

ANNUAL REPORT 2015 - 16



Powering reliable solutions for you

**INDO TECH
TRANSFORMERS LIMITED**



180MVA, 235/13.8 KV, Generator Transformers



55MVA, 400/11.5 KV, Start up Transformers

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

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Company Information

Board of Directors

Ricardo Suarez Garza
Non Executive Director- Chairperson

M. S. Srinivasan
Independent Director

Indraneel Dutt
Non Executive Director

P. V. Krishna
Independent Director

Tabassum M Wajid
Independent Director

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

Chief Executive Officer

Ajay Kumar Sinha

Chief Financial Officer

Dhiraj Narula

Company Secretary & Compliance Officer

Sathyamoorthy A

Statutory Auditors

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

Registrars and Transfer Agents

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

Bankers

Bank of Baroda
State Bank of India
Citibank N. A.
HDFC Bank

Factories

Rajakulam - Kancheepuram
Thirumazhisai – Chennai

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

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

NOTICE

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

Ordinary Business:

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

RESOLVED that pursuant to section 139, 142 of the Companies Act, 2013 and rules made thereunder, pursuant to recommendation of the Audit Committee and resolution passed by the members at their annual general meeting held on 5th August 2014, the appointment of B S R & Co. LLP Chartered Accountants (Firm Regn No 101248W/W-100022) as the Statutory Auditors to hold the office till the conclusion of the AGM to be held in the calendar year 2019 be and is hereby ratified and that the board of directors be and are hereby authorized to fix the remuneration payable to them for the financial year ending 31st March 2017, as may be mutually agreed between the Board of Directors of the Company and the Auditors based on the recommendation of the Audit Committee

Special Business:

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

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

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

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

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

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

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

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

Clause 32

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

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

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

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

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

(6) Adoption of New Set of Articles of Association

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

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

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

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

7. Approval of Related Party Transaction

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

RESOLVED that pursuant to provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with applicable Rules under Companies (Meetings of Board and its Powers) Rules, 2014 and in terms of applicable provisions of SEBI (Listing Obligations and Disclosure requirements) Regulation, 2015 (including any amendment, modification or re-enactment thereof), consent of the members of the Company be and are hereby accorded for entering into the following proposed Related Party Contracts/arrangement/Transactions by the Company with its Related Parties during financial year 2016-17, up to the maximum amounts as appended in table below:

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

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

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

(8) Ratification of the Remuneration of the cost auditor

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

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

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

By order of the Board of Directors

for **Indo Tech Transformers Limited**

Sathyamoorthy A
Company Secretary

Place: Chennai

Date: 25th May 2016

Notes:

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

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

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

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

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

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

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

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

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

Except Mr. V Ranganathan being an appointee, none of the Directors and Key Managerial personnel of the company and their relatives is concerned or interested, financial or otherwise, in the resolution.

Item No. 2 and 4: Brief profile of Directors

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

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

Item No. 5: Alteration of Memorandum of Association

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

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

The revised MoA is being uploaded on the Company's website at www.prolecge.in for perusal by the shareholders.

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

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

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

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

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

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

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

Item No. 7: Approval of Related Party Transaction

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

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

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

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

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

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

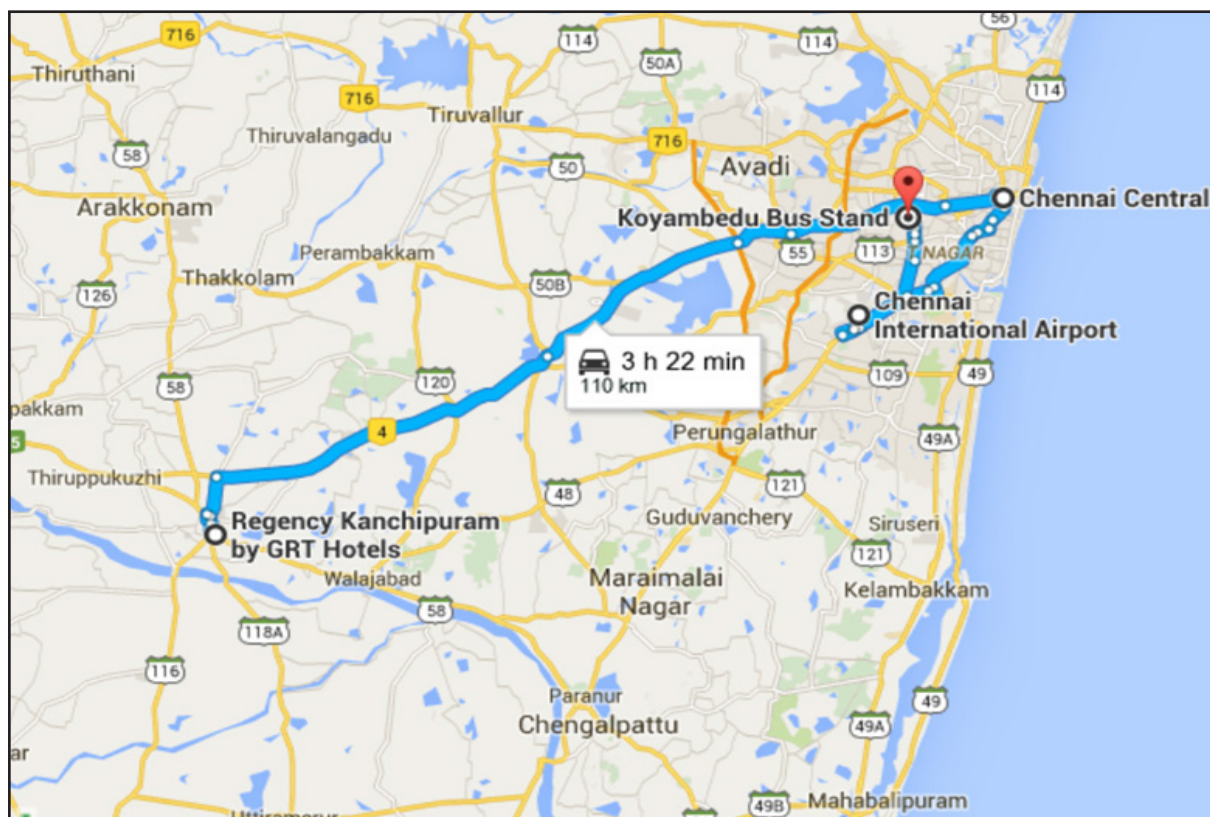
Pursuant to section 148 of the Companies Act 2013 and Rule 14 of the Companies (Audit and Auditors) Rules 2014, based on the recommendation of the Audit Committee, Board of Directors at their Meeting held on 25th May 2016 Appointed Mr M J Gopalakrishnan, as Cost Auditor for the Financial year 2016-2017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

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

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

ROUTE MAP TO REACH THE VENUE OF ANNUAL GENERAL MEETING

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



INSTRUCTIONS FOR VOTING THROUGH ELECTRONIC MEANS

Pursuant to the provisions of Sections 108, read with the Companies (Management and Administration) Rules, 2014 and Companies (Management and Administration) Amendment Rules 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer the option of E-Voting facility to all the members of the Company. For this purpose, the Company has engaged Central Depository Services (India) Limited (CDSL) for facilitating e-voting. The Company has appointed Mr. G P Srinath of M/s G P Srinath & Associates, Practicing Company Secretaries, Chennai as Scrutinizer.

The procedure and instructions for e-voting are as under:

- (i) Open your web browser during the voting period and log on to the e-voting website www.evotingindia.com.
- (ii) Now click on "Shareholders" to cast your votes.
- (iii) Now, select the "Company Name" from the drop down menu and click on "SUBMIT".
- (iv) Now, fill up the following details in the appropriate boxes:

User ID	For Members holding shares in Demat Form:- a) For NSDL:- 8 Character DP ID followed by 8 digits Client ID b) For CDSL:- 16 digits beneficiary ID For Members holding shares in Physical Form:- • Folio Number registered with the Company
PAN*	Enter your 10 digit alpha-numeric PAN issued by the Income Tax Department
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

Members who have not updated their PAN with the Company / Depository Participant are requested to use the the sequence number (Sequence number has been provided as Serial number in the address label and / or in the e-mail sent to Members) in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name.

Please enter any one of the details in order to login. In case both the details are not recorded with the depository and company, please enter the Member id / folio number in the Dividend Bank details field.

- (v) After entering these details appropriately, click on "SUBMIT" tab.
- (vi) Members holding shares in Physical form will then reach directly to the voting screen.
- (vii) Members holding shares in Demat form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new

password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password is also to be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (viii) You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-voting system in future. The same may be used in case the Member forgets the password and the same needs to be reset.
- (ix) If you are holding shares in Demat form and had logged on to www.evotingindia.com and casted your vote earlier for EVSN of any company, then your existing login id and password are to be used.
- (x) For Members holding shares in physical form, the password and default number can be used only for e-voting on the resolutions contained in this Notice.
- (xi) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Enter the number of shares (which represents number of votes) under YES/NO or alternatively you may partially enter any number in YES and partially in NO, but the total number in YES and NO taken together should not exceed your total shareholding.
- (xii) After selecting the resolutions you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) Institutional members (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter, etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer through e-mail at: cssrinath.gp@gmail.com with a copy marked to: helpdesk.e-voting@cdslindia.com
- (xv) In case you have any queries or issues regarding e-voting, please contact -helpdesk.e-voting@cdslindia.com.
- (xvi) The e-voting period commences on 31st July 2016 (9.00 a.m.) to 2nd August 2016 (5.00 p.m.).
- (xvii) Members holding shares in physical or dematerialized form as on 27th July 2016 may cast their vote electronically.

DIRECTORS' REPORT

Your Directors are pleased to present the 24th Annual Report of the Company along with the Audited Financial Statement and the Auditor's Report for the financial year ended 31st March, 2016.

Financial results

The company's revenue from operations for the financial year 2015-16 increased by 19% as compared to financial year 2014-15.

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

(₹ in Lakhs)

Particulars	Financial Year ended 31 March 2016	Financial Year ended 31 March 2015
Income		
Gross Sales & Other Income	22,318	18,671
Gross Profit/(Loss) before depreciation, interest & tax	938	632
Depreciation	535	518
Profit/(Loss) before tax	402	(374)
Provision for Taxes	--	--
Prior period / Extraordinary items	--	--
Balance of profit of earlier years	(6,582)	(6,208)
Balance available for appropriation	(6,179)	(6,582)
Appropriations		
General Reserve	--	--
Dividend	--	--
Tax on Dividend	--	--
Balance carried to Balance Sheet	(6,179)	(6,582)

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

Operational performance

Your company's performance has improved significantly during the financial year as compared to previous financial years primarily on account of steps taken by the management to increase production, improve efficiency and reduce costs. Our focus, during the financial year, was to improve the production and sales of large power transformers. During the financial year, we improved our acceptability in market on account of several short circuit test conducted in the previous financial year. We have successfully delivered multiple quantities of large power transformers during the year. Similarly, for renewable segment we have successfully delivered multiple quantities of skid mounted sub-stations during the year.

We continuously receive support from parent company for improving production of large power transformers. Our focus currently is to improve productivity and consolidating operations. Overall, we expect further improvements by implementing our strategic plans for cost optimization and using specially developed software for transformer designs. Momentum gained during previous year has helped us improve margin in the current year. However price pressure is immense and it is impacting the entire industry. We expect margins to improve marginally in the coming year.

Directors and Key Managerial Personnel

During the financial year Mr. Ricardo Suarez Garza (DIN- 07194157), and Mr P V Krishna (DIN- 02459872), has been inducted into the Board as Directors of the Company.

Mr. Luis Carlos (DIN- 05122761), Mr. Arun Kumar Bhalla (DIN- 02073637), Mr. Arun Kumar Srivastava (DIN- 00006985) and Mr. Ajay Kumar Dhagat (DIN- 00250792), has stepped down from their Office of Directorships during the financial year and Company places on record their contribution and support during their tenure.

During the financial year, Mr. Shridhar Gokhale has stepped down from his Office of Manager and Mr. Ajay Kumar Sinha appointed as Chief Executive Officer W.e.f 27th May, 2015. Mr. Sanjay Kasture, Company Secretary has resigned from the Company and Mr. Sathyamoorthy A appointed as Company Secretary w.e.f 29th December, 2015.

Mr. V Ranganathan (DIN- 07489345) was appointed as an Additional Director with effect from 12th April 2016 on the Board of your company and now it is proposed to appoint him as Director.

The Board of Directors of the Company as on date of this report is as follows:

Mr. Ricardo Suarez Garza	– Chairman
Mr. Indraneel Dutt	– Non Executive Director
Mr. M S Srinivasan	– Independent Director
Mr. P V Krishna	– Independent Director
Ms. Tabassum M Wajid	– Independent Director
Mr. V Ranganathan	– Additional Director

The Key Managerial Personnel of the Company as on date of this report is as follows:

Mr. Ajay Kumar Sinha	– Chief Executive Officer
Mr. Dhiraj Narula	– Chief Financial Officer
Mr. Sathyamoorthy A	– Company Secretary

Number of Meetings of the Board of Directors

The Board of Directors met Seven (7) times during the financial year on 27th May 2015, 14th August 2015, 9th September 2015, 4th November 2015, 29th December 2015, 20th January 2016 and 10th February 2016.

The provisions of Companies Act, 2013 and listing regulations were adhered to while considering the time gap between two meetings.

Board Committees

During the year, in accordance with the Companies Act, 2013 the Board re-constituted Audit Committee, Nomination

and Remuneration Committee and Stakeholder Relationship Committee at their meeting held on 27th May 2015. Compositions of the Committees are as follows:

(i) Audit Committee

Mr. M.S Srinivasan, Chairman
Mr. Ricardo Suarez Garza, Member
Mr. P V Krishna, Member

(ii) Nomination and Remuneration Committee

Mr. P V Krishna, Chairman
Mr. M.S Srinivasan, Member
Ms. Tabassum M Wajid, Member

(iii) Stakeholders' Relationship Committee

Mr. Ricardo Suarez Garza, Chairman
Mr. Indraneel Dutt, Member

Directors' Responsibility Statement

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

- 1) in the preparation of the annual accounts for the financial year ended 31st March, 2016 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 2015-16 and of the Profit & Loss Account of the Company for the year under review;
- 3) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities;
- 4) the Directors had prepared the accounts for the financial year ended 31st March, 2016 on a 'going concern basis';
- 5) the Directors had laid down internal financial controls to be followed by the company and such internal financial controls are adequate and were operating effectively;
- 6) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Board Independence

Based on the confirmation / disclosures received from the Directors and on evaluation of the relationships disclosed, the following Non-Executive Directors are Independent in terms of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Section 149(6) of the Companies Act, 2013 :-

- 1) Mr. M.S Srinivasan
- 2) Mr. P V Krishna
- 3) Mrs. Tabassum M Wajid

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

Nomination and Remuneration Policy

In terms of Section 178 of the Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company has been formulated by the Nomination and Remuneration Committee of the Company and approved by the Board of Directors. This policy shall act as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel, Senior Management and other employees.

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

Comments on Auditors' Report / Secretarial Auditors' Report

There are no qualifications, reservations or adverse remarks or disclaimers made by BSR & Co. LLP, Statutory Auditors, in their report and by M/s. JDNASSA & Associates, Company Secretaries in Practice, in their secretarial audit report.

There is an observation from Statutory Auditors as well as Secretarial Auditors on delay in transferring the unpaid/unclaimed dividend amount pertaining to the financial year 2008-09 to the Investors Education and Protection Fund (IEPF) of the Central Government. The delay primarily was on account of technical difficulty in MCA-21 website while generating the challan for remitting the amount. However as on date of this report the said amount has been remitted and there is no unpaid/unclaimed amount which is due for remittance.

Particulars of Loans, Guarantees or Investments under Section 186 of the Companies Act, 2013

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

Particulars of Contracts or Arrangements with Related Parties Referred to in Section 188(1) of Companies Act, 2013

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

Dividend

Considering the accumulated losses and the fact of Company's potential sickness, no dividend has been recommended by the Board of Directors of the Company for financial year 2015-16.

Material Changes and Commitments

There were no Material changes and commitments, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

Board Evaluation

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

Particulars of Employees and Related Disclosures

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are provided in the Annual Report. Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annual Report as Annexure IV.

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 is provided as a part of this Annual Report, besides the Management Discussion and Analysis.

Auditors

Pursuant to Section 139 of the Companies Act, 2013, M/s B S R & Co. LLP, Chartered Accountants, (ICAI Firm Registration No. – 101248W/W-100022), have been appointed as Statutory Auditors for a period of five (5) years commencing from financial year 2014-15, subject to the ratification by the members at each annual general meeting. A resolution proposing ratification of appointment of M/s B S R & Co. LLP, as Statutory Auditors of the Company for financial year 2016-17, pursuant to Section 139 of the Companies Act, 2013 forms part of the Notice.

Fixed Deposits / Public Deposits

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

Internal Financial Controls

The Company has an adequate system of Internal Financial Controls in place with reference to the financial statements. During the year, Internal Financial Controls were tested and no material weaknesses in the design or operating effectiveness were observed.

Cost Auditors

Pursuant to the notification issued by the Ministry of Corporate Affairs (MCA) and based on the recommendation of the Audit Committee, your Board has approved the appointment of Mr. M J Gopalakrishnan, Cost Accountants, as the Cost Auditor of the Company for the financial year 2016-17.

Secretarial Auditors / Secretarial Audit Report

Pursuant to section 204 of the Companies Act, 2013 the Secretarial Audit for the financial year 2015-16 was conducted by M/s. JDNASSA & Associates and their secretarial audit report is annexed as Annexure II forming part of this report. The Board of Directors has appointed M/s J B Bhavé & Co as Secretarial Auditors for the financial year 2016-17 to conduct the Secretarial Audit of the Company.

Vigil Mechanism / Whistle Blower Policy

In order to ensure that the activities of the company and its employees are conducted in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behaviour, the company has adopted a vigil mechanism policy. This policy is explained in corporate governance report and also posted on the website of the company.

Risk Management Framework

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

Extract of Annual Return

The details forming part of the extract of the Annual Return in form MGT-9 has been given in the annexure III appended hereto and forms part of this report.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and outgo

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

A. Conservation of Energy

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

- Your Company has 2 wind mills in Tirunelveli, Tamil Nadu. The Company is adjusting the units generated against consumption at factories. This has reduced per unit energy cost to the company.
- Your Company conducted a study of power consumption of Vapour Phase Drying plant to improve efficiency by reducing vacuum leakages. Subsequent actions have reduced load on vacuum pump thus saving energy.

During the year your Company took several measures for reducing the power and fuel cost including DG utilization and was able to reduce the power and fuel cost significantly.

B. Technology Absorption

Research & Development:

Skid Mounted Substation:

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

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

Sealed Dry Type Transformers:

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

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

C. Foreign Exchange Earnings and outgo

During the financial year under review, there the foreign exchange earning of the Company was ₹ 2,81,23,000 and outgo was ₹ 9,23,206.

Financial Highlights

FINANCIAL HIGHLIGHTS	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
Gross Sales & Other Income	22,318	18,671	11,400	12,495	12,596	12,416	11,020	24,157
Net Sales & Other Income	20,263	17,366	10,430	11,554	11,572	11,428	10,249	21,100
Earnings before Depreciation, Interest and Tax (EBDIT)	937	632	-529	-3,857	-3,218	-1,861	-533	6,593
Depreciation	535	518	299	504	412	380	387	392
Profit After Tax	402	-374	-1,880	-5,018	-3,998	-2,274	-839	3,897
Equity Dividend %	--	--	--	--	--	--	--	124
Dividend Payout	--	--	--	--	--	--	--	1,317
Equity Share Capital	1,062	1,062	1,062	1,062	1,062	1,062	1,062	1,062
Reserves and Surplus	14,425	14,023	-450	1,430	6,447	10,446	12,735	13,574
Net Worth	15,487	15,085	612	2,492	7,509	11,508	13,797	14,636
Gross Fixed Assets	10,106	10,003	9,888	9,902	9,822	9,945	9,381	9,501
Net Fixed Assets	6,215	6,635	7,047	7,309	7,667	8,130	7,940	8,212
Total Assets	21,269	20,659	18,270	17,684	17,599	15,923	14,885	16,632
KEY INDICATORS	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
Earnings per Share - ₹	3.79	-3.52	-17.7	-47.25	-37.65	-21.42	-7.9	36.69
Turnover per share - ₹	210.16	175.82	107.35	117.65	118.71	116.91	103.79	227.47
Book value per share - ₹	145.83	142.04	5.76	23.46	70.72	108.36	129.92	137.81
Debt : Equity Ratio	1.15:1	1.15:1	20.62:1	3.27:1	0.71:1	0.09:1	0.07:1	0.10:1
EBDIT / Gross Turnover %	4%	3%	-5%	-32%	-26%	-15%	-5%	27%
Net Profit Margin %	2%	-2%	-19%	-42%	-32%	-18%	-8%	18%
RONW %	3%	-61%	-75%	-67%	-35%	-16%	-6%	27%
ROCE %	3%	1%	-57%	-64%	-33%	-15%	-6%	35%

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, Prolec GE and all the shareholders. Your Directors also wish to thank all employees for their contribution, support and continued cooperation during the financial year and are deeply grateful to the shareholders of the Company for the confidence and faith.

For and on behalf of the Board of Directors

Ricardo Garza Suarez
Chairman
DIN: 07194157

Indraneel Dutt
Director
DIN: 01942447

Subsidiary Companies

As at 31st March, 2016, there are no subsidiary companies.

Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Internal Complaints Committee ("ICC") has been set up to redress the complaints received regarding sexual harassment. All employees are covered under this policy.

During the financial year 2015-16, there were no cases reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Potential Sickness

As per the audited financial statements of the Company for the year ended 31st March 2016, the accumulated losses as on that date have resulted in erosion of 50% or more of the peak net worth of the Company in the immediately preceding four financial years and accordingly the Company continues to be a Potentially Sick Industrial Company within the meaning of section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985 and has already intimated to the Board for Industrial Financial Reconstruction (BIFR).

Annexure - I

Form No. AOC-2

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

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

1. Details of contracts or arrangements or Transactions not at arm's length basis : Nil
2. Details of material contracts or arrangement or transactions at arm's length basis.

The contracts or arrangement or transactions entered with the related parties during the financial year 2015-16 were not material and the same were disclosed in the notes to accounts forming part of the financial statements for the year ended 31st March 2016.

For and on behalf of the Board of Directors

Ricardo Garza Suarez
Chairman
DIN: 07194157

Indraneel Dutt
Director
DIN: 01942447

Place: Chennai
Date : 25 May 2016

Annexure-II

Form No. MR-3 - Secretarial Audit Report

For the financial year ended 31st March 2016

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

To,

The Members

M/S. INDO-TECH TRANSFORMERS LIMITED

Survey no.153-210, Illuppapattu Village,

Near Rajakulam, Kancheepuram (Dist.),

Tamilnadu-631561.

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

Secretarial Audit was conducted for the period from 1st April 2015 to 31st March 2016, in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances of the Company and expressing our opinion there on. We have been engaged as Secretarial Auditors of the Company to conduct the Audit of the Company to examine the compliance of Companies Act, SEBI Regulations and the other laws listed below.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has during the audit period covering the financial year ended on 31st March 2016 ("Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and legal compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2016 according to the provisions of the following list of laws and regulations:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Securities And Exchange Board Of India (Share Based Employee Benefits) Regulations, 2014; [Not applicable during the Audit Period]
- (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; [Not applicable during the Audit Period]
- (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; [Not applicable during the Audit Period]
- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; [Not applicable during the Audit Period]

(vi) Other Applicable Laws:

- (a) Factories Act, 1948
- (b) Payment of Wages Act, 1936,
- (c) The Minimum Wages Act, 1948,
- (d) Employees' State Insurance Act, 1948,
- (e) Provident Fund Act 1952 & Employees Pension Scheme 1995,
- (f) The Payment of Bonus Act, 1965,
- (g) Payment of Gratuity Act, 1972,
- (h) The Water (Prevention & Control of Pollution) Act, 1974, Read with Water (Prevention & Control of Pollution) Rules, 1975,
- (i) Tami Nadu (Professional Tax) Act,
- (j) Prevention of Child Labour Act,
- (k) Industries (Development & Regulations) Act 1971.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.

- (ii) The Listing Agreement entered into by the Company with National Stock Exchange of India Limited and Bombay Stock Exchange Limited and SEBI (Listing Obligations And Disclosure Requirements) Regulations 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except that there were a delay in transferring the unpaid/unclaimed dividend for the year 2008-2009 to the Investor Education and Protection Fund Account (IEPF) of the Central Government.

We further report that:-

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

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

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

We further report that during the Audit period the Company has-

Pursuant to pursuant to section 12(5) and all other applicable provisions of the Companies Act, 2013 and rules framed there under, sought Shareholders' approvals by way of Postal Ballot for shifting of its Registered Office outside the city limits but within the jurisdiction of Registrar of Companies, Chennai and within the State of Tamilnadu.

For **JDNASSA & ASSOCIATES**
Company Secretaries

Jayavant Bhawe

Partner
FCS No. 4266
CP No. 3068

Place: Pune
Date : 25 May 2016

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

Annexure-A

To,

The Members

M/S. INDO-TECH TRANSFORMERS LIMITED

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

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

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

For **JDNASSA & ASSOCIATES**
Company Secretaries

Jayavant Bhawe

Partner
FCS No. 4266
CP No. 3068

Place: Pune
Date : 25 May 2016

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding											
Category of Shareholders			No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
			Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	(2)	Foreign									
		a) NRI Individuals	—	—	—	—	—	—	—	—	
		b) Other Individuals	—	—	—	—	—	—	—	—	
		c) Bodies Corp.	7,895,625		7,895,625	74.35%	7,895,625		7,895,625	74.35%	0.00%
		d) Any other	—	—	—	—	—	—	—	—	—
		Sub Total (A) (2)	7,895,625		7,895,625	74.35%	7,895,625		7,895,625	74.35%	0.00%
		TOTAL (A)	7,895,625		7,895,625	74.35%	7,895,625		7,895,625	74.35%	0.00%
B.		Public Shareholding									
	1.	Institutions									
		a) Mutual Funds	—	—	—	—	—	—	—	—	—
		b) Banks / FI	1,149		1,149	0.01%			-	-	-0.01%
		c) Central Govt	—	—	—	—	—	—	—	—	—
		d) State Govt(s)	—	—	—	—	—	—	—	—	—
		e) Venture Capital Funds	—	—	—	—	—	—	—	—	—
		f) Insurance Companies	—	—	—	—	—	—	—	—	—
		g) FIs	—	—	—	—	—	—	—	—	—
		h) Foreign Venture Capital Funds	—	—	—	—	—	—	—	—	—
		i) Others (specify)	—	—	—	—	—	—	—	—	—
		Sub-total (B)(1):-	1,149		1,149	0.01%			-	-	-0.01%
	2.	Non-Institutions									
		a) Bodies Corp.	435,660		435,660	4.10%	533,315		533,315	5.02%	0.92%
		i) Indian	—	—	—	—	—	—	—	—	—
		ii) Overseas	—	—	—	—	—	—	—	—	—
		b) Individuals	—	—	—	—	—	—	—	—	—
		i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1,514,064	2	1,514,066	14.26%	1,472,153	117	1,472,270	13.86%	-0.39%
		ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	618,504		618,504	5.82%	390,594	0	390,594	3.68%	-2.15%

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding										
Category of Shareholders		No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	c) Others (specify)									
	HUF	—	—	—	—	220,120	—	220,120	2.07%	2.07%
	Non Resident Indians	69,813		69,813	0.65%	48,336		48,336	0.46%	-0.19%
	Overseas Corporate Bodies	—	—	—	—	—	—	—	—	—
	Foreign Nationals	—	—	—	—	—	—	—	—	—
	Clearing Members	85,183		85,183	0.80%	58,240	—	58,240	0.55%	-0.25%
	Trusts	—	—	—	—	1500	—	1,500	0.01%	0.01%
	Foreign Bodies - D R	—	—	—	—	—	—	—	—	—
	Sub-total (B)(2):-	2,723,224	2	2,723,226	25.64%	2,724,258	117	2,724,375	25.65%	0.01%
	Total Public (B)	2,724,373	2	2,724,375	25.65%	2,724,258	117	2,724,375	25.65%	0.00%
	C. Shares held by Custodian for GDRs & ADRs									
	Grand Total (A+B+C)	10,619,998	2	10,620,000	100.00%	10,619,883	117	10,620,000	100.00%	0.00%

(ii) Shareholding of Promoter								
S. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	PROLEC GE INTERNACIONAL,S.DE R.L.DE.C.V	7,895,625	74.35%	0	7,895,625	74.35%	0	0.00%

(iii) Change in Promoters' Shareholding (please specify, if there is no change)							
S. No	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year	31/3/2015		7,895,625	74.35	7,895,625	74.35%
	Changes during the year*			NIL	0.00%	NIL	0.00%
	At the end of the year	31/03/2016		7,895,625	74.35	7,895,625	74.35%

* No change during the year.

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

S. No	Name & Type of Transaction	Shareholding at the beginning of the year - April 01, 2015		Transactions during the year		Cumulative Shareholding at the end of the year - March 31, 2016	
		No. of Shares Held	% of The Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares Of The Company
1	Tarun Suresh Jain						
	At the beginning of the year	0	0.0000			0	0.0000
	Transfer			31 Dec 2015	40000	40000	0.3766
	Transfer			01 Jan 2016	(20000)	20000	0.1883
	Transfer			08 Jan 2016	80676	100676	0.9480
	Transfer			19 Feb 2016	869	101545	0.9562
	At the end of the year					101545	0.9562
2	Ohm Stock Broker Pvt. Ltd						
	At the beginning of the year	0	0.0000			0	0.0000
	Transfer			22 Jan 2016	95000	95000	0.8945
	At the end of the year					95000	0.8945
3	Universal Cine Trades Pvt. Ltd						
	At the beginning of the year	43000	0.4049			43000	0.4049
	Transfer			18 Mar 2016	14500	57500	0.5414
	Transfer			25 Mar 2016	10000	67500	0.6356
	At the end of the year					67500	0.6356
4	Kantilal M. Vardhan (H.U.F.)						
	At the beginning of the year	63853	0.6013			63853	0.6013
	At the end of the year					63853	0.6013
5	Patel Ushaben Parshottambhai						
	At the beginning of the year	46713	0.4399			46713	0.4399
	Transfer			17 Apr 2015	410	47123	0.4437
	Transfer			08 May 2015	33	47156	0.4440
	Transfer			15 May 2015	1	47157	0.4440
	Transfer			29 May 2015	3512	50669	0.4771
	Transfer			05 Jun 2015	766	51435	0.4843
	Transfer			19 Jun 2015	30	51465	0.4846
	Transfer			17 Jul 2015	(90)	51375	0.4838
	Transfer			24 Jul 2015	100	51475	0.4847
	Transfer			14 Aug 2015	(4838)	46637	0.4391
	Transfer			25 Sep 2015	46637	93274	0.8783
	Transfer			30 Sep 2015	(46637)	46637	0.4391
	Transfer			31 Dec 2015	(500)	46137	0.4344
	Transfer			08 Jan 2016	200	46337	0.4363
	Transfer			15 Jan 2016	(986)	45351	0.4270
	Transfer			22 Jan 2016	1000	46351	0.4365
	Transfer			31 Mar 2016	400	46751	0.4402
	At the end of the year					46751	0.4402

(iv) Shareholding Pattern of top ten Shareholders (Contd.)

(Other than Directors, Promoters and Holders of GDRs and ADRs):

S. No	Name & Type of Transaction	Shareholding at the beginning of the year - April 01, 2015		Transactions during the year		Cumulative Shareholding at the end of the year - March 31, 2016	
		No. of Shares Held	% of The Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares Of The Company
6	Exim Scrips Dealers Pvt. Ltd						
	At the beginning of the year	51118	0.4813			51118	0.4813
	Transfer			20 Nov 2015	(1658)	49460	0.4657
	Transfer			04 Dec 2015	(1500)	47960	0.4516
	Transfer			18 Dec 2015	(500)	47460	0.4469
	Transfer			25 Dec 2015	(500)	46960	0.4422
	Transfer			31 Dec 2015	(250)	46710	0.4398
	Transfer			01 Jan 2016	(5000)	41710	0.3927
	Transfer			08 Jan 2016	(2500)	39210	0.3692
	At the end of the year					39210	0.3692
7	MANISH PATEL						
	At the beginning of the year	39831	0.3751			39831	0.3751
	Transfer			17 Apr 2015	661	40492	0.3813
	Transfer			24 Apr 2015	85	40577	0.3821
	Transfer			01 May 2015	22	40599	0.3823
	Transfer			15 May 2015	766	41365	0.3895
	Transfer			22 May 2015	2630	43995	0.4143
	Transfer			29 May 2015	200	44195	0.4161
	Transfer			12 Jun 2015	(362)	43833	0.4127
	Transfer			19 Jun 2015	(400)	43433	0.4090
	Transfer			26 Jun 2015	(375)	43058	0.4054
	Transfer			31 Jul 2015	(100)	42958	0.4045
	Transfer			07 Aug 2015	(400)	42558	0.4007
	Transfer			21 Aug 2015	(1200)	41358	0.3894
	Transfer			25 Sep 2015	41084	82442	0.7763
	Transfer			30 Sep 2015	(41871)	40571	0.3820
	Transfer			09 Oct 2015	(46)	40525	0.3816
	Transfer			16 Oct 2015	(208)	40317	0.3796
	Transfer			13 Nov 2015	389	40706	0.3833
	Transfer			20 Nov 2015	(100)	40606	0.3824
	Transfer			18 Dec 2015	(200)	40406	0.3805
	Transfer			31 Dec 2015	(2)	40404	0.3805
	Transfer			15 Jan 2016	(237)	40167	0.3782
	Transfer			12 Feb 2016	(1643)	38524	0.3627
	Transfer			19 Feb 2016	(250)	38274	0.3604
	Transfer			04 Mar 2016	(700)	37574	0.3538
	Transfer			18 Mar 2016	(1700)	35874	0.3378
	At the end of the year					35874	0.3378

(iv) Shareholding Pattern of top ten Shareholders (Contd.)

(Other than Directors, Promoters and Holders of GDRs and ADRs):

S. No	Name & Type of Transaction	Shareholding at the beginning of the year - April 01, 2015		Transactions during the year		Cumulative Shareholding at the end of the year - March 31, 2016	
		No. of Shares Held	% of The Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares Of The Company
8	IL and FS Securities Services Limited						
	At the beginning of the year	74000	0.6968			74000	0.6968
	Transfer			10 Apr 2015	(100)	73900	0.6959
	Transfer			17 Apr 2015	(100)	73800	0.6949
	Transfer			08 May 2015	437	74237	0.6990
	Transfer			29 May 2015	(2950)	71287	0.6713
	Transfer			05 Jun 2015	(1287)	70000	0.6591
	Transfer			19 Jun 2015	(20000)	50000	0.4708
	Transfer			04 Sep 2015	10000	60000	0.5650
	Transfer			01 Jan 2016	(20000)	40000	0.3766
	Transfer			12 Feb 2016	19241	59241	0.5578
	Transfer			19 Feb 2016	1700	60941	0.5738
	Transfer			26 Feb 2016	(1200)	59741	0.5625
	Transfer			18 Mar 2016	(13000)	46741	0.4401
	Transfer			25 Mar 2016	(18791)	27950	0.2632
	Transfer			31 Mar 2016	(150)	27800	0.2618
	At the end of the year					27800	0.2618
9	Aadishu Securities Private Ltd						
	At the beginning of the year	0	0.0000			0	0.0000
	Transfer			29 May 2015	15000	15000	0.1412
	Transfer			22 Jan 2016	10652	25652	0.2415
	Transfer			05 Feb 2016	(10652)	15000	0.1412
	Transfer			04 Mar 2016	10652	25652	0.2415
	At the end of the year					25652	0.2415
10	Kantilal Mishrimalji Vardhan						
	At the beginning of the year	24264	0.2285			24264	0.2285
	Transfer			25 Sep 2015	24264	48528	0.4569
	Transfer			30 Sep 2015	(24264)	24264	0.2285
	At the end of the year					24264	0.2285
11	Shoma Sur						
	At the beginning of the year	47820	0.4503			47820	0.4503
	Transfer			12 Jun 2015	2000	49820	0.4691
	Transfer			26 Jun 2015	(4000)	45820	0.4315
	Transfer			04 Sep 2015	2000	47820	0.4503
	Transfer			25 Sep 2015	51820	99640	0.9382
	Transfer			30 Sep 2015	(49820)	49820	0.4691
	Transfer			09 Oct 2015	1000	50820	0.4785
	Transfer			23 Oct 2015	(25)	50795	0.4783
	Transfer			08 Jan 2016	(8000)	42795	0.4030
	Transfer			22 Jan 2016	(11920)	30875	0.2907
	Transfer			05 Feb 2016	(2958)	27917	0.2629
	Transfer			25 Mar 2016	(3147)	24770	0.2332
	Transfer			31 Mar 2016	(800)	23970	0.2257
	At the end of the year					23970	0.2257

(iv) Shareholding Pattern of top ten Shareholders (Contd.)

(Other than Directors, Promoters and Holders of GDRs and ADRs):

S. No	Name & Type of Transaction	Shareholding at the beginning of the year - April 01, 2015		Transactions during the year		Cumulative Shareholding at the end of the year - March 31, 2016	
		No. of Shares Held	% of The Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares Of The Company
12	Ron Dev Kohli						
	At the beginning of the year	29161	0.2746			29161	0.2746
	Transfer			08 May 2015	(2124)	27037	0.2546
	Transfer			22 May 2015	(100)	26937	0.2536
	Transfer			05 Jun 2015	(2718)	24219	0.2281
	Transfer			12 Jun 2015	(2440)	21779	0.2051
	Transfer			26 Jun 2015	12960	34739	0.3271
	Transfer			30 Jun 2015	1000	35739	0.3365
	Transfer			10 Jul 2015	(12016)	23723	0.2234
	Transfer			17 Jul 2015	(2200)	21523	0.2027
	Transfer			24 Jul 2015	(7389)	14134	0.1331
	Transfer			31 Jul 2015	(2347)	11787	0.1110
	Transfer			07 Aug 2015	(3830)	7957	0.0749
	Transfer			14 Aug 2015	(911)	7046	0.0663
	Transfer			21 Aug 2015	(626)	6420	0.0605
	Transfer			28 Aug 2015	(3520)	2900	0.0273
	Transfer			11 Sep 2015	(1000)	1900	0.0179
	Transfer			25 Sep 2015	1900	3800	0.0358
	Transfer			30 Sep 2015	(1900)	1900	0.0179
	At the end of the year					1900	0.0179
13	Hitesh Satishchandra Doshi						
	At the beginning of the year	29515	0.2779			29515	0.2779
	Transfer			03 Apr 2015	22563	52078	0.4904
	Transfer			24 Apr 2015	1667	53745	0.5061
	Transfer			01 May 2015	20467	74212	0.6988
	Transfer			08 May 2015	877	75089	0.7071
	Transfer			15 May 2015	1191	76280	0.7183
	Transfer			05 Jun 2015	3746	80026	0.7535
	Transfer			12 Jun 2015	3234	83260	0.7840
	Transfer			07 Aug 2015	(27500)	55760	0.5250
	Transfer			25 Sep 2015	55760	111520	1.0501
	Transfer			30 Sep 2015	(55760)	55760	0.5250
	Transfer			31 Dec 2015	(19523)	36237	0.3412
	Transfer			01 Jan 2016	(20000)	16237	0.1529
	Transfer			08 Jan 2016	(15987)	250	0.0024
	At the end of the year					250	0.0024
14	Kapildev Bholanath Aggarwal						
	At the beginning of the year	29757	0.2802			29757	0.2802
	Transfer			10 Apr 2015	(468)	29289	0.2758
	Transfer			17 Apr 2015	(7845)	21444	0.2019
	Transfer			01 May 2015	(6500)	14944	0.1407
	Transfer			08 May 2015	500	15444	0.1454
	Transfer			17 Jul 2015	(15244)	200	0.0019
	Transfer			02 Oct 2015	(200)	0	0.0000
	At the end of the year					0	0.0000

(v) Shareholding of Directors and Key Managerial Personnel:					
S. No	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
1	Mr.Dhiraj Narula, CFO				
	At the beginning of the year	10	0.00%	10	0.00%
	Changes during the year	—		—	
	At the end of the year	10	0.00%	10	0.00%

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness (₹)
Indebtedness at the beginning of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	—	—	—	—
Change in Indebtedness during the financial year				
* Addition				
* Reduction				
Net Change	—	—	—	—
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	—	—	—	—

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S. No	Particulars of Remuneration	Shridhar Gokhale, Manager* (₹)	Total Amount (₹)
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	857,714	857,714
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission		
	- as % of profit		
	- others, specify		
5	Others, please specify		
	Total (A)	857,714	857,714
	Ceiling as per the Act	6,000,000	6,000,000
* Remuneration pertaining to the period 1st April 2015 to 27th May 2015			

B. Remuneration to other Directors

S. No	Particulars of Remuneration	Name of Directors			TOTAL
1	Independent Directors	M S Srinivasan	P V Krishna	Tabassum M Wajid	
	Fee for attending board / committee meetings	200,000	140,000	80,000	4,20,000
	Commission	—	—	—	—
	Others, please specify	—	—	—	—
	Total (1)	200,000	140,000	80,000	4,20,000
2	Other Non-Executive Directors	Ricardo Garza Suarez	Indraneel Dutt		
	Fee for attending board / committee meetings	—	—		
	Commission	—	—		
	Others, please specify	—	—		
	Total (2)	—	—		
	Total (B)=(1+2)	200,000	140,000	80,000	4,20,000
	Total Managerial Remuneration	200,000	140,000	80,000	4,20,000
	Ceiling as per the Act	It is in accordance with the provision of the Companies Act.			

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

S.No	Particulars of Remuneration	Name of Key Managerial Personnel			
	Name	Ajay Kumar Sinha*	Dhiraj Narula	Sathyamoorth A#	Total Amount
	Designation	CEO	CFO	CS	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5,166,670	3,450,473	226,798	8,834,126
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	—	—	—	—
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	—	—	—	—
2	Stock Option	—	—	—	—
3	Sweat Equity	—	—	—	—
4	Commission	—	—	—	—
	- as % of profit	—	—	—	—
	- others, specify	—	—	—	—
5	Others, please specify	—	—	—	—
	Total	5,156,855	3,450,473	226,798	8,834,126

* Remuneration pertaining to the period 27th May 2015 to 31st March 2016

Remuneration pertaining to the period 29th December 2015 to 31st March 2016

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. Company		Penalty	Nil		
Penalty		Punishment			
Punishment		Compounding			
Compounding					
B. Directors					
Penalty					
Penalty					
Punishment					
Punishment					
Compounding					
C. Other Officers in Default					
Penalty					
Penalty					
Punishment					
Punishment					
Compounding					

For and on behalf of the Board of Directors

Ricardo Garza Suarez
Chairman
DIN: 07194157

Indraneel Dutt
Director
DIN: 01942447

Place: Chennai
Date : 25 May 2016

Annexure IV – Particulars of Employees

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

Name of the Director	Title	Remuneration in FY 2015-16	% increase of remuneration in FY 2015-16 as Compared to FY 2014-15	Ratio of remuneration to Median Remuneration of Employees	Ratio of remuneration to Revenues	Ratio of remuneration to Net Profit
NA	NA	NA	NA	NA	NA	NA

Remuneration paid to Independent Directors:

Name of the Director	Remuneration in FY 2015-16* (in ₹)	Remuneration in FY 2014-15* (in ₹)	% increase of remuneration (FY 2015-16 over FY 2014-15)
M S Srinivasan	200,000	140,000	NIL
P V Krishna	140,000	NA	NIL
Tabassum M Wajid	80,000	NA	NIL

* The Independent Directors were paid sitting fees of ₹ 20,000 per meeting for attending Board and Audit Committee meetings and no other remuneration was paid over and above the sitting fees during FY 2014-15 & FY 2015-16.

Remuneration paid to Key Managerial Personnel (KMP):

Name of the KMP	Title	Remuneration in FY 2015-16	Remuneration in FY 2014-15	% increase of remuneration in FY 2015-16 as compared to FY 2014-15	Ratio of remuneration to Revenues	Ratio of remuneration to Net Profit
Ajay Kumar Sinha*	CEO	5,166,670	NA	NA	0.0027	0.1281
Dhiraj Narula	CFO	3,450,473	2,843,228#	10	0.0018	0.0857
Sathyamoorthy A**	CS	226,798	NA	NA	0.0001	0.0056

* appointed as "CEO" with effect from 27th May, 2015; # Pertains to part of the FY 2014-15

**appointed as CS with effect from 29th December, 2015

- The number of employees on the rolls of the Company as of March 31, 2016 and 31st March, 2015 was 291 and 325 respectively.
- The median remuneration of employees was ₹ 237,636 and ₹ 1,85,124 for FY 2015-16 and FY 2014-15 respectively.
- The operating revenue for FY 2015-16 stood at ₹ 189.87 crores, whereas for FY 2014-15 the same was ₹ 156.91 crores. The net profit for the FY 2015-16 was ₹ 4.02 crores whereas for the FY 2014-15 it was net loss of ₹ 3.74 crores.
- The aggregate remuneration of employees for the FY 2015-16 was ₹ 15.31 crores. The aggregate remuneration of whole time director and key managerial personnel was ₹ 96.91 Lakhs.
- The key parameters of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- It is hereby affirmed that the remuneration paid is as per the as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

- b) Information as per Rule 5(1) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014
No employee of the Company was in receipt of remuneration, in excess of Rs 60 Lakhs during the financial year 2015-16.

For and on behalf of the Board of Directors

Ricardo Garza Suarez
Chairman
DIN: 07194157

Indraneel Dutt
Director
DIN: 01942447

Place: Chennai

Date : 25 May 2016

CORPORATE GOVERNANCE REPORT

Company's Philosophy on Corporate Governance:

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

A Report on compliance with the principles of corporate governance as prescribed in Clause 49 of the listing Agreement ("Listing Agreement") of the Company with the Stock Exchanges for the period April 1, 2015 to November 30, 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulation") as referred to in Regulation 15(2) of the Listing Regulations for the period December 1, 2015 to March 31, 2016 is given below:

Governance Structure

Governance structure comprises the Board of Directors and the Committees of the Board at the apex level and the management structure at the operational level. This brings about a conducive environment for value creation.

Board of Directors

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

Director	Category of director	DIN	Date of appointment	Committee memberships (excluding in the company)		No of Directorship(s) held in Indian public limited companies	No of shares held in the company	
				Member	Chairman		No. of shares	%
Mr. Ricardo Suarez Garza*	Chairman-Non Executive Director	07194157	27/05/15	--	--	--	--	--
Mr. M S Srinivasan	Independent Non-Executive	00261201	01/08/09	1	--	2	--	--
Mr. P V Krishna#	Independent Non-Executive	02459872	27/05/15	--	--	--	--	--
Mr. Indraneel Dutt**	Non-Executive	01942447	05/08/14	--	--	--	--	--
Ms Tabassum M Wajid##	Independent Non-Executive	06904452	25/03/15	--	--	--	--	--

(*) Mr. Ricardo Garza Suarez was inducted to the board of directors on 27th May 2015 as additional director and Chairman of the Company Pursuant to section 160 of Companies Act 2013, members at their meeting held on 14th August 2015 re-appointed him as director and Chairman.

(**) Mr. Indraneel Dutt was inducted to the board of directors on 5th August 2014 as additional director of the Company Pursuant to section 160 of Companies Act 2013, members at their meeting held on 14th August 2015 re-appointed him as director.

(#) Mr. PV Krishna was inducted to the board of directors on 27th May 2015 as additional director (independent director) of the Company Pursuant to section 160 and 149 of Companies act 2013, members at their meeting held on 14th August 2015 re-appointed him as Independent director.

(##) Ms Tabassum M. Wajid was inducted to the board of directors on 25th March 2015 as additional director (Independent Director) of the Company Pursuant to section 160 and 149 of Companies act 2013, members at their meeting held on 14th August 2015 re-appointed her as independent director..

The Directorships held by directors as mentioned above, do not include alternate directorships, directorships of foreign companies, Company registered under Section 8 of Companies Act, 2013 and private limited companies.

Meetings of Board of Directors

Frequency: The Board meets at least once a quarter to review the quarterly results and other items of the Agenda. Whenever necessary, additional meetings are held. In case of business exigencies or urgency of matters, Resolutions are passed by circulation, as permitted by law, which is confirmed in the next Board / Committee Meeting. The Company effectively uses video conferencing facility to enable the participation of Directors who may not be able to attend physically due to some exigencies.

Meetings Calendar: The probable dates of the Board / Committee meetings for the forthcoming year are decided well in advance in order to facilitate and assist the Directors to plan their schedules for the Meetings. The indicative annual calendar of the Meetings forms part of this Report.

Board Meeting Location: The location of the Board / Committee meetings are informed well in advance to all the Directors. Each Director is expected to attend the Board / Committee meetings.

Notice and Agenda distributed in advance: The Company's Board / Committees are presented with detailed notes, along with the agenda papers, well in advance of the Meeting. The Agenda for the Board / Committee meetings are set by the Company Secretary in consultation with the Chairperson of the Board / Committees. All material information is incorporated in the agenda for facilitating meaningful and focused discussions at the meeting. Where it is not practical to attach any document to the agenda, the same is tabled before the meeting with specific reference to this effect in the agenda. In special and exceptional circumstances, additional or supplementary items on the agenda are permitted. The Board periodically reviews compliance reports of laws applicable to the Company, prepared and placed before the Board by the management

Other Matters: The senior management team of the Company is advised to schedule its work plans in advance, particularly with regard to matters requiring discussions / decision with the Board / Committee members.

Presentations by Management: The Board / Committee is given presentations, wherever practicable covering finance, sales, marketing, major business segments and operations of the Company, including business opportunities, business strategy, risk management practices and operating performance of the Company before taking on record the financial results of the Company.

Minutes of the Meetings: The draft Minutes of the proceedings of the meetings are circulated amongst the members of the Board / Committees. Comments and suggestions, if any, received from the directors are incorporated in the minutes, in consultation with the Chairperson. The minutes are confirmed by the members and signed by the Chairperson at the next Board / Committee meetings. All minutes of the Committee meetings are placed before the Board meeting for perusal and noting.

During the financial year 2015-2016, the Board of directors met 7 times - 27th May 2015, 14th August, 2015, 9th September 2015, 4th November 2015, 29th December 2015, 20th January 2016 and 10th February 2016.

Name	Attendance on Meetings held on							
	27 th May 2015	14 th August 2015	9 th Sept 2015	4 th Nov 2015	29 th Dec 2015	20 th Jan 2016	10 th Feb 2016	AGM 14 th August 2015
Mr Ricardo Suarez Garza (Chairman)	✓	✓	LoA	✓	LoA	LoA	✓	✓
Mr M S Srinivasan	✓	✓	✓	✓	LoA	✓	✓	✓
Mr P V Krishna	✓	✓	LoA	✓	✓	LoA	✓	✓
Mr Indraneel Dutt	✓	✓	LoA	✓	✓	LoA	LoA	✓
Mr Tabassum M Wajid	✓	✓	LoA	LoA	✓	LoA	✓	✓
Mr Ajay Kumar Dhagat *	✓	✓	✓	✓	✓	✓	✓	✓
Mr Arun Bhalla #	✓	NA	NA	NA	NA	NA	NA	NA
Mr Luis Carlos Silveyar**	LoA	NA	NA	NA	NA	NA	NA	NA
Mr Arun Srivastava &	✓	NA	NA	NA	NA	NA	NA	NA

(✓) Attended, LoA – Leave of Absence, NA-Not Applicable,

(*) Mr Ajay Kumar Dhagat ceases to be as director w.e.f 11th February 2016.

(#) Mr Arun Bhalla ceases to be as director w.e.f 27th May 2015.

(&) Mr Arun Srivastava ceases to be as director w.e.f 27th May 2015.

(**) Mr Luis Carlos Silveyar ceases to be as director w.e.f 27th May 2015.

Independent Directors

The independent directors of the Company fully meet the requirements laid down under Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations. The Company has received a declaration from each of the independent directors confirming compliance with the criteria of independence as laid down under this Regulation as-well-as Section 149(6) of the Companies Act, 2013.

Meeting of the Independent Directors:

A separate meeting of independent directors was held during the year on February 10, 2016 without the attendance of non-independent directors and members of management. All the independent directors were present at the meeting. The following matters were discussed in detail:

- I) Reviewed the performance of non-independent directors and the Board as a whole;
- II) Reviewed the performance of the Chairman of the Company, taking into account the views of executive directors and non-executive directors;
- III) Assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Familiarisation Programme

The familiarization program is aimed to provide insights into the Company to enable the independent directors to understand the Company's business in depth that would facilitate their active participation in managing the Company and to update the independent directors on a continuing basis on any significant changes therein so as to be in a position to take well-informed and timely decision. Company has adopted familiarisation policy and the same is available on the Company's website.

Web link: <http://www.prolecge.in/corporate%20governance.html>

Brief Resume of Directors Seeking Appointment / Re-Appointment:

A brief resume of directors seeking appointment/re-appointment at the Twenty Fourth Annual General Meeting is given as part of the notice to the Twenty Fourth Annual General Meeting.

Disclosure of Directors' and Others Interest in Transactions with the Company

None of the directors', key managerial personnel and senior management, whether they, directly, indirectly or on behalf of third parties, have had any material interest in any transaction or matter directly affecting the Company pursuant to the provisions of Regulation 4(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations.

None of the directors of the Company are related to each other.

Committee of Directors

The functioning of all the Committees of the Board of directors is guided by well-laid down terms of references, that have been framed keeping in view the requirements prescribed for such Board Committees under the provisions of the Companies Act, 2013 and Clause 49 of the erstwhile Listing Agreement.

During the Financial year, the board of directors has reconstituted audit committee, nomination and remuneration committee, stakeholder relationship committee in accordance with the compliance of Companies Act 2013 and SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015. Each Committee has played a useful role in upholding and nurturing the principles of good governance and assisting the Board of directors in discharging its duties and responsibilities.

Audit Committee:

The audit committee reviews with management, the statutory auditors and the internal auditors all aspects of the financial results, effectiveness of internal audit processes, taxation matters and the Company's risk management strategy. It assists the Board in fulfilling its responsibilities in monitoring and reviewing financial processes, governance and reviewing statutory and internal audit activities.

Composition: Board of directors at their meeting held on 27th May 2015 re-constituted the committee. The audit committee consists of two independent directors and one non-executive director. Company Secretary of the Company is acting as Secretary of the audit committee.

Meetings and Attendance: The Committee members met four times during the financial year ended 31st March, 2016. The Attendance of members at the Committee Meetings is given below:

Members	Attendance on Meetings held on			
	27 th May 2015	14 th Aug 2015	4 th Nov 2015	10 th Feb 2016
Mr. M.S Srinivasan Chairman	✓	✓	✓	✓
Mr. Arun Kumar Bhalla *	✓	NA	NA	NA
Mr. Ricardo Suarez Garza**	NA	✓	✓	✓
Mr. P V Krishna**	NA	✓	✓	✓
Mr Luis Carlos Silveyars***	NA	NA	NA	NA

* Mr. Arun Kumar Bhalla ceases to be member of Audit Committee w.e.f 27th May, 2015.

** Mr. Ricardo Suarez Garza and Mr. P V Krishna appointed w.e.f. 27th May 2015

*** Mr. Luis Carlos Silveyars ceases to be member of Audit Committee w.e.f 27th May, 2015.

Roles and functions of the Audit Committee:

- Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommend appointment/removal/remuneration and payment of other fees of the auditors.
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - (a) Matters required being included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

- (b) Changes, if any, in accounting policies and practices and reasons for the same;
- (c) Major accounting entries involving estimates based on the exercise of judgment by management;
- (d) Significant adjustments made in the financial statements arising out of audit findings;
- (e) Compliance with listing and other legal requirements relating to financial statements;
- (f) Disclosure of any related party transactions;
- (g) Modified opinion(s) in the draft audit report;
 - Review with the management the quarterly and annual financial statements before submission to the Board.
 - Reviewing, monitoring and reporting to the board on the effectiveness on the risk management system and internal financial controls
 - Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process
 - Review adequacy of internal control systems, internal audit department, reporting structure and frequency.
 - Approval or any subsequent modification of transactions of the listed entity with related parties
 - Review of statutory compliances.
 - Discussion with internal auditors of any significant findings and follow-up thereon.
 - discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern
 - to review the functioning of the whistle blower mechanism;

Stakeholders' Relationship Committee:

The Committee focuses primarily on monitoring and ensuring that the shareholder and investor services operate in an efficient manner and that all stakeholders grievances / complaints are addressed promptly with the result that all issues are resolved rapidly and efficiently.

Board of directors at their meeting held on 27th May 2015 reconstituted the committee. Committee met four times during the financial year 2015-16. The attendance of members at the meetings held during the financial year ended 31st March, 2016 is given below:

Members	Attendance on Meetings held on			
	27 th May 2015	14 th Aug 2015	4 th Nov 2015	10 th Feb 2016
Mr. Ricardo Suarez Garza* Chairman	✓	✓	✓	✓
Mr. Indraneel Dutt	✓	✓	✓	LoA
Mr. Ajay Kumar Dhagat **	✓	✓	✓	✓

* Mr. Ricardo Suarez Garza was appointed as member of Stakeholders' Relationship Committee on 27th May, 2015.

** Mr. Ajay Kumar Dhagat ceases to be a member of the committee w.e.f 11th February 2016

Compliance Officer: Mr. Sathyamoorthy A, Company Secretary is the Compliance Officer and Secretary of the Committee.

During the Financial Year ended 31st March, 2016, no compliant was received from any of the shareholder of the Company.

Nomination and Remuneration Committee:

Nomination and remuneration committee has focused on formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees, evaluation of performance of independent directors and the board of directors, devising a policy on diversity of board of directors, identifying persons who are qualified to become directors and who may be appointed in senior management and recommend to the board of directors for their appointment and removal. The said policy available on the Company's website i.e. www.prolecge.in

Board at their meeting held on 27th May 2015 reconstituted the Nomination and remuneration Committee as a process of restructuring with the induction of independent directors. The Committee consists of three non-executives Director with independent director as chairman. Mr. Sathyamoorthy, Company Secretary, is the Secretary of the Committee

Committee met three times during the financial year ended 31st March 2015. The Attendance of Members at the Meetings held during the financial year is given below:

Members	Attendance on Meetings held on		
	27 th May 2015	14 th August 2015	29 th December 2015
Mr. P V Krishna* Chairman	NA	✓	✓
Mr. M.S Srinivasan	✓	✓	LoA
Ms Tabassum M Wajid	NA	✓	✓
Mr. Arun Bhalla#	✓	NA	NA
Mr. Arun Srivastava#	✓	NA	NA

* Mr. P V Krishna was appointed as member of the Committee on 27th May, 2015.

Mr. Arun Bhalla and Mr. Arun Srivastava ceases to be as members of the committee w.e.f 27th May, 2015.

The Committee reviews and approves the remuneration of Managerial Personnel and the terms and conditions of appointment and in accordance with the provisions of Companies Act 2013.

Performance evaluation criteria for Independent Directors

(ID): The nomination and remuneration committee has laid down the criteria for performance evaluation of independent directors. The framework of performance evaluation of the independent directors captures the participation of the directors in the Board proceedings and his / her effectiveness, contribution at the meetings, guidance / support to the management.

Remuneration to Directors

During the Financial year ended 31st March, 2016 no remuneration was paid to Directors except sitting fees to Non-Executive Directors. The amount paid for the financial year ended 31 March 2016 is summarized below during the financial year:

Sl. No	Name	Sitting fees (in lakhs)
1.	Mr. Arun Bhalla	0.40
2.	Mr. Arun Srivastava	0.20
3.	Mr. M. S. Srinivasan	2.00
4.	Mr. P V Krishna	1.40
5.	Ms. Tabassum M Wajid	0.80
6.	Mr. Ajay Dhagat	1.20

General Meetings and Extra Ordinary General Meetings:

The particulars of Location, date and time of the Annual General Meeting held during the last 3 years and Special Resolutions passed thereat:

For Financial Year ended	Date and Time	Venue	Special Resolution Passed
31 st March 2015	14 th August 2015 At 02:00 P.M	Pleasant Days Resort Chennai-Bangalore Trunk Road, Palanjur, Sembarambakkam Chennai 602 103	Approval for Related Party Transaction
31 st March 2014	5 th August 2014 at 2.00 PM	Pleasant Days Resort Chennai-Bangalore Trunk Road, Palanjur, Sembarambakkam Chennai 602 103	NIL
30 th June 2013	5 th November 2013 at 11.00 PM	Pleasant Days Resort Chennai-Bangalore Trunk Road Palanjur, Sembarambakkam, Chennai 602 103	NIL

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

Year	Date and Time	Venue
2013-14	5 th November 2013 at 12.30 PM	Pleasant Days Resort Chennai-Bangalore Trunk Road Palanjur, Sembarambakkam, Chennai 602 103

The particulars of Special Resolution passed through Postal Ballot held during the last year are as under:

Financial Year	Details of Postal Ballot Process
2015-16	With due compliance of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the requisite majority of members has accorded for shifting the registered office of the Company through postal ballot. Mr. G P Srinath of M/s G P Srinath & Associates, Practicing Company Secretaries, Chennai acted as Scrutinizer for conducting the postal ballot (physical and e-voting) process. Based on his report, result was declared on 02 nd April 2016.

Details of voting pattern:

Mode	Ballots Received	Favour			Against			Invalid		
		Ballots	Votes	%	Ballots	Votes	%	Ballots	Vote	%
Postal Ballot	66	58	7,902,310	99.96	2	210	0.003	6	2,762	0.035
E- Voting	9	8	2,602	98.49	1	40	1.51	-	-	-
Total	75	66	7,904,912	99.96	3	250	0.003	6	2,762	0.035

No Special Resolution is proposed to be conducted through postal ballot at the forthcoming Annual General Meeting of the Shareholders to be held in August, 2016. Hence the procedure of postal ballot is not laid down.

Means of Communication:

The Annual Report, Quarterly, Half-Yearly and Annual Financial Results, Shareholding Pattern, Intimation of the Board Meetings and other statutory filings with the Stock Exchanges is posted through the filing system of the BSE Limited and NSE Electronic Application Processing System (NEAPS) portals. These results are generally published in the All India editions of The Financial Express and Makkal Kural. The financial results of the Company are also made available on the Company's website i.e. www.prolecge.in

All price sensitive information and matters which are material and relevant to the Shareholders are intimated to the BSE Limited and the National Stock Exchange of India Limited, where the securities of the Company are listed.

SEBI Complaints Redressal System (Scores):

SEBI has initiated SCORES for processing the investor complaints in a centralized web based redress system and online redressal of all the shareholders complaints. The company is in compliance with the SCORES and during the financial year, no complaint was reported.

Management Discussion and Analysis Report:

The management discussion and analysis (MDA) giving an overview of the Company's business and its financials are provided as part of this Annual Report.

Code of Conduct:

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

Shareholders' Information:

24th Annual General Meeting:

The 24th Annual General Meeting will be held on Wednesday, 3rd August, 2016 at GRT Regency, 487, Gandhi Road, Kanchipuram, Tamilnadu-631502 2.00 P.M hours (IST).

Financial Year of the Company

The Company follows 1st April to 31st March as financial year.

Financial Calendar (tentative)

Results for the quarter ending June 30, 2016	Second week of August 2016
Results for the quarter ending September 30, 2016	Second week of November 2016
Results for the quarter ending December 31, 2016	Second week of February 2017
Results for the quarter ending 31st March, 2017	Third week of May 2017
AGM for the Financial year ending 31 st March, 2017	Second week of August 2017

Date of book closure:

28th July 2016 to 3rd August 2016 (both days inclusive)

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.

Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 023	National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051
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Stock Code

Stock Exchange	Code
BSE Limited	532717
National Stock Exchange of India Limited	INDOTECH
ISIN number for equity shares	INE332H01014

Status of Listing Fees

The Company has paid Listing Fees for the year 2015-2016 to the National Stock Exchange of India Limited and Bombay Stock Exchange Limited.

Stock Price Data

Month	NSE		BSE	
	High	Low	High	Low
April 2015	183.95	142.75	182.50	145.10
May 2015	181.00	138.00	181.00	140.00
June 2015	200.00	141.00	200.00	143.50
July 2015	191.35	165.10	191.00	167.00
August 2015	220.90	135.65	221.70	139.10
September 2015	156.50	135.05	154.20	135.10
October 2015	187.55	146.20	186.80	147.70
November 2015	170.95	150.00	170.00	152.00
December 2015	213.30	154.25	212.10	155.00
January 2016	281.95	194.20	281.50	193.60
February 2016	215.00	141.30	217.00	143.90
March 2016	214.30	145.15	214.80	149.00

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

Registrar and Share Transfer Agents

Link Intime India Private Limited

(Formerly Intime Spectrum Registry Limited)

C-13 Pannalal Silk Mills Compound

L.B.S. Marg, Bhandup (West), Mumbai 400 078

Phones : 91-22-25963838 Fax : 91-22-25946969

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

Shareholding Pattern as on 31st March 2016

Category	No. of Shares	Percentage
Foreign Company	7,895,625	74.35
Hindu Undivided Family	220,120	2.07
Non Resident (Non Repatriable)	9,787	0.09
Non Resident Indians	38,549	0.36
Other Bodies Corporate	532,056	5.01
Public	1,864,006	17.55
Clearing Members	58,240	0.55
Trusts	1500	0.01

Share Transfer, Transmissions, Splits, Sub-Division, Consolidation, Re-Mat

During the financial year ended 31st March 2016, on the basis of an application for rematerialisation of shares received from one of the shareholder, Company with the consent of stakeholder relationship committee has issued physical share certificate.

No applications for transfer/ transmission/split/subdivision/ consolidation were received during the financial year ended 31st March 2016.

Shareholding Summary as on 31st March 2016

Category	Total Shares	% to Equity
Physical	117	-
NSDL	9,597,187	90.37
CDSL	1,022,696	9.63
Total	10,620,000	100.00

Plant Locations

Survey No 153-210 Illuppapattu 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	

Distribution Schedule as on March 31, 2016

No. of Equity Shares held	No. of Shareholders	% to Shareholders	No. of Shares	% of Shareholding
1 to 500	9,383	93.07	732,118	6.89
501 to 1000	338	3.35	277,354	2.61
1001 to 2000	183	1.82	270,592	2.55
2001 to 3000	59	0.59	149,253	1.41
3001 to 4000	33	0.33	117,721	1.11
4001 to 5000	21	0.21	96,171	0.91
5001 to 10000	26	0.26	176,035	1.66
Greater than 10000	39	0.39	8,800,756	82.87
TOTAL	10,082	100.00	10,620,000	100.00

Green Initiative in the Corporate Governance

As part of the green initiative process, the company has taken the initiative of sending documents like Notice calling annual general meeting, corporate governance report, directors report, audited financial statements, auditors report, dividend intimations etc., by email. Physical copies are sent only to those shareholders whose email addresses are not registered with the company and for the bounced-mail cases. Shareholders are requested to register their email id with Registrar and Share Transfer Agent / concerned depository to enable the company to send the documents in electronic form or inform the company in case they wish to receive the above documents in paper mode.

Disclosures**Related Party Transactions:**

There were no materially significant related party transactions with the Company's promoters, directors, management or their relatives, which could have had a potential conflict with the interests of the Company. The Company does not have any subsidiary or associate. Transactions with related parties are entered into by the Company in the normal course of business and at arm's length. The details of transactions are periodically placed before the audit committee for review and approval. Members may refer to the notes to the accounts for details of related party transactions.

Company has adopted a policy on related party transaction and it is placed on website of the Company Web link: <http://www.prolece.in/corporate%20governance.html>.

Compliance with Regulations:

The Company has complied with the requirements of the Regulatory Authorities on capital markets. Neither has there been any instances of non-compliance by the Company on any matters related to the capital markets, nor has any penalty or stricture been imposed on the Company by the regulatory authorities or any statutory authority, on any matter related to capital markets, during the last three years.

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. The Company affirms that no employee has been denied access to the audit committee Chairman. The whistle-blower Policy is placed on website of the Company.

Unclaimed Dividends:

Pursuant to the provisions of Section 123 of the Companies Act, 2013, the dividend, which remain unclaimed for seven years is required to be transferred to Investor Education and Protection

Fund (IEPF) established by the Central Government pursuant to Section 125 of the Companies Act, 2013. Accordingly Company has transferred the unclaimed dividend amounts pertaining to the 1st and 2nd interim dividend declared during the financial year 2008-09.

There was delay transferring the unpaid/unclaimed dividend amount pertaining to the financial year 2008-09 to the Investors Education and Protection Fund (IEPF) of the Central Government. The delay primarily was on account of technical difficulty in MCA-21 website while generating the challan for remitting the amount. However as on date of this report the said amount has been remitted and there is no unpaid/unclaimed amount which is due for remittance.

Details of Compliance with Mandatory Requirements and adoption of Non-Mandatory Requirements:

The Company has complied with the applicable mandatory requirements of Clause 49 of the erstwhile Listing Agreement as-well-as the SEBI (Listing Obligations and Disclosure Requirements) Regulations.

The Company has adopted following non-mandatory requirements as specified in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations.

- A non-executive Chairperson is entitled to maintain a Chairperson's office at the Company's expenses and also allowed reimbursement of expenses incurred in performance of his duties.
- During the year under review, there was no audit qualification in the Auditors' Report on the Company's financial statements.
- The Chairperson of the Company and the CEO are different persons.
- The internal auditor of the Company is a permanent invitee to the audit committee meeting and regularly attends the meeting for reporting their findings of the internal audit to the audit committee members

Policy for determining 'material' subsidiaries:

Company does not have any subsidiary / subsidiaries. However company has adopted a policy on determining material subsidiary and it is placed on website of the Company (web link: <http://www.prolecge.in/compliance.html>).

Disclosure of commodity price risks and commodity hedging activities.

The principal raw materials of the Company are Copper, CRGO, Oil etc. These are procured from domestic suppliers. The price differences are adequately covered in the selling price of the finished products and Company does not indulge in any commodity hedging activities.

Compliance or otherwise of any requirement of Corporate Governance Report

The Company has complied with the requirements of the corporate governance and has made disclosures to the extent required and applicable to it, as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Correspondence regarding Change of Address, etc.

Shareholders are requested to ensure that any correspondence for change of address, change in bank mandates, etc. should be signed by the first named shareholder. The company is now also requesting for supporting documents such as proof of residence and proof of identification whenever a letter requesting for change of address is received. This is being done in the interest of shareholders as there are cases in the corporate world where attempts are made to fraudulently change the registered address of shareholders by unscrupulous parties. Shareholders are requested to kindly co-operate and submit the necessary documents / evidence while sending the letters for change of address. Shareholders who hold shares in dematerialised form should correspond with the depository participant with whom they have opened Demat Account/s.

Pending Investors' Grievances'

Any shareholder whose grievance has not been resolved to his / her satisfaction may kindly write to the company secretary at the Registered Office with a copy of the earlier correspondence

For and on behalf of the Board of Directors

Ricardo Garza Suarez
Chairman
DIN: 07194157

Indraneel Dutt
Director
DIN: 01942447

Place: Chennai
Date : 25 May 2016

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 power sector growth during 2015-16 was 5.6% against 8.43% during 2014-15. The Indian Electrical Equipment (IEE) industry, which includes power generation and transmission & distribution (T&D) equipment, is estimated to be worth Rs.1400 Billion in 2015-16. The transformers sub-segment comprises around 10% of the total IEE industry i.e., Rs.140 Billion as compared to Rs.105 Billion in the previous year as per IEEMA. The aggregate installed capacity of transformer industry in the country is around 4.2 lakh MVA as on March 31, 2015 and the industry is operating at an average of around 60% capacity as the government projected demand has not materialized fully.

The Government of India planned huge power generation capacity addition for 10th and 11th five year plans (FYP: 2002-07 & 2007-12). However, the capacity addition lagged behind the targets, mainly due to delays in land acquisition, environmental and forest clearance issues, uncertainty over fuel linkage and tightening of credit flow. The domestic transformer manufacturing entities have almost doubled their manufacturing capacity to around 4 lakh MVA at the end of 11th FYP, based on expected addition in power generation capacity. However due to lower capacity additions in generation sector, the transformer manufacturing capacities remained underutilized.

The Indian transformer industry was set to grow at a compound annual growth rate (CAGR) of 13 – 15% in the 12th Five Year Plan (2012 – 2017) but it witnessed a decline in growth, profitability and deterioration in debt coverage as many of the government projects were delayed. However the FY 2015-16 witnessed a reversal in profitability trend with a marginal improvement over FY 2014-15.

Opportunities, Concerns and Risks

Opportunities

The transformer market in India has been stable for quite some years now. The market is expected to witness healthy growth rates and stimulating demand for the coming years. India is expected to add around 300 GW of generation capacity in the next seven years till FY22 including conventional and non-conventional energy sources. A total investment of Rs.13,730 Billion is planned for the power sector for 12th FYP, which is likely to fuel the demand for transformers.

The initiatives undertaken by the Indian government along with the need for replacement of transformers installed in the earlier years is expected to drive growth in the Indian transformers market. As a result of increased government spending on electrification and rising power demands, the electrical equipment manufacturers are likely to get benefitted. Programmes such as RGGVY (Rajiv Gandhi Grameen Vidyutikaran Yojana) and R-APDRP (Revised Accelerated Power Development and Reforms Program) are bolstering the demand for electrical equipment such as switchgears, conductors, capacitors and transformers. Transformers being used in generation, transmission as well as distribution network have experienced healthy growth over the last few years and the market is further set to rise as a result of increased governmental focus towards rural electrification.

Renewable energy will need value added products like skid base substation and hence the demand for the same will increase. We have been successful in developing products including transformers & switch gears mounted on skid. We have supplied over 100 of such product during 2015-16.

For the first time in the Indian transformer market, the word "Power Quality" is buzzing around. This is good sign, although delayed. The quality transformers manufacturers will be paid for their efforts and compliance. However it is a long way to go, before it materializes.

Concerns and Risks

The Indian transformer industry is facing some key challenges, which restrict it from growing of its full potential and targets. Some of these challenges include:

- CRGO laminated Silicon Steel, which is one of the major raw materials for transformers, is not being manufactured in India causing more FOREX outflow and small manufacturers are charged heavily by mid man as they cannot import directly.
- High design cost due to lack of standardization of product specification, design parameters and ratings for generation and distribution equipment across different utilities.

- Continued pricing pressure due to the over capacity of existing manufacturers in the market.
- Limited test facilities with 2 or 3 players across the country for high voltage testing.
- Interdependencies on sub-sectors for the import of critical components.
- Chinese companies exploring India with large capacities hence increased competition.
- Out dated tendering process thus delay in orders and lack of transparency.
- Contract awarding based on L1 bidder by utilities.
- Customers delaying taking physical delivery of their transformers due to delays in large projects. This blocks the capacity, hampers production lines and locks up working capital.

Business Overview and Outlook

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

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

Risk and Internal Controls

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

In accordance with provisions of Companies Act 2013 and Listing Agreement, which is effective from 1st October 2014, the Audit Committee is required to evaluate the policy on Internal Financial controls. As of the end of the 2015 fiscal year, management conducted an assessment of the effectiveness of internal financial controls and based on this assessment, management has determined that the Company's internal financial controls as of 31 March 2016 were effective.

The Company has in place a mechanism to inform Board Members about the risk assessment and controls at periodical intervals. The Company has an independent Internal Auditor for periodically carrying out audit of the transactions of the Company in order to ensure that recording and reporting are adequate and proper. The Internal Auditors independently evaluate the adequacy of internal controls to ensure that internal controls, checks and balances in the system are adequate, proper and up-to-date. Remedial measures are suggested by them to mitigate the risks identified during the course of the audit assignments and action plans ensure implementation of such suggestions. Safeguarding of assets and protection against unauthorized use are also part of these exercises. Subject to determining any additional appropriate actions arising from items still in process, the board is satisfied that, where significant failings or weaknesses in internal controls were identified during the year, appropriate remedial actions were taken or are being taken.

Financial and Operations Performance

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

Human Resources

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

AUDITORS' CERTIFICATION ON CORPORATE GOVERNANCE

To
The Members of Indo Tech Transformers Limited

We have examined the compliance of conditions of Corporate Governance by Indo Tech Transformers Limited ('the Company') for the year ended March 31, 2016 as stipulated in Clause 49 of the listing Agreement ('Listing Agreement') of the Company with the Stock Exchanges for the period April 1, 2015 to November 30, 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulation') as referred to in Regulation 15(2) of the Listing Regulations for the period December 1, 2015 to March 31, 2016.

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

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

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

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

Amar Sunder
 Partner
 Membership No. 078305
 Place: Chennai
 Date : May 25, 2016

CERTIFICATION BY CHIEF EXECUTIVE OFFICER / CHIEF FINANCIAL OFFICER

We hereby certify that for the financial year ending 31st March 2016, 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 financial year ending 31st March 2016, 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 25, 2016

Ajay Kumar Sinha
 Chief Executive Officer

Dhiraj Narula
 Chief Financial Officer

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S 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.prolecge.in.

We confirm that the Company has in respect of the financial year ended 31st March 2016, 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.

For and On Behalf of the Board

Place : Chennai
 Date : May 25, 2016

Ricardo Suarez Garza
 Chairman

Indraneel Dutt
 Director

INDEPENDENT AUDITOR'S REPORT

To the Members of Indo Tech Transformers Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Indo Tech Transformers Limited** ('the Company'), which comprise the balance sheet as at March 31, 2016, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016 and its profit and its cash flows for the year ended on that date.

Emphasis of matter

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this report are in agreement with the books of account.

- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) The going concern matter described in the Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- (f) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 26 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been a delay of 67 days in transferring the amount of Rs. 241,277, required to be transferred to the Investor Education and Protection Fund by the Company.

for B S R & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 101248W/W-100022

Amar Sunder

Partner

Membership No. 078305

Place: Chennai

Date: May 25, 2016

Annexure – A to Independent Auditors’ Report Referred to in our Independent Auditors’ Report of even date to the members of Indo Tech Transformers Limited on the financial statements as of and for the year ended March 31, 2016

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The inventory, has been physically verified by the management during the year. The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on verification between physical stock and book records were not material.
- iii. In our opinion and according to the information and explanation given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3 (iii) of the said Order is not applicable to the Company.
- iv. The Company has not granted any loans or made any investments or provided any guarantee or security to the parties covered under Section 185 and 186 of the Act. Accordingly, paragraph 3(iv) of the said order is not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder.
- vi. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been specified under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- vii. (a) According to the information and explanations given to us and on the basis of an examination of the records of the Company, in our opinion, amount deducted/accrued in the books of account in respect of undisputed statutory dues, including provident fund, employees’ state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, and other statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees’ state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, and other statutory dues were in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, the dues relating to income tax, sales tax, excise duty and duty of customs that have not been deposited by the Company with the appropriate authorities on account of disputes are given below.

Name of the statute	Nature of the dues	Amount (₹)	Period to which the amount relates	Forum where the dispute is pending
The Customs Act, 1962	Customs duty	1,417,317*	FY 2004-05	Custom Excise and Service Tax Appellate Tribunal, Chennai
The Central Sales Tax Act, 1956	Central sales tax	441,618	FY 1996-97	Madras High Court
The Central Sales Tax Act, 1956	Central sales tax	362,608^	FY 2005-06 FY 2006-07	Assistant Commissioner of Commercial Taxes, Chennai
Tamil Nadu General Sales Tax Act, 1959	Penalty	15,607	FY 1996-97	Appellate Assistant Commission
Tamil Nadu Value Added Tax Act, 2006	Sales tax	1,411,682@	AY 2006-07, 2007-08, 2008-09 and 2009-10	Appellant Deputy Commissioner of Commercial Taxes
Central Excise Act, 1944	Excise duty	14,602,445	FY 2008-09 to December 2012	Custom Excise and Service Tax Appellate Tribunal, Chennai
Central Excise Act, 1944	Excise duty	6,867,642	January 13 to December 2013 and March 2014 to March 2015	Joint Commissioner of Central Excise, Chennai
Central Excise Act, 1944	Excise duty	6,646,290	December 2014 to December 2015	Additional Commissioner of Central Excise
Central Excise Act, 1944	Excise duty	1,679,536	March 2011	Commissioner of Central Excise (Appeals)
Income-tax Act, 1961	Income tax	20,829,848	AY 2005-06, 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12	Commissioner of Income Tax (Appeals)
* net of ₹ 1,272,500 paid under protest ^ net of ₹ 2,500,000 paid under protest @ net of ₹ 554,793 paid under protest				

- viii. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanation given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standards (AS) 18, Related Party disclosures specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. In our opinion and according to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India, 1934. Accordingly, paragraph 3(xvi) of the order is not applicable.

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

Chartered Accountants

ICAI Firm Registration Number: 101248W/W-100022

Amar Sunder

Partner

Membership No. 078305

Place: Chennai

Date: May 25, 2016

Annexure B to the Independent Auditors' Report Referred to in our Independent Auditors' Report of even date to the members of Indo tech Transformers Limited on the financial statements as of and for the year ended March 31, 2016**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Indo Tech Transformers Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Chartered Accountants

ICAI Firm Registration Number: 101248W/ W-100022

Amar Sunder

Partner

Membership No. 078305

Place: Chennai

Date : May 25, 2016

Balance Sheet as at March 31, 2016

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

	Note	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	106,200,000	106,200,000
Reserves and surplus	4	1,442,515,287	1,402,269,707
		<u>1,548,715,287</u>	<u>1,508,469,707</u>
Non-current liabilities			
Long-term provisions	5	14,361,152	12,220,491
		<u>14,361,152</u>	<u>12,220,491</u>
Current liabilities			
Trade payables	6	418,595,703	342,733,131
Other current liabilities	7	134,534,300	196,090,587
Short-term provisions	5	10,711,469	6,428,130
		<u>563,841,472</u>	<u>545,251,848</u>
Total		<u>2,126,917,911</u>	<u>2,065,942,046</u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible fixed assets	8	621,484,519	663,473,641
Intangible fixed assets	9	382,166	1,362,945
Capital work-in-progress	8	574,530	1,677,542
Deferred tax assets (net)	10	-	-
Long-term loans and advances	11	64,736,741	58,869,085
Other non-current assets	12	13,936,281	5,000,000
		<u>701,114,237</u>	<u>730,383,213</u>
Current assets			
Inventories	13	352,065,908	403,717,196
Trade receivables	14	646,070,732	519,059,518
Cash and bank balances	15	234,213,364	154,663,126
Short-term loans and advances	16	181,884,091	216,461,349
Other current assets	17	11,569,579	41,657,644
		<u>1,425,803,674</u>	<u>1,335,558,833</u>
Total		<u>2,126,917,911</u>	<u>2,065,942,046</u>
Significant accounting policies	2		

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

As per our report of even date attached

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

Chartered Accountants

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

Amar Sunder

Partner

Membership No.: 078305

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

Chairman

DIN: 07194157

Indraneel Dutt

Director

DIN: 01942447

Dhiraj Narula

Chief Financial Officer

Sathyamoorthy A

Company Secretary

Place: Chennai

Date: May 25, 2016

Place: Chennai

Date: May 25, 2016

Statement of Profit and Loss for the year ended March 31, 2016

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

	Note	For the year ended March 31, 2016	For the year ended March 31, 2015
Revenue from operations			
Sale of products (gross)	18	2,047,319,779	1,651,735,335
Less: Excise duty		205,570,052	130,822,351
Sale of products (net)		1,841,749,727	1,520,912,984
Sale of services		44,060,959	29,650,428
Other operating revenues		12,920,599	18,536,269
Total		1,898,731,285	1,569,099,681
Other income	19	127,575,336	167,236,535
Total revenue		2,026,306,621	1,736,336,216
Expenses			
Cost of materials consumed	20	1,475,302,915	1,290,084,177
Changes in inventories of finished goods and work-in-progress	21	33,441,730	(4,808,785)
Employee benefits	22	160,727,049	135,791,611
Finance costs	23	-	48,785,789
Depreciation and amortization	24	53,509,988	51,840,615
Other expenses	25	263,079,359	252,069,795
Total expenses		1,986,061,041	1,773,763,202
Profit/ (Loss) before tax		40,245,580	(37,426,986)
Tax expense:		-	-
Profit/ (Loss) for the year		40,245,580	(37,426,986)
Earnings per equity share:			
- Basic		3.79	(3.52)
- Diluted		3.79	(3.52)
Weighted average number of equity shares outstanding during the year		10,620,000	10,620,000
Nominal value of equity shares (₹)		10	10
Significant accounting policies	2		
The notes referred to above form an integral part of the financial statements.			

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. - 101248W/W-100022
Amar Sunder
Partner
Membership No.: 078305

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

Ricardo Suarez Garza
Chairman
DIN: 07194157

Indraneel Dutt
Director
DIN: 01942447

Dhiraj Narula
Chief Financial Officer

Sathyamoorthy A
Company Secretary

Place: Chennai
Date: May 25, 2016

Place: Chennai
Date: May 25, 2016

Cash Flow Statement for the year ended March 31, 2016

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

	Note	For the year ended March 31, 2016	For the year ended March 31, 2015
Cash flows from operating activities			
Profit / (Loss) before tax		40,245,580	(37,426,986)
Adjustments:			
Depreciation / amortization		53,509,988	51,840,615
Profit on sale of fixed assets		108,304,055	279,555
Provision for doubtful debts, net		17,558,737	8,736,130
Interest income		(6,764,137)	(6,693,247)
Foreign exchange (gain) / loss, net (unrealised)		(100,229)	(607,929)
Liabilities / provisions no longer required written back		(5,851,374)	(57,670,804)
Provision for inventories		4,225,262	(3,769,844)
Provision for warranty		4,794,436	(3,289,861)
Finance costs		-	48,785,789
Operating cash flow before working capital changes		215,922,318	183,418
(Increase) / decrease in inventories		47,426,026	(77,266,318)
(Increase) / decrease in trade receivables		(144,335,531)	(33,816,327)
(Increase) / decrease in loans and advances and other assets		(172,506,954)	(73,910,702)
Increase / (decrease) in trade payables, other liabilities and provisions		28,417,169	54,972,790
Cash flow used in operations		(25,076,972)	(129,837,139)
Income taxes paid		1,678,215	252,061
Net cash used in operating activities	(A)	(26,755,187)	(130,089,200)
Cash flows used in investing activities			
Purchase of fixed assets (tangible fixed assets and capital work-in-progress), net		(9,437,075)	(7,557,469)
Proceeds from sale of fixed assets/ held for sale		115,742,500	2,037,976
Interest received		-	6,986,610
Bank deposits (having original maturity of more than three months), net		(24,151,741)	(5,839,872)
Net cash from / (used in) investing activities	(B)	82,153,684	(4,372,755)

Cash Flow Statement for the year ended March 31, 2016 (continued)

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

	Note	For the year ended March 31, 2016	For the year ended March 31, 2015
Cash flows from financing activities			
Repayment of borrowings, net		-	(1,254,174,632)
Proceeds from subvention money received		-	1,491,250,000
Finance costs paid		-	(49,705,297)
Net cash from financing activities	(C)	-	187,370,071
Net increase in cash and cash equivalents	(A+B+C)	55,398,497	52,908,116
Cash and cash equivalents at the beginning of the year (see note below)		106,579,175	53,671,059
Cash and cash equivalents at the end of the year (see note below)	15	161,977,672	106,579,175

Notes to cash flow statement

	As at March 31, 2016	As at March 31, 2015
Components of cash and cash equivalents:		
- Cash on hand	4,560	1,835
- Cheques on hand	-	14,168,768
- Balances with banks		
- on current accounts (including monies held in trust)	3,739,499	18,963,680
- on cash credit accounts	17,189,040	73,444,892
- on deposit accounts (with original maturity of 3 months or less)	141,044,573	-
	161,977,672	106,579,175

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

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. - 101248W/W-100022
Amar Sunder
Partner
Membership No.: 078305

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

Ricardo Suarez Garza
Chairman
DIN: 07194157

Indraneel Dutt
Director
DIN: 01942447

Dhiraj Narula
Chief Financial Officer

Sathyamoorthy A
Company Secretary

Place: Chennai
Date: May 25, 2016

Place: Chennai
Date: May 25, 2016

Notes to financial statements for the year ended March 31, 2016

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

1 Company overview

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

2 Significant Accounting Policies

a Basis of preparation of financial statements

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

During the year 2013-14, the Company has intimated to the Board for Industrial and Financial Reconstruction ('BIFR') about erosion of more than 50% of the Company's peak net worth pursuant to section 23 of Sick Industrial Companies (Special Provision) Act, 1985 (SICA').

During the year, the Company's performance has improved owing to rise in demand from its customers and better market conditions. The Company has also developed a business plan to strengthen its financial position and liquidity and initiated various measures to improve its operational performance. Pursuant to such measures, the working capital and liquidity position has also improved. Prolec GE (the holding company) has also continued to support the Company over the years. Based on the approved business plans, commitment by the holding company to provide financial and other assistance as is necessary to enable the Company to continue in operational existence for the foreseeable future (at least for a period of 12 months from the balance sheet date) and availability of banking limits, the Company believes that it would be able to meet its financial requirements and no adjustments would be required in respect of the carrying values of assets/liabilities. The ability of the Company to continue as a going concern is significantly dependent on the consistent and continued improvement in its operational performance in the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

b Use of estimates

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

c Revenue recognition

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

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

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

d Fixed assets and depreciation / amortisation

Tangible fixed assets

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

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

Notes to financial statements for the year ended March 31, 2016 (continued)

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

Depreciation

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

Fixed Assets	Useful life (in years)
Buildings	30 - 60
Plant and machinery	15
Office equipments	5
Computer and accessories	3 - 6
Furnitures and fixtures	10
Vehicles	8
Assets costing less than ₹ 5,000 are depreciated @ 100% in the year of purchase.	

Intangible fixed assets and amortisation

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

e Impairment

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

f Leases

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

Leases that do not transfer substantially all of the risks and rewards of ownership are classified as operating leases and recorded as expenses as and when payments are made on a straight line basis over the lease term.

g Inventories

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

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

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

h Foreign currency transactions

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

Notes to financial statements for the year ended March 31, 2016 (continued)

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

i Employee benefits

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

Defined contribution plan

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

Defined benefit plans

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

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

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

j Earnings per share

Basic earnings per share is computed by dividing net profit or loss for the year 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 year, unless issued at a later date.

k Taxation

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

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

l Provisions, contingent liabilities and contingent assets

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

m Cash flow statements

Cash flows are reported using the indirect method, whereby profit/ loss 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 operating, financing and investing activities of the Company are segregated.

n Government and other grants

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

o Cash and cash equivalents

In the cash flow statement, cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

Notes to financial statements for the year ended March 31, 2016 (continued)

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

3 Share capital

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

Particulars	As at March 31, 2016	As at March 31, 2015
Authorised 15,300,000 (March 31,2015: 15,300,000) Equity Shares of ₹ 10 each	153,000,000	153,000,000
Issued, subscribed and paid up 10,620,000 (March 31,2015: 10,620,000) Equity Shares of ₹ 10 each fully paid up	106,200,000	106,200,000

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

Particulars	As at March 31, 2016		As at March 31, 2015	
	Number of shares	Amount	Number of shares	Amount
At the commencement and at the end of the year	10,620,000	106,200,000	10,620,000	106,200,000

c Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder in a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. During the year ended March 31, 2016, the Company has not declared any dividend.

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

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

Particulars	As at March 31, 2016		As at March 31, 2015	
	Number of shares	Amount	Number of shares	Amount
Equity shares of ₹ 10 each fully paid up held by: Prolec G.E. Internacional, S. de R.L. de C.V., Mexico, the holding Company	7,895,625	78,956,250	7,895,625	78,956,250

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

Particulars	As at March 31, 2016		As at March 31, 2015	
	Number of shares	% of total shares in the class	Number of shares	% of total shares in the class
Equity shares of ₹ 10 each fully paid up held by: Prolec G.E. Internacional, S. de R.L. de C.V., Mexico, the holding Company	7,895,625	74.35%	7,895,625	74.35%

Notes to financial statements for the year ended March 31, 2016 (continued)

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

4 Reserves and surplus

Particulars	As at March 31, 2016	As at March 31, 2015
Securities premium account		
At the commencement and at the end of the year	375,848,190	375,848,190
	375,848,190	375,848,190
Capital Reserve		
At the commencement of the year (Refer note 37)	1,491,250,000	-
Subvention money received during the year	-	1,491,250,000
At the end of the year	1,491,250,000	1,491,250,000
General reserve		
At the commencement of the year	193,353,153	199,875,940
Transition adjustment on adoption of Schedule II of the Companies Act, 2013 (Refer note 38)	-	(6,522,787)
At the end of the year	193,353,153	193,353,153
Surplus (Profit and loss balance)		
At the commencement of the year	(658,181,636)	(620,754,650)
Profit / (Loss) for the year	40,245,580	(37,426,986)
At the end of the year	(617,936,056)	(658,181,636)
Total reserves and surplus	1,442,515,287	1,402,269,707

5 Provisions

Particulars	Long-term		Short-term	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Provision for employee benefits				
Gratuity (Refer note 36)	5,512,646	2,582,954	-	-
Compensated absences	553,338	686,428	120,063	169,331
	6,065,984	3,269,382	120,063	169,331
Other provisions				
Provision for warranty	8,295,168	8,951,109	9,174,089	4,841,482
Provision for others	-	-	1,417,317	1,417,317
	8,295,168	8,951,109	10,591,406	6,258,799
Total	14,361,152	12,220,491	10,711,469	6,428,130

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

Particulars	Warranty		Others	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
At the commencement of the year	13,792,591	10,502,730	1,417,317	1,417,317
Provision made during the year	9,223,465	7,259,845	-	-
Provision utilised during the year	-	-	-	-
Unutilised provision written back during the year	5,546,799	3,969,984	-	-
At the end of the year	17,469,257	13,792,591	1,417,317	1,417,317

Provision for warranties: A provision is estimated for expected warranty claims in respect of products sold during the year on the basis of a technical evaluation and past experience regarding failure trends of products and costs of rectification or replacement. The provision for warranty is maintained over the period of the warranty, as per the terms of the contract.

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

Notes to financial statements for the year ended March 31, 2016 (continued)

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

6 Trade payables

Particulars	As at March 31, 2016	As at March 31, 2015
Dues to micro and small suppliers (Refer note below)	-	-
Dues to others	418,595,703	342,733,131
Total	418,595,703	342,733,131

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, 2016 has been made in the financial statements based on information received and available with the Company, to the extent identified by the management.

7 Other current liabilities

Particulars	As at March 31, 2016	As at March 31, 2015
Money held under trust (Refer note 35)	-	13,538,376
Payable towards capital goods	-	8,552,657
Amount liable to be deposited in Investor Education and Protection Fund but not yet due for deposit - unpaid dividend	381,567	488,727
Advance from customers	117,205,011	130,310,115
Advance for sale of land (Refer note 40)	-	20,000,000
Employees benefits payable	9,024,255	5,710,781
Other liabilities	7,923,467	17,489,931
Total	134,534,300	196,090,587

Notes to financial statements for the year ended March 31, 2016 (continued)

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

8 Tangible fixed assets

Particulars	Freehold land	Buildings	Plant and machinery	Office equipments	Computer and accessories	Furniture and fixtures	Vehicles	Total
Gross block								
Balance as at April 1, 2014	112,60,1844	361,665,737	461,553,707	3,808,365	13,094,768	21,894,880	14,203,966	988,823,267
Additions	-	-	16,877,592	647,504	1,390,793	-	-	18,915,889
Deletions / write off	-	-	-	-	-	-	6,716,656	6,716,656
Reclassification to assets held for sale	713,530	-	-	-	-	-	-	713,530
Balance as at March 31, 2015	111,888,314	361,665,737	478,431,299	4,455,869	14,485,561	21,894,880	7,487,310	1,000,308,970
Balance as at April 1, 2015	111,888,314	361,665,737	478,431,299	4,455,869	14,485,561	21,894,880	7,487,310	1,000,308,970
Additions	-	120,000	9,301,780	16,750	420,231	457,726	-	10,316,487
Deletions / write off	-	-	-	-	-	-	-	-
Balance as at March 31, 2016	111,888,314	361,785,737	487,733,079	4,472,619	14,905,792	22,352,606	7,487,310	1,010,625,457
Accumulated depreciation								
Balance as at April 1, 2014	-	88,537,666	166,326,285	1,344,750	9,766,244	10,402,231	7,793,820	284,170,996
Depreciation during the year	-	11,674,796	33,365,203	407,459	1,010,381	2,870,017	1,212,815	50,540,671
Transition adjustment on adoption of Schedule II of the Companies Act, 2013	-	-	6,522,787	-	-	-	-	6,522,787
Deletions / write off	-	-	-	-	-	-	-	-
Balance as at March 31, 2015	-	100,212,462	206,214,275	1,752,209	10,776,625	13,272,248	4,607,510	336,835,329
Depreciation during the year	-	11,683,233	34,739,707	226,485	548,514	2,909,735	2,197,936	52,305,609
Deletions / write off	-	-	-	-	-	-	-	-
Balance as at March 31, 2016	-	111,895,695	240,953,982	1,978,694	11,325,139	16,181,983	6,805,446	389,140,938
Net block								
As at March 31, 2015	111,888,314	261,453,275	272,217,024	2,703,660	3,708,936	8,622,632	2,879,800	663,473,641
As at March 31, 2016	111,888,314	249,890,042	246,779,097	2,493,925	3,580,653	6,170,623	681,864	621,484,519

Capital work in progress

Particulars	Amount
Balance as at April 1, 2014	12,442,552
Additions	-
Assets capitalised / reversed during the year	10,765,010
Balance as at March 31, 2015	1,677,542
Balance as at April 1, 2015	1,677,542
Additions	-
Assets capitalised / reversed during the year	1,103,012
Balance as at March 31, 2016	574,530

Notes:

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

Notes to financial statements for the year ended March 31, 2016 (continued)

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

9 Intangible fixed assets

Particulars	Computer software	Total
Gross block		
Balance as at April 1, 2014	9,879,318	9,879,318
Additions	120,120	120,120
Disposals	-	-
Balance as at March 31, 2015	9,999,438	9,999,438
Balance as at April 1, 2015	9,999,438	9,999,438
Additions	223,600	223,600
Disposals	-	-
Balance as at March 31, 2016	10,223,038	10,223,038
Accumulated amortization		
Balance as at April 1, 2014	7,336,549	7,336,549
Additions	1,299,944	1,299,944
Disposals	-	-
Balance as at March 31, 2015	8,636,493	8,636,493
Balance as at April 1, 2015	8,636,493	8,636,493
Additions	1,204,379	1,204,379
Disposals	-	-
Balance as at March 31, 2016	9,840,872	9,840,872
Net block		
As at March 31, 2015	1,362,945	1,362,945
As at March 31, 2016	382,166	382,166

10 Deferred tax assets (net)

Particulars	As at March 31, 2016	As at March 31, 2015
Deferred tax assets		
On Carried forward tax losses and other provision*	76,962,861	85,666,462
	76,962,861	85,666,462
Deferred tax liabilities		
On excess of depreciation / amortisation on fixed assets under income-tax law over depreciation / amortisation provided in accounts	76,962,861	85,666,462
	76,962,861	85,666,462
Deferred tax assets (net)	-	-

* Pursuant to AS - 22 "Accounting for taxes on income", where there is an unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Hence, deferred tax asset on carried forward tax losses and other provision has been restricted to the extent of deferred tax liabilities.

Notes to financial statements for the year ended March 31, 2016 (continued)

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

11 Long-term loans and advances

(unsecured, considered good)

Particulars	Non - current portion		Current portion *	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
To parties other than related parties				
Deposits	26,210,869	16,835,569	-	2,100,000
Balance with government authorities	6,448,587	11,634,446	-	-
Advance tax recoverable	32,077,285	30,399,070	-	-
Total	64,736,741	58,869,085	-	2,100,000

* Amount disclosed under Short-term loans and advances' under note 16.

12 Other non-current assets

Particulars	As at March 31, 2016	As at March 31, 2015
Bank deposits (due to mature after 12 months from the reporting date) (Refer note 15)	13,936,281	5,000,000
Total	13,936,281	5,000,000

Bank deposits placed under lien with banks 13,936,281 5,000,000

13 Inventories

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

Particulars	As at March 31, 2016	As at March 31, 2015
Raw material and components	121,177,242	134,930,463
Work in progress	153,422,460	196,612,989
Finished goods	83,044,116	73,295,317
Stores and consumables	7,324,876	7,555,951
Total	364,968,694	412,394,720
Less: Provision for inventories	(12,902,786)	(8,677,524)
Total	352,065,908	403,717,196

In the year ended March 31, 2016, the write-down of inventories to net realisable value amounted to ₹ 2,163,355 (March 31, 2015 : ₹ Nil).

Notes to financial statements for the year ended March 31, 2016 (continued)

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

14 Trade receivables

Particulars	As at March 31, 2016	As at March 31, 2015
Receivables outstanding for a period exceeding six months from the date they became due for payment		
a) Secured, considered good (Refer note 39)	50,186,203	93,870,803
b) Unsecured, considered good	198,921,442	102,090,748
c) Doubtful (Refer note below)	21,105,537	71,269,659
Less: Provision for doubtful receivables (Refer note below)	(21,105,537)	(71,269,659)
(A)	249,107,645	195,961,551
Other receivables		
a) Unsecured, considered good	396,963,087	323,097,967
b) Doubtful	7,079,914	12,016,068
Less: Provision for doubtful receivables	(7,079,914)	(12,016,068)
(B)	396,963,087	323,097,967
Total (A) + (B)	646,070,732	519,059,518

Note : The above amount is net off bad debts written off aggregating to ₹. 72,659,013 (March 31, 2015: ₹ Nil).

15 Cash and bank balances

Particulars	As at March 31, 2016	As at March 31, 2015
Cash and cash equivalents:		
Cash on hand	4,560	1,835
Cheques on hand	-	14,168,768
Bank balances		
- on current accounts (including monies held in trust) (refer note 35)	3,739,499	18,963,680
- on cash credit accounts	17,189,040	73,444,892
- on deposit accounts (with original maturity of 3 months or less)	141,044,573	-
Other bank balances	72,235,692	48,083,951
Total	234,213,364	154,663,126

Particulars	As at March 31, 2016	As at March 31, 2015
Bank balances available on demand/deposits with original maturity of 3 months or less included under 'Cash and cash equivalents'	141,044,573	-
Bank deposits due to mature within 12 months of the reporting date included under 'Other bank balances' (refer note a below)	72,235,692	48,083,951
Bank deposits due to mature after 12 months of the reporting date included under 'Other non-current assets' (refer note 12 and note (a) below)	13,936,281	5,000,000
Total	227,216,546	53,083,951

Note (a): Bank deposits placed under lien with banks

76,647,705 53,083,951

Notes to financial statements for the year ended March 31, 2016 (continued)

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

16 Short-term loans and advances

(unsecured, considered good)

Particulars	As at March 31, 2016	As at March 31, 2015
Current portion of long-term loans and advances (refer note 11)		
To parties other than related parties		
Deposits	-	2,100,000
Other short-term loans and advances		
To parties other than related parties		
Prepaid expenses	4,746,342	11,825,929
Cenvat credit receivable	72,808,332	106,840,038
VAT receivable	2,053,241	415,323
Service tax credit receivable	53,332,181	54,186,275
Staff advances	3,989,453	2,689,153
Advance to suppliers	37,986,854	28,881,000
Others	94,618	3,274,561
To related parties		
Receivable from the holding company	6,873,070	6,249,070
Total	181,884,091	216,461,349

17 Other current assets

(unsecured, considered good unless otherwise stated)

Particulars	As at March 31, 2016	As at March 31, 2015
Interest accrued on deposits	1,353,164	2,042,226
Unbilled revenue	10,216,415	31,154,484
Fixed assets reclassified as held for sale (Also refer note 40)	-	8,460,934
Total	11,569,579	41,657,644

Notes to financial statements for the year ended March 31, 2016 (continued)

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

18 Revenue from operations

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Sale of products		
Manufactured goods	2,047,319,779	1,651,735,335
Sale of products (gross)	2,047,319,779	1,651,735,335
Less: Excise duty	205,570,052	130,822,351
Sale of products (net)	1,841,749,727	1,520,912,984
Sale of services	44,060,959	29,650,428
Other operating revenues		
Scrap sales (net of excise duty)	12,920,599	18,536,269
Total	1,898,731,285	1,569,099,681

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

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Finished goods		
Transformers	1,838,144,024	1,518,728,758
Others	3,605,703	2,184,226
Total	1,841,749,727	1,520,912,984

Break-up of revenue from services rendered

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Freight and insurance	37,691,023	24,172,600
Labour services	6,362,936	5,437,342
Others	7,000	40,486
Total	44,060,959	29,650,428

19 Other income

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Interest income on fixed deposits with banks	6,764,137	6,693,247
Income from power generation	1,628,279	3,609,974
Profit on sale of assets held for sale (Refer note a below)	108,304,055	-
Exchange gain on foreign exchange fluctuation	283,661	-
Liabilities / provisions no longer required written back (Also refer note 39)	5,851,374	57,670,804
Miscellaneous income (Refer note b below)	4,743,830	99,262,510
Total	127,575,336	167,236,535

Note (a): Represents profit on sale of lands situated at Chennai (also refer note 40) and Palakkad (Kerala).

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

Notes to financial statements for the year ended March 31, 2016 (continued)

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

20 Cost of materials consumed

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Inventory of materials at the beginning of the year	142,486,414	67,551,342
Purchases	1,461,318,619	1,365,019,249
Inventory of materials at the end of the year	128,502,118	142,486,414
Total	1,475,302,915	1,290,084,177

Break-up of cost of materials consumed

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
CRGO lamination	386,319,098	313,755,661
Copper	458,932,212	400,666,035
Oil	108,620,398	121,276,637
MS items	146,915,555	134,255,659
Others	374,515,653	320,130,185
Total	1,475,302,915	1,290,084,177

Breakup of inventory - materials

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
CRGO lamination	12,273,855	23,431,876
Copper	43,916,486	38,949,984
Oil	4,273,510	8,833,612
MS items	6,229,696	7,705,014
Others	61,808,571	63,565,928
Total	128,502,118	142,486,414

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

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Opening inventory		
Finished goods		
Transformers	73,295,317	26,445,670
Work-in-progress		
Transformers under production	196,612,989	238,653,851
(A)	269,908,306	265,099,521
Closing inventory		
Finished goods		
Transformers	83,044,116	73,295,317
Work-in-progress		
Transformers under production	153,422,460	196,612,989
(B)	236,466,576	269,908,306
Changes in inventory of finished goods and work-in-progress	33,441,730	(4,808,785)
(A - B)		

Notes to financial statements for the year ended March 31, 2016 (continued)

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

22 Employee benefits

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Salaries, wages and bonus	139,405,530	116,189,193
Contribution to provident and other funds	13,731,112	11,853,460
Staff welfare expenses	7,590,407	7,748,958
Total	160,727,049	135,791,611

23 Finance costs

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Interest expense	-	48,785,789
Total	-	48,785,789

24 Depreciation and amortisation

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Depreciation of tangible fixed assets (refer note 8)	52,305,609	50,540,671
Amortisation of intangible fixed assets (refer note 9)	1,204,379	1,299,944
Total	53,509,988	51,840,615

25 Other expenses

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Excise duty related to increase/(decrease) in inventory of finished goods	2,277,234	6,532,246
Rates and taxes	9,036,699	13,457,464
Power and fuel	23,521,060	23,576,240
Repairs and maintenance:	-	-
- Buildings	9,611,010	8,493,419
- Plant and machinery	8,634,357	3,674,888
- Others	7,892,603	8,069,277
Contract labour	25,066,798	28,566,865
Factory expenses	29,936,519	15,534,899
Insurance	3,727,855	2,702,171
Printing and stationery	1,181,409	972,653
Travelling and conveyance	14,973,090	16,650,577
Communication expenses	2,823,963	2,356,025
Professional and legal charges	20,562,401	16,908,508
Payment to auditors (refer note below)	3,404,142	3,015,081
Directors' sitting fees	620,000	600,000
Advertisement and sales promotion	1,328,281	1,901,780
Agency commission	259,403	29,059,067

Notes to financial statements for the year ended March 31, 2016 (continued)

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

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Freight outward	37,050,163	33,238,686
Bank charges	24,488,041	8,961,608
Loss on sale of fixed assets	-	279,555
Provision for doubtful debts, net	17,558,737	8,736,130
Provision for inventories	4,225,262	-
Foreign exchange loss, net	-	271,414
Warranty cost, net	4,794,436	11,037,212
General expenses	10,105,896	7,474,030
Total	263,079,359	252,069,795

Note: Payment to auditors (excluding service tax)

As Auditor		
Statutory audit	1,450,000	1,450,000
Tax audit	350,000	350,000
Limited review of quarterly results (Refer sub-note 'a' below)	450,000	450,000
Corporate Governance	150,000	150,000
Reimbursement of expenses (Refer sub-note 'b' below)	1,004,142	615,081
Total	3,404,142	3,015,081

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

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

26 Contingent liabilities and commitments

Particulars	As at March 31, 2016	As at March 31, 2015
Contingent liabilities:		
a) Commitments in respect of bank guarantees and letters of credit issued by Company's bankers	445,987,172	358,096,301
b) Disputed sales tax / income tax / service tax (refer Note 'a' and 'b')	18,155,799	10,099,772

Notes:

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

Notes to financial statements for the year ended March 31, 2016 (continued)

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

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

Particulars	Year ended March 31, 2016		Year ended March 31, 2015	
	Value	% of total consumption	Value	% of total consumption
Imported	17,666,946	1%	30,855,005	2%
Indigenous	1,458,615,284	99%	1,262,904,060	98%
Total	1,476,282,230	100%	1,293,759,065	100%
Raw materials, components and stores and spares	1,475,302,915	-	1,290,084,177	-
Stores and spares (included in repairs and maintenance - plant and machinery)	979,315	-	3,674,888	-
Total	1,476,282,230	-	1,293,759,065	-

28 Value of imports on CIF basis

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Raw material and stores and spares	17,666,946	30,855,005
Total	17,666,946	30,855,005

29 Expenditure in foreign currency (on accrual basis)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Bank charges	923,206	3,114
Freight	-	303,217
Travel	-	742,778
Warranty cost	-	3,996,750
Testing charges	-	483,527
Total	9,23,206	5,529,386

30 Earnings in foreign currency (on accrual basis)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Exports on FOB basis	-	57,547,720
Subvention money receipt	-	1,491,250,000
Re-imbursement of expenses	-	-
Salary for earlier years	-	43,727,086
Salary and other expenses for the year	28,123,000	47,611,405
Total	28,123,000	1,640,136,211

Notes to financial statements for the year ended March 31, 2016 (continued)

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

31 Segment reporting

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

Further, the operations primarily cater to the needs of the domestic market. Accordingly, there are no separate reportable segments according to AS-17.

32 Derivative instruments

Unhedged foreign currency exposures

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

Particulars	As at March 31, 2016		As at March 31, 2015	
	Amount (in USD)	Amount (in Rs.)	Amount (in USD)	Amount (in Rs.)
Trade and other receivables	123,801	8,212,080	155,154	9,711,199
Trade and other payables	49,013	3,251,168	514,453	32,200,049

33 Retirement benefits

Gratuity Plan

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

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

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Change in projected benefit obligation		
Projected benefit obligations at the beginning of the year	16,845,436	12,904,074
Service cost	1,731,264	1,430,609
Interest cost	1,409,908	1,234,949
Benefits settled	(1,367,230)	(670,019)
Actuarial (gain) / loss	2,716,583	1,945,823
Projected benefit obligations at the end of the year	21,335,961	16,845,436

Change in plan assets

Fair value of plan assets at the beginning of the year	14,262,482	13,851,221
Expected return on plan assets	1,104,771	1,092,990
Employer contributions	1,745,363	-
Benefits settled	(1,367,230)	(670,019)
Actuarial gain / (loss)	77,929	(11,710)
Fair value of plan assets at the end of the year	15,823,315	14,262,482

Notes to financial statements for the year ended March 31, 2016 (continued)

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

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Present value of projected benefits at the end of the year	21,335,961	16,845,436
Funded status of the plan	15,823,315	14,262,482
Funded status amount of liability / (asset) recognized in the balance sheet	5,512,646	2,582,954
Disclosed in the balance sheet as:		
Long-term provision for gratuity (Refer note 5)	5,512,646	2,582,954
Short-term provision for gratuity (Refer note 5)	-	-
The components of net gratuity costs are reflected below:		
Service cost	1,731,264	1,430,609
Interest cost	1,409,908	1,234,949
Expected returns on plan assets	(1,104,771)	(1,092,990)
Recognized net actuarial (gain) / loss	2,638,654	1,957,533
Net gratuity costs	4,675,055	3,530,101
Financial assumptions at balance sheet date:		
Discount rate	7.80%	8.00%
Long term rate of compensation increase	7.00%	7.00%
Estimated rate of return on plan assets	8.00%	8.00%

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

Particulars	Year ended / Period ended				
	March 31, 2016	March 31, 2015	March 31, 2014	June 30, 2013	March 31, 2012
Defined benefit obligation	21,335,961	16,845,436	12,904,074	14,189,547	11,389,387
Plan assets	15,823,315	14,262,482	13,851,221	12,734,991	8,505,620
Surplus / (deficit)	(5,512,646)	(2,582,954)	947,147	(1,454,556)	(2,883,767)
Experience adjustments on plan liabilities	2,291,064	358,122	(366,604)	(1,237,619)	1,155,972
Experience adjustments on plan assets	77,929	(11,710)	513,864	230,622	(62,938)

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

Note:

- Plan assets comprise of contribution to Group Gratuity Scheme of Life Insurance Corporation of India.
- The gratuity expenses have been recognised in 'Contribution to provident and other funds' under Note 22 to the financial statements.

Notes to financial statements for the year ended March 31, 2016 (continued)

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

34 Transfer pricing

The Company has transactions with related parties. For the financial year 2014-15, 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 2015 -16, the management confirms that it maintains documents as prescribed by the Income-tax Act, 1961 to prove that these transactions are at arm's length considering the economic scenario, prevailing market conditions etc. and the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

35 Monies held in trust

Monies held in trust amounting to ₹ 13,538,376, represents money transferred from the Sellers' Escrow account (ex-promoters), on behalf of Prolec GE during the year 2011-2012. The said money was transferred to the Company's account, as the holding company had no office in India to do the documentation to transfer the funds on the date of settlement to their account in Mexico and the Escrow Account was closed in November 2011. During the year the entire amount of ₹ 13,538,376 has been remitted back to Prolec GE after obtaining appropriate approvals from Reserve Bank of India.

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

Nature of relationship	Name of the related party
Ultimate holding company	Xignux S.A. de C.V., Mexico
Holding Company	Prolec GE Internacional, S.de R.L. de C.V., Mexico
Fellow subsidiary	Prolec S.A. de C.V., Mexico
Key management personnel	Mr. Sridhar Gokhale (Manager) (Upto May 27, 2015) Mr. Ajay Kumar Sinha (CEO) (From May 27, 2015)

b) Details of related party transactions for the year ended March 31, 2016 (March 31, 2015)

(Refer note 39)

Nature of transaction	Holding company	Key management personnel
Re-imbursement of expenses	28,123,000	-
	(91,338,491)	(-)
Managerial remuneration (Mr. Sridhar Gokhale)	-	425,171
	(-)	(2,474,735)
Managerial remuneration (Mr. Ajay Kumar Sinha)	-	5,166,670
	(-)	(-)
Subvention	-	-
	(1,491,250,000)	(-)
Repayment of monies held in trust (Refer note 35)	13,538,376	-
	(-)	(-)
Balances at year end		
Amount payable	-	-
	(22,091,033)	(-)
Amount receivable	6,873,070	-
	(6,249,070)	(-)

(figures in brackets represent previous period figures)

Notes to financial statements for the year ended March 31, 2016 (continued)

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

- 37 During the year ended March 31, 2015, vide an agreement dated July 1, 2014, the Company has received subvention (voluntary, non-repayable financial grant) of US\$ 25 million (Rs. 1,491,250,000) from the holding company, Prolec GE. The grant had been utilized for repayment of all the short term borrowings.
- 38 During the year ended March 31, 2015, the management has reassessed the remaining useful life of the assets with effect from April 1, 2014 as required under Schedule II to the Companies Act, 2013. In respect of assets whose life had already exhausted as on April 1, 2014, depreciation of Rs. 6,522,787 (net of deferred tax impact of Rs. Nil) has been adjusted in Reserves and Surplus in accordance with the requirements of Schedule II to the Companies Act, 2013.
- 39 During the year ended March 31, 2015, the Company has entered into an agreement with Prolec GE, whereby Prolec GE has assured the Company that they would make good the loss to the benefit of the Company in case certain identified customers do not pay or default in the payment of outstanding dues. In the earlier years, the Company had recorded provision on a portion of the total balance receivable from these identified customers. Based on the agreement, the provision (amounting to Rs. 51,929,844), pertaining to these receivables has been reversed during the year ended March 31, 2015 and the balance outstanding from these customers has been presented as 'secured debtors'.
- 40 The Company had entered into a Memorandum of Understanding ('MOU') dated March 2, 2015 with a buyer for sale of one of its freehold land, included in assets held for sale and had received Rs. 20,000,000 as advance under the MOU as at March 31, 2015. During the current year, the aforesaid land has been sold.

As per our report of even date attached

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

Chartered Accountants

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

Amar Sunder

Partner

Membership No.: 078305

Place: Chennai

Date: May 25, 2016

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

Ricardo Suarez Garza

Chairman

DIN: 07194157

Dhiraj Narula

Chief Financial Officer

Place: Chennai

Date: May 25, 2016

Indraneel Dutt

Director

DIN: 01942447

Sathyamoorthy A

Company Secretary

Notes



INDO TECH TRANSFORMERS LIMITED

CIN: L29113TN1992PLC022011

Regd. Off : Survey No.153-210, Illuppapattu Village Near Rajakulam,
Kancheepuram - 631561 Tamilnadu
web: www.prolecge.in

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
(Management and Administration) Rules, 2014]

Name of the Member(s) :

Registered Address :

E-mail ID :

Folio No. / Client ID & DP ID :

I/We being the Member(s) _____ shares of Indo Tech Transformers Limited hereby appoint:

_____ of _____ having E-mail ID _____ or failing him/her

_____ of _____ having E-mail ID _____ or failing him/her

_____ of _____ having E-mail ID _____ or failing him/her

and whose signature(s) are appointed below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24th Annual General Meeting of the Company to be held on Wednesday, the 3rd August, 2016 at 2.00 P.M at GRT Regency, 487, Gandhi Road, Kanchipuram, Tamilnadu-631502, and at any adjournment thereof.

Resolution Nos.

- (1) To consider and adopt the Audited Financial statements and the Reports of the Directors and Auditors thereon.
- (2) Re-appointment of Mr. Indraneel Dutt (DIN: 01942447) who retires by rotation.
- (3) To ratify the appointment of statutory auditors of the Company, and to fix their remuneration.
- (4) Appointment of Mr. V Ranganathan as a Director
- (5) Alteration of Memorandum of Association
- (6) Adoption of New Set of Articles of Association
- (7) Approval of Related Party Transaction
- (8) Ratification of the Remuneration of the cost auditor

Affix
Re. 1
Revenue
Stamp

Signed this.....day of..... 2016

Signature of Shareholder

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

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

CIN: L29113TN1992PLC022011

Regd. Off : Survey No.153-210, Illuppapattu Village Near Rajakulam,

Kancheepuram - 631561 Tamilnadu

web: www.prolecge.in

ATTENDANCE SLIP-CUM-ENTRY PASS

Regd. Folio No. :

Client ID & DP ID* :

No. of Shares held :

I certify that I am a Member / Proxy for the Member of the Company.

I hereby record my presence at the 24th Annual General Meeting of the Company at GRT Regency, 487, Gandhi Road, Kanchipuram, Tamilnadu-631502 at 2.00 P.M. on Wednesday, the 3rd August, 2016.

Signature of Member / Proxy

Member's /Proxy's name in BLOCK Letters

Note:

Please fill up this attendance slip and hand it over at the entrance of the meeting hall.

Members are requested to bring their copies of the Annual Report of the meeting.

* For share(s) held in electronic form.

National Accreditation Board for Testing and Calibration Laboratories (NABL) formally recognizing the technical competence of Indian laboratories. The accreditation services are provided for testing, calibration and medical laboratories in accordance with International Organization for Standardization (ISO) Standards and this provides a ready means for customer to find reliable testing services in order to meet their demands.

Our test laboratory is continuously string for quality and this certification will enhance our reliability with the customer for providing quality and reliable product in the domestic as well as export market.



Disclaimer

In this annual report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

