



Annual Report 2013 - 14

INDO TECH TRANSFORMERS LIMITED

Annual General Meeting on
Tuesday, the 5th August 2014
At Pleasant Days (Resort),
At 2.00 P.M.

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Board of Directors

Luis Carlos Silveyra - Chairman
 Manuel Hernandez Bravo - Whole Time Director
 Ajay Kumar Dhagat - Director
 Arun Bhalla - Director
 Arun Srivastava - Director
 M. S. Srinivasan - Director

Chief Financial Officer & Company Secretary

D Alwan

Auditors

B S R and Co

Registered Office

DP:36, SIDCO Industrial Estate
 Thirumazhisai
 Chennai 600 124

Works

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

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

NOTICE

NOTICE is hereby given that the 22nd Annual General Meeting of the Company will be held at Pleasant Days Resort, Chennai-Bangalore Highway, Palanjur, Sembarambakkam, Chennai-602 103 on Tuesday, 5th August, 2014 at 2:00 PM to transact the following business:-

Ordinary Business:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2014 and the Profit and Loss Account for the year (nine months period) ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint Director in place of Mr. Manuel Hernandez Bravo, who retires by rotation, being eligible offers himself for re-appointment.
3. To re-appoint M/s B S R & Co. LLP. Chartered Accountants, as Auditors of the company and to authorize the Board of Directors to fix their remuneration.

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 the provisions of Section 149 and 152 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and qualifications of Directors) Rules 2014 (including any statutory modifications or re-enactment thereof for the time-being in force), Mr. Ajay Kumar Dhagat (DIN: 00250792) who was appointed as Director of the Company, not liable to retire by rotation, now, be and hereby shall be liable to retire by rotation.

RESOLVED FURTHER THAT Mr. Luis Carlos Silveyra, Director and Mr. Dhiraj Narula, CFO be and are hereby severally authorized to do all the acts, deeds and things which are necessary to give effect to the above said resolution."

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

"RESOLVED THAT Mr. Manuel Hernandez Bravo was re-designated as Director of the Company in the Board Meeting held on 30th May 2014 and shall be liable to retire by rotation."

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

"RESOLVED that pursuant to the provisions of Section 149, 150, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under (including any statutory modification thereof for the time being in force) read with Schedule IV to the Companies Act 2013, Mr. Arun Kumar Srivastava (holding DIN 00006985) Director of the Company 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 re-appointed as an independent Director of the Company to hold office for the period of five consecutive years with effect from 05th August 2014

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

"RESOLVED that pursuant to the provisions of Section 149, 150, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under (including any statutory modification thereof for the time being in force) read with Schedule IV to the Companies Act 2013, Mr. Milagripattu Sundaravaradan Srinivasan (holding DIN 00261201) Director of the Company 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 Re-appointed as an independent Director of the Company to hold office for the period of five consecutive years with effect from 05th August 2014

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

"RESOLVED that pursuant to the provisions of Section 149, 150, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under (including any statutory modification thereof for the time being in force) read with Schedule IV to the Companies Act 2013, Mr. Arun Kumar Bhalla (holding DIN 02073637) Director of the Company 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 Re-appointed as an independent Director of the Company to hold office for the period of five consecutive years with effect from 05th August 2014

9. 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 196 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded for the appointment of Mr Shridhar Gokhale as Manager of the Company with effect from 30th May 2014 for a period of five years with such remuneration as set out in the explanatory statement provided that the total remuneration (including all perquisites) shall not exceed the ceiling limit as provided in Part II of Schedule V of the Companies Act, 2013."

For and on behalf of the Board

Place: Chennai
Date: 30th May 2014

**Indo-Tech Transformers Limited
Director**

Notes:

- a. A MEMBER ENTITLED TO ATTEND AND VOTE, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
- 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.
- c. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to Special Business to be transacted at the meeting, is annexed hereto.
- d. The Register of members of the Company will remain closed from 28th July 2014 to 05th August 2014, both days inclusive.
- e. 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.
- f. 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. A recent amendment to the Listing Agreement with the Stock Exchanges permits companies to send soft copies of the Annual Report to all those shareholders who have registered their email addresses for the said purpose. Hence Members are requested to register their e-mail addresses with the Company by sending their details relating to name, folio no./DP Id/Client Id to the company's email ID.
- g. Information pursuant to Clause 49 of the Listing Agreement for reappointment of Directors:

1	Name of the Director	Mr. Ajay Kumar Dhagat	Mr Manuel Hernandez Bravo
A	Age	69 years	43 years
B	Date of appointment	10/08/2012	07/03/2013
C	Qualification	B.E. Electrical	M.E., PGDM
D	Experience	Industry management experience	Industry management experience
E	No. of shares as on 31 st March 2014	NIL	NIL
F	Directorship in other public companies	NIL	NIL
G	Chairman/Member of Committees of Companies	Member of Shareholder Grievance Committee	Member of Shareholder Grievance Committee

ANNEXURE TO NOTICE**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****Item No. 4:**

Mr. Ajay Kumar Dhagat aged 69 years is holding directorship on the Board of Directors of the Company since 2012. During his appointment, he was not liable to retire by rotation. But now the members proposed his candidature to be liable to retire by rotation.

Except Mr. Ajay Kumar Dhagat, none of the Directors and Key Managerial personnel of the company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at item No. 4

Item No. 5:

Mr. Manuel Hernandez Bravo aged 43 years is holding directorship on the Board of Directors of the Company from 2013. He was appointed as a Whole-time Director on 07th March 2013. In the Board Meeting held on 30th May 2014, he was re-designated as Director of the Company and shall be liable to retire by rotation.

Except Mr. Manuel Hernandez Bravo, none of the Directors and Key Managerial personnel of the company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at item No. 5

Item No. 6:

Mr. Arun Kumar Srivastava aged 66 years is holding directorship on the Board of Directors of the Company since 2009. He has more than 38 years of industry experience and was associated with Essar Power Limited as Managing Director and CEO. Prior to this, he was with National Thermal power Corporation Limited.

In terms of section 149 and any other applicable provisions of the Companies Act 2013 Mr. Arun Kumar Srivastava, being eligible offers himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years with effect from 05th August 2014. A notice has been received from a member proposing Mr. Arun Kumar Srivastava as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. Arun Kumar Srivastava fulfills the conditions specified in the Companies Act 2013 and the Rules made there under for his appointment as an Independent director of the company and independent of the management. Copy of the draft letter for appointment of Mr. Arun Kumar Srivastava as Independent director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day

The Board considers that his continued association would be of benefit to the Company and it is desirable to continue to avail services of Mr. Arun Kumar Srivastava as an Independent Director. Accordingly the board recommends the resolution to appointment of Mr. Arun Kumar Srivastava as an independent director, for the approvals by the shareholders of the company

Except Mr. Arun Kumar Srivastava, being an appointee, none of the Directors and Key Managerial personnel of the company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at item No. 6

Item No. 7:

Mr. Milagripattu Sundaravaradan Srinivasan aged 65 years is holding directorship on the Board of Directors of the Company from 2009. He has more than 2 decades of industry experience at senior levels in various ministries.

In terms of section 149 and any other applicable provisions of the Companies Act 2013 Mr. Milagripattu Sundaravaradan Srinivasan, being eligible offers himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years with effect from 05th August 2014. A notice has been received from a member proposing Mr. Milagripattu Sundaravaradan Srinivasan as a candidate for the office of Director of the Company

In the opinion of the Board, Mr. Milagripattu Sundaravaradan Srinivasan fulfills the conditions specified in the Companies Act 2013 and the Rules made there under for his appointment as an independent director of the company and independent of the management. Copy of the draft letter for appointment of Mr. Milagripattu Sundaravaradan Srinivasan as Independent director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day

The Board considers that his continued association would be of benefit to the Company and it is desirable to continue to avail services of Mr. Milagripattu Sundaravaradan Srinivasan as an Independent Director. Accordingly the board recommends the resolution to appointment of Mr. Milagripattu Sundaravaradan Srinivasan as an independent director, for the approvals by the shareholders of the company

Except Mr. Milagripattu Sundaravaradan Srinivasan, being an appointee, none of the Directors and Key Managerial personnel of the company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at item No. 7

Item No. 8:

Mr. Arun Kumar Bhalla aged 63 years is holding directorship on the Board of Directors of the Company from 2009. He has more than 2 decades of industry experience at senior levels in various ministries.

In terms of section 149 and any other applicable provisions of the Companies Act 2013 Mr. Arun Kumar Bhalla, being eligible offers himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years with effect from 05th August 2014. A notice has been received from a member proposing Mr. Arun Kumar Bhalla as a candidate for the office of Director of the Company

In the opinion of the Board, Mr. Arun Kumar Bhalla fulfills the conditions specified in the Companies Act 2013 and the rules made there under for his appointment as an independent director of the company and independent of the management. Copy of the draft letter for appointment of Mr. Arun Kumar Bhalla as Independent director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day

The Board considers that his continued association would be of benefit to the Company and it is desirable to continue to avail services of Mr. Arun Kumar Bhalla as an Independent Director. Accordingly the board recommends the resolution to appointment of Mr. Arun Kumar Bhalla as an Independent director, for the approvals by the shareholders of the company

Except Mr. Arun Kumar Bhalla, being an appointee, none of the Directors and Key Managerial personnel of the company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at item No. 8

Item No. 9:

In the Board meeting held on 30th May 2014, Board had appointed Mr Shridhar Gokhale, Operations Manager as Manager of the Company under Companies Act 2013. Mr Shridhar Gokhale, aged 45 years, has decades of industry experience at various levels of responsibilities in the areas of Project Management, Maintenance, Services, Engineering, Business Development & Planning, Logistics, Operations and General Management

Considering the experience and professional expertise of Mr Shridhar Gokhale, the Board has appointed him as Manager of the Company, on the following terms and conditions, in its meeting held on 30th May 2014, subject to approval of shareholders in this annual general meeting:

- a. Term of appointment is 5 years with effect from 30th May 2014.
- b. A consolidated salary shall be payable as remuneration in terms of the provisions of section 197 read with Schedule V of the Companies Act 2013. The term fixed for payment of remuneration shall be for a period not exceeding three years as prescribed under Schedule V of the Companies Act, 2013.

Copy of documents pertaining to appointment and payment of remuneration of Mr. Shridhar Gokhale as Manager setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

Except Mr. Shridhar Gokhale, none of the Directors and Key Managerial personnel of the company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at item No. 9

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

Place : Chennai
Date : 30th May 2014

Director

DIRECTORS' REPORT

Your Directors present the 22nd Annual Report on the business and operations of your Company together with the Audited Statement of Accounts and the Auditor's Report for the financial year (9 months period) ended 31st March, 2014.

FINANCIAL RESULTS

The Company had extended its financial year 2012- 13 for a period of 15 months and accordingly the figures for the current period under review is for a period of 9 months ended on March 31, 2014 and hence not comparable with last year's figures.

Your Company has recorded a loss of ₹ 1,880 lakhs for the year.

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

(Rupees in Lakhs)

Particulars	Year ended 31st March 2014	Year ended 30 th June 2013
INCOME	9 Months	15 Months
Gross Sales & Other Income	11,400.38	12,494.95
Gross Profit/(Loss) before depreciation & tax	(1,581.48)	(4,514.21)
Depreciation	298.55	503.53
Profit/(Loss) before tax	(1,880.03)	(5,017.74)
Provision for Taxes	--	--
Prior period / Extraordinary items	--	--
Balance of profit of earlier years	(4,327.51)	690.24
Balance available for appropriation	(6,207.55)	(4,327.51)
APPROPRIATIONS		
General Reserve	--	--
Dividend	--	--
Tax on Dividend	--	--
Balance carried to Balance Sheet	(6,207.55)	(4,327.51)

No Dividend has been recommended by the Board of Directors of the Company for Financial Year 2013-14 (9 Months). However, the register of members and share transfer books will remain closed from 28th July 2014 to 5th August 2014 both days inclusive.

EXTENSION OF PERIOD OF FINANCIAL YEAR AND ANNUAL GENERAL MEETING

The members are appraised that the previous financial year of your Company was extended by 3 months and therefore, the financial year for year 2012-13 ended on 30th June, 2013. Consequently the current year Financial Statements are for nine months period.

OPERATIONS AND PERFORMANCE

In the year under review, though margin pressures have increased, the enquiry levels have started picking up during the current financial year as indicated by improved order backlog of ₹ 203 crores. Also, increase in large power transformers' share should improve our performance in the coming year.

Your company's acceptability has also improved in market as our value story of compliant transformers was received well by the customers. Our observation is that customers are aware of non-compliance and are eager to change as some customers have modified their specifications post our technical presentations but still, unfortunately, some in industry continue to find ways to quote unviable prices and supply non-compliant transformers.

GE's presence in wind segment should help us in coming years and we have also been successful in getting multiple quantity orders in wind segments. Exports were impacted due to slowdown in our export markets but we expect improvements as we can see higher enquiry levels in Bangladesh market.

Since industry suffered during the last 3 years, in order to cut losses, we expect some capacity reduction to take place along with some improvement in price level that should help us to increase prices by 1-2%.

Your company's performance was better than previous years as we have been able to cut down on our losses. We have also initiated lot of cost reduction measures through which we have reduced our staff (12%), transportation cost (31%) and power and fuel costs (24%). Your company has also released significant old inventory from the books and also pursued customers with long pending dues that has resulted in releasing cash into the business.

Overall, we expect improvements in current year compared to earlier years. Our continued focus on large power transformers and more industry orders should help us to improve performance in the current year. We are also focusing on improving our internal efficiency like cash cycle, labor productivity and cycle time.

DIRECTORS

The appointment/re-appointment of Directors forms part of Notice of the forthcoming 22nd Annual General Meeting and the respective resolutions are recommended for your approval.

Profiles of these Directors, as required by Clause 49 of the Listing Agreement are attached to the Notice of the 22nd Annual General Meeting.

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, 2014 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 judgements 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 2013-14 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 (nine months period) ended 31st March, 2014 on a 'going concern basis'.

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

M/s **B S R & Co.** Chartered Accountants, the retiring Auditors, have expressed their willingness to be reappointed.

FIXED DEPOSITS

Your Company has not accepted any deposits and, as such, no amount of principal or interest was outstanding on the date of the Balance Sheet

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 2014-15. Your Company has filed application with the Central Government for necessary approval in this connection.

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 given in a separate annexure [Annexure "I"], which forms a part of this Report.

PARTICULARS OF EMPLOYEES

Information in accordance with the provisions of Sec. 134 of the Companies Act 2013, read with Companies (Particulars of Employees) Rules 1975, as amended forms part of this Report. However, as per the provisions of Sec. 136 of the Companies Act 2013, this Report and Accounts are being sent to all the members of the company excluding the Statement of Particulars of Employees under Sec. 134 of the Companies Act 2013. Any member interested in obtaining copy of the said statement may write to the Company Secretary at the Registered Office of the Company.

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

INDO TECH TRANSFORMERS LIMITED

Luis Carlos Silveyra
Chairman

Manuel Hernandez Bravo
Whole time Director

Chennai,
30 May 2014