

**ANNUAL REPORT**  
**2015 - 16**



Powering reliable solutions for you

**INDO TECH**  
**TRANSFORMERS LIMITED**



**180MVA, 235/13.8 KV, Generator Transformers**



**55MVA, 400/11.5 KV, Start up Transformers**

Annual General Meeting on  
Wednesday, the 3rd August  
2016 at GRT Regency, 487,  
Gandhi Road, Kanchipuram,  
Tamilnadu-631502,  
At 2.00 P.M.

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## Company Information

### Board of Directors

Ricardo Suarez Garza  
Non Executive Director- Chairperson

M. S. Srinivasan  
Independent Director

Indraneel Dutt  
Non Executive Director

P. V. Krishna  
Independent Director

Tabassum M Wajid  
Independent Director

Ranganathan V  
Additional Director (w.e.f April 12, 2016)

### Chief Executive Officer

Ajay Kumar Sinha

### Chief Financial Officer

Dhiraj Narula

### Company Secretary & Compliance Officer

Sathyamoorthy A

### Statutory Auditors

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

### Registrars and Transfer Agents

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  
Citibank N. A.  
HDFC Bank

### Factories

Rajakulam - Kancheepuram  
Thirumazhisai – Chennai

### Registered Office (w.e.f April 02, 2016)

Survey no.153-210, Illuppapattu Village,  
Near Rajakulam, Kancheepuram (Dist.),  
Tamilnadu-631561.

## NOTICE

**NOTICE** is hereby given that the **24th Annual General Meeting** of the Members of the Company will be held at GRT Regency, 487, Gandhi Road, Kancheepuram, Tamilnadu-631502 on Wednesday, 3<sup>rd</sup> August, 2016 at 2.00 P.M to transact the following business:-

### Ordinary Business:

- (1) To receive, consider and adopt the Audited Financial statements for the financial year ended 31<sup>st</sup> March 2016 and the Reports of the Directors and Auditors thereon.
- (2) To appoint Director in place of Mr. Indraneel Dutt (DIN: 01942447), who retires by rotation, being eligible offers himself for re-appointment.
- (3) To ratify the appointment of statutory auditors of the Company, to fix their remuneration and to pass the following resolution as an **Ordinary resolution** thereof:

**RESOLVED that** pursuant to section 139, 142 of the Companies Act, 2013 and rules made thereunder, pursuant to recommendation of the Audit Committee and resolution passed by the members at their annual general meeting held on 5<sup>th</sup> August 2014, the appointment of B S R & Co. LLP Chartered Accountants (Firm Regn No 101248W/W-100022) as the Statutory Auditors to hold the 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 are hereby authorized to fix the remuneration payable to them for the financial year ending 31<sup>st</sup> March 2017, as may be mutually agreed between the Board of Directors of the Company and the Auditors based on the recommendation of the Audit Committee

### Special Business:

- (4) **Appointment of Mr. V Ranganathan as a Director of the Company**

To consider, and if thought fit, to pass the following resolution as **Ordinary Resolution**:

**RESOLVED that** pursuant to provisions of Section 149 and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, Mr V Ranganathan (DIN-07489345) who was appointed as an Additional Director by the Board of Directors effective 12<sup>th</sup> April 2016 pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this AGM and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.

- (5) **Alteration of Memorandum of Association**

To consider, and if thought fit, to pass the following resolution as **Special Resolution**:

**RESOLVED that** pursuant to Section 13 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) read with rules made there under), the existing -

- Part A of the Objects Clause shall now be titled as "The objects to be pursued by the company on its incorporation"; and
- Part B of the Objects Clause shall now be titled as "Matters which are necessary for furtherance of the objects specified in Part A"

**RESOLVED FURTHER that** the following Clause 32 be inserted after Clause 31 under Part B of the Objects Clause of the Memorandum of Association of the Company:

#### Clause 32

To undertake Corporate Social Responsibility ("CSR") activities in terms of the provisions of the Companies Act, 2013 and Rules made thereunder or in such other manner as the Company deems fit.

**RESOLVED FURTHER that** the existing Part C titled "Other Objects for which the Company is formed are" of the Objects Clause in the Memorandum of Association of the Company be deleted.

**RESOLVED FURTHER that** wherever required, the reference to various sections of the Companies Act, 1956 be replaced with the reference to the corresponding sections of the Companies Act, 2013, in the Memorandum of Association of the Company.

**RESOLVED FURTHER that** the Board of Directors of the Company be and are hereby authorised to take all such actions as may be necessary, desirable or expedient and to do all such necessary acts, deeds and things that may be incidental or ancillary to give effect to the aforesaid resolutions.

**RESOLVED FURTHER that** the Board of Directors be and are hereby authorised to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any Director of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution.

**(6) Adoption of New Set of Articles of Association**

To consider, and if thought fit, to pass the following resolution as **Special Resolution**:

**RESOLVED that** pursuant to the provisions of Section 5, 14 and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the new draft Articles as contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company.

**RESOLVED FURTHER that** the Board of Directors be and are hereby authorized to undertake all such acts, deeds, matters and things to finalise and execute all such deeds, documents and writings as may be deemed necessary, proper, desirable and expedient in its absolute discretion, to enable this resolution, and to settle any question, difficulty or doubt that may arise in this regard.

**RESOLVED FURTHER that** the Board of Directors be and are hereby authorised to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any Director of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution.

**7. Approval of Related Party Transaction**

To consider, and if thought fit, to pass the following resolution as **Ordinary 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 SEBI (Listing Obligations and Disclosure requirements) Regulation, 2015 (including any amendment, modification or re-enactment thereof), consent of the members of the Company be and are hereby accorded for entering into the following proposed Related Party Contracts/arrangement/Transactions by the Company with its Related Parties during financial year 2016-17, up to the maximum amounts as appended in table below:

S. No	Name of the related party	Relationship	Maximum value of transaction to be entered during FY 2016-17
1	Prolec-GE Internacional S. de R L. de. C. V	Promoter	₹ 50 Crores
2	Any Other Person/ entity which is a related party		

**RESOLVED FURTHER that** the Board of Directors be and are hereby authorised to undertake all such acts, deeds, matters and things to finalise and execute all such deeds, documents and writings as may be deemed necessary, proper, desirable and expedient in its absolute discretion, to enable this resolution, and to settle any question, difficulty or doubt that may arise in this regard.

**RESOLVED FURTHER that** the Board of Directors be and are hereby authorised to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any Director of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution.

**(8) Ratification of the Remuneration of the cost auditor**

To consider, and if thought fit, to pass the following resolution as **Ordinary Resolution**:

**RESOLVED that** pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the consent of the members of the Company be and are hereby accorded to ratify the remuneration decided by the Board of Directors, based on the recommendation of the Audit Committee, of ₹2,00,000/- (Rupees Two Lakhs Only) plus Service Tax at the applicable rates and reimbursement of out of pocket expenses to Mr M J Gopalakrishnan, Cost Accountants, (Membership No: 1083) who have been appointed by the Board of Directors of the Company, for conducting the audit of the cost records of the Company for the financial year ending on 31 March, 2017.

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

By order of the Board of Directors

for **Indo Tech Transformers Limited**

**Sathyamoorthy A**  
**Company Secretary**

Place: Chennai

Date: 25<sup>th</sup> May 2016



**Notes:**

- (1) The statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.
- (2) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT ANOTHER PERSON AS A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF IN THE MEETING. Person appointed as proxy can act as a proxy on behalf of members of the company not exceeding 50 (Fifty) and holding in aggregate not more than 10% (Ten percent) of the total shares. A member holding more than 10% (Ten percent) of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- (3) The instrument appointing the Proxy, duly completed must be deposited at the Company's registered office not less than 48 hours before the commencement of the meeting. A proxy form for the ANNUAL GENERAL MEETING is enclosed.
- (4) During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the company, provided that not less than three days of notice in writing is to be given to the Company.
- (5) Members / proxies should bring the duly filled Attendance Slip enclosed herewith to attend the meeting.
- (6) Proxies submitted on behalf of Limited Companies, Societies and Partnerships firms, etc. must be supported by appropriate resolution / authority as applicable issued by the member organisation.
- (7) Corporate members intending to send their authorised representatives to attend the meeting are requested to send to the Company, a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Annual General Meeting.
- (8) The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.
- (9) The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.
- (10) Members are requested to bring their copy of the Annual Report with them to the Annual General Meeting.
- (11) Members desiring any information with regard to Accounts / Reports are requested to write to the Company Secretary at least ten days before the meeting so as to enable the management to keep the information ready.
- (12) The Register of Members and Share Transfer Books of the Company will remain closed from 28th July 2016 to 3rd August 2016 (both days inclusive) in terms of the provisions of Section 91 of the Companies Act, 2013 and Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015.
- (13) Members are requested to quote their Registered Folio Number or Demat Account Number & Depository Participant (DP) ID number on all correspondences with the Company. The transfer deeds, communication for change of address, bank details, ECS details, mandates (if any), should be lodged with the Registrar & Share Transfer Agents ('RTA') of the Company, Link Intime India Private Limited. Members whose shares are held in the electronic mode are requested to intimate the same to their respective Depository Participants.
- (14) The Company is concerned about the environment and utilises natural resources in a sustainable way. The Ministry of Corporate Affairs ('MCA'), Government of India, has by its Circular Nos. 17/2011 and 18/2011, dated April 21, 2011 and April 29, 2011 respectively; permitted companies to send official documents to their shareholders electronically as part of its Green Initiative in Corporate Governance. Recognising the spirit of the Circular issued by the MCA, we are sending documents like Notice convening the General Meetings, Financial Statements, Directors' Report, Auditors' Report, etc., to the e-mail address provided by you with your depositories.
- (15) Annual Report for the financial year ended 31st March 2016 with Attendance Slip and Proxy forms are being sent by electronic mode only to all the members whose email addresses are registered with the Company / Depository Participant(s) for communication purpose unless a member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report are being sent by the permitted mode.
- (16) Members may note that the Notice of the 24th Annual General Meeting and the Annual Report 2015-16 will also be available on the Company's website [www.prolecge.in](http://www.prolecge.in). The physical copies of the aforesaid documents will also be available at the Company's Registered Office for

inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at investors@prolec-geindia.com.

- (17) Additional information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, in respect of the Directors seeking appointment and reappointment at the Annual General Meeting is furnished and forms part of the Notice. The directors have furnished the requisite consents / declarations for their appointment / re-appointment.
- (18) Voting through electronic means : In compliance with the provisions of Sections 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management

and Administration) Rules, 2014 and Companies (Management and Administration) Amendment Rules 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Company is pleased to provide the facility to the members to exercise their right to vote at the 24th Annual General Meeting by electronic means . Instructions for e-voting are annexed separately along with this notice. For this purpose, Company has engaged Central Depository Services (India) Limited (CDSL) for facilitating e-voting to enable the Members to cast their votes electronically. The Company has appointed Mr G P Srinath of M/s G P Srinath & Associates, Practicing Company Secretaries, Chennai as Scrutinizer for conducting the e-voting process in fair and transparent manner.

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

#### Item No. 4: Appointment of Mr. V Ranganathan as a Director

The Board of Directors appointed Mr. V Ranganathan as an Additional Director with effect from 12<sup>th</sup> April 2016 under Section 161(1) of the Companies Act, 2013 and Articles of Association of the Company. As per section 161(1) of the Companies Act, 2013 his term of office expires at this Annual General Meeting.

Mr. V Ranganathan aged 54 years has a total of 29 years of experience in Business Operation.

The Company has received a notice and deposit of rupees One Lakh as prescribed under section 160 of the Companies Act, 2013, from a member proposing Mr. V Ranganathan as a candidate for the office of Director of the Company, copy of which is available on the website of the Company (www.prolecge.in). His appointment to the office of directorship is subject to the approval of the shareholders. Hence the proposed resolution.

Except Mr. V Ranganathan 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.

#### Item No. 2 and 4: Brief profile of Directors

Information for re-appointment/ appointment of Directors as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015:

Name of the Director	V Ranganathan	Indraneel Dutt
DIN	07489345	01942447
Age	54	45
Date of appointment	12 <sup>th</sup> April 2016	5 <sup>th</sup> August 2014
Qualification	B.E (Production Engineer)	BME and PGDM
Experience	29 Years of Experience in Business Operation	23 Years of Experience in Industry Management
No. of shares as on 31 <sup>st</sup> March 2016	NIL	NIL
Directorship in other public companies	NIL	NIL
Chairman/Member of Committees of Companies	NIL	NIL



**Item No. 5: Alteration of Memorandum of Association**

The existing Memorandum of Association ("MoA") of the Company was framed pursuant to the provisions of the Companies Act, 1956. The provisions of the Companies Act, 2013 which have come into force with effect from April 1, 2014 require for stating of the Objects Clause of "MoA" in a different manner. In view of the said requirements the Objects Clause is proposed to be amended as under:

- (i) The Objects Clause will now have 2 parts viz. Part A – "The Objects to be pursued by the Company on its incorporation" and Part B – "Matters which are necessary for furtherance of the Objects specified in Part A".
- (ii) A new Clause 32 is proposed to be inserted to enable the Company to spend money on CSR activities as required under the Companies Act, 2013.
- (iii) The existing Part C – "Other Objects" is proposed to be deleted in line with the requirements of the Companies Act, 2013.
- (iv) The reference to various sections of the Companies Act, 1956 are proposed to be replaced with the reference to the corresponding sections of the Companies Act, 2013 in the MoA.

The revised MoA is being uploaded on the Company's website at [www.prolecge.in](http://www.prolecge.in) for perusal by the shareholders.

Your Directors recommend the same for approval of the shareholders to be passed as a Special Resolution.

None of the Directors and Key Managerial personnel of the company and their relatives is concerned or interested, financial or otherwise, in the resolution

**Item No. 6: Adoption of New Set of Articles of Association**

The Articles of Association ("AoA") of the Company is presently in force since the incorporation of the Company. The existing Articles of Association are in line with the erstwhile Companies Act, 1956 which are thus no longer in full conformity with the Companies Act, 2013 ('New Act'). The New Act is now largely in force and substantive sections of the Act which deal with the general working of companies stand notified. With the inception of the Companies Act, 2013 several articles of the existing Articles of Association of the Company require alteration / deletions. It is thus expedient to adopt new set of Articles of Association (primarily based on Table F set out

under the Companies Act, 2013), in place of existing Articles of Association of the Company instead of amending the Articles of Association by alteration/incorporation of provisions of the Companies Act, 2013.

In terms of section 5 and 14 of the Companies Act, 2013, the consent of the members by way of special resolution is required for adoption of new set of Articles of Association of the Company.

None of the Directors and Key Managerial personnel of the company and their relatives is concerned or interested, financial or otherwise, in the resolution.

**Item No. 7: Approval of Related Party Transaction**

Section 188 of the Companies Act, 2013 and Rule 15 of Companies (Meeting of Board and its Powers) Rules, 2014 provides that except with the consent of the Board of Directors given by a resolution at a meeting of the Board and subject to such conditions as prescribed in rules framed in this regard, no company shall enter into any contract or arrangement with a related party with respect to transactions specified therein. It is further provided that except with the prior approval of the company by a ordinary resolution, a company, having paid up share capital of not less than such amount shall not enter into contract/arrangement or transactions not exceeding such sums as are prescribed in the rules framed in this regard, with any related party. It is further provided that nothing in this sub section shall apply to any transaction entered into by the company which are entered in its ordinary course of business and are at arm's length.

Although, your company always seeks to enter into transactions with related parties in the ordinary course of business and at arm's length basis, yet as per the Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, all material related party transactions (i.e. transactions exceeding ten percent of annual consolidated turnover) require the approval of the Members by way of a ordinary resolution. Since the aggregate of all transactions with the related parties mentioned in the Item No.7 may meet the criteria of materiality, the Company is under an obligation to seek the approval of its shareholders by way of a ordinary resolution. It is therefore, proposed to seek approval of such transactions which are either existing or proposed to be entered into by the Company with related parties mentioned in the Item No. 7 by way of a ordinary resolution.

Pursuant to rule 15(3) of Companies (Meetings of Board and its Powers) Rules, 2014, the details of transactions are given below;

Name of the related party	Relationship	Nature of transaction	Maximum value of transaction to be entered during FY 2016-17
Prolec-GE Internacional S. de R L. de. C. V	Promoter	Re-imbursement of expenses	₹ 50 Crores
Any Other Person/ entity which is a related party			

None of the Directors and Key Managerial personnel of the company and their relatives is concerned or interested, financial or otherwise, in the resolution.

#### Item No. 8: Ratification of the remuneration of the cost auditor

Pursuant to section 148 of the Companies Act 2013 and Rule 14 of the Companies (Audit and Auditors) Rules 2014, based on the recommendation of the Audit Committee, Board of Directors at their Meeting held on 25<sup>th</sup> May 2016 Appointed Mr M J Gopalakrishnan, as Cost Auditor for the Financial year 2016-2017 at a remuneration of ₹ 2,00,000/- (Rupees Two Lakhs Only) plus Service Tax at the applicable rates and reimbursement of out of pocket expenses

Rule 14 of the Companies (Audit and Auditors) Rules 2014 further stipulates that the remuneration payable to the Cost Auditor is required to be ratified by the members at their general meeting. Hence this proposed Resolution.

None of the Directors and Key Managerial personnel of the company and their relatives are concerned or interested, financial or otherwise, in the resolution

### ROUTE MAP TO REACH THE VENUE OF ANNUAL GENERAL MEETING

**Venue :** GRT Regency, 487, Gandhi Road, Kanchipuram, Tamilnadu-631502

