



Annual Report 2014 - 15

INDO TECH TRANSFORMERS LIMITED

Annual General Meeting on
Friday, the 14th August 2015
At Pleasant Days (Resort),
At 2.00 P.M.

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Board of Directors

Luis Carlos Silveyra
Chairman

Ajay Dhagat
Non Executive Director

Arun Kumar Bhalla
Independent Director

Arun Kumar Srivastava
Independent Director

M. S. Srinivasan
Independent Director

Indraneel Dutt
Additional Director

Tabassum M Wajid
Additional Director

Chief Financial Officer

Dhiraj Narula

Company Secretary

Sanjay Kasture

Statutory Auditors

B S R & Co. LLP
Chatered Acccountants
No. 10, Mahatma Gandhi Road
Nungambakkam, Chennai - 600 034.
Telephone: +91 44 39145000
Fax: +91 44 39145999

Registered Office

DP:36, SIDCO Industrial Estate
Chennai 600 124, Tamil Nadu

Plant

- 1) DP 14-19 SIDCO Industrial Estate
Chennai – 600 124, Tamil Nadu
- 2) DP:36, SIDCO Industrial Estate
Chennai 600 124, Tamil Nadu
- 3) Survey no.153-210, Illuppapattu Village
Near Rajakulam, KM-64, Chennai Bangalore
Highway, Kancheepuram District, Tamil Nadu

Registrars

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound
LBS Marg, Bhandup (West)
Mumbai – 400 078
Telephone: 022- 2596 3838 / 2594 6970
Fax: 022-2594 6969 / 2596 2691
Email: mt.helpdesk@linkintime.co.in

Bankers

Bank of Baroda
State Bank of India
Standard Chartered Bank
Citibank N. A.
The Hongkong & Shanghai Banking Corporation Ltd
HDFC Bank
Bank of America
Indusind Bank

NOTICE

NOTICE is hereby given that the 23rd Annual General Meeting of the Company will be held at Pleasant Days Resort, Chennai-Bangalore Highway, Palanjur, Sembarambakkam, Chennai-602103 on Friday, 14th August, 2015 at 2:00 PM to transact the following business:-

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended 31st March, 2015 and the Reports of the Directors` and Statutory Auditors` report thereon.
2. To appoint a Director in place of Mr. Ajay Dhagat (DIN: 00250792), who retires by rotation, being eligible offers himself for re-appointment.
3. To ratify the appointment of statutory auditors of the Company, and to fix their remuneration and to pass the following resolution as an ordinary resolution thereof :

“RESOLVED THAT, pursuant to Section 139 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, pursuant to the recommendations of the audit committee of the Board of Directors, and pursuant to the resolution passed by the members at the AGM held on 5th August, 2014, the appointment of B S R & Co. LLP (ICAI Firm Registration No. 101248W/W-100022), Chartered Accountants as the statutory auditors of the Company to hold office till the conclusion of the AGM to be held in the calendar year 2019 be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2016 as may be determined by the audit committee in consultation with the auditors, and that such remuneration as maybe agreed upon between the auditors and the Board of Directors.”

Special Business:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to provisions of Section 160 of the Companies Act, 2013 with Rules made thereunder, Mr. Indraneel Dutt (DIN: 01942447), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 5th August, 2014, in terms of Section 161(1) of the Companies Act, 2013 and Article 89 of the Articles of Association of the Company and whose term of office expires at the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing

his candidature for the office of Director, be and is hereby appointed as an Non-executive Director who is liable to retire by rotation at the Annual General Meeting.”

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT Ms. Tabassum M Wajid (DIN: 06904452), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 25th March, 2015, in terms of Section 161(1) of the Companies Act, 2013 and Article 89 of the Articles of Association of the Company and whose term of office expires at the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as a Non-executive Independent Director of the Company for a period of five years from the date of this Annual General Meeting pursuant to Section 149, 150, 152, 160 and other applicable provisions if any, of the Companies Act, 2013 and the Rules thereunder, who shall not be liable to retire by rotation at the Annual General Meeting.”

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

“RESOLVED THAT Mr. Pallavur Venkateswaran Krishna (DIN: 02459872), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 27th May, 2015, in terms of Section 161(1) of the Companies Act, 2013 and Article 89 of the Articles of Association of the Company and whose term of office expires at this date of Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Non-executive Independent Director of the Company for a period of five years from the date of this Annual General Meeting pursuant to section 149, 150, 152, 160 and other applicable provisions if any, of the Companies Act, 2013 and the Rules thereunder, who shall not be liable to retire by rotation at the Annual General Meeting.”

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED FURTHER THAT Mr. Ricardo Suarez Garza (DIN 07194157), who was appointed as an Additional Director of the Company by the Board of Directors with

effect from 27th May, 2015, in terms of Section 161(1) of the Companies Act, 2013 and Article 89 of the Articles of Association of the Company and whose term of office expires at the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as a Non-Executive Director who is not liable to retire by rotation at the Annual General Meeting

RESOLVED FURTHER THAT if appointed, Mr. Ricardo Suarez Garza (DIN 07194157) shall also continue to be Chairman of the Board and the Company; as resolved by the Board of Directors in its meeting held on 27th May, 2015."

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with applicable Rules under Companies (Meetings of Board and its Powers) Rules, 2014 and in terms of applicable provisions of Listing Agreement executed with the Stock Exchanges (including any amendment, modification or re-enactment thereof), consent of the members of the Company be and is hereby accorded for

entering into the Contracts/ arrangement/ transactions with its Related Parties during financial year 2015-16, up to the maximum per annum amount as appended in table below:

Sr. No.	Name of the Related Party	Relationship	Maximum value of transaction to be entered during FY 2015-16
1.	Prolec GE Internacional S. de R L. de C. V	Promoter	Rs 50 crore
2.	Any other person / entity which is a Related Party		

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

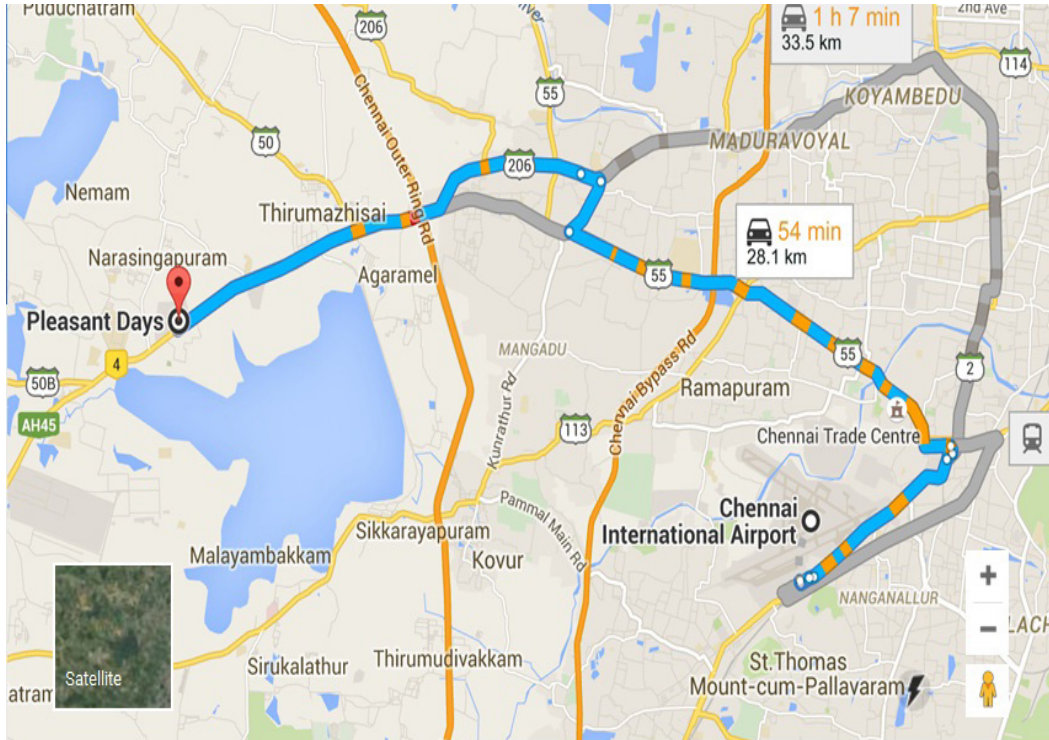
**For and on behalf of the Board of Directors of
Indo Tech Transformers Limited**

Place: Chennai
Date : 27th May 2015

Sanjay Kasture
Company Secretary

Route map to venue of Annual General Meeting

Pleasant Days Resort,
Chennai-Bangalore Trunk Road, Palanjur,
Sembarambakkam, Chennai – 602 103



Notes:

- a. A MEMBER ENTITLED TO ATTEND AND VOTE, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as a proxy on behalf of not exceeding fifty (50) members and holding in aggregate not more than ten (10) percent of the total share capital of the Company.
- b. The Instrument appointing a proxy shall be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. A proxy form for the AGM is enclosed.
- c. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board resolution to the Company, authorizing their representative to attend and vote on their behalf at the meeting.
- d. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- e. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice.
- f. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to Special Business to be transacted at the meeting, is annexed.
- g. The Register of members and share transfer books of the Company will remain closed from 7th August, 2015 to 14th August, 2015, both days inclusive.
- h. The members holding shares in the dematerialized mode are requested to intimate all changes with respect to their address, bank details, mandate, nomination, power of attorney, etc. to their depository participant (DP). These changes will be automatically reflected in the Company's records, which will help the Company to provide efficient and better service to members.
- i. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturday, during business hours up to the date of the Meeting.
- j. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively) has undertaken a Green Initiative in Corporate Governance and allowed Companies to share documents with its shareholders through an electronic mode. The Annual Report 2014-15 is being sent through electronic mode to the members whose email address are registered with the Company/Depository Participant(s), unless any member has requested for physical copy of the report. For members who have not registered their email addresses, physical copies of the Annual Report 2014-15 are being sent by the permitted mode. We request shareholders to update their email address, with their Depository participants to enable the Company to send communications electronically.
- k. Members are requested to address all correspondence, to the Registrar and Share Transfer Agents, Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai – 400078.
- l. Members / proxies / authorized representatives are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
- m. Information pursuant to Clause 49 of the Listing Agreement for reappointment of Directors:

1	Name of the Director	Mr. Ajay Dhagat DIN: 00250792	Mr. Indraneel Dutt DIN:01942447	Mr. Ricardo Suarez Garza DIN: 07194157
A	Date of appointment	10th August, 2012	5 th August, 2014	27 th May, 2015
B	Qualification	B.E. Electrical	B.E	Masters in Administration & Bachelors' in Mechanical Engineering
C	Experience	Industry management experience	Industry management experience	Industry management experience
D	No. of shares as on 31 st March 2015	NIL	NIL	NIL
E	Directorship in other public companies as at 31 st March, 2015	Amara Raja Power Systems Limited	NIL	NIL
F	Chairman/Member of Committees of Companies	Member of Stakeholder Relationship Committee of Indo Tech Transformers Limited. Member of Audit Committee and Nomination and Remuneration Committee of Amara Raja Power Systems Limited	Member of Stakeholder Relationship Committee of Indo Tech Transformers Limited	Chairman – Stakeholder Relationship Committee and Member of Audit Committee of Indo Tech Transformers Limited

ANNEXURE TO NOTICE**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****Item No. 4: Appointment of Mr. Indraneel Dutt as Director**

Mr. Indraneel Dutt was appointed as an Additional Director by the Board of Director of the Company with effect from August 5, 2014, pursuant Section 161 of the Companies Act, 2013 read with Article 89 of the Articles of Association of the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Indraneel Dutt will hold office up to the date of the ensuing AGM. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member, along with a deposit of Rs 1,00,000/- proposing the candidature of Mr. Indraneel Dutt for the office of Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

None of the Directors, except the proposed appointee in resolution concerning their individual appointment or any of Key Managerial Personnel of the Company or relatives of any of them are, in any way, concerned or interested, financially or otherwise, in these resolutions. The Board recommends to the shareholders the appointment of Mr. Indraneel Dutt as Director of the Company.

Item Nos. 5 & 6: Appointment of Independent Directors of the Company

The Board of Directors appointed Ms. Tabassum M Wajid as an Additional Director of the Company with effect from March 25, 2015, pursuant to the Section 161 of the Companies Act, 2013 read with Article 89 of the Articles of Association of the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Ms. Tabassum M Wajid will hold office up to the date of the ensuing AGM. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013. from a member, along with a deposit of Rs 1,00,000/- proposing the candidature of Ms. Tabassum M Wajid for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Board of Directors, at its meeting held on May 27, 2015 appointed Mr. Pallavur Venkateswaran Krishna as an Additional Director of the Company with effect from May 27, 2015, pursuant to the Section 161 of the Companies Act, 2013 read with Article 89 of the Articles of Association of the Company. and 149 of the Companies Act, 2013.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Pallavur Venkateswaran Krishna will hold office up to the conclusion of the ensuing AGM. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member, along with a deposit of Rs 1,00,000/- proposing the candidature of Mr. Pallavur Venkateswaran Krishna for the office of Independent Director, to be appointed as such under the provisions of Section 149 of

the Companies Act, 2013.

Pursuant to the provisions of section 149 of the Companies Act, 2013, that came into effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as independent directors. Such Independent Directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation.

Thus, it is proposed to appoint Mr. Pallavur Venkateswaran Krishna and Ms. Tabassum M Wajid for a term of five(5) years with effect from 14th August, 2015.

Both Mr. Pallavur Venkateswaran Krishna and Ms. Tabassum M Wajid, Non-executive Directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act and clause 49 of the Listing Agreement. In the opinion of the Board, each of these Directors' fulfil the conditions specified in the Act and the Rules framed thereunder and the Listing Agreement for appointment as Independent Director and they are independent of the management. Notices have been received from Members proposing candidature of the above Directors for the office of Independent Director of the Company.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of these Directors as Independent Directors is now being placed before the Members for their approval, for the terms stated above. Other terms and conditions for their appointment shall be available for inspection by the Members at the Registered Office of the Company during business hours on any working day, excluding Saturday and are also available on the website of the Company, www.prolecge.in.

None of the Directors, except the proposed appointees in resolution concerning their individual appointment or any of Key Managerial Personnel of the Company or relatives of any of them are, in any way, concerned or interested, financially or otherwise, in these resolutions. The Board recommends the Ordinary Resolutions set out at Item Nos. 5 & 6 of the Notice for approval by the shareholders. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

A brief profile of the Independent Directors to be appointed is given below:

Brief Profile of Ms. Tabassum M Wajid

Ms. Tabassum M Wajid is currently heading the new start up "STEINMETZ Technologies" (under the MEHER Energy Ventures umbrella) that is engaged in developing & manufacturing hi-end Permanent Magnet Special Motors for Industrial & Defence applications. Ms. Tabassum M Wajid graduated from Visveswaraya College of Engineering, Bangalore as Electrical Engineer and joined KIRLOSKAR Systems as a Trainee Engineer

in the year 1985. Subsequently, in 1990 she moved to MEHER Capacitors & took on the responsibility of creating a Projects Division within the company.

In 2009, SCHNEIDER Electric, then a US\$ 20 billion global Power & Energy Management multinational firm, acquired this business from the MEHER Group. She was then selected to become the “Head – Technology Management” at SCHNEIDER Electric for the Power Factor Correction & Harmonic Filtering BU and made a member of its management team.

At the end of 2012 she moved back to the MEHER Group & undertook a corporate role as “Head -Technology Management” across MEHER’s business units, in advanced dielectric materials & two other joint ventures in power electronic capacitors & power magnetic (reactors).

During her 30 years in the Electrical Industry, she has also been keenly involved in various industry related activities in IEEMA, CPRI etc., including being the Chairperson for Technical Committee of CAPACIT-2010 & has good equations across the electrical engineering profession.

Brief Profile of Mr. Pallavur Venkateswaran Krishna

Mr. Pallavur Venkateswaran Krishna, is working as an independent consultant in power and energy sector and in the area of Corporate Governance. During 2010-12, Mr. Krishna also worked as a Director General of IEEMA (Indian Electrical and Electronics Manufacturers Association) and charted a path for having IEEMA recognized as the key Association representing the voice and aspirations of India’s electrical equipment and power sectors. He has spearheaded the preparation of Mission Plan 2022 for the electrical equipment sector in India. He has also led the execution of Elecrama as the world’s largest B2B exhibition on T&D equipment and services, and was the editor/publisher of IEEMA Journal, the most widely circulated monthly in India focused on the electrical equipment sector.

Mr. Krishna also worked with Wartsila India Limited, where he was responsible its Power Plants business in India. Mr. Krishna was an elected member of CII’s Maharashtra Council and Western Region Energy Committee during the period 2000-2008.

Mr. Krishna has done B. Tech (Electrical) from IIT Bombay and PGDM from IIM Calcutta.

Item No. 7: Appointment of Mr. Ricardo Suarez Garza as Director and Chairman of the Company

The Board of Directors appointed Mr. Ricardo Suarez Garza (DIN 07194157) as an Additional Director of the Company with effect from May 27, 2015, pursuant to Section 161 of

the Companies Act, 2013 read with Article 89 of the Articles of Association of the Company. The Board of Directors also appointed Mr. Ricardo Suarez Garza as the Chairman of the Company with effect from May 27, 2015.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Ricardo Suarez Garza will hold office up to the date of the ensuing AGM. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member, along with a deposit of Rs 1,00,000/- proposing the candidature of Mr. Ricardo Suarez Garza for the office of Director, under the provisions of the Companies Act, 2013.

None of the Directors, except the proposed appointees in resolution concerning their individual appointment or any of Key Managerial Personnel of the Company or relatives of any of them are, in any way, concerned or interested, financially or otherwise, in these resolutions. The Board recommends to the shareholders the appointment of Mr. Ricardo Suarez Garza as Director of the Company.

Item No. 8: Approval of Related Party Transactions

Section 188 of the Companies Act, 2013 read with rules 15 and 16 of Companies (Meetings of Board and its Powers) Rules, 2014 prescribe certain procedure for approval of related party transactions. The revised Clause 49 of the Listing Agreement which has come into operation with effect from October 1, 2014 has also prescribed seeking of shareholders’ approval for material related party transactions. The proviso to section 188 also states that nothing in section 188(1) will apply to any transaction entered into by the company in its ordinary course of business and at arm’s length basis.

The transactions to be entered with the Related Parties during the financial year 2015-16, are proposed to be carried out based on business requirements of the Company and the same will be in ordinary course of business and at arm’s length.

Pursuant to the provisions of revised Clause 49 of the Equity Listing Agreement, the contracts / arrangements / transactions which are material in nature and require the approval of the unrelated shareholders of the Company by a special resolution.

**For and on behalf of the Board of Directors of
Indo Tech Transformers Limited**

Place: Chennai
Date: 27th May 2015

Sanjay Kasture
Company Secretary

DIRECTORS' REPORT

DIRECTORS' REPORT

Your Directors are pleased to present the 23rd Annual Report of the Company along with the Audited Statement of Accounts and the Auditor's Report for the financial year ended 31st March, 2015.

FINANCIAL RESULTS

The company's revenue from the operations for the FY 2014-15 increased on an annualised basis by 38% as compared to FY 2013-14.

Brief Financial Highlights with comparison of previous year are as follows:

(Rupees in Lakhs)

Particulars	FY 2014-15 (12 Months)	FY 2013-14 (9 Months)
INCOME		
Gross Sales & Other Income	18,671	11,455
Gross Profit/(Loss) before depreciation, interest & tax	632	(529)
Depreciation	518	299
Profit/(Loss) before tax	(374)	(1,880)
Provision for Taxes	--	--
Prior period / Extraordinary items	--	--
Balance of profit of earlier years	(6,208)	(4,328)
Balance available for appropriation	(6,582)	(6,208)
APPROPRIATIONS		
General Reserve	--	--
Dividend	--	--
Tax on Dividend	--	--
Balance carried to Balance Sheet	(6,582)	(6,208)

* The Company had extended its financial year 2012-13 for a period of 15 months of accordingly the figures for the previous financial year i.e 2013-14 is for a period of 9 months ended on 31st March, 2014 and hence not comparable with current financial year's (i.e. 31st March, 2015) figures.

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 133 of the Companies Act, 2013 in terms of Rule 7 of The Companies (Accounts) Rules, 2014) and the relevant provisions of the Companies Act, 2013, as applicable and guidelines issued by the Securities and Exchange Board of India ("SEBI").

DIVIDEND

No Dividend has been recommended by the Board of Directors of the Company for Financial Year 2014-15. However, the register of members and share transfer books will remain closed from 7th August, 2015 to 14th August, 2015 both days inclusive.

OPERATIONAL PERFORMANCE

Your company's performance was better than the previous year as steps were taken to cut costs and also improve order book. We had many challenges for increasing production and we were able to increase revenue. Our focus was on large power transformers during the financial year 2014-15. To improve our acceptability in market we conducted several short circuit tests successfully. We now have large range starting from 11kV/100 KVA to 220 kV/100 MVA transformer short circuit tested . Similarly for renewable segment we have delivered transformer and switch gear mounted on skid.

To successfully test so many transformers we received continuous support from Prolec GE where they deputed people to train our work force and helped us in achieving high standards of quality. Our focus is to improve productivity and consolidation of activities. One step has already been taken at Thirumazhisai, Chennai site where two sheds have been merged to one thus optimizing costs and also shift some personnel to Kancheepuram site thus optimizing worker utilisation. Overall, we expect further improvements by implementing our strategic plans for cost optimization and using specially developed software for transformer designs. Momentum gained this year will help us. However price pressure is immense and is impacting not only us but the industry as a whole is cash starved. Our margins need to improve, which however is contingent upon financial health of state power utilities who are the single largest customer for this product.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Manuel Hernandez Bravo, after a stint of 3 years, has returned to the parent company i.e. Prolec GE and has stepped down during the financial year. Mr. Indraneel Dutt has been inducted on Board w.e.f 5th August, 2014. Also, Ms. Tabassum M Wajid was appointed as Additional Director w.e.f 25th March, 2015.

The key managerial personnel of the Company as of 31st March, 2015, are as follows:

1. Mr. Shridhar Gokhale – Manager
2. Mr. Dhiraj Narula – Chief Financial Officer
3. Mr. Sanjay Kasture – Company Secretary

For further details, please refer report on Corporate Governance forming part of this report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134 of the Companies Act, 2013, your Directors confirm that;

- 1) in the preparation of the annual accounts for the financial year ended 31st March, 2015 the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 2) the Directors had 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 2014-15 and of the Profit & Loss Account of the Company for the year under review;
- 3) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities;
- 4) the Directors had prepared the accounts for the financial year ended 31st March, 2015 on a 'going concern' basis;
- 5) the Directors had laid down internal financial controls to be followed by the company and such internal financial controls are adequate and were operating effectively;
- 6) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

BOARD INDEPENDENCE

Based on the confirmation / disclosures received from the Directors and on evaluation of the relationships disclosed, the following Non-Executive Directors are Independent in terms of Clause 49 of the Listing Agreement and Section 149(6) of the Companies Act, 2013 :-

- 1) Mr. M.S Srinivasan
- 2) Mr. Arun Kumar Bhalla
- 3) Mr. Arun Kumar Srivastava
- 4) Ms. Tabassum M Wajid*

The company has received a declaration from the Independent Director(s) that he/she meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

* The appointment of Ms. Tabassum M Wajid as an Independent Director is proposed and included in the Notice of Annual General Meeting.

BOARD COMMITTEES

During the year, in accordance with the Companies Act, 2013, the Board re-constituted some of its Committees. There are currently three Committees of the Board, as follows:

Audit Committee

Nomination and Remuneration Committee

Stakeholders' Relationship Committee

All the recommendations made by the Audit Committee were accepted by the Board.

Details of all the Committees along with their charters, composition and meetings held during the year, are provided in the "Report on Corporate Governance", a part of this Annual Report.

BOARD EVALUATION

The assessment of performance of Directors is based on the attendance in the Board Meeting and Board Committee Meetings, quality of contributions during the meetings, inputs for the strategy and growth of the Company, contributions in giving directions to the management and commitment to the stakeholders.

TRAINING OF INDEPENDENT DIRECTORS

The Company familiarizes the existing and new Independent Directors on the Company's business model, industry trends, business environment, performance, business plans and strategy at a regular intervals wherein the key managerial personnel make presentations to the Independent Directors.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) & Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are appended as Annexure IV to the Directors' Report.

REMUNERATION POLICY

In terms of Section 178 of the Companies Act, 2013 and the Listing Agreement, entered into by the Company with Stock Exchanges, as amended from time to time, the policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company has been formulated by the Nomination and Remuneration Committee of the Company and approved by the Board of Directors. This policy shall act as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel, Senior Management and other employees.

As a policy, the non executive directors are paid sitting fees for attending the Board and Audit Committee Meetings. Sitting fees for the Board and Audit Committee Meetings is Rs 20,000/- per person per meeting.

The remuneration payable to Manager and Senior Management Personnel including Key Managerial Personnel (KMPs) are structured as fixed, variable components and perquisites.

CORPORATE GOVERNANCE

Your Company is committed to good corporate governance aligned with the best corporate practices.

A separate Report on Corporate Governance along with Auditor's Certificate on Compliance with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges is provided as a part of this Annual Report, besides the Management Discussion and Analysis.

AUDITORS

Pursuant to Section 139 of the Companies Act, 2013, M/s B S R & Co. LLP, Chartered Accountants, (ICAI Firm Registration No. – 101248W/W-100022), have been appointed as Statutory Auditors for a period of five (5) years commencing from financial year 2014-15, subject to the ratification by the members at each annual general meeting. A resolution proposing ratification of appointment of M/s B S R & Co. LLP, as Statutory Auditors of the Company for financial year 2015-16, pursuant to Section 139 of the Companies Act, 2013 forms part of the Notice of Annual General Meeting.

COMMENTS ON AUDITORS' REPORT / SECRETARIAL AUDITORS' REPORT

There are no qualifications or reservations made by B S R & Co. LLP, Statutory Auditors, in their report and by M/s. JDNASSA & Associates, Company Secretary in Practice, in their secretarial audit report.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. issued by the regulatory bodies, except that there was a delay in transferring the unpaid / unclaimed dividend for the year 2006-07 to the Investor Education and Protection Fund Account (IEPF) of the Central Government owing to some technical issues and the same has been reported by the Statutory auditors and secretarial auditors as an observation in their respective report.

On "Emphasis of matter" reported in the Statutory Auditors' report, the Company believes that it would be able to meet its financial requirements and no adjustments would be required in respect of the carrying value of assets/liabilities.

FIXED DEPOSITS / PUBLIC DEPOSITS

Your Company has not accepted any fixed deposits or Public Deposits covered under chapter V of the Companies Act, 2013 and, as such, no amount of principal or interest was outstanding on the date of the Balance Sheet.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations.

INTERNAL AUDIT

The Company has appointed Internal Auditor. The scope and authority of the Internal Auditor is as per the terms of reference approved by the Audit Committee. To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee of the Board & to the Chairman & Managing Director.

The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company.

Based on the report of Internal Auditor, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate on the date of this report

INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no significant observations were made.

COST AUDITORS

Pursuant to the notification issued by the Ministry of Corporate Affairs (MCA) and based on the recommendation of the Audit Committee, your Board has, subject to the approval of the Central Government, approved the appointment of Mr M J Gopalakrishnan., Cost Accountants, as the Cost Auditor of the Company for the financial year 2015-16.

SECRETARIAL AUDIORS / SECRETARIAL AUDIT REPORT

Pursuant to section 204 of the Companies Act, 2013 the Secretarial Audit for the financial year 2014-15 was conducted by M/s. JDNASSA & Associates and their secretarial audit report is annexed as Annexure I forming part of this report. The Board of Directors have appointed M/s. JDNASSA & Associates as Secretarial Auditors for the financial year 2015-16 to conduct the Secretarial Audit of the Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The Company has not provided any loans, guarantees or made any investments covered under section 186 of the Companies Act, 2013.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188(1) OF COMPANIES ACT, 2013

The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, as prescribed in Form AOC - 2, is appended as Annexure "II".

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has established a vigil mechanism / whistle blower policy for Directors and employees to report their genuine concerns. The whistle blower policy is also uploaded on company's website.

RISK MANAGEMENT FRAMEWORK

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to the Company. Risks identified and the mitigation plans are discussed at the meetings of the Audit Committee and the Board of Directors of the Company. The Company has also formulated a Risk Management policy.

EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3)(a) of the Companies Act, 2013, an extract of the annual return in the prescribed format is appended as Annexure "III" forming part of this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information as prescribed under Section 134 of the Companies Act, 2013, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, is as follows :

A. CONSERVATION OF ENERGY

Your Company is not a power intensive industry and hence

the scope for conservation of energy is not significant. However the following energy saving measures have been carried out:

- a) Company has 2 wind mills in Thirunelveli, Tamil Nadu. Company has obtained permission from Tamil Nadu Electricity Board (TNEB) for adjustment of generated units against consumption of units at Kancheepuram plant also. This has substantially reduced per unit energy cost for the company.
- b) In Thirumazhisai plant (Chennai) operations running in 2 sheds were merged in one shed. This has reduced energy consumption.
- c) Kancheepuram factory was using 721 KVA Diesel generator set for all sizes of loads. This capacity is required for peak load during testing of large power transformers. Company has installed lower capacity generator of 380 KVA which is of optimum size for normal load. Big size generator is now used for peak load requirement. This has reduced diesel consumption per unit generated.
- d) Audit was conducted with the support of industry experts of Vapour Phase Drying plant to improve efficiency by reducing vacuum leakages. Subsequent actions have reduced load on vacuum pump thus saving energy.

B. TECHNOLOGY ABSORPTION**Research & Development:****Skid Mounted Substation:**

Skid mounted substations were developed for wind mills in the previous year which were provided with transformer integrated with HV side protection gear complete with breaker and panel. The complete unit comprised of transformer, HV bushings to breaker panel bus-duct, HV breaker & panel, LV side cable box connections. All components were designed to be assembled on single skid and transported to customer premises as a single unit. The entire assembly was reinforced at critical points to bear transportation loads. The transformer was sent with radiator/conservator mounted and completely oil filled to avoid any mounting and oil filtration at site.

The skid mounted substation resulted in great savings for customer in terms of erection time and the space needed when compared with conventional DP yard substations. The savings in space was estimated to be close to 50% and the erection time crashed by 60%.

Sealed Dry Type Transformers:

Sealed tank dry type transformers were developed for city distribution in Kolkata. The tanks were sealed from outside and provided with corrugations to dissipate the heat generated and keep the temperature rise in check despite no air circulation.

The transformer was designed with varnish impregnated technology with use of nomex insulation on winding conductors for higher thermal withstand capabilities. The transformer was extensively tested for all routine and type tests including short circuit testing. The transformer for short circuit was selected randomly and tested at independent laboratory.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The foreign exchange earnings of the Company during the year under review was Rs 16,401* lakhs and outgo was Rs. 55 lakhs.

*(It includes Rs 149.12 cr. Subvention amount (Voluntary, non repayable financial grant) received from Prolec GE during FY 2014-15 vide an agreement date 1st July, 2014.)

FINANCIAL HIGHLIGHTS

	FY 2014-15	FY 2013-14	FY 2012-13	FY 2011-12	FY 2010-11	FY 2009-10	FY 2008-09
Gross Sales & Other Income	18,671	11,455	12,495	12,596	12,416	11,020	24,157
Net Sales & Other Income	17,366	10,484	11,554	11,572	11,428	10,249	21,100
Earnings/(Loss) before Depreciation, Interest and Tax (EBDIT)	632	(529)	(3,857)	(3,218)	(1,861)	(533)	6,593
Depreciation	518	299	504	412	380	387	392
Profit/(Loss) After Tax	(374)	(1,880)	(5,018)	(3,998)	(2,274)	(839)	3,897
Equity Dividend %	--	--	--	--	--	--	124
Dividend Payout	--	--	--	--	--	--	1,317
Equity Share Capital	1,062	1,062	1,062	1,062	1,062	1,062	1,062
Reserves and Surplus	14,023	(450)	1,430	6,447	10,446	12,735	13,574
Net Worth	15,085	612	2,492	7,509	11,508	13,797	14,636
Gross Fixed Assets	10,003	9,888	9,902	9,822	9,945	9,381	9,501
Net Fixed Assets	6,635	7,047	7,309	7,667	8,130	7,940	8,212
Total Assets	20,659	18,270	17,684	17,599	15,923	14,885	16,632

KEY INDICATORS	FY 2014-15	FY 2013-14	FY 2012-13	FY 2011-12	FY 2010-11	FY 2009-10	FY 2008-09
Earnings per Share - Rs.	-3.52	-17.7	-47.25	-37.65	-21.42	-7.9	36.69
Turnover per share - Rs.	175.58	107.35	117.65	118.71	116.91	103.79	227.47
Book value per share - Rs.	142.04	5.76	23.46	70.72	108.36	129.92	137.81
Debt : Equity Ratio	1.15:1	20.62:1	3.27:1	0.71:1	0.09:1	0.07:1	0.10:1
EBDIT / Gross Turnover %	5.95%	-5%	-32%	-26%	-15%	-5%	27%
Net Profit Margin %	-0.02%	-19%	-42%	-32%	-18%	-8%	18%
RONW %	-0.61%	-75%	-67%	-35%	-16%	-6%	27%
ROCE %	0.01%	-57%	-64%	-33%	-15%	-6%	35%

SUBSIDIARY COMPANIES / ASSOCIATE COMPANIES / JOINT VENTURES (JVs)

As at 31st March, 2015, there are no subsidiaries/associates/JV companies of Indo Tech Transformers Limited.

SIGNIFICANT AND MATERIAL ORDERS

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Our Company is committed to providing work environment that ensures every employee is treated with dignity and respect and afforded equitable treatment. The Company is also committed to creating a healthy working environment that enables employees to work without fear of prejudice, gender bias and sexual harassment. A Committee has been constituted by the Management to consider and redress complaints of Sexual Harassment. Policy on Sexual Harassment of employees at workplace or other places involving employees of the Company has been modified during the financial year 2014-15.

During the financial year 2014-15, there were no cases reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Even though the provisions relating to the Corporate Social Responsibility (CSR) are not applicable to the Company, the approach towards CSR is holistic and integrated with the core business strategy of the Company for addressing social and environmental impacts of business. The Company is committed to undertake the CSR activities to address the well-being of all stakeholders and not just the company's shareholders.

POTENTIAL SICKNESS

As per the audited financial statements of the Company for the year ended 31st March 2015, the accumulated losses as on that date have resulted in erosion of 50% or more of the peak net worth of the Company in the immediately preceding four financial years and accordingly the Company continues to be a Potentially Sick Industrial Company within the meaning of section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985 and has already intimated to the Board for Industrial Financial Reconstruction (BIFR).

ACKNOWLEDGEMENTS

Your Directors express their appreciation of the continued cooperation of Governments and Government agencies, bankers, customers, suppliers and also the valuable assistance and guidance received from Xignux, General Electric Company and Prolec-GE and all the shareholders. Your Directors also wish to thank all employees for their contribution, support and continued cooperation during the year.

**For and on behalf of the Board of Directors of
Indo Tech Transformers Limited**

Ricardo Suarez Garza
Chairman

Ajay Dhagat
Director

Annexure I - Secretarial Audit Report (Form No. MR-3)

For The Financial Year Ended 31st March 2015

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the
Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,

The Members

M/S. INDO TECH TRANSFORMERS LIMITED

DP.NO. 36, SIDCO INDUSTRIAL ESTATE, THIRUMAZHISAI

CHENNAI - 600 124, TAMIL NADU

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Indo-Tech Transformers Limited.(Hereinafter called "the Company").

Secretarial Audit was conducted for the period from 1st April 2014 to 31st March 2015, in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances of the Company and expressing our opinion thereon. We have been engaged as Secretarial Auditors of the Company to conduct the Audit of the Company to examine the compliance of Companies Act, SEBI Regulations and the other laws listed below.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 2015 ("Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and legal compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2015 according to the provisions of the following list of laws and regulations:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; [Not applicable during the Audit Period]
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; [Not applicable during the Audit Period]
 - (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; [Not applicable during the Audit Period]
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; [Not applicable during the Audit Period]

- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; [Not applicable during the Audit Period]
- (vi) OTHER APPLICABLE LAWS:
- (a) Factories Act, 1948
 - (b) Payment of Wages Act, 1936,
 - (c) The Minimum Wages Act, 1948,
 - (d) Employees' State Insurance Act, 1948,
 - (e) Provident Fund Act 1952 & Employees Pension Scheme 1995,
 - (f) The Payment of Bonus Act, 1965,
 - (g) Payment of Gratuity Act, 1972,
 - (h) The Water (Prevention & Control of Pollution) Act, 1974, Read with Water (Prevention & Control of Pollution) Rules, 1975,
 - (i) Tami Nadu (Professional Tax) Act,
 - (j) Prevention of Child Labour Act,
 - (k) Industries (development & Regulations) Act 1971.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. (Not notified hence not applicable to the Company during the audit period).
- (ii) The Listing Agreement entered into by the Company with National Stock Exchange of India Limited and Bombay Stock Exchange Limited

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except that there was a delay in transferring the unpaid/ unclaimed dividend for the year 2006-07 to the Investor Education and Protection Fund Account (IEPF) of the Central Government.

We further report that:-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda are sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**FOR JDNASSA & ASSOCIATES
COMPANY SECRETARIES**

**JAYAVANT BHAVE
PARTNER**

FCS No. 4266

CP No. 3068

Place: Chennai

Date: 27 May, 2015

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

To,

The Members

M/S. INDO TECH TRANSFORMERS LIMITED

DP.NO. 36, SIDCO INDUSTRIAL ESTATE, THIRUMAZHISAI
CHENNAI - 600 124, TAMIL NADU

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**FOR JDNASSA & ASSOCIATES
COMPANY SECRETARIES**

**JAYAVANT BHAVE
PARTNER**

FCS No.4266
CP No. 3068

Place: Chennai
Date: 27 May, 2015

Annexure II - Particulars of contracts / arrangements made with related parties

Form No. AOC-2

[(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)]

This form pertains to the disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm`s length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm`s length basis:

No such transactions were entered during the financial year 2014-15.

2. Details of material contracts or arrangement or transactions at arm`s length basis

The contracts or arrangement or transactions entered with the related parties during the financial year 2014-15 were not material and the same were disclosed in the notes to accounts forming part of the financial statements for the year ended 31st March, 2015.

**For and on behalf of the Board of Directors of
Indo Tech Transformers Limited**

Ricardo Suarez Garza
Chairman

Ajay Dhagat
Director

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	22,703	-	22,703	0.21	1,149	-	1,149	0.01	-95%
2. Non-Institutions									
a) Bodies Corp.	4,43,096	-	4,43,096	4.17	4,35,317	-	4,35,317	4.1	-2%
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	16,58,467	-	16,58,467	15.62	15,14,409	-	15,14,409	14.26	-9%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	5,29,497	-	5,29,497	4.99	6,18,504	-	6,18,504	5.82	17%
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	33,604	-	33,604	0.31	69,813	-	69,813	0.65	140%
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	37,008	-	37,008	0.35	85,183	-	85,183	0.8	130%
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	27,24,375	-	27,24,375	25.65	27,24,375	-	27,24,375	25.64	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	27,47,078	-	27,47,078	25.82	27,25,524	-	27,25,524	25.65	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	1,06,20,000	-	1,06,20,000	100	1,06,20,000	-	1,06,20,000	100	-

B) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	PROLEC GE INTERNACIONAL, S.DE R.L.DE C.V.	78,95,625	74.35	NIL	78,95,625	74.35	NIL	NIL

C) Change in Promoters' Shareholding (please specify, if there is no change)

S N	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	78,95,625	74.35	78,95,625	74.35
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	NIL	NIL	NIL	NIL
	At the end of the year	78,95,625	74.35	78,95,625	74.35

 D) Shareholding Pattern of top ten Shareholders:
 (Other than Directors and Promoters)

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	IL & FS Securities Services Limited				
	At the beginning of the year	-	-	-	-
	Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease	-	-	74000	0.6968
	At the end of the year	-	-	74000	0.6968
2	Kantilal M. Vardhan				
	At the beginning of the year	63853	0.6013	63853	0.6013
	Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease	-	-	63853	0.6013
	At the end of the year	-	-	63853	0.6013
3	Exim Scrips Dealers Pvt Ltd				
	At the beginning of the year	-	-	-	-
	Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease	-	-	51118	0.4813
	At the end of the year	-	-	51118	0.4813
4	Shoma Sur				
	At the beginning of the year	21786	0.2051	21786	0.2051
	Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease	-	-	47820	0.4503
	At the end of the year	-	-	47820	0.4503
5	Patel Ushaben Parshottambhai				
	At the beginning of the year	23983	0.2258	23983	0.2258
	Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease	-	-	46713	0.4399
	At the end of the year	-	-	46713	0.4399
6	Universal Cine Trades Pvt Ltd				
	At the beginning of the year	43000	0.4049	43000	0.4049
	Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease	-	-	43000	0.4049
	At the end of the year	-	-	43000	0.4049

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
7	Manish Ramanbhai Patel				
	At the beginning of the year	5684	0.0535	5684	0.0535
	Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease	-	-	39831	0.3751
	At the end of the year	-	-	39831	0.3751
8	Kapildev Bholanath Aggarwal				
	At the beginning of the year	2000	0.0188	2000	0.0188
	Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease	-	-	29757	0.2802
	At the end of the year	-	-	29757	0.2802
9	Hitesh Satischandra Doshi				
	At the beginning of the year	-	-	-	-
	Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease	-	-	29515	0.2779
	At the end of the year	-	-	29515	0.2779
10	Ron Dev Kohli				
	At the beginning of the year	-	-	-	-
	Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease	-	-	29161	0.2746
	At the end of the year	-	-	29161	0.2746

E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Shridhar Gokhale, Manager				
	At the beginning of the year	50	-	50	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	50	-	50	-
2.	Mr. Dhiraj Narula, CFO				
	At the beginning of the year	10	-	10	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	10	-	10	-

V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	1,25,41,74,632	-	1,25,41,74,632
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	1,25,41,74,632	-	1,25,41,74,632
Change in Indebtedness during the financial year				
* Addition	-	2,01,85,00,000	-	2,01,85,00,000
* Reduction	-	3,27,26,74,632	-	3,27,26,74,632
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of Manager	Total Amount
		Shridhar Gokhale (w.e.f 30 th May, 2014)	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	24,74,735	24,74,735
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option		-
3	Sweat Equity		-
4	Commission - as % of profit - others, specify...		-
5	Others, please specify		-
	Total (A)	24,74,735	24,74,735

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors	Mr. Arun Kumar Bhalla	Mr. Arun Kumar Srivastava	Mr. M. S. Srinivasan	Mr. Ajay Dhagat	
	Fee for attending board / committee meetings (Sitting Fees)	2,00,000	1,60,000	1,40,000	-	5,00,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	2,00,000	1,60,000	1,40,000	-	5,00,000

2	Other Non-Executive Directors					
	Fee for attending board committee meetings (Sitting Fees)	-	-	-	1,00,000	1,00,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	1,00,000	1,00,000
	Total (B)=(1+2)	2,00,000	1,60,000	1,40,000	1,00,000	6,00,000
	Total Managerial Remuneration	2,00,000	1,60,000	1,40,000	1,00,000	6,00,000

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	5,13,588*	28,43,228**	33,56,816
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	5,13,588*	28,43,228**	33,56,816

*remuneration pertains to the period 31st December, 2014 – 31st March, 2015.

**remuneration pertains to the period 30th May, 2014-31st March, 2015.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act, 2013	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY	----- NIL -----				
Penalty					
Punishment					
Compounding					
B. DIRECTORS	----- NIL -----				
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT	----- NIL -----				
Penalty					
Punishment					
Compounding					

For and on behalf of the Board of Directors of
Indo Tech Transformers Limited

Ricardo Suarez Garza
Chairman

Ajay Dhagat
Director

Annexure IV – Particulars of Employees

- a) Information as per Rule 5(1) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014
Remuneration paid to Whole Time Director(s)

Name of the Director	Title	Remuneration in FY 2014-15	% increase of remuneration in FY 2015 as company to FY 2014	Ratio of remuneration to Median Remuneration of Employees	Ratio of remuneration to Revenues	Ratio of remuneration to Net Profit
Mr. Manuel Hernandez Bravo (up to 30 th May, 2014)	Director	NIL	N.A	N.A	N.A	N.A

Remuneration paid to Independent Directors

Name of the Director	Remuneration in FY 2014-15* (In Rs.)	Remuneration in FY 2013-14* (In Rs.)	% increase of remuneration (FY 2015 over FY 2014)
Mr. M S Srinivasan	1,40,000	40,000	0.00
Mr. Arun Kumar Bhalla	2,00,000	1,20,000	0.00
Mr. Arun Kumar Srivastava	1,60,000	1,20,000	0.00

* The Independent Directors were paid sitting fees of Rs, 20,000 for attending per meeting of Board and Audit Committee and no other remuneration was paid over and above the sitting fees during FY 2013-14 & FY 2014-15.

Remuneration paid to Key Managerial Personnel (KMP)

Name of the KMP	Title	Remuneration in FY 2014-15	Remuneration in FY 2013-14	% increase of remuneration in FY 2014-15 as company to FY 2013-14	Ratio of remuneration to Revenues	Ratio of remuneration to Profit
Shridhar Gokhale*	Manager	24,74,735	N.A	N.A	0.0015	N.A
Dhiraj Narula**	Chief Financial Officer	28,43,228	N.A	N.A	0.0018	N.A
Sanjay Kasture***	Company Secretary	5,13,588	N.A	N.A	0.0003	N.A

* appointed as “Manager” with effect from 30th May, 2014

**appointed as CFO with effect from 30th May, 2014

**appointed as Company Secretary with effect from 31st December, 2014

- The number of employees on the rolls of the Company as of March 31, 2015 and 31st March, 2014 was 325 and 360 respectively.
 - The median remuneration of employees was Rs. 1,85,124 and Rs. 1,83,108 for FY 2014-15 and FY 2013-14 respectively.
 - The operating revenue for FY 2014-15 stood at Rs. 156.91 crores, whereas for FY 2013-14 the same was Rs. 93.85 crores. The net losses for the FY 2014-15 were Rs. 3.74 crores whereas the same was Rs. 18.80 crores. As the financials for the period ended 31st March, 2014 pertains to a period of nine months, the same are not comparable with the financials for the year ended 31st March, 2015, which pertains to a period of twelve (12) months.
 - The aggregate remuneration of employees for the FY 2014-15 was Rs. 12.80 crores. The aggregate remuneration of whole time director and key managerial personnel was Rs. 58.31 Lakhs.
 - The key parameters of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
 - It is hereby affirmed that the remuneration paid is as per the as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- b) Information as per Rule 5(1) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014
No employee of the Company was in receipt of remuneration, in excess of Rs 60 Lakhs during the financial year 2014-15.

For and on behalf of the Board of Directors of
Indo Tech Transformers Limited

Ricardo Suarez Garza
Chairman

Ajay Dhagat
Director

CORPORATE GOVERNANCE REPORT

Company's Philosophy on Corporate Governance:

The phrase "corporate governance" describes the framework of rules, relationships, systems and processes within and by which authority is exercised and controlled within the Company. The Company's philosophy is to enhance and maximize shareholder value and protect the interest of other stake holders. It ensures management through transparency, accountability and responsibility towards stakeholders.

Board of Directors:

The Board of Directors provides the strategic direction and thrust to the operations of the Company. The Board has a non-executive Director as Chairman and six other Directors. Out of these, three members are Independent Directors.

Board Procedures:

The Company Secretary prepares the agenda in consultation with the Chairman of the Board of Directors and the Chairman of the various Board Committees. The agenda for the meetings of the Board and its Committees, together with the appropriate supporting documents, are circulated well in advance of the meetings.

Attendance at Board Meetings, last Annual General Meeting (AGM) and number of other Directorships and Chairmanships/ Memberships of Committees of each Director in various companies are stated below:

Meetings of Board of Directors:

During the year under review, the Board of Directors met 6 times on, 30th May, 2014, 24th June, 2014, 5th August, 2014 (11:30 A.M), 5th August, 2014 (7:30 P.M.) 6th November, 2014 and 5th February, 2015.

Name of Directors	Type of Director	Board Meetings Attended	AGM Attended	No. of Committee Memberships Held	No. of other Directorships Held
Luis Carlos Silveyra	Non-Executive Non Independent	5	Yes	-	-
Manuel Hernandez Bravo*	Whole-time Director	-	No	-	-
Arun Kumar Bhalla	Non-Executive Independent Director	6	Yes	-	-
Arun Kumar Srivastava	Non-Executive Independent Director	5	Yes	-	-
M. S. Srinivasan	Non-Executive Independent	6	Yes	1	2
Ajay Dhagat	Non-Executive Non-Independent	6	Yes	2	1
Indraneel Dutt**	Non-Executive Non-Independent	3	NA	-	-
Tabassum M. Wajid #	Non-Executive Independent	Nil	NA	-	-

The Directorships held by Directors as mentioned above, do not include Alternate Directorships, Directorships of Foreign Companies, Companies registered under Section 8 of the Companies Act, 2013 and Private Limited Companies.

In accordance with Clause 49, Memberships/Chairmanships of only the Audit Committee and Stakeholders Relationship Committee of all Public Limited Companies [excluding Indo Tech Transformers Limited] have been considered.

* Mr. Manuel Hernandez Bravo ceases to be a director w.e.f 5th August, 2014.

** Mr. Indraneel Dutt was appointed as Additional Director on 5th August, 2014.

Ms. Tabassum M. Wajid was appointed as Additional Director on 25th March, 2015 through resolution by circular dated 25th March, 2015.

Brief Resume of Directors seeking appointment / re-appointment:

A brief resume of Directors seeking appointment / re-appointment at the Twenty Third Annual General Meeting is given as part of the Notice to the Twenty Third Annual General Meeting.

Separate Meeting of the Independent Directors:

A separate meeting of Independent Directors was held on 5th February, 2015, without the attendance of Non-Independent Directors and members of Management. Out of three, two Independent Directors were present at the meeting. The following matters were discussed in detail:

- I) Review of the performance of non-independent directors and the Board as a whole;
- II) Review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- III) To Assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Audit Committee:

The Audit Committee consists of two Independent Directors and one Non-Executive Director as at 31st March' 2015 viz.

Sl. No.	Name	Category of Membership
1	Mr. M.S Srinivasan	Chairman
2	Mr. Arun Kumar Bhalla	Member
3	Mr. Luis Carlos Silveyra	Member

Mr. Sanjay Kasture, the Company Secretary, is the Secretary of the Audit Committee.

Terms of Reference: Clause 49 of the Listing Agreement lists the role of the Audit Committee. The gist of the terms of reference is as follows:

- Oversee Company's financial reporting process and disclosures.
- Recommend appointment/removal/remuneration and payment of other fees of the statutory auditors/Internal auditors/cost auditors/secretarial auditors.
- Review with the management the quarterly and annual financial statements before submission to the Board.
- Reviewing, monitoring and reporting to the board on the effectiveness on the risk management system
- Review with the Management, performance of the Statutory and Internal Auditors.
- Review adequacy of internal control systems, internal audit department, reporting structure and frequency.
- Review of the related party transactions.
- Review of statutory compliances.
- Discussion with internal auditors of any significant findings and follow-up thereon.

The Attendance of Directors at the Audit Committee Meetings held during the year ended 31st March, 2015 is given below:

Sl. No.	Members	Meetings	Meetings Attended
1	Mr. Arun Kumar Bhalla	5	5
2	Mr. Arun Kumar Srivastava*	5	4
3	Mr. Luis Carlos Silveyra	5	4
4	Mr. M S Srinivasan**	5	2

* Ceases to be member of Audit Committee w.e.f 6th November, 2014 end of business hour.

** Appointed as a Chairman of Audit Committee w.e.f 6th November, 2014.

Stakeholders Relationship Committee:

The Stakeholder Relationship Committee consists of three Director as at 31st March, 2015 viz.,

Sl. No.	Name	Category of Membership
1	Mr. Luis Carlos Silveyra	Chairman
2	Mr. Ajay Dhagat	Member
3	Mr. Indraneel Dutt*	Member

* Mr. Indraneel Dutt was appointed as member of Stakeholder Relationship Committee on 5th August, 2014.

The Committee oversees the performance of investor grievances and recommends measures to improve the shareholders/investors service. Mr. Sanjay Kasture, Company Secretary, is the Secretary of the Committee. The Committee met 4 times i.e. on 30th May, 2014, 5th August, 2014, 6th November, 2014 and 5th February, 2015.

During the Financial Year ended 31st March, 2015, only one (1) complaint was received from one of the shareholder of the Company which was duly resolved.

The Attendance of Directors at the Stakeholder Relationship Committee Meetings held during the year ended 31st March, 2015 is given below:

Sl. No.	Members	Meetings Held	Meetings Attended
1	Mr Luis Carlos Silveyra	4	4
2	Mr. Ajay Dhagat	4	4
3	Mr. Manuel Hernandez Bravo*	4	-
4	Mr. Indraneel Dutt**	4	2

* Ceases to be a member of Stakeholder Relationship Committee w.e.f 5th August, 2014.

** Appointed as member of Stakeholder Relationship Committee on 5th August, 2014.

Nomination and Remuneration Committee:

The Nomination and Remuneration Committee consists of three non-executive Director as at 31st March 2015 viz.

Sl. No.	Name	Category of Membership
1	Mr. M S Srinivasan	Chairman
2	Mr. Arun Kumar Bhalla	Member
3	Mr. Arun Kumar Srivastava	Member

The Committee reviews and approves the remuneration of Managerial Personnel and the terms and conditions of appointment and in accordance with the provisions of Companies Act 2013. Mr. Sanjay Kasture, Company Secretary, is the Secretary of the Committee.

The following Directors are paid sitting Fees of Rs. 20,000 for attending a meeting of the Board or Audit Committee thereof and they are not paid any other remuneration over and above the sitting fees.

Sl. No.	Name
1	Mr. M S Srinivasan
2	Mr. Arun Kumar Bhalla
3	Mr. Arun Kumar Srivastava
4	Mr Ajay Dhagat

Other non-executive Directors have waived receiving sitting fees for both the Board and Committee meetings.

Details of sitting fees paid to Directors during the financial year 2014-15:

(Amount in Rupees)

Sl. No.	Name	Board Meeting	Audit Committee Meeting
1.	Mr. Arun Kumar Bhalla	100,000	100,000
2.	Mr. Arun Kumar Srivastava	80,000	80,000
3.	Mr. M. S. Srinivasan	100,000	40,000
4.	Mr. Ajay Dhagat	100,000	-

Name and Designation of Compliance Officer

Mr. Sanjay Kasture, Company Secretary and Compliance Officer

General Meetings:

The particulars of Annual General Meetings held during the last three financial years are as under:

Financial Year ended	Date and Time	Venue
31 st March, 2014	5 th August 2014 at 2.00 PM	Pleasant Days Resort Chennai-Bangalore Trunk Road Palanjur, Sembarambakkam Chennai 602 103
30 th June, 2013	5 th November 2013 at 11.00 AM	Pleasant Days Resort Chennai-Bangalore Trunk Road Palanjur, Sembarambakkam Chennai 602 103
31 st March, 2012	10 th August 2012 at 4.00 PM	Pleasant Days Resort Chennai-Bangalore Trunk Road Palanjur, Sembarambakkam Chennai 602 103

The particulars of Extra-ordinary General Meetings held during the last three financial years are as under:

Financial Year ended	Date and Time	Venue
30 th June, 2013	5 th November 2013 at 12.30 PM	Pleasant Days Resort Chennai-Bangalore Trunk Road Palanjur, Sembarambakkam Chennai 602 103

Disclosures:

- Related Party Transactions: Disclosure on transaction(s) with related party as required under Accounting Standard

18 issued by the Institute of Chartered Accountants of India has been incorporated in the Notes to the Accounts.

- There are no instances of non-compliance with Stock Exchange or SEBI regulations, nor any cases of penalties or strictures imposed by any Stock Exchange or SEBI or any statutory authority for any violation related to Capital Markets during the last three years.
- The Company has complied with the requirements of the Listing Agreements with the Stock Exchanges as well as with the Regulations of the Securities and Exchange Board of India.
- The Company affirms that no employee has been denied access to the audit committee.
- The Company has a Whistle Blower mechanism wherein the employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor or such other person as may be notified by the management. The confidentiality of those reporting violations shall be maintained and they shall not be subjected to any discriminatory practices.

Adoption of Mandatory and Non-mandatory requirements of Clause 49

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement. The Company has adopted following non-mandatory requirements of clause 49:

a. Audit Qualification

The Company is in the regime of un-qualified financial statements.

b. Reporting of Internal Auditor

The Internal Auditor directly reports to the Audit Committee.

Means of Communication:

The Quarterly, Half Yearly and Annual Financial Results are published in English and vernacular newspapers. These results are generally published in the All India editions of Business Line/The Financial Express and Makkal Kural. The financial results of the Company are also made available on the Company's website i.e. www.prolecge.in

SEBI Complaints Redressal System (SCORES):

SEBI has initiated SCORES for processing the investor complaints in a centralized web based redress system and online redressal of all the shareholders complaints. The company is in compliance with the SCORES and redressed the shareholders complaints well within the stipulated time.

Management Discussion and Analysis:

The Management Discussion and Analysis (MD&A) giving an overview of the Company's business and its financials is provided as part of this Annual Report.

Code of Conduct:

The code of Conduct for all the members of the Board and senior management of the Company has been posted on the website of the Company: www.prolecge.in

Shareholders' Information:

1. **Annual General Meeting** Date: 14th August 2015
Time: 2.00 PM
Venue: Pleasant Days Resort
Chennai-Bangalore
Trunk Road, Palanjur,
Sembarambakkam
Chennai – 602 103.
2. **Financial Year of the company:** 1st April 2014 – 31st March 2015
3. **Book Closure Date** 7th August 2015 to
14th August 2015 (Both days inclusive)

4. Financial Calendar (tentative)

Results for the quarter ending 30 th June 2015	14 th August 2015
Results for the quarter ending 30 th September 2015	Second week of November 2015
Results for the quarter ending 31 st December 2015	Second week of February 2016
Results for the quarter ending 31 st March 2016	Second week of May 2016
Annual General Meeting	Second week of August 2016

5. Listing of Shares on Stock Exchanges

The Equity Shares of the Company are listed on the National Stock Exchange of India Limited and Bombay Stock Exchange Limited.

Stock Code:

BSE SCRIP CODE **NSE SYMBOL**
532717 **INDOTECH**

The ISIN No. is INE332H01014

6. Status of Listing Fees

The Company has paid Listing Fees for the year 2014-2015 to the National Stock Exchange of India Limited and Bombay Stock Exchange Limited.

7. Stock Price Data

Month	NSE		BSE	
	High	Low	High	Low
April 2014	89.00	59.10	90.00	59.00
May 2014	118.70	78.00	117.00	80.00
June 2014	164.70	103.00	164.05	102.00
July 2014	190.55	149.95	189.85	150.00
August 2014	226.30	161.00	222.00	161.20
September 2014	214.40	164.00	212.00	176.00
October 2014	210.00	173.40	209.00	173.70
November 2014	234.40	184.00	235.00	185.00
December 2014	254.40	189.00	251.60	189.20
January 2015	244.40	202.05	244.70	202.70
February 2015	237.90	170.50	236.00	155.30
March 2015	184.00	128.25	184.10	128.10

Note: The Equity Shares of the Company were listed on NSE and BSE on 16th March, 2006.

8. Registrar and Share Transfer Agents
Link Intime India Private Limited

(Formerly Intime Spectrum Registry Limited)
 C-13 Pannalal Silk Mills Compound
 L.B.S. Marg, Bhandup (West), Mumbai 400 078
 Phones : 91-22-25963838
 Fax : 91-22-25946969
 E-mail : mt.helpdesk@linkintime.co.in.

9. Shareholding Pattern as on 31st March 2015

Category	No. of Shares	Percentage
Foreign Company	7,895,625	74.35
Mutual Funds / Financial	1,149	0.01
Institutions/ Banks		
Private Corporate Bodies	435,317	4.10
Public	2,132,913	20.08
NRIs	69,813	0.66
Clearing Members	85,183	0.80
Total	10,620,000	100.00

10. Share Transfer

In accordance with the Listing Agreements with the Stock Exchanges, the Board has authorized the CEO, CFO and the Company Secretary and Chief Compliance Officer, to severally approve share transfers, transmissions, splits, sub-division, consolidation, re-mat or replace any share certificate(s) and also to issue duplicate share certificate(s) in addition to resolving investor complaints received, if any.

12. Shareholding Summary as on 31st March 2015

Category	Total Shares	% to Equity
Physical	2	-
NSDL	9,622,421	90.61
CDSL	997,577	9.39
Total	10,620,000	100.00

13. Plant locations

Survey No 153-210 Illuppapatu Village, Near Rajakulam KM 64, Chennai Bangalore Highway Kancheepuram District Tamil Nadu	DP 14-19 SIDCO Industrial Estate Thirumazhisai Chennai 600 124 Tamil Nadu
DP 36 SIDCO Industrial Estate Thirumazhisai Chennai - 600 124 Tamil Nadu	

14. Address for Correspondence

The Company Secretary
 Indo Tech Transformers Limited
 DP: 36 Sidco Industrial Estate
 Thirumazhisai, Chennai 600 124
 Phone : 91-44-30289830/9833
 Email : investor@indo-tech.com

15. Distribution Schedule as on March 31, 2015

No. of Equity Shares held	No. of Share-holders	% to Share-holders	No. of Shares	% of Share-holding
1 to 500	8,917	92.93	672,216	6.33
501 to 1000	314	3.27	252,352	2.37
1001 to 2000	168	1.75	249,554	2.34
2001 to 3000	67	0.69	168,450	1.58
3001 to 4000	36	0.37	127,546	1.20
4001 to 5000	21	0.21	98,057	0.92
5001 to 10000	29	0.30	201,268	1.89
Greater than 10000	43	0.44	8,850,557	83.34
TOTAL	9,595	100	10,620,000	100

16. Green Initiative in the Corporate Governance

As part of the green initiative process, the company has taken an initiative of sending documents like notice calling Annual General meeting, Corporate Governance Report, Directors Report, audited Financial Statements, Auditors Report, Dividend intimations etc., by email. Physical copies are sent only to those shareholders whose email addresses are not registered with the company and for the bounced-mail cases. Shareholders are requested to register their email id with Registrar and Share Transfer Agent / concerned depository to enable the company to send the documents in electronic form or inform the company in case they wish to receive the above documents in paper mode.

**For and On Behalf of the Board of Directors of
 Indo Tech Transformers Limited**

Ricardo Suarez Garza
 Chairman

Ajay Dhagat
 Director

Place: Chennai
 Date : 27th May 2015

MANAGEMENT DISCUSSION AND ANALYSIS

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements, which may be identified by their use of words like ‘plans’, ‘expects’, ‘will’, ‘anticipates’, ‘believes’, ‘intends’, ‘projects’, ‘estimates’, or other words of similar meaning. All statements that address expectations or projections about the future, including, but not limited to statements about the company’s strategy for growth, product development, market position, expenditures, and financial results, are forward looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The company cannot guarantee that these assumptions and expectations are accurate or will be realized. The company’s actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

INDUSTRY

The growth of the transformers industry is in tandem with the development of the power sector. Transformers are an indispensable component of an alternate current (AC) electrical system for electricity generation, transmission or distribution. In addition, the demand for transformers increases proportionately with the amplification of power generation, transmission or distribution networks in the country. According to the Indian Electrical and Electronics Manufacturers` Association (IEEMA), the size of the transformer market is cumulatively worth around Rs 105 billion. The country’s total transformer manufacturing capacity is estimated to be 1,000 GVA. However, currently the industry is operating at lower than its capacity, at an average of around 60 per cent.

The industry comprises two key segments – power and distribution transformers. The distribution transformer segment is the largest, with a market share of around 57 per cent at Rs 60 billion and has more than 30 manufacturers. The power transformer segment is estimated to have a market size of Rs 45 billion with 15 manufacturers. 765 kV segment has been growing at 20% rate where as growth in segment in which we operate is below 10% and capacity continue to be higher in this range. In terms of demand, however, the power transformer segment has a larger demand of around 180,000 MVA while the distribution transformer segment caters to a demand of around 80,000 MVA. Under the 12th Five Year Plan (2012-17), the government plans to spend USD 200 Billion on developing and strengthening power infrastructure in India. Similarly, IEEMA (Indian Electrical and Electronics Manufacturers Association) along with government framed a policy to limit the imports of transformers from China and Korea along with changing government policies on import duty for CRGO steel is likely to further promote the domestic transformers industry in India.

OPPORTUNITIES, THREATS AND RISKS

Opportunities

With the government’s increased focus on the transmission and distribution segment, the outlook for the market is expected to improve. Transformer demand has been mainly boosted by investments planned by the government in the transmission and distribution segment. This includes the two recently launched central government programmes – Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) and the Integrated Power Development Scheme (IPDS) – which focus specifically on developing T&D assets in rural and urban India respectively. The Rs 515 billion Restructured Accelerated Power Development and Reforms Programme (R-APDRP), which aims to bring down state utilities aggregate technical and commercial losses to below 10 per cent, is giving a huge fillip to the transformer industry.

Renewable energy will need value added products like skid mounted substation and hence the demand for the same will increase. We are working with various wind turbine manufacturers to develop products that include transformers & switch gears mounted on skid.

Concerns and Risks

The key concerns and risk areas are:

- Continued overcapacity among incumbents leading to sustained pricing pressures in the market place & stringent terms by utilities who are main buyers.
- Customers delaying taking physical delivery of their transformers due to delays in large projects. This blocks our factory space, hampers production lines, affects timely revenue recognition and locks up our working capital.
- Chinese companies creating large capacities in India, thus increased competition.
- Delayed payments by utilities.

PRODUCT PERFORMANCE

1. Revenues

Our revenues comprise of Sale of Transformers and Other income. The following table shows our revenue for last two financial years:

(Rs. in lakhs)

Sources of Revenue	FY 2014-15 (12 Months)	FY 2013-14 (9 Months)
Sale of Transformers	15,209	8,939
Other Income	2,154	1,545
Total Revenue	17,363	10,484

We derive our revenues primarily from sale of transformers manufactured for the State Electricity Boards, EPC Contractors, Industries and other customers.

2. Expenditure

The following table shows our expenditure for last two financial years:

(Rs. in lakhs)

Expenditure Head	FY2014-15 (12 Months)	FY2013-14 (9 Months)
Raw Material consumed	12,853	8,020
Employees Remuneration	1,358	1,055
Manufacturing, Selling and Administrative expenses	2,521	1,938
Finance Cost	488	1,053
Depreciation	518	299
Total	17,738	12,365

BUSINESS OVERVIEW AND OUTLOOK

Given the capacity expansion plans of state-owned transmission companies, demand is expected for high voltage and extra high voltage power transformers and for large distribution transformers. Further, the focus on non-conventional energy will lead to more wind and solar power generation fuelling the growth for transformers. In addition to the domestic market, your Company has taken steps to foray into the global market through General Electric network to improve its performance and reach.

While we remain more optimistic on business environment, pricing pressures will continue.

RISK AND INTERNAL CONTROLS

The CEO/CFO certification provided in the report discusses the adequacy of our internal control systems and procedures.

In accordance with provisions of Companies Act 2013 and Listing Agreement, which is effective from 1st October 2014, the Audit Committee is required to evaluate the policy on Internal Financial controls. As of the end of the FY 2014-15, management conducted an assessment of the effectiveness of internal financial controls and based on this assessment, management has determined that the Company's internal financial controls as of 31 March 2015 were effective.

The Company has in place a mechanism to inform Board Members about the risk assessment and controls at periodical intervals. The Company has an independent Internal Auditor for periodically carrying out audit of the transactions of the Company in order to ensure that recording and reporting are adequate and proper. The Internal Auditors independently evaluate the

adequacy of internal controls to ensure that internal controls, checks and balances in the system are adequate, proper and up-to-date. Remedial measures are suggested by them to mitigate the risks identified during the course of the audit assignments and action plans ensure implementation of such suggestions. Safeguarding of assets and protection against unauthorized use are also part of these exercises. Subject to determining any additional appropriate actions arising from items still in process, the board is satisfied that, where significant failings or weaknesses in internal controls were identified during the year, appropriate remedial actions were taken or are being taken.

FINANCIAL AND OPERATIONS PERFORMANCE

The financial performance of your Company has improved as compared to the previous year. However, the same was affected by the combined impact of pricing pressures in the market place, increases in input costs, delays in projects as well as complying with stringent design specifications of the customers. The Company is fully focused on reducing the input costs and is using the expertise of its parent company.

Financial Results

(Rs. in lakhs)

Particulars	FY 2014-15 (12 Months)	FY 2013-14 (9 Months)
Total Revenue	17,363	10,485
Operating Profit (EBDIT)	632	(529)
Profit/(Loss) Before Tax (PBT)	(374)	(1,880)
Profit / (Loss) After Tax (PAT)	(374)	(1,880)

HUMAN RESOURCES

The Human Resources department has undertaken several initiatives during the year for reducing overhead costs wherever feasible in the form of reducing transport facilities, disposing the company vehicles, reducing trainees and indirect contract workers engaged in housekeeping, gardening and security. It is continuing its drive towards consolidating the entire workforce under one roof and rationalising the workforce by transferring workers from other sites and reducing the contract workers therein. It has also contributed to improvements in the culture and interpersonal relationship between the workforce and the supervisors and managers in the shop floor. Staff strength was rationalised in its initiative to change over from quantitative to qualitative head count.

**CERTIFICATION BY
CHIEF EXECUTIVE OFFICER / CHIEF FINANCIAL OFFICER**

We hereby certify that for the financial year ending 31st March 2015, on the basis of the review of the financial statements and the cash flow statement and to the best of our knowledge and belief that:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ending 31st March 2015, which are fraudulent, illegal or in violation of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls. We have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and have taken the required steps to rectify these deficiencies.
5. We further certify that:-
 - a) There have been no significant changes in internal control during this year.
 - b) There have been no significant changes in accounting policies during this year.
 - c) There have been no instances of significant fraud of which we have become aware and the involvement therein of the management or an employee having a significant role in the Company's internal control system.

Place : Chennai
Date : 27th May, 2015

Dhiraj Narula
Chief Financial Officer

Shridhar Gokhale
Manager

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR
MANAGEMENT PERSONNEL WITH THE CODE OF CONDUCT**

This is to confirm that the Company has adopted a Code of Conduct for all Board members and senior management of the Company. The Code has been hosted on the Company's website www.indo-tech.com/www.prolecge.in.

We confirm that the Company has in respect of the financial year ended 31st March 2015, received from the Members of the Board and the senior management team of the Company a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means employees in the rank of Heads of different functions.

**For and On Behalf of the Board of Directors of
Indo Tech Transformers Limited**

Place : Chennai
Date : 27th May, 2015

Ricardo Suarez Garza
Chairman

Ajay Dhagat
Director

Auditors' Certification on Corporate Governance

To

The Members of Indo Tech Transformers Limited

We have examined the compliance of conditions of Corporate Governance by Indo Tech Transformers Limited ("the Company") for the year ended March 31, 2015 as stipulated in Clause 49 of the Listing Agreements of the said Company with stock exchanges.

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

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

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

for B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 101248W/W-100022

Place: Chennai
Date: May 27, 2015

Amar Sunder
Partner
Membership No. 078305

INDEPENDENT AUDITORS' REPORT

Independent Auditors' Report To the members of Indo Tech Transformers Limited

Report on the financial statements

We have audited the accompanying financial statements of **Indo Tech Transformers Limited** (the "Company"), which comprise the balance sheet as at March 31, 2015, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation

of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its loss and its cash flows for the year ended on that date.

Emphasis of matter

We draw attention to note 2(a) to the financial statements which more fully discusses the going concern related matters. Based on the current business plans, commitment by the holding company to provide financial and other assistance as is necessary to enable the Company to continue in operational existence for the foreseeable future and at least for a period of 12 months from the balance sheet date and availability of banking limits, the Company believes that it would be able to meet its financial requirements and no adjustments would be required in respect of the carrying value of assets/liabilities. Accordingly, the financial statements have been prepared on a going concern basis. Our opinion is not modified in respect of this matter.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we enclose in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purpose of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

- (c) The balance sheet, the statement of profit and loss, and the cash flow statement dealt with by this report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) The going concern matter described under the Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- (f) On the basis of written representations received from the directors as on March 31, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 27 to the financial statements.
 - ii The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii *There has been a delay of 113 days in transferring the amount of Rs. 93,104, required to be transferred to the Investor Education and Protection Fund by the Company.*

for B S R & Co. LLP
Chartered Accountants

ICAI Firm Registration Number: 101248W/W-100022

Amar Sunder
Partner
Membership No. 078305

Place: Chennai
Date : May 27, 2015

Annexure to the Independent Auditors' Report to the members of Indo Tech Transformers Limited for the year ended March 31, 2015

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (ii) (a) The inventory, except stocks lying with third parties and in transit, has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. For stocks lying with third parties at the year-end, written confirmations have been obtained.
- (b) In our opinion, the procedures for the physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the records of inventory, we are of the opinion that the Company has maintained proper records of inventory. The discrepancies noticed on verification between physical stocks and the book records were not material and have been properly dealt with in the books of account
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register required under Section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, and having regard to the explanation that purchases of certain items of inventories are for the Company's specialised requirements and similarly certain goods sold are for the specialised requirements of the buyers and suitable alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and with regard to the sale of goods and services. We have not observed any major weakness in the internal control system during the course of the audit.
- (v) The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under section 148(1) of the Companies Act, 2013 in respect of power transformers and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have generally been deposited regularly during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of wealth tax.
- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, the dues relating to income tax, sales tax, and duty of customs that have not been deposited by the Company with the appropriate authorities on account of disputes are given below.

Name of the statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
The Customs Act, 1962	Customs duty	1,417,317*	FY 2004-05	Custom Excise and Service Tax Appellate Tribunal, Chennai
The Central Sales Tax Act, 1956	Central sales tax	441,618	FY 1996-97	Madras High Court
The Central Sales Tax Act, 1956	Central sales tax	362,608^	FY 2005-06 FY 2006-07	Assistant Commissioner of Commercial Taxes, Chennai
Tamil Nadu General Sales Tax Act, 1959	Penalty	15,607	FY 1996-97	Appellate Assistant Commission
Tamil Nadu Value Added Tax Act, 2006	Sales tax	1,411,682@	AY 2006-07, 2007-08, 2008-09 and 2009-10	Appellant Deputy Commissioner of Commercial Taxes
Central Excise Act, 1944	Excise duty	15,668,936	FY 2008-09, April 2012 to December 2012 and March 2014 to June 2014	Custom Excise and Service Tax Appellate Tribunal, Chennai
Income-tax Act, 1961	Income tax	20,848,024	AY 2005-06, 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12	Commissioner of Income Tax (Appeals)

* net of Rs. 1,272,500 paid under protest

^ net of Rs. 2,500,000 paid under protest

@ net of Rs. 554,793 paid under protest

- (c) *According to the information and explanations given to us, there has been a delay of 113 days in transferring the amount of Rs. 93,104, required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 and rules made thereunder.*
- (viii) *The accumulated losses of the Company, as at the year end are more than fifty percent of its net worth. The Company has incurred cash losses in the financial year and in the immediately preceding financial period.*
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers. The Company did not have any outstanding dues to any financial institutions or debentureholders during the year.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) The Company did not have any term loans outstanding during the year.
- (xii) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

for **B S R & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 101248W/W-100022

Amar Sunder

Partner

Membership No. 078305

Place: Chennai

Date: May 27, 2015

Balance Sheet as at March 31, 2015

(All amounts are in Indian Rupees, except share data or as stated)

	Note	As at March 31, 2015	As at March 31, 2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	106,200,000	106,200,000
Reserves and surplus	4	<u>1,402,269,707</u>	<u>(45,030,520)</u>
		1,508,469,707	61,169,480
Non-current liabilities			
Long-term provisions	5	<u>12,220,491</u>	<u>7,157,140</u>
		12,220,491	7,157,140
Current liabilities			
Short-term borrowings	6	-	1,254,174,632
Trade payables	7	342,733,131	324,807,404
Other current liabilities	8	196,090,587	173,932,348
Short-term provisions	5	<u>6,428,130</u>	<u>5,729,834</u>
		545,251,848	1,758,644,218
Total		<u>2,065,942,046</u>	<u>1,826,970,838</u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible fixed assets	9	663,473,641	704,652,271
Intangible fixed assets	10	1,362,945	2,542,769
Capital work-in-progress	9	1,677,542	12,442,552
Deferred tax assets (net)	11	-	-
Long-term loans and advances	12	58,869,085	46,056,669
Other non-current assets	13	<u>5,000,000</u>	<u>5,000,000</u>
		730,383,213	770,694,261
Current assets			
Inventories	14	403,717,196	320,203,495
Trade receivables	15	519,059,518	443,095,935
Cash and bank balances	16	154,663,126	95,915,138
Short-term loans and advances	17	216,461,349	180,005,757
Other current assets	18	<u>41,657,644</u>	<u>17,056,252</u>
		1,335,558,833	1,056,276,577
Total		<u>2,065,942,046</u>	<u>1,826,970,838</u>
Significant accounting policies	2		
The notes referred to above form an integral part of the financial statements			

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. - 101248W/W-100022

Amar Sunder
Partner
Membership No.: 078305

Place: Chennai
Date: May 27, 2015

for and on behalf of the Board of Directors of
Indo Tech Transformers Limited

Ricardo Suarez Garza
Chairman

Ajay Dhagat
Director

Dhiraj Narula
Chief Financial Officer

Sanjay Kasture
Company Secretary

Place: Chennai
Date: May 27, 2015

Statement of Profit and Loss for the year ended March 31, 2015

(All amounts are in Indian Rupees, except share data or as stated)

	Note	For the year ended March 31, 2015	For the period ended March 31, 2014
Revenue from operations			
Sale of products (gross)	19	1,651,735,335	990,938,208
Less: Excise duty		130,822,351	97,030,716
Sale of products (net)		1,520,912,984	893,907,492
Sale of services		29,650,428	22,179,190
Other operating revenues		18,536,269	22,512,528
Total		1,569,099,681	938,599,210
Other income	20	167,236,535	109,894,414
Total revenue		1,736,336,216	1,048,493,624
Expenses			
Cost of materials consumed	21	1,290,084,177	775,579,729
Changes in inventories of finished goods and work-in-progress	22	(4,808,785)	26,425,414
Employee benefits	23	135,791,611	105,595,425
Finance costs	24	48,785,789	105,261,530
Depreciation and amortization	25	51,840,615	29,854,711
Other expenses	26	252,069,795	193,780,287
Total expenses		1,773,763,202	1,236,497,096
Loss before tax		(37,426,986)	(188,003,472)
Tax expense:		-	-
Loss for the year/ period		(37,426,986)	(188,003,472)
Earnings per equity share:			
- Basic		(3.52)	(17.70)
- Diluted		(3.52)	(17.70)
Weighted average number of equity shares outstanding during the year/ period		10,620,000	10,620,000
Nominal value of equity shares (Rs.)		10	10
Significant accounting policies	2		

The notes referred to above form an intergral part of the statement of financial statements.

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. - 101248W/W-100022

Amar Sunder
Partner
Membership No.: 078305

Place: Chennai
Date: May 27, 2015

for and on behalf of the Board of Directors of
Indo Tech Transformers Limited

Ricardo Suarez Garza
Chairman

Ajay Dhagat
Director

Dhiraj Narula
Chief Financial Officer

Sanjay Kasture
Company Secretary

Place: Chennai
Date: May 27, 2015

Cash Flow Statement for the year ended March 31, 2015

(All amounts are in Indian Rupees, except share data or as stated)

	For the year ended	For the period ended
Note	March 31, 2015	March 31, 2014
Cash flows from operating activities		
Loss before tax	(37,426,986)	(188,003,472)
<i>Adjustments:</i>		
Depreciation / amortization	51,840,615	29,854,711
Loss on sale of fixed assets	279,555	1,023,721
Provision for doubtful debts, net	8,736,130	(5,485,902)
Interest income	(6,693,247)	(4,155,523)
Foreign exchange (gain) / loss, net (unrealised)	(607,929)	6,839,515
Liabilities / provisions no longer required written back	(57,670,804)	(13,600,112)
Provision for inventories	(3,769,844)	9,235,368
Provision for warranty	(3,289,861)	(227,391)
Finance costs	48,785,789	105,261,530
Operating cash flow from/ (used in) before working capital changes	183,418	(59,257,555)
(Increase) / decrease in inventories	(77,266,318)	11,182,098
(Increase) / decrease in trade receivables	(33,816,327)	(86,569,085)
(Increase) / decrease in loans and advances and other assets	(73,910,702)	14,547,271
Increase / (decrease) in trade payables, other liabilities and provisions	54,972,790	(196,643,172)
Cash used in operations	(129,837,139)	(316,740,443)
Income taxes paid	252,061	663,495
Net cash used in operating activities	(A) (130,089,200)	(317,403,938)
Cash flows used in investing activities		
Purchase of fixed assets (tangible fixed assets and capital work-in-progress), net	(7,557,469)	(1,625,694)
Proceeds from sale of fixed assets	2,037,976	1,342,977
Interest received	6,986,610	8,574,255
Bank deposits (having original maturity of more than three months), net	(5,839,872)	(35,840,159)
Net cash used in investing activities	(B) (4,372,755)	(27,548,621)

Cash Flow Statement for the year ended March 31, 2015 (continued)

(All amounts are in Indian Rupees, except share data or as stated)

	For the year ended	For the period ended
Note	March 31, 2015	March 31, 2014
Cash flows from financing activities		
Proceeds from borrowings, net	-	447,455,262
Repayment of borrowings, net	(1,254,174,632)	-
Proceeds from subvention money received	1,491,250,000	-
Finance costs paid	(49,705,297)	(107,740,348)
Net cash from financing activities	(C) 187,370,071	339,714,914
Net increase/(decrease) in cash and cash equivalents	(A+B+C) 52,908,116	(5,237,645)
Cash and cash equivalents at the beginning of the year/ period (see note below)	<u>53,671,059</u>	<u>58,908,704</u>
Cash and cash equivalents at the end of the year/ period (see note below)	<u>106,579,175</u>	<u>53,671,059</u>

Notes to cash flow statement

	As at	As at
	March 31, 2015	March 31, 2014
Components of cash and cash equivalents:		
- Cash on hand	1,835	11,787
- Cheques on hand	14,168,768	24,165,366
- Balances with banks		
- on current accounts (including monies held in trust)	18,963,680	15,942,078
- on cash credit accounts	73,444,892	3,551,828
- on deposit accounts (with original maturity of 3 months or less)	-	10,000,000
	<u>106,579,175</u>	<u>53,671,059</u>

The notes referred to above form an integral part of the financial statements

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. - 101248W/W-100022

Amar Sunder
Partner
Membership No.: 078305

Place: Chennai
Date: May 27, 2015

for and on behalf of the Board of Directors of
Indo Tech Transformers Limited

Ricardo Suarez Garza
Chairman

Ajay Dhagat
Director

Dhiraj Narula
Chief Financial Officer

Sanjay Kasture
Company Secretary

Place: Chennai
Date: May 27, 2015

Notes to financial statements for the year ended March 31, 2015

(All amounts are in Indian Rupees, except share data or as stated)

1 Company overview

Indo Tech Transformers Limited ('Indo Tech' / 'the Company') is engaged in the business of manufacturing power and distribution transformers and various special application transformers, mobile sub-station transformers and sub-stations. The Company has manufacturing plants located at Chennai and Kancheepuram in Tamil Nadu.

2 Significant Accounting Policies

a Basis of preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting in accordance with the accounting principles generally accepted in India ('Indian GAAP') and comply with the Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act and guidelines issued by the Securities and exchange Board of India (SEBI). The financial statements are presented in Indian Rupees.

During the past few years, the Company's performance has been significantly impacted due to various adverse market conditions. As a result, the accumulated losses had significantly eroded the net worth of the Company. During the previous period, the Company has intimated to the Board for Industrial and Financial Reconstruction ('BIFR') about erosion of more than 50% of the Company's peak net worth pursuant to section 23 of Sick Industrial Companies (Special Provision) Act, 1985 (SICA).

During the year, the Company has initiated various measures to improve operational performance and liquidity and has witnessed rise in demand from its customers and improved market conditions. Prolec GE Internacional S. De R. L. De C. V. (Prolec GE), the holding company, has continued to support the Company in the current year by giving a voluntary, non-repayable financial grant (subvention) of US\$ 25 million (INR 1,491 million). The net results have improved primarily owing to lower interest cost, which has been achieved on account of repayment of all short term borrowings. However, the accumulated losses as at March 31, 2015 have further eroded the net worth of the Company.

Further, based on the approved business plans, commitment by the holding company to provide financial and other assistance as is necessary to enable the Company to continue in operational existence for the foreseeable future and at least for a period of 12 months from the balance sheet date and availability of banking limits, the Company believes that it would be able to meet its financial requirements and no adjustments would be required in respect of the carrying values of assets/liabilities. The ability of the Company to continue as a going concern is significantly dependent on the consistent and continued improvement in its operational performance in the future. Accordingly, the financial statements have been prepared on a going concern basis.

b Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amount of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

c Revenue recognition

Revenue from sale of goods is recognized upon transfer of all significant risks and rewards of ownership to the buyer which generally corresponds with the dispatch/delivery of goods to buyers based on the terms of the contract. The amount recognized as sale is exclusive of sales tax and trade discounts.

Service income is recognized as the services are rendered on an accrual basis in accordance with the terms of the relevant contract, net of service tax.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

Notes to financial statements for the year ended March 31, 2015 (continued)

(All amounts are in Indian Rupees, except share data or as stated)

d Fixed assets and depreciation / amortisation

Tangible fixed assets

Tangible fixed assets are stated at cost of acquisition less accumulated depreciation. The cost of fixed assets includes freight, duties and taxes and other incidental expenses related to the acquisition, but exclude duties and taxes that are recoverable subsequently from tax authorities. Borrowing costs directly attributable to acquisition of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized.

Capital work-in-progress includes the cost of fixed assets that are not ready for its intended use and cost of assets not put to use before the balance sheet date.

Depreciation

Depreciation is provided on the straight line method over the useful life as prescribed under Part C of Schedule II of the Companies Act 2013. Depreciation for assets purchased/ sold during a period is proportionately charged.

Fixed Assets	Useful lives
Buildings	30 - 60
Plant and machinery	15
Office equipments	5
Computer and accessories	3 - 6
Furnitures and fixtures	10
Vehicles	8

Assets costing less than Rs. 5,000 are depreciated @ 100% in the year of purchase.

Intangible fixed assets and amortisation

Intangible assets are recorded at the consideration paid for acquisition. Intangible assets are amortized over their estimated economic useful lives on a straight line basis commencing from the date the asset is available for its use. The management estimates the useful lives for the intangible asset (software) at 5 years.

e Impairment

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount (higher of net realizable value and value in use) of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than the carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

f Leases

Assets taken on lease where the Company acquires substantially the entire risks and rewards incidental to ownership are classified as finance leases. The amount recorded is the lesser of the present value of the minimum lease rental and other incidental expenses during the lease term or the asset's fair value.

The rental obligations, net of interest charges, are reflected in secured loan. Leases that do not transfer substantially all of the risks and rewards of ownership are classified as operating leases and recorded as expenses as and when payments are made on a straight line basis over the lease term.

g Inventories

Inventories are valued at the lower of cost and net realizable value. Cost of inventories comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost includes all taxes and duties, but excludes duties and taxes that are subsequently recoverable from tax authorities.

The methods of determining cost of various categories of inventories are as follows:

Notes to financial statements for the year ended March 31, 2015 (continued)

(All amounts are in Indian Rupees, except share data or as stated)

Description	Method of determining cost
Raw materials and components	Weighted average
Stores and spares and consumables	Weighted average
Work in progress	Weighted average and including an appropriate share of production overheads
Finished goods	Weighted average and including an appropriate share of production overheads (excise duty in respect of closing inventory of finished goods is included as part of inventory)

h Foreign currency transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date. Exchange differences arising on foreign exchange transactions during the year / period and on restatement of monetary assets and liabilities are recognized in the statement of profit and loss of the year / period.

Premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Any profit or loss arising on the cancellation or renewal of forward contracts is recognized as income or as expense for the year / period. In relation to the forward contracts entered into to hedge the foreign currency risk of the underlying outstanding at the balance sheet date, the exchange difference is calculated as the difference between the foreign currency amount of the contract translated at the exchange rate at the reporting date, or the settlement date where the transaction is settled during the reporting period, and the corresponding foreign currency amount translated at the later of the date of inception of the forward exchange contract and the last reporting date. Such exchange differences are recognized in the statement of profit and loss in the reporting period in which the exchange rates change.

In accordance with the announcement of "Accounting for Derivatives" made by the Institute of Chartered Accountants of India ('ICAI') on March 29, 2008, derivatives are marked to market and the changes in the value of such derivatives are recognized in statement of profit and loss.

i Employee benefits

Provisions for / contributions to retirement benefits scheme are made as follows:

Defined contribution plan

Provident fund: Eligible employees receive benefits from the provident fund, which is a defined contribution plan. Both the employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's basic salary. The Company has no further obligations under the plan beyond its monthly contributions. The Company's contribution to the Employees' Provident Fund scheme maintained by the Central Government is charged to the statement of profit and loss.

Defined benefit plan

Compensated absences: Provision for long term compensated absences is made on the basis of an actuarial valuation as at the balance sheet date carried out by an independent actuary using projected unit credit method. Provision for short term compensated absences is made on actual basis.

Gratuity: The Company provides for gratuity, a defined benefit retirement Plan (the "Gratuity Plan") covering eligible employees. The Plan provides payment to vested employees at retirement, death or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. The Company provides the gratuity benefit through annual contribution to a fund managed by the LIC. Under this scheme the settlement obligation remains with the Company although the LIC administers the scheme and determines the contribution premium required to be paid by the Company. Liabilities related to the Gratuity Plan are determined by actuarial valuation done by an independent actuary using projected unit credit method as at the balance sheet date.

Actuarial gains and losses in respect of post employment and other long-term benefits are charged to the statement of profit and loss.

Notes to financial statements for the year ended March 31, 2015 (continued)

(All amounts are in Indian Rupees, except share data or as stated)

j Earnings per share

Basic earnings per share is computed by dividing net profit or loss for the year / period attributable to equity shareholders by the weighted average number of shares outstanding during the year / period. Diluted earnings per share amounts are computed after adjusting the effects of all dilutive potential equity shares. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share, and also the weighted average number of equity shares, which could have been issued on the conversion of all dilutive potential shares. The diluted potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares). Dilutive potential equity shares are deemed converted as of the beginning of the year / period, unless issued at a later date.

k Taxation

Income-tax expense comprise current tax (i.e. amount of tax for the year / period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting that tax effects of timing differences between accounting income and taxable income for the period).

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is a reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed as at the balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized. Current tax and deferred tax assets and liabilities are offset to the extent to which the Company has a legally enforceable right to set off and they relate to taxes on income levied by the same governing taxation laws.

l Provisions, contingent liabilities and contingent assets

The Company creates a provision when there is present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are neither recognised nor disclosed in the financial statements.

m Cash flow statements

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the Company are segregated. Cash flows in foreign currencies are accounted at average monthly exchange rates that approximate the actual rates of exchange prevailing at the dates of the transactions.

n Government and other grants

Grant and subsidies are recognised when there is reasonable assurance that the grant / subsidy will be received and all attaching conditions will be complied with. Government and other grants in the nature of promoter's contribution are credited to capital reserve and treated as a part of shareholders' funds.

Notes to financial statements for the year ended March 31, 2015 (continued)

(All amounts are in Indian Rupees, except share data or as stated)

3 Share capital**a The details of authorised, issued, subscribed and paid up share capital is as under:**

Particulars	As at	As at
	March 31, 2015	March 31, 2014
Authorised 15,300,000 (March 31,2014: 15,300,000) Equity Shares of Rs.10 each	153,000,000	153,000,000
Issued, subscribed and paid up 10,620,000 (March 31,2014: 10,620,000) Equity Shares of Rs.10 each fully paid up	106,200,000	106,200,000

b Reconciliation of the shares outstanding at the beginning and at the end of the year is as under:

Particulars	As at March 31, 2015		As at March 31, 2014	
	Number of shares	Amount	Number of shares	Amount
At the commencement and at the end of the year / period	10,620,000	106,200,000	10,620,000	106,200,000

c Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder in a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company.

During the year ended March 31, 2015, the Company has not declared any dividend.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

d Shares held by holding company and / or their subsidiaries / associates

Particulars	As at March 31, 2015		As at March 31, 2014	
	Number of shares	Amount	Number of shares	Amount
Equity shares of Rs. 10 each fully paid up held by: Prolec G.E. Internacional, S. de R.L. de C.V., Mexico, the holding Company	7,895,625	78,956,250	7,895,625	78,956,250

e Particulars of shareholders holding more than 5% shares of a class of shares

Particulars	As at March 31, 2015		As at March 31, 2014	
	Number	% of total shares in the class	Number	% of total shares in the class
Equity shares of Rs. 10 each fully paid up held by: Prolec G.E. Internacional, S. de R.L. de C.V., Mexico, the holding Company	7,895,625	74.35%	7,895,625	74.35%

Notes to financial statements for the year ended March 31, 2015 (continued)

(All amounts are in Indian Rupees, except share data or as stated)

4 Reserves and surplus

Particulars	As at March 31, 2015	As at March 31, 2014
Securities premium account		
At the commencement and at the end of the year / period	375,848,190	375,848,190
	375,848,190	375,848,190
Capital Reserve		
At the commencement of the year / period	-	-
Subvention money received during the year (Refer note 38)	1,491,250,000	-
	1,491,250,000	-
General reserve		
At the commencement of the year/ period	199,875,940	199,875,940
Transition adjustment on adoption of Schedule II of the Companies Act, 2013 (Refer note 39)	(6,522,787)	-
	193,353,153	199,875,940
Surplus (Profit and loss balance)		
At the commencement of the year/ period	(620,754,650)	(432,751,178)
Loss for the year/ period	(37,426,986)	(188,003,472)
	(658,181,636)	(620,754,650)
Total reserves and surplus	1,402,269,707	(45,030,520)

5 Provisions

Particulars	Long-term		Short-term	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Provision for employee benefits				
Gratuity	2,582,954	-	-	-
Compensated absences	686,428	626,305	169,331	340,622
	3,269,382	626,305	169,331	340,622
Other provisions				
Provision for warranty	8,951,109	6,530,835	4,841,482	3,971,895
Provision for others	-	-	1,417,317	1,417,317
	8,951,109	6,530,835	6,258,799	5,389,212
Total	12,220,491	7,157,140	6,428,130	5,729,834

Additional disclosures relating to certain provisions (as per Accounting Standard 29 - Provisions, Contingent liabilities and Contingent Assets)

Particulars	Warranty		Others	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
At the commencement of the year / period	10,502,730	10,275,339	1,417,317	1,417,317
Provision made during the year / period	7,259,845	4,362,259	-	-
Provision utilised during the year / period	-	-	-	-
Unutilised provision written back during the year / period	3,969,984	4,134,868	-	-
At the end of the year / period	13,792,591	10,502,730	1,417,317	1,417,317

Provision for warranties: A provision is estimated for expected warranty claims in respect of products sold during the year on the basis of a technical evaluation and past experience regarding failure trends of products and costs of rectification or replacement. The provision for warranty is maintained over the period of the warranty which varies from 12 months to 72 months.

Provision for others: This represents provisions made for probable liabilities / claims arising out of pending disputes / litigations with customs authorities. Timing of outflow of resources will depend upon timing of decision of cases.

Notes to financial statements for the year ended March 31, 2015 (continued)

(All amounts are in Indian Rupees, except share data or as stated)

6 Short-term borrowings

Particulars	As at March 31, 2015	As at March 31, 2014
Loans repayable on demand - from banks		
Working capital demand loan (unsecured)	-	1,245,500,000
Cash credit facility (unsecured)	-	8,674,632
Total	-	1,254,174,632

- i) Working capital demand loan from banks carry interest ranging between 12% - 13.75% per annum on a monthly basis, and are repayable on demand.
- ii) Cash credit facility from Citibank (unsecured) carry interest of 13.5% per annum computed on a monthly basis on the actual amount utilised, and are repayable on demand.

7 Trade payables

Particulars	As at March 31, 2015	As at March 31, 2014
Trade payables (Refer note below)	342,733,131	324,807,404
Total	342,733,131	324,807,404

Based on the information received and available, the management believes that there are no enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable, if any to such enterprises as at March 31, 2015 has been made in the financial statements based on information received and available with the Company, to the extent identified by the management.

8 Other current liabilities

Particulars	As at March 31, 2015	As at March 31, 2014
Interest accrued but not due on borrowings	-	919,508
Money held under trust (Refer note 36)	13,538,376	13,538,376
Payable towards capital goods	8,552,657	11,251,792
Amount liable to be deposited in Investor Education and Protection Fund but not yet due for deposit		
Unpaid dividend	488,727	584,528
Advance from customers	130,310,115	82,034,912
Advance for sale of land (Refer note 41)	20,000,000	-
Employees benefits payable	5,710,781	4,650,726
Other liabilities	17,489,931	14,116,542
Payable towards sales return	-	46,835,964
Total	196,090,587	173,932,348

Notes to financial statements for the nine months period ended March 31, 2015 (continued)

(All amounts are in Indian Rupees, except share data or as stated)

9 Tangible fixed assets

Particulars	Freehold land	Buildings	Plant and machinery	Office equipments	Computer and accessories	Furniture and fixtures	Vehicles	Total
Gross block								
Balance as at July 01, 2013	112,601,844	361,665,737	457,121,444	3,792,638	13,083,427	22,287,609	19,679,333	990,232,032
Additions	-	-	4,529,913	29,427	11,341	-	-	4,570,681
Deletions / write off	-	-	97,650	13,700	-	392,729	5,475,367	5,979,446
Balance as at March 31, 2014	112,601,844	361,665,737	461,553,707	3,808,365	13,094,768	21,894,880	14,203,966	988,823,267
Balance as at April 1, 2014	112,601,844	361,665,737	461,553,707	3,808,365	13,094,768	21,894,880	14,203,966	988,823,267
Additions	-	-	16,877,592	647,504	1,390,793	-	-	18,915,889
Deletions / write off	-	-	-	-	-	-	6,716,656	6,716,656
Reclassification to assets held for sale (refer note 18)	713,530	-	-	-	-	-	-	713,530
Balance as at March 31, 2015	111,888,314	361,665,737	478,431,299	4,455,869	14,485,561	21,894,880	7,487,310	1,000,308,970
Accumulated depreciation								
Balance as at July 1, 2013	-	79,559,357	150,583,199	1,218,615	8,485,217	9,548,131	9,932,797	259,327,316
Depreciation during the period	-	8,978,309	15,757,318	128,704	1,281,027	978,506	1,332,564	28,456,428
Deletions / write off	-	-	14,232	2,569	-	124,406	3,471,541	3,612,748
Balance as at March 31, 2014	-	88,537,666	166,326,285	1,344,750	9,766,244	10,402,231	7,793,820	284,170,996
Balance as at April 1, 2014	-	88,537,666	166,326,285	1,344,750	9,766,244	10,402,231	7,793,820	284,170,996
Depreciation during the year	-	11,674,796	33,365,203	407,459	1,010,381	2,870,017	1,212,815	50,540,671
Transition adjustment on adoption of Schedule II of the Companies Act, 2013 (Refer note 39)	-	-	6,522,787	-	-	-	-	6,522,787
Deletions / write off	-	-	-	-	-	-	4,399,125	4,399,125
Balance as at March 31, 2015	-	100,212,462	206,214,275	1,752,209	10,776,625	13,272,248	4,607,510	336,835,329
Net block								
As at March 31, 2014	112,601,844	273,128,071	295,227,422	2,463,615	3,328,524	11,492,649	6,410,146	704,652,271
As at March 31, 2015	111,888,314	261,453,275	272,217,024	2,703,660	3,708,936	8,622,632	2,879,800	663,473,641

Capital work in progress

Balance as at July 1, 2013	15,387,539
Additions	-
Assets capitalised during the period	2,944,987
Balance as at March 31, 2014	12,442,552
Balance as at April 1, 2014	12,442,552
Additions	-
Assets capitalised / reversed during the year	10,765,010
Balance as at March 31, 2015	1,677,542

Notes:

- Capital work-in-progress includes Rs. 574,530 paid towards registration of land measuring 0.132 acres and DP-36 land at SIDCO Industrial Estate, Thirumazhisai Chennai.

Notes to financial statements for the year ended March 31, 2015 (continued)

(All amounts are in Indian Rupees, except share data or as stated)

10 Intangible fixed assets

Particulars	Computer software	Total
Gross block		
Balance as at July 1, 2013	9,879,318	9,879,318
Additions	-	-
Disposals	-	-
Balance as at March 31, 2014	9,879,318	9,879,318
Balance as at April 1, 2014		
Additions	120,120	120,120
Disposals	-	-
Balance as at March 31, 2015	9,999,438	9,999,438
Accumulated amortization		
Balance as at July 1, 2013	5,938,266	5,938,266
Additions	1,398,283	1,398,283
Disposals	-	-
Balance as at March 31, 2014	7,336,549	7,336,549
Balance as at April 1, 2014	7,336,549	7,336,549
Additions	1,299,944	1,299,944
Disposals	-	-
Balance as at March 31, 2015	8,636,493	8,636,493
Net block		
As at March 31, 2014	2,542,769	2,542,769
As at March 31, 2015	1,362,945	1,362,945

11 Deferred tax assets (net)

Particulars	As at March 31, 2015	As at March 31, 2014
Deferred tax assets		
On Carried forward tax losses and other provision*	85,666,462	88,105,000
	85,666,462	88,105,000
Deferred tax liabilities		
On excess of depreciation / amortisation on fixed assets under income-tax law over depreciation / amortisation provided in accounts	85,666,462	88,105,000
	85,666,462	88,105,000
Deferred tax assets (net)	-	-

* Deferred tax asset on carried forward tax losses and other provision has been restricted to the extent of deferred tax liabilities.

Notes to financial statements for the year ended March 31, 2015 (continued)

(All amounts are in Indian Rupees, except share data or as stated)

12 Long-term loans and advances
(unsecured, considered good)

Particulars	Non - current portion		Current portion *	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
To parties other than related parties				
Deposits	16,835,569	12,527,200	2,100,000	2,100,000
Balance with government authorities	11,634,446	3,238,206	-	-
Advance tax recoverable	30,399,070	30,147,009	-	-
Prepaid Expenses	-	144,254	-	144,254
Total	58,869,085	46,056,669	2,100,000	2,244,254

* Amount disclosed under Short-term loans and advances' under note 17.

13 Other non-current assets

Particulars	As at March 31, 2015	As at March 31, 2014
Bank deposits (due to mature after 12 months from the reporting date) (Refer note 16)	5,000,000	5,000,000
Total	5,000,000	5,000,000
Bank deposits placed under lien with banks	5,000,000	5,000,000

14 Inventories

(valued at the lower of cost and net realisable value)

Particulars	As at March 31, 2015	As at March 31, 2014
Raw material and components	134,930,463	63,122,907
Work in progress	196,612,989	238,653,851
Finished goods	73,295,317	26,445,670
Stores and consumables	7,555,951	4,428,435
Total	412,394,720	332,650,863
Less: Provision for inventories	(8,677,524)	(12,447,368)
Total	403,717,196	320,203,495

In the year ended March 31, 2015, the write-down of inventories to net realisable value amounted to Rs. NIL (March 31, 2014 : Rs. 2,061,152).

15 Trade receivables

Particulars	As at March 31, 2015	As at March 31, 2014
Receivables outstanding for a period exceeding six months from the date they became due for payment		
a) Secured, considered good (Refer note 40)	93,870,803	-
b) Unsecured, considered good	102,090,748	89,410,408
c) Doubtful	71,269,659	121,053,442
Less: Provision for doubtful receivables	(71,269,659)	(121,053,442)
(A)	195,961,551	89,410,408
Other receivables		
a) Unsecured, considered good	323,097,967	353,685,527
b) Doubtful	12,016,068	4,583,764
Less: Provision for doubtful receivables	(12,016,068)	(4,583,764)
(B)	323,097,967	353,685,527
Total	(A) + (B)	443,095,935

Notes to financial statements for the year ended March 31, 2015 (continued)

(All amounts are in Indian Rupees, except share data or as stated)

16 Cash and bank balances

Particulars	As at March 31, 2015	As at March 31, 2014
Cash and cash equivalents:		
Cash on hand	1,835	11,787
Cheques on hand	14,168,768	24,165,366
Bank balances		
- on current accounts (including monies held in trust) (refer note 36)	18,963,680	15,942,078
- on cash credit accounts	73,444,892	3,551,828
- on deposit accounts (with original maturity of 3 months or less)	-	10,000,000
Other bank balances	48,083,951	42,244,079
Total	154,663,126	95,915,138

Particulars	As at March 31, 2015	As at March 31, 2014
Bank balances available on demand/deposits with original maturity of 3 months or less included under 'Cash and cash equivalents'	-	10,000,000
Bank deposits due to mature within 12 months of the reporting date included under 'Other bank balances' (refer note a below)	48,083,951	42,244,079
Bank deposits due to mature after 12 months of the reporting date included under 'Other non-current assets' (refer note 13 and note a below)	5,000,000	5,000,000
Total	53,083,951	57,244,079
a) Bank deposits placed under lien with banks	53,083,951	47,244,079

17 Short-term loans and advances*(unsecured, considered good)*

Particulars	As at March 31, 2015	As at March 31, 2014
Current portion of long-term loans and advances (refer note 12)		
To parties other than related parties		
Deposits	2,100,000	2,100,000
Prepaid expenses	-	144,254
Other short-term loans and advances		
To parties other than related parties		
Prepaid expenses	11,825,929	2,191,172
Cenvat credit receivable	106,840,038	82,461,041
VAT receivable	415,323	3,050,970
Service tax credit receivable	54,186,275	51,133,961
Staff advances	2,689,153	2,154,780
Advance to suppliers	28,881,000	19,584,564
Gratuity fund	-	947,147
Others	3,274,561	3,580,708
To related parties		
Receivable from the holding company	6,249,070	12,657,160
Total	216,461,349	180,005,757

Notes to financial statements for the year ended March 31, 2015 (continued)

(All amounts are in Indian Rupees, except share data or as stated)

18 Other current assets
(unsecured, considered good unless otherwise stated)

Particulars	As at March 31, 2015	As at March 31, 2014
Interest accrued on deposits	2,042,226	2,335,589
Unbilled revenue	31,154,484	6,973,259
Fixed assets reclassified as held for sale (Also refer note 41)	8,460,934	7,747,404
Total	41,657,644	17,056,252

19 Revenue from operations

Particulars	Year ended March 31, 2015	Period ended March 31, 2014
Sale of products		
Manufactured goods	1,651,735,335	990,938,208
Sale of products (gross)	1,651,735,335	990,938,208
Less: Excise duty	130,822,351	97,030,716
Sale of products (net)	1,520,912,984	893,907,492
Sale of services	29,650,428	22,179,190
Other operating revenues		
Scrap sales (net of excise duty)	18,536,269	22,512,528
Total	1,569,099,681	938,599,210

Break-up of revenue from sale of products (net of excise duty)

Particulars	Year ended March 31, 2015	Period ended March 31, 2014
Finished goods		
Transformers	1,518,728,758	891,597,888
Others	2,184,226	2,309,604
Total	1,520,912,984	893,907,492

Break-up of revenue from services rendered

Particulars	Year ended March 31, 2015	Period ended March 31, 2014
Freight and insurance	24,172,600	13,053,735
Labour	5,437,342	9,122,955
Others	40,486	2,500
Total	29,650,428	22,179,190

20 Other income

Particulars	Year ended March 31, 2015	Period ended March 31, 2014
Interest income on fixed deposits with banks	6,693,247	4,155,523
Income from power generation	3,609,974	2,424,212
Liabilities / provisions no longer required written back (Also refer note 40)	57,670,804	13,600,112
Miscellaneous income (Refer note below)	99,262,510	89,714,567
Total	167,236,535	109,894,414

Note :

Miscellaneous income for the year ended March 31, 2015 includes Rs. 43,727,086 (March 31, 2014: Rs. 53,318,243) received as re-imbursment of salaries and other expenses for earlier years, related to expatriates, who were seconded by Prolec GE. Miscellaneous income also includes Rs. 45,729,013 (March 31, 2014: Rs. 33,734,400) received as advance from customers, now written back, based on arrangement with the customers.

Notes to financial statements for the year ended March 31, 2015 (continued)

(All amounts are in Indian Rupees, except share data or as stated)

21 Cost of materials consumed

Particulars	Year ended March 31, 2015	Period ended March 31, 2014
Inventory of materials at the beginning of the year / period	67,551,342	52,308,025
Purchases	1,365,019,249	790,823,046
Inventory of materials at the end of the year / period	142,486,414	67,551,342
Total	1,290,084,177	775,579,729

Break-up of cost of materials consumed

Particulars	Year ended March 31, 2015	Period ended March 31, 2014
CRGO lamination	313,755,661	158,888,941
Copper	400,666,035	249,836,251
Oil	121,276,637	69,698,582
MS items	134,255,659	77,604,311
Others	320,130,185	219,551,644
Total	1,290,084,177	775,579,729

Breakup of inventory - materials

Particulars	Year ended March 31, 2015	Period ended March 31, 2014
CRGO lamination	23,431,876	621,197
Copper	38,949,984	16,698,199
Oil	8,833,612	7,309,691
MS items	7,705,014	6,471,530
Others	63,565,928	36,450,725
Total	142,486,414	67,551,342

22 Changes in inventory of finished goods and work-in-progress

Particulars	Year ended March 31, 2015	Period ended March 31, 2014
Opening inventory		
Finished goods		
Transformers	26,445,670	34,046,341
Work-in-progress		
Transformers under production	238,653,851	257,478,594
Closing inventory		
Finished goods		
Transformers	73,295,317	26,445,670
Work-in-progress		
Transformers under production	196,612,989	238,653,851
	269,908,306	265,099,521
Changes in inventory of finished goods and work-in-progress	(4,808,785)	26,425,414

23 Employee benefits

Particulars	Year ended March 31, 2015	Period ended March 31, 2014
Salaries, wages and bonus	116,189,193	94,572,118
Contribution to provident and other funds	11,853,460	5,463,733
Staff welfare expenses	7,748,958	5,559,574
Total	135,791,611	105,595,425

Notes to financial statements for the year ended March 31, 2015 (continued)

(All amounts are in Indian Rupees, except share data or as stated)

24 Finance costs

Particulars	Year ended	Period ended
	March 31, 2015	March 31, 2014
Interest expense	48,785,789	102,042,614
Corporate Guarantee Fee	-	3,218,916
Total	48,785,789	105,261,530

25 Depreciation and amortisation

Particulars	Year ended	Period ended
	March 31, 2015	March 31, 2014
Depreciation of tangible fixed assets (refer note 9)	50,540,671	28,456,428
Amortisation of intangible fixed assets (refer note 10)	1,299,944	1,398,283
Total	51,840,615	29,854,711

26 Other expenses

Particulars	Year ended	Period ended
	March 31, 2015	March 31, 2014
Rent	-	195,097
Excise duty related to increase/(decrease) in inventory of finished goods	6,532,246	(1,927,514)
Rates and taxes	13,457,464	11,663,186
Power and fuel	23,576,240	17,453,740
Repairs and maintenance:		
- Buildings	8,493,419	5,785,949
- Plant and machinery	3,674,888	2,342,305
- Others	8,069,277	2,789,294
Contract labour	28,566,865	15,258,291
Factory expenses	15,534,899	5,502,776
Insurance	2,702,171	2,257,037
Printing and stationery	972,653	1,293,649
Travelling and conveyance	16,650,577	14,159,448
Communication expenses	2,356,025	1,917,098
Professional and legal charges	16,908,508	16,400,045
Payment to auditors (refer note below)	3,015,081	2,502,033
Directors' sitting fees	600,000	320,000
Advertisement and sales promotion	1,901,780	2,875,927
Agency commission	29,059,067	23,833,981
Freight outward	33,238,686	20,852,622
Bank charges	8,961,608	12,037,272
Loss on sale of fixed assets	279,555	1,023,721
Provision for doubtful debts, net	8,736,130	-
Provision for inventories	-	9,235,368
Foreign exchange loss, net	271,414	18,862,911
Warranty cost	11,037,212	2,964,368
General expenses	7,474,030	4,181,683
Total	252,069,795	193,780,287

Notes to financial statements for the year ended March 31, 2015 (continued)

(All amounts are in Indian Rupees, except share data or as stated)

Note: Payment to auditors (excluding service tax)

Particulars	Year ended March 31, 2015	* Period ended March 31, 2014
As Auditor		
Statutory audit	1,450,000	1,450,000
Tax audit	350,000	350,000
Limited review of quarterly results (Refer sub-note 'a' below)	450,000	300,000
Other services	150,000	150,000
Reimbursement of expenses (Refer sub-note 'b' below)	615,081	252,033
Total	3,015,081	2,502,033

Sub-note a: For the year ended March 31, 2015, payment to auditors include Rs. 150,000 paid to erstwhile auditors

Sub-note b: For the year ended March 31, 2015, payment to auditors include Rs. 373,058 paid to erstwhile auditors

* Represents remuneration to the erstwhile auditors

27 Contingent liabilities and commitments

Particulars	As at March 31, 2015	As at March 31, 2014
Contingent liabilities:		
a) Commitments in respect of bank guarantees and letters of credit issued by Company's bankers	358,096,301	343,770,763
b) Disputed sales tax / income tax / service tax (refer Note a and b)	10,099,772	10,099,772

Notes:

- a Income tax - The Company has received income-tax assessment orders raising demand of Rs. 5,129,608 and Rs. 7,487,550 for AY 2008-09 and AY 2009-10 respectively in the earlier years. Any liability in respect of these orders will be met by the ex-promoters to the benefit of the Company.
- b Sales tax - During the year 2011-2012, the Company had received sales tax assessment orders raising demand of Rs. 1,421,332 and Rs. 1,441,276 for FY 2005-06 and FY 2006-07 respectively. The Company had paid Rs. 2,500,000 (under protest) against these orders. Any liability in respect of these orders will be met by the ex-promoters to the benefit of the Company.

28 Details of imported and indigenous raw materials, components, stores and spares consumed during the financial year / period

Particulars	Year ended March 31, 2015		Period ended March 31, 2014	
	Value	% of total consumption	Value	% of total consumption
Imported	30,855,005	2%	17,293,371	2%
Indigenous	1,262,904,060	98%	758,924,996	98%
	1,293,759,065	100%	776,218,367	100%
Raw materials, components and stores and spares	1,290,084,177	-	775,579,729	-
Stores and spares (included in repairs and maintenance - plant and machinery)	3,674,888	-	638,638	-
	1,293,759,065	-	776,218,367	-
Total	1,293,759,065		776,218,367	

Notes to financial statements for the year ended March 31, 2015 (continued)

(All amounts are in Indian Rupees, except share data or as stated)

29 Value of imports on CIF basis

Particulars	Year ended	Period ended
	March 31, 2015	March 31, 2014
Raw material and stores and spares	30,855,005	17,293,371
Total	30,855,005	17,293,371

30 Expenditure in foreign currency (on accrual basis)

Particulars	Year ended	Period ended
	March 31, 2015	March 31, 2014
Corporate guarantee charges	-	3,218,916
Erection and commission expenses	-	2,059,289
Bank charges	3,114	-
Freight	303,217	-
Travel	742,778	971,654
Warranty cost	3,996,750	1,791,651
Testing charges	483,527	1,168,006
Total	5,529,386	9,209,516

31 Earnings in foreign currency (on accrual basis)

Particulars	Year ended	Period ended
	March 31, 2015	March 31, 2014
Exports on FOB basis	57,547,720	78,362,456
Subvention money receipt	1,491,250,000	-
Re-imbursment of expenses		
Salary for earlier years	43,727,086	53,318,243
Others	47,611,405	35,666,776
Other income	-	33,734,400
Total	1,640,136,211	201,081,875

32 Segment reporting

The Company considers its business segment as its primary segment. The Company is engaged into the business of manufacture and sale of transformers and there are not more than one reportable segment as envisaged by Accounting Standard 17 - Segment Reporting (AS-17). Accordingly, amounts appearing in these financial statements relates to only manufacture and sale of transformers.

Further, the operations primarily cater to the needs of the domestic market. Accordingly, there are no separate reportable segments according to AS-17 issued under the Companies (Accounting Standards) Rules, 2006.

Notes to financial statements for the year ended March 31, 2015 (continued)

(All amounts are in Indian Rupees, except share data or as stated)

33 Derivate instruments**Unhedged foreign currency exposures**

Foreign currency exposures on account of trade receivables / trade payables not hedged by derivative instruments are as follows:

Particulars	As at March 31, 2015		As at March 31, 2014	
	Amount (in original currency)	Amount (in INR)	Amount (in original currency)	Amount (in INR)
Trade receivables				
USD	55,314	3,462,129	59,530	3,577,140
AUD	-	-	136,205	7,525,315
Trade payables				
USD	161,510	10,109,016	1,159,840	69,694,814
AUD	-	-	37,571	2,075,798
EURO	-	-	1,891	156,135

34 Retirement benefits**Gratuity Plan**

Based on actuarial valuation necessary provision has been created in the books to meet the liability as per Accounting Standard 15 (Revised).

The following table sets out the status of the gratuity plan as required under Accounting Standard 15 (Revised 2005), and the reconciliation of opening and closing balances of the present value of the defined benefit obligation.

Particulars	Year ended March 31, 2015	Period ended March 31, 2014
Change in projected benefit obligation		
Projected benefit obligations at the beginning of the year / period	12,904,074	14,189,547
Service cost	1,430,609	1,493,690
Interest cost	1,234,949	907,235
Benefits settled	(670,019)	(1,409,321)
Actuarial (gain) / loss	1,945,823	(2,277,077)
Projected benefit obligations at the end of the year / period	16,845,436	12,904,074
Change in plan assets		
Fair value of plan assets at the beginning of the year / period	13,851,221	12,734,991
Expected return on plan assets	1,092,990	751,850
Employer contributions	-	1,259,837
Benefits settled	(670,019)	(1,409,321)
Actuarial gain / (loss)	(11,710)	513,864
Fair value of plan assets at the end of the year / period	14,262,482	13,851,221
Reconciliation of present value of obligation on the fair value of plan assets		
Present value of projected benefits at the end of the year / period	16,845,436	12,904,074
Funded status of the plan	14,262,482	13,851,221
Funded status amount of liability / (asset) recognized in the balance sheet	2,582,954	(947,147)
Disclosed in the balance sheet as:		
Long-term provision for gratuity (Refer note 5)	2,582,954	-
Short-term loans and advances (Refer note 17)	-	(947,147)

Notes to financial statements for the year ended March 31, 2015 (continued)

(All amounts are in Indian Rupees, except share data or as stated)

The components of net gratuity costs are reflected below:

Particulars	Year ended March 31, 2015	Period ended March 31, 2014
Service cost	1,430,609	1,493,690
Interest cost	1,234,949	907,235
Expected returns on plan assets	(1,092,990)	(751,850)
Recognized net actuarial (gain) / loss	1,957,533	(2,790,941)
Net gratuity costs	3,530,101	(1,141,866)
Financial assumptions at balance sheet date:		
Discount rate	8.00%	9.05%
Long term rate of compensation increase	7.00%	7.00%
Estimated rate of return on plan assets	8.00%	8.00%

Experience adjustment for the current and previous four years / periods:

Particulars	Year ended / Period ended				
	March 31, 2015	March 31, 2014	June 30, 2013	March 31, 2012	March 31, 2011
Defined Benefit obligation	16,845,436	12,904,074	14,189,547	11,389,387	9,241,068
Plan assets	14,262,482	13,851,221	12,734,991	8,505,620	9,711,545
Surplus / (deficit)	(2,582,954)	947,147	(1,454,556)	(2,883,767)	470,477
Experience adjustments on plan liabilities	358,122	(366,604)	(1,237,619)	1,155,972	1,837,072
Experience adjustments on plan assets	(11,710)	513,864	230,622	(63,938)	(151,374)

The Company assesses these assumptions with the projected long-term plans of growth and prevalent industry standards.

Note:

- (i) Plan assets comprise of contribution to Group Gratuity Scheme of Life Insurance Corporation of India.
- (ii) The gratuity expenses have been recognised in 'Contribution to provident and other funds' under Note 23 to the financial statements.

35 Transfer pricing

The Company has transactions with related parties. For the financial year 2013-14, the Company has obtained the Accountant's Report from a Chartered Accountant as required by the relevant provisions of the Income-tax Act, 1961 and has filed the same with the tax authorities. For the financial year 2014 -15, the management confirms that it maintains documents as prescribed by the Income-tax Act, 1961 to prove that these transactions are at arm's length considering the economic scenario, prevailing market conditions etc. and the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

36 Monies held in trust

Monies held in trust amounting to INR 13,538,376, represents money transferred from the Sellers' Escrow account (ex-promoters), on behalf of Prolec GE during the year 2011-2012. The said money was transferred to the Company's account, as the holding company had no office in India to do the documentation to transfer the funds on the date of settlement to their account in Mexico and the Escrow Account was closed in November 2011. Since, this amount should have gone to Prolec GE, the Company is trying to remit the same to Prolec GE ever since it was received by the Company. During the year pursuant to a compounding application filed by the Company with Reserve Bank of India (RBI), RBI has compounded the matter. However, the money can be remitted back to Prolec GE only after RBI completes the compounding formalities with the ex-promoters. The entire amount of INR 13,538,376 has been kept intact (i.e. not utilised and set aside for remitting back to Prolec GE) by the Company.

Notes to financial statements for the year ended March 31, 2015 (continued)

(All amounts are in Indian Rupees, except share data or as stated)

37 Related party transactions**a) Names of related parties and nature of relationship are as follows:**

Nature of relationship	Name of the related party
Ultimate holding company	Xignux S.A. de C.V., Mexico
Holding Company	Prolec GE Internacional, S.de R.L. de C.V., Mexico
Key management personnel	Mr. Manuel Hernandez Bravo (Whole-time Director upto May 30, 2014) Mr. Sridhar Gokhale (Manager - w.e.f May 30, 2014)

b) Details of related party transactions for the year ended March 31, 2015 (March 31, 2014)

(Also refer note 40)

Nature of transaction	Holding company	Key management personnel
Re-imburement of expenses	91,338,491 (88,985,019)	- (-)
Managerial remuneration (Mr. Sridhar Gokhale)	- (-)	2,474,735 (-)
Managerial remuneration (Mr. Manuel Hernandez Bravo)	- (-)	- (1,101,760)
Other Income (Advance forfeiture)	- (33,734,400)	- (-)
Subvention	1,491,250,000 (-)	- (-)
Balances at year / period end		
Amount payable	22,091,033 (35,757,771)	- (-)
Amount receivable	6,249,070 (12,657,160)	- (-)
(figures in brackets represent previous period figures)		

- 38** During the year ended March 31, 2015, vide an agreement dated July 1, 2014, the Company has received subvention (voluntary, non-repayable financial grant) of US\$ 25 million (Rs. 1,491,250,000) from the holding company, Prolec GE. The grant has been utilized for repayment of all the short term borrowings.
- 39** During the year ended March 31, 2015, the management has reassessed the remaining useful life of the assets with effect from April 1, 2014 as required under Schedule II to the Companies Act, 2013. In respect of assets whose life had already exhausted as on April 1, 2014, depreciation of Rs. 6,522,787 (net of deferred tax impact of Rs. Nil) has been adjusted in Reserves and Surplus in accordance with the requirements of Schedule II to the Companies Act, 2013.
- 40** During the year, the Company has entered into an agreement with Prolec GE, whereby Prolec GE has assured the Company that they would make good the loss to the benefit of the Company in case certain identified customers do not pay or default in the payment of outstanding dues. In the earlier years, the Company had recorded provision on a portion of the total balance receivable from these identified customers. Based on the agreement, the provision (amounting to Rs. 51,929,844), pertaining to these receivables has been reversed during the year and the balance outstanding from these customers has been presented as 'secured debtors' as at March 31, 2015.

Notes to financial statements for the year ended March 31, 2015 (continued)

(All amounts are in Indian Rupees, except share data or as stated)

41 Subsequent event:

The Company has entered into a Memorandum of Understanding ('MOU') dated March 2, 2015 with a buyer for sale of one of its freehold land, included in assets held for sale as at the balance sheet date and has received Rs. 20,000,000 as advance under the MOU. Subsequent to the balance sheet, the sale of such land has been completed.

42 Previous year's figures in statement of profit and loss are not comparable since the same was drawn up for a period of nine months. However, for the current year statement of profit and loss is drawn for twelve months from April 1, 2014 to March 31, 2015.

Previous period's figures have been regrouped / reclassified, wherever necessary, to conform to current year's classification. Previous year financial statements were audited by a firm other than B S R & Co. LLP.

As per our report of even date attached

for **B S R & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. - 101248W/W-100022

Amar Sunder

Partner

Membership No.: 078305

Place: Chennai

Date: May 27, 2015

**for and on behalf of the Board of Directors of
Indo Tech Transformers Limited**

Ricardo Suarez Garza

Chairman

Ajay Dhagat

Director

Dhiraj Narula

Chief Financial Officer

Sanjay Kasture

Company Secretary

Place: Chennai

Date: May 27, 2015

Notes



INDO TECH TRANSFORMERS LIMITED

Registered Office : DP-36 SIDCO Industrial Estate, Thirumazhisai, Chennai – 600 124.

PROXY

No. of Shares held :

Regd. Folio No. :

(if not Dematerialised)

DP ID No. :

(if Dematerialised)

Client ID No. :

(if Dematerialised)

I/We.....of.....
.....being a Member / Members of Indo Tech Transformers Limited,
hereby appoint.....of.....
.....or failing him / her
.....of.....
.....or failing him / her of
..... as my / our Proxy

to vote for me / us and on my/our behalf at the 23rd Annual General Meeting of the Company to be held on Friday, the 14th August, 2015 at 2.00 P.M. at Pleasant Days (Resort), Chennai-Bangalore Trunk Road, Palanjur, Sembarambakkam, Chennai 602 103, and at any adjournment thereof.

Signed this.....day of..... 2015

Please
affix
Revenue
Stamp

Note: An instrument appointing a Proxy shall be deposited at the Registered Office of the Company not less than forty-eight hours before the time for holding the meeting. A proxy need not be a member of the Company.

Instructions For E-Voting

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Indotech Transformers Ltd ("the Company") is offering e-voting facility to its members in respect of the businesses to be transacted at the Twenty Third (23rd) Annual General Meeting scheduled to be held on Friday, August 14, 2015 at 02.00 p.m.

The Company will provide the evoting facility through CDSL. The e-voting particulars are set out below:

The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

Log on to the e-voting website www.evotingindia.com

- (i) Click on "Shareholders" tab.
- (ii) Now, select the "INDOTECH TRANSFORMERS LTD" from the drop down menu and click on "SUBMIT"
- (iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.

If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company, please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

- (v) After entering these details appropriately, click on "SUBMIT" tab.
- (vi) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (viii) Click on the EVSN for Indotech Transformers Ltd.
- (ix) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (x) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xi) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xiv) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on 10th August 2015 at 10:00 AM and ends on 13th August 2015 at 5.00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 7th August 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

Please note that by virtue of providing the e-voting facility by the company as per Rule 20 of Companies (Management and Administration) Rules, 2014 the following will be applicable:

- (i) The manner of voting for the members being present in the General Meeting will be on "proportion principle" i.e., one share – one vote unlike one person one vote principle, further provision of the Companies Act, 2013 relation to demand for poll will not be relevant.
- (ii) The option of voting by show of hands will not be available for members present in the General Meeting in view of clear provision of section 107 of the Companies Act, 2013, i.e., voting by show of hands would not be allowable in cases where Rule 20 of Companies (Management and Administration) Rules, 2014 is applicable.
- (iii) Any member who has voted through e-voting facility provided by the company may also participate in the General Meeting in person, but such a member will not be able to exercise his vote again in the meeting, and the earlier vote casted through electronic means will be treated as final. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

The Notice of the Annual General Meeting and this Communication are also available on the website of the Company at www.prolecge.in

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