverable amount of the assets. The recoverable amount of the assets (or where applicable that of the cash generating unit to which the asset belongs) is estimated at the higher of its net selling price and its value in use. An impairment charge is recognised whenever the carrying amount of the asset or cash-generating unit exceeds its recoverable amount.

#### e. Investments

Long-term investments are carried at cost less any other than temporary diminution in value, determined separately for each individual investment. Current investments are carried at lower of cost and fair value.

#### f. Inventories

Inventories are valued at lower of cost and net realisable value. Cost is determined under the first-in, first-out method and includes all costs incurred in bringing the inventories to their present location and condition. Finished goods and Work-in-progress include appropriate proportion of costs of conversion.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2012

### g. Revenue recognition

Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership to the buyer. Sales are stated net of excise duty, sales tax and trade discounts.

Interest on deployment of surplus funds is recognized using the time-proportion method, based on interest rates implicit in the transaction based on reasonable certainty of receipt. Interest on advances is recognized when the ultimate collection is not uncertain.

Dividend income is recognized when the right to receive dividend is established.

### h. Employee benefits

#### (i) Post-employment Benefits:

##### (a) Defined Contribution Plans:

The Company has Defined Contribution Plans for post employment benefits, charged to Profit & Loss Account, in form of:

- a. Provident Fund / Employee's Pension Fund administered by the Regional Provident Fund Commissioner,
- b. Superannuation Fund as per Company's policy administered by Life Insurance Corporation of India;
- c. Group Life Insurance cover, as per Company's policy.

##### (b) Defined Benefit Plans:

Funded Plan: The Company has Defined Benefit Plan for post employment benefits in the form of Gratuity for all employees administered through trust, funded with Life Insurance Corporation of India.

Unfunded Plan: The Company has unfunded Defined Benefit Plans in the form of Compensated Absences [CA] and Post Retirement Medical Benefit (PRMB) as per Company policy.

Liability for the above Defined Benefit Plans is provided on the basis of actuarial valuation, as at the balance sheet date, carried out by independent actuary. The actuarial method used for measuring the liability is the Projected Unit Credit Method.

- (ii) The actuarial gains and losses arising during the year are recognized in the Statement of Profit & Loss for the year.

### i. Foreign currency transactions

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. The difference between the actual rate of settlement and the rate on the date of the transaction is charged or credited to profit and loss account.

In respect of monetary current assets and liabilities denominated in foreign currencies the overall net gain or loss, if any, on conversion at the exchange rates prevailing on the date of the balance sheet is charged to revenue.

### j. Taxation

Income tax expense comprises current tax expense and deferred tax expense/credit.

#### Current tax

Provision for current tax is calculated in accordance with the provisions of the Income-Tax Act, 1961 and is made annually based on the tax liability computed after considering tax allowances and exemptions.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2012

Assets and liabilities representing current tax are disclosed on a net basis when there is a legally enforceable right to set off and where the management intends to settle the asset and liability on a net basis.

### Deferred tax

Deferred tax liability or asset is recognised for timing differences between the profits/losses offered for income taxes and profits/losses as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognised only to the extent there is a reasonable certainty that the assets can be realised in future; however where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

### k. Earnings per share ('EPS')

Basic EPS is computed using the weighted average number of equity shares outstanding during the year. Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year except where the results would be anti dilutive. The number of equity shares is adjusted for any share splits and bonus shares issued effected prior to the approval of the financial statements by the Board of Directors.

### l. Contingencies and provisions

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

The Notes referred to above, form an integral part of Balance Sheet and Statement of Profit & Loss.

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As per our report of even date  
**For Chandulal M. Shah & Co.**  
Chartered Accountants  
FR No. 101698W  
**K. H. Vasavada**  
Partner  
M. No. 012322

**Place : Ahmedabad**  
**Date : 21<sup>st</sup> May, 2012**

For and on behalf of the Board  
**For Voltamp Transformers Limited**

<b>L. H. Patel</b>	Chairman	<b>K. L. Patel</b>	Vice Chairman & MD
<b>K. S. Patel</b>	CEO & MD	<b>A. N. Shelat</b>	Director
<b>K. G. Tuli</b>	Director	<b>V. L. Patel</b>	Director
<b>V. N. Madhani</b>	Director & Company Secretary		

**Place : Vadodara**  
**Date : 21<sup>st</sup> May, 2012**

**VOLTAMP TRANSFORMERS LIMITED**  
**Regd. Office: Makarpura, Vadodara – 390 014.**  
**45<sup>TH</sup> ANNUAL GENERAL MEETING**  
**ATTENDANCE SLIP**

Folio No. : \_\_\_\_\_  
DP ID No. : \_\_\_\_\_  
Client ID No. : \_\_\_\_\_  
No. of Shares : \_\_\_\_\_

(To be filled by the Shareholder)

I/We hereby record my/our presence at the 45<sup>th</sup> Annual General Meeting of Members of the Company being held at Auditorium of the VANIJYA BHAVAN, Central Gujarat Chamber of Commerce & Industries, Race Course Circle, Vadodara – 390 007, on Tuesday, 14<sup>th</sup> August, 2012 at 10:00 A.M.

Member's / Proxy's Name (in Block Letters)

Member's / Proxy's Signature

Notes :

1. A Member/Proxy attending the meeting must complete this Attendance Slip and hand it over at entrance of meeting hall.
2. Member intending to appoint a proxy should complete the proxy form printed below and deposit it at the Company's Registered Office not later than 48 hours before the commencement of the meeting.

**VOLTAMP TRANSFORMERS LIMITED**  
**Regd. Office: Makarpura, Vadodara – 390 014.**  
**PROXY FORM**

Folio No. : \_\_\_\_\_  
DP ID No. : \_\_\_\_\_  
Client ID No. : \_\_\_\_\_  
No. of Shares : \_\_\_\_\_

(To be filled in by the Shareholder)

I/We \_\_\_\_\_ being a Member/Members of Voltamp Transformers Limited hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him/her \_\_\_\_\_ of \_\_\_\_\_ as my / our Proxy to vote for me / us on my / our behalf at the 45<sup>th</sup> Annual General Meeting of the Company to be held on Tuesday, 14<sup>th</sup> August, 2012 at 10:00 A.M. and at any adjournment thereof.

Signed this on \_\_\_\_ day of \_\_\_\_\_, 2012

Name \_\_\_\_\_

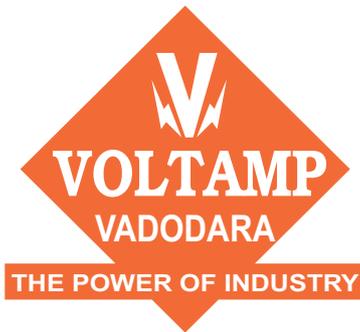
Address \_\_\_\_\_

Signature: \_\_\_\_\_



N.B.: The Proxy should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.

(TEAR FROM HERE)



## **VOLTAMP TRANSFORMERS LIMITED**

**Registered Office & Works 1 :**

**Makarpura, Vadodara – 390014, Gujarat (India)**

**Phone : +91 265 2642011 / 2642012 / 3041480**

**Fax : +91 265 2646774 / 3041499**

**Works 2 :**

**Vil. Vadadala, Jarod-Samlaya Road, Tehsil Savli,**

**Dist. Vadodara 391 520, Gujarat (India)**

**E-mail : [voltamp@voltamptransformers.com](mailto:voltamp@voltamptransformers.com)**

**Website : [www.voltamptransformers.com](http://www.voltamptransformers.com)**