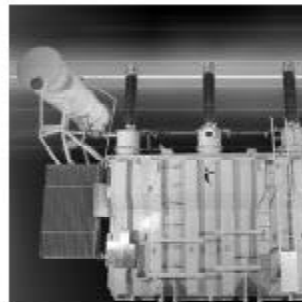
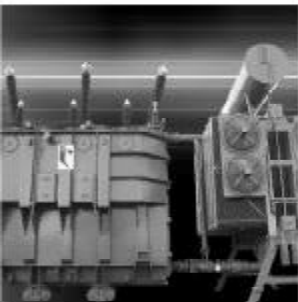




**14th ANNUAL
REPORT**

2007 - 2008



**transformers &
rectifiers (india) ltd**

**ISO 9001:2000
CERTIFIED**

Transformers & Rectifiers (India) Limited

Board of Directors

Mr. Jitendra Mamtora	Chairman & Managing Director
Mr. Satyen Mamtora	Joint Managing Director
Mr. Bhaskar Sen	Joint Managing Director
Mrs. Karuna Mamtora	Executive Director
Mr. Michael Homawalla	Director
Mr. Rajendra Shah	Director
Mr. Harish Rangwala	Director
Mr. Sureshchandra Agarwal	Director

Company Secretary

Mr. Tushar Shah

Audit Committee

Mr. Michael Homawalla	Chairman
Mr. Jitendra Mamtora	Member
Mr. Harish Rangwala	Member

Shareholders' / Investors' Grievance Committee

Mr. Rajendra Shah	Chairman
Mr. Bhaskar Sen	Member
Mr. Satyen Mamtora	Member

Remuneration Committee

Mr. Sureshchandra Agarwal	Chairman
Mr. Michael Homawalla	Member
Mr. Harish Rangwala	Member

Registrar and Share Transfer Agent

Intime Spectrum Registry Limited
C-13, Pannalal Silk Mills Compound,
LBS Road, Bhandup (West),
Mumbai 400 078, India.

Bankers

State Bank of India
Bank of Baroda
Axis Bank

Auditors

C. C .Chokshi & Co.
Chartered Accountants,
Heritage, Nr. Gujarat Vidhyapith,
Ahmedabad - 380 014

Registered Office

Survey No. 344-350,
Opp. P.W.D. Stores,
Sarkhej Bavla Highway,
Village : Changodar,
Taluka : Sanand,
District : Ahmedabad-382 213

Plants

1. Survey No. 344-350, Opp. P.W.D. Stores, Sarkhej-Bavla Highway, Village: Changodar, Taluka: Sanand, Ahmedabad.
2. Plot No.233, GVMSAV Ltd., Odhav, Ahmedabad
3. Survey No.427/3/p & 431/1/p, Village Moraiya, Ahmedabad (Under Construction)

Contents

Notice.....	03
Director's Report.....	06
Corporate Governance.....	12
Management Discussion and Analysis Report	24
Auditor's Report.....	27
Standalone Financial Statement.....	30
Financial Details of Subsidiary Companies	54
Statement pursuant to Section 212 of the Companies Act, 1956	55
Consolidated Financial Statement	57



VISION

To consolidate our National and International presence as a leading manufacturer of Power, Furnace and Rectifier Transformers and maintain an average annual growth rate of 50%

MISSION

To emerge as a preferred solution provider for quality Transformers with a team of dedicated professionals and business associates who are ethical, value driven and create excellent customer relationships.

NOTICE

Notice is hereby given that the Fourteenth Annual General Meeting of the members of Transformers & Rectifiers (India) Limited will be held on Thursday, 26th June, 2008 at 11.00 a.m. at the Survey No. 344-350, Opp. PWD Stores, Sarkhej-Bavla Highway, Village: Changodar, Taluka Sanand, Ahmedabad-382213, Gujarat, to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2008 and Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on equity shares.
3. To appoint a director in place of Mr. Harish Rangwala, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a director in place of Mr. Michael Homawalla, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint auditors to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

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

“RESOLVED THAT in accordance with provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), read with Schedule XIII thereof, consent of the Company be and is hereby accorded to the revision in terms of remuneration payable to Mr. Jitendra Mamtora, Chairman and Managing Director of the Company, with effect from 1st April, 2008, as set out in the Explanatory Statement annexed hereto, for the remaining period of his tenure.

RESOLVED FURTHER THAT Mr. Jitendra Mamtora, will be entitled to receive salary of Rs. 7.50 Lacs per month, instead of earlier Rs.5.00 Lacs per month, w.e.f. 1st April, 2008, with no change in other remuneration terms, as approved by the members in general meeting held on 11th June, 2007.

RESOLVED FURTHER THAT, Board of Directors be and are hereby authorised to take such steps as may be necessary to give effect to this resolution”.

By Order of the Board of Directors

Place : Ahmedabad
Date : 22nd April, 2008

Tushar Shah
Company Secretary

Registered Office :

Survey No.: 344-350, Opp. P.W.D. Stores, Sarkhej Bavla Highway,
Village: Changodar, Taluka: Sanand, District: Ahmedabad-382 213

Notes :

- An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the Special Business to be transacted at the meeting is annexed hereto.
 - A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company. Proxies in order to be effective must reach the registered office of the Company not less than 48 hours before the scheduled commencement of the meeting.
 - Profile of the Directors being reappointed as required under clause 49 of the listing agreement are attached in annexure to this notice.
 - Register of members and Share Transfer Books of the Company will be remain closed from Saturday, 21st June, 2008 to Thursday, 26th June, 2008 (both days inclusive), for the purpose of dividend, if declared at the annual general meeting.
-



- The dividend on shares as recommended by the Board of Directors, if declared at the meeting, will be paid:
 - > in respect of shares held in demat form, on the basis of beneficial ownership as per details furnished by the depositories, as at the end of the business on Friday, 20th June, 2008 and
 - > in respect of shares held in physical form to those members whose names appear on the Registers of Members of the Company after giving effect to all valid share transfer lodged with the share transfer agent on or before Friday, 20th June, 2008.
- In case of any change of particulars including address, bank mandate and nomination for shares held in demat form, should be notified only to the respective Depository Participants where the member has opened his/her demat account. The Company or its Share Transfer Agent will not act on any direct request from these members for change of such details. However requests for any change in particulars in respect of shares held in physical form should be sent to the Registrars & Share Transfer Agents of the Company.
- Members holding shares in demat form may please note that the bank account details given by them to their Depository Participants (DPs) and on to the Company by such DPs would be printed on the dividend warrants of the concerned members. However, if any member(s) wants to receive dividend in any other bank account details with his/her concerned DP, the Company will not be able to act on any such request from shareholders directly for deletion /change in the bank account details.
- Members may please note that the dividend warrants are payable at par at the designated branches of the Bank printed on the reverse of the dividend warrant for an initial period of three months only. Thereafter, the dividend warrant on revalidation is payable only at limited centres/ branches of the said bank. The member are therefore, advised to encash dividend warrants within the initial validity period.
- Members who wish to attend the meeting are requested to bring attendance slip sent herewith, duly filled in, and the copy of the annual report. Copies of the annual report will not be distributed at the meeting.

By Order of the Board of Directors

Place : Ahmedabad
Date : 22nd April, 2008

Tushar Shah
Company Secretary

Registered Office :

Survey No : 344-350, Opp. P.W.D. Stores, Sarkhej Bavla Highway,
Village: Changodar, Taluka: Sanand, District: Ahmedabad-382 213.

Explanatory Statement
[Pursuant to Section 173(2) of the Companies]

Item No.6

Mr. Jitendra Mamtora, Chairman and Managing Director, is looking after and managing day to day affairs of the Company. The Board of Directors at their meeting held on 22nd April, 2008 had approved the revision in the remuneration payable to Mr. Jitendra Mamtora, Chairman and Managing Director of the Company, with effect from 1st April, 2008, till his appointment period.

The revision in remuneration package of Mr. Jitendra Mamtora, Chairman and Managing Director was reviewed and recommended by Remuneration Committee keeping in mind his contribution made to the growth and development of the Company, as well as the compensation package prevalent in the Industry.

He will be entitled to receive salary of Rs. 7.50 Lacs per month, instead of earlier Rs.5.00 Lacs per month, w.e.f. 1st April, 2008, with no change in other remuneration terms, as approved by the members in general meeting held on 11th June, 2007.

The Board recommends the resolution for the approval of shareholders. Except Mr. Jitendra Mamtora, himself and Mr. Satyen Mamtora and Mrs. Karuna Mamtora, relative of him, none of the other Directors are interested or concerned in this resolution.

Information of Directors who are proposed to be re-appointed as per clause 49

1. Mr. Michael Homawalla	
<p>Brief Resume and his Expertise Mr. Michael B. Homawalla, 49 years, is a Non-Executive and Independent Director of our Company. He holds a Bachelor's degree in Commerce from Gujarat University and a Masters in Business Administration from the University of East Georgia, U.S.A. He has over 35 years of experience inter-alia in human resource management. He started his career as an executive with the Consulate of the United States Government in Mumbai. From July 1983 to August 1992, he worked as Head of Human Resource at Himalaya Machinery and has thereafter been associated with various organizations in different capacities including with Atco Group as Vice President, Whole Time Director of Atco Products Limited, and Vice President Human Resources at the Samsung Group. Since 2000 he has been working with the Rubamin Group as Vice President HR.</p>	<p>List of other Directorship*</p> <ol style="list-style-type: none"> 1. Transpares Limited 2. Transweld Mechanical Engineering Works Ltd.
Chairman/Membership of the Committees of the Board of the other Company(ies), on which he is a Director.	Nil
Date of Appointment	6 th September, 2005
No. of Shares held in the Company	Nil

2. Mr. Harish Rangwala	
<p>Brief Resume and his Expertise Mr. Harish R. Rangwala, 59 years, is a Non-Executive and Independent Director of our Company. He holds a Bachelors degree in Mechanical Engineering from LE Engineering College, Morbi. He worked with Tata Chemicals, Mithapur as a Shop Engineer for six years. Subsequently in 1972 he set up Harsha Engineers Limited, for the manufacture of small tools and engineering components. Mr. Rangwala is also the president of the Lenco Alumini Association.</p>	<p>List of other Directorship*</p> <ol style="list-style-type: none"> 1. Harsha Engineers Limited
Chairman/Membership of the Committees of the Board of the other Company(ies), on which he is a Director.	Nil
Date of Appointment	25 th August, 2005
No. of Shares held in the Company	3,000

* Including Private Companies



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 14th Annual Report on the business and operations together with the Audited accounts for year ended 31st March, 2008.

The performance of the Company for the year ended on March 31, 2008 is summarized below.

Financial Results

(Rupees in Lacs)

	Standalone		Consolidated	
	2007-2008	2006-2007	2007-2008	2006-2007
Net Sales including Service Income	30,135.66	21,799.60	30,519.24	22,120.06
Other Income	576.82	86.29	590.77	76.31
Total Income	30,712.48	21,885.89	31,110.01	22,196.37
EBIDTA	6096.51	3,269.83	6,412.87	3,523.96
Interest & Finance charges	765.66	525.14	810.86	549.62
Depreciation & Amortization	196.42	158.55	215.44	168.48
Profit before tax	5,134.43	2,586.14	5,386.57	2,805.86
Taxation	1,824.17	920.40	1,864.55	1,000.75
Net Profit after tax	3,310.26	1,665.74	3,522.02	1,805.11
Minority Interest	-	-	43.79	42.57
Net Profit after tax and minority interest	3,310.26	1,665.74	3,478.23	1,762.54
Appropriations:				
Proposed Dividend	258.47	-	269.02	-
Tax on Dividend	42.06	-	45.72	-
Interim Dividend Paid	-	127.66	-	138.20
Tax on dividend paid	-	17.90	-	20.92
Transferred to general reserve	350.00	250.00	365.00	260.21
Balance carried to Balance Sheet	2,659.73	1,270.18	2,798.49	1,343.21

Dividend

Your Directors recommend a dividend of 20% i.e. Rs.2.00 per Equity Share of Rs. 10/- each for the year 2007-08 (Previous Year 18% i.e. Rs. 1.80 per Share), subject to approval of shareholders at the 14th Annual General Meeting.

Review of Operations

For the year ended 31st March, 2008, your Company has reported consolidated Net Sales including Service Income and net profit after minority interest and taxation of Rs. 30,519.24 lacs and Rs. 3,478.23 lacs respectively. As compared to previous year figures Net Sales including Service Income is higher by 40% and net profit after taxation and minority interest is up by 97%.

On standalone basis, the Company has reported a 38% increase in its Net Sales including Service Income to Rs. 30,135.66 lacs. The net profit after taxation grew by 99% to Rs 3,310.26 lacs.

Public Issue and Utilization of Issue Proceeds

In order to set up of green-field manufacturing facility at Moraiya, near Ahmedabad for manufacturing of 220 kV Class & above transformers and to part finance incremental working capital requirements, during December, 2007, the Company has made an Initial Public Offer (IPO) of 29,95,000 Equity Shares of Rs.10/- each at a price of Rs.465/- per share aggregating to Rs. 13,927 lacs through 100% book building procedure. The IPO of the Company had received overwhelming response from the public and issue was oversubscribed by 91.31 times. The shares were listed for trading on the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) w.e.f. 28th December, 2007. The details of utilization of said funds upto 31st March, 2008 are as under:

(Rupees in Lacs)		
Particulars	Projections	Actual
Setting up of green-field manufacturing facility at Moraiya, near Ahmedabad, Gujarat for manufacturing transformers;	6,668	2,068
Towards working capital requirement	3,540	1,443
Repayment of high cost debts	2,764	2,450
Issue Expenses	955	466
Total	13,927	6,427
Balance Unutilized		7,500

Balance Unutilized amount has been temporarily invested in debt mutual funds.

Current Status of the Project:

Your Company is setting up expansion project to manufacture transformers of 220 kV Class and above at Moraiya, Dist. Ahmedabad. The civil construction work is nearing to completion. The orders for major machineries have already been placed and their delivery has started as per the schedule. The commercial production is likely to start in second quarter of FY2008-2009. With this plant becoming fully operational, your Company will achieve sustained growth in the coming years.

Depository System

Your Company's shares are tradable compulsorily in electronic form. The Company is having connectivity with both the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL). Intime Spectrum Registry Ltd. is the Registrar and Share Transfer Agent for the Company. The Members are requested to avail of its services as and when required.

Consolidated Accounts

In compliance with clause 32 and clause 50 of the Listing Agreement with the Stock Exchange and as amended pursuant to the directives of Securities and Exchange Board of India (SEBI), the Company has prepared Consolidated Financial Statements as per the Accounting Standards on Consolidated Financial Statements (AS 21) issued by the Institute of Chartered Accountants of India. The Audited Consolidated Financial Statements along with the Auditor's Report have been annexed with this Annual Report.

Plans and Prospects

Your Directors have a great sense of excitement at the unprecedented opportunities unfolding in the power sector. The runway seems to have been well laid for take off. Many of the high profile Government initiatives, contrary to those of the earlier years, have not flattered to deceive.

The power sector made significant progress in 2007 with all its segments registering substantial growth. The capacity addition of

9050 MW was the highest ever achieved in a year. The award of three ultra mega power projects (UMPPS) totalling 12,000 MW, holds the promise of still higher capacity addition by the private sector in the coming years.

The Eleventh Plan (2007-2012) envisages a huge capacity addition of 78,577 MW. Concomitant with the generation plan, a detailed National Transmission Plan to evacuate the entire power from the proposed projects has been prepared.

Against the above backdrop, your Company is broadening the canvas of its product offerings, It has already a wide range of products such as Power Transformers upto 220 kV Class, Distribution Transformers, Rectifier Transformers, Furnace Transformers upto 63 MVA. Your Company is now putting facilities for manufacturing higher ratings of 245 kV transformers and 400 kV transformers. The manufacturing and testing facilities can take up 765 kV transformers in future years. The shift of 245 kV manufacturing from existing Changodar unit to the new manufacturing site will allow your Company to take and to execute a larger share of 132 kV class and special types such as Furnace and Rectifier Transformers, thereby propelling volume growth in Sales.

This is particularly relevant against the trend of growth in the 245 kV market segments, which, during first six months of FY 07-08, has grown 61% in MVA terms over 06-07. Further, due to creation of "Transmission Super Highways", lot of emphasis has been put on 400 kV transmission, which in turn, will enhance the demand of 400 kV transformers. Added to these, there has been excellent growth in exports and further demand is being created through Renovation & Modernisation (R & M) Programmes.

On the whole, the business environment looks encouraging, the demand for transformers and other equipments continue to be robust. The industry has been growing aggressively and is projected to sustain the trend.

Your Directors are confident of maintaining a steady and sustained growth in the coming years. However, with almost all manufacturers enhancing their capacities, market will be fiercely competitive; thereby margins are expected to be under some pressure.

Order Book

As on 31st March, 2008, the Company's Order Book stood at Rs.33,975 lacs. The Power and Distribution transformers accounted for around 80% of the order book. Furnace and Rectifier transformer (special industrial transformers) accounted for around 14% of the order book and balance 6% of the order book was for exports.

Bonus Shares

During September, 2007, the Company has issued bonus share to its existing shareholders in proportion of 2:5 (i.e. Two bonus Equity Shares for every Five Equity Shares held) by capitalizing its Share Premium Account. As a result, the paid up Equity Share Capital has increased



from Rs. 709.18 Lacs (70,91,865 Equity Shares of Rs. 10/- each) to Rs. 992.86 Lacs (99,28,611 Equity Shares of Rs. 10/- each).

During the year the Company has made an Initial Public Offering (IPO) of 29,95,000 Equity Shares of Rs. 10/- each at a premium of Rs. 455/- per share. As a result Company's paid-up equity share capital has increased from Rs. 992.86 Lacs to Rs. 1,292.36 Lacs.

Fixed Deposit

The Company has neither accepted nor invited any deposit from public, within the meaning of Section 58A of the Companies Act, 1956 and Rules made there under.

Formation & Re-Constitution of various Committees

During the year, the Board has formed Management Committee on 23rd August, 2007, which comprises of Mr. Jitendra Mamtara as Chairman, Mr. Satyen Mamtara, Mrs. Karuna Mamtara and Mr. Bhaskar Sen, Executive Directors of the Company, to look into and to execute routine management, administrative and operational functions. The Board has formed Transfer Committee on 24th December, 2007 which comprises of Mr. Jitendra Mamtara as Chairman, Mr. Satyen Mamtara and Mrs. Karuna Mamtara, Executive Directors of the Company to look into transfer/demat/remat related activities.

During the year, the Management Committee met two times on 01.02.2008 and 09.02.2008 while Transfer Committee met one time on 29.02.2008.

The Board of Directors has also formed Shareholders'/Investors' Grievance Committee, Remuneration Committee and Reconstituted Audit Committee and Revised terms of reference of the Audit Committee on 17th September, 2007. Particulars of the various Committees are described in "Corporate Governance" forming part of this Annual Report.

Directors

Mr. Bhaskar Sen was appointed as additional director designated as Joint Managing Director w.e.f. 9th July, 2007 and Mr. Sureshchandra Agarwal was appointed as additional director of the Company w.e.f. 13th August, 2007. Both the Directors were regularized on 13th September, 2007.

Mr. Tushar Shah, (a qualified member of the Institute of Company Secretaries of India) was appointed as Company Secretary w.e.f. 26th May, 2007.

Mr. Harish Rangwala and Mr. Michael Homawalla, Directors of the Company who retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment, in accordance with the provisions of the Articles of Association of the Company. Details of the Directors seeking re-appointment as required under Clause 49(IV) of the Listing Agreements entered

into with the Stock Exchanges are provided in the Notice forming part of this Annual Report.

None of the Directors of the Company is disqualified for being appointed as Director as specified in Section 274(1)(g) of the Companies Act, 1956.

Directors' Responsibility Statement

Pursuant to the requirements of Section 217(2AA) of the Companies Act, 1956, it is hereby confirmed:

- (a) that in preparation of annual accounts for the year ended March 31, 2008, the applicable accounting standards have been followed and that no material departures have been made from the same;
- (b) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that year;
- (c) that the Directors have taken proper and sufficient care 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;
- (d) that the Directors have prepared the annual accounts for the year ended March 31, 2008 on going concern basis.

Corporate Governance

As per clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on "Corporate Governance" as well as "Management Discussion and Analysis" confirming compliance, is annexed forming part of this Annual Report.

A Certificate from Mr. Tapan Shah, Practicing Company Secretary regarding compliance with corporate governance norms as stipulated in clause 49 of the Listing Agreement, is annexed to the report on Corporate Governance.

Subsidiary Companies

The Company has two subsidiaries namely Transweld Mechanical Engineering Works Limited (wholly owned subsidiary) and Transpares Limited (51% holding). A statement pursuant 212 of the Companies Act, 1956 relating to subsidiary companies is attached to the Accounts.

In terms of approval granted by the Central Government under section 212(8) of the Companies Act, 1956 copy of Balance Sheet, Profit and Loss account, Report of the Board of Directors and Auditors of our subsidiaries have not been attached with the Balance Sheet of the Company. These documents will be made available upon request by any member of the Company interested in obtaining the

same. However as directed by Central Government, the financial data of the subsidiaries have been furnished under "Financial Details of Subsidiary Companies" forming part of the Annual Report. Further, pursuant to accounting standard AS-21 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company includes financial information of its subsidiaries. These documents will also be available for inspection during business hours at our registered office in Ahmedabad.

Auditors & Auditors Report

M/s. C. C. Chokshi & Co., Chartered Accountants, Ahmedabad, the Statutory Auditors of the Company, retire at ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept the office, if appointed. They have issued a certificate stating their appointment, if made, would be within the prescribed limit under Section 224 (1B) of the Companies Act, 1956.

The Auditor's Report is self explanatory and do not call for further explanations and may be treated as adequate compliance of Section 217(3) of the Companies Act, 1956.

Personnel

In accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, the particulars of Employees of the Company are furnished in an Annexure forming part of this Report.

Particulars required to be furnished by the Companies (Disclosure of particulars in the report of the Board of Directors) Rule, 1988

The particulars as prescribed under Section 217 (1)(e) of the Companies Act, 1956 read with Companies (Disclosures of the Particulars in Report of the Board of Directors) Rules, 1988 are set out in Annexure to this Report.

Corporate Social Responsibility

The Company is contributing to sustainable development by its economic activities combined with the fulfillment of its social responsibilities relating to the health, safety and environment aspects.

Acknowledgement

Your Directors place on record their appreciation for the overwhelming co-operation and assistance received from investors, customers, business associates, bankers, vendors, as well as regulatory and government authorities. Your Directors also acknowledge the hard work and persuasive efforts put in by the conscientious employees of the Company in carrying forward the Company's vision and mission. The enthusiasm and continuous efforts of the employees have enabled the Company to achieve rapid growth.

For and on behalf of the Board of Directors

Place : Ahmedabad

Jitendra U. Mamtora

Date : 22nd April, 2008

Chairman & Managing Director



ANNEXURE TO THE DIRECTORS' REPORT

Information as per Section 217(1)(e) read with Company's (Disclosures of particulars in the report of Board of Directors) Rules, 1988 and forming part of the Directors report for the year ended on 31st March, 2008.

1. Conservation of Energy :

a. Energy conservation measures taken:

The Company has carries out an ongoing study to identify and implement energy saving system to reduce energy consumption and cost of production. All new Equipment & Machinery is installed based upon optimum utilization of energy.

b. Additional investment and proposals, if any being implemented for reduction of energy consumption: Nil.

Impact of measure at (a) & (b) above for reduction of energy consumption and consequent impact on the production of goods: Nil.

Details of total & per unit consumption of energy are as follows :

Particulars	2007-2008	2006-2007
Total Consumption	17,58,655 Units	12,10,866 Units
Total Cost (Rupees in Lacs)	Rs. 83.96	Rs. 59.25
Cost per Unit	Rs. 4.77 / Unit	Rs. 4.89 / Unit

2. Technology Absorption :

The Company has not taken any technology in particular or entered into any technology agreement during the period hence the information required as per Form B is not applicable to the Company.

3. Foreign Exchange Earnings & Outgo :

Particulars	2007-2008	2006-2007
Earnings	1,399.75	581.78
Outgo :		
• Foreign Travel Expenses	51.95	20.62
• Imports	800.77	1,393.91

Information as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and forming part of Directors Report for the year ended on 31st March 2008.

Sr. Name	Age (yrs.)	Qualification	Date of Commencement of Employment	Designation / Nature of Duties	Experience in years	Gross Remuneration (Rupees in Lacs)	Last Employment held with Designation	Share Holding %
(A) Employed throughout the year and was in receipt of remuneration which in the aggregate was not less than Rs. 24,00,000/- p.a.								
1. Mr. Jitendra U. Mamtora	62	B.E. (Electrical)	11.07.94	Chairman & Managing Director	39	113.69	Running proprietary business	68.55
2. Mr. Satyen J Mamtora	33	Diploma in Electrical Engineering	11.07.94	Joint Managing Director	10	57.09	N.A.	0.75
(B) Employed for a part of the year and was in receipt of remuneration which in the aggregate was not less than Rs. 2,00,000/- p.m.								
Not Applicable								

Note:

1. Gross Remuneration includes Salary, House Rent Allowance, Commission, Performance Incentive, contribution to provident fund and superannuation fund but excludes Gratuity.
2. Both the employees are relative of Mrs. Karuna Mamtora, Executive Director of the Company.
3. All employments are contractual only.

For and on behalf of the Board of Directors

Place : Ahmedabad
Date : 22nd April, 2008

Jitendra U. Mamtora
Chairman & Managing Director



CORPORATE GOVERNANCE

The Securities and Exchange Board of India (SEBI) has stipulated Corporate Governance Standards for listed companies vide Clause 49 of the Listing Agreement with Stock Exchanges. Corporate Governance is a corporate discipline extended to transparency, integrity and accountability towards all stakeholders. Corporate Governance helps to achieve excellence to enhance stakeholders value by focusing on long-term value creation without compromising on integrity, social obligations and regulatory compliances.

1. Company's Philosophy on Corporate Governance

The Company's continued endeavor is to achieve good governance, by way of a conscious and conscientious efforts whereby ensuring the truth, transparency, accountability and responsibility in all our dealings with our employees, shareholders, consumers and the community at large.

The Board of Directors represents the interest of the Company's stakeholders, for optimizing long-term value by way of providing necessary guidance and strategic vision to the Company. The Board also ensures that the Company's management and employees operate with the highest degree of ethical standards.

Your Company believes that the constant efforts to improve operational performance, guided by our values, form the basis for good Corporate Governance. Corporate Governance is strongly driven by our values such as quality, commitment, customer orientation and integrity.

2. Board of Directors

A. Composition

Your Company's Board consists of eight (8) Directors of which four (4) are Non-Executive and Independent and four (4) are Executive and Non-Independent Directors. The Chairman of the Board is Executive Director.

The day-to day management of the Company is conducted by the Management Committee, which consist of four (4) Executive Directors subject to supervision and control of the Board of Directors.

B. Board and Committees

The Board Meetings are held at least once in every quarter. The Board Meetings are generally held at registered office of the Company. The Company Secretary cum Compliance officer prepares the agenda and the documents to be covered in the meeting and sends it to the Directors. The Board reviews the documents and gives its valuable suggestions during the meeting, which are discussed at length.

Present Composition of the Board of Directors is as under.

Name of Directors	Designation	Category	No. of outside Directorship held*	Outside Committees**	
				Member	Chairman
Mr. Jitendra Mamtora	Chairman & Managing Director	Executive Director & Non-Independent Director (Promotor Director)	1	-	-
Mrs. Karuna Mamtora	Executive Director	Executive Director & Non-Independent Director (Promotor Director)	1	-	-
Mr. Satyen Mamtora	Joint Managing Director	Executive Director & Non-Independent Director (Promotor Director)	1	-	-
Mr. Bhaskar Sen@	Joint Managing Director	Executive Director & Non-Independent Director	-	-	-
Mr. Rajendra Shah	Director	Non-Executive Director & Independent Director	3	-	2
Mr. Harish Rangwala	Director	Non-Executive Director & Independent Director	1	-	-
Mr. Michael Homawalla	Director	Non-Executive Director & Independent Director	2	-	-
Mr. Sureshchandra Agarwal #	Director	Non-Executive Director & Independent Director	1	-	-

* Including Private Companies, ** Committees include Audit Committee & Shareholders' Grievance Committee for the purpose of Clause 49 @ Appointed w.e.f. July 9, 2007, # Appointed w.e.f August 13, 2007

None of the Directors of Board is a member of more than ten (10) Committees and no Director is Chairman of more than five (5) Committees across all the Companies in which they are Director. The necessary annual disclosures regarding Committee positions have been made by all the Directors.

C. Board Meetings

The Board normally meets once in a quarter. Additional meetings are held as and when required. During the year under review, Board met Nineteen (19) times, viz., on 2.4.2007, 28.4.2007, 8.5.2007, 14.5.2007, 26.5.2007, 9.7.2007, 18.7.2007, 13.8.2007, 23.8.2007, 17.9.2007, 25.9.2007, 8.10.2007, 22.11.2007, 23.11.2007, 1.12.2007, 13.12.2007, 18.12.2007, 24.12.2007 and 24.1.2008. The gap between any two meetings did not exceed four months. The agenda papers along with notes and other supporting were circulated in advance of the Board Meeting with sufficient information as required under Clause 49 of the Listing Agreement.

D. Director's Attendance Record in Board Meetings & Annual General Meeting

Name of Directors	Number of	Number of	Attendance
	Board meetings held	Board meetings attended	at Last AGM
Mr. Jitendra Mamtora	19	19	Yes
Mrs. Karuna Mamtora	19	19	Yes
Mr. Satyen Mamtora	19	19	Yes
Mr. Bhaskar Sen @	19	11	NA
Mr. Rajendra Shah	19	8	No
Mr. Harish Rangwala	19	8	No
Mr. Michael Homawalla	19	10	Yes
Mr. Sureshchandra Agarwal #	19	6	NA

@ Appointed w.e.f. July 9, 2007, # Appointed w.e.f August 13, 2007



E. Code of Conduct

The Board has laid down the Code of Conduct for all Board Members and Senior Managerial Personnel of the Company. The Code of Conduct is available on the website of the Company at www.transformerindia.com. Annual Affirmation of compliance with the Code has been made by all Board Members and Senior Managerial Personnel of the Company. A declaration to this effect duly signed by CEO of the Company is attached herewith and forms part of Corporate Governance.

F. Insider Trading Policy

The Company has formulated and implemented Code of Conduct for Prevention of Insider Trading (Insider Trading Code) to comply with Insider Trading Regulation issued by SEBI. The Board has appointed Mr. Tushar Shah, Company Secretary as Compliance Officer under the Insider Trading Code for complying with the procedure, monitoring adherence to the Rules for preservation of price sensitive informations, pre clearance etc. under the overall supervision of Board. The Company follows policy on disclosure as well. The Company's Insider Trading Code is available on the Company's Website.

3. Audit Committee

A. Composition

Sr. No.	Name of Members	Designation	Category / Status	No. of Meetings held / attended
1	Mr. Michael Homawalla	Chairman	Non-Executive Director & Independent Director	6 / 5
2	Mr. Jitendra Mamtora	Member	Executive Director & Non-Independent Director	6 / 6
3	Mr. Harish Rangwala	Member	Non-Executive Director & Independent Director	6 / 4

The Audit Committee met six (6) times during the year viz, on 28.04.2007, 14.05.2007, 17.09.2007, 22.11.2007, 23.11.2007 and 24.01.2007.

The Chairman of the Committee, Mr. Michael Homawalla is B.Com from Gujarat University and MBA from University of East Georgia, U.S.A., possess knowledge of Corporate Finance, Accounts, Costing and Company Law. The Statutory Auditors and Internal Auditors attend the meetings by invitation. The Company Secretary acts as the Secretary to the Committee. The Chairman of the Committee has attended the last AGM held on 11th June, 2007.

B. Terms of Reference

The terms of reference as laid down by the Board include the following :

- Overseeing our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- 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.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Appointment, removal and terms of remuneration of internal auditors
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 1. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956;
 2. Changes, if any, in accounting policies and practices and reasons for the same;
 3. Major accounting entries involving estimates based on the exercise of judgment by management;
 4. Significant adjustments made in the financial statements arising out of audit findings;
 5. Compliance with listing and other legal requirements relating to the financial statements;
 6. Disclosure of any related party transactions;
 7. Qualifications in the draft audit report.
- Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval.
- Monitoring the use of the proceeds of the proposed initial public offering of our Company.
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.

- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Discussions with internal auditors on any significant findings and follow up thereon.
- Reviewing internal audit reports and adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Reviewing management letters / letters of internal control weaknesses issued by the statutory auditors
- Discussion with internal auditors any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
- To review the functioning of the whistle blower mechanism, when the same is adopted by our Company and is existing.
- Carrying out any other function as may be statutorily required to be carried out by the Audit Committee.

The Audit Committee has reviewed the Management Discussion and Analysis of financial condition and results of operations forming part of this Annual Report and other information as mentioned in Clause 49 (II) (E) of the Listing Agreement.

4. Subsidiary Companies

- Mr. Michael Homawalla, Non-Executive and Independent Director of the Company is also Director on the Board of Transweld Mechanical Engineering Works Ltd. (100% Subsidiary) and Transpares Ltd. (51% Subsidiary). Both the Companies are non-listed and non-material Indian subsidiaries as per the Clause 49 (III) (i) of the Listing Agreement
- Audit Committee of the Company reviews the financial statements of Subsidiaries of the Company and Minutes of the Board Meeting along with significant transactions and arrangement of the Subsidiaries were also placed before the Board Meeting of the Company.

5. Remuneration Committee

A. Composition

During the year, the Remuneration Committee was formed on September 17, 2007 which comprises of three (3) Non-Executive - Independent Directors.

Sr. No.	Name of Members	Designation	Category / Status
1	Mr. Sureshchandra Agarwal	Chairman	Non-Executive Director & Independent Director
2	Mr. Michael Homawalla	Member	Non-Executive Director & Independent Director
3	Mr. Harish Rangwala	Member	Non-Executive Director & Independent Director

There was no remuneration committee meeting held during the year ended 31st March, 2008.

B. Terms of Reference

- To recommend to the Board, the remuneration packages of our Company's Managing/Joint Managing/ Deputy Managing/Whole-time/ Executive Directors, including all elements of remuneration package (i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc.);
- To be authorised at its duly constituted meeting to determine on behalf of the Board of Directors and on behalf of the shareholders with agreed terms of reference, our Company's policy on specific remuneration packages for Company's Managing/Joint Managing/Deputy Managing/Whole-time/Executive Directors, including pension rights and any compensation payment;
- To implement, supervise and administer any share or stock option scheme of our Company.



C. Remuneration of Directors

The aggregate value of salary, perquisites, commission paid for the year ended 31st March, 2008 to the Executive Directors are as follows :
(Rupees in Lacs)

Name of Directors	Fixed Salary			Performance Incentive	Commission	Total Compensation	
	Salary	Perquisites	Retirement Benefits*				Total fixed salary
Mr. Jitendra Mamtora	60.00	3.60	0.09	63.69	-	50.00	113.69
Mrs. Karuna Mamtora	6.00	1.20	0.09	7.29	-	-	7.29
Mr. Satyen Mamtora	36.00	3.00	0.09	39.09	18.00	-	57.09
Mr. Bhaskar Sen @	12.55	4.52	-	17.07	-	-	17.07
Total	114.55	12.32	0.27	127.14	18.00	50.00	195.14

@ Appointed w.e.f. July 9, 2007, * not included in computation of ceiling on remuneration.

- Company shall contribute towards Provident Funds/ Superannuation Fund/ Annuity Fund provided that such contributions either singly or put together shall not exceed the tax free limit prescribed under the Income Tax Act.
- Company shall pay Gratuity at the rate not exceeding half month's salary for each completed year of service.
- Leave on full pay and allowances, as per rules of our Company, but not more than one month's leave for every eleven months of service. However, the leave accumulated but not availed of will be allowed to be encashed at the end of the term as per Company rules.

D. Details of Non-Executive Directors

Non-Executive Directors have no transaction with the Company, except receiving sitting fees for attending Board Meetings, Audit Committee Meetings, Shareholders'/Investors' Grievance Committee Meetings and Remuneration Committee Meetings and repayment of loans (event took place before listing). The sitting fess paid for the year ended 31st March, 2008 were as follows :

Name of Non-Executive Directors	Board Meeting	Audit Committee Meeting	Shareholder Grievance Committee Meeting	Remuneration Committee Meeting	Total Sitting Fees Paid (Rs.)
Mr. Rajendra Shah	40,000	-	5,000	-	45,000
Mr. Harish Rangwala	40,000	22,500	-	-	62,500
Mr. Michael Homawalla	40,000	22,500	-	-	62,500
Mr. Sureshchandra Agarwal #	40,000	-	-	-	40000
Total	160,000	45,000	5,000	-	210,000

Appointed w.e.f August 13, 2007

E. Details of Board of Directors

The details of all Directors and Shares held by them as on 31st March, 2008 are as under :

Sr. No.	Name of Directors	Age (yrs)	Designation	Date of Appointment	Nature of Employment	No. of Shares held	% held
1	Mr. Jitendra Mamtora	62	Chairman & Managing Director	Since Incorporation	Contractual	88,58,992	68.55
2	Mrs. Karuna Mamtora	58	Executive Director	Since Incorporation	Contractual	2,67,736	2.07
3	Mr. Satyen Mamtora	33	Joint Managing Director	Since Incorporation	Contractual	97,000	0.75
4	Mr. Bhaskar Sen@	67	Joint Managing Director	July 9, 2007	Contractual	-	-
5	Mr. Rajendra Shah	60	Director	August 25, 2005	-	5,250	0.04
6	Mr. Harish Rangwala	60	Director	August 25, 2005	-	3,000	0.02
7	Mr. Michael Homawalla	49	Director	September 6, 2005	-	-	-
8	Mr. Sureshchandra Agarwal#	58	Director	August 13, 2007	-	-	-

@ Appointed w.e.f. July 9, 2007, # Appointed w.e.f August 13, 2007

- There is no pecuniary relationship or transaction of the Company with any of the Non-Executive Directors, except sitting fees and repayment of loans (event took place before listing).
- The Company does not pay any severance fee and no stock option is available to the directors.

F. Management Discussion and Analysis

The Management Discussion and Analysis Report forms part of the Annual Report and includes discussion on various matters specified under clause 49 (IV) (F) of the Listing Agreement.

6. Shareholders'/Investors' Grievance Committee

The Shareholders'/Investors' Grievance Committee comprises of Executive and Non-Executive Directors to specifically look into shareholders' complaints, if any and to redress the same expeditiously, like transfer of shares, non receipt of declared dividend, revalidation of refund order, dividend warrant, etc.

A. Composition

Sr. No.	Name of Members	Designation	Category/Status	No. of meetings held / attended
1.	Mr. Rajendra Shah	Chairman	Non-Executive & Independent	1/1
2.	Mr. Bhaskar Sen	Member	Executive & Non-Independent	1/0
3.	Mr. Satyen Mamtora	Member	Executive & Non-Independent	1/1

The Shareholders'/Investors' Grievance Committee met 1 times during the year viz on 24th January, 2008.

B. Details of Compliance Officer

Mr. Tushar Shah, Company Secretary is the Compliance Officer and can be contacted at Survey No.344-350, Opp. PWD Stores, Sarkhej-Bavla Highway, Village: Changodar, Taluka: Sanand, Ahmedabad-382213 Gujarat. Tel.: 02717-661661 Fax: 02717-661716 Email: ipo@transformerindia.com

C. Terms of Reference

The terms of reference of the Shareholders'/Investors' Grievances Committee is set out below:

- i. Redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc;
- ii. Review of cases for refusal of transfer/transmission of shares and debentures;
- iii. Reference to statutory and regulatory authorities regarding investor grievances;
- iv. And to otherwise ensure proper and timely attendance and Redressal of investor queries and grievances.

D. Details of Complaints

The Status of complaints received, resolved and pending during the financial year ended 31st March, 2008 is as follows:

Sr. No.	Nature of Complaints	Received	Replied/ Resolved	Pending
1	Complaints from Investors/Shareholders through correspondence/ Non Receipt of R.O./Non credit of Shares/Demat/Remat of shares	1,408	1,398	10
2	Complaints for Mutilated/Cheque/Refund Order Correction	313	311	2
3	Complaints from NSE	2	2	-
4	Complaints from BSE	8	8	-
5	Complaints from SEBI	241	241	-
Total		1,972	1,960	12

There were no pending transfers of equity shares/Complaints remained pending/unattended for more than one month as on March 31, 2008.

- The equity shares of the Company are compulsorily traded in electronic form on the stock exchanges and hence the handling of physical transfer of shares is minimal. The Board has delegated the said powers for approving transfer and transmission of shares and issue of duplicate shares to Share Transfer Committee. The status of transfer, duplicate etc., is periodically reviewed by the Committee.
- The Committee oversees performance of the Registrar and Share Transfer Agents of the Company, and also recommends measures for overall improvement in the quality of investor's services.
- Other details for shareholders have been provided separately in General Information for Shareholders of "Corporate Governance".



E. CEO/CFO Certification

This information is covered elsewhere in this Annual Report.

7. Information about General Body Meetings

A. Annual General Meetings

The Location, date and time of last three Annual General Meetings held are as under :

Financial Year	Date	Time	No. of special resolutions passed	Location of Meetings
2006-2007	11-06-2007	11.00 a.m.	-	Survey No. 344-350, Opp. PWD Stores, Sarkhej-Bavla Highway, Changodar, Sanand, Ahmedabad-382213
2005-2006	10-07-2006	11.00 a.m.	2	Survey No. 344-350, Opp. PWD Stores, Sarkhej-Bavla Highway, Changodar, Sanand, Ahmedabad-382213
2004-2005	10-05-2005	11.00 a.m.	-	Survey No. 344-350, Opp. PWD Stores, Sarkhej-Bavla Highway, Changodar, Sanand, Ahmedabad-382213

B. Special Resolution

Particulars of Special Resolution passed are as follows:

Financial Year	Date	Particulars
2005-2006	10-07-2006	1. To Increase the Authorised Share Capital from Rs.8,00,00,000/- (Rupees Eight Crores) to Rs.15,00,00,000/- (Rupees Fifteen Crores) 2. To Issue further Equity Shares under section 81(1A)

C. Postal Ballot

The Company has not passed any resolution through postal ballot during the years under reference. None of the resolutions proposed for the ensuing Annual General Meeting need to be passed through Postal Ballot.

8. Disclosures

A. Related Party Transactions

The Company has entered into related party transaction as a setout in the Notes to Accounts , which are not likely to conflict with the interest of the Company. The details of all significant transactions with related parties are placed before the audit committee on quarterly basis.

B. Disclosure of Accounting Treatment in preparation of Financial Statement

Company has followed the guidelines of accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.

C. Details of Non-compliance by the Company

Company has complied with all the requirements of regulatory authorities. No penalty/strictures were imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital market since the date of listing of Equity Shares i.e. on 28th December, 2007.

D. Risk Management

The Company has framed a formal Risk Management Framework for risk assessment and minimization. Further, the Company is in the process of up-grading their risk management framework. The Scope of the Audit Committee includes review of Company's financial and risk management policies periodically.

E. Proceeds from Public Issue

The Company has raised Rs. 13,927 Lacs through Issue of equity shares on IPO. The details of utilization of said funds have been provided in the notes to the Account.

F. Non-Mandatory Requirements

- **The Board** : There is no policy at present to determine the tenure of Independent Directors.
- **Remuneration Committee**: The Company has constituted Remuneration Committee. A detailed note on Remuneration Committee is provided elsewhere in the Report.
- **Shareholder's Right** : Half yearly financial results including summary of the significant events are presently not being sent to shareholders of the Company. However quarterly financial results are published in the leading news papers and are also available on the website of the Company.
- **Audit Qualification** : There is no qualification in the Auditor's Report on the Financial Statements to the shareholders of the Company.
- **Training of Board Members** : As the members of the Board are eminent and experienced professional persons, there is no formal policy at present for their training.
- **Mechanism for evaluating Non-Executive Board Members** : There is no policy framed for evaluation of Non-Executive Directors.
- **Whistle Blower Policy** : The Company has not established any formal Whistle Blower Policy.

9. Means of Communication

A. Financial Results for the Quarter ended :

30 th June, 2008	- End of July, 2008
30 th September, 2008	- End of October, 2008
31 st December, 2008	- End of January, 2009
Audited Results for the year ended	- End of April or end of June, 2009 (As per Clause 41 of Listing Agreement)

- B.** The Company has published its Quarterly/Half yearly Financial Results in Economic Times, Business Standard.
- C.** The results were also displayed on Company's web-site www.transformerindia.com The same were also submitted to Stock Exchanges after conclusion of the Board Meetings.
- D.** The presentations made to Institutional Investors or to the Analysts were also displayed on Company's web-site www.transformerindia.com.

10. General Information for Shareholders

A. Annual General Meeting :

Date	: Thursday, 26 th June, 2008
Time	: 11.00 a.m.
Venue	: Survey No.344-350, Opp. PWD Stores, Sarkhej-Bavla Highway, Village: Changodar, Taluka: Sanand, Ahmedabad-382213, Gujarat.

B. Financial Year : 1st April, 2007 to 31st March, 2008

C. Book Closure : The Register of Members and Share Transfer Books of the Company shall remain closed from Saturday, 21st June, 2008 to Thursday, 26th June, 2008 (both days inclusive) for the purpose of ensuing Annual General Meeting. The Dividend, if approved by shareholders at AGM, shall be paid to shareholders whose names appear :

a) as beneficial owners at the end of the business day on Friday, 20th June, 2008 as per the details available with NSDL and CDSL.

b) On the Register of Members as on Friday, 20th June, 2008 of the owners holding shares in physical form.

D. Dividend payment date : On or after 1st July, 2008 but within the statutory time limit of 30 days from the date of approval by Shareholders.

E. Listing on Stock Exchanges : Equity shares of the Company are listed on National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Ltd. (BSE).

Security	Group	Scrip ID at NSE	Scrip Code at BSE	ISIN
Equity Shares	B1	TRIL	532928	INE763I01018



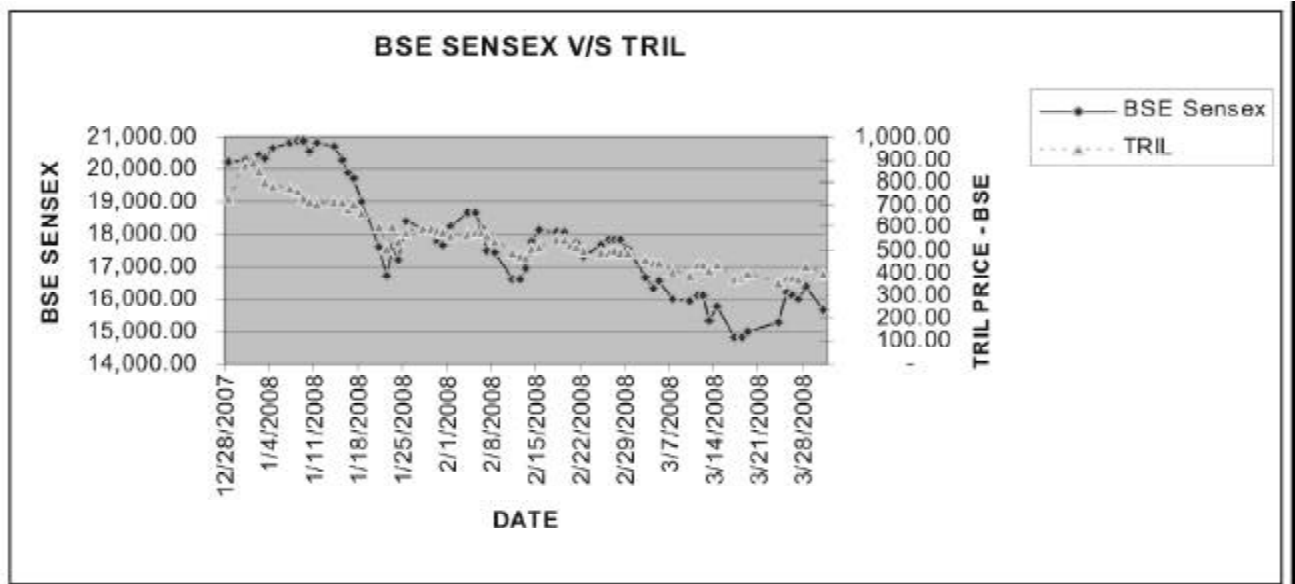
- The Company had paid listing fees to Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. for financial year 2008-2009.
- As on 31st March, 2008, there were 54,081 shareholders of the Company.

F. Market Price Data

The Company's Shares were listed on 28th December, 2007. The High & Low share price during each month in financial year 2007-08 on Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) are as under.

Month	Share Price on BSE		Share Price on NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
December, 2007	873.60	685.20	875.10	682.30
January, 2008	938.50	479.85	939.00	460.00
February, 2008	595.90	451.00	600.00	462.10
March, 2008	485.00	345.50	486.90	320.35

G. Share Price Performance in comparison to broad based indices : BSE Sensex v/s TRIL



H. Registrar and Share Transfer Agents

Members are requested to correspond with the Company's Registrar and Transfer Agents for all matters related to share transfers, dematerialization, complaints for non-receipt of refund order/dividends etc. at the following address :

M/s. Intime Spectrum Registry Limited
 C-13, Pannalal Silk Mills Compound,
 LBS Road, Bhandup (West),
 Mumbai - 400078
 Telephone : 022 - 25960320
 Fax : 022 - 25960329
 Email : tr.ipo@intimespectrum.com

I. Share Transfer System

Applications for transfer of shares in physical form are processed by the Company's Registrar & Transfer Agent M/s. Intime Spectrum Registry Limited, Mumbai. The Share Transfer Committee constituted for transfer / transmission of shares, issue of duplicate shares and allied matters considers and approves the share transfer once in fortnight subject to transfer instrument being valid and complete in all respects.

The Company has obtained half yearly certificates from Company Secretary in Practice for compliance of share transfer formalities as per the requirement of Clause 47(c) of the Listing Agreement of Stock Exchanges. The Company has also carried out quarterly Secretarial Audit for the reconciliation of Share Capital as required under SEBI Circular No. D&CC/FITTC/CIR-16/2002 dated 31st December, 2002.

J. Distribution of Shareholding as on 31st March, 2008

	No. of Equity Shares of Rs. 10/- each		Shareholders		No. of Shares	
			Number	% to the Total Shares	No. of Equity	% to the Total Amount
Upto	500	53,689	99.28	13,80,521	10.68	
501 -	1,000	196	0.36	1,46,222	1.13	
1,001 -	2,000	88	0.16	1,23,558	0.96	
2,001 -	3,000	35	0.07	90,007	0.70	
3,001 -	4,000	12	0.02	42,504	0.33	
4,001 -	5,000	11	0.02	51,042	0.39	
5,001 -	10,000	18	0.03	1,29,128	1.00	
10,001 &	above	32	0.06	1,09,60,629	84.81	
TOTAL		54,081	100.00	1,29,23,611	100.00	

K. Shareholding Pattern as on 31st March 2008

Sr. No.	Category	No. of shares	% of Share Holding
1.	Promoters :		
	- Indian	99,28,415	76.82
	- Foreign	-	-
2.	Institutional :		
	- Mutual Fund	4,74,501	3.68
	- Financial Institutions/Banks	1,06,503	0.82
	- FII's	2,25,007	1.74
	- Trusts	830	0.01
3.	Non-Institutional :		
	Bodies Corporate	4,22,736	3.27
	Individuals :	15,90,934	12.31
	- Nominal Share Capital upto Rs.1 Lacs	79,106	0.61
	- Nominal Share Capital greater than Rs. 1 Lacs		
	Any Others :		
	-Clearing Member	76,366	0.60
	- NRIs	10,848	0.08
	- Overseas Bodies Corporates	115	-
	- Directors/Relatives	8,250	0.06
	Grand Total	1,29,23,611	100.00



L. Dematerialization of Shares & Liquidity

The trading in the Company's equity shares is compulsorily in dematerialized mode. In order to afford full liquidity and efficient transfer mechanism to the investor community, the Company has tied up with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL). Thus the investors can exercise dematerialization and transfer actions through a recognized Depository Participant (DP) who is connected to NSDL or CDSL. Requests for dematerialization of physical shares are processed and completed within an average period of 15 days from the date of receipt of documents provided they are in order. The International Securities Identification Number (ISIN) allotted to the Company is INE763I01018.

As on March 31, 2008, 77.46% of Total Equity shares were held in dematerialized form with NSDL and CDSL and balance 22.54% shares were held in physical form.

M. Outstanding GDRs / ADRs / Warrants / Options or any Convertible Instruments

Company has no outstanding GDRs / ADRs / Warrants / Options or any convertible instruments as on 31st March 2008, as no such instruments have been issued by the Company.

N. Plant Locations:

1. Survey No. 344-350, Opp. P.W.D. Stores, Sarkhej-Bavla Highway, Village: Changodar, Taluka: Sanand, Ahmedabad
2. Plot No.233, GVMSAV Ltd., Odhav, Ahmedabad
3. Survey No.427/3/p & 431/1/p, Village Moraiya, Ahmedabad (Under Construction)

O. Investors Communication

- For Share Transfers / Dematerialization or other queries relating to Shares :

M/s. Intime Spectrum Registry Limited

C-13, Pannalal Silk Mills Compound,
LBS Road, Bhandup (West), Mumbai - 400078
Telephone : 022-25960320, Fax : 022-25960329
Email : tr.ipo@intimespectrum.com

- For Other inquiry please contact :

Transformers and Rectifiers (India) Limited
Mr. Tushar Shah, Company Secretary & Compliance Officer
Survey No. 344-350, Opp. PWD Stores, Sarkhej-Bavla Highway,
Village: Changodar, Taluka: Sanand, Ahmedabad-382213.
Telephone: 02717-661661, Fax : 02717 - 661716
Email: ipo@transformerindia.com

Declaration regarding compliance by Board Members and Senior Management Personnel with the Company's Code of Conduct.

The Board of Directors of Transformers & Rectifiers (India) Limited has adopted Code of Conduct followed by all members of the Board and all Senior Management Personnel of the Company in compliance with the revised clause 49 of the listing Agreement with the stock Exchanges. This Code is available on the Company's website www.transformerindia.com.

This is to confirm that the Company has received from each member of the Board and Senior Management Personnel a Declaration of compliance with the Code of Conduct as applicable to them.

For Transformers and Rectifiers (India) Limited

**Place : Ahmedabad
Date : 22nd April, 2008**

**Jitendra U. Mamtora
Chairman & Managing Director**

CEO/CFO CERTIFICATION

We Jitendra Ujamshi Mamtora, Chairman and Managing Director (CEO) and Rahul Shah, CFO of the Company shall certify that, to the best of our knowledge and belief:

- (a) We have reviewed the balance sheet and profit and loss account and all its schedules and notes on accounts, as well as the cash flow statements and the Directors' Report;
- These statements do not contain any materially untrue statement or omit any material fact nor do they contain statements that might be misleading;
 - These statements together present a true and fair view of the Company, and are in compliance with the existing Accounting Standards and/or applicable laws and regulations;
- (b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2008 are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting.; and deficiencies in the design or operation of such internal controls, if any of which we are aware have been disclosed to the Auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- (d) We have indicated to Auditors and Audit Committee :
- 1) There has not been any significant change in internal control over financial reporting during the year under reference;
 - 2) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
 - 3) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place : Ahmedabad
Date : 22nd April, 2008

Jitendra U. Mamtora
Chairman & Managing Director (CEO)

Rahul Shah
Chief Financial Officer (CFO)

Corporate Governance Compliance Certificate

CIN : U33121GJ1994PLC022460

Nominal Capital : Rs.15,00,00,000/-

To,

The Members of TRANSFORMERS AND RECTIFIERS (INDIA) LIMITED

In accordance with Clause 49 of the Listing Agreement entered into by **Transformers and Rectifiers (India) Limited** with the Stock Exchanges, I have examined all the relevant records of the Company relating to its compliance of conditions of Corporate Governance as stipulated in revised Clause 49, from the date of applicability of this clause, till the financial year ended on March 31, 2008.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me and the re-presentations made by the Directors and the Management, I certify that the Company has complied with the mandatory conditions of Corporate Governance as stipulated in abovementioned listing agreement.

As per the records maintained by the Company and information given to me, I have to state that there were no investor grievance remaining unattended/ pending for a period exceeding one month as on 31st March, 2008.

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

Place: Ahmedabad
Date : 22nd April, 2008

Practicing Company Secretary : TAPAN SHAH
Membership No. : FCS-4476
C.P. No. : 2839



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

POWER SCENARIO

The power sector is a key infrastructure back bone of the economy and normally needs to grow at a slightly higher rate than the targeted economic growth rate. However, the average annual power sector growth rate in the Tenth Five Year Plan period (2002-2007) in India has been only 5% compared to the average economic growth rate of 8% during this time. The sector has taken a course correction and the growth rate in capacity addition in 2006-2007, the terminal year of the Tenth plan was close to 9%.

However, with an installed capacity of just over 1,35,200 MW by March-2007, the country still has a per capita power consumption of only 665 units per annum with only 45% of its households having access to electricity. The government has placed the sector on a high priority and is working towards achieving its target of "Electricity for All" and power consumption of 1000 units per capita by 2012.

The Electricity Act, 2003 creates a liberal transparent and enabling legal framework for power development. The National Electricity Policy (NEP) issued in furtherance of the Electricity Act, aims to achieve the following by 2012 :

- I. Per capita availability of 1,000 units per annum.
- II. Installed capacity over 2,00,000 MW.
- III. Spinning reserves of 5%
- IV. Minimum life-time consumption of one unit per house hold per day.
- V. Inter-regional transmission capacity of 37,000 MW.
- VI. Quality and stable power supply.
- VII. Total village electrification by 2009.

Recognizing the fact that economies of scale leading to cheaper power could be secured through large size power projects and for introducing the efficient super critical technology in a big way, a unique initiative has been launched for development of Ultra Mega Power Projects (UMPP) under tariff based international competitive bidding route. Nine sites have been so far recognized for development of 4,000 MW projects.

OUTLOOK

Looking into the future demand and availability of generation resources, a perspective transmission plan has been drawn up indicating the major inter-regional transmission highways to be developed by 2012. This will ultimately lead to the formation of a strong national grid. These highways are proposed to be established in phases matching with the requirement of inter-regional power transfer. The enhancement of the inter-regional capacity to 37,000 MW by 2012 would require adding over 60,000 ckt kms of transmission network.

Out of the Rs.9,00,000 Crores required for meeting the power plan up to 2012, about Rs.2,00,000 Crores would be required for the associated transmission system. Out of this, an investment of about 70,000 Crores would be required in the Central Sector transmission systems alone. Power Grid is expected to mobilize an investment of Rs.50,000 Crores from its own resources. The balance requirement is proposed to be mobilized through private equity participation.

TRANSFORMER INDUSTRY

A transformer is a static piece of apparatus used for transferring power from one circuit to another without change in frequency. It can raise or lower the voltage with a corresponding decrease or increase in current.

Since electricity has to be conveyed over thousands of kilometers - to the integrated power grid, the load centres and directly to numerous minor consumers - it has to be transformed four or even five times; hence the need to install a large number of step-up and step-down transformers. Also, at each transformation stage operating at progressively lower voltage the total capacity of power transformers is usually greater than that of the preceding stage. Therefore, in any power system, the installed transforming capacity is six or seven times the installed generating capacity.

OPPORTUNITIES AND THREATS

The Indian transformer industry can be generally divided into distribution transformers, power transformers and other types of special transformers viz. furnace transformers, rectifier transformers, traction transformers, welding transformers, etc.

The Indian transformer industry meets the country's demand for transformers upto voltage levels including 800 kV. In 2006-2007, the power transformer industry grew by about 26% in MVA terms to 77,844 MVA from 61,759 MVA in 2005-2006. In value terms, the total market size is estimated at 8,100 Crores in 2006-2007 compared to Rs.5,500 Crores in 2005-2006.

Having taken into consideration the yearly additions of generation since 1997-98, and the corresponding yearly production of power transformers, it has been observed that the MVA to MW ratio is working out to be much higher than the notional figures of 7. Further, from the available date of MVA production for power transformers in 07-08, it can be safely assumed that the production of power transformers would not be less than 1,00,000 MVA. This would mean a growth of 28% in MVA terms.

Thus, it can be logically inferred that the power transformer industry is unlikely to grow below 25% in years to come. Further, taking into consideration, the focus on transmission sector and the growing private participation, it is unlikely that the growth will not be sustainable between 25% to 30%.

MAJOR ISSUES & CONCERNS

1. Sustainability of the GDP growth against volatility of crude oil prices, rising in inflation and weakening of dollar.
2. Dependence on government plans & funds.
3. Any possible sensitivity of private participation in transmission projects.
4. Dependence on imported CRGO, which constitutes bulk cost.
5. Volatility of copper prices.
6. High debtor days in government projects.
7. Delays in private projects.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Comparison of various items between Financial Statements For Fiscal Year 2008 and Fiscal Year 2007:

(Rupees in Lacs)

PARTICULARS	Standalone				Consolidated			
	FY 2008		FY 2007		FY 2008		FY 2007	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%
Net Sales	30,053.86	97.85%	21,694.72	99.13%	30,437.44	97.84%	22,015.18	99.19%
Trading Sales	-		11.85	0.05%	-		11.85	0.05%
Service Income	81.80	0.27%	93.03	0.43%	81.80	0.26%	93.03	0.42%
Other Income	576.82	1.88%	86.29	0.40%	590.77	1.90%	76.31	0.34%
Total Income	30,712.48	100%	21,885.89	100%	31,110.01	100.00%	22,196.37	100%
Raw Material Consumed	22,884.80	74.51%	16,920.36	77.31%	22,838.18	73.41%	16,792.57	75.65%
Trading Purchases	-		17.23	0.08%	-		17.23	0.08%
Manufacturing Expenses	517.61	1.69%	429.12	1.96%	695.19	2.24%	569.79	2.56%
Employee Cost	670.42	2.18%	378.03	1.73%	693.69	2.23%	386.27	1.74%
Selling, Distribution &								
Administration Expenses	2,378.28	7.75%	1,744.72	7.97%	2,446.27	7.86%	1,776.03	8.00%
Loss due to Flood	-	-	181.51	0.83%	-	-	181.51	0.82%
Increase in Stock	(1,835.14)	-5.98%	(1,054.91)	-4.82%	(1,976.19)	-6.35%	(1,050.99)	-4.73%
Total Expenses	24,615.97	80.15%	18,616.06	85.06%	24,697.14	79.39%	18,672.41	84.12%
EBIDTA	6,096.51	19.85%	3,269.83	14.94%	6,412.87	20.61%	3,523.96	15.88%
Finance Charge	765.66	2.49%	525.14	2.40%	810.86	2.61%	549.62	2.48%
Depreciation	196.42	0.64%	158.55	0.72%	215.44	0.69%	168.48	0.76%
Profit Before Tax	5134.42	16.72%	2,586.14	11.82%	5,386.57	17.31%	2,805.86	12.64%
Tax	1,824.17	5.94%	920.40	4.21%	1,864.55	5.99%	1,000.75	4.51%
Minority Interest	NA		NA		43.79	0.14%	42.57	0.19%
Profit After Tax	3,310.26	10.78%	1,665.74	7.61%	3,478.23	11.18%	1,762.54	7.94%



Standalone Basis

Total Income of the Company has stepped up from Rs. 21,885.89 Lacs in FY 2007 to Rs. 30,712.48 Lacs in FY 2008, thus there is increase of 40% in the total income of the Company. EBIDTA margin during FY 2008 stood at 19.85% against 14.94% recorded during FY 2007. Profit before Taxation increased from Rs. 2,586.14 Lacs during FY 2007 to Rs.5,134.42 Lacs during FY 2008. Profit after tax for FY 2008 stood at Rs. 3,310.26 Lacs compared to Rs. 1,665.74 Lacs during FY 2007.

Thus there is increase of Standalone Profit Before Tax and Profit After Tax by 99%.

Consolidated Basis

Total Income of the Company has stepped up from Rs. 22,196.37 Lacs in FY 2007 to Rs. 31,110.01 Lacs in FY 2008, thus there is increase of 40% in the total income of the Company. EBIDTA margin during FY 2008 stood at 20.61% against 15.88% recorded during FY 2007. Profit before Taxation increased from Rs. 2,805.86 Lacs during FY 2007 to Rs.5,386.57 Lacs during FY 2008. Profit after tax for FY 2008 stood at Rs. 3,478.23 Lacs compared to Rs. 1,762.54 Lacs during FY 2007.

Thus Consolidated Profit Before Tax increased by 92% and Consolidated Profit After Tax increased by 97%.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a sound system of Internal Controls for financial reporting of various transactions, efficiency of operations and compliance with relevant laws and regulations. Suitable delegation of power and guidelines for accounting has been issued for uniform compliance. In order to ensure that all checks and balances are in place and all internal control systems are in order, regular and exhaustive internal audits are conducted by experienced firm of Chartered Accountants in close co-ordination with Company's Finance Department. Besides, the Company has Audit Committee which periodically review the important findings of different Audits keeping a close watch on compliance with Internal Control System

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

The Company has harmonious industrial relations. There is continuous emphasis on development of human resource through intensive training to all levels of employees. The Company enjoys very high employee satisfaction score due to continuous focus on improvement in the working environment by involvement of employees in various extra-curricular activities and inviting suggestions through open forum.

CAVEAT

This section of the Annual Report has been included in adherence to the spirit enunciated in the Code of Corporate Governance approved by the Securities and Exchange Board of India. Shareholders and Readers are cautioned that in the case of data and information external to the Company, though the same are based on sources believed to be reliable, no representation is made on its accuracy or comprehensiveness. Further, though utmost care has been taken to ensure that the opinions expressed by the management herein contain its perceptions on most of the important trends having a material impact on the Company's operations, no representation is made that the following presents an exhaustive coverage on and of all issues related to the same. The opinions expressed by the management may contain certain forward-looking statements in the current scenario, which is extremely dynamic, and increasingly fraught with risk and uncertainties. Actual results, performances, achievements or sequence of events may be materially different from the views expressed herein. Readers are hence cautioned not to place undue reliance on these statements, and are advised to conduct their own investigation and analysis of the information contained or referred to in this section before taking any action with regard to their own specific objectives. Further, the discussion following herein reflects the perceptions on major issues as on date and the opinions expressed here are subject to change without notice. The Company undertakes no obligation to publicly update or revise any of the opinions or forward-looking statements expressed in this report, consequent to new information, future events, or otherwise.

AUDITORS' REPORT

To the Members of
Transformers & Rectifiers (India) Limited

1. We have audited the attached Balance Sheet of **Transformers & Rectifiers (India) Limited** ("the Company") as at 31st March 2008, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examinations of those books;
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Profit & 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 31st March, 2008 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with notes thereon 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 the affairs of the Company as at 31st March, 2008;
 - b. in the case of the 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 C. C. Chokshi & Co.
Chartered Accountants

H. P. Shah
Partner
Membership No. 33331

Place : Ahmedabad
Date : 22nd April, 2008



ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

- i. The nature of Company's activities during the year have been such that clauses (xiii) and (xiv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company for the year.
- ii.
 - a. The Company has maintained proper records showing full particulars, including situation of its fixed assets. The quantity details are being updated.
 - b. As explained to us, the Company has a program of verification of fixed assets to cover all the items over a period of three years which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, some part of fixed assets was physically verified by the management during the year. According to information and explanations given to us, no material discrepancies were noticed by the management on such verification.
 - c. The Company has not disposed off a substantial part of fixed assets during the year.
- iii.
 - a. Physical verification of inventory has been conducted during the year, by the management at reasonable intervals, except stock lying at third party location for which confirmations have been obtained for the major portion of stocks confirming such holding and for goods in transit.
 - b. The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
 - c. The Company is maintaining proper records of inventory. Discrepancies noticed on physical verification have been properly dealt with in the books of account.
- iv.
 - a. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
 - b. The Company has taken unsecured loans from six parties covered in the Register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year and the year end balance of such loans aggregates to Rs. 571.91 Lacs and Rs. 79.74 Lacs respectively.
 - c. In our opinion, the rate of interest and other terms and conditions on which such loans have been taken are not, prima facie, prejudicial, to the interest of the Company.
 - d. The terms of repayment of the principal amount and the interest thereon have not been stipulated.
- v. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. During the course of audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- vi.
 - a. In our opinion and according to the information and explanations given to us, transactions that need to be entered into a Register in pursuance of Section 301 of the Companies Act, 1956 have been so entered.
 - b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lacs in respect of such parties during the year have been made at prices, which are reasonable having regard to prevailing market prices at the relevant time.
- vii. The Company has not accepted deposits from the public within the meaning of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Rules framed there under.
- viii. Internal audit is carried out by a firm of Chartered Accountants. On the basis of the reports made by them to the management, in our opinion, the Internal Audit System is commensurate with the size and nature of its business.

- ix. We have broadly reviewed the books of account relating to materials, labour and other items of the cost maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- x. According to the information and explanations given to us in respect of statutory and other dues:
- a) The Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Sales-tax, Customs Duty, Excise Duty, Income-tax, Wealth-tax, Service-tax, cess and any other statutory dues during the year.
- b) No undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Sales-tax, Customs Duty, Excise Duty, Income-tax, Wealth-tax, Service-tax, cess were outstanding, as at 31st March, 2008 for a period more than six months from the date they became payable.
- c) There are no dues of Sales-tax, Income-tax, Customs Duty, Wealth-tax, Service-tax, Cess and any other statutory dues which have not been deposited on account of any dispute. The Company has not deposited Excise Duty of Rs. 232.89 Lacs which is disputed and pending before the Assistant Commissioner, Additional Commissioner and Commissioner of Central Excise.
- xi. The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the financial year under report and the immediately preceding financial year.
- xii. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to banks.
- xiii. According to the information and explanations given to us, the Company has not given any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiv. According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks and financial institutions.
- xv. According to the information and explanations given to us, term loans availed by the Company were, prima facie, applied by the Company during the year for the purposes for which the loans were obtained.
- xvi. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that funds raised on short term basis have, prima facie, not been used during the year for long term investment.
- xvii. The Company has not made preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
- xviii. No debentures have been issued by the Company and hence the question of creating the securities or charges in respect thereof does not arise.
- xix. The management has disclosed the end use of money raised by public issue and the same has been verified by us.
- xx. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

Place : Ahmedabad
Date : 22nd April, 2008

For C. C. Chokshi & Co.
Chartered Accountants

H. P. Shah
Partner
Membership No. 33331



Balance Sheet

As At 31st March, 2008

(Rupees in Lacs)

	Schedule	As At 31 st Mar 2008	As At 31 st Mar 2007
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	1,292.36	709.19
Reserves & Surplus	2	<u>19,357.48</u>	<u>3,322.90</u>
		20,649.84	4,032.09
Loan Funds			
Secured Loans	3	3,163.94	2,290.95
Unsecured Loans	4	<u>271.74</u>	<u>487.37</u>
		3,435.68	2,778.32
Deferred Tax Liability (Net) (See note 19 of Schedule 21)		-	133.97
TOTAL		<u>24,085.52</u>	<u>6,944.38</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	2,759.76	2,104.66
Less : Depreciation & Amortisation		<u>754.90</u>	<u>562.20</u>
Net Block		2,004.86	1,542.46
Add : Capital Work In Progress (See note 7 of Schedule 21)		<u>1,725.87</u>	<u>503.08</u>
		3,730.73	2,045.54
Investments	6	7,767.61	179.69
Deferred Tax Asset (Net) (See note 19 of Schedule 21)		0.25	-
Current Assets, Loans & Advances			
Inventories	7	6,144.10	3,936.52
Sundry Debtors	8	12,437.67	6,896.63
Cash & Bank Balances	9	1,617.58	1,426.85
Loans & Advances	10	<u>829.79</u>	<u>567.54</u>
		21,029.14	12,827.54
Less : Current Liabilities & Provisions	11	<u>8,443.17</u>	<u>8,109.83</u>
Net Current Assets		12,585.97	4,717.71
Miscellaneous Expenditure (To the extent not written off)	12	0.96	1.44
TOTAL		<u>24,085.52</u>	<u>6,944.38</u>
Significant Accounting Policies	20		
Notes on Accounts	21		

As per our attached report of even date.

For and on behalf of the Board of Directors

For C. C. Chokshi & Co.
Chartered AccountantsJitendra U. Mamtora
Chairman & Managing DirectorKaruna J. Mamtora
Executive DirectorH. P. Shah
PartnerTushar Shah
Company SecretaryPlace : Ahmedabad
Date : 22nd April, 2008Place : Ahmedabad
Date : 22nd April, 2008

Profit & Loss Account For the Year Ended on 31st March 2008

(Rupees in Lacs)

	Schedule	For the Year Ended on 31 st Mar 2008	For the Year Ended on 31 st Mar 2007
INCOME			
Sale of Goods Manufactured (Gross)		34,610.98	25,056.58
Sale of Goods Traded in		-	11.85
Service Income (Gross)		91.22	103.15
		<u>34,702.20</u>	<u>25,171.58</u>
Less : Cenvat Duty recovered on Sales & Service Income (See note 8 of Schedule 21)		<u>4,566.54</u>	<u>3,371.98</u>
Net Sales & Service Income		30,135.66	21,799.60
Other Income	13	576.82	86.29
TOTAL		<u>30,712.48</u>	<u>21,885.89</u>
EXPENDITURE			
Raw Materials Consumed		22,884.80	16,920.36
Increase in stock of Finished Goods and Process Stock	14	(1,835.14)	(1,054.91)
Trading Goods Purchased		-	17.23
Manufacturing Expenses	15	517.61	429.12
Payments to and Provision for Employees	16	670.42	378.03
Selling, Distribution, Administrative and Other Expenses	17	2,378.28	1,744.72
Loss on Account of Flood		-	181.51
Finance Charges	18	765.66	525.14
Depreciation & Amortisation		<u>196.42</u>	<u>158.55</u>
TOTAL		<u>25,578.05</u>	<u>19,299.75</u>
Profit Before Tax		5,134.43	2,586.14
Provision For Taxation	19	1,769.10	918.80
Short Provision of Tax of Earlier years		55.07	1.60
Profit After Tax		<u>3,310.26</u>	<u>1,665.74</u>
Balance of Profit & Loss Account Brought Forward From Previous Year		<u>2,500.69</u>	<u>1,230.51</u>
TOTAL		<u>5,810.95</u>	<u>2,896.25</u>
Appropriations			
Proposed Dividend		258.47	-
Tax on Dividend		42.06	-
Interim Dividend Paid		-	127.66
Tax on Interim Dividend Paid		-	17.90
Transferred to General Reserve		350.00	250.00
Balance Carried To Balance Sheet		<u>5,160.42</u>	<u>2,500.69</u>
TOTAL		<u>5,810.95</u>	<u>2,896.25</u>
Basic & Diluted Earning Per Share (Rs.)			
After Extraordinary Items		30.90	16.99
Before Extraordinary Items (See note 18 of Schedule 21)		30.90	18.22
Significant Accounting Policies	20		
Notes on Accounts	21		
Schedule 1 to 21 form part of this Balance Sheet			

As per our attached report of even date.

For and on behalf of the Board of Directors

For C. C. Chokshi & Co.
Chartered Accountants

Jitendra U. Mamtora
Chairman & Managing Director

Karuna J. Mamtora
Executive Director

H. P. Shah
Partner

Tushar Shah
Company Secretary

Place : Ahmedabad
Date : 22nd April, 2008

Place : Ahmedabad
Date : 22nd April, 2008



Cashflow Statement

For the Year Ended on 31st March 2008

(Rupees in Lacs)

PARTICULARS	For the Year Ended on 31 st Mar 2008	For the Year Ended on 31 st Mar 2007
(A) Cash Flow From Operating Activities		
Profit before tax	5,134.43	2,586.14
Adjustments for:		
Loss On Sale Of Fixed Assets	3.92	7.92
Provision for Onerous Contracts Reversed	(46.13)	-
Unrealised Foreign Exchange Losses	21.91	6.03
Provision For Onerous Contracts.	-	46.13
Provision For Doubtful Advances	11.72	-
Dividend Income	(186.90)	(10.98)
Interest Income	(112.87)	(51.26)
Depreciation & Amortisation	196.42	158.55
Loss On Sale Of Investments	3.30	-
Finance Charges	765.66	525.14
Miscellaneous Expenditure Written Off	0.48	3.81
Operating Profit Before Working Capital Changes	<u>5,791.94</u>	<u>3,271.48</u>
Adjustment For :		
Trade & Other Receivables	(5,790.75)	(2,406.37)
Inventories	(2,207.56)	(785.31)
Trade & Other Payables	(66.44)	871.66
	<u>(8,064.75)</u>	<u>(2,320.02)</u>
Cash Generated From Operations	<u>(2,272.81)</u>	<u>951.46</u>
Direct Taxes Paid	<u>(1,964.05)</u>	<u>(489.81)</u>
NET CASH FROM OPERATING ACTIVITIES-(A)	<u>(4,236.86)</u>	<u>461.65</u>
(B) Cash Flow From Investing Activities		
Purchase of Fixed Assets	(1,907.88)	(734.32)
Sale of Fixed Assets	22.36	0.15
Investments in Mutual Funds	(7,591.22)	-
Long Term Investment In Subsidiaries	-	(169.69)
Dividend Received	175.92	10.98
Interest Received	68.30	52.52
Purchase of Business	-	12.43
NET CASH USED IN INVESTING ACTIVITIES-(B)	<u>(9,232.52)</u>	<u>(827.93)</u>
(C) Cash Flow From Financing Activities		
Proceeds From Borrowings	3,407.04	2,347.37
Repayment of Borrowings	(2,749.69)	(1,332.09)
Proceeds From Initial Public Offering of Equity Shares including Share Premium	13,926.75	204.44
Expenses in connection with Issue of Equity Shares	(307.66)	-
Unclaimed Share application money lying in escrow account	138.10	-
Finance Charges Paid	(763.78)	(524.33)
Dividends Paid	-	(262.16)
NET CASH FROM FINANCING ACTIVITIES-(C)	<u>13,650.76</u>	<u>433.23</u>
NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)	<u>181.38</u>	<u>66.95</u>
ADD : CASH & CASH EQUIVALENTS-OPENING BALANCE	<u>68.70</u>	<u>1.75</u>
CASH & CASH EQUIVALENTS-CLOSING BALANCE	<u>250.08</u>	<u>68.70</u>

Note:**1. Cash And Cash Equivalents Includes:**

	As At 31 st Mar 2008	As At 31 st Mar 2007
Cash On Hand	1.88	1.34
With Scheduled Banks:		
In Current Accounts	110.10	67.36
Unclaimed Share application money lying in escrow account	138.10	-
Total	<u>250.08</u>	<u>68.70</u>

As per our attached report of even date.

For C. C. Chokshi & Co.
Chartered AccountantsH. P. Shah
PartnerPlace : Ahmedabad
Date : 22nd April, 2008

For and on behalf of the Board of Directors

Jitendra U. Mamtora
Chairman & Managing DirectorKaruna J. Mamtora
Executive DirectorTushar Shah
Company SecretaryPlace : Ahmedabad
Date : 22nd April, 2008

Schedules Forming part of the Accounts

(Rupees in Lacs)

	As At 31 st Mar 2008	As At 31 st Mar 2008	As At 31 st Mar 2007
Schedule 1 : Share Capital			
Authorised			
15,000,000 Equity Shares of Rs. 10/- each		1,500.00	1,500.00
Issued, Subscribed and Paid Up			
12,923,611 (7,091,865) Equity Shares of Rs. 10/- each fully paid up (Refer note 3 of Schedule 21)		1,292.36	709.19
TOTAL		<u>1,292.36</u>	<u>709.19</u>
Notes:			
Of the above shares:			
(i) 4,747,466 (Previous Year 1,910,720) equity shares have been allotted as fully paid up by way of bonus shares by capitalisation of Securities Premium Account Rs.377.63 lacs (Previous Year Rs. 93.96 lacs), General Reserve Account Rs.65.00 lacs and Surplus in Profit and Loss Account Rs.32.11 lacs.			
(ii) 157,260 equity shares have been issued on preferential basis.			
(iii) 117,085 equity shares have been issued pursuant to a contract without payment being received in cash.			
Schedule 2 : Reserves & Surplus			
Securities Premium Account			
As Per last Balance Sheet	472.21		143.00
Less : Capitalised by Issue of Bonus shares	283.67		-
Add : Premium on Issue of Equity Shares	13,627.25		329.21
Less : Expenses in connection with Issue of Equity Shares Written Off [Net of tax] (Refer note 3 of Schedule 21)	307.66		-
		13,508.13	472.21
General Reserve			
As Per last Balance Sheet	350.00		100.00
Less : Adjustment for provision for employee benefits [Net of tax] (Refer note 14 of Schedule 21)	11.07		-
Add : Amount transferred from Profit and Loss Account	350.00		250.00
		688.93	350.00
Surplus in Profit & Loss Account			
		5,160.42	2,500.69
TOTAL		<u>19,357.48</u>	<u>3,322.90</u>



Schedules Forming part of the Accounts

(Rupees in Lacs)

	As At 31 st Mar 2008	As At 31 st Mar 2008	As At 31 st Mar 2007
Schedule 3 : Secured Loans			
From Banks			
Cash Credit Accounts (Note: 1)		2,797.62	1,419.04
Term Loan - I (Note: 2)		333.78	613.47
Term Loan - II		-	52.12
Working Capital Demand Loan		-	160.10
Hire Purchase Loans (Note: 3)		29.55	40.57
Interest Accrued and Due		2.99	5.65
TOTAL		<u>3,163.94</u>	<u>2,290.95</u>

Notes:

1. Secured by hypothecation of current assets of the Company on paripassu basis and also collaterally secured by legal mortgage on pari passu basis on immovable property situated at Changodar and in addition to above secured by pledge of equity share of promoters and personal guarantee of some directors
2. Secured by hypothecation of specific fixed assets acquired under the term loan and also collaterally secured by legal mortgage on paripassu basis on immovable property situated at Changodar and in addition to above secured by pledge of equity shares of promoters and personal guarantee of some directors.
3. Secured by lien on vehicles purchased under hire purchase agreements.
4. Payable within 12 months out of the above loans is Rs. 58.61 Lacs (Previous Year Rs. 324.17 Lacs)

Schedule 4 : Unsecured Loans

Loan from Directors		79.74	435.80
Loan from a Bank (Note: 1)		192.00	-
Sales Tax Deferment		-	51.57
TOTAL		<u>271.74</u>	<u>487.37</u>

Note:

1. Payable within 12 months out of the above loan is Rs. 192.00 Lacs (Previous Year Rs. 51.57 Lacs)

Schedules Forming part of the Accounts

Schedule 5 : Fixed Assets

(Rupees in Lacs)

Assets	Gross Block (At Cost)			Depreciation & Amortisation			Net Block		
	As At 1 st Apr 07	Additions	Deductions/ Adjustment	As At 31 st Mar 08	As At 1 st Apr 07	Additions	Deductions/ Adjustment	As At Mar 08	As At 31 st Mar 07
Goodwill (See note 4 of Schedule 21)	119.07	-	-	119.07	23.81	23.81	-	47.62	71.45
Land	82.36	74.34	-	156.70	-	-	-	-	156.70
Building	455.38	89.67	-	545.05	102.75	13.75	-	116.50	428.55
Plant & Machinery	893.73	291.25	19.09	1,165.89	274.45	97.78	-	372.23	793.66
Electrifications	90.24	6.09	0.65	95.68	23.94	9.06	-	33.00	62.68
Furniture & Fixtures & Office Equipments	134.18	102.88	2.05	235.01	30.68	12.13	0.74	42.07	192.94
Computer & Accessories	86.04	19.31	-	105.35	57.17	10.14	-	67.31	38.04
Computer Software	26.60	31.37	-	57.97	13.10	8.15	-	21.25	36.72
Vehicles	217.06	70.18	8.20	279.04	36.30	21.60	2.98	54.92	224.12
TOTAL	2,104.66	685.09	29.99	2,759.76	562.20	196.42	3.72	754.90	2,004.86
Capital Work in Progress									1,725.87
Previous Year	1,525.44	604.96	25.74	2,104.66	414.02	158.55	10.37	562.20	1,542.46

Notes:

1. Fixed assets include Rs 94.51 lacs (Previous Year Rs. 93.46 lacs) being cost of asset purchased on hire purchase basis on which the vendors have a lien.
2. Additions to fixed assets includes interest of Rs. 14.48 lacs (Previous Year Rs.5.68 lacs) capitalised.
3. Capital Work in Progress includes Rs 500.93 lacs on account of advance against Capital Expenditure (Previous Year Rs. 77.42 lacs).



Schedules Forming part of the Accounts

(Rupees in Lacs)

	As At 31 st Mar 2008	As At 31 st Mar 2008	As At 31 st Mar 2007
Schedule 6 : Investments			
Long Term Investments			
Investment in Subsidiary Companies (Unquoted)			
548,760 Equity Shares of Transpares Limited of Rs. 10 each fully paid up		137.19	137.19
250,000 Equity Shares of Transweld Mechanical Engineering Works Limited of Rs. 10 each fully paid up		32.50	32.50
Current Investments			
Units of Mutual Funds (Unquoted)			
10,093,353 Units of Lotus India FMP of Rs.10 each	1,009.34		-
10,077,096 Units of SBNPP-FIIP-Plan C of Rs.10 each	1,008.00		-
15,294,630 Units of Birla Short term Fund of Rs.10 each	1,529.47		-
10,082,749 Units of UTI Fixed Maturity Plan of Rs.10 each	1,008.27		-
5,000,000 Units of Reliance FHF of Rs.10 each	500.00		-
50,247 Units of AIG STF of Rs.1,000 each	502.48		-
203,823 Units of Reliance LPF of Rs.1,000 each	2,040.36		-
100,000 Units of SBI Bluechip Fund of Rs. 10 each	-		10.00
		<u>7,597.92</u>	<u>10.00</u>
TOTAL		<u>7,767.61</u>	<u>179.69</u>
Unquoted Investments			
In Subsidiary Companies	Cost price	169.69	169.69
In Mutual Funds	Cost price	7,597.92	10.00
	Repurchase value	7,616.43	10.79

Note: Investments purchased and sold during the year

Mutual Funds	Units	Cost Price in Lacs
HDFC Liq Fund Premium Plan Daily Dividend Option	108,798,230	13,326.75
Birla Liq Plus Inst Plan Daily Dividend Option	25,028,087	2,504.51
SBI Liq Plus Inst Plan Daily Dividend Option	10,025,453	1,003.05
AIG India Treasury Fund Inst Plan Daily Dividend Option	10,015,947	1,002.69
DSPML Cash Plus Inst Plan Daily Dividend Option	401,936	4,019.76
AIG India Super Fund Inst Plan Daily Dividend Option	10,030,987	1,004.20
Birla Sun Life Short Term Fund	25,043,768	1,515.01
TATA Fixed Income Portfolio - Scheme A1	9,995,102	1,005.67
DSPML Strategic Fund	50,020	501.98
DWS Liq Fund Daily Dividend Option	10,058,054	1,006.63
DSPML Liq Plus Fund Daily Dividend Option	654,291	6,545.40
DSP Liquidity Fund Daily Dividend Option	153,507	1,535.38
Reliance Liq Plus Fund Daily Dividend Option	349,603	3,500.00

Schedule 7 : Inventories

Stock- in -Trade

Raw Materials (Including Goods in Transit Rs. 485.61 Lacs (Previous Year Rs. 194.60 Lacs))	1,859.05	1,301.93
Finished Goods	733.91	273.86
Process Stock	3,551.14	2,176.05
Damaged Stock (at Net Realisable Value)	-	184.68
TOTAL	<u>6,144.10</u>	<u>3,936.52</u>

Schedules Forming part of the Accounts

(Rupees in Lacs)

	As At 31 st Mar 2008	As At 31 st Mar 2008	As At 31 st Mar 2007
Schedule 8 : Sundry Debtors (Unsecured)			
Exceeding Six Months			
Considered Good	2,586.92		556.89
Considered Doubtful	11.72		-
Others Debts			
Considered Good	<u>9,850.75</u>		<u>6,339.74</u>
		12,449.39	6,896.63
Less : Provision for Doubtful Debts		11.72	-
TOTAL		<u>12,437.67</u>	<u>6,896.63</u>

Note: Other Debts includes Rs. 0.03 Lacs (Previous Year Rs. 0.03 Lacs) due from Partnership Firm in which Director of the Company is a partner:- [Maximum Balance outstanding during the Year Rs. 0.03 Lacs (Previous Year Rs. 0.03 Lacs)]

Schedule 9 : Cash & Bank Balances

Cash on hand		1.88	1.34
<u>Balances with Scheduled Banks:</u>			
In Current Accounts		110.10	67.36
In Fixed Deposit Accounts (Lodged with banks as securities for guarantees given by the bankers)		1,367.50	1,358.15
Unclaimed Share application money lying in escrow account		138.10	-
TOTAL		<u>1,617.58</u>	<u>1,426.85</u>

Schedule 10 : Loans & Advances

(Unsecured)

Considered Good			
Advances recoverable in cash or in kind or for value to be received	186.95		137.66
Advances to suppliers	160.42		58.28
Other Advances	58.20		20.73
Deposits and balances with government and other authorities	180.62		271.69
Other deposits	188.01		68.16
Interest receivable	<u>55.59</u>		<u>11.02</u>
		829.79	567.54
Considered Doubtful			
Deposits and balances with government and other authorities		-	3.19
		829.79	570.73
Less: Provision for doubtful advances		-	3.19
TOTAL		<u>829.79</u>	<u>567.54</u>



Schedules Forming part of the Accounts

(Rupees in Lacs)

	As At 31 st Mar 2008	As At 31 st Mar 2008	As At 31 st Mar 2007
Schedule 11 : Current Liabilities & Provisions			
Current Liabilities			
Sundry Creditors :			
a) Micro, Small & Medium Enterprises (to the extent identified with available information)	-		-
b) Others	<u>5,132.47</u>	5,132.47	<u>5,258.82</u> 5,258.82
Due to Subsidiary Companies		291.77	355.87
Advance From Customers		1,600.08	1,570.08
Other Liabilities		637.58	457.31
Investor Education and Protection fund			
Unclaimed Share Application Money		138.10	-
Unclaimed Dividend (Previous year Rs. 220)		-	-
Interest accrued but not due on loans		<u>17.72</u>	<u>13.18</u>
		<u>7,817.72</u>	<u>7,655.26</u>
Provisions			
Proposed Dividend	258.47		-
Tax on Proposed Dividend	42.06		-
Provision For Gratuity	36.84		-
Provision For Leave Encashment	14.72		11.47
Provision For Taxation (Net Of Advance Tax Paid)	<u>273.36</u>		<u>443.10</u>
		625.45	454.57
TOTAL		<u>8,443.17</u>	<u>8,109.83</u>

Note: There is no amount due and outstanding as at balance sheet date to be credited to Investor Education and Protection Fund.

Schedule 12 : Miscellaneous Expenses

(To the extent not written off or adjusted)

Exhibition Expenses	-		3.32
Less : Written Off	<u>-</u>		<u>3.32</u>
			-
Share Issue Expense	1.44		1.92
Less : Written Off	<u>0.48</u>		<u>0.48</u>
		0.96	1.44
TOTAL		<u>0.96</u>	<u>1.44</u>

Schedules Forming part of the Profit and Loss Account

(Rupees in Lacs)

	For the Year Ended on 31 st Mar 2008	For the Year Ended on 31 st Mar 2008	For the Year Ended on 31 st Mar 2007
Schedule 13 : Other Income			
Interest Received		112.87	51.26
[Tax Deducted at Source: 12.29 Lacs (Previous Year Rs.9.29 Lacs)]			
Dividend Income			
On Trade investment - from a Subsidiary Company		10.98	10.98
On Non trade investments - Investments in Mutual Funds		175.92	-
Sale of Scrap		153.53	21.29
Insurance Claim Received		30.91	2.36
Provision for Onerous Contracts Reversed		46.13	-
Excess provisions no longer required written back		12.36	-
Bad Debts Recovered		1.00	0.40
Miscellaneous Income		33.12	-
TOTAL		<u>576.82</u>	<u>86.29</u>
Schedule 14 : Increase in stock of Finished Goods and Process Stock			
Closing Stock			
Finished Goods	733.91		273.86
Process Stock	<u>3,551.14</u>		<u>2,176.05</u>
		4,285.05	2,449.91
Less : Opening Stock			
Finished Goods	273.86		9.66
Process Stock	<u>2,176.05</u>		<u>1,385.34</u>
		2,449.91	1,395.00
TOTAL		<u>1,835.14</u>	<u>1,054.91</u>
Schedule 15 : Manufacturing Expenses			
Power & Fuel		95.78	82.50
Repairs			
Plant and Machinery		45.74	60.44
Factory Building		22.51	12.28
Tools Purchase		32.68	16.42
Workers Wages		135.99	94.55
Testing Charges & Other Manufacturing Expenses		175.42	125.29
Cenvat Duty provided on Stocks		9.49	37.64
TOTAL		<u>517.61</u>	<u>429.12</u>
Schedule 16 : Payments to and Provisions for Employees			
Salaries, Bonus, Gratuity, etc.		598.77	310.62
Contribution to Provident and other funds		31.85	19.27
Employee welfare expenses		39.80	48.14
TOTAL		<u>670.42</u>	<u>378.03</u>

Schedules Forming part of the Profit and Loss Account

(Rupees in Lacs)

	For the Year Ended on 31 st Mar 2008	For the Year Ended on 31 st Mar 2008	For the Year Ended on 31 st Mar 2007
Schedule 17 : Selling, Distribution, Administrative and Other Expenses			
Selling Expenses		335.03	231.02
Advertisement Expenses		39.66	23.88
Stationery, Printing, Postage and Telephone Expenses		66.36	38.70
Insurance		39.44	28.58
Rent		6.97	2.31
Repairs :			
Office Building		6.98	4.84
Others		4.77	8.84
Rates and taxes		0.64	0.47
Travelling Expenses & Conveyance		236.42	167.62
Directors' Sitting Fees		2.10	-
Bank charges		304.23	190.77
Legal & Professional Charges		35.25	95.61
Audit Fees		4.00	4.00
Sales Commission		137.37	250.73
Late delivery charges		1,043.31	508.12
Provision for Loss on Onerous Contract		-	46.13
General charges		40.55	58.38
Bad debts written off		9.52	2.66
Deposits written off	15.88		
Less : Provision for Doubtful Deposit no longer required	<u>3.19</u>		
		12.69	-
Provision for Doubtful Debts		11.72	-
Foreign Exchange Loss (Net)		21.91	50.11
Cenvat Duty Expense		9.89	20.23
Central Sales Tax Expenses		1.77	-
Loss on Sale of Fixed Assets		3.92	7.92
Loss on Sale of Investments		3.30	-
Miscellaneous Expenditure Written Off :			
Deferred Exhibition Expense		-	3.32
Share Issue Expenses		0.48	0.48
TOTAL		<u>2,378.28</u>	<u>1,744.72</u>
Schedule 18 : Finance Charges			
Interest on fixed loans from			
Banks	561.54		292.19
Directors	<u>32.71</u>		<u>51.02</u>
		594.25	343.21
Interest - Others		4.74	-
Bill discounting charges		166.67	181.93
TOTAL		<u>765.66</u>	<u>525.14</u>
Schedule 19 : Provision for Taxation			
Current Tax		1,720.00	915.00
Deferred Tax		29.90	(13.70)
Fringe Benefit Tax		19.20	17.50
TOTAL		<u>1,769.10</u>	<u>918.80</u>

Schedule 20 : Significant Accounting Policies

1) Accounting Convention

The accounts are prepared on historical cost basis and based on accrual method of accounting and applicable Accounting Standards.

2) Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on date of the financial statement and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognised in the period in which the results are known/ materialized.

3) Fixed Assets

- a) Tangible Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation. The cost of fixed assets includes non-refundable taxes and levies, freight and other incidental expenses related to acquisition and installation of the respective assets.
- b) Certain computer software costs are capitalised and recognised as intangible assets in terms of Accounting Standard 26 on intangible assets based on materiality, accounting prudence and significant economic benefits expected to flow therefrom for a period longer than 1 year. Capitalised costs include direct cost of implementation and expenses directly attributable to the implementation.
- c) The Company evaluates the impairment losses on the fixed assets whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. If such assets are considered to be impaired the impairment loss is then recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. For the purpose of assessing impairment, assets are grouped at the smallest levels for which there are separately identifiable cash flows.

4) Depreciation and Amortisation

- a) Depreciation on fixed assets is provided on Straight Line Method in accordance with Section 205 (2) (b) of the Companies Act, 1956 at the rate and in the manner prescribed in Schedule XIV of the said Act.
- b) Computer software costs capitalised are amortised using the Straight Line Method over estimated useful life of 3 to 5 years, as estimated at the time of capitalisation.

5) Investments

- a) Long Term investments are stated at cost and provision is made to recognise any diminution in value, other than that of temporary nature.
- b) Current investments are carried at lower of cost and market value. Diminution in value is charged to the profit and loss account.

6) Inventories

- a) Raw materials, Process Stock and Finished Goods are valued at lower of cost or net realisable value.
- b) Cost for Raw materials is determined on Weighted Average/FIFO basis, net of cenvat credit availed.
- c) Cost for Finished Goods and Process Stock is determined taking material cost [Net of cenvat credit availed] labour and relevant appropriate overheads and cenvat duty.

7) Revenue Recognition

In appropriate circumstances, Revenue (income) is recognised when no significant uncertainty as to determination or realisation exists.

8) Sales/Service Income

Sales are accounted on dispatch of goods. Export sales are accounted on the basis of date of Bill of lading. Sales value is inclusive of Cenvat Duty but does not include other recoveries such as insurance charges, transport charges etc. Service Income includes service tax.

9) Cenvat Credit

Cenvat Credit is accounted for on accrual basis on purchase of eligible inputs, capital goods and services.

10) Foreign Currency Transactions

- a) Monetary items denominated in foreign currency are translated at the exchange rate prevailing on the last day of the accounting year. Foreign currency transactions are accounted at the rate prevailing on the date of transaction.



- b) Non monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction.
- c) Gain or loss arising out of translation/conversion is taken credit for or charged to the Profit and Loss Account

11) Prior Period Expenses/Income

Material items of prior period expenses/income are disclosed separately.

12) Employees Benefits

- a) Defined Contribution Plan

The contributions paid / payable for the year to Provident Fund are recognised in the Profit and Loss Account.

- b) Defined Benefit Plan

The liabilities towards gratuity, and leave encashment are determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past services are recognised on a straight line basis over the average period until the amended benefits become vested. Actuarial gain and losses are recognized immediately in the profit and loss account as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the balance sheet date on Government bonds, where the currency and terms of the Government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

13) Borrowing Cost

Interest and other costs in connection with the borrowings of the funds to the extents related/attribution to the acquisition / construction of qualifying fixed assets are capitalised upto the date when such assets are ready for their intended use and other borrowing costs are charged to Profit And Loss Account.

14) Miscellaneous Expenditure

- a) Exhibition expenses are amortised over a period of five years.
- b) Shares issue expenses incurred are amortised over a period of five years.

15) Taxes on Income

- a) Current Tax is the amount of tax payable on the taxable income for the year as determined in accordance with provision of Income Tax Act, 1961.
- b) Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or subsequently enacted as on the balance sheet date. The Deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the assets will be realised in future.

16) Leases

Lease transaction entered into on or after April 1, 2001:

- a) Assets acquired under lease where the Company has substantially all risk and rewards incidental to ownership are classified as finance leases. Such assets are capitalised at the inception of lease at the lower of fair value or the present value of minimum lease payment and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability of each period.
- b) Assets acquired on lease where a significant portion of risk and rewards incidental to ownership is retained by the lessor are classified as operating lease. Lease rental are charged to the Profit and Loss Account on accrual basis.

17) Earnings Per Share

The Company reports basic and diluted Earnings Per Share (EPS) is reported in accordance with Accounting Standard 20 on Earnings Per Share. Basic EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year.

18) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

Schedule 21: Notes Forming Part of Account

1. Contingent Liabilities in respect of

(Rupees in Lacs)

Particulars	As At	As At
	31 st Mar 2008	31 st Mar 2007
a) Disputed demand of Central Excise Department.	232.89	27.09
b) Guarantee given by bankers on behalf of Company	6,800.40	4,871.10
c) Performance Guarantees given by Company	2,775.12	206.59
d) Bills Discounted with Banks	1,973.99	-
e) Import duty benefit towards duty free import of raw materials made in respect of which export obligations are yet to be discharged.	101.20	31.37
f) Claims against Company not acknowledged as debts	Amount not ascertained	Amount not ascertained

2. Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for Rs. 2195.40 Lacs [Previous Year Rs. 64.08 Lacs].

3. Initial Public Offer (IPO)

During the year the Company has completed its Initial Public Offering (IPO) comprising of 2,995,000 equity shares of Rs. 10/- each at a price of Rs. 465/- per share aggregating to Rs. 13,926.75 Lacs. The share premium of Rs. 455/- per share, amounting to Rs. 13,627.25 Lacs has been credited to Share Premium Account. The expenses in connection with issue of Equity Shares amounting to Rs. 307.66 Lacs (Net of tax of Rs.158.41 Lacs) have been adjusted to Share Premium Account.

The funds raised through Initial Public Offering have been utilized as under:

(Rupees in Lacs)

Particulars	Amount
Funds raised through the Initial Public Offer	13,926.75
Utilisation of funds till 31 st March 2008	
Expenditure on development /construction of the projected as stated in the object clause of the Prospectus	2,067.68
Repayment of high cost debts	2,450.00
Towards working capital requirement	1,443.00
Expenses in connection with issue of Equity Shares	466.07
Balance as on 31 st March 2008, temporarily invested in mutual funds	7,500.00

4. Purchase of Business

Effective from 1st August 2006, the Company purchased entire business of M/s Transformers & Rectifiers (India), a proprietorship concern, situated at Plot No. 233, GVMSA Industrial Estate, Odhav, Ahmedabad on a going concern basis with all assets and liabilities for the consideration of Rs. 152.21 Lacs. The difference in consideration paid to M/s Transformers & Rectifiers (India) in excess of Net Assets value amounting to Rs. 119.06 Lacs has been shown as Goodwill to be amortised over a period of 5 years.

5. Foreign currency exposures not hedged by derivative instruments as at 31st March, 2008 on exports amounts to Rs.8.09 Lacs [Previous Year Rs. 160.23 Lacs] and on imports amounts to Rs. NIL [Previous Year Rs. 158.62 Lacs]

6. In view of withdrawal of the Announcement issued by the Institute of Chartered Accountants of India on 'Treatment of exchange differences under Accounting Standard (AS) 11 (revised 2003), The Effects of Changes in Foreign Exchange Rates vis-à-vis Schedule VI to the Companies Act, 1956', effective from the current accounting period, any income or expense on account of exchange difference related to foreign exchange liabilities pertaining to purchase of fixed assets is recognised in the Profit and Loss Account instead of giving effect thereof to the cost of the fixed assets. This change has resulted into decrease in the profit of the Company for the year ended 31 March, 2008 by Rs.7.23 Lacs.



7. Capital Work In Progress includes preoperative expenditure pending allocation to a project under implementation are as under:

(Rupees in Lacs)

Preoperative Expenses	As At 31st Mar 2008	As At 31st Mar 2007
Legal & Professional	25.88	23.58
Electricity Charges	17.29	2.32
Interest	15.43	0.96
Other Incidental Charges	0.52	NIL
TOTAL	59.12	26.86

8. Cenvat duty shown as a deduction from the Gross Sales and Service Income represents the amount of cenvat duty collected on sales & service income. Cenvat duty expensed represents the difference between excise duty element in the amounts of closing stocks & opening stocks and excise duty paid which is not recoverable from sales.

9. The stock of Raw materials amounting to Rs.470.25 Lacs was laying with the job workers for further processing at the close of the year. Out of that confirmations have been received for Rs.449.93 Lacs.

10. The confirmations in respect of sundry debtors, sundry creditors and loans and advances are not called for. Necessary adjustments, if any will be made on settlement of accounts.

11. Profit and Loss includes

1. Managerial remuneration :

(Rupees in Lacs)

Particulars	For the Year Ended on 31st Mar 2008	For the Year Ended on 31st Mar 2007
i) Managing Director's Remuneration (One)		
Salary	60.00	33.00
House Rent Allowance	3.60	0.90
Contribution to provident fund	0.09	0.09
Commission	50.00	0.00
TOTAL	113.69	33.99
ii) Joint Managing Director's Remuneration (Two) :		
Salary	48.55	21.00
House Rent Allowance	5.70	0.75
Contribution to provident fund	0.09	0.09
Performance Incentive	18.00	12.38
Other Allowance	1.82	-
TOTAL	74.16	34.22
iii) Executive Director's Remuneration (One)		
Salary	6.00	3.66
House Rent Allowance	1.20	0.30
Contribution to provident fund	0.09	0.09
TOTAL	7.29	4.05

Note: Provision for leave encashment and gratuity benefits which is based on actuarial valuation done on an overall Company basis is excluded from the above.

Computation of Net profit as per section 349 read with section 309 (5) and section 198 of the Companies Act, 1956:

(Rupees in Lacs)

Particulars	For the Year Ended on 31st Mar 2008
Profit as per Profit and Loss Account	3310.26
Add:	
Provision for taxation	1824.17
Managerial remuneration (Including commission)	195.14
Directors' Sitting Fees	2.10
Depreciation (as per accounts)	196.42
Loss / (Profit) on sale of Investments	5.55
Loss / (Profit) on sale of Fixed Assets	3.92
Provision for doubtful debts & advances	11.72
Share Issue Expenses & Deferred exhibition expenses written off	0.48
TOTAL (a)	5549.76
Less : Depreciation (as per Section 350) (b)	196.42
Net Profit (a-b)	5353.34
Remuneration @ 10%	535.34
Commission : (Subject to the overall ceiling laid down in section 193 and section 309 of the Companies Act,1956)	
i) 1% of Net Profit to the Chairman and Managing Director	53.53
Restricted to	50.00

2. Auditors Remuneration :

(Rupees in Lacs)

Particulars	For the Year Ended on 31st Mar 2008	For the Year Ended on 31st Mar 2007
Audit Fees	4.00	4.00
Tax Audit Fees	0.60	0.60
Certification and other matters	17.5	1.41
TOTAL	22.10	6.01

12. In the absence of any intimation from vendors regarding the status of their registration under the "Micro, Small and Medium Enterprises Development Act, 2006", the Company is unable to comply with the disclosures required to be made under the said Act.

13. Tax assessment of the Company under Income Tax Act 1961, has been completed upto Financial Year 2003-04 and the Sales Tax assessment upto Financial Year 2004-05.

14. Employee Benefits

- a) Hitherto the Company was accounting the provision for the employee retirement benefits as per the Accounting Standard 15 "Accounting for Retirement Benefits". During the year, the Company has undertaken adoption of the Accounting Standard 15 (Revised 2005) "Employee Benefits". Accordingly, the Company has made a provision for certain defined employee benefit plans aggregating to Rs.29.54 Lacs. Further in accordance with the transitional provision in the revised Accounting Standard, Rs.11.07 Lacs (Net of tax of Rs.5.70 Lacs) has been adjusted to the General Reserves Account.



b) Defined Benefit Plans

(Rupees in Lacs)

Particulars	Gratuity	Leave Encashment
i. Expenses recognized in Profit & Loss Account for the period ended March 31, 2008		
Current service cost	8.28	5.85
Interest Cost	1.72	0.54
Expected return on plan assets	(0.33)	-
Net actuarial losses/(gains)	9.53	3.95
Total Expenses	19.20	10.34
ii Reconciliation of Opening and Closing balances of changes in present value of the Defined Benefit Obligation		
Opening defined benefit obligation as on April 1, 2007	21.50	6.74
Service cost	8.28	5.85
Interest cost	1.72	0.54
Actuarial losses/(gains)	9.54	3.95
Losses/(gains) on curtailments	-	-
Liabilities extinguished on settlements	-	-
Benefits paid	(4.20)	(2.36)
Closing defined benefit obligation as at March 31, 2008	36.84	14.72
iii Reconciliation of Opening and Closing balances of changes in fair value of plan assets		
Opening fair value of plan assets as at April 1, 2007	3.86	-
Expected return on plan assets	0.33	-
Actuarial gains/(losses)	0.01	-
Assets distributed on settlements	-	-
Contributions by Employer	-	-
Benefits paid	-	-
Closing balance of fair value of plan assets as at March 31, 2008	4.20	-
iv Net Liability recognized in the Balance Sheet as at March 31, 2008		
Defined Benefit Obligation as at March 31, 2008	41.04	14.72
Fair Value of plan assets as at March 31, 2008	4.20	-
Present Value of unfunded obligation recognized as liability as at March 31, 2008	36.84	14.72
v Actual Return On Plan Assets	0.34	-
vi Actuarial Assumptions As At 31st Mar 2008		
Discount Rate	8%	
Expected rate of return on plan assets	8.5% Based on LIC Structure of interest rates on gratuity funds	
Expected rate of salary increase	6%	
Mortality	LIC (1994-96) published table of rates	
Withdrawal Rates	5% at younger ages reducing to 1% at older age	
Retirement Age	58 Years	
Actuarial Valuation Method	Projected Unit Credit Method	

c) Defined Contribution Plans

Rs. 29.46 Lacs recognised as an expense and included in the Schedule 16 of Profit and Loss Account under the head "Contribution to Provident and other funds".

As this is the first year of implementation of AS-15 (Revised 2005), necessary disclosure for the previous year and for the preceding three years have not been made.

15. Segment Reporting

The Company operates in a single segment i.e. "Electric Transformer". In the context of Accounting Standard 17, on Segment Reporting issued by Institute of Chartered Accountant of India, is considered to constitute one single primary segment.

16. Related party transactions:

a) Names of related parties and description of relationship:

Sr. No.	Nature of Relationship	Name of Related Parties
1	Subsidiaries	Transpares Limited Transweld Mechanical Engineering Works Ltd.
2	Associate Companies/ Enterprises	Allied Electrical Industries Jitendra U. Mamtora (HUF) Savas Engineering Company Pvt Ltd. Transpower Transformers & Rectifiers (India) (Refer note 4 of schedule 21)
3	Key Management Personnel	Mr. Jitendra U. Mamtora Mr. Satyen J. Mamtora Mr. Bhaskar Sen Mrs. Karuna J. Mamtora
4	Relative of Key Management Personnel	Ms. Janki Jitendra Mamtora Mr. Dilip Mamtora Mr. Bipin Mamtora

b) Details of transactions with related parties:

(Rupees in Lacs)

Nature of Transactions	Associate Companies / Enterprises		Key Management Personnel & Relatives of such Personnel	
	2007-08	2006-07	2007-08	2006-07
(A) Volume of Transactions				
1) Service Received				
Transformers & Rectifiers (India)	-	0.15		
Transweld Mechanical Engineering Works Ltd.	63.75	57.84		
Allied Electrical Industries	22.26	5.82		
Transpares Limited	0.36	-		
2) Service Rendered				
Transformers & Rectifiers (India)	-	30.14		
Allied Electrical Industries	0.12	-		
3) Purchase Of Goods				
Transpares Limited	639.77	443.53		
Transweld Mechanical Engineering Works Ltd.	795.22	645.99		
Transformers & Rectifiers (India)	-	199.84		



(Rupees in Lacs)

Nature of Transactions	Associate Companies / Enterprises		Key Management Personnel & Relatives of such Personnel	
	2007-08	2006-07	2007-08	2006-07
4) Sale Of Goods				
Transweld Mechanical Engineering Works Ltd.	5.79	8.71		
Transpares Limited	0.71	-		
Transformers & Rectifiers (India)	-	3.54		
Allied Electrical Industries	1.37	5.64		
5) Capital Goods Sold				
Transweld Mechanical Engineering Works Ltd.	23.65	17.62		
Transpares Limited	0.71	-		
Allied Electrical Industries	0.36	-		
6) Capital Goods Purchased				
Savas Engineering Company Pvt Ltd.	13.24	-		
7) Loans Taken/Repaid and Interest thereon				
i) <u>Mr. Jitendra U. Mamtora</u>				
Loan taken			120.30	458.91
Loan repaid			182.28	363.44
Interest			10.08	7.50
Balance at 31 st March			53.98	105.88
Balance at 1 st April			105.88	2.91
ii) <u>Mr. Satyen J. Mamtora</u>				
Loan taken			-	20.29
Loan repaid			0.11	19.59
Interest			0.03	(0.41)
Balance at 31 st March			0.27	0.35
Balance at 1 st April			0.35	0.06
iii) <u>Mrs. Karuna J. Mamtora</u>				
Loan taken			-	21.92
Loan repaid			0.44	0.35
Interest			2.13	0.58
Balance at 31 st March			25.35	23.66
Balance at 1 st April			23.66	1.51
iv) <u>Jitendra U. Mamtora (HUF)</u>				
Loan taken	10.00	187.14		
Loan repaid	216.40	-		
Interest	15.08	4.32		
Balance at 31 st March	0.14	191.46		
Balance at 1 st April	191.46	-		
8) Managerial Remuneration				
Mr. Jitendra U. Mamtora			113.69	34.22
Mr. Satyen J. Mamtora			57.09	33.99
Mrs. Karuna J. Mamtora			7.29	4.05
Mr. Bhaskar Sen			17.07	-

(Rupees in Lacs)

Nature of Transactions	Associate Companies / Enterprises		Key Management Personnel & Relatives of such Personnel	
	2007-08	2006-07	2007-08	2006-07
9) Dividend Paid				
Mr. Jitendra U. Mamtora			-	205.91
Mr. Satyen J. Mamtora			-	2.29
Mrs. Karuna J. Mamtora			-	6.31
Jitendra U. Mamtora (HUF)	-	14.89		
Ms. Janki J. Mamtora			-	0.50
Mr. Bipin Mamtora			-	0.00
Mr. Dilip Mamtora			-	0.00
10) Equity Contribution				
Mr. Jitendra U. Mamtora			-	100.10
Jitendra U. Mamtora (HUF)	-	104.34		
11) Shares Issued Towards Purchase Of Business				
Mr. Jitendra U. Mamtora			-	152.21
(B) Balance As At 31st March				
1) Due to				
Transweld Mechanical Engineering Works Ltd.	94.12	201.54		
Transpares Limited	197.65	154.32		
Allied Electrical Industries	6.96	11.45		
Savas Engineering Company Pvt Ltd.	37.63	23.43		
2) Due from				
Transpower	3.20	3.20		

17. Leases:

(A) Finance Lease

- (i) In accordance with Accounting Standard 19 "Leases" issued by the Institute of Chartered Accountants of India, the assets acquired on finance lease on or after 1st April, 2001 are capitalised and a loan liability recognized. Consequently, depreciation is provided on such assets, installments paid are allocated to the liability and the interest is charged to the Profit & Loss Account.
- (ii) a) Assets acquired on Lease agreements mainly comprise of Cars. The agreements provide for reimbursement of taxes, levy etc. imposed by authorities in future.
b) The minimum installments as at 31st March, 2008 and the present values at 31st March, 2008 of minimum installments in respect of assets acquired under the Lease Agreements are as follows:

(Rupees in Lacs)

Particulars	As At 31 st Mar 2008
Minimum Installments	
1) Payable not later than 1 year	18.78
2) Payable later than 1 year and not later than 5 years	12.98
3) Payable later than 5 years	-
Total minimum installments	31.76
Less : Future finance charges	2.21
Present value of minimum installments	29.55
Present value of minimum installments	
1) Payable not later than 1 year	17.13
2) Payable later than 1 year and not later than 5 years	12.42
3) Payable later than 5 years	-
Total present value of minimum installments	29.55



(B) Operating Lease

Lease rentals charged to revenue for lease agreements for the right to use the following assets are as follows:

(Rupees in Lacs)

Particulars	For the Year Ended on 31 st Mar 2008	For the Year Ended on 31 st Mar 2007
Office Premises	5.04	1.65
Godown	1.92	0.66

The Lease agreements are executed for a period of 11 months with a renewal clause and also provide for termination at will by either party by giving prior notice.

18. Earning Per Share:

Particulars		For the Year Ended on 31 st Mar 2008	For the Year Ended on 31 st Mar 2007
Profit after tax and before extraordinary items (Rupees in Lacs)		3,310.26	1,847.25
Net Profit for the period (Rupees in Lacs)	(a)	3,310.26	1,665.74
Profit after tax and before extraordinary items adjusted for Tax on extraordinary items (Rupees in Lacs)	(b)	3,310.26	1,786.74
Weighted Average number of Equity Shares		7,877,439	6,967,422
Bonus share issued during the year ended 31 st March 2008		2,836,746	2,836,746
Weighted average number of Equity Shares	(c)	10,714,185	9,804,168
EPS (Basic & Diluted) (Rs.)	(a) / (c)	30.90	16.99
EPS (Basic & Diluted, profit after tax adjusted for extraordinary items) (Rs.)	(b) / (c)	30.90	18.22
Nominal value of Equity Shares (Rs.)		10.00	10.00

19. Components of Deferred Tax Liability/(Assets) are as under:

(Rupees in Lacs)

Particulars		As At 31 st Mar 2008	As At 31 st Mar 2007
(A) Deferred Tax Liability:			
Difference between book and tax depreciation	(A)	179.68	154.63
(B) Deferred Tax Assets:			
Disallowance under Income Tax Act 1961		21.52	20.66
Tax benefit on expenses in connection with Issue of Equity Shares set off against Share Premium Account		158.41	-
	(B)	179.93	20.66
Net Deferred Tax Liability/(Assets)	(A) – (B)	(0.25)	133.97

20. Provision for Loss on Onerous Contracts

The contracts for sale of goods wherein, the unavoidable costs of meeting the obligation under the contract exceed the economic benefit expected to be received under it are identified by the management. The provision for onerous contracts is based on estimates made by the management by applying principles laid down in Accounting Standard - 29 "Provisions, Contingent Liabilities and Contingent Assets". Further it is not possible to estimate the timing/uncertainties relating to the outflow. The movement in the provision during the year is as under:

(Rupees in Lacs)

Balance As At 1 st Apr 2007	Provision made during the year	Utilised during the period	Reversal during the year	Balance As At 31 st Mar 2008
46.13	-	-	46.13	-

21. Information pursuant to the provisions of paragraphs 3,4C & 4D of Part II of Schedule VI to the Companies Act, 1956

a) Particulars of Capacity: (As certified by management)

Particulars	Unit	For the Year Ended on 31 st Mar 2008	For the Year Ended on 31 st Mar 2007
Licensed Capacity	MVA	N.A.	N.A.
Installed Capacity	MVA	7,200	7,200

b) Details of Products Manufactured, Turnover, Opening Stock and Closing Stock and Purchase and Sales of traded items:

(Rupees in Lacs)

Product / Year	Opening stock		Production	Turnover		Closing Stock	
	Qty (Nos)	Amount (Rs.)	Qty (Nos)	Qty (Nos)	Amount (Rs.)	Qty (Nos)	Amount (Rs.)
1) Electric Transformer							
2007-08	18	273.86	364	368	30,135.66	14	733.91
2006-07	2	9.66	325	309	21,799.60	18	273.86

2) Trading items

Product / Year	Opening stock		Purchase	Turnover		Closing Stock	
	Qty (Nos)	Amount (Rs.)	Qty (Nos)	Qty (Nos)	Amount (Rs.)	Qty (Nos)	Amount (Rs.)
Others							
2007-08	-	-	-	-	-	-	-
2006-07	-	-	-	-	11.85	-	-

c) Particulars of Raw Material consumed:

(Rupees in Lacs)

Indigenous	Unit	For the Year Ended on 31 st Mar 2008		For the Year Ended on on 31 st Mar 2007	
		Qty	Value	Qty	Value
Copper Wire	Kgs	1,879,256	6,133.40	1,436,527	4,311.07
Lamination	Kgs	3,806,689	8,403.68	2,826,612	6,200.35
Transformer Oil	Lts	3,681,842	1,358.27	3,250,838	1,254.01
Radiators	Nos	2,149	555.65	2,033	426.38
Others		-	6,433.80	-	4,728.55
Total			22,884.80		16,920.36



d) Value of Imported and Indigenous Raw Materials and Tools and percentage thereof to the Total Consumption

(Rupees in Lacs)

Particulars		For the Year		For the Year	
		Ended on	%	Ended on	%
		31 st March 2008		31 st March 2007	
Raw Materials	Imported	728.59	3.19	1,366.24	8.07
	Indigenous	22,156.21	96.81	15,554.12	91.93
Total		22,884.80	100.00	16,920.36	100.00
Tools	Imported	-	-	-	-
	Indigenous	32.68	100.00	16.42	100.00
Total		32.68	100.00	16.42	100.00

e) C.I.F. Value of Imports:

(Rupees in Lacs)

Particulars		For the Year	For the Year
		Ended on	Ended on
		31 st Mar 2008	31 st Mar 2007
i]	Raw Materials	728.59	1,366.24
ii]	Capital Goods	72.18	27.67

f) Expenditure in Foreign Currency:

(Rupees in Lacs)

Particulars		For the Year	For the Year
		Ended on	Ended on
		31 st Mar 2008	31 st Mar 2007
i]	Travelling	51.95	20.62
ii]	Other	-	7.02

g) Earnings in Foreign Currency:

(Rupees in Lacs)

Particulars		For the Year	For the Year
		Ended on	Ended on
		31 st Mar 2008	31 st Mar 2007
i]	FOB Value of Export	1,399.75	581.78

22. Previous year's figures have been regrouped wherever necessary.

23. Balance Sheet Abstract and Company's General Business Profile as per Schedule VI Of The Companies Act, 1956.

(Rupees in Lacs)

1. REGISTRATION DETAILS :			
Registration No.	: 22460	State Code No.	: 04
Balance Sheet Date	: 31.03.2008		
2. CAPITAL RAISED DURING THE YEAR :			
Public Issue	: Rs. 299.50	Bonus Issue	: Rs. 283.67
Right Issue	: -	Private Placement	: -
Preferential Allotment	: -		
3. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS :			
Total Liabilities	: Rs. 24,085.52	Total Assets	: Rs. 24,085.52
SOURCES OF FUNDS:			
Paid up Capital	: Rs. 1,292.36	Reserve & Surplus	: Rs. 19,357.48
Secured Loans	: Rs. 3,163.94	Unsecured Loans	: Rs. 271.74
APPLICATION OF FUNDS :			
Net Fixed Assets	: Rs. 3,730.73	Investment	: Rs. 7,767.61
Net Current Assets	: Rs. 12,585.97	Misc. Expenditure	: Rs. 0.96
Deferred Tax Asset	: Rs. 0.25		
4. PERFORMANCE OF COMPANY:			
Turnover (including other income)	: Rs. 30,712.48	Total Expenditure	: Rs. 25,578.05
Profit Before Tax	: Rs. 5,134.43	Profit After Tax	: Rs. 3,310.26
Earning per share	: Rs. 30.90	Dividend Rate	: 20%
5. GENERIC NAME OF PRINCIPAL PRODUCT OF THE COMPANY:			
Item Code No. 8504			
Product Description: Electric Transformer			

For and on behalf of the Board of Directors

Jitendra U. Mamtora
Chairman & Managing Director

Karuna J. Mamtora
Executive Director

Tushar Shah
Company Secretary



Financial Details of Subsidiary Companies

DETAILS OF SUBSIDIARY COMPANIES PURSUANT TO THE CENTRAL GOVERNMENT ORDER NO. 47/214/2008-CL-III DATED APRIL 9, 2008 UNDER SECTION 212(8) OF THE COMPANIES ACT, 1956

(Rupees in Lacs)

Particulars	Transpares Ltd. (51%)	Transweld Mechanical Engineering Works Ltd. (100%)
Share Capital	107.60	25.00
Reserves	373.38	176.84
Total Assets	794.77	315.78
Total Liabilities	794.77	315.78
Investments	11.25	-
Turnover	936.04	722.75
Profit Before Taxation	145.33	112.26
Provision For Taxation	15.78	24.52
Profit After Taxation	129.55	87.74
Proposed Dividend	21.52	-

For and on behalf of the Board of Directors

Place : Ahmedabad
Date : 22nd April, 2008

Jitendra U. Mamtora
Chairman & Managing Director

Statement pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Companies

(Rupees in Lacs)

Sr. No.	Name of the Subsidiary Companies	Transweld Mechanical Engineering Works Ltd.	Transpares Ltd.
1	Financial Year of the Subsidiary Company ended on	31 st March, 2008	31 st March, 2008
2	Share of the Subsidiary held on the above date		
	a) Number of Equity Shares	2,50,000	5,48,760
	b) Face Value	Rs. 10/-	Rs.10/-
	c) Extent of Holding	100%	51%
3	Net aggregate amount of profit/loss of the subsidiary for the above financial year so far as they concern the members of the Company		
	a) dealt with in the accounts of the Company for the period ended 31 st March, 2008	-	63.48
	b) not dealt with in the accounts of the Company for the period ended 31 st March, 2008	87.73	66.07
4	Net aggregate amount of the profit/loss of the subsidiary for the previous financial years so far as they concern the members of the Company.		
	a) dealt with in the accounts of the Company for the period ended 31 st March, 2007	-	60.07
	b) not dealt with in the accounts of the Company for the period ended 31 st March, 2007	46.81	62.52
5	Material changes between the end of the subsidiary's financial year and 31 st March, 2008	N.A.	N.A.
	(i) Fixed Assets	-	-
	(ii) Investment made	-	-
	(iii) Money lent by the Subsidiary	-	-
	(iv) Money borrowed by the Subsidiary Company other than for meeting current liabilities	-	-
	(v) Investment disposal	-	-
	(vi) Share capital	-	-

For and on behalf of the Board of Directors

Jitendra U. Mamtora
Chairman & Managing Director

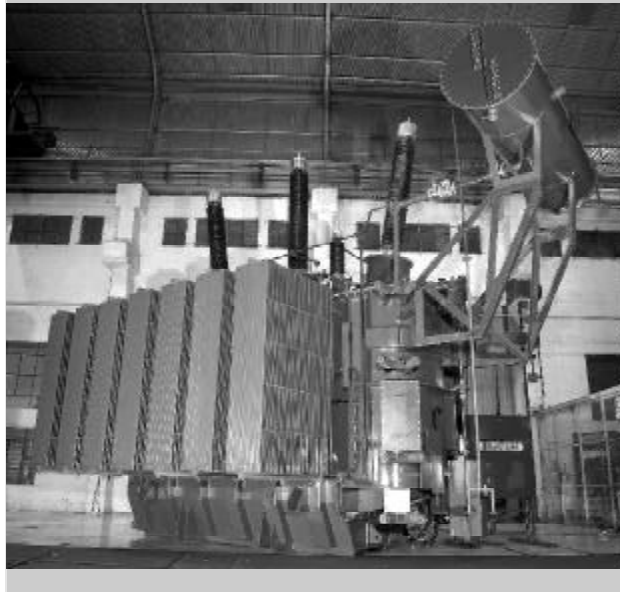
Karuna J. Mamtora
Executive Director

Place : Ahmedabad
Date : 22nd April, 2008

Tushar Shah
Company Secretary



Consolidated Financial Statement



AUDITORS' REPORT

on Consolidated Financial Statements

To the Board of Directors
Transformers & Rectifiers (India) Limited

We have audited the attached Consolidated Balance Sheet of **Transformers & Rectifiers (India) Limited** ("the Company") and its subsidiaries, as at 31st March, 2008 and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the 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 statements presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of a subsidiary company Transweld Mechanical Engineering Works Limited, whose financial statements reflect total assets of Rs. 490.18 lacs as at 31st March, 2008 and total revenues of Rs. 743.87 lacs and net cash outflows amounting to Rs. 3.73 lacs for the year then ended. These financial statements and other financial information have been audited by other auditors whose report has been furnished to us, and our opinion is based solely on the report of the other auditors.

We report that the Consolidated Financial Statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21, "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.

Based on our audit and on consideration of report of other auditors on separate financial statements and on other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Company and its subsidiaries as at 31st March, 2008;
- b) in the case of the Consolidated Profit and Loss Account, of the consolidated profit of the Company and its subsidiaries for the year ended on that date; and
- c) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the Company and its subsidiaries for the year ended on that date.

For C. C. Chokshi & Co.
Chartered Accountants

H. P. Shah
Partner
Membership No. 33331

Place : Ahmedabad
Date : 22nd April, 2008



Consolidated Balance Sheet

As At 31st March, 2008

(Rupees in Lacs)

	Schedule	As At 31 st Mar 2008	As At 31 st Mar 2007
SOURCES OF FUNDS			
Shareholders ' Funds			
Share Capital	1	1,292.36	709.19
Reserves & Surplus	2	<u>19,640.45</u>	<u>3,452.42</u>
		20,932.81	4,161.61
Minority Interest		228.33	184.83
Loan Funds			
Secured Loans	3	3,569.95	2,685.79
Unsecured Loans	4	<u>271.74</u>	<u>487.37</u>
		3,841.69	3,173.16
Deferred Tax Liability (Net)		21.46	153.15
(See note 16 of Schedule 21)			
TOTAL		<u>25,024.29</u>	<u>7,672.75</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	3,215.41	2,516.13
Less : Depreciation & Amortisation		<u>826.00</u>	<u>614.28</u>
Net Block		2,389.41	1,901.85
Add : Capital Work In Progress		1,917.32	513.08
(See note 8 of Schedule 21)			
		4,306.73	2,414.93
Investments	6	7,609.17	21.25
Current Assets, Loans & Advances			
Inventories	7	6,513.55	4,116.35
Sundry Debtors	8	12,627.16	7,172.73
Cash & Bank Balances	9	1,636.61	1,470.45
Loans & Advances	10	<u>863.05</u>	<u>587.44</u>
		21,640.37	13,346.97
Less : Current Liabilities & Provisions	11	<u>8,533.67</u>	<u>8,112.95</u>
Net Current Assets		13,106.70	5,234.02
Miscellaneous Expenditure	12	1.69	2.55
(To the extent not written off)			
TOTAL		<u>25,024.29</u>	<u>7,672.75</u>
Significant Accounting Policies	20		
Notes on Accounts	21		
Schedule 1 to 21 form part of this Balance Sheet			

As per our attached report of even date.

For and on behalf of the Board of Directors

For C. C. Chokshi & Co.
Chartered AccountantsJitendra U. Mamtora
Chairman & Managing DirectorKaruna J. Mamtora
Executive DirectorH. P. Shah
PartnerTushar Shah
Company SecretaryPlace : Ahmedabad
Date : 22nd April, 2008Place : Ahmedabad
Date : 22nd April, 2008

Consolidated Profit & Loss Account For the Year Ended on 31st March, 2008

(Rupees in Lacs)

	Schedule	For the Year Ended on 31 st Mar 2008	For the Year Ended on 31 st Mar 2007
INCOME			
Sale of Goods Manufactured (Gross)		35,020.21	25,389.82
Sale of Goods Traded in		-	11.85
Service Income (Gross)		91.22	103.15
		35,111.43	25,504.82
Less : Cenvat Duty recovered on sales and service income (See note 9 of Schedule 21)		4,592.19	3,384.76
Net Sales & Service Income		30,519.24	22,120.06
Other Income	13	590.77	76.31
TOTAL		31,110.01	22,196.37
EXPENDITURE			
Raw Materials Consumed		22,838.18	16,792.57
Increase in stock of Finished Goods and Process Stock	14	(1,976.19)	(1,050.99)
Trading Goods Purchased		-	17.23
Manufacturing Expenses	15	695.19	569.79
Payments to and Provision for Employees	16	693.69	386.27
Selling, Distribution, Administrative and Other Expenses	17	2,446.27	1,776.03
Loss on Account of Flood		-	181.51
Finance Charges	18	810.86	549.62
Depreciation & Amortisation		215.44	168.48
TOTAL		25,723.44	19,390.51
Profit Before Tax		5,386.57	2,805.86
Provision For Taxation	19	1,834.39	998.98
Short Provision of Taxation of Earlier years		30.16	1.77
Net Profit Before Minority Interest		3,522.02	1,805.11
Less: - Minority Interest		43.79	42.57
Net Profit After Minority Interest		3,478.23	1,762.54
Balance of Profit & Loss Account Brought Forward From Previous Year		2,573.71	1,230.50
Add : Balance in Profit & Loss Account on acquisition		-	198.74
Less : Share of Minority interest in Pre acquisition Profit		-	76.35
Adjusted against cost of investment made in subsidiary company		-	122.39
Available for Appropriation		6,051.94	2,993.04
Appropriations			
Proposed Dividend		269.02	-
Tax on Dividend		45.72	-
Interim Dividend Paid		-	138.20
Tax on Interim Dividend Paid		-	20.92
Transferred to General Reserve		365.00	260.21
Balance Carried to Balance Sheet		5,372.20	2,573.71
TOTAL		6,051.94	2,993.04
Basic & Diluted Earning Per Share (Rs.)			
After Extraordinary Items		32.46	17.98
Before Extraordinary Items (See note 15 of Schedule 21)		32.46	19.21
Significant Accounting Policies	20		
Notes on Accounts	21		
Schedule 1 to 21 form part of this Balance Sheet			

As per our attached report of even date.

For C. C. Chokshi & Co.
Chartered Accountants

H. P. Shah
Partner

Place : Ahmedabad
Date : 22nd April, 2008

For and on behalf of the Board of Directors

Jitendra U. Mamtora
Chairman & Managing Director

Karuna J. Mamtora
Executive Director

Tushar Shah
Company Secretary

Place : Ahmedabad
Date : 22nd April, 2008



Consolidated Cashflow Statement

For the Year Ended on 31st March, 2008

(Rupees in Lacs)

PARTICULARS	For the Year Ended on 31 st Mar 2008	For the Year Ended on 31 st Mar 2007
(A) Cash Flow From Operating Activities		
Profit before tax	5,386.57	2,805.86
Adjustments for:		
Loss On Sale Of Fixed Assets	3.92	7.92
Provision for Onerous Contracts Reversed	(46.13)	-
Unrealised Foreign Exchange Losses	21.91	6.03
Provision For Onerous Contracts	-	46.13
Provision For Doubtful Debtors	25.44	-
Dividend Income	(178.07)	(0.13)
Interest Income	(113.69)	(51.44)
Depreciation & Amortisation	215.44	168.48
Loss On Sale of Investments	3.30	-
Finance Charges	810.86	549.62
Miscellaneous Expenditure Written Off	0.86	4.00
Operating Profit Before Working Capital Changes	<u>6,130.41</u>	<u>3,536.47</u>
Adjustment For :		
Trade & Other Receivables	(5,794.37)	(2,346.65)
Inventories	(2,397.20)	(811.15)
Trade & Other Payables	49.28	668.02
	<u>(8,142.29)</u>	<u>(2,489.78)</u>
Cash Generated From Operations	(2,011.88)	1,046.69
Direct Taxes Paid	<u>(2,066.98)</u>	<u>(495.62)</u>
NET CASH FROM OPERATING ACTIVITIES-(A)	(4,078.86)	551.07
(B) Cash Flow From Investing Activities		
Purchase Of Fixed Assets	(2,113.76)	(747.37)
Sale Of Fixed Assets	2.60	0.15
Investments in Mutual Funds	(7,591.22)	-
Long Term Investment In Subsidiaries	-	(169.69)
Dividend Received	178.07	0.13
Interest Received	158.18	52.69
Purchase Of Business	-	12.43
NET CASH USED IN INVESTING ACTIVITIES-(B)	(9,366.13)	(851.66)
(C) Cash Flow From Financing Activities		
Proceeds From Borrowings	3,159.17	2,432.58
Repayment Of Borrowings	(2,490.63)	(1,445.18)
Proceeds From Initial Public Offering of Equity Shares including Share Premium	13,926.75	204.44
Expenses in connection with Issue of Equity Shares	(307.66)	-
Unclaimed share application money lying in escrow account	138.10	-
Finance Charges Paid	(808.98)	(548.92)
Dividends Paid	-	(275.72)
NET CASH FROM FINANCING ACTIVITIES-(C)	13,616.75	367.20
NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)	171.76	66.61
ADD : CASH & CASH EQUIVALENTS-OPENING BALANCE	80.29	13.68
CASH & CASH EQUIVALENTS-CLOSING BALANCE	<u>252.05</u>	<u>80.29</u>

Note:**1. Cash And Cash Equivalents Includes:**

	As At 31 st Mar 2008	As At 31 st Mar 2007
Cash On Hand	2.50	1.79
With Scheduled Banks:		
In Current Accounts	111.45	78.50
Unclaimed share application money lying in escrow account	138.10	-
Total	<u>252.05</u>	<u>80.29</u>

As per our attached report of even date.

For C. C. Chokshi & Co.
Chartered AccountantsH. P. Shah
PartnerPlace : Ahmedabad
Date : 22nd April, 2008

For and on behalf of the Board of Directors

Jitendra U. Mamtora
Chairman & Managing DirectorKaruna J. Mamtora
Executive DirectorTushar Shah
Company SecretaryPlace : Ahmedabad
Date : 22nd April, 2008

Schedules Forming part of the Consolidated Accounts

(Rupees in Lacs)

	As At 31 st Mar 2008	As At 31 st Mar 2008	As At 31 st Mar 2007
Schedule 1 : Share Capital			
Authorised			
15,000,000 Equity Shares of Rs. 10/- each		1,500.00	1,500.00
Issued, Subscribed and Paid Up			
12,923,611 (7,091,865) Equity Shares of Rs. 10/- each fully paid up (Refer note 4 of Schedule 21)		1,292.36	709.19
TOTAL		<u>1,292.36</u>	<u>709.19</u>
Notes:			
Of the above shares:			
(i) 4,747,466 (Previous Year 1,910,720) equity shares have been allotted as fully paid up by way of bonus shares by capitalisation of Securities Premium Account Rs.377.63 lacs (Previous Year Rs. 93.96 lacs), General Reserve Account Rs.65.00 lacs and Surplus in Profit and Loss Account Rs. 32.11 lacs.			
(ii) 157,260 equity shares have been issued on preferential basis.			
(iii) 117,085 equity shares have been issued pursuant to a contract without payment being received in cash.			
Schedule 2 : Reserves & Surplus			
Securities Premium Account			
As Per last Balance Sheet	472.21		143.00
Less: Capitalised by Issue of Bonus shares	283.67		-
Add: Premium on Issue of Equity Shares	13,627.25		329.21
Less: Expenses in connection with Issue of Equity Shares Written Off [Net of tax] (Refer note 4 of Schedule 21)	307.66		-
		13,508.13	472.21
Capital Reserve on Consolidation		46.29	46.29
General Reserve			
As per last Balance Sheet	360.21		100.00
Less: Adjustment for provision for employee benefits [Net of tax] (Refer note 12 of Schedule 21)	11.38		-
Add: Amount transferred from Profit and Loss Account	365.00		260.21
		713.83	360.21
Surplus in Profit & Loss Account		5,372.20	2,573.71
TOTAL		<u>19,640.45</u>	<u>3,452.42</u>



Schedules Forming part of the Consolidated Accounts

(Rupees in Lacs)

	As At 31 st Mar 2008	As At 31 st Mar 2008	As At 31 st Mar 2007
Schedule 3 : Secured Loans			
From Banks			
Cash Credit Accounts (Note: 1)		3,098.27	1,689.92
Term Loan - I (Note: 2)		437.97	734.19
Term Loan - II		-	52.12
Working Capital Demand Loan		-	160.10
Hire Purchase Loans (Note: 3)		30.72	43.81
Interest Accrued and Due		2.99	5.65
TOTAL		<u>3,569.95</u>	<u>2,685.79</u>

Notes:

1. Secured by hypothecation of current assets of the Company on paripassu basis and also collaterally secured by legal mortgage on paripassu basis on immovable property situated at Changodar and in addition to above secured by pledge of equity shares of promoters and personal guarantee of some directors.
2. Secured by hypothecation of specific fixed assets acquired under the term loan and also collaterally secured by legal mortgage on paripassu basis on immovable property situated at Changodar and in addition to above secured by pledge of equity shares of promoters and personal guarantee of some directors.
3. Secured by lien on vehicles purchased under hire purchase agreements.
4. Payable within 12 months out of the above loans is Rs. 84.79 Lacs. (Previous Year Rs. 362.62 Lacs)

Schedule 4 : Unsecured Loans

Loan from Directors		79.74	435.80
Loan from a Bank (Note: 1)		192.00	-
Sales Tax Deferment		-	51.57
TOTAL		<u>271.74</u>	<u>487.37</u>

Notes:

1. Payable within 12 months out of the above loan is Rs. 192.00 Lacs. (Previous Year Rs. 51.57 Lacs)

Schedules Forming part of the Consolidated Accounts

Schedule 5 : Fixed Assets (Rupees in Lacs)

Assets	Gross Block (At Cost)			Depreciation & Amortisation			Net Block		
	As At 1 st Apr 07	Additions	Deductions/ Adjustment	As At 31 st Mar 08	As At 1 st Apr 07	Additions	Deductions/ Adjustment	As At Mar 08	As At 31 st Mar 07
Goodwill (See note 5 of Schedule 21)	119.07	-	-	119.07	23.81	23.81	-	47.62	71.45
Land	91.75	74.34	-	166.09	-	-	-	-	166.09
Building	626.77	89.67	-	716.44	117.98	19.11	-	137.09	579.35
Plant & Machinery	1,044.71	324.23	19.09	1,349.85	299.32	105.54	-	404.86	944.99
Electrifications	140.25	7.16	0.65	146.76	30.20	11.49	-	41.69	105.07
Furniture & Fixtures & Office Equipments	145.07	111.90	2.05	254.92	31.75	13.38	0.74	44.39	210.53
Computer & Accessories	89.78	20.42	-	110.20	58.47	10.89	-	69.36	40.84
Computer Software	26.83	31.37	-	58.20	13.14	8.21	-	21.35	36.85
Vehicles	231.90	70.18	8.20	293.88	39.61	23.01	2.98	59.64	234.24
TOTAL	2,516.13	729.27	29.99	3,215.41	614.28	215.44	3.72	826.00	2,389.41
Capital Work in Progress									1,917.32
Previous Year	1,923.33	618.55	25.75	2,516.13	456.17	168.48	10.37	614.28	1,901.85

Notes:

1. Fixed assets include Rs 98.59 Lacs (Previous Year Rs. 107.39 Lacs) being cost of assets purchased on hire purchase basis on which the vendors have a lien.
2. Additions to fixed assets includes interest of Rs. 14.58 Lacs (Previous Year Rs.5.68 Lacs) capitalised.
3. Capital Work in Progress includes Rs 577.58 Lacs on account of advance against Capital Expenditure (Previous Year Rs. 87.86 Lacs).



Schedules Forming part of the Consolidated Accounts

(Rupees in Lacs)

	As At 31 st Mar 2008	As At 31 st Mar 2008	As At 31 st Mar 2007
Schedule 6 : Investments			
Current Investments			
Unquoted Equity Shares			
1,250 Equity Shares of the Bhagyodaya Co-operative Bank Ltd. (Face value Rs. 100)		1.25	1.25
Units of Mutual Funds (Unquoted)			
10,093,353 Units of Lotus India FMP of Rs.10 each	1,009.34		-
10,077,096 Units of SBNPP-FIIP-Plan C of Rs.10 each	1,008.00		-
15,294,630 Units of Birla Short term Fund of Rs.10 each	1,529.47		-
10,082,749 Units of UTI Fixed Maturity Plan of Rs.10 each	1,008.27		-
5,000,000 Units of Reliance FHF of Rs.10 each	500.00		-
50,247 Units of AIG STF of Rs.1,000 each	502.48		-
203,823 Units of Reliance LPF of Rs.1,000 each	2,040.36		-
100,000 Units of SBI Bluechip Fund of Rs. 10 each	10.00		20.00
		<u>7,607.92</u>	<u>20.00</u>
TOTAL		<u>7,609.17</u>	<u>21.25</u>
Unquoted Investments			
In Equity Shares	Cost price	1.25	1.25
In Mutual Funds	Cost price	7,607.92	20.00
	Repurchase value	7,627.17	21.58

Note: Investments purchased and sold during the year

Mutual Funds	Units	Cost Price in Lacs
HDFC Liq Fund Premium Plan Daily Dividend Option	108,798,230	13,326.75
Birla Liq Plus Inst Plan Daily Dividend Option	25,028,087	2,504.51
SBI Liq Plus Inst Plan Daily Dividend Option	10,025,453	1,003.05
AIG India Treasury Fund Inst Plan Daily Dividend Option	10,015,947	1,002.69
DSPML Cash Plus Inst Plan Daily Dividend Option	401,936	4,019.76
AIG India Super Fund Inst Plan Daily Dividend Option	10,030,987	1,004.20
Birla Sun Life Short Term Fund	25,043,768	1,515.01
TATA Fixed Income Portfolio - Scheme A1	9,995,102	1,005.67
DSPML Stratagic Fund	50,020	501.98
DWS Liq Fund Daily Dividend Option	10,058,054	1,006.63
DSPML Liq Plus Fund Daily Dividend Option	654,291	6,545.40
DSP Liquidity Fund Daily Dividend Option	153,507	1,535.38
Reliance Liq Plus Fund Daily Dividend Option	349,603	3,500.00

Schedule 7 : Inventories

Stock- in -Trade		
Raw Materials		2,023.11
[Including Goods in Transit Rs. 490.79 Lacs (Previous Year Rs. 194.60 Lacs)]		
Finished Goods		791.99
Process Stock		3,698.45
Damaged Stock (at Net Realisable Value)		-
TOTAL		<u>6,513.55</u>
		<u>4,116.35</u>

Schedules Forming part of the Consolidated Accounts

(Rupees in Lacs)

	As At 31 st Mar 2008	As At 31 st Mar 2008	As At 31 st Mar 2007
Schedule 8 : Sundry Debtors			
(Unsecured)			
Exceeding Six Months			
Considered Good	2,589.50		571.55
Considered Doubtful	61.48		36.05
Others Debts			
Considered Good	<u>10,037.66</u>		<u>6,601.18</u>
		12,688.64	<u>7,208.78</u>
Less : Provision for Doubtful Debts		61.48	36.05
TOTAL		<u>12,627.16</u>	<u>7,172.73</u>

Note: Other Debts includes Rs. 0.03 Lacs (Previous Year Rs. 0.03 Lacs) due from Partnership Firm in which Director of the Company is a partner:- [Maximum Balance outstanding during the Year Rs. 0.03 Lacs (Previous Year Rs. 0.03 Lacs)]

Schedule 9 : Cash & Bank Balances

Cash on hand		2.50	1.79
Balances with Scheduled Banks:			
In Current Accounts		111.45	78.50
In Fixed Deposit Accounts (Lodged with banks as securities for guarantees given by the bankers)		1,384.56	1,390.16
Unclaimed Share application money lying in escrow account		138.10	-
TOTAL		<u>1,636.61</u>	<u>1,470.45</u>

Schedule 10 : Loans & Advances

(Unsecured)

Considered Good

Advances recoverable in cash or in kind or for value to be received	190.25		138.76
Advances to suppliers	163.14		60.92
Other Advances	50.62		23.20
Deposits and balances with government and other authorities	202.49		284.74
Other deposits	200.95		68.72
Interest receivable	<u>55.60</u>		<u>11.10</u>
		863.05	<u>587.44</u>

Considered Doubtful

Deposits and balances with government and other authorities		-	3.19
		863.05	<u>590.63</u>

Less: Provision for doubtful advances

		-	3.19
TOTAL		<u>863.05</u>	<u>587.44</u>



Schedules Forming part of the Consolidated Accounts

(Rupees in Lacs)

	As At 31 st Mar 2008	As At 31 st Mar 2008	As At 31 st Mar 2007
Schedule 11 : Current Liabilities & Provisions			
Current Liabilities			
Sundry Creditors :			
a) Micro, Small & Medium Enterprises (to the extent identified with available information)	-	-	-
b) Others	<u>5,447.57</u>	5,447.57	<u>5,506.95</u>
Advance From Customers		1,600.08	1,570.08
Other Liabilities		661.68	476.55
Investor Education and Protection fund			
Unclaimed Share Application Money		138.10	
Unclaimed Dividend (Previous year Rs. 220)		-	-
Interest accrued but not due on loans		<u>17.73</u>	<u>13.18</u>
		<u>7,865.16</u>	<u>7,566.76</u>
Provisions			
Proposed Dividend	269.02		-
Tax on Proposed Dividend	45.72		-
Provision For Gratuity	39.85		2.83
Provision For Leave Encashment	17.35		11.47
Provision For Taxation (Net Of Advance Tax Paid)	<u>296.57</u>		<u>531.89</u>
		668.51	546.19
TOTAL		<u>8,533.67</u>	<u>8,112.95</u>

Note: There is no amount due and outstanding as at balance sheet date to be credited to Investor Education and Protection Fund.

Schedule 12 : Miscellaneous Expenses

(To the extent not written off or adjusted)

Exhibition Expenses	0.04		3.38
Less : Written Off	<u>0.02</u>		<u>3.34</u>
		0.02	0.04
Share Issue Expense	2.51		3.35
Less : Written Off	<u>0.84</u>		<u>0.84</u>
		1.67	2.51
TOTAL		<u>1.69</u>	<u>2.55</u>

Schedules Forming part of the Consolidated Profit and Loss Account

(Rupees in Lacs)

	For the Year Ended on 31 st Mar 2008	For the Year Ended on 31 st Mar 2008	For the Year Ended on 31 st Mar 2007
Schedule 13 : Other Income			
Interest Received		113.69	51.44
[Tax Deducted at Source: 12.31 Lacs (Previous Year Rs.9.29 Lacs)]			
Dividend Income			
On Non trade investments - Investments in Mutual Funds		178.07	0.14
Insurance Claim Received		30.91	2.57
Provision for Onerous Contracts Reversed		46.13	-
Excess provisions no longer required written back		12.35	-
Bad Debts Recovered		1.00	0.40
Scrap Sales		175.12	21.52
Miscellaneous Income		33.50	0.24
TOTAL		<u>590.77</u>	<u>76.31</u>
Schedule 14 : Increase in stock of Finished Goods and Process Stock			
Closing Stock			
Finished Goods	791.99		299.11
Process Stock	<u>3,698.45</u>		<u>2,215.14</u>
		4,490.44	2,514.25
Less : Opening Stock			
Finished Goods	299.11		15.99
Process Stock	<u>2,215.14</u>		<u>1,447.27</u>
		2,514.25	1,463.26
TOTAL		<u>1,976.19</u>	<u>1,050.99</u>
Schedule 15 : Manufacturing Expenses			
Power & Fuel		134.49	108.59
Job Work Charges & Other Mfg. Expenses		3.00	103.63
Repairs			
Plant and Machinery		60.27	63.09
Factory Building		25.82	12.34
Tools Purchase		43.29	16.42
Workers Wages		233.48	99.65
Testing Charges & Other Manufacturing Expenses		181.60	125.75
Cenvat Duty provided on Stocks		13.24	40.32
TOTAL		<u>695.19</u>	<u>569.79</u>
Schedule : 16 Payments to and Provisions for Employees			
Salaries, Bonus, Gratuity ,etc.		620.73	318.34
Contribution to Provident and other funds		33.13	19.78
Employee welfare expenses		39.83	48.15
TOTAL		<u>693.69</u>	<u>386.27</u>



Schedules Forming part of the Consolidated Profit and Loss Account

(Rupees in Lacs)

	For the Year Ended on 31 st Mar 2008	For the Year Ended on 31 st Mar 2008	For the Year Ended on 31 st Mar 2007
Schedule 17 : Selling, Distribution, Administrative and Other Expenses			
Selling Expenses		351.95	242.65
Advertisement Expenses		39.73	23.88
Stationary, Printing, Postage and Telephone Expenses		68.71	39.85
Insurance		41.09	29.58
Rent		6.61	2.31
Repairs :			
Office Building		6.98	4.84
Others		5.17	8.84
Rates and taxes		0.78	0.88
Travelling Expenses & Conveyance		240.52	170.20
Directors Sitting Fees		2.10	-
Bank charges		310.80	191.48
Legal & Professional Charges		42.46	97.24
Audit Fees		5.50	5.74
Sales Commission		139.52	254.01
Late delivery charges		1,043.31	508.12
Provision for Loss on Onerous Contract		-	46.13
General Charges		50.81	63.43
Bad debts Written Off		9.52	2.66
Deposits Written Off	15.88		
Less : Provision for Doubtful Deposit no longer required	<u>3.19</u>		
		12.69	-
Provision for Doubtful Debts		25.44	-
Foreign Exchange Loss (Net)		21.91	50.12
Cenvat Duty Expense		10.58	20.26
Central Sales Tax Expenses		2.01	1.90
Penalty under Sales Tax (Previous year Rs. 100)		-	-
Loss on Sale of Fixed Assets		3.92	7.92
Loss on Sale of Investments		3.30	-
Miscellaneous Expenditure Written Off :			
Deferred Exhibition Expense		0.02	3.33
Share Issue Expenses		0.84	0.66
TOTAL		<u>2,446.27</u>	<u>1,776.03</u>
Schedule 18 : Finance Charges			
Interest on fixed loans from			
Banks	598.81		315.62
Directors	<u>32.71</u>		<u>51.02</u>
		631.52	366.64
Interest - Others		9.34	0.29
Bill discounting charges		170.00	182.69
TOTAL		<u>810.86</u>	<u>549.62</u>
Schedule 19 : Provision for Taxation			
Current Tax		1,781.78	992.22
Deferred Tax		32.73	(11.16)
Fringe Benefit Tax		19.88	17.92
TOTAL		<u>1,834.39</u>	<u>998.98</u>

Schedule 20 : Significant Accounting Policies of Consolidated Accounts

1) Accounting Convention

The Consolidated Financial Statements are prepared on historical cost basis and based on accrual method of accounting and applicable Accounting Standards by consolidating the accounts of Parent Company with its subsidiaries in accordance with generally accepted accounting principles and in consonance with Accounting Standard 21(Consolidated Financial Statements) issued by the Institute of Chartered Accountants of India.

2) Principles of Consolidation

- a) The financial statements of the Parent Company and its Subsidiaries have been consolidated on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses, after eliminating intra-group balances and the unrealized profits/losses on intra-group transactions. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the Balance Sheet of the Parent Company and its share in the post-acquisition increase in the relevant reserves of the consolidated entities. The Consolidated Financial Statements are presented, to the extent possible, in the same format as that adopted by the Parent Company for its separate financial statements.
- b) The difference between the cost of investment in the Subsidiaries, over the net assets at the time of acquisition of shares in the Subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.

3) Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on date of the financial statement and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognized in the period in which the results are known/ materialized.

4) Fixed Assets

- a) Tangible Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation. The cost of fixed assets includes non-refundable taxes and levies, freight and other incidental expenses related to acquisition and installation of the respective assets.
- b) Certain computer software costs are capitalised and recognised as intangible assets in terms of Accounting Standard 26 on intangible assets based on materiality, accounting prudence and significant economic benefits expected to flow therefrom for a period longer than 1 year. Capitalised costs include direct cost of implementation and expenses directly attributable to the implementation.
- c) The Parent Company and its Subsidiaries evaluate the impairment losses on the fixed assets whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. If such assets are considered to be impaired the impairment loss is then recognized for the amount by which the carrying amount of the assets exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. For the purpose of assessing impairment, assets are grouped at the smallest level for which there are separately identifiable cash flows.

5) Depreciation and Amortisation

- a) Depreciation on fixed assets is provided on Straight Line Method in accordance with Section 205 (2)(b) of the Companies Act, 1956 at the rate and in the manner prescribed in Schedule XIV of the said Act.
- b) Computer software costs capitalised are amortised using the Straight Line Method over estimated useful life of 3 to 5 years, as estimated at the time of capitalisation.

6) Investments

- a) Long Term investments are stated at cost and provision is made to recognise any diminution in value, other than that of temporary nature.
- b) Current investments are carried at lower of cost and market value. Diminution in value is charged to the profit and loss account.

7) Inventories

- a) Raw materials, Process Stock and Finished Goods are valued at lower of cost or net realisable value.
- b) Cost for Raw materials is determined on Weighted Average/FIFO basis, net of cenvat credit availed.
- c) Cost for Finished Goods and Process Stock is determined taking material cost [Net of cenvat credit availed], labour, relevant appropriate overheads and cenvat duty.

8) Revenue Recognition

In appropriate circumstances, Revenue (Income) is recognised when no significant uncertainty as to determination or realisation exists.

9) Sales/Service Income

Sales are accounted on dispatch of goods. Export sales are accounted on the basis of date of Bill of lading. Sales value is inclusive of Cenvat Duty but does not include other recoveries such as insurance charges, transport charges etc. Service income includes service tax.



10) Cenvat Credit

Cenvat credit is accounted for on accrual basis on purchase of eligible inputs, capital goods and services.

11) Foreign Currency Transactions

- a) Monetary items denominated in foreign currency are translated at the exchange rate prevailing on the last day of the accounting year. Foreign currency transactions are accounted at the rate prevailing on the date of transaction.
- b) Non monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction.
- c) Gain or loss arising out of translation/conversion is taken credit for or charged to the Profit and Loss Account.

12) Prior Period Expenses/Income

Material items of prior period expenses/income are disclosed separately.

13) Employees Benefits

- a) Defined Contribution Plan

The contributions paid / payable for the year to Provident Fund are recognized in the Profit and Loss Account.

- b) Defined Benefit Plan

The liabilities towards gratuity, and leave encashment are determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past services are recognized on a straight line basis over the average period until the amended benefits become vested. Actuarial gain and losses are recognized immediately in the profit and loss account as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the balance sheet date on Government bonds, where the currency and terms of the Government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

14) Borrowing Cost

Interest and other costs in connection with the borrowings of the funds to the extents related/attribution to the acquisition / construction of qualifying fixed assets are capitalised upto the date when such assets are ready for their intended use and other borrowing costs are charged to Profit And Loss Account.

15) Miscellaneous Expenditure

- a) Exhibition expenses are amortized over a period of five years.
- b) Shares issue expenses incurred are amortised over a period of five years.

16) Taxes on Income

- a) Current Tax is the amount of tax payable on the taxable income for the year as determined in accordance with provision of Income Tax Act, 1961.
- b) Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or subsequently enacted as on the balance sheet date. The Deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the assets will be realised in future.

17) Leases

Lease transaction entered into on or after April 1, 2001:

- a) Assets acquired under lease where the Parent Company and its Subsidiary Companies have substantially all risk and rewards incidental to ownership are classified as finance leases. Such assets are capitalised at the inception of lease at the lower of fair value or the present value of minimum lease payment and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability of each period.
- b) Assets acquired on lease where a significant portion of risk and rewards incidental to ownership is retained by the lessor are classified as operating lease. Lease rental are charged to the profit and loss account on accrual basis.

18) Earnings Per Share

The basic and diluted Earnings Per Share (EPS) is reported in accordance with Accounting Standard 20 on Earnings Per Share. Basic EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year.

19) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

Schedule 21 : Notes Forming Part of Consolidated Accounts

1. Details of Subsidiaries

The Consolidated Financial Statements (CFS) comprise the financial statements of the Parent Company, Transformers and Rectifiers (India) Limited and the following subsidiaries:

Name of the Subsidiary	Country of Incorporation	Proportion of Ownership Interest	Date of Investment
Transweld Mechanical Engineering Works Limited	India	100 %	1 st Aug 2006
Transpares Limited	India	51 %	2 nd Oct 2006

2. Contingent Liabilities in respect of

(Rupees in Lacs)

Particulars	As At	As At
	31 st Mar 2008	31 st Mar 2007
a) Disputed demand of Central Excise Department / Income tax Department	233.13	27.09
b) Guarantee given by bankers on behalf of Company	6,800.40	4,871.10
c) Performance Guarantees given by Company	2,775.12	206.59
d) Bills Discounted with Banks	2,059.24	-
e) Import duty benefit towards duty free import of raw materials made in respect of which export obligations are yet to be discharged.	101.20	31.37
f) Claims against Company not acknowledged as debts	Amount not ascertained	Amount not ascertained

3. Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for Rs. 2,470.40 Lacs [Previous year Rs. 154.53 Lacs].

4. Initial Public Offer (IPO)

During the year the Parent Company has completed its Initial Public Offering (IPO) comprising of 2,995,000 Equity Shares of Rs. 10/- each at a price of Rs. 465/- per share aggregating to Rs. 13,926.75 Lacs. The share premium of Rs. 455/- per share, amounting to Rs. 13,627.25 Lacs has been credited to Share Premium Account. The expenses in connection with Issue of Equity Shares amounting to Rs. 307.66 Lacs (Net of tax of Rs.158.41 Lacs) have been adjusted to Share Premium Account.

The details of funds raised through Initial Public Offering and utilisation of such funds is as under:

(Rupees in Lacs)

Particulars	Amount
Funds raised through the Initial Public Offer	13,926.75
Utilisation of funds till 31 st March 2008	
Expenditure on development /construction of the projected as stated in the object clause of the Prospectus	2,067.68
Repayment of high cost debts	2,450.00
Towards working capital requirement	1,443.00
Expenses in connection with Issue of Equity Shares	466.07
Balance as on 31 st March 2008, temporarily invested in mutual funds	7,500.00



5. Purchase of Business

Effective from 1st August 2006, the Parent Company purchased entire business of M/s Transformers & Rectifiers (India), a proprietorship concern, situated at Plot No. 233, GVMSA Industrial Estate, Odhav, Ahmedabad on a going concern basis with all assets and liabilities for the consideration of Rs. 152.21 Lacs. The difference in consideration paid to M/s Transformers & Rectifiers (India) in excess of Net Assets value amounting to Rs. 119.06 Lacs has been shown as Goodwill to be amortised over a period of 5 years.

6. In view of withdrawal of the Announcement issued by the Institute of Chartered Accountants of India on 'Treatment of exchange differences under Accounting Standard (AS) 11 (revised 2003), The Effects of Changes in Foreign Exchange Rates vis-à-vis Schedule VI to the Companies Act, 1956', effective from the current accounting period, any income or expense on account of exchange difference related to foreign exchange liabilities pertaining to purchase of fixed assets is recognised in the Profit and Loss Account instead of giving effect thereof to the cost of the fixed assets. This change has resulted into decrease in the profit of the Parent Company for the year ended 31st March, 2008 by Rs.7.23 Lacs.
7. Foreign currency exposures not hedged by derivative instruments as at 31st March, 2008 on exports amounts to Rs.8.09 Lacs [Previous Year Rs. 160.23 Lacs] and on imports amounts to Rs. NIL [Previous Year Rs. 158.62 Lacs]
8. Capital Work In Progress includes preoperative expenditure pending allocation to a project under implementation are as under:

(Rupees in Lacs)

Preoperative Expenses	As At 31st Mar 2008	As At 31st Mar 2007
Legal & Professional	25.88	23.58
Electricity Charges	17.29	2.32
Interest	15.43	0.96
Other Incidental Charges	0.52	-
Total	59.12	26.86

9. Cenvat duty shown as a deduction from the Gross Sales and Service Income represents the amount of cenvat duty collected on sales. Cenvat duty expensed represents the difference between excise duty element in the amounts of closing stocks & opening stocks and excise duty paid which is not recoverable from sales.
10. The stock of Raw materials amounting to Rs.501.18 Lacs was laying with the job workers for further processing at the close of the year. Out of that confirmations have been received for Rs.480.86 Lacs.
11. The confirmations in respect of sundry debtors, sundry creditors and loans and advances are not called for. Necessary adjustments, if any will be made on settlement of accounts.

12. Employee Benefits

- a) Hitherto the Parent Company and its subsidiaries were accounting the provision for the employee retirement benefits as per the Accounting Standard 15 "Accounting for Retirement Benefits". During the year, the Company has undertaken adoption of the Accounting Standard 15 (Revised 2005) "Employee Benefits". Accordingly, the Parent Company and its subsidiaries have made a provision for certain defined employee benefit plans aggregating to Rs.31.46 Lacs. Further in accordance with the transitional provision in the revised Accounting Standard, Rs.11.38 Lacs (Net of tax of Rs.6.00 Lacs) has been adjusted to the General Reserves Account.

b) Defined Benefit Plans

(Rupees in Lacs)

Particulars	Gratuity	Leave Encashment
i. Expenses recognized in Profit & Loss Account for the period ended March 31, 2008		
Current service cost	8.28	5.85
Interest Cost	1.72	0.54
Expected return on plan assets	(0.33)	-
Net actuarial losses (gains)	10.55	4.85
Total Expenses	20.22	11.24
ii Reconciliation of Opening and Closing balances of changes in present value of the Defined Benefit Obligation		
Opening defined benefit obligation as on April 1, 2007	23.49	8.47
Service cost	8.28	5.85
Interest cost	1.72	0.54
Actuarial losses (gains)	10.56	4.84
Losses (gains) on curtailments	-	-
Liabilities extinguished on settlements	-	-
Benefits paid	(4.20)	(2.35)
Closing defined benefit obligation as at March 31, 2008	39.85	17.35
iii Reconciliation of Opening and Closing balances of changes in fair value of plan assets		
Opening fair value of plan assets as at April 1, 2007	3.86	-
Expected return on plan assets	0.33	-
Actuarial gains and (losses)	0.01	-
Assets distributed on settlements	-	-
Contributions by employer	-	-
Benefits paid	-	-
Closing balance of fair value of plan assets as at March 31, 2008	4.20	-
iv Net Liability recognized in the Balance Sheet as at March 31, 2008		
Defined Benefit Obligation as at March 31, 2008	44.05	17.35
Fair Value of plan assets as at March 31, 2008	4.20	-
Present Value of unfunded obligation recognized as liability as at March 31, 2008	39.85	17.35
v Actual Return On Plan Assets	0.34	-
vi Actuarial Assumptions	As At 31st March, 2008	
Discount Rate	8%	
Expected rate of return on plan assets	8.5% Based on LIC Structure of interest rates on gratuity funds	
Expected rate of salary increase	6%	
Mortality	LIC (1994-96) published table of rates	
Withdrawal Rates	5% at younger ages reducing to 1% at older age	
Retirement Age	58 Years	
Actuarial Valuation Method	Projected Unit Credit Method	



c) Defined Contribution Plans

Rs. 30.75 Lacs recognised as an expense and included in the Schedule 16 of Profit and Loss Account under the head "Contribution to Provident and other funds".

As this is the first year of implementation of AS - 15 (Revised 2005), necessary disclosure for the previous year and for the preceding three years have not been made.

13. Related party transactions

a) Names of related parties and description of relationship:

Sr. No	Nature of Relationship	Name of Related Parties
1	Associate Companies/ Enterprises	Allied Electrical Industries Jitendra U. Mamtora (HUF) Savas Engineering Company Pvt Ltd. Transpower Transformers & Rectifiers (India) (Refer note 5 of schedule 21)
2	Key Management Personnel	Mr. Jitendra U. Mamtora Mr. Satyen J. Mamtora Mr. Bhaskar Sen Mrs. Karuna J. Mamtora Mr. Hitendra M. Doshi
3	Relative of Key Management Personnel	Ms. Janki Jitendra Mamtora Mr. Dilip Mamtora Mr. Bipin Mamtora

b) Details of transactions with related parties:

(Rupees in Lacs)

Nature of Transactions	Associate Companies / Enterprises		Key Management Personnel & Relatives of such Personnel	
	2007-08	2006-07	2007-08	2006-07
(A) Volume of Transactions				
1) Service Received				
Transformers & Rectifiers (India)	-	0.15		
Allied Electrical Industries	22.26	5.82		
2) Service Rendered				
Transformers & Rectifiers (India)	-	30.14		
Allied Electrical Industries	0.12	-		
3) Purchase of Goods				
Transformers & Rectifiers (India)	-	199.84		
4) Sale of Goods				
Transformers & Rectifiers (India)	-	29.24		
Allied Electrical Industries	1.37	5.64		
5) Capital Goods Sold				
Allied Electrical Industries	0.36	-		

(Rupees in Lacs)

Nature of Transactions	Associate Companies / Enterprises		Key Management Personnel & Relatives of such Personnel	
	2007-08	2006-07	2007-08	2006-07
6) Capital Goods Purchased				
Savas Engineering Company Pvt. Ltd.	13.24	-		
7) Loans Taken/Repaid And Interest Thereon				
i) <u>Mr. Jitendra U. Mamtora</u>				
Loan taken			120.30	458.91
Loan repaid			182.28	363.44
Interest			10.08	7.50
Balance at 31st March			53.98	105.88
Balance at 1st April			105.88	2.91
ii) <u>Mr. Satyen J. Mamtora</u>				
Loan taken			-	20.29
Loan repaid			0.11	19.59
Interest			0.03	(0.41)
Balance at 31st March			0.27	0.35
Balance at 1st April			0.35	0.06
iii) <u>Mrs. Karuna J. Mamtora</u>				
Loan taken			-	21.92
Loan repaid			0.44	19.55
Interest			2.13	0.58
Balance at 31st March			25.35	23.66
Balance at 1st April			23.66	20.71
iv) <u>Jitendra U. Mamtora (HUF)</u>				
Loan taken	10.00	187.14		
Loan repaid	216.40	-		
Interest	15.08	4.32		
Balance at 31st March	0.14	191.46		
Balance at 1st April	191.46	-		
8) Managerial Remuneration				
Mr. Jitendra U. Mamtora			113.69	34.22
Mr. Satyen J. Mamtora			57.09	33.99
Mrs. Karuna J. Mamtora			7.29	4.05
Mr. Bhaskar Sen			17.07	-
Mr. Hitendra M. Doshi			10.04	4.00
9) Dividend Paid				
Mr. Jitendra U. Mamtora			-	205.91
Mr. Satyen J. Mamtora			-	2.29
Mrs. Karuna J. Mamtora			-	6.31
Jitendra U. Mamtora (HUF)	-	14.89		
Ms. Janki J. Mamtora			-	0.50
Mr. Bipin Mamtora			-	0.00
Mr. Dilip Mamtora			-	0.00
Mr. Hitendra M. Doshi			21.29	-



(Rupees in Lacs)

Nature of Transactions	Associate Companies / Enterprises		Key Management Personnel & Relatives of such Personnel	
	2007-08	2006-07	2007-08	2006-07
10) Equity Contribution				
Mr. Jitendra U. Mamtora			-	100.10
Jitendra U. Mamtora (HUF)	-	104.34		
11) Shares Issued towards Purchase of Business				
Mr. Jitendra U. Mamtora			-	152.21
(B) Balance as at 31st March				
1) Due to				
Allied Electrical Industries	6.96	11.45		
Savas Engineering Company Pvt. Ltd.	37.63	23.43		
2) Due from				
Transpower	3.20	3.18		

14. Leases(A) Finance Lease

- (i) In accordance with Accounting Standard 19 "Leases" issued by the Institute of Chartered Accountants of India, the assets acquired on finance lease on or after 1st April, 2001 are capitalised and a loan liability recognized. Consequently, depreciation is provided on such assets, installments paid are allocated to the liability and the interest is charged to the Profit & Loss Account.
- (ii) a) Assets acquired on Lease agreements mainly comprise of Cars. The agreements provide for reimbursement of taxes, levy etc. imposed by authorities in future.
- b) The minimum installments as at 31st March, 2008 and the present values at 31st March, 2008 of minimum installments in respect of assets acquired under the Lease Agreements are as follows:

(Rupees in Lacs)

Particulars	As At 31 st Mar 2008
Minimum Installments	
1) Payable not later than 1 year	20.00
2) Payable later than 1 year and not later than 5 years	12.98
3) Payable later than 5 years	-
Total minimum installments	32.98
Less : Future finance charges	2.26
Present value of minimum installments	30.72
Present value of minimum installments	
1) Payable not later than 1 year	18.31
2) Payable later than 1 year and not later than 5 years	12.41
3) Payable later than 5 years	-
Total present value of minimum installments	30.72

(B) Operating Lease

Lease rentals charged to revenue for lease agreements for the right to use the following assets are following:

(Rupees in Lacs)

Particulars	For the Year Ended on 31 st Mar 2008	For the Year Ended on 31 st Mar 2007
Office Premises	5.04	1.65
Godown	1.92	0.66

The Lease agreements are executed for a period of 11 months with a renewal clause and also provide for termination at will by either party by giving prior notice.

15. Earning Per Share

Particulars		For the Year Ended on 31 st Mar 2008	For the Year Ended on 31 st Mar 2007
Profit after tax and before extraordinary items (Rupees in Lacs)		3,478.23	1,944.05
Net Profit for the period (Rupees in Lacs)	(a)	3,478.23	1,762.54
Profit after tax and before extraordinary items adjusted for			
Tax on extraordinary items (Rupees in Lacs)	(b)	3,478.23	1,883.54
Weighted Average number of Equity Shares		7,877,439	6,967,422
Bonus share issued during the year ended 31 st March 2008		2,836,746	2,836,746
Weighted average number of Equity Shares	(c)	10,714,185	9,804,168
EPS (Basic & Diluted) (Rs.)	(a) / (c)	32.46	19.21
EPS (Basic & Diluted, Profit after tax adjusted for extraordinary items) (Rs.)	(b) / (c)	32.46	17.98
Nominal value of Equity Shares		10.00	10.00

16. Components of Deferred Tax Liability are as under

(Rupees in Lacs)			
Particulars		As At 31 st Mar 2008	As At 31 st Mar 2007
(A) Deferred Tax Liability :			
Difference between book and tax depreciation	(A)	220.21	187.02
(B) Deferred Tax Assets :			
Disallowance under Income Tax Act 1961		40.34	33.87
Tax benefit on expenses in connection with Issue of Equity Shares set off against Share Premium Account		158.41	-
	(B)	198.75	33.87
Net Deferred Tax Liability	(A) - (B)	21.46	153.15

17. Provision for Loss on Onerous Contracts

The contracts for sale of goods wherein, the unavoidable costs of meeting the obligation under the contract exceed the economic benefit expected to be received under it are identified by the management. The provision for onerous contracts is based on estimates made by the management by applying principles laid down in Accounting Standard – 29 “Provisions, Contingent Liabilities and Contingent Assets”. Further it is not possible to estimate the timing/uncertainties relating to the outflow. The movement in the provision during the year is as under:

(Rupees in Lacs)				
Balance As At 1 st Apr 2007	Provision made during the year	Utilised during the period	Reversal during the year	Balance As At 31 st Mar 2008
46.13	-	-	46.13	-

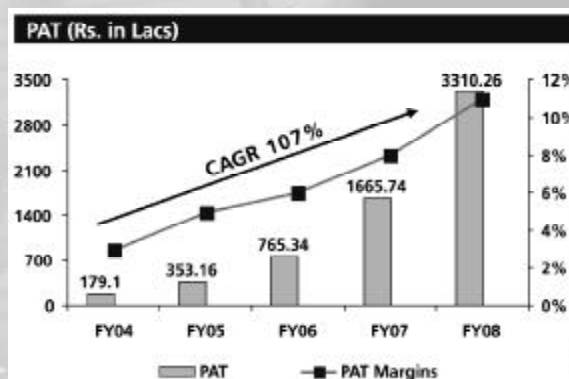
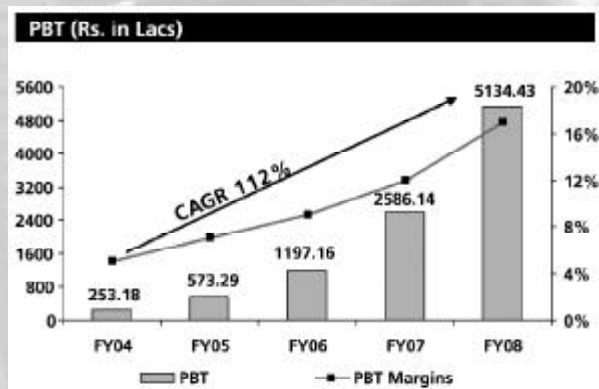
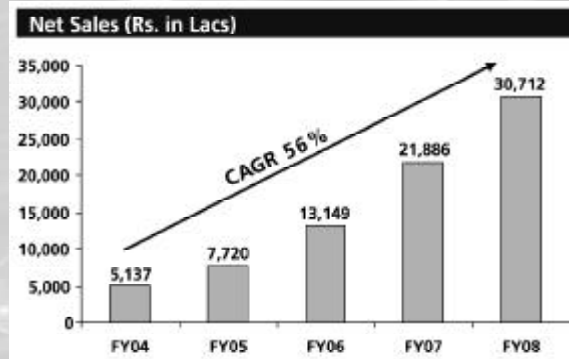
18. Previous year's figures have been regrouped wherever necessary.

For and on behalf of the Board of Directors

Jitendra U. Mamtora
Chairman & Managing Director

Karuna J. Mamtora
Executive Director

Tushar Shah
Company Secretary



TRANSFORMERS AND RECTIFIERS (INDIA) LIMITED

Registered Office: Survey No. 344-350, Opp. PWD Stores, Sarkhej Bavla Highway, Changodar, Ahmedabad-382 213.

PROXY FORM

I / Weofin the district of being a Member/Members of the Company, hereby appoint of in the district of or failing him / her of In the district of as my / our Proxy to attend and vote for me / us on my / our behalf at the Fourteenth Annual General meeting of the Company to be held on Thursday, 26th June, 2008 at 11.00 a.m. at the Registered Office of the Company situated at Survey No 344-350 Sarkhej Bavla Highway, Changodar, Ahmedabad 382 213 and at any adjournment(s) thereof.

Signed this Day of 2008.

Affix Re. 1/-
Revenue
Stamp

Folio No.	
DP ID	
Client ID	
No. of Shares	

Signature of Member _____

Notes :

1. The Proxy, in order to be effective, should be duly stamped, completed, signed and deposited at the registered Office of the Company, not less than 48 hours before the time for holding the aforesaid meeting.
2. A proxy need not be a member of the Company.

----- Please tear here -----

TRANSFORMERS AND RECTIFIERS (INDIA) LIMITED

Registered Office: Survey No. 344-350, Opp. PWD Stores, Sarkhej Bavla Highway, Changodar, Ahmedabad-382 213.

ATTENDANCE SLIP

I certify that I am a member / proxy for a member of the Company.

Folio No.	
DP ID	
Client ID	
No. of Shares	

I hereby record my presence at the Fourteenth Annual General Meeting of the Company at the Survey No 344-350, Opp. PWD Stores, Sarkhej Bavla Highway, Changodar, Ahmedabad 382 213, at 11.00 a.m. on Thursday, 26th June, 2008.

Signature of the attending Member/Proxy	
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Note : 1. A Member/Proxy holder attending the meeting must bring the Attendance Slip to the meeting and hand it over at the entrance duly signed. 2. A Member/Proxy holder attending the meeting should bring their copy of the Annual Report for reference to at the meeting.

Book Post

TO

If undelivered please return to :

Transformers and Rectifiers (India) Limited

Survey No. 344-350, Opp. P.W.D. Stores,

Sarkhej Bavla Highway,

Village : Changodar, Taluka : Sanand,

District : Ahmedabad-382 213

Gujarat, India.

Tel.: 91 - 02717 - 661661

Fax: 91 - 02717 - 661716

E-mail: ipo@transformerindia.com

Website: www.transformerindia.com