

**Annual General Meeting on
Monday, the 30th July 2007
At Pleasant Days (Resort),
At 11.30 A.M.**

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Board of Directors

P.E. Subramaniam
Chairman & Managing Director
P.S. Jagdish
Executive Director
P.S. Shekar
Director – Operations
A.P. Muthuswami
K. Kannan
P. Velayudhan Pillai

Company Secretary

V. Balasubramanian

Auditors

G. Balu Associates

Registered Office

DP:36 SIDCO Industrial Estate
Thirumazhisai
Chennai 602 107

Works

- 1) DP:14-19 SIDCO Industrial Estate
Thirumazhisai
Chennai 602 107
- 2) 31, VGP Salai
Saidapet
Chennai 600 015
- 3) VII/222, Koyyamarakkad
Kanjikode, Palakkad – 678 621
- 4) DP:36 SIDCO Industrial Estate
Thirumazhisai
Chennai 602 107

Registrars

Intime Spectrum Registry Limited
C-13 Pannalal Silk Mills Compound
LBS Marg, Bhandup (West)
Mumbai 400 078.
Telephone : 022-2596 3838 / 2596 0320
Fax : 022-2594 6969 / 2594 0329
E-mail : isrl@intimespectrum.com
Website : www.intimespectrum.com

Bankers

State Bank of India
Bank of Baroda
Standard Chartered Bank
Citibank N.A.
Indian Bank

DIRECTORS' REPORT

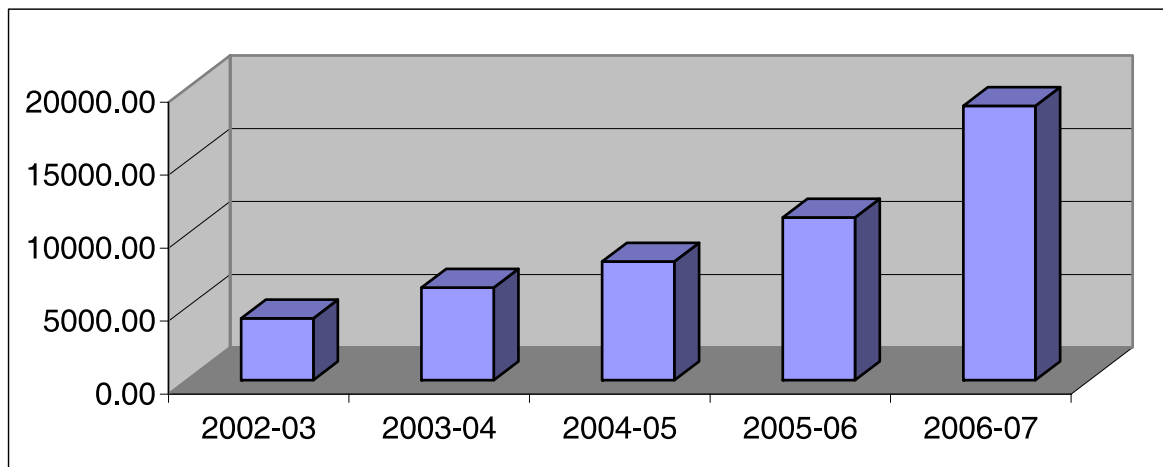
Your Directors are pleased to present their 15th Annual Report on the business and operations of your Company together with the Audited Statement of Accounts and the Auditor's Report for the financial year ended 31st March, 2007. The Financial highlights for the year under review are given below:

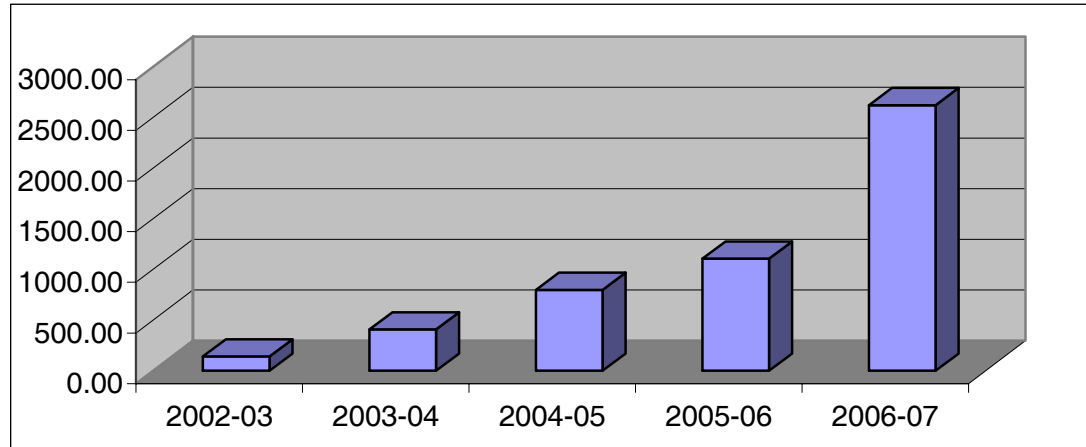
FINANCIAL RESULTS

(Rupees in Lakhs)

	Financial Year ended March 31, 2007	Financial Year ended March 31, 2006
INCOME		
Gross Sales & Other Income	19115.67	11232.55
Gross Profit before depreciation & tax	4077.76	1735.80
Depreciation	113.78	85.48
Profit before tax	3963.98	1650.32
Provision for tax inc. deferred tax and FBT	1342.74	544.15
Profit after tax	2621.24	1106.16
Income tax of earlier year	72.00	—
Balance of profit of earlier years	1817.72	1063.74
Balance available for appropriation	4366.96	2169.90
APPROPRIATIONS		
General Reserve	500.00	110.00
Dividend	477.90	212.40
Tax on Dividend	81.22	29.79
Balance carried to Balance Sheet	3307.84	1817.71

SALES FOR THE LAST FIVE YEARS (Rs. in Lakhs)



PROFIT AFTER TAX FOR THE LAST FIVE YEARS (Rs. in Lakhs)**PERFORMANCE**

Your Company has performed beyond expectations once again. Growth has been maintained in the local markets while the Company is exploring possibilities in the overseas markets. Our investments in manpower resources, technology and seeking new business areas continue to be the growth engines. The 2006-07 annual results demonstrate your Company's ability to identify, nurture and accelerate growth opportunities resulting in a strong platform for future growth.

Your Company's total revenues for the year 2006-07 was Rs.19115.67 lakhs representing a growth of 70.18%. (Rs.11232.55 lakhs for the previous year ended March 31, 2006). The Net Profit after provision for taxation for the year ended March 31, 2007 was Rs.2621.24 lakhs (Rs.1106.16 lakhs for the previous year ended March 31, 2006) signifying a healthy growth of 136.97%. The earning per share and cash earning per share for the year under review was Rs.24.00 and Rs.25.08 respectively.

Your Company's net worth continues to be strong and stood at Rs.9126.89 lakhs as on March 31, 2007 (Rs.7136.77 lakhs in March 31, 2006), reflecting the intrinsic strength of the Company. The book value per share is Rs.85.94 signifying consistent enhancement in shareholders value.

BUSINESS OPERATIONS OVERVIEW AND OUTLOOK

The year 2007-08 looks optimistic as far as business from State Electricity Boards, Power Projects, Public Utilities, Industrial Customers and Exports are concerned. The importance given by the Government for infrastructure projects and huge investments coming up in the Power Sector is expected to generate huge demand for the products of your Company.

The Power Ministry intends to implement various projects including the ultra mega power projects and these will result in larger requirement of your Company's products.

Your Company continues to get regular orders from State Electricity Boards, other Public Utilities, leading Turnkey Electrical Contractors as well as a range of Industrial Customers. The above will result in extending the Customer base of the Company and will enable the Company to achieve its projected growth in the years to come.

IPO FUNDS UTILISATION

The Company had during the financial year ended March 31, 2007 utilised a sum of Rs.2329 lakhs from IPO funds and term loan of Rs.450 lakhs from Banks for Project(s) implementation. The balance IPO funds amounting to Rs.1467 lakhs has been invested in mutual funds and fixed deposits with banks.

Your Company had embarked on an Expansion Plan and two out of three Projects have been completed namely:

1. Relocation and Modernization of Saidapet plant into a new Distribution Transformer Plant of 750 MVA / annum at Thirumazhisai
2. Setting up of Dry Type Transformer Plant at Thirumazhisai.

Production is in full swing at the Distribution Transformer Plant. The Dry Type Transformer Plant is expected to commence trial production in June 2007.

The work of setting up a new Power Transformer Plant with a Capacity of 4000 MVA/ Annum including and upto 400 KV class of transformers at Illuppapattu Village, Kancheepuram is progressing satisfactorily and is expected to be completed by September/October, 2007.

The present order book of the Company stands at Rs.17200 Lakhs.

Your Company is receiving export enquiries and is confident of meeting the requirement for all range of transformers for its export customers in the near future.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Mr. A. P. Muthuswami and Mr. P. Velayudhan Pillai, Directors, retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- 1) that in the preparation of the annual accounts for the financial year ended 31st March, 2007 the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 2) that 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 2006-07 and of the Profit & Loss Account of the Company for the year under review;
- 3) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities;
- 4) that the Directors had prepared the accounts for the financial year ended 31st March 2007 on a 'going concern basis'.

CORPORATE GOVERNANCE

Your Company continues to be committed to good corporate governance aligned with the best corporate practices. It has complied with the standards set out by SEBI and Clause 49 of the Listing Agreements of the Stock Exchanges.

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

HUMAN RESOURCES

Human capital is an extremely important and strategic resource of your Company. This resource has immensely contributed to your Company's growth over the years. Your Company honours the dignity of each employee, irrespective of position. The Board of Directors wishes to express its sincere appreciation for the outstanding contribution of its employees to the operations of your Company.

The long term Wage Agreement with the Union at the Power Transformer plant at Thirumazhisai was entered into on 17th July 2006 for a period of 4 years commencing from 1st February 2006 to 31st January 2010.

The long term Wage Agreement with the Union at the Distribution Transformer plant at Thirumazhisai was entered into on 30th May 2007 for a period of 4 years commencing from 1st January 2007 to 31st December 2010.

AUDITORS

The Auditors of your Company, M/s. G. Balu Associates, Chartered Accountants, retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if re-appointed. The Company has received a letter from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224(1-B) of the Companies Act, 1956. Your Directors recommend their appointment for your approval.

PUBLIC DEPOSITS

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

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

The information as prescribed under Section 217 (1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, is given in a separate annexure [Annexure "I"], which forms a part of this Report.

PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are required to be set out in the Annexure to the Directors' Report. However, as per the provisions of Section 219(1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the Members of the Company and others entitled thereto. Member who is interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation of co-operation and support received from banks, customers, suppliers, registrars, shareholders and all other stake holders for the continued growth and prosperity of your Company. Your Directors look forward to the continued support of these partners in progress.

For and on behalf of the Board of Directors

INDO TECH TRANSFORMERS LIMITED

Chennai, June 18, 2007

P. E. SUBRAMANIAM
Chairman & Managing Director

ANNEXURE I TO DIRECTORS' REPORT

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

A. CONSERVATION OF ENERGY

Energy Conservation :

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

- i. The Company has been regularly striving to conserve use of electrical energy by implementation of energy audit and energy conservation measures. Process procedures have been optimized to reduce energy consumption per unit/rupee of production.
- ii. The fluorescent lights at the Plant has been fitted with electronic ballast for higher efficiency and conservation of energy.
- iii. Lighting survey was carried out and some lighting points reduced.
- iv. The new Distribution Plant at Thirumazhisai has been designed in such a way that during normal day shifts, the natural lighting is sufficient for all operations thereby saving on artificial lighting costs. The efficiencies of the new Air Drying Ovens, Paint Booth and Variable Drives fitted with all the winding machines installed at the new D.T plant will ensure reduction in energy costs to a great extent.
- v. The Open Ventilated Dry Type (OVDT) plant also is being set up on similar lines as above.

B. TECHNOLOGY ABSORPTION

Research & Development :

1. Specific areas in which R&D is carried out by the Company
 - a. The Company has progressed substantially in developing rectangular cored transformers and a prototype transformer has been manufactured. Once testing is complete the product will be taken up for commercial manufacturing thereby saving on material to a great extent.
 - b. The Company has developed the Package Substation and Unitized Substation suitable for Industrial Clients. The Company expects sizable business for these package substations in the years ahead.
 - c. Detailed studies had been carried out in connection with the manufacture of 100MVA 230KV class Transformers, especially the insulation co-ordination, better utilisation of active materials etc.
2. Benefits derived as a result of the above R&D :

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

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

A state of the art plant to manufacture Open Ventilated Dry Type Transformers at Thirumazhisai has been established and trial production is likely to commence in June 2007.
4. Technology Absorption, Adaptation and Innovation:

Indo Tech's agreement and M.O.U with Dupont Inc. signed on 10th August, 2006 will ensure that the Company will get the latest technology with regard to the various design and manufacturing processes for the Open Ventilated Dry Type transformers which find a lot of applications in the urban areas and other special application areas such as petrochemical and shipbuilding industry to name a few.

Also Please refer para B(1)

C. IMPORTED TECHNOLOGY

The Company's technical collaboration agreement with M/s. Moblesource Industries Inc., Canada, has expired. However, the Company still hopes to get orders for these Mobile Transformers from Moblesoure Industries Inc., as a Supplier-Customer relationship.

D. FOREIGN EXCHANGE EARNINGS AND OUTGO

The foreign exchange earnings of the Company during the year under review was Rs. nil and outgo was Rs. 299.79 lakhs.

CORPORATE GOVERNANCE REPORT

Company's Philosophy on Corporate Governance:

The Company's philosophy is to aim at the highest levels of quality management through transparency and commitment to all the stakeholders viz. its shareholders, employees, Government, lenders and the promoters.

Board of Directors:

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

Board procedures:

The Company Secretary prepares the agenda in consultation with the Chairman of the Board of Directors and the Chairman of the various committees. The agenda for the meetings of the Board and its Committees, together with the appropriate supporting documents, are circulated well in advance of the meetings. The meetings are held in Chennai.

Attendance at Board Meeting:

During the year under review, the Board of Directors met 6 times on 19th April, 2006, 2nd June, 2006, 27th July, 2006, 28th October, 2006, 20th November, 2006, 22nd January, 2007

The attendance record of the Directors at each Board meeting, and the last Annual General Meeting held on July 27, 2006 is given below:

Name of Director	Type of Director	Board Meeting Attended	AGM Attended	No. of Committee Memberships held (excl. Private Cos.)	No. of outside Directorships Held (excl. Private Cos.)
P.E. Subramaniam Chairman & Managing Director	Promoter Director	6	Yes	Nil	1
P.S. Jagdish Executive Director	Promoter Director	6	Yes	2	2
P.S. Shekar Director-Operations	Promoter Director	6	Yes	Nil	Nil
K. Kannan Director	Independent Director	5	No	9	8
A.P. Muthuswami Director	Independent Director	6	Yes	3	Nil
P. Velayudhan Pillai Director	Independent Director	3	Yes	2	Nil

Brief Resume of Directors seeking re-appointment:

A brief resume of Directors seeking re-appointment at the Fifteenth Annual General Meeting is given in Annexure "A".

Audit Committee:

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

Sl. No.	Name	Category of Membership
1	Mr. K. Kannan	Chairman
2	Mr. A. P. Muthuswami	Member
3	Mr. P. S. Jagdish	Member

Mr. K. Kannan is ex-Chairman & Managing Director of Bank of Baroda and has sound knowledge in the areas of Banking, Finance, Taxation and Accounts. Mr. A. P. Muthuswami is the former Chief Secretary of the Government of Tamil Nadu. Mr. P. S. Jagdish is a Wholetime Director with responsibility for Finance and Legal functions. Mr. V. Balasubramanian, Company Secretary, is the Secretary of the Audit Committee.

The terms of reference of the Audit Committee are as per the guidelines set out in the Listing Agreement with the stock exchanges.

The Attendance of Directors at the Audit Committee Meetings held during the year ended 31st March 2007 is given below:

Sl. No.	Members	Meetings Held	Meetings Attended
1	Mr. K. Kannan	6	5
2	Mr. A. P. Muthuswami	6	6
3	Mr. P. S. Jagdish	6	6

Shareholders/Investors Grievance and Share Transfer Committee:

The Shareholders/Investors Grievance and Share Transfer Committee consists of two Independent Directors and one Executive Director viz.,

Sl. No.	Name	Category of Membership
1	Mr. A. P. Muthuswami	Chairman
2	Mr. P. Velayudhan Pillai	Member
3	Mr. P.S. Jagdish	Member

The Committee oversees the performance of share transfer and recommends measures to improve the shareholders/investors service. Mr. V. Balasubramanian, Company Secretary, is the Compliance officer.

During the Financial Year ended 31st March 2007, a total of 339 complaints were received from the shareholders. All these complaints were resolved within the financial year.

The Attendance of Directors at the Shareholders/Investors Grievance and Share Transfer Committee Meetings held during the year ended 31st March 2007 is given below:

Sl. No.	Members	Meetings Held	Meetings Attended
1	Mr. A. P. Muthuswami	2	2
2	Mr. P. Velayudhan Pillai	2	0
3	Mr. P. S. Jagdish	2	2

Remuneration Committee:

The Remuneration Committee comprises of three Directors viz:

Sl. No.	Name	Category of Membership
1	Mr. K. Kannan	Chairman
2	Mr. A. P. Muthuswami	Member
3	Mr. P. Velayudhan Pillai	Member

The terms of reference of the Remuneration Committee are as per the guidelines set out in the Listing Agreement with the stock exchanges that include determination of the Company's policy on specific remuneration packages for Directors.

The Non-executive Directors are not paid commission over and above the sitting fees. They are paid Sitting Fees of Rs.20,000/- for attending a meeting of the Board or Committee thereof.

The Attendance of Directors at the Remuneration Committee Meeting held during the year ended 31st March 2007 is given below:

Sl. No.	Members	Meeting Held	Meeting Attended
1	Mr. K. Kannan	1	1
2	Mr. A. P. Muthuswami	1	1
3	Mr. P. Velayudhan Pillai	1	0

Details of remuneration paid to Wholetime Directors during the financial year 2006-07:

Sl. No.	Name	Designation	Salary & Allowances (Rs.)	Taxable value of perquisites (Rs.)	Commission (Rs.)
1	P.E. Subramaniam	Chairman & Managing Director	1270000	289844	4132525
2	P.S. Jagdish	Executive Director	780000	296802	4132525
3	P.S. Shekar	Director-Operations	780000	172247	4132524

Details of Sitting fees paid to Non-executive Directors during the financial year 2006-07:

Sl. No.	Name	Designation	Board Meeting Fees (Rs.)	Audit Committee Fees (Rs.)	Shareholders' Grievance Committee Fees (Rs.)	Remuneration Committee Fees (Rs.)	Project Monitoring Committee Fees (Rs.)
1.	K.Kannan	Independent Director	1,00,000	90,000	-	20,000	-
2	A.P. Muthuswami	Independent Director	1,20,000	1,10,000	40,000	20,000	50,000
3	P. Velayudhan Pillai	Independent Director	60,000	-	-	-	-

General Body Meetings:

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

Year	Date and Time	Venue
2006	27th July 2006 at 11.30 A.M	Pleasant Days Resort, Chennai-Bangalore Trunk Road Palanjur, Sembarambakkam, Chennai 602 103
2005	28 th July 2005 at 10.30 A.M.	DP-36, SIDCO Industrial Estate, Thirumazhisai, Chennai 602 107
2004	27th September 2004 at 9.30 A.M.	DP-36, SIDCO Industrial Estate, Thirumazhisai, Chennai 602 107

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

Year	Date and Time	Venue
2006	2nd January 2006 at 11.00 A.M.	DP-36, SIDCO Industrial Estate, Thirumazhisai, Chennai 602 107
2005	10th October 2005 at 11.00 A.M.	DP-36, SIDCO Industrial Estate, Thirumazhisai, Chennai 602 107
2004	16th April 2004 at 1.00 P.M.	DP-36, SIDCO Industrial Estate, Thirumazhisai, Chennai 602 107

No special resolutions were passed by the Company necessitating postal ballot at any of the above meetings.

Disclosures:

- a. Related Party Transactions: Disclosure on transaction(s) with related party as required under Accounting Standard 18 has been incorporated in the Notes to the Accounts.
- b. There are no instances of non-compliance with Stock Exchange or SEBI regulations, nor any cases of penalties or strictures imposed by any Stock Exchange or SEBI or any statutory authority for any violation related to Capital Markets during the last three years.
- c. The Company has complied with the requirements of the Listing Agreement with the Stock Exchanges as well as with the Regulations of the Securities and Exchange Board of India.
- d. Our risk management procedures ensure that the management control risks through means of a properly defined framework.
- e. Our whistle blower policy encourages disclosure in good faith of any wrongful conduct on a matter of general concern and protects the whistle blower from any adverse personnel action. The Company's personnel has not been denied access to the Audit Committee.

Means of Communication:

The Quarterly Financial Results are published in English and vernacular newspapers. These results are generally published in the All India editions of Economic Times and one Tamil newspaper. The results are also posted on SEBI's website www.sebidifar.nic.in.

Management Discussion and Analysis Report:

The Management Discussion and Analysis (MDA) giving an overview of the Company's business and its financials etc. is provided separately as part of this Annual Report.

Code of Conduct:

The code of Conduct for all the members of the Board and senior management of the Company has been posted on the website of the Company: www.indo-tech.com

Shareholders' Information:

1. **Annual General Meeting**
Date : 30.07.2007
Time : 11.30 A.M.
Venue : Pleasant Days Resort
Chennai-Bangalore Trunk Road
Palanjur, Sembarambakkam
Chennai – 602 103.
2. **Book Closure Date** July 16 to July 30, 2007
3. **Financial Calendar**

Results for the quarter ending June 30, 2007	Last week of July 2007 (tentative)
Results for the quarter ending September 30, 2007	Last week of October 2007 (tentative)
Results for the quarter ending December 31, 2007	Last week of January 2008 (tentative)
Results for the quarter ending 31st March, 2008	Last week of April 2008 (tentative)
Annual General Meeting	4th week of July 2008 (tentative)

4. **Dividend Payment Date**
By third week of August 2007
5. **Listing of Shares on Stock Exchanges**

The Equity Shares of the Company are listed on the National Stock Exchange of India Limited and Bombay Stock Exchange Limited.

Stock Code :

BSE SCRIP CODE : 532717

NSE SYMBOL : INDOTECH

The ISIN No. is INE332H01014.

6. Status of Listing Fees

The Company has paid Listing Fees for the year 2007-2008 to the National Stock Exchange of India Limited and Bombay Stock Exchange Limited.

7. Stock Price Data

Month	NSE		BSE	
	High	Low	High	Low
April 2006	254.00	192.30	252.00	190.00
May 2006	240.00	166.00	243.00	165.80
June 2006	204.70	118.10	204.00	117.50
July 2006	163.95	129.50	164.10	129.15
August 2006	184.55	139.50	183.80	136.00
September 2006	174.90	156.00	174.75	157.15
October 2006	207.50	161.20	207.20	161.50
November 2006	236.90	184.00	236.85	185.25
December 2006	278.70	217.25	278.20	218.05
January 2007	314.80	252.00	309.95	252.00
February 2007	320.00	266.00	319.80	265.00
March 2007	283.00	247.05	282.90	247.10

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

8. Registrar and Share Transfer Agents

Intime Spectrum Regisry Limited

C-13 Pannalal Silk Mills Compound

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

Phones : 91-22-25960320-28

Fax : 91-22-25946969/25960329

e-mail : isrl@intimespectrum.com

9. Shareholding Pattern as on 31.03.2007

Category	No. of Shares	Percentage
Promoters and Persons acting in concert	5771625	54.35
Mutual Funds	537114	5.06
Financial Institutions / Banks	2316	0.02
Foreign Institutional Investors	1407318	13.25
Private Corporate Bodies	1160862	10.93
Public	1697214	15.98
NRI's	31679	0.30
Clearing Members	11872	0.11
Total	10620000	100.00

10. Share Transfer System

The authority to approve share transfers has been delegated by the Board of Directors to the Share Transfer Committee. Requests received for transfer of shares are processed within 30 days of receipt.

11. Distribution Schedule as on March 31, 2007

No. of Equity Shares held	No. of Shareholders	% to Shareholders	No. of Shares	% of Shareholding
1 to 5000	13174	95.5680	973562	9.1670
5001 to 10000	299	2.1690	244786	2.3050
10001 to 20000	158	1.1460	235240	2.2150
20001 to 30000	51	0.3700	130362	1.2280
30001 to 40000	20	0.1450	70876	0.6670
40001 to 50000	24	0.1740	113527	1.0690
50001 to 100000	26	0.1890	204704	1.9280
Greater than 100000	33	0.2390	8646943	81.4210
TOTAL	13785	100.0000	10620000	100.0000

For and On Behalf of the Board

Place : Chennai
Date : 18th June, 2007

P. E. Subramaniam
Chairman & Managing Director

Annexure "A"

**Profiles of Directors seeking re-appointment at the Fifteenth Annual General Meeting.
(Pursuant to Clause 49 of the Listing Agreement)**

Name of Director	A. P. Muthuswami	Mr. P. Velayudhan Pillai
Date of Birth	01.06.1941	06.08.1933
Date of appointment	28.07.2004	28.05.2001
Areas of Experience	He has over four decades of experience in senior positions in the Tamil Nadu State Government and retired as Chief Secretary to Govt. of Tamil Nadu. He has also held the position of Chairman of Tamil Nadu Electricity Board (TNEB) and has vast experience in Administration, Finance and Generation, Transmission and Distribution of Electricity.	He has over five decades of experience in the Electrical Industry and has wide contacts with various leading consultants in the Electrical Industry and Electrical Utilities.
Educational Qualifications	M. A., M. Sc., I. A. S. (Retd.)	Under Graduate
Companies in Which he holds directorship	None	United Agencies (TVM) Private Limited
Membership Chairmanship Of Board Committees	Member of Audit Committee, Remuneration Committee and Shareholders Grievance & Share Transfer Committee of Indo Tech Transformers Limited.	Member of Remuneration Committee and Shareholders Grievance & Share Transfer Committee of Indo Tech Transformers Limited.

None of the Non-executive Directors hold equity shares of the Company in their own name or for any other persons on a beneficial basis.

MANAGEMENT'S DISCUSSION AND ANALYSIS

INDUSTRY

The initiative taken by the Government to restructure the power industry and the focus on Accelerated Power Development & Reform Programme (APDRP) by the Ministry of Power has resulted in significant developments and growth of the transformer industry in India. The Government's ambitious plan for capacity addition of 78,000 MW during the current Plan period could witness a big boost in demand for transformers. The transformer industry in general is going through a boom phase, The Company put in an excellent performance and gross sales increased by 68.52% to Rs.18793 lakhs in 2006-07 from Rs.11152 lakhs [2005-06]. The net sales increased by 67.56% to Rs.15537 lakhs in 2006-07 from Rs.9272 lakhs [2005-06]. The net profit increased by 136.97% to Rs.2621 lakhs in 2006-07 from Rs.1106 lakhs [2005-06]. The Company's product mix, strategies and control over costs has resulted in higher realization per MVA viz. Rs.6.76 lakhs / MVA in 2006-07 as against Rs.5.03 lakhs / MVA [2005-06].

OPPORTUNITIES, THREATS AND RISKS

The Company is a prominent player in the transformer industry in South India and has currently expanded its manufacturing capacity from 2450 MVA to 3350 MVA. With the commissioning of the OVDT and Kancheepuram Plant, the Company will have an installed capacity of 7450 MVA.

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

- * Our ability to successfully commission the Expansion Project at the scheduled time;
- * Our ability to manufacture the transformers as per the requirement of our clients;
- * Our ability to continuously operate and maintain our manufacturing facilities optimally;
- * Our ability to continue to source raw material at competitive rates for our existing and new transformer manufacturing plants;
- * Our ability to manufacture transformers using the latest technologies in terms of modern Materials, components and processes.

There has been a spate of expansions by various companies in the transformer industry for manufacturing different types of transformers. Hence there is a possibility of lower margins in view of the competition. The increase in cost of inputs like CRGO steel, copper, bushings etc. is a cause for concern.

PRODUCT PERFORMANCE

1. Revenues

Our revenues comprise of

- i). Sale of Transformers, and
- ii). Other income.

The following table shows our revenue for last three fiscals ended March 31, 2007 :

(Rs. in lakhs)

Sources of Revenue	FY2007	FY2006	FY2005
Sale of Transformers	18,793.22	11,152.75	8,116.60
Other Income	322.45	79.80	58.13
Total Revenue	19,115.67	11,232.55	8,174.73

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

3. Expenditure

The following table shows our expenditure for last three fiscals ended March 31, 2007:

(Rs. in lakhs)

Expenditure	FY 2007	FY 2006	FY 2005
Manufacturing Expenses	10,229.60	6,576.02	4,777.61
Employees Remuneration	368.34	251.92	237.81
Administration and other expenses	1,036.93	714.11	558.31
Preliminary expenses written off	-	-	-
Interest and finance charges	146.79	74.00	64.79
Depreciation	113.78	85.48	86.04
Total	11,895.44	7,701.53	5,724.56

BUSINESS OVERVIEW AND OUTLOOK

The Government's initiative to restructure the power sector has given a substantial boost to the transformer industry. The importance attached to the Power Sector by the Government and the mega power and infrastructure projects is expected to generate substantial demand for the Company's products.

Your Company had embarked on an Expansion Plan and three Projects were taken up for implementation, namely:

1. Relocation and Modernization of Saidapet plant into a new Distribution Transformer Plant of 750 MVA /annum at Thirumazhisai
2. Setting up of Dry Type Transformer Plant at Thirumazhisai.
3. Setting up a new Power Transformer Plant with a Capacity of 4000 MVA/ Annum up to and Including 400 KV class of transformers at Illuppapattu Village, Kancheepuram.

Production is in full swing at the Distribution Transformer Plant. The Dry Type Transformer Plant is expected to commence trial production in June 2007.

The work of setting up a new Power Transformer Plant with a Capacity of 4000 MVA/ Annum up to and including 400 KV class of transformers at Illuppapattu Village, Kancheepuram is progressing satisfactorily and is expected to be completed by October, 2007.

The present order book of the Company stands at Rs.17200 lakhs.

Your Company has started receiving export enquiries and is confident of meeting the requirement of various range of its transformers for its export customers in the near future.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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. Safeguarding of assets and protection against unauthorized use are also part of these exercises

FINANCIAL AND OPERATIONS PERFORMANCE

The financial and operational performance of the Company has improved significantly. Higher productivity, cost curtailment together with the ongoing move towards becoming a complete value added player continues to be the area of focus for the Company.

Financial Results

(Rs. in lakhs)

Particulars	Year ended 31.03.2007	Year ended 31.03.2006
Total Revenue	19,115.67	11,232.55
Operating Profit (EBIDT)	4,094.03	1,735.79
Profit Before Tax (PBT)	3,963.98	1,650.32
Profit After Tax (PAT)	2,621.24	1,106.16

Your Company's revenues have increased by 70.18% and PAT has increased by 136.97% over the previous year. The operating margins (EBIDT) have improved from Rs.1,735.79 lakhs in 2006 to Rs. 4,094.03 lakhs in 2007.

HUMAN RESOURCES

The Company has been continuously upgrading the quantity and quality of its human resources to support its growth plans. The Company possesses a team of able and experienced professionals.

The long term Wage Agreement with the Union at the Power Transformer plant at Thirumazhisai was entered into on 17th July 2006 for a period of 4 years commencing from 1st February 2006 to 31st January 2010.

The long term Wage Agreement with the Union at the Distribution Transformer plant at Thirumazhisai was entered into on 30th May 2007 for a period of 4 years commencing from 1st January 2007 to 31st December 2010.

CAUTIONARY STATEMENT

Any statements made in this analysis relating to Company's objectives, expectations, estimates, projections, etc. may be considered as "forward looking statements" within the meaning of applicable securities, laws and regulations. Actual results may differ from such estimates, projections, etc. whether expressed or implied. Factors which could make a significant difference to the Company's operations include climatic conditions, market price in the domestic and overseas markets, changes in Government regulations and tax laws, economic conditions affecting demand/supply and other environmental factors over which the Company does not have any control.

CERTIFICATION BY CHIEF EXECUTIVE OFFICER

We hereby certify that for the financial year ending 31.03.2007, on the basis of the review of the financial statements and the cash flow statement and to the best of our knowledge and belief that:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ending 31.03.2007, which are fraudulent, illegal or violative 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 : 18th June, 2007

P. E. Subramaniam
Chairman & Managing Director

Auditor's Certificate 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 for the year ended on 31st March 2007, as stipulated in Clause 49 of the Listing Agreements of the said Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement 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 in general with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

We state that in respect of Investor Grievances received during the year ended March 31, 2007 no Investor Grievances are pending for a period exceeding one month against the Company as per the records produced to us.

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 **G. BALU ASSOCIATES**
Chartered Accountants

RAJA GOPALAN. B
Partner
Membership No. : 217187

Place : Chennai

Date : 18th June, 2007

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for all Board members and senior management of the Company. This Code has been hosted on the Company's website www.indo-tech.com.

I confirm that the Company has in respect of the financial year ended 31st March 2007, 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 Deputy General Manager, General Manager and Vice President.

Place : Chennai

Date : 18th June, 2007

P. E. Subramaniam
Chairman & Managing Director

AUDITOR'S REPORT

To

THE MEMBERS

INDO TECH TRANSFORMERS LIMITED

CHENNAI – 602 107

01. We have audited the attached Balance Sheet of M/s. INDO TECH TRANSFORMERS LIMITED, CHENNAI as at 31st March 2007 and also the Profit and Loss Account and Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
02. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
03. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the 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 appears from our examination of those books.
- c. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
- d. In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
- e. On the basis of written representation received from the Directors, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2007 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - (i) in the case of the **Balance Sheet**, of the state of affairs of the Company as at 31st March 2007,
 - (ii) in the case of the **Profit and Loss Account**, of the profit for the year ended on that date, and
 - (iii) in the case of the **Cash Flow Statement**, of the cash flows for the year ended on that date

for M/s. G. BALU ASSOCIATES
CHARTERED ACCOUNTANTS

Place : Chennai
Date : 18/06/2007

RAJA GOPALAN. B
Partner
Membership No. 217187

ANNEXURE TO THE AUDITOR'S REPORT

STATEMENT REFERRED TO IN PARAGRAPH 03. OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF INDO TECH TRANSFORMERS LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2007.

01. FIXED ASSETS:

- a. The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- c. No substantial part of fixed assets have been disposed off during the year.

02. INVENTORIES:

- a. Physical verification of inventory has been conducted at reasonable intervals by the management.
- b. The procedures for physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and nature of its business.
- c. The company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.

03. LOANS:

As per the records produced to us and the explanations offered thereon, the company has neither granted nor taken any loans, secured or unsecured, to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956

04. INTERNAL CONTROL SYSTEM:

In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. There is no continuing failure to correct major weaknesses in the internal control system of the company.

05. CONTRACTS (or) ARRANGEMENTS:

In our opinion and according to the information and explanations given to us

- a. The particulars of contracts or arrangements referred to in section 301 of the companies Act,1956, have been entered in the register required to be maintained under that section, and
- b. The transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

06. PUBLIC DEPOSITS:

The Company has not accepted any deposits from the public and hence compliance with directives issued by the Reserve Bank of India and the provisions of Sec. 58 A, 58 AA or any other relevant provisions of the Act and the rules framed there under are not applicable

07. INTERNAL AUDIT SYSTEM:

In our opinion, the company has adequate internal audit system commensurate with its size and nature of its business.

08. COST AUDIT RECORDS:

Based on the information and explanations furnished to us, the maintenance of cost records under Section 209 (1) (d) of the Companies Act,1956 is not applicable.

09. STATUTORY DUES:

- a. According to the records produced, the company is generally regular in depositing with appropriate authorities the undisputed applicable statutory dues including provident Fund, Employees State insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, and cess.
- b. As per the information and explanations given to us, following are the statutory dues which have not been deposited on account of dispute.

Name of the Statute	Nature of the dues	Amount Rs.	Forum where disputels pending
Central Sales Tax Act	Demand for Asst. year 1996-97	4,41,618/-	Honorable High Court
Central Sales Tax Act	Demand for Asst. year 1998-99	3,56,433/-	Sales Tax Appellate Tribunal
Central Sales Tax Act	Demand for Asst. year 2000-01	2,23,430/-	Appellant Assistant Commissioner

Name of the Statute	Nature of the dues	Amount Rs.	Forum where disputels pending
Central Sales Tax Act	Demand for Asst. year 2001-02	1,95,239/-	Appellant Assistant Commissioner
TNGST Act	Demand for Asst. year 2001-02	15,607/-	Appellant Assistant Commissioner
Central Sales Tax Act	Demand for Asst. year 2001-02	34,346/-	Appellant Assistant Commissioner
Central Sales Tax Act	Demand for Asst. year 2002-03	1,43,190/-	Appellant Assistant Commissioner
Kerala General Sales Tax Act	Demand for Asst. year 2001-02	1,49,914/-	Appellant Assistant Commissioner
Income TaxAct	Demand for Asst. year1999-00	1,89,622/-	Deputy Commissioner of Income Tax Appeals
Income TaxAct	Demand for Asst. year1999-00	9,43,764/-	Appellate Tribunal
Income TaxAct	Demand for Asst. year1999-00	1,31,42,189/-	Commissioner of Income Tax (Appeals)

ACCUMULATED LOSSES:

The company does not have accumulated losses as at the end of the Financial Year and has not incurred cash losses in the current financial year and in the immediately preceding financial year.

10. DUES TO FINANCIAL INSTITUTIONS/BANKS:

The company has not defaulted in repayment of dues to any financial institutions or bank or debenture holders.

11. LOANS AND ADVANCES BY PLEDGE OF SHARES:

The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

12. CHIT FUND COMPANY:

The company is not a Chit Fund, Nidhi, Mutual Benefit fund or Society.

13. TRADING IN SHARES – COMPANY:

The company is not dealing or trading in shares, securities, debentures and other investments.

14. GUARANTEES:

The company has not given any guarantee for loans taken by others from Banks or financial institutions.

15. TERM LOANS – APPLICATION:

In our opinion and according to the information and explanations given to us, the term loan obtained by the company during the current financial year has been applied for the purposes for which they were obtained.

16. BORROWED FUNDS – USAGE:

On the basis of an overall examination of the accounts of the company, no funds raised on short term basis have been used for long term investments.

17. PREFERENTIAL ALLOTMENT OF SHARES:

The company has not made any preferential allotment of shares to the parties covered in the register maintained under Sec. 301 of the Companies Act, 1956.

18. DEBENTURES:

The company has not issued any debentures during the year.

19. PUBLIC ISSUE:

In our opinion and according to the information and explanations given to us, the company has utilized the money as raised in the public issue last year in February 2006 for the said purpose as specified in the offer document.

20. FRAUD AND INTENTIONAL MISREPRESENTATION:

Based upon the audit procedures performed and on the basis of the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

for M/s. G. BALU ASSOCIATES
CHARTERED ACCOUNTANTS

Place : Chennai
Date : 18/06/2007

RAJA GOPALAN. B
Partner
Membership No. 217187

BALANCE SHEET AS AT 31ST MARCH 2007

	Schedules	AS AT 31.03.2007 Rs.	AS AT 31.03.2006 Rs.
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	10,62,00,000	10,62,00,000
Reserves & Surplus	2	80,64,89,480	60,74,77,437
		91,26,89,480	71,36,77,437
Loan Funds			
Secured Loans	3	4,50,00,000	—
Unsecured Loans	4	1,96,80,323	2,02,66,530
Deferred Tax Liability		1,97,25,861	1,61,73,121
		99,70,95,664	75,01,17,088
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	45,73,84,512	20,40,91,640
Less : Depreciation		7,47,76,878	6,96,82,660
Net Block		38,26,07,634	13,44,08,980
Investments	6	22,01,92,875	11,34,70,124
Current Assets,			
Loans and Advances			
a. Current Assets	7	88,68,04,382	83,04,62,302
b. Loans & Advances		24,94,50,122	13,79,89,239
		1,13,62,54,504	96,84,51,541
Less : Current Liabilities and Provisions			
a. Current Liabilities	8	45,17,92,903	34,56,61,368
b. Provisions		29,01,66,446	12,05,52,189
		74,19,59,349	46,62,13,557
Net Current Assets(7-8)		39,42,95,155	50,22,37,984
		99,70,95,664	75,01,17,088

Notes to Accounts

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The Schedules referred to above and the statement on Significant Accounting Policies form an integral part of the Balance Sheet.

As per our report of even date

For and on behalf of the board

for **G. BALU ASSOCIATES**
CHARTERED ACCOUNTANTS

P.E. SUBRAMANIAM
Chairman & Managing Director

RAJA GOPALAN. B
PARTNER
Membership No. 217187

P.S. JAGDISH
P.S. SHEKAR
A.P. MUTHUSWAMI
P. VELAYUDHAN PILLAI

} DIRECTORS

V. BALASUBRAMANIAN
COMPANY SECRETARY

Chennai
18th June, 2007

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2007

	Schedules	Year ended 31.03.2007 Rs.	Year ended 31.03.2006 Rs.
INCOME			
Gross Sales	9	1,87,93,22,065	1,11,52,74,909
Less: Levies		32,56,25,216	18,80,70,455
Net Sales		1,55,36,96,849	92,72,04,454
Other Income	10	3,22,44,709	79,80,172
		<u>1,58,59,41,558</u>	<u>93,51,84,626</u>
EXPENDITURE			
Raw Materials Consumed	12	99,44,27,627	63,10,97,694
Decretion to Stocks	11	1,67,06,534	1,68,68,911
Manufacturing Expenses	13	1,18,25,802	96,35,146
Employee Costs	14	3,68,34,141	2,51,91,637
Administrative Expenses	15	6,34,47,778	4,19,06,782
Selling & Other Expenses	16	4,02,43,885	2,95,05,076
Finance Charges	17	1,46,79,450	73,99,989
Depreciation		1,13,78,391	85,47,575
		<u>1,18,95,43,608</u>	<u>77,01,52,810</u>
Profit before taxation		39,63,97,950	16,50,31,816
Less: Provision for taxation			
- Current Year		13,00,00,000	5,55,00,000
- Deferred tax (Asset)/Liability		35,52,740	-19,53,529
- Fringe benefit tax		7,20,939	8,69,168
Profit after taxation		26,21,24,271	11,06,16,177
Less: Provision for Income Tax of earlier Years		72,00,317	
Add: Brought forward from			
Previous year		18,17,71,635	10,63,74,368
Profit available for appropriation		43,66,95,589	21,69,90,545
Transfer To General Reserve		5,00,00,000	1,10,00,000
Proposed Dividend		4,77,90,000	2,12,40,000
Tax on proposed Dividend		81,21,911	29,78,910
Surplus carried to Balance Sheet		33,07,83,678	18,17,71,635
Weighted Average Number of Equity Shares of Rs.10/- each - outstanding during the year		1,06,20,000	77,12,842
Earnings per Share - Basic and Diluted (Rs.)		24.00	14.34

Notes to Accounts 18

The Schedules referred to above and the statement on Significant Accounting Policies form an integral part of the Profit and Loss Statement.

As per our report of even date

For and on behalf of the board

for **G. BALU ASSOCIATES**
CHARTERED ACCOUNTANTS**P.E. SUBRAMANIAM**
Chairman & Managing Director**RAJA GOPALAN. B**
PARTNER
Membership No. 217187**P.S. JAGDISH**
P.S. SHEKAR
A.P. MUTHUSWAMI
P. VELAYUDHAN PILLAI

} DIRECTORS

V. BALASUBRAMANIAN
COMPANY SECRETARYChennai
18th June, 2007

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2007

	AS AT 31.03.2007 Rs.	AS AT 31.03.2006 Rs.
1 SHARE CAPITAL		
Authorised		
1,53,00,000 (1,53,00,000) Equity Shares of Rs.10/-each	<u>15,30,00,000</u>	<u>15,30,00,000</u>
Issued, Subscribed & Paid-up		
1,06,20,000(1,06,20,000) Equity Shares of Rs.10/-each, fully paid-up	10,62,00,000	10,62,00,000
(i) Of the above 6,87,740 Equity Shares were allotted as fully paid-up for consideration other than Cash.		
(ii) Of the above 45,97,950 Equity Shares were allotted as fully paid by way of Bonus Shares.		
	<u>10,62,00,000</u>	<u>10,62,00,000</u>
2 RESERVES & SURPLUS		
a. Capital Reserve	92,19,605	92,19,605
b. Share Premium Account	37,58,48,190	38,06,57,125
Less: Share Issue Expenses W/Off	<u>– 37,58,48,190</u>	<u>48,08,935</u>
c. State subsidy received	15,00,000	15,00,000
d. General Reserve	3,91,38,007	3,14,00,000
Add: Transfer from Profit&Loss A/C	5,00,00,000	1,10,00,000
Less: Balance in Profit&Loss a/c of merged Company	<u>– 8,91,38,007</u>	<u>32,61,993</u>
e. Surplus in Profit & Loss A/c	33,07,83,678	18,17,71,635
	<u>80,64,89,480</u>	<u>60,74,77,437</u>
3 SECURED LOANS		
Term Loan from Bank	4,50,00,000	–
	<u>4,50,00,000</u>	<u>–</u>
4 UNSECURED LOANS		
IFST Loan	1,63,53,823	1,63,70,000
Hire Purchase Loan	33,26,500	38,96,530
	<u>1,96,80,323</u>	<u>2,02,66,530</u>

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2007

5. FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION BLOCK			NET BLOCK	
	AS AT 01.04.06	ADDITIONS (DEDUCTIONS)	AS AT 31.03.07	AS AT 01.04.06	FOR THE YEAR (DEDUCTIONS)	AS AT 31.03.07	AS AT 31.03.07	AS AT 31.03.06
	Rs	Rs	Rs	Rs	Rs	Rs	Rs	Rs
LAND	1,15,42,082	10,08,29,227	11,23,71,309	-	-	-	11,23,71,309	1,15,42,082
Buildings	4,68,84,552	3,28,98,402	7,97,82,954	1,16,12,274	18,69,178	1,34,81,452	6,63,01,502	3,52,72,278
Plant & Machinery	1,85,65,651	1,52,70,410 -3,07,230	3,35,28,831	76,37,343	19,63,757 -1,81,199	94,19,901	2,41,08,930	1,09,28,308
Testing Equipments	96,84,629	2,03,78,371	3,00,63,000	38,90,355	16,11,747	5,502,102	2,45,60,898	57,94,274
Material Handling Equipments	91,39,914	62,26,990	1,53,66,904	31,72,078	7,97,344	39,69,422	1,13,97,482	59,67,836
Tools, Jigs & Fixtures	16,81,362	1,55,564	18,36,926	8,79,268	1,26,451	10,05,719	8,31,207	8,02,094
Electrical Fittings & Equipments	1,26,14,696	1,13,81,560 -16,61,417	2,23,34,839	52,36,203	7,86,952 -8,33,959	51,89,196	1,71,45,643	73,78,493
Airconditioners & Refrigerators	14,71,163	8,65,018 -4,29,688	19,06,493	4,66,695	71,317 -2,31,794	3,06,218	16,00,275	10,04,468
Wind Electric Generator	1,94,62,334		1,94,62,334	97,25,802	9,24,461	1,06,50,263	88,12,071	97,36,532
Furniture, Fixtures & Fittings	55,89,449	49,94,874 -10,23,517	95,60,806	26,00,397	3,95,452 -7,35,415	22,60,434	73,00,372	29,89,052
Office Equipments	81,64,247	20,19,567 -33,32,151	68,51,663	55,80,172	7,45,419 -34,69,583	28,56,008	39,95,655	25,84,075
Vehicles*	2,10,74,913	43,55,293 -25,76,862	2,28,53,344	38,82,073	20,86,313 -8,32,222	51,36,164	1,77,17,180	1,71,92,840
Technical Know-how	1,50,00,000	-	1,50,00,000	1,50,00,000	-	1,50,00,000	-	-
TOTAL	18,08,74,992	19,93,75,276 -93,30,865	37,09,19,403	6,96,82,660	1,13,78,391 -62,84,173	7,47,76,878	29,61,42,525	11,11,92,332
Capital Work in Progress	2,32,16,648	9,54,99,826 -3,22,51,365	8,64,65,109	-	-	-	8,64,65,109	2,32,16,648
	20,40,91,640	29,48,75,102 -4,15,82,230	45,73,84,512	6,96,82,660	1,13,78,391 -62,84,173	7,47,76,878	38,26,07,634	13,44,08,980
Previous Year	16,77,07,733	3,66,52,624 -2,68,717	20,40,91,640	6,13,80,477	85,47,575 -2,45,392	6,96,82,660	13,44,08,980	10,63,27,256

* Includes vehicles purchased under hire purchase scheme.

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2007

	AS AT 31.03.2007 Rs.	AS AT 31.03.2006 Rs.
6 INVESTMENTS AT COST - (Non-Trade)		
- Current - un-quoted		
1,12,62,768.40 Units of SBI magnum Institutional Income Fund of Rs. 10/-Each.	-	11,29,93,724
1,57,598.208 Units of Standard Chartered Institutional Income Fund of Rs. 1,000.10 each.	15,76,13,968	-
Fixed Maturity Plan in Standard Chartered Mutual Fund	1,21,02,507	-
50,00,000 Units of Kotak Mutual Fund of Rs. 10/- each	5,00,00,000	-
- Long Term - quoted		
600 Equity Shares of Indian Overseas Bank of Rs.10/- each	14,400	14,400
46,200 Equity Shares of King Chemicals Ltd of Rs.10/- each	4,62,000	4,62,000
Market Value [Rs.61,650/- (Rs.58,170/-)]	<u>22,01,92,875</u>	<u>11,34,70,124</u>

Purchase and redemption of investments during the year are as under:

Description	Acquisition		Disposals	
	Nos	Cost (Rs.)	Nos	Value (Rs.)
HDFC Mutual Fund	49,59,874	5,00,00,000	50,44,165	5,08,49,725
DSP Merrill Lynch Mutual Fund	59,988	6,00,00,000	60,267	6,02,78,714
ICICI Prudential Mutual Fund	12,65,801	1,50,00,000	12,68,777	1,50,35,266
ING Vysya Mutual Fund	47,80,585	5,35,00,000	54,14,842	5,42,04,192
Kotak Mahindra Mutual Fund	50,00,000	5,00,00,000	-	-
Principial Income Fund	18,29,742	2,00,00,000	18,37,422	2,00,99,320
SBI Mutual Fund	76,12,345	7,75,00,000	1,89,71,348	19,14,64,743
Standard Chartered Mutual Fund	8,27,917	82,80,00,000	6,62,012	66,17,76,069

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2007

		AS AT 31.03.2007 Rs.		AS AT 31.03.2006 Rs.
7	CURRENT ASSETS, LOANS & ADVANCES			
a.	Current Assets			
*	Inventories			
	Raw Materials	11,89,14,080	10,65,31,106	
	Work in Progress	13,13,148	1,82,29,682	
	Finished Goods	2,10,000	–	12,47,60,788
	Debtors(Unsecured, considered good)			
i.	Outstanding over 6 months	5,59,88,000	5,13,66,788	
ii.	Others	37,01,34,631	17,48,02,669	22,61,69,457
	Cash on Hand	3,24,944		4,12,689
	Balance with Scheduled Banks			
-	In Cash Credit Accounts	2,53,98,055		3,34,28,557
-	In Current Accounts	26,39,316		25,45,810
-	In Fixed Deposit Accounts	31,18,82,208		44,31,45,001
		88,68,04,382		83,04,62,302
	* Certified by Management			
b.	Loans & Advances			
	Unsecured, considered good			
i.	Advances recoverable in cash or in kind or for value to be received	23,83,58,940		12,86,00,904
ii.	Deposits	1,10,91,182		93,88,335
		24,94,50,122		13,79,89,239
8	CURRENT LIABILITIES & PROVISIONS			
a.	Current Liabilities			
	Sundry Creditors			
	Total outstanding dues to Small Scale Undertakings	3,07,78,225	9,55,10,129	
	Total outstanding dues to Other than Small Scale Undertakings	33,05,47,462	18,36,57,124	27,91,67,253
	Other Liabilities	3,75,30,265		2,61,88,190
	Due to Directors	1,23,97,574		54,51,418
	Advances from Customers	3,57,79,445		1,30,81,483
	Creditors for Capital goods	47,59,932		11,65,969
	Creditors - Intial Public Offer	–		2,06,07,055
		45,17,92,903		34,56,61,368
b.	Provisions			
	Provision for Taxation	23,26,64,428		9,54,64,111
	Provision for Fringe benefit tax	15,90,107		8,69,168
	Proposed Dividend	4,77,90,000		2,12,40,000
	Tax on Proposed Dividend	81,21,911		29,78,910
		29,01,66,446		12,05,52,189

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2007

	Year ended 31.03.2007 Rs.	Year ended 31.03.2006 Rs.
9 SALES		
Gross Sales	1,86,31,72,865	1,10,65,65,226
Labour & Other receipts	1,61,49,200	87,09,683
	<u>1,87,93,22,065</u>	<u>1,11,52,74,909</u>
Less: Levies		
Excise duty	24,86,59,648	14,18,59,186
Sales Tax	7,07,89,484	4,29,83,632
Service Tax	7,09,791	3,76,797
Education Cess	54,66,293	28,50,840
	<u>32,56,25,216</u>	<u>18,80,70,455</u>
	<u>1,55,36,96,849</u>	<u>92,72,04,454</u>
10 OTHER INCOME		
Income From Power Generation	18,42,300	15,44,886
Interest Receipts	2,38,59,563	30,18,670
Profit On Sale Of Assets/Investments(net)	-	4,22,292
Dividend Received From Mutual Funds	65,42,846	29,93,724
Dividend Received On Shares	-	600
	<u>3,22,44,709</u>	<u>79,80,172</u>
11 ACCRETION/(DECRETION) TO WORK IN PROGRESS & FINISHED GOODS		
Work in Progress :		
a. Closing balance	13,13,148	1,82,29,682
b. Opening balance	1,82,29,682	-1,69,16,534
	<u>-1,69,16,534</u>	<u>3,50,98,593</u>
Finished Goods :		
a. Closing balance	2,10,000	-
b. Opening balance	-	2,10,000
	<u>2,10,000</u>	<u>-</u>
	<u>-1,67,06,534</u>	<u>-1,68,68,911</u>
12 RAW MATERIALS CONSUMED		
Opening Stock	10,65,31,106	6,77,37,134
Add: Purchases	1,00,68,10,601	66,98,91,666
	<u>1,11,33,41,707</u>	<u>73,76,28,800</u>
Less : Closing Stock	11,89,14,080	10,65,31,106
	<u>99,44,27,627</u>	<u>63,10,97,694</u>

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2007

	Year ended 31.03.2007 Rs.	Year ended 31.03.2006 Rs.
13 MANUFACTURING EXPENSES		
Power & Fuel	73,63,525	57,48,372
Factory Expenses	15,19,876	6,13,420
Freight Inward	14,56,415	12,92,853
Rent - Factory Premises	12,87,500	12,96,000
Repairs & Maintenance		
- Plant & Machinery	1,98,486	6,84,501
	<u>1,18,25,802</u>	<u>96,35,146</u>
14 EMPLOYEE COSTS		
Salaries, Wages & Benefits	2,98,47,310	2,05,35,285
Company's Cont. to P.F. and other funds	46,95,921	33,93,657
Staff Welfare Expenses	22,90,910	12,62,695
	<u>3,68,34,141</u>	<u>2,51,91,637</u>
15 ADMINISTRATIVE EXPENSES		
Travelling & Conveyance	72,65,812	47,76,590
Printing & Stationery	12,49,509	7,52,478
Rent - Office	1,68,000	1,86,000
Rates, Taxes & Insurance	63,18,080	33,13,739
Additional tax	1,83,84,856	1,58,83,811
Repairs & Maintenance		
- Buildings	6,80,435	2,91,065
- Others	49,15,595	41,92,140
Telephone & Postage	19,05,480	12,66,001
Professional Charges	36,55,776	23,17,491
Directors' Remuneration	1,59,86,467	76,80,815
Directors' Sitting Fees	6,10,000	1,06,000
General Expenses	10,82,155	9,85,495
Audit Fees : Statutory	3,03,048	60,610
: for tax matters	48,699	35,039
: for Other Services	5,800	59,508
Loss on Sale of Assets(net)	3,74,931	-
Loss on Sale of Discarded Assets	4,93,135	-
	<u>6,34,47,778</u>	<u>4,19,06,782</u>
16 SELLING AND OTHER EXPENSES		
Agency Commission	1,62,96,693	1,57,43,514
Contractual Deductions	2,15,05,645	1,25,70,176
Advertisement Expenses	15,08,874	7,86,896
Other expenses	9,32,673	4,04,490
	<u>4,02,43,885</u>	<u>2,95,05,076</u>
17 FINANCE CHARGES		
On Fixed loans	16,26,346	-
Other charges	1,30,53,104	73,99,989
	<u>1,46,79,450</u>	<u>73,99,989</u>

18. Notes to Accounts

1. Statement on Significant Accounting Policies

a. Basis of Preparation

The financial statements have been prepared under the accrual method of accounting on a going concern basis and statements are prepared in accordance with Generally Accepted Accounting Principles (Indian GAAP).

b. Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation. Cost comprises basic price, taxes, inward freight and exclusive of duties etc.

Capital Work in Progress comprises advances paid to acquire fixed assets and the cost of fixed assets not ready for their intended use.

c. Depreciation

Depreciation is provided on straight-line basis at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

d. Valuation of Inventories

Inventories are valued at lower of cost or net realizable value using the following cost formula.

- i) Raw materials, Stores and spares – Weighted Average method.
- ii) Finished Goods and Work in progress – material cost plus appropriate share of manufacturing overheads.

e. Investments

Investments are stated at cost. Provision for diminution in value on long-term investments is made only if such decline is other than temporary in nature.

f. Sales

Sales are accounted inclusive of excise duty and sales tax.

g. Retirement Benefits & Leave Encashment

Gratuity to Employees and contribution towards superannuation are covered under the Employees Group Gratuity/ Superannuation Scheme and the premium is paid on the basis of their actuarial valuation. Any shortfall in case of premature termination / resignation to the extent not reimbursed by LIC is being absorbed in the year of payment.

Liability towards leave encashment is accounted on accrual basis as per Company's Policy.

h. Foreign Currency Transactions

Transactions in Foreign Currency are recorded at the exchange rates prevailing on the date of transaction. Assets and Liabilities at the year-end are restated at the rate prevailing at the year-end and difference is recognized in Profit & Loss Accounts / Fixed Assets as the case may be.

i. Income Tax

Current tax is determined in accordance with the provisions of the Income Tax Act, 1961. Deferred tax is recognized for all timing difference.

2. SHARE CAPITAL

The proceeds of the Public Issue of Rs.3844 lacs received by the Company had been utilised upto 31st March 2007, as follows:

	(Rs.in Lacs)
Share issue expenses	48.09
Re-location and modernization of Saidapet Plant to a New Distribution Transformer Plant	466.74
Power Transformer Plant	1801.87
Dry-type Transformer Plant	60.79
Fixed Deposits in Banks	1466.51
	<u>3844.00</u>

3. SECURED LOANS

- a) Working capital facilities from Bank of Baroda, State Bank of India, Standard Chartered Bank and Citi Bank NA are primarily secured by hypothecation of inventories, book debts and are collaterally secured by second charge on pari passu basis on Plant & Machinery, Buildings and 9.16 acres Land at Kancheepuram and further secured by pari passu charge on other Land, Factory Buildings and Plant & Machinery of the Company.
- b) Term Loan from Standard Chartered Bank is secured by first charge on Plant & Machinery, Buildings and 9.16 acres Land at Kancheepuram.
4. The balance of advances, debtors and creditors are taken on the basis of book figures and are subject to confirmation. However, in the opinion of the Board, Current Assets, Loans and Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated. The provision made in the accounts for depreciation and for all other known liabilities is considered adequate and not in excess of the amounts reasonably necessary.
5. Interest free sales tax deferment shown under unsecured loans is repayable in monthly installments upto September 2012.
6. Fixed Deposits in Banks include Rs. 7,11,02,507 (Rs. 4,12,36,061) lien marked towards margin for the guarantees and letter of credit issued by the Banks.
7. Contingent liabilities not provided for in respect of:

S.NO	Particulars	AS AT 31.03.2007 Rs.	AS AT 31.03.2006 Rs.
1.	Bank Guarantees issued	30,55,02,274	17,17,19,061
2.	Disputed sales tax against which appeal is pending with Appellate Authority	15,59,777	9,40,974
3.	Labour case pending in the court	5,80,804	5,06,354

8. Income Tax demands disputed on appeals Rs.1,42,75,575/- (Rs.11,33,386/-). The Company has been advised a fair chance of winning the appeals and hence no provision for the same has been made in the financial statements for the year.
9. Estimated amount of contract remaining to be executed on capital account not provided for is Rs. 2412.69 Lakhs (3804 Lakhs).
10. Un-expired portion of lease rent for the assets taken on lease amounts to Rs.3,78,000 (Rs.3,78,000).
11. a. Managerial Remuneration

	AS AT 31.03.2007 Rs.	AS AT 31.03.2006 Rs.
Salary	28,30,000	16,20,000
Perquisites	7,58,893	8,92,105
Commission	1,23,97,574	51,68,710
	<u>1,59,86,467</u>	<u>76,80,815</u>

b. Calculation of Managerial remuneration as per Section 198 read with Schedule XIII of the Companies Act, 1956.

	Rs.	Rs.
Profit after Tax	26,21,24,271	11,06,16,177
Add: Provision for Taxation	13,07,20,939	5,63,69,168
Deferred Tax liability	35,52,740	—
Managerial Remuneration	1,59,86,467	76,80,815
Loss on Sale of Assets(Net)	3,74,931	—
Loss on Discarded Assets (Net)	4,93,135	—
Less: Deferred Tax Asset	—	19,53,529
Profit on Sale of Assets (Net)	—	4,22,292
Profit on which commission is payable	41,32,52,483	17,22,90,339
Commission @ 1% each to Managing and Whole time Directors.	1,23,97,574	51,68,710

12. Quantitative Information (As certified by Management)

	As at 31 st March, 2007		As at 31 st March, 2006	
	Qty	Value (Rs.)	Qty	Value (Rs.)
a. Capacities & Production				
i) Licensed Capacity		N.A.		N.A.
ii) Installed Capacity (Assorted sizes)		33,50,000 KVA per annum (3350 MVA)		24,50,000 KVA per annum (2450 MVA)
iii) Actual Production		22,98,965 KVA (1863 Nos)		18,43,489 KVA (1889 Nos)
b. Details of Opening and Closing Stock of Finished Goods				
Opening Stock	—	—	—	—
Closing Stock	1 (No)	2,10,000	—	—
c. Net Sales	1862 (Nos.)	155,36,96,849	1889 (Nos.)	92,72,04,454
d. Details of Raw Materials consumed				
i) Ferrous Materials	35,20,351 (Kgs)	43,12,56,315	25,33,255 (Kgs)	28,78,26,823
ii) Non – Ferrous Materials	9,88,919 (Kgs)	31,28,60,637	7,89,286 (Kgs)	16,30,40,747
iii) Transformer Oil	20,35,513 (Ltrs.)	7,46,85,329	16,56,542 (Ltrs.)	4,80,00,679
iv) Others	—	17,56,25,346	—	13,22,29,445
		99,44,27,627		63,10,97,694

AS AT	AS AT
31.03.2007	31.03.2006
Rs.	Rs.

13. CIF value of Imports

Raw Materials	2,09,07,669	—
Capital goods	1,19,64,388	—

	AS AT 31.03.2007 Rs.	AS AT 31.03.2006 Rs.
14. Earnings in Foreign Exchange		
FOB Value of exports	8,85,484	–
15. Expenditure in Foreign Exchange		
Foreign Travel	7,50,992	4,65,975
Spares for Machinery	–	2,53,284
16. (a) Value of Imported and Indigenous Raw materials consumed		
Imported	2,47,07,583	–
Indigenous	96,97,20,044	63,10,97,694
	<u>99,44,27,627</u>	<u>63,10,97,694</u>
(b) Percentage of total consumption (%)		
Imported	2.49	0.98
Indigenous	97.51	99.02
17. Earnings per share :		
Disclosure is made in Profit & Loss Account as per the requirement of the standard.		
18. Deferred tax liability:		
Depreciation difference	1,97,25,861	1,61,73,121
Deferred tax asset :	–	–
	<u>1,97,25,861</u>	<u>1,61,73,121</u>

19. Related Party Disclosures:

Disclosures as required by the Accounting Standard 18 "Related Party Disclosures" are Given below:

a. Associate Companies / Firm

1. Vigneswara Electricals Limited
2. Sivasakthi Engineering and Fabricators

Key Management Personnel

1. Mr. P.E. Subramaniam – Chairman & Managing Director
2. Mr. P.S. Jagdish – Executive Director
3. Mr. P.S. Shekar – Director – Operations

b. Transactions with related Parties:

Nature of Transactions		As on 31.03.2007		As on 31.03.2006	
		Associate Companies and Firm	Key management Personnel	Associate Companies and Firm	Key management Personnel
1	Purchase of Materials	—	—	4,84,142	—
2	Purchase of Machinery	—	—	—	—
3	Rent paid for utilizing Saidapet facility and Palakkad City Office	24,000	14,40,000	24,000	14,40,000
4	Advances Refunded	—	50,00,000	—	—
5	Managerial remuneration	—	1,59,86,467	—	76,80,815
6	a. Loans & Advances	—	—	6,46,767	—
	b. Advances paid for utilizing Saidapet Facility	—	—	—	50,00,000

20. Small Scale Industrial Undertakings

Sundry creditors in Schedule 7 includes amount due to following small scale industrial undertakings for a period exceeding 30 days (within the normal credit period) as at 31.03.2007 are Raj Lubricants (M) Pvt. Ltd, On Load Gears, Nexus Translam Industries, National Lamination Industries, Manojkrishna Engineering Works & Macc Engineers. These have been identified by the Company on the basis of information provided by its suppliers.

20. Previous Year's figures have been regrouped wherever necessary to confirm to this year's classification.

21. Schedules 1 to 18 form an integral part of the Balance Sheet and Profit & Loss Account and have been duly authenticated.

As per our report of even date

for **G. BALU ASSOCIATES**
CHARTERED ACCOUNTANTS

RAJA GOPALAN. B
PARTNER
Membership No. 217187
Chennai
18th June, 2007

V. BALASUBRAMANIAN
COMPANY SECRETARY

For and on behalf of the board

P.E. SUBRAMANIAM
Chairman & Managing Director

P.S. JAGDISH
P.S. SHEKAR
A.P.MUTHUSWAMI
P.VELAYUDHAN PILLAI

} DIRECTORS

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2007

	2006-07 Rs.	2005-06 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before Tax as per Profit & Loss Account	39,63,97,950	16,50,31,816
Adjustments for :		
Depreciation	1,13,78,391	85,47,575
Interest Income	-2,38,59,563	-30,18,670
Dividend received	-65,42,846	-29,94,324
Interest expenses	1,46,79,450	73,99,989
Others	-43,44,568	72,13,612
Operating Profit before Working Capital Changes	39,20,53,382	18,21,79,998
Adjusted for :		
Trade & Other Receivables	-19,99,53,174	-3,12,47,408
Inventories	43,23,560	-2,19,25,061
Loans&Advances	2,02,05,950	-3,40,08,240
Trade &Other Payables	10,61,31,535	-6,92,92,129
Cash generated from Operations	32,27,61,253	10,66,92,695
Income Tax Paid	-13,16,66,833	1,95,11,986
Net Cash generated from Operating Activities	19,10,94,420	20,16,91,984
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	-26,15,65,584	-3,66,52,624
Sale of Fixed Assets	19,88,539	23,325
Purchase of Investments	-21,97,16,475	-11,34,55,724
Sale of Investments	11,29,93,724	5,71,500
Other Loans	-5,86,207	-9,68,663
Interest Income	2,38,59,563	30,18,670
Dividend received	65,42,846	29,94,324
Net Cash Used In Investing Activities	-33,64,83,594	-14,44,69,192
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Increase in Share Capital	-	7,80,31,000
Increase in Share Premium	-	30,40,21,565
Procurement of Term Loan	4,50,00,000	-
Interest Paid	-1,46,79,450	-73,99,989
Dividend Paid	-2,42,18,910	-64,23,940
Net Cash from Financing Activities	61,01,640	368,2,28,636
D. Net Increase/(Decrease) in Cash & Cash Equivalents:	-13,92,87,534	37,44,87,071
Opening balance of Cash and Cash equivalents	47,95,32,057	10,50,44,986
Closing balance of Cash and Cash equivalents	34,02,44,523	47,95,32,057

Note: 1. The above statement has been prepared in indirect method as described in AS - 3 issued by ICAI.

As per our report of even date

for **G. BALU ASSOCIATES**
CHARTERED ACCOUNTANTS

RAJA GOPALAN. B
PARTNER
Membership No. 217187
Chennai
18th June, 2007

V. BALASUBRAMANIAN
COMPANY SECRETARY

For and on behalf of the board

P.E. SUBRAMANIAM
Chairman & Managing Director

P.S. JAGDISH
P.S. SHEKAR
A.P.MUTHUSWAMI
P.VELAYUDHAN PILLAI } DIRECTORS

ECS REQUEST FORM

REF. FOLIO NO. /DP ID & CLIENT ID

SR. NO.		
E-mail ID		
Telephone No.	STD Code	Tel.No.

Intime Spectrum Registry Limited

C-13, Pannalal Silk Mills Compound
 L.B.S. Marg, Bhandup West
 Mumbai 400 078.

UNIT : INDO TECH TRANSFORMERS LIMITED

This has reference to payment of dividend through electronic clearing service

The bank details to be registered against the captioned folio are as given below :

FOLIO NO. /DP ID & CLIENT ID :
 NAME (S) OF THE HOLDER(S) :
 NAME & ADDRESS OF THE BANK BRANCH :
 ACCOUNT TYPE : SAVINGS CURRENT CASH CREDIT
 ACCOUNT NO. :

We request you to kindly

(Please Tick ✓ For the facility you OPT)

1. Mail the warrant directly to the bank.
2. Mail the warrant at my registered address with the bank particulars incorporated.
3. Directly credit to the account through Electronic Clearing System (ECS).

If opted for ECS, kindly provide the following information.

9 DIGIT CODE NUMBER OF THE BANK AND BRANCH AS
 APPEARING ON THE MICR CHEQUE ISSUED BY THE BANK

--	--	--	--	--	--	--	--	--	--

LEDGER FOLIO NO. (IF ANY) OF YOUR BANK ACCOUNT
 (in case you have opted for ECS, affix photocopy of your cheque here)

I hereby declare that the particulars given are correct and complete. If the payment transaction through ECS is delayed or not effected at all for any reasons, I would not hold the company responsible.

Date _____

 Signature of the first holder

