

**Annual General Meeting on
Friday, the 10th August 2012
At Pleasant Days (Resort),
At 4.00 P.M.**

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Board of Directors

Luis Carlos Silveyra – Chairman

Jorge Lozano – Director

Banmali Agrawala – Director

Arun Bhalla - Director

Arun Srivatsava - Director

M. S. Srinivasan - Director

Chief Executive Officer

Manuel Hernandez

Chief Financial Officer

D Alwan

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) VII/222, Koyyamarakkad
Kanjikode, Palakkad 678 621
- 4) Survey No.153-210
Illuppapattu Village
Near Rajakulam
KM.64 Chennai Bangalore Highway
Kancheepuram District
Tamil Nadu

Registrars**Link Intime India Private Limited**

C-13 Pannalal Silk Mills Compound

LBS Marg, Bhandup (West)

Mumbai - 400 078.

Telephone : 022-2596 3838 / 2594 6970

Fax : 022-2594 6969 / 2596 2691

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

Bank of Baroda

State Bank of India

Standard Chartered Bank

Citibank N.A.

The Hongkong & Shanghai Banking Corporation Limited

HDFC Bank



NOTICE

NOTICE is hereby given that the 20th Annual General Meeting of the Company will be held at Pleasant Days Resort, Chennai-Bangalore Trunk Road, Palanjur, Sembarambakkam, Chennai 602103 on 10th August, 2012 at 4 P.M. to transact the following business:-

Ordinary Business:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2012 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 Bhalla, who retires by rotation, being eligible offers himself for re-appointment.
3. 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.

Special Business:

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

"RESOLVED THAT Mr. Luis Carlos Silveyra, who was appointed as an Additional Director on November 11,

2011 on the Board of the Company in terms of Section 260 of the Companies Act, 1956 and Article 89 of Article of Association of the Company and who holds office up to the date of this Annual General Meeting, and in respect of whom a notice has been received from a Member in writing, under Section 257 of the Companies Act, 1956, proposing his candidature for the office of a Director, be and is hereby appointed as a director of the company, whose period of office will not be subjected to retirement by rotation."

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

"RESOLVED THAT Mr. Banmali Agrawala, who was appointed as an Additional Director on May 14, 2012 on the Board of the Company in terms of Section 260 of the Companies Act, 1956 and Article 89 of Article of Association of the Company and who holds office up to the date of this Annual General Meeting, and in respect of whom a notice has been received from a Member in writing, under Section 257 of the Companies Act, 1956, proposing his candidature for the office of a Director, be and is hereby appointed as a director of the company"

By Order of the Board

Place: Chennai

Date : May 14, 2012

N. Nambi Rajan
Financial Controller and
Company Secretary

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 7th August 2012 to 10th August 2012, both days inclusive.
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. 4

Mr Luis Carlos Silveyra, was appointed as an Additional Director by the Board of Director in the Board meeting held on 11th November 2011 in accordance with the provisions of Section 260 of the Companies Act, 1956 and Article 89 of Article of Association of the Company.

Pursuant to Section 260 of the Companies Act, 1956 he holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing his candidature for appointment as Director of the Company in accordance with the provisions of Section 257 and all other applicable provisions of the Companies Act, 1956.

The Board feels that presence of Mr Luis Carlos Silveyra on the Board is desirable and would be beneficial to the company and hence recommend resolution for adoption.

Mr Luis Carlos Silveyra will not be subjected to retirement by rotation.

None of the Directors, except Mr. Luis Carlos Silveyra is concerned or interested in this resolution.

on 14th May 2012 in accordance with the provisions of Section 260 of the Companies Act, 1956 and Article 89 of Article of Association of the Company.

Pursuant to Section 260 of the Companies Act, 1956 he holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing his candidature for appointment as Director of the Company in accordance with the provisions of Section 257 and all other applicable provisions of the Companies Act, 1956.

The Board feels that presence of Mr Banmali Agrawala on the Board is desirable and would be beneficial to the company and hence recommend resolution for adoption.

None of the Directors, except Mr. Banmali Agrawala is concerned or interested in this resolution.

By Order of the Board

ITEM NO. 5

Mr Banmali Agrawala, was appointed as an Additional Director by the Board of Director in the Board meeting held

Place : Chennai

Date : May 14, 2012

N. Nambi Rajan
Financial Controller and
Company Secretary

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

Particulars	Mr Luis Carlos Silveyra	Mr Arun Bhalla	Mr Banmali Agrawala
Date of Birth	16th Sep 1948	23rd May 1951	30th April 1963
Date of Appointment	11th Nov 2011	22nd July 2009	14th May, 2012
Qualification	Electrical Engineer, MS (Electrical Power Systems), MBA	M.E., PGDM	B.Tech., Advance Management Program, Harvard Business School
Expertise in specific	Currently Mr Silveyra is the President of Prolec GE. Mr Silveyra has been associated with the Xignux group for over 30 years in various responsibilities and has varied experience. Prior to this he was associated with AEG Mexicana as Process Engineer in 1974, rose to the position of Deputy General Manager before joining HYLSA Engineering Direction in the year 1978 as Electrical Engineer Manager	Currently he is 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 36 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	Currently he is the President and Chief Executive Officer of GE Energy - India Region and is a Corporate Officer of the General Electric Company. He has more than 26 years of industry experience and has been associated with The Tata Power Company Limited, as Executive Director - Strategy and Business Development and a member of the Board Of Directors. He was also a member of the Board of other Tata Group Companies and Joint Ventures such as Tata Projects, Tata BP Solar, Maithon Power, Dagachhu Power, Geodynamics, KPC and Arutmin Coal Companies. Previously, Banmali was the Managing Director of Wartsila India Limited, a listed Company in India and a Member of the Wartsila Global Power Plant Management Team.
Directorships held	None	Tannex Power Generation Limited	None
Membership of Committees*	None	None	None

Other than Mr Arun Bhalla and Mr Banmali Agrawala none of the other Directors are interested in their reappointment.

FINANCIAL HIGHLIGHTS

Rs. in Lakhs

	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05
Gross Sales & Other Income	12607	12416	11020	24157	23153	19115	11233	8175
Net Sales & Other Income	11572	11428	10249	21100	19345	15859	9352	6803
Earnings before Depreciation, Interest and Tax (EBDIT)	(3110)	(1861)	(533)	6593	6123	4225	1809	1230
Depreciation	412	380	387	392	174	114	85	86
Profit After Tax	(3998)	(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	1062	282
Reserves and Surplus	6448	10446	12735	13574	11218	8065	6075	2111
Net Worth	7510	11508	13797	14636	12280	9127	7137	2393
Gross Fixed Assets	10018	9945	9381	9501	9219	4574	2041	1677
Net Fixed Assets	7933	8130	7940	8212	8313	3826	1344	1063
Total Assets	17599	15923	14885	16632	14155	9971	7501	2786

KEY INDICATORS	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05
Earnings per Share - Rs.	(37.65)	(21.42)	(7.90)	36.69	36.71	24.00	14.34	28.29
Turnover per share - Rs.	118.71	116.91	103.79	227.47	218.00	179.99	105.77	290.21
Book value per share - Rs.	70.72	108.36	129.92	137.81	114.76	85.07	66.33	84.90
Debt : Equity Ratio	0.71:1	0.09:1	0.07:1	0.10:1	0.12:1	0.07:1	0.03:1	0.09:1
EBDIT / Gross Turnover %	-25%	-15%	-5%	27%	26%	22%	16%	15%
Net Profit Margin %	-32%	-18%	-8%	18%	20%	17%	12%	12%
RONW %	-35%	-16%	-6%	27%	32%	29%	15%	33%
ROCE %	-32%	-15%	-6%	35%	28%	27%	15%	33%

DIRECTORS' REPORT

Your Directors present the 20th 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, 2012.

FINANCIAL RESULTS (Rupees in Lakhs)

	Year ended March 31, 2012	Year ended March 31, 2011
INCOME		
Gross Sales & Other Income	12,607.20	12,416.75
Gross Profit / (Loss) before depreciation & tax	(3,586.64)	(2,012.35)
Depreciation	411.72	379.98
Profit / (Loss) before tax	(3,998.36)	(2,392.33)
Provision for taxes	—	(102.92)
Prior period / Extra ordinary items	—	(0.18)
Balance of profit of earlier years	4,688.60	6,978.19
Balance available for appropriation	690.24	4,688.60
APPROPRIATIONS		
General Reserve	—	—
Dividend	—	—
Tax on Dividend	—	—
Balance carried to Balance Sheet	690.24	4,688.60

OPERATIONS AND PERFORMANCE

In the year under review, your Company continued to face stiff challenges in getting orders due to competition and price pressures. In addition, sluggish climate for new investment led to delay in new projects resulting in low availability of orders. However, your Company was successful in getting order for 180MVA transformer to be delivered in June 2012, which is significant one and would enhance the technical capability of the Company to receive such orders in future.

Your Company has taken steps to enhance its presence globally through its marketing network and during the year under review value of export orders received was Rs.29 crores and the current total order backlog stands at Rs.114 crores.

Your Company's performance for the year was impacted significantly due to customers' project delays and site

readiness, resulting in low production. In addition, increase in input cost coupled with firm price contracts and higher fixed costs, resulted in loss for the year under review.

DIRECTORS

Mr Luis Carols Silveyra, has been inducted into the Board and his tenure expires in the 20th Annual General Meeting in terms of the provisions of the Companies Act 1956. Mr Luis Carlos Silveyra, has been nominated as Chairman of the Board.

Mr Jorge Sepulveda and Mr Kishore Jayaraman, Directors have resigned from the Board. The Directors would like to place on record the services rendered by Mr Jorge Sepulveda and Mr Kishore Jayaraman during their tenure as Directors.

Mr Banmali Agrawala, has been inducted into the Board and his tenure expires in the 20th Annual General Meeting and needs to be re-elected in that meeting.

At the 20th Annual General Meeting, Mr Arun Bhalla retires by rotation and being eligible offers himself for re-appointment.

The above appointment/re-appointment forms part of Notice of the forthcoming 20th Annual General Meeting and the respective resolutions are recommended for your approval.

Profiles of these Directors as required by Clause 49 of the Listing Agreement are attached to the Notice of the 20th 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, 2012 the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 2) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2011-12 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 2012 on a 'going concern basis'.

**CORPORATE GOVERNANCE**

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

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

AUDITORS

M/s B S R 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 a part of this Report.

PARTICULARS OF EMPLOYEES

There are no employees earning remuneration in excess of the limits prescribed under provisions of Sec. 217(2A) of the Companies Act 1956 read with Companies (Particulars of Employees) Rules 1975.

ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

INDO TECH TRANSFORMERS LIMITED

Luis Carlos Silveyra
Chairman

Jorge Lozano
Director

Place: Chennai

Date : May 14, 2012

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 Thirumazhisai plant, continuous monitoring of loads and usage resulting in optimizing drawdown from grid and utilizing spare generator capacity.
- h) In both Thirumazhisai and Kancheepuram plants, usage of power in test labs / oil filtration plant has been optimized through process study, resulting in less consumption of power.

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.933.54 lakhs and outgo was Rs. 243.73 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-wholetime Chairman and five other Directors. Out of these, three members are Independent Directors.

Except Mr Luis Carlos Silveyra and Mr. Jorge Lozano, 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, 13th May 2011, 5th August, 2011, 11th November 2011 and 14th February 2012.

Name of Directors	Type of Director	Board Meetings Attended	AGM Attended	No. of Committee Members Held	No. of other Directorships Held
Luis Carlos Silveyra@@	Non-Executive	2	—	—	—
Jorge Lozano	Non-Executive	4	Yes	—	—
Jorge Sepulveda@	Non - Executive	3	Yes	—	—
Kishore Jayaraman	Non - Executive	4	Yes	—	—
Arun Bhalla	Independent	4	Yes	—	1
Arun Srivastava	Independent	2	Yes	—	1
M. S. Srinivasan	Independent	4	Yes	—	2

* 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.

@-Resigned on 11th November 2011, @@-Inducted on 11th November 2011 Board meeting

Brief Resume of Directors seeking re-appointment:

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

With changes in the Board during the year, Audit Committee has been reconstituted.

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 Lozano has worked over 3 decades in Prolec-GE Internacional, S De R.L. De C.V., Nuevo Leon, Mexico in various capacities, before retiring as President in November 2011 and currently associated as Consultant in Prolec-GE Internacional, S De R.L. De C.V.

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.