



Annual Report 2010 - 11

INDO TECH TRANSFORMERS LIMITED

**Annual General Meeting on
Friday, the 5th August 2011
At Pleasant Days (Resort),
At 4.00 P.M.**

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Board of Directors

Jorge Lozano - Chairman

Jorge Sepulveda

Kishore Jayaraman

Arun Bhalla

Arun Srivastava

M. S. Srinivasan

Chief Executive Officer

Manuel Hernandez

Chief Financial Officer

S. Nagarajan

Financial Controller & Company Secretary

N. Nambi Rajan

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,
Thirumazhisai
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
Tamil Nadu
- 4) VII/222, Koyyamarakkad
Kanjikode, Palakkad 678 621

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

E-mail : rnt.helpdesk@linkintime.co.in

Bankers

Bank of Baroda

Citibank N. A.

HDFC Bank Limited

Standard Chartered Bank

State Bank of India

The Hongkong & Shanghai Banking Corporation Limited

NOTICE

NOTICE is hereby given that the 19th Annual General Meeting of the Company will be held at Pleasant Days Resort, Chennai-Bangalore Trunk Road, Palanjur, Sembarambakkam, Chennai 602103 on Friday, 5th August 2011 at 4 P.M. to transact the following business:-

Ordinary Business:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2011 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint Director in place of Mr Arun Kumar Srivastava, who retires by rotation, being eligible offers himself for re-appointment.
3. To appoint Director in place of Mr M S Srinivasan, who retires by rotation, being eligible offers himself for re-appointment.
4. To re-appoint M/s B S R and Co, Chartered Accountants, as Auditors of the company and to authorize the Board of Directors to fix their remuneration.

Place : Chennai
Date : May 13, 2011

NOTES:

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his/her stead and the proxy need not be a member of the Company. Proxies in order to be effective must be received at the Company's Registered Office not less than 48 hours before the commencement of the Meeting.
2. An Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, relating to Special Business to be transacted at the meeting, is annexed hereto.
3. The Register of members of the Company will remain closed from 2nd August 2011 to 5th August 2011, both days inclusive.

Special Business:

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

"RESOLVED THAT, subject to the provisions of sec.269 of the Companies Act 1956 read with Schedule XIII thereto, appointment of Mr Manuel Hernandez Bravo as Manager with effect from 1st December 2010, on the following terms and conditions placed and reviewed in the Board Meeting held on 12th November 2010, be and are hereby approved:

- a. Term of appointment is 5 years with effect from 1st December 2010.
- b. A consolidated salary of Rs.2,00,000 per month is payable as remuneration in terms of the provisions of sec.269 read with Schedule XIII of the Companies Act 1956 . In addition to remuneration, he is eligible for perks and benefits as prescribed under Schedule XIII of the Companies Act, 1956."

By Order of the Board

N. Nambi Rajan
Financial Controller and
Company Secretary

4. 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.

5. REQUEST TO SHAREHOLDERS

- i) Shareholders are advised to bring their copy of the Annual Report as copies of the Annual Report will not be distributed at the venue of the Annual General Meeting.
- ii) Shareholders may kindly note that no gift/coupon will be distributed at the Annual General Meeting.

ANNEXURE TO NOTICE**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****ITEM NO. 5**

In the Board meeting held on 12th November 2010, Board had appointed Mr Manuel Hernandez Bravo, Chief Executive Officer, as Manager under Companies Act 1956.

Mr Manuel Hernandez Bravo, aged 41 years, has more than 18 years industry experience at various levels of responsibilities in the areas of Project Management, Maintenance, Services, Engineering, Business Development & Planning, Logistics, Operations and General Management. He has been employed in the Prolec-GE group for over 13 years and earlier to that was associated with British American Tobacco. His last assignment was Operations Manager - Power Transformers and was managing a business of USD 300 million.

On acquisition of the Company by Prolec-GE, Mr Manuel Hernandez Bravo, was deputed to oversee the formalities of the take-over, subsequent running of the business with special focus on integration and transferring methods and processes from Prolec GE to the Company.

Considering the experience and professional expertise of Mr Manuel Hernandez Bravo, the Board has appointed him

as Manager of the Company, on the following terms and conditions, in its meeting held on 12th November 2010, subject to approval of shareholders in this annual general meeting:

- a. Term of appointment is 5 years with effect from 1st December 2010.
- b. A consolidated salary of Rs.2,00,000 per month is payable as remuneration in terms of the provisions of sec.269 read with Schedule XIII of the Companies Act 1956 . In addition to remuneration, he is eligible for perks and benefits, as prescribed under Schedule XIII of the Companies Act, 1956.

None of the Directors of the Company is interested or concerned in the subject.

By Order of the Board

N. Nambi Rajan

Finance Controller and
Company Secretary

Place : Chennai

Date : May 13, 2011

Profile of Directors being re-appointed as required under Clause 49 of the Listing Agreement entered into with the Stock Exchanges

Name	Mr Arun Kumar Srivastava	Mr M S Srinivasan
Date of Birth	26th October 1947	21st July 1948
Date of Appointment	22nd July 2009	1st August, 2009
Qualification	B.E.(Mech.)	B.Tech., Master of Public Administration
Expertise in specific functional areas	Has more than 38 years of industry experience and was associated with Essar Power Limited as Managing Director and CEO. Prior to that he was with National Thermal Power Corporation Limited.	Has more than 2 decades of experience at senior levels in various Ministries. He is presently the Chairman of IL&FS Tamil Nadu Power Company Limited.
Directorships held	None	Chairman - IL&FS Tamil Nadu Power Company Limited
Membership of Committees*	None	None

Other than Mr Arun Kumar Srivastava and Mr M S Srinivasan, none of the other Directors are interested in their reappointment.

* In accordance with Clause 49, Memberships/Chairmanships of only the Audit and Shareholders'/Investors' Grievance Committees of all Public Limited Companies [excluding Indo Tech Transformers Limited] have been considered.

FINANCIAL HIGHLIGHTS
Rs. in Lakhs

	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05
Gross Sales & Other Income	12396	11020	24157	23153	19115	11233	8175
Net Sales & Other Income	11428	10249	21100	19345	15859	9352	6803
Earnings before Depreciation, Interest and Tax (EBDIT)	(1861)	(533)	6593	6123	4225	1809	1230
Depreciation	380	387	392	174	114	85	86
Profit After Tax	(2274)	(839)	3897	3902	2621	1106	797
Equity Dividend %	—	—	124	60	45	20	20
Dividend Payout	—	—	1317	637	478	212	56
Equity Share Capital	1062	1062	1062	1062	1062	1062	282
Reserves and Surplus	10446	12735	13574	11218	8065	6075	2111
Net Worth	11508	13797	14636	12280	9127	7137	2393
Gross Fixed Assets	9945	9381	9501	9219	4574	2041	1677
Net Fixed Assets	8130	7940	8212	8313	3826	1344	1063
Total Assets	12567	14885	16632	14155	9971	7501	2786

KEY INDICATORS	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05
Earnings per Share - Rs.	(21.42)	(7.90)	36.69	36.71	24.00	14.34	28.29
Turnover per share - Rs.	116.91	103.79	227.47	218.00	179.99	105.77	290.21
Book value per share - Rs.	108.36	129.92	137.81	114.76	85.07	66.33	84.90
Debt : Equity Ratio	0.09:1	0.07:1	0.10:1	0.12:1	0.07:1	0.03:1	0.09:1
EBDIT / Gross Turnover %	-15%	-5%	27%	26%	22%	16%	15%
Net Profit Margin %	-18%	-8%	18%	20%	17%	12%	12%
RONW %	-20%	-6%	27%	32%	29%	15%	33%
ROCE %	-18%	-6%	35%	28%	27%	15%	33%

DIRECTORS' REPORT

Your Directors present the 19th 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 ended 31st March, 2011.

FINANCIAL RESULTS (Rupees in Lakhs)

	Year ended March 31, 2011	Year ended March 31, 2010
INCOME		
Gross Sales & Other Income	12,396.45	11,019.94
Gross Profit / (Loss) before depreciation & tax	(2,012.35)	(766.65)
Depreciation	379.98	386.53
Profit / (Loss) before tax	(2,392.33)	(1,153.18)
Provision for taxes	(102.92)	(314.49)
Prior period / Extra ordinary items	(0.18)	–
Balance of profit of earlier years	6,978.19	7,816.88
Balance available for appropriation	4,688.60	6,978.19
APPROPRIATIONS		
General Reserve	–	–
Dividend	–	–
Tax on Dividend	–	–
Balance carried to Balance Sheet	4,688.60	6,978.19

OPERATIONS AND PERFORMANCE

In the year under review, your Company faced stiff challenges in getting orders due to competition. Additionally, excess capacity created in the last few years resulted in significant pricing pressures. However, your Company was successful in getting noteworthy orders from private power producers including an order for a 400kV transformer, first in the history of your Company in addition to receiving large orders for dry type transformers. As a result, the current order backlog stands at Rs.132 crores.

Your Company's performance for the year was impacted significantly due to low production levels primarily due to customers' project delays and site readiness. In addition, delays in funding of customer projects resulted in postponement of deliveries. Your Company is gearing up for growth and consequently is incurring higher fixed costs, resulting in loss for the year under review.

Your company has taken several steps to improve product quality and reduce material content ensuring compliant designs resulting in better performance of the transformer. Your Directors expect that the change in the brand of the product to **PROLEC-GE** will enable better product recognition and acceptance which will result in additional orders.

DIRECTORS

At the 19th Annual General Meeting, Mr Arun Srivastava and Mr M S Srinivasan retire by rotation and being eligible offers themselves for re-appointment.

The above re-appointments form part of Notice of the forthcoming 19th 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 in the Notice of the 19th Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956, your Directors confirm that:

- 1) in the preparation of the annual accounts for the financial year ended 31st March, 2011 the applicable accounting standards have 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 2010-11 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, 1956 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 2011 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 part of this Annual Report, besides the Management Discussion and Analysis.

AUDITORS

M/s B S R and 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.

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

The information as prescribed under Section 217 (1)(e) of the Companies Act, 1956, 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 part of this Report.

PARTICULARS OF EMPLOYEES

Information in accordance with the provisions of sec. 217(2A) of the Companies Act 1956 read with Companies (Particulars of Employees) Rules 1975, as amended forms part of this Report. However, as per the provisions of sec. 219(1)(b)(iv) of

the Companies Act 1956, this Report and Accounts are being sent to all the members of the company excluding the Statement of Particulars of Employees under sec. 217(2A) of the Companies Act 1956. 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

Jorge Lozano
 Chairman

Jorge Sepulveda
 Director

Place : Chennai
 Date : May 13, 2011

ANNEXURE I TO DIRECTORS' REPORT

Information as required under Section 217(1)(e) of the Companies Act, 1956.

A. CONSERVATION OF ENERGY

Your Company is not a power intensive industry and hence the scope for conservation of energy is not much. However the following energy saving measures have been carried out.

- a) The Company has been regularly striving to conserve use of electrical energy by implementation of energy audit and energy conservation measures. Process procedures have been optimized to reduce energy consumption per unit/rupee of production.
- b) The fluorescent lights at the Plant have been fitted with electronic ballast for higher efficiency and conservation of energy.
- c) The design of the Distribution Transformer Plant and Open Ventilated Dry Type Transformer plant at Thirumazhisai and Large Power Transformer Plant in Kancheepuram facilitates natural lighting during normal day shifts and is adequate for most of the operations resulting in saving in lighting costs.
- d) In Thirumazhisai Power Transformer Plant all lights are Metal Halide lamps which give better efficiency/economy as compared to Sodium Vapour Lamps
- e) Large Power Transformer Plant at Kancheepuram
 - i. Vapour Phase Drying is an advancement on the drying method for transformer windings/coils. Instead of conventional drying, using steam or electricity, Shellsol or equivalent is used as a solvent in vapour phase drying. There is significant saving in drying time thus increasing productivity and quality.
 - ii. Thermic fluid is used as the medium of heating and this thermic fluid is heated in boilers using furnace oil. When compared to conventional electric heating, this method of heating results in significant saving in the running cost.
 - iii. Winding machines with variable drives are used which enables the machines to start at zero or minimum speed, avoiding jerks to the coil. Braking is also smooth. This ensures error free coil winding on the machines and also savings in energy consumed by the machines.

iv. The 1600 KVA energy efficient transformer installed at the Kancheepuram Power Transformer Plant has laser scribed core to minimize core loss and increase efficiency.

- f) In the Thirumazhisai Plant, Electronic controllers for monitoring the demand ensures that non-critical equipment is shut off when allotted demand is reached resulting in optimum utilization of power.
- g) In the Thirumazhisai and Kanchipuram plants, usage of diesel generators curbed by availing alternate power at reduced cost.
- h) In Thirumazhisai plant, continuous monitoring of loads and usage resulting in optimizing drawdown from grid and utilizing spare generator capacity.

B. TECHNOLOGY ABSORPTION

Research & Development:

1. Specific areas in which R&D is carried out by the Company.

In the OVDT plant, the Vacuum Pressure Impregnation (VPI) Plant has been designed such that a fine coat over the coils is obtained and consumption of varnish is reduced.

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

The development and introduction of various components have contributed to reduction in production cost and improvement in quality. As a result, the Company has good scope in new market entry, cost reduction, better product performance and increased competitive ability and broader product profile.

2. Future plan of action:

All the above stated activities will be further accelerated and amplified to ensure conformance and further developments.

Modern plant and machinery have been installed such as winding machines and vapour phase drying ovens which will enable faster processing of transformers with less energy consumption.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The foreign exchange earnings of the Company during the year under review was Rs.1,087.52 lakhs and outgo was Rs.1,247.97 lakhs.

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company's philosophy is to aim at the highest levels of quality management through transparency and commitment to all the stakeholders viz. its shareholders, employees, Government, lenders and the promoters. Management ensures that its day to day business transactions are conducted in an open and honest manner.

BOARD OF DIRECTORS:

The Board of Directors provides the strategic direction and thrust to the operations of the Company. The Board has non-whole-time Chairman and five other Directors. Out of these, three members are Independent Directors.

Except Mr. Jorge Lozano and Mr. Jorge Sepulveda, all other Directors are liable to retire by rotation.

BOARD PROCEDURES:

The Company Secretary prepares the agenda in consultation with the Chairman of the Board of Directors and the Chairman of the various 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 :

During the year under review, the Board of Directors met 4 times on, 14th May 2010, 23rd July, 2010, 12th November 2010 and 12th February 2011.

Name of Directors	Type of Director	Board Meetings Attended	AGM Attended	No. of Committee Members Held	No. of other Directorships Held
Jorge Lozano	Non-Executive	4	Yes	-	-
Jorge Sepulveda	Non-Executive	4	Yes	-	-
Kishore Jayaraman	Non-Executive	3@	No	-	-
Arun Bhalla	Independent	4	Yes	-	-
Arun Srivastava	Independent	4	Yes	-	-
M. S. Srinivasan	Independent	4	Yes	-	1

* The Directorships held by Directors as mentioned above, do not include Alternate Directorships, Directorships of Foreign Companies, Section 25 Companies and Private Limited Companies.

* In accordance with Clause 49, Memberships/Chairmanships of only the Audit and Shareholders'/Investors' Grievance Committees of all Public Limited Companies [excluding Indo Tech Transformers Limited] have been considered.

@ Mr Kishore Jayaraman participated in two Board meeting discussions on phone.

Brief Resume of Directors seeking re-appointment:

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

AUDIT COMMITTEE:

The Audit Committee consists of two Independent Directors and one Non-Executive Director viz.

Sl. No.	Name	Category of Membership
1	Mr. Arun Bhalla	Chairman
2	Mr. Arun Srivastava	Member
3	Mr. Jorge Sepulveda	Member

Mr. Arun Bhalla is the Chief Executive - Power Business Development in Shree Cements Ltd. He was formerly the Executive Director of PTC India Limited [formerly Power Trading Company of India Limited]. He has more than 35 years of industry experience and has been associated with BHEL, Nelco, CGEE-Alstom, Tata Honeywell and Hyundai Unitech Electrical Transmission Limited at various levels of responsibilities in the area of Project Management, Marketing, Business Development and General Management.

Mr. Arun Srivastava is the former Managing Director and Chief Executive Officer of Essar Power Limited and was on their Board for more than 12 years. Earlier, he was associated with the National Thermal Power Corporation Limited (NTPC).

Mr. Jorge Sepulveda is the Chief Financial Officer of Prolec-GE Internacional, S De R.L. De C.V., Nuevo Leon, Mexico and has more than 21 years of industry experience.

Mr. N. Nambi Rajan, 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.
- Review with the management the quarterly and annual financial statements before submission to the Board.
- Review with the Management, performance of the Statutory and Internal Auditors.
- Review adequacy of internal control systems, internal audit department, reporting structure and frequency.
- 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 2011 is given below:

Sl. No.	Members	Meetings	Meetings Attended
1	Mr. Arun Bhalla	4	4
2	Mr. Arun Srivastava	4	4
3	Mr. Jorge Sepulveda	4	4

SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE:

The Shareholders/Investors Grievance Committee consists of three non-executive Directors viz.,

Sl. No.	Name	Category of Membership
1	Mr. Kishore Jayaraman	Chairman
2	Mr. Jorge Lozano	Member
3	Mr. Jorge Sepulveda	Member

The Committee oversees the performance of investor grievances and recommends measures to improve the shareholders/investors service. Mr. N. Nambi Rajan, Company Secretary, is the Secretary of the Committee. The Committee met 4 times on, 14th May 2010, 23rd July, 2010, 12th November 2010 and 12th February 2011.

During the Financial Year ended 31st March 2011, a total of 19 complaints, relating to revalidation of Dividend Warrants were received from the shareholders. All these complaints were resolved within the financial year.

The Attendance of Directors at the Shareholders/Investors Grievance Committee Meetings held during the year ended 31st March 2011 is given below:

Sl. No.	Members	Meetings Held	Meetings Attended
1	Mr. Jorge Lozano	4	4
2	Mr. Jorge Sepulveda	4	4
3	Mr. Kishore Jayaraman	4	3@

@ Mr Kishore Jayaraman participated in two Committee meetings on phone.

REMUNERATION COMMITTEE:

The Remuneration Committee consists of three non-executive Directors viz.,

Sl. No.	Name	Category of Membership
1	Mr. M S Srinivasan	Chairman
2	Mr. Arun Bhalla	Member
3	Mr. Arun Srivatsava	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 1956. Mr. N. Nambi Rajan, Company

Secretary, is the Secretary of the Committee. The Committee met on 11th November 2010.

The Attendance of Directors at the Remuneration Committee Meetings held during the year ended 31st March 2011 is given below:

Sl. No.	Members	Meetings	Meetings Attended
1	Mr. M S Srinivasan	1	1
2	Mr. Arun Bhalla	1	1
3	Mr. Arun Srivastava	1	1

The Independent Directors are not paid commission over and above the sitting fees. They are paid sitting Fees of Rs.20,000 for attending a meeting of the Board or Committee thereof. Non-executive Directors have waived receiving sitting fees for both the Board and Committee meetings.

Details of Sitting fees paid to Independent Directors during the financial year 2010-11:

Sl.No.	Name	Board Meeting	Audit Committee	Share holders' Grievance Committee	Rs.
					Remuneration Committee
1.	Mr. Arun Bhalla	80,000	80,000	—	20,000
2.	Mr. Arun Srivastava	80,000	80,000	—	20,000
3.	Mr. M. S. Srinivasan	80,000	—	—	20,000

Manager under the Companies Act, 1956

During the year, Mr Manuel Hernandez Bravo, was appointed as Manager under the Companies Act, 1956 with effect from 1st December 2010. Prior to this appointment, he was the Chief Executive Officer of the Company. This appointment is subject to the approval of the shareholders in the ensuing Annual General Meeting.

General Meetings:

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

Year	Date and Time	Venue
2010	23rd July 2010 at 12.15 P.M.	Pleasant Days Resort Chennai-Bangalore Trunk Road, Palanjur, Sembarambakkam Chennai 602 103
2009	4th September 2009 at 12.00 Noon.	Pleasant Days Resort Chennai-Bangalore Trunk Road, Palanjur, Sembarambakkam Chennai 602 103
2008	30th July 2008 at 11.30 A.M.	Pleasant Days Resort Chennai-Bangalore Trunk Road, Palanjur, Sembarambakkam Chennai 602 103

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

Year	Date and Time	Venue
2009	12th January 2009 at 11.00 A.M.	Pleasant Days Resort Chennai-Bangalore Trunk Road, Palanjur, Sembarambakkam Chennai 602 103
2006	2nd January 2006 at 11.00 A.M.	DP-36, SIDCO Industrial Estate, Thirumazhisai, Chennai 602 107
2005	10th October 2005 at 11.00 A.M.	DP-36, SIDCO Industrial Estate, Thirumazhisai, Chennai 602 107

Five Special Resolutions were passed by the Company in the General Meeting held in 2006 by show of hands. No Special Resolutions were passed at the aforesaid General Meetings necessitating postal ballot.

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 Agreement 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.

Means of Communication:

The Quarterly Financial Results are published in English and vernacular newspapers. These results are generally published in the All India editions of The Economic Times and Makkal Kural. The results are also posted on SEBI's website www.sebidifar.nic.in and the Company's website www.indo-tech.com

Management Discussion and Analysis Report:

The Management Discussion and Analysis (MDA) giving an overview of the Company's business and its financials is provided separately 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.indo-tech.com

Shareholders' Information:

1. Annual General Meeting

Date : August 5, 2011
Time : 4.00 P.M.
Venue : Pleasant Days Resort Chennai-Bangalore Trunk Road Palanjur, Sembarambakkam Chennai - 602 103.

2. Financial Calendar

April to March

3. Book Closure Date

August 2 to August 5, 2011

4. Financial Calendar (tentative)

Results for the quarter ending June 30, 2011 - Second week of August 2011

Results for the quarter ending September 30, 2011 - Second week of November 2011

Results for the quarter ending December 31, 2011 - Second week of February 2011

Results for the quarter ending 31st March, 2012 - Second week of May 2012

Annual General Meeting - Second week of August 2012

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 2011-2012 to the National Stock Exchange of India Limited and Bombay Stock Exchange Limited within the stipulated time.

7. Stock Price Data

Month	NSE		BSE	
	High	Low	High	Low
April 2010	317.95	280.00	318.20	285.15
May 2010	297.95	245.50	298.90	246.00
June 2010	289.50	231.00	289.85	232.45
July 2010	297.00	251.30	293.00	251.10
August 2010	273.90	238.15	273.00	245.30
September 2010	292.00	243.50	275.00	243.20
October 2010	260.00	223.00	256.90	223.10
November 2010	257.00	195.10	256.00	197.00
December 2010	218.00	170.00	217.00	170.00
January 2011	235.70	175.10	235.60	175.80
February 2011	189.00	142.60	189.00	141.20
March 2011	152.45	136.00	157.00	138.00

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 : 91-22-25960320-28
Fax : 91-22-25946969/25960329
e-mail : isrl@linkintime.co.in.

9. Shareholding Pattern as on 31.03.2011

Category	No. of Shares	Percentage
Foreign Company	7,895,625	74.3468
Mutual Funds	101,000	0.9511
Financial Institutional Investors	500	0.0004
Private Corporate Bodies	458,813	4.3202
Public	2,015,755	18.9807
Foreign Nationals	24	-
NRI's	74,765	0.7040
Clearing Members	73,518	0.6920
Total	10,620,000	100.0000

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, remat 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

Category	No. of Holders	Total Shares	% to Equity
Physical	3	1,556	0.0146
NSDL	10,775	9,729,552	91.6154
CDSL	4,538	888,892	8.3700

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
DP 36 SIDCO Industrial Estate Thirumazhisai Chennai 600 124	VII/222 Koyyamarakkad Kanjikode Palakkad 678 621

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, 2011.

No. of Equity Shares held	No. of Shareholders	% to Shareholders	No. of Shares	% of Shareholding
1 to 5000	14,671	95.7887	10,373,690	9.7681
5001 to 10000	314	2.0501	2,498,990	2.3531
10001 to 20000	168	1.0969	2,453,140	2.3099
20001 to 30000	60	0.3917	1,470,770	1.3849
30001 to 40000	29	0.1893	1,018,300	0.9589
40001 to 50000	16	0.1045	767,220	0.7224
50001 to 100000	29	0.1893	2,026,060	1.9078
Greater than 100000	29	0.1893	85,591,830	80.5949
TOTAL	15,316	100.0000	106,200,000	100.0000

16. Market price Indices : High/Low of company's share price vis-à-vis Nifty Index on the National Stock Exchange of India Limited, Mumbai, during the period April 2010 to March 2011 is furnished below:

Month	Share Price		Nifty Index	
	High	Low	High	Low
April 2010	317.95	280.00	5294.80	5254.20
May 2010	297.95	245.50	5097.60	5038.55
June 2010	289.50	231.00	5320.35	5210.00
July 2010	297.00	251.30	5413.25	5349.20
August 2010	273.90	238.15	5413.90	5348.90
September 2010	292.00	243.50	6048.45	5963.60
October 2010	260.00	223.00	6032.65	5937.10
November 2010	257.00	195.00	5892.25	5768.35
December 2010	218.00	170.00	6147.30	6103.55
January 2011	235.70	175.10	5526.85	5416.65
February 2011	189.00	142.60	5477.00	5308.60
March 2011	152.45	136.00	5872.00	5778.65

Adoption of Non-Mandatory Requirements of Clause 49

- The Company complies with the following non-mandatory requirements stipulated under Clause 49.

Whistle Blower Policy:

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.

For and on behalf of the Board

Jorge Lozano **Jorge Sepulveda**
Chairman Director

Place : Chennai
Date : May 13, 2011

MANAGEMENT'S 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 stimulus packages of the Government of India to counter the global recession of the last couple of years has had a positive impact with the gradual recovery of economy. However the investment in industrial sector was not adequate, due to cautious approach on new investments, resulting in slow recovery of projects postponed earlier.

Power Generation is one of key drivers of T&D industry which was sluggish with few new investments. As per latest estimates, the power generation capacity is likely fall short of the original estimate of 11th Plan target of 78GW and expected to be around 55GW. Delay in decision making on new investments has hampered the growth of T&D sector, which is evidenced by low off take of higher rating transformers viz., 765kV and above compared to earlier years. Further the state utilities are looking to improve their T&D network with addition of 400kV class but investments are slow due to their poor financial health.

In the past few years, the T&D sector witnessed severe competition, from Chinese and Korean suppliers in the higher range transformers. In medium range and distribution transformers, the industry faced stiff competition with the entry of new players as well from existing manufacturers due to excess capacity created in earlier years. On the whole the T&D sector continued the trend of earlier year with pricing pressures as supply exceeds demand.

OPPORTUNITIES, THREATS AND RISKS

The Company, a key player in the transformer industry, hitherto predominantly South Indian based, is expanding its presence

not only across India and but also globally through General Electric Company's sales and distribution network. The company's plant at Kancheepuram has facilities to manufacture higher rating transformers upto 400 kV and has commenced manufacturing 400kV transformers. Further with support from the holding company, Prolec GE, the company is expected to strengthen its process of manufacture and delivery of products leading to customer satisfaction, improved quality of products and better brand recognition.

The Company is gearing its facility at Kancheepuram to manufacture more 400kV class transformers in the 200MVA+ range to meet the requirement of T&D industry. It is expected that the requirement for higher range transformers will increase, due to the targeted addition of ~100GW capacity to the Grid during 12th Plan period of Government of India.

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

- Any discontinuity or delay in power reforms, particularly distribution reforms, would have an adverse impact on the growth as well as the order inflows.
- Current volatility/fluctuations prevailing in the price of key raw materials could have a material impact on the profitability of transformer manufacturers. However, orders from SEBs and some of the EPC's are more risk averse, as the contracts are inbuilt with a price escalation clause. However, for industrial orders, this will definitely have a material impact.
- Aggressive competition and pricing pressures leading to lower margins
- Stringent specification requirements of customers resulting in higher material cost
- Delays in Project implementation

PRODUCT PERFORMANCE

1. Revenues

Our revenues comprise of Sale of Transformers and Other income. The following table shows our revenue for last three fiscals ended March 31 :

(Rs. in lakhs)

Sources of Revenue	FY2011	FY2010	FY2009
Sale of Transformers	12,049.63	10,566.65	20,673.86
Other Income	346.82	453.29	426.20
Total Revenue	12,396.45	11,019.94	21,100.06

We derive our revenues primarily from sale of transformers manufactured to State Electricity Boards, EPC Contractors, Industries etc.

2. Expenditure

The following table shows our expenditure for last three fiscals ended March 31:

(Rs. in lakhs)			
Expenditure Head	FY2011	FY2010	FY2009
Raw Material consumed	9,345.48	7,793.07	12,067.24
Employees Remuneration	1,655.36	1,039.74	801.23
Manufacturing, Selling and Administrative expenses	2,287.73	1,949.44	1,638.32
Preliminary Expenses	—	—	—
Finance Cost	151.74	233.41	280.90
Depreciation	379.98	386.53	391.70
Total	13,820.29	11,402.19	15,179.39

BUSINESS OVERVIEW AND OUTLOOK

The total demand for transformers based on the growth projections for additions to the power generation capacities in the Eleventh Plan and the Government's willingness to allow more power plants to be set up in the private sector will support the growth of the transformer business. In addition, the focus on non-conventional energy will lead to more wind and solar power generation fuelling the growth for transformers. With your Company poised to make rapid inroads in the higher range of transformers, it will be well positioned to take advantage of the additional demand for transformers.

RISK AND INTERNAL CONTROLS

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

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.

FINANCIAL AND OPERATIONS PERFORMANCE

The financial performance of your Company was severely affected by the combined impact of 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	Year ended 31-Mar-11	Year ended 31-Mar-10
Total Revenue	12,396.45	10,019.94
Operating Profit (EBDIT)	(1,860.60)	(533.24)
Profit Before Tax (PBT)	(2,377.32)	(1,153.18)
Profit After Tax (PAT)	(2,274.41)	(838.68)

HUMAN RESOURCES

Your Company's Human Resource function is committed to making Indo Tech a model employer by setting benchmarks in shaping the culture, development of managers and employees and helping them to set and execute exacting standards and business objectives. It is focused on development of leadership and technical skills of all level of employees. It has undertaken several initiatives during the year, which have contributed to improvements in recruitment, training, retention and development of talent.

CERTIFICATION BY CHIEF EXECUTIVE OFFICER / CHIEF FINANCIAL OFFICER

We hereby certify that for the financial year ending 31st March 2011, 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 2011, 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 : May 13, 2011

S. Nagarajan
Chief Financial Officer

Manuel Hernandez Bravo
Chief Executive Officer

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.

We confirm that the Company has in respect of the financial year ended 31st March 2011, 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 functions.

Place : Chennai
Date : May 13, 2011

For and On Behalf of the Board

Jorge Lozano **Jorge Sepulveda**
Chairman Director

AUDITORS' REPORT 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, 2011 as stipulated in Clause 49 of the Listing Agreement 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 informations 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 and Co**
Chartered Accountants
Firm registration No. 128510W

S Sethuraman
Partner
Membership No. 203491

Place : Chennai
Date : May 13, 2011

AUDITOR'S REPORT

To

The Members

INDO TECH TRANSFORMERS LIMITED

1. We have audited the attached balance sheet of Indo Tech Transformers Limited ("the Company") as at March 31, 2011, the profit and loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the annexure referred to above, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - 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 the books of account;
 - c. the balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the balance sheet, profit and loss account and cash flow statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e. on the basis of written representations received from the directors as on March 31, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956; and
 - f. in our opinion and to the best of our information and according to the explanations given to us, the said financial statements give the information required by the Companies Act, 1956, in the manner so required, give a true and fair view, in conformity with the accounting principles generally accepted in India:
 - i. in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2011;
 - ii. in the case of the profit and loss account, of the loss for the year ended on that date; and
 - iii. in the case of the cash flow statement, of the cash flows for the year ended on that date.

For B S R and Co

Chartered Accountants

Firm registration No. – 128510W

S Sethuraman

Partner

Membership No.: 203491

Place : Chennai

Date : May 13, 2011

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in our report of even date)

To

The Members

INDO TECH TRANSFORMERS LIMITED

- i. a) The Company has maintained records showing full particulars and situation of fixed assets. *However the Company needs to further strengthen its records so as to include comprehensive details of quantitative information.*
- 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.
- c) Fixed assets disposed off during the year were not substantial and therefore do not affect the going concern assumption.
- ii. a) The inventory, except stocks lying with third parties, 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 neither granted nor taken any loan, secured or unsecured to or from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Thus, paragraph 4(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. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal control system.
- v. In our opinion and according to the information and explanations given to us, there are no contracts and arrangements particulars of which need to be entered into the register maintained under section 301 of the Companies Act, 1956.
- vi. The Company has not accepted any deposits from the public.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- viii. 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 209(1)(d) of the Companies Act, 1956 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.
- ix. 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, excise duty, customs duty, service tax, and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities *except in respect of income tax deductible at source estimated at Rs. 4.6 million which has not been deducted / paid.* As explained to us, the Company did not have any dues on account of wealth tax and investor education and protection fund. There were no dues on account of cess under section 441A of the Companies Act, 1956 since the aforesaid section has not yet been made effective by the Central Government.
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, excise duty and other material statutory dues were in arrears as at March 31, 2011 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 following dues of income tax, sales tax, and customs duty have not been deposited by the Company on account of disputes:

Name of the Statute	Nature of the dues	Amount (In Rs.)	Period to which the amount relates	Forum where 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
TNGST, 1959	Penalty	15,607	FY 1996-97	Appellate Assistant Commission
Income-tax Act, 1961	Income tax	5,548,581	AY 2005-06	Commissioner of Income Tax (Appeals)
Income-tax Act, 1961	Income tax	6,334,963	AY 2006-07	Commissioner of Income Tax (Appeals)
Income-tax Act, 1961	Income tax	5,129,608	AY 2008-09	Commissioner of Income Tax (Appeals)
The Customs Act, 1962	Penalty	29,395,120	2003 to 2005	Joint Director General of Foreign Trade, Chennai

* net of amount paid under protest.

- x. The Company does not have any accumulated losses at the end of the financial year. *However, it has incurred cash losses in the current financial year and immediately preceding financial year.*
- xi. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers. The Company did not have any outstanding dues to any financial institution or debenture holders during the year.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi / mutual benefit fund / society.
- xiv. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures, and other investments.
- xv. 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.
- xvi. In our opinion and according to the information and explanations given to us, the term loans taken by the company have been applied for the purpose for which they were raised.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short-term basis have not been used for long-term investments.
- xviii. The Company has not made any preferential allotment of shares to companies / firms / parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- xix. The Company did not have any outstanding debentures during the year.
- xx. The Company has not raised any money by public issues during the year.
- xxi. 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 and Co

Chartered Accountants
Firm registration No. – 128510W

S Sethuraman

Partner
Membership No.: 203491

Place : Chennai
Date : May 13, 2011

BALANCE SHEET AS AT MARCH 31, 2011

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

	Schedules No.	AS AT March 31, 2011	AS AT March 31, 2010
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	106,200,000	106,200,000
Reserves & Surplus	2	<u>1,044,584,080</u>	<u>127,35,25,057</u>
		<u>1,150,784,080</u>	<u>137,97,25,057</u>
Loan Funds			
Secured Loans	3	92,995,766	83,355,179
Unsecured Loans	4	<u>12,951,332</u>	<u>12,951,332</u>
		<u>105,947,098</u>	<u>96,306,511</u>
Deferred Tax Liabilities, net	18 (C)(xix)	-	<u>12,517,791</u>
		<u>1,256,731,178</u>	<u>1,488,549,359</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	947,565,683	938,154,050
Less : Accumulated Depreciation /amortisation		<u>181,543,815</u>	<u>144,159,677</u>
Net Block		<u>766,021,868</u>	<u>793,994,373</u>
Capital work-in-progress including capital advances		<u>46,954,768</u>	-
		<u>812,976,636</u>	<u>793,994,373</u>
Investments			
	6	14,400	14,076,320
Current Assets, Loans and Advances			
Inventories	7	264,876,077	217,969,817
Sundry debtors	8	286,741,147	281,354,799
Cash and bank balances	9	66,500,043	313,412,764
Loans and Advances	10	<u>161,120,274</u>	<u>133,973,245</u>
		<u>779,237,541</u>	<u>946,710,625</u>
Current Liabilities and Provisions			
Current Liabilities	11	316,452,006	250,245,584
Provisions	12	<u>19,045,393</u>	<u>15,986,375</u>
		<u>335,497,399</u>	<u>266,231,959</u>
Net Current Assets		<u>443,740,142</u>	<u>68,04,78,666</u>
		<u>1,256,731,178</u>	<u>1,488,549,359</u>

Significant accounting policies and notes to the financial statements

18

The schedules referred to above and the notes thereon form an integral part of the balance sheet

This is the balance sheet referred to in our report of even date.

for **B S R** and **Co**

Chartered Accountants

Firm Registration No.128510W

S Sethuraman

Partner

Membership No.203491

For and on behalf of the Board of Directors of
Indo Tech Transformers Limited**Jorge Lozano**
Chairman**Manuel Hernandez Bravo**
Manager**Jorge Sepulveda**
Director**S.Nagarajan**
Chief Financial OfficerPlace : Chennai
Date : May 13, 2011**N Nambi Rajan**
Financial Controller & Company Secretary

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

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

	Schedules No.	Year ended March 31, 2011	Year ended March 31, 2010
INCOME			
Sales (gross)		1,198,115,323	1,034,990,786
Less: Excise duty		96,847,125	77,092,685
Sales (net)		1,101,268,198	957,898,101
Service Income		6,848,055	21,673,636
Other Income	13	34,681,817	45,329,628
		<u>1,142,798,070</u>	<u>1,024,901,365</u>
EXPENDITURE			
Material costs	14	934,547,833	779,307,441
Employee cost	15	165,536,311	103,973,598
Manufacturing, selling and administrative expences	16	228,773,444	194,943,676
Depreceation / amortisation	5	37,998,562	38,653,468
Finance cost	17	15,174,457	23,340,819
		<u>1,382,030,607</u>	<u>1,140,219,002</u>
Loss before tax and prior period items		<u>(239,232,537)</u>	<u>(115,317,637)</u>
Prior period items	(18)(C)(ii)	1,500,000	-
Loss before tax		<u>(237,732,537)</u>	<u>(115,317,637)</u>
Provision for tax	18(C)(xix)		
– Current tax		2,226,231	3,563,953
– Deferred Tax (benefit) / charge		(12,517,791)	(35,013,452)
Loss after tax		<u>(227,440,977)</u>	<u>(83,868,138)</u>
Profit and loss account balance brought forward		697,819,255	781,687,393
Adjustment relating to amalgamation in earlier period	18(C)(i)	(1,518,328)	-
Balance carried to Balance Sheet		<u>468,859,950</u>	<u>697,819,255</u>
Earnings per share			
Basic and diluted		(21.42)	(7.90)
Weighted average number of equity shares outstanding during the year		10,620,000	10,620,000
Nominal value of equity shares (Rs)		10	10
Significant accounting policies and notes to the financial statements	18		

The schedules referred to above and the notes thereon form an integral part of the profit and loss account

This is the profit & loss account referred to in our report of even date.

for **B S R and Co**

Chartered Accountants

Firm Registration No.128510W

S Sethuraman

Partner

Membership No.203491

For and on behalf of the Board of Directors of

Indo Tech Transformers Limited

Jorge Lozano

Chairman

Manuel Hernandez Bravo

Manager

Jorge Sepulveda

Director

S.Nagarajan

Chief Financial Officer

Place : Chennai

Date : May 13, 2011

N Nambi Rajan

Financial Controller & Company Secretary

Cash Flow Statement for the year ended March 31, 2011

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

	Schedules No.	Year ended March 31, 2011	Year ended March 31, 2010
Cash flow from Operating activities			
Loss before tax and prior period items		(239,232,537)	(115,317,637)
Adjustments for:			
Depreciation / amortization		37,998,562	38,653,468
Loss on sale of fixed assets		1,260,196	4,905,770
Bad debts written off		3,029,979	10,012,268
Provision for doubtful debts		13,640,497	23,753,553
Interest income		(9,825,393)	(10,590,514)
Foreign exchange (gain) / loss, net (unrealised)		(862,076)	36,792
Liabilities / provisions no longer required written back		(1,935,472)	-
Dividend income		(367,633)	(13,406,824)
Finance costs		15,174,457	23,340,819
		<u>58,113,117</u>	<u>76,705,332</u>
Operating Loss before working capital changes		(181,119,420)	(38,612,305)
Adjustments for:			
(Increase)/decrease in inventories		(46,906,260)	(84,516,621)
(Increase)/decrease in sundry debtors		(22,056,824)	67,422,220
(Increase)/decrease in loans and advances		(30,082,817)	(893,299)
Increase/(decrease) in current liabilities and provisions		71,915,345	(118,540,198)
Cash generated from operations		(208,249,976)	(175,140,203)
Taxes paid		1,097,302	29,800,940
Net cash (used in) / from operating activities	(A)	(209,347,278)	(204,941,143)
Cash Flow from Investing activities			
Purchase of fixed assets		(59,858,328)	(21,915,731)
Sale of fixed assets		1,617,308	5,547,402
Purchase of investments		-	(250,000,000)
Sale of investments		14,061,920	725,606,526
Interest income received		11,632,253	6,118,159
Dividend income received		367,633	13,406,824
Net cash (used in) / from investing activities	(B)	(32,179,214)	478,763,180
Cash Flow from Financing activities			
Increase/(decrease) in loans from banks, net		(44,852,268)	(62,072,780)
Increase/(decrease) in cash credit, net		57,993,423	-
Increase/(decrease) in secured loans for finance lease, net		(3,500,568)	8,010,082
Repayment of sales tax deferral loan		-	(1,710,239)
Finance costs		(15,026,816)	(23,340,819)
Net cash (used in) / from financing activities	(C)	(5,386,229)	(79,113,756)
Net Increase/(Decrease) in cash and cash equivalents	(A+B+C)	(246,912,721)	194,708,281
Cash and cash equivalents at the beginning of the year		313,412,764	118,704,483
Cash and cash equivalents at the end of the year	9	66,500,043	313,412,764
Cash and cash equivalents include the following, which in the view of the management are restricted in nature:			
- in margin money account		53,193,322	87,576,277
- in unpaid dividend account		656,587	665,629
		<u>53,849,909</u>	<u>88,241,906</u>

Significant accounting policies and notes to the financial statements

18

The schedules referred to above and the notes thereon form an integral part of the profit and loss account

This is the cash flow statement referred to in our report of even date.

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

for **B S R and Co**

Chartered Accountants

Firm Registration No.128510W

S Sethuraman

Partner

Membership No.203491

Place : Chennai

Date : May 13, 2011

Jorge Lozano
Chairman

Manuel Hernandez Bravo
Manager

Jorge Sepulveda
Director

S.Nagarajan
Chief Financial Officer

N Nambi Rajan

Financial Controller & Company Secretary

SCHEDULES FORMING PART OF THE BALANCE SHEET

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

	AS AT March 31, 2011	AS AT March 31, 2010
Schedule 1: SHARE CAPITAL		
Authorised		
1,53,00,000 (March 31, 2010: 15,300,000) Equity Shares of Rs.10/-each	<u>153,000,000</u>	<u>153,000,000</u>
Issued, Subscribed & Paid-up		
10,620,000 (March 31, 2010: 10,620,000) Equity Shares of Rs.10/-each	<u>106,200,000</u>	<u>106,200,000</u>
	<u>106,200,000</u>	<u>106,200,000</u>
Of the above		
(i) 7,895,625 (March 31, 2010: 7,895,625) equity shares of Rs. 10 each are held by Prolec GE Internacional,S de R.L.C.V., the parent company. The ultimate holding company is Xignux, S.A. de C.V.		
(ii) 248,400 (March 31, 2010: 248,400) equity shares of Rs.10 each were allotted pursuant to amalgamation of Indo Tech Electric Company Limited ('ITECL'), for consideration other than cash.		
(iii) 439,340 (March 31, 2010: 439,340) equity shares of Rs. 10 each were allotted for consideration other than cash.		
(iv) 4,597,950 (March 31, 2010: 4,597,950) equity shares of Rs. 10 each were issued during the year ended March 31, 2006 by way of bonus shares by capitalisation of securities premium account		
Schedule 2: RESERVES & SURPLUS		
<u>Securities premium account</u>	<u>375,848,190</u>	375,848,190
<u>Capital Reserve</u>		
Balance at the beginning of the year	9,219,605	9,219,605
Less: Adjustment relating to amalgamation in earlier period (Refer note (C)(i) of Schedule 18)	<u>9,219,605</u>	-
Balance at the end of the year	<u>-</u>	<u>9,219,605</u>
<u>General Reserve</u>		
Balance at the beginning of the year	189,138,007	189,138,007
Add: Transfer from capital reserve (Refer note (C)(i) of Schedule 18)	9,219,605	-
Add: Transfer from profit and loss account (Refer note (C)(i) of Schedule 18)	<u>1,518,328</u>	-
Balance at the end of the year	<u>199,875,940</u>	<u>189,138,007</u>
<u>State Subsidy</u>		
Balance at the beginning of the year	1,500,000	1,500,000
Less: Transfer to profit and loss account (Refer note (C)(ii) of Schedule 18)	<u>1,500,000</u>	-
	-	<u>1,500,000</u>
Balance in profit and loss account	<u>468,859,950</u>	<u>697,819,255</u>
	<u>1,044,584,080</u>	<u>1,273,525,057</u>
Schedule 3: SECURED LOANS		
From banks		
Term loan (Note 1)	30,028,929	74,881,197
Cash credit (Note 2)	57,993,423	-
From others		
Assets acquired under finance lease (Note 3)	<u>4,973,414</u>	<u>8,473,982</u>
	<u>92,995,766</u>	<u>83,355,179</u>
Notes:		
1: The term loan from Standard Chartered Bank is secured by first charge on all the present and future fixed assets, machinery and equipments and 9.16 acres of land at Kancheepuram. Term loans repayable within one year is Rs. 30,028,929 (March 31, 2010: 44,353,354)		
2: Cash credit facilities are secured by parri passu first hypothecation charge over current assets (inventory, receivables and other current assets), first charge over the land and building at Thirumazhisai, equitable mortgage over land with electric generator at Radhapuram, equitable mortgage over land and building at Pallakad and second charge on pari passu basis with Standard Chartered Bank, Bank of Baroda and Citibank over all the present and future fixed assets, machinery and equipments and 9.16 acres of land at Kancheepuram.		
3: Assets acquired under finance lease are secured by hypothecation of vehicles.		
Schedule 4: Unsecured Loans		
Sales Tax deferral loan (Repayable within one year : Rs. 5,261,569 (March 31, 2010: Nil))	<u>12,951,332</u>	12,951,332
	<u>12,951,332</u>	<u>12,951,332</u>

SCHEDULES FORMING PART OF THE BALANCE SHEET

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

SCHEDULE 5: FIXED ASSETS

Description	GROSS BLOCK			DEPRECIATION/AMORTIZATION			NET BLOCK	
	AS AT April 1, 2010	ADDITIONS	DELETIONS	AS AT March 31, 2011	FOR THE YEAR	DELETIONS	AS AT March 31, 2011	AS AT March 31, 2010
Tangible assets								
Freehold Land	116,871,344	-	-	116,871,344	-	-	116,871,344	116,871,344
Buildings	365,955,269	979,483	2,518,083	364,416,669	12,118,184	321,897	311,619,253	324,954,140
Plant & Machinery	389,669,056	8,557,278	-	398,226,334	20,006,940	-	293,410,879	304,860,541
Office Equipments	3,640,230	68,382	-	3,708,612	171,252	-	2,844,363	2,947,233
Computers and accessories	12,847,940	1,732,178	-	14,580,118	1,456,260	-	7,435,280	6,868,920
Furniture & Fittings	21,352,639	-	-	21,352,639	1,260,330	-	14,650,666	15,910,996
Vehicles	14,054,001	-	973,845	13,080,156	1,168,234	292,527	7,290,023	9,139,575
Intangible assets								
Software	4,044,932	1,566,240	-	5,611,172	884,509	-	3,903,406	3,221,675
Leased assets								
Vehicles	9,718,639	-	-	9,718,639	932,853	-	8,287,096	9,219,949
Total	938,154,050	12,903,561	3,491,928	947,565,683	37,998,562	614,424	766,021,868	793,994,373
Previous Year	886,825,888	70,157,253	18,829,091	938,154,050	38,653,468	8,375,919	793,994,373	

SCHEDULES FORMING PART OF THE BALANCE SHEET

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

	AS AT March 31, 2011	AS AT March 31, 2010
Schedule 6: INVESTMENTS		
Non-Trade - Long term (quoted, at cost)		
600 (March 31, 2010: 600) equity shares of Indian Overseas Bank, of Rs 10 each, fully paid up	14,400	14,400
Non-trade - Current (unquoted, at lower of cost or fair value)		
Nil units (March 31, 2010: 1,404,085.878) of IDFC Money Manager Fund- Investment Plan B - Daily Dividend of Rs 10.015 each	-	14,061,920
	<u>14,400</u>	<u>14,076,320</u>
Aggregate market value of quoted investments	86,160	55,170
Schedule 7: Inventories		
Raw Materials & Consumables	97,010,210	105,210,827
Stores and Spares	3,772,294	1,310,469
Work in Progress	167,993,573	113,064,377
Finished Goods*	-	2,684,144
	<u>268,776,077</u>	<u>222,269,817</u>
Less : Provision for Inventories	<u>3,900,000</u>	<u>4,300,000</u>
	<u>264,876,077</u>	<u>217,969,817</u>
* includes goods in transit amounting to Rs.Nil (March 31, 2010: Rs.2,684,144)		
Schedule 8: Sundry Debtors		
Unsecured		
<i>Debts outstanding for a period exceeding six months</i>		
— Considered good	72,607,272	30,532,664
— Considered doubtful	39,082,147	24,992,454
	<u>111,689,419</u>	<u>55,525,118</u>
Other debts		
— Considered good	214,133,875	250,822,135
— Considered doubtful	-	449,126
	<u>214,133,875</u>	<u>251,271,261</u>
Less : Provision for doubtful debts	<u>39,082,147</u>	<u>25,441,580</u>
	<u>286,741,147</u>	<u>281,354,799</u>
Schedule 9: Cash & Bank Balance		
Cash in hand	32,717	100,674
Cheques on hand	49,325	3,913,355
Balances with scheduled banks:		
— In current accounts	5,322,530	3,407,285
— In cash credit accounts	7,902,149	108,414,723
— In Deposit accounts (Note 1)	53,193,322	197,576,727
	<u>66,500,043</u>	<u>313,412,764</u>
Note 1: lien marked towards letter of credit and bank guarantee with banks - Rs. 53,193,322 (March 31, 2010: Rs. 87,576,277)		
Schedule 10: Loans and advances		
<i>Unsecured, considered good</i>		
Advances recoverable in cash or kind or for value to be received	111,116,661	80,136,906
Deposits	19,139,364	20,018,570
Balance with government authorities	234,558	252,289
Advance tax [net of provision of Rs 366,624,452 (March 31, 2010 - Rs 364,398,221)]	27,964,196	29,093,125
Interest accrued but not due	2,665,495	4,472,355
	<u>161,120,274</u>	<u>133,973,245</u>

SCHEDULES FORMING PART OF THE BALANCE SHEET

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

	AS AT March 31, 2011	AS AT March 31, 2010
Schedule 11: CURRENT LIABILITIES		
Sundry creditors		
– dues to micro and small enterprises (Refer note (C)(xx) of Schedule 18)	-	-
– dues to others	262,896,087	207,452,802
Advance from customers	40,175,306	28,639,046
Forward contracts payable, net	1,054,783	-
Unclaimed dividend *	656,587	665,629
Interest accrued but not due	147,641	-
Other liabilities	11,521,602	13,488,107
	<u>316,452,006</u>	<u>250,245,584</u>
* There is no amount due and outstanding to be credited to the Investor Education and Protection Fund		
Schedule 12: Provisions		
Compensated Absences	828,452	1,780,947
Warranty	8,916,513	4,905,000
Others	9,300,428	9,300,428
	<u>19,045,393</u>	<u>15,986,375</u>

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

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

	Year ended March 31, 2011	Year ended March 31, 2010
Schedule 13: Other Income		
Interest income [Tax deducted at source: Rs. 1,038,946 (March 31, 2010: Rs. 1,453,744)]	9,825,393	10,590,514
Income from power generation	1,578,101	1,725,581
Scrap sale, net	20,144,110	16,239,008
Dividend income	367,633	13,406,824
Foreign exchange gain, net	-	3,263,248
Liabilities / provisions no longer required written back	1,935,472	-
Miscellaneous income	831,108	104,453
	<u>34,681,817</u>	<u>45,329,628</u>
Schedule 14: Material costs		
Raw material consumed	986,792,885	827,277,763
Opening stock		
– Work-in-progress	113,064,377	67,778,199
– goods in transit	2,684,144	-
	<u>115,748,521</u>	<u>67,778,199</u>
Closing stock		
– Work-in-progress	167,993,573	113,064,377
– goods in transit	-	2,684,144
	<u>167,993,573</u>	<u>115,748,521</u>
(Increase) / decrease in work-in-progress and goods in transit	<u>(52,245,052)</u>	<u>(47,970,322)</u>
	<u>934,547,833</u>	<u>779,307,441</u>
Schedule 15: Employee cost		
Salaries, wages and allowance	139,937,531	90,080,030
Contribution to provident and other funds	12,419,139	6,857,115
Staff welfare expenses	13,179,641	7,036,453
	<u>165,536,311</u>	<u>103,973,598</u>

SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

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

	Year ended March 31, 2011	Year ended March 31, 2010
Schedule 16: Manufacturing, selling and administrative expenses		
Power and fuel	19,663,775	14,253,527
Repairs and maintenance:		
– Buildings	9,941,928	7,219,726
– Plant and machinery	1,924,605	481,215
– Others	2,030,272	4,805,636
Contract labour	8,469,746	5,806,720
Factory expenses	3,583,829	2,972,382
Rent	9,603,851	3,022,268
Rates and taxes	4,523,124	11,884,309
Insurance	1,767,689	3,255,414
Printing and stationery	3,408,234	1,278,407
Travelling and conveyance	17,496,793	12,458,355
Communication expenses	3,253,332	2,209,490
Professional and legal charges (Refer note (C)(vii) of Schedule 18)	27,636,652	24,697,932
Director's Sitting fees	460,000	400,000
Advertisement and sales promotion	10,323,903	4,913,635
Agency commission	47,983,264	26,134,182
Freight outward	12,586,672	15,910,550
Royalty and trade mark fees	13,164,932	1,344,765
Loss on sale of fixed assets	1,260,196	4,905,770
Bad debts written off	3,029,979	10,012,268
Provision for doubtful debts	13,640,497	23,753,553
Foreign exchange loss, net	2,700,648	-
Provision for warranty (Refer note (C)(xxv) of Schedule 18)	4,011,513	4,905,000
General expenses	6,308,010	8,318,572
	<u>228,773,444</u>	<u>194,943,676</u>
Schedule 17: Finance cost		
Interest:		
– on fixed loan	5,684,640	12,264,656
– others	1,594,977	3,135,037
Bank charges	7,894,840	7,941,126
	<u>15,174,457</u>	<u>23,340,819</u>

18. NOTES TO ACCOUNTS

A) Significant accounting policies and notes to the financial statements for the year ended March 31, 2011

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

a. Background of the Company

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

B. Significant accounting policies

i) Basis of preparation of financial statements

The financial statements are prepared and presented in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises accounting standards notified by the Central Government of India under Section 211 (3C) of the Companies Act, 1956, other pronouncements of the Institute of Chartered Accountants of India, the provisions of the Companies Act, 1956 and guidelines issued by Securities and Exchange Board of India.

ii) Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

iii) 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.

Dividend income is recognized when the unconditional right to receive the payment is established.

Interest income on deposits and interest bearing securities is recognized on a time proportionate basis.

iv) Fixed Assets

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.

Advance paid towards the acquisition of fixed assets outstanding at each balance sheet date and the cost of fixed assets acquired but not ready for their intended use before such date are disclosed as capital work-in-progress.

v) Depreciation

Depreciation is provided on the straight line method at the rates of depreciation prescribed in Schedule XIV to the Companies Act, 1956. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid Schedule, depreciation is provided at a higher rate based on the management's estimate of the useful life/remaining useful life. Pursuant to this policy, based on the estimated useful life of the assets, depreciation is provided at the following rates which corresponds to the rates prescribed in Schedule XIV to the Companies Act, 1956.

Description	Estimated Useful Life (in years)
Building	30 - 60
Plant and Machinery	13 - 21
Office Equipment	21
Computers and accessories	6
Furniture and fixtures	16
Vehicle	10 - 14

Assets costing less than Rs 5,000 are depreciated @ 100%.

Intangible assets and amortization

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.

vi) 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.

vii) 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 profit and loss account. 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.

viii) Investments

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

ix) 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:

Description	Method of determining cost
Raw material	Weighted average
Stores and spares	Weighted average
Work in progress and finished goods	Weighted average and including an appropriate share of production overheads

x) 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 and on restatement of monetary assets and liabilities are recognized in the profit and loss account of the year.

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 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 profit and loss account in the reporting period in which the exchange rates change.

xi) Employee benefits

Provisions for /contributions to retirement benefit 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 profit and loss account.

Super annuation fund: Eligible employees receive benefits from the super annuation fund, which is a defined contribution plan. The Company makes annual contributions to the super annuation 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 yearly contributions. The Company's contribution to the super annuation fund scheme maintained by the Life Insurance Corporation of India (LIC) is charged to the profit and loss account.

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 as at March

31 each year. 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 Life Insurance Corporation of India (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 March 31 each year.

Actuarial gains and losses in respect of post employment and other long-term benefits are charged to the Profit and Loss Account.

xii) Earnings per share

Basic earnings per share is computed by dividing net profit or loss for the period attributable to equity shareholders by the weighted average number of shares outstanding during the year. 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 period, unless issued at a later date

xiii) Taxation

Income-tax expense comprise current tax (i.e. amount of tax for the 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.

xiv) 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.

xv) Cash flows

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.

C) Notes to the financial statements

i) Amalgamation of Indo Tech Electric Company Limited ('ITECL' / 'Transferor') with the Company

Pursuant to a scheme of amalgamation approved by the Hon'ble High Court of Madras on September 30, 2005, ITECL was amalgamated with the Company with effect from April 1, 2003. The amalgamation was accounted under the purchase method in the earlier year. During the year, the management has noted that the sanctioned scheme qualified to be given effect as amalgamation in the nature of merger and accordingly, such amalgamation should have been accounted in accordance with the 'pooling of interest method' prescribed by AS - 14. Necessary accounting effect has now been given in the financial

statements for the current year under the 'pooling of interest method' instead of 'purchase method'. Consequently, general reserve has been increased by Rs. 10,737,933 with a corresponding effect to Capital Reserve and profit and loss account for Rs. 9,219,605 and Rs. 1,518,328 respectively.

ii) State Subsidy

During the financial year 1998-99, the Company had received a Government Grant of Rs. 1,500,000 as investment subsidy towards setting up a Power Transformer plant at its Thirumazhisai factory in SIDCO Industrial Estate, Chennai. The Company had adopted the capital approach prescribed under Accounting Standard- 12 (AS - 12) 'Accounting for Government Grants' and had accounted the grant as 'State Subsidy' under 'Reserves and Surplus'.

Management noted that as the grant was received towards plant and machinery, the grant should have been treated as deferred income to be recognized in the profit and loss account on a systematic and rational basis over the useful life of the asset as prescribed by 'income approach' in AS - 12. Since the estimated useful life had expired in an earlier period the subsidy amount has been transferred to Profit and Loss account as a prior period item.

iii) Land and Building

- The Company is in the process of registering land measuring 0.132 acres and DP-36 land at SIDCO Industrial Estate, Thirumazhisai, Chennai.
- During the year, in respect of building at NIDA, Kanjikode amounting to Rs. 2,518,083 a Memorandum of understanding has been entered to transfer the building. The Company is in the process of getting refund of the land cost of Rs. 271,500 from NIDA.

iv) Capital commitments and contingencies

Particulars	AS AT 31.03.2011	AS AT 31.03.2010
i) Estimated amount of contracts remaining to be executed on Capital account (net of capital advances) and not provided for	1,515,366	Nil
ii) Commitments in respect of Bank Guarantees and Letters of credit issued by Company's bankers	486,660,686	538,721,630
iii) Penalty levied by Joint Direct General of Foreign Trade, Chennai (JDGFT)	Refer Note a below	Refer Note a below
iv) Disputed Sales Tax /Income-tax / Service tax / Labour case (Also refer Note b)	36,613,305	7,062,623

Note a: Export Obligations – A demand of Rs. 29,395,120 was raised in an earlier year, by JDGFT, Chennai towards non-compliance of certain export obligation. The Company has made a provision of Rs. 7,500,000 towards this demand. Any liability in excess of the provision will be met by the ex-promoters to the benefit of the Company.

Note b: Income Tax – During the year, the Company has received income-tax assessment orders raising demand of Rs. 3,669,549 and Rs. 5,129,608 for AY 2005-06 and AY 2008-09 respectively. Any liability in respect of these orders will be met by the ex-promoters to the benefit of the Company.

v) Repairs and Maintenance includes

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Stores and spares	140,367	-

vi) Managerial remuneration

Particulars	Year ended March 31, 2011 (Note A)	Year ended March 31, 2010 (Note B)
Salaries and allowances	458,840	385,555
Other benefits	322,964	23,042
Total	781,804	408,597

The managerial personnel is covered under the Company's compensated absences policy and group gratuity scheme along with other employees of the Company. Contribution to gratuity is based on the actuarial valuation done on an overall Company basis and hence individual figure for the managerial personnel is not available.

Note A: Manager has been appointed w.e.f. December 1, 2010.

Note B: upto May 18, 2009.

vii) Auditor's remuneration (excluding service tax) (included in professional and legal charges in Schedule 16)

Particulars	Year ended March 31, 2011	*Year ended March 31, 2010
Audit fees – Statutory Audit	700,000	270,000
– Tax Audit and other services	575,000	21,892
Out of pocket expenses	97,081	13,619
Total	1,372,081	305,511

* Represents remuneration to the erstwhile auditors.

viii) Details of Licensed, Installed capacities and production

Particulars		Installed Capacity		Actual Production	
Finished Goods	Units	Year ended March 31, 2011	Year ended March 31, 2010	Year ended March 31, 2011	Year ended March 31, 2010
Transformers	MVA/year	7,450.000	7,450.000	2,260.225	1,834.835

Transformer is not covered by the list of Industries in respect of which industrial licensing is compulsory. Hence License capacity is not applicable.

Installed capacity is as certified by the management and relied by the auditors as this is a technical matter.

ix) Particulars of finished goods

	Opening Stock *				Closing Stock *			
	Year ended March 31, 2011		Year ended March 31, 2010		Year ended March 31, 2011		Year ended March 31, 2010	
Class of Goods	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
Transformer (Nos.)	40	2,684,144	-	-	-	-	40	2,684,144
Total	40	2,684,144	-	-	-	-	40	2,684,144

* includes goods in transit

x) Particulars of production and sales of finished goods

	Production		Sales			
	Year ended March 31, 2011	Year ended March 31, 2010	Year ended March 31, 2011		Year ended March 31, 2010	
Class of Goods	Qty. **	Qty.	Qty.	Value	Qty.	Value
Transformer (Nos.)	462	1,129	501	1,101,268,198	1,128	957,898,101
Total	462	1,129	501	1,101,268,198	1,128	957,898,101

** includes 1 number for captive consumption

xi) Details of Raw Material Consumed

Description	Unit	Year ended March 31, 2011		Year ended March 31, 2010	
		Qty	Value	Qty	Value
Ferrous metal	Kgs	3,143,498	400,054,329	2,551,915	358,836,002
Non – ferrous metal	Kgs	811,625	354,101,852	743,981	217,390,494
Others ***			232,636,704		251,051,267
			986,792,885		827,277,763

*** none of the items constitute more than 10% of the total consumption of the Company.

xii) Details of Consumption of indigenous and imported raw materials and stores and spares

Description	Year ended March 31, 2011		Year ended March 31, 2010	
	Amount	%	Amount	%
Imported	139,169,832	14%	59,597,044	7%
Indigenous	847,763,420	86%	767,680,719	93%
	986,933,252	100%	827,277,763	100%
Raw Materials	986,792,885		827,277,763	
Stores and spares	140,367		-	
	986,933,252		827,277,763	

The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	March 31, 2011		March 31, 2010	
	Foreign Currency	INR Equivalent	Foreign Currency	INR Equivalent
Amounts receivable				
USD	-	-	177,711	7,934,782
Amounts payable				
USD	430,120	19,204,868	-	-

xiii) Expenditure in foreign currency (on accrual basis)

Description	Year ended March 31, 2011	Year ended March 31, 2010
Service Charges	182,897	-
Royalty	52,209	70,630
Travel	1,265,027	27,088
Loading and packing charges	4,468,331	-
Total	5,968,464	97,718

xvii) Outstanding lease obligations

Finance lease obligations

Particulars	As at March 31, 2011	As at March 31, 2010
Future minimum lease payments		
Not later than one year	3,500,568	3,500,568
Later than one year and not later than five years	1,472,846	4,973,414
Total	4,973,414	8,473,982
Less: Amounts representing future interest	383,256	1,063,524
Present value of minimum lease payments	4,590,158	7,410,458
Less: Amounts due not later than one year	3,149,646	2,820,300
Amounts due later than one year and not later than five years	1,440,512	4,590,158

xiv) Earnings in Foreign Exchange (on accrual basis)

Description	Year ended March 31, 2011	Year ended March 31, 2010
FOB Value of Sale	108,751,895	10,553,292

xv) Value of Imports on C.I.F basis

Description	Year ended March 31, 2011	Year ended March 31, 2010
Raw Materials and stores and spares	118,468,335	81,053,045
Capital goods	360,400	9,412
	118,828,735	81,062,457

xvi) Foreign Currency Forward Contracts

Outstanding forward contracts entered into by the Company:

Description	As at March 31, 2011	As at March 31, 2010
Number of contracts	3	-
Amount in USD	788,826	-
INR equivalent	36,275,860	-

xviii) Details of Investments acquired and sold during the year ended March 31, 2011

Particulars	Acquired		Sold	
	Units	Value	Units	Value
IDFC Money Manager Fund – Daily Dividend	-	-	1,404,085.878	14,061,920

Details of Investments acquired and sold during the year ended March 31, 2010

Particulars	Acquired		Sold	
	Units	Value	Units	Value
Birla Sunlife Liquid Plus	-	-	2,026,350	20,277,283
Can Liquid Fund	1,612,155	20,000,000	1,618,818	20,084,831
Fortis Overnight Fund	-	-	10,108,300	101,114,335
HDFC Floating Rate Income Fund	4,700,839	50,000,000	5,058,643	50,995,676
LIC MF Liquid Fund	3,642,954	40,000,000	4,035,790	40,357,903
LIC MF Saving Plus Fund	-	-	34,710,396	347,103,957
Reliance Liquid Fund	2,616,568	40,000,000	2,616,568	40,326,076
Sundaram BNP Paribas Liquid Fund	2,971,680	30,000,000	3,077,228	30,183,550
Tata Floater Fund	2,989,358	30,000,000	3,015,655	30,263,902
UTI Mutual Fund	1,652,420	40,000,000	1,652,420	58,303,137

xix) Deferred Taxes

The major components of the deferred tax assets and liabilities are outlined below:

Particulars	As at March 31, 2011	As at March 31, 2010
Deferred Tax Assets		
Carried forward tax losses	*67,037,066 67,037,066	48,830,915 48,830,915
Deferred Tax Liabilities		
Fixed assets	67,037,066 67,037,066	61,348,706 61,348,706
Net deferred tax liabilities	-	12,517,791

* Deferred tax asset towards carried forward tax losses has been restricted to the extent of deferred tax liabilities.

Current year deferred tax of Rs. 12,517,791 represents benefit relating to earlier years. Current tax of Rs. 2,226,231 represents charge relating to earlier year.

xx) 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, 2011 has been made in the financial statements based on information received and available with the Company, to the extent identified by the management and relied upon by the auditors.

xxi) Segment Reporting

The Company is engaged into only one business namely manufacture of transformers and the operations primarily cater to the needs of the

domestic market. Accordingly there are no separate reportable segments according to AS 17 'Segment Reporting' issued under the Companies (Accounting Standards) Rules, 2006.

xxii) Employee benefits

Disclosure in respect of employee benefit pursuant to the Accounting Standard 15:

Details of Actuarial Valuation of Gratuity.

Change in projected benefit obligation	Year Ended March 31, 2011	Year Ended March 31, 2010
Projected benefit obligation at the beginning of the year	6,868,341	7,985,860
Service cost	990,008	456,114
Interest cost	549,467	638,869
Actuarial (gain)/ loss	2,079,504	425,693
Benefits paid	(1,395,642)	(2,638,195)
Projected benefit obligation at the end of the period	9,091,678	6,868,341

Change in Plan Assets	Year Ended March 31, 2011	Year Ended March 31, 2010
Fair Value of Planned Assets at the beginning of the year	7,616,430	8,480,049
Expected return on planned assets	619,867	658,633
Employer Contributions	2,870,890	1,115,943
Benefits paid	(1,395,642)	(2,638,195)
Fair value of planned assets at the end of the year	9,711,545	7,616,430

Reconciliation of present value of obligation on the fair value of plan assets

Present value of projected benefit obligation at the end of the period	9,091,678	6,868,341
Funded status of the plans	9,711,545	7,616,430
Funded status amount of liability / (asset) recognized in the balance sheet	(619,867)	(748,089)

The components of net gratuity costs are reflected below:

	Year Ended March 31, 2011	Year Ended March 31, 2010
Service cost	990,008	456,114
Interest cost	549,467	638,869
Expected returns on plan assets	(619,867)	(658,633)
Actuarial (gain)/ loss	2,079,504	425,693
Net gratuity costs	2,999,112	862,043

Financial Assumptions at Balance Sheet date:

Discount rate	8%	7.5% - 8%
Long-term rate of compensation increase	6%	5% - 6%
Rate of return on Plan assets	9.25%	8%
Attrition Rate	1% - 3%	1% - 3%

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 Schedule 15 to the Profit and Loss Account.

xxiii) Transfer Pricing

The Company has international transactions with related parties. For the financial year 2009-10, 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 2010 -11, management confirms that it maintains documents as prescribed by the Income-tax Act, 1961 to prove that these international 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.

xxiv) Related party disclosures

List of related parties	
Ultimate holding company	Xignux S.A. de C.V.
Holding company	Prolec-GE Internacional, S. de R. L. de C.V.
Fellow subsidiary	Prolec S.A. de C.V.
Key Management Personnel ('KMP')	Manuel Hernandez Bravo, Manager (from December 1, 2010) P. E. Subramanian, Chairman & MD (till May 18, 2009)

Related party information for the year ended and as on March 31, 2011 (March 31, 2010)

Nature of transaction	Ultimate holding company	Holding Company	Fellow subsidiary	Key management personnel
Trademark License Fees	3,212,920 (-)	- (-)	3,212,921 (-)	- (-)
Re-imburement of expenses	- (-)	121,307 (5,056,162)	- (-)	- (-)
Managerial remuneration	- (-)	- (-)	- (-)	781,804 (408,597)
Balances at year end				
Amount payable	3,212,920 (-)	2,921,537 (2,855,116)	3,212,921 (-)	- (-)

(figures in brackets represent previous year figures)

xxv) Provision for warranty and other contingencies

In pursuance of Accounting Standard-29 (AS-29) 'Provisions, contingent liabilities and contingent assets', the provisions required have been incorporated in the books of account in the following manner:

Particulars	As at March 31, 2011		As at March 31, 2010	
	Provision for warranty	Provision for others	Provision for warranty	Provision for others
Opening balance	4,905,000	9,300,428	-	9,300,428
Add: Provision made	5,336,810	-	4,905,000	-
Less: Provision reversed	1,325,297	-	-	-
Closing balance	8,916,513	9,300,428	4,905,000	9,300,428

xxvi) Previous year figures have been regrouped wherever necessary to conform to current year classification.

Previous year's financial statements were audited by a firm other than B S R and Co.

for **B S R and Co**
Chartered Accountants
Firm Registration No. – 128510W

S Sethuraman
Partner
Membership No. 203491

Jorge Lozano
Chairman

Manuel Hernandez Bravo
Manager

N Nambi Rajan
Financial Controller &
Company Secretary

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

Jorge Sepulveda
Director

S Nagarajan
Chief Financial Officer

Place: Chennai
Date: May 13, 2011

Balance Sheet Abstract and Company's General Business Profile

Information as required under Part IV of the Schedule VI of the Companies Act, 1956.

I. Registration details

Registration No.	<input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="1"/> <input type="text" value="1"/>	State Code	<input type="text" value="1"/> <input type="text" value="8"/>
Balance Sheet Date	<input type="text" value="3"/> <input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="3"/> <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="1"/> <input type="text" value="1"/>		

II. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/>	Rights Issue	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/>
Bonus Issue	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/>	Private Placement	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/>
		Others	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/>

III. Position of Mobilisation and Deployment of funds (Amount in Rs. Thousands)

Total Liabilities	<input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="5"/> <input type="text" value="6"/> <input type="text" value="7"/> <input type="text" value="3"/> <input type="text" value="1"/>	Total Assets	<input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="5"/> <input type="text" value="6"/> <input type="text" value="7"/> <input type="text" value="3"/> <input type="text" value="1"/>
Sources of Funds			
Paid-up Capital	<input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="6"/> <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="0"/>	Reserves and Surplus	<input type="text" value="1"/> <input type="text" value="0"/> <input type="text" value="4"/> <input type="text" value="4"/> <input type="text" value="5"/> <input type="text" value="8"/> <input type="text" value="4"/>
Secured Loans	<input type="text" value="9"/> <input type="text" value="2"/> <input type="text" value="9"/> <input type="text" value="9"/> <input type="text" value="6"/>	Unsecured Loans	<input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="9"/> <input type="text" value="5"/> <input type="text" value="1"/>
Deferred Tax Liability	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/>		
Application of Funds			
Net Fixed Assets	<input type="text" value="8"/> <input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="9"/> <input type="text" value="7"/> <input type="text" value="7"/>	Investments	<input type="text" value="1"/> <input type="text" value="4"/>
Net Current Assets	<input type="text" value="4"/> <input type="text" value="4"/> <input type="text" value="3"/> <input type="text" value="7"/> <input type="text" value="4"/> <input type="text" value="0"/>	Miscellaneous Expenditure	<input type="text" value="-"/>
Accumulated Losses	<input type="text" value="-"/> <input type="text" value="-"/> <input type="text" value="-"/>		

IV. Performance of the Company (Amount in Rs. Thousands)

Turnover (Gross)	<input type="text" value="1"/> <input type="text" value="1"/> <input type="text" value="4"/> <input type="text" value="2"/> <input type="text" value="7"/> <input type="text" value="9"/> <input type="text" value="8"/>	Total Expenditure	<input type="text" value="1"/> <input type="text" value="3"/> <input type="text" value="8"/> <input type="text" value="2"/> <input type="text" value="0"/> <input type="text" value="3"/> <input type="text" value="0"/>
Profit/Loss Before Tax (+/-) (-)	<input type="text" value="2"/> <input type="text" value="3"/> <input type="text" value="9"/> <input type="text" value="2"/> <input type="text" value="3"/> <input type="text" value="2"/>	Profit / Loss After Tax (+/-) (-)	<input type="text" value="2"/> <input type="text" value="2"/> <input type="text" value="7"/> <input type="text" value="4"/> <input type="text" value="4"/> <input type="text" value="1"/>
Earnings per Share (Rs.P) (-)	<input type="text" value="2"/> <input type="text" value="1"/> <input type="text" value="4"/> <input type="text" value="2"/>	Dividend Rate %	<input type="text" value="-"/>

V. Generic Names of Four Principal Products / Services of Company (as per Monetary terms)

Item Code No. (ITC Code)	Product Description
<input type="text" value="8504 21"/>	<input type="text" value="Distribution Transformers"/>
<input type="text" value="8504 23"/>	<input type="text" value="Power Transformers"/>

For and on behalf of the Board

Jorge Sepulveda
Director

Jorge Lozano
Chairman
N. Nambi Rajan
Financial Controller &
Company Secretary

Manuel Hernandez Bravo
Manager
S. Nagarajan
Chief Financial Officer

Place : Chennai
Date : May 13, 2011



INDO TECH TRANSFORMERS LIMITED

Registered Office : DP-36 SIDCO Industrial Estate, Thirumazhisai, Chennai – 602 107.

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 19th Annual General Meeting of the Company to be held on Friday, the 5th August, 2011 at 4.00 p.m. at Pleasant Days (Resort), Chennai-Bangalore Trunk Road, Palanjur, Sembarambakkam, Chennai 602 103, and at any adjournment thereof.

Signed this _____ day of _____ 2010

**Please
affix
Revenue
Stamp**

Signature

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.



INDO TECH TRANSFORMERS LIMITED

Registered Office : DP-36 SIDCO Industrial Estate, Thirumazhisai, Chennai – 602 107.

ATTENDANCE SLIP-CUM-ENTRY PASS

(PLEASE FILL IN THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL)

Name and address of the Shareholder : _____

No. of Shares held :

Regd. Folio No. :
(if not Dematerialised)

DP ID No. :
(if Dematerialised)

Client ID No. :
(if Dematerialised)

I hereby record my presence at the 19th Annual General Meeting of the Company held on Friday, the 5th August, 2011 at 4.00 p.m. at Pleasant Days (Resort), Chennai-Bangalore Trunk Road, Palanjur, Sembarambakkam, Chennai 602 103.

* Strike out whichever is not applicable.



Book Post

If undelivered please return to

Indo Tech Transformers Limited

Secretarial Department

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