

Annual Report 2008 - 09



***INDO TECH
TRANSFORMERS LIMITED***

**Annual General Meeting on
Friday, the 4th September 2009
At Pleasant Days (Resort),
At 12.00 Noon.**

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Board of Directors

Jorge Lozano
Chairman

Jorge Sepulveda
Director

Kishore Jayaraman
Director

Arun Bhalla
Director

Arun Srivastava
Director

M. S. Srinivasan
Director

Company Secretary

V. Balasubramanian

Auditors

G. Balu Associates

Registered Office

DP:36 SIDCO Industrial Estate
Thirumazhisai
Chennai 602 107

Works

- 1) Survey No.153-210
Illuppapattu Village
Near Rajakulam
KM.64 Chennai Bangalore Highway
Kancheepuram District
Tamil Nadu
- 2) DP:14-19 SIDCO Industrial
Estate, Thirumazhisai
Chennai 602 107
- 3) DP:36 SIDCO Industrial
Estate,Thirumazhisai
Chennai 602 107
- 4) VII/222, Koyyamarakkad
Kanjikode, Palakkad 678 621

Registrars

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

Bankers

Bank of Baroda
Citibank N. A.
Indian Bank
Standard Chartered Bank
State Bank of India
The Hongkong & Shanghai Banking Corporation
HDFC Bank

DIRECTORS' REPORT

We have pleasure in presenting the 17th 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, 2009.

FINANCIAL RESULTS

(Rupees in Lakhs)

	Financial Year ended March 31, 2009	Financial Year ended March 31, 2008
INCOME		
Gross Sales & Other Income	24157.17	23152.95
Gross Profit before depreciation & tax	6312.37	5986.06
Depreciation	391.71	174.44
Profit before tax	5920.66	5811.62
Provision for tax inc. deferred tax and FBT	2023.58	1909.80
Profit after tax	3897.08	3901.82
Income tax of earlier year	0.28	3.38
Balance of profit of earlier years	5960.79	3307.84
Balance available for appropriation	9857.59	7206.28
APPROPRIATIONS		
General Reserve	500.00	500.00
Dividend	1316.91	637.20
Tax on Dividend	223.80	108.29
Balance carried to Balance Sheet	7816.87	5960.79

DIVIDEND

During the year ended 2008-09 your Company paid a First Interim Dividend of 85% and a Second Interim Dividend of 39%. The Directors do not recommend any final dividend for the year 2008-09 and would request that the two interim dividends be confirmed as the final dividend.

EXPLANATION TO QUALIFICATIONS IN THE AUDITOR'S REPORT

- i. Note No.06 (Schedule 18.B)
The confirmation of balances due from the various debtors were sent. However, as the major customers are State Electricity Boards and Government Undertakings, it takes time to receive such confirmations. However, as and when information is received invoice-wise, it is reconciled and appropriate entries in the books are passed.
- ii. Note No.04 (Schedule 18.B)
 - a) A low tension electric line of Tamil Nadu Electricity Board (TNEB) was passing through 0.132 acres of land in Plot No.19. This was shifted to Plot No. 36 at a cost of Rs.1.40 lakhs by the Company with intimation to Small Industries Development Corporation Limited (SIDCO). The Company is now in the process of getting this land registered in its name.
 - b) Application for registration of Company's land at DP:36, Sidco Industrial Estate has been made and the Company is hopeful of getting a favourable response shortly.
 - c) The note is self-explanatory. The Company is following up with the District Industries Centre, Palakkad.
 - d) The note is self-explanatory. The Company is in the process of obtaining quotes and disposing the structure and machineries on an "as is where is basis".
- iii. Note No. 07 (Schedule 18.B)
The note is self-explanatory.
- iv. Section 215 of the Companies Act, 1956, inter-alia, requires that the Balance Sheet and the Profit & Loss Account of a company shall be signed by its secretary, if any, and by not less than two directors of the Company, one of whom shall be the Managing Director where there is one. However, the erstwhile Managing Director of the Company, Mr. P. E. Subramaniam, due to his illness and hospitalization, was not able to sign the Balance Sheet, Profit & Loss Account, Cash Flow Statement etc. The Company has taken an opinion in this regard that non-signing of the Balance Sheet, Profit & Loss Account etc. in this instance would not constitute a violation of the provisions of Section 215 of the Companies Act, 1956.

FINANCIAL HIGHLIGHTS

Rs. in Lacs

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

KEY INDICATORS

	2008-09	2007-08	2006-07	2005-06	2004-05
Earnings per Share - Rs.	36.70	36.71	24.00	14.34	28.29
Turnover per share - Rs.	227.47	218.00	179.99	105.77	290.21
Book value per share - Rs.	137.81	114.76	85.07	66.33	84.90
Debt : Equity Ratio	0.10:1	0.12:1	0.07:1	0.03:1	0.09:1
EBDIT / Gross Turnover	27%	26%	22%	16%	15%
Net Profit Margin	18%	20%	17%	12%	12%
RONW	27%	32%	29%	15%	33%
ROCE	35%	34%	32%	17%	31%

OPERATIONS AND PERFORMANCE

Your Company has performed reasonably well in spite of the current global slowdown and recession.

Your Company's total revenues for the year 2008-09 were Rs.24157.17 lakhs (Rs.23152.95 lakhs for the previous year ended March 31, 2008). The Net Profit after provision for taxation for the year ended March 31, 2009 was Rs.3897.08 lakhs (Rs.3901.82 lakhs for the previous year ended March 31, 2008). The earnings per share for the year under review was Rs.36.70 (Rs.36.71 for the previous year ended March 31, 2008).

Your Company's net worth continues to be strong and stood at Rs.14635.93 lakhs as on March 31, 2009 (Rs.12279.85 lakhs in March 31, 2008), reflecting the intrinsic strength of the Company.

LARGE POWER TRANSFORMER PLANT AT KANCHEEPURAM

The large power transformer plant at Kancheepuram is a world class state-of-the-art plant spread over 31 acres of land situated on NH-4 and the total built up area exceeds 110000 sq. feet. It has an installed capacity of 4000 MVA per annum. The plant has vapour phase drying ovens instead of conventional drying, using steam or electricity. The advantage is saving in drying time and faster, efficient and thorough drying and which enhances productivity and quality.

Winding machines, both vertical and horizontal with variable drives are used which enables the machines to start at zero or minimum speed, avoiding jerks to the coil. Braking is also smooth. This ensures error free coil winding on the machines and also savings in energy consumed by the winding machines. The entire winding area is totally dust free with positive pressure.

The plant has a number of EOT cranes with the single largest crane of 200T capacity in addition to a number of jib cranes for the work stations.

The plant has epoxy flooring which helps in maintaining a dust free atmosphere and any oil slippage can be wiped clean and does not affect the flooring.

Metal halide lamps are used for better lighting efficiency / economy.

BUSINESS OPERATIONS OVERVIEW AND OUTLOOK

The Government has set a target of adding 90,000 MW by the end of the 11th Plan. Even at 62% achievement of this target, the capacity addition should be approx. 56,000 MW.

It is estimated that for every MW of generation capacity added, it would generate 10 MVA demand for transformers across generation, transmission and distribution. Hence, the 11th Plan should create an additional demand of 560,000 MVA of transformers.

A transformer has a shelf life of around 25 to 30 years. Thus transformers that were installed in 1980-1985 are likely to be replaced in the near future, which implies a replacement demand of 25,000 MVA per annum.

Thus the demand for transformers is pegged at 1,200,000 MVA per annum.

Investments in energy sector are likely to continue with the government targeting an addition of 90,000 MW by 2012. Further, power reforms in the form of R-APDRP and Rural Electrification should result in additional demand for distribution transformers.

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 Company is also optimistic of securing a good volume of export orders. 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.

BUYOUT BY PROLEC-GE INTERNACIONAL, S. DE R.L. DE C.V.

Shareholders are aware that the entire equity stake of the existing promoters amounting to 57,71,625 equity shares (54.35% of the paid up equity share capital) has been acquired by Prolec-GE Internacional, S. De R.L. De C.V. [a joint venture between General Electric Company, USA and Xignux, Mexico]. Prolec-GE Internacional, S. De R.L. De C.V. has also acquired a 20% equity stake from the market in an Open Offer pursuant to SEBI (Securities & Exchange Board of India) Regulations. Hence, the total holding of Prolec-GE in the equity capital of the Company is 78,95,625 (74.35%) equity shares.

The Prolec-GE management has taken over the operations of the Company from 18th May, 2009.

DIRECTORS

Consequent to the buyout by Prolec-GE, Mr. Jorge Lozano, Mr. Jorge Sepulveda and Mr. Kishore Jayaraman were appointed as Additional Directors of the Company by circular resolution on 18th May, 2009. Mr. P. E. Subramaniam, Mr. P. S. Jagdish, Mr. P. S. Shekar, Mr. P. Velayudhan Pillai and Mr. K. Kannan have submitted their resignation from the Board of Directors which has since been accepted. Mr. A. P. Muthuswami, an Independent Director on the Board and a Member of the Audit Committee suddenly expired on 25th January, 2009. The Board of Directors would like to place on record the valuable contribution made by all the erstwhile directors during their tenure.

Subsequently, Mr. Arun Bhalla and Mr. Arun Srivatsava and Mr. M. S. Srinivasan were appointed as Independent Directors of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956, and based on the certificate/s given by the erstwhile wholetime directors, your Directors confirm that;

- 1) that in the preparation of the annual accounts for the financial year ended 31st March, 2009 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 2008-09 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 2009 on a 'going concern basis'.

Notwithstanding the above, the new management is reviewing the operations and functioning of the Company to ensure that it is in accordance and consistent with its stated historical performance/records and will take steps to correct the operations, if required, to be consistent with such stated records and information.

CORPORATE GOVERNANCE

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

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

The Auditor's Certificate on Corporate Governance contains a qualification to the effect that the strength of the Board had reduced to 5 directors with only two independent directors and in the Audit Committee Meeting held on 27th January, 2009, the quorum of two independent directors could not be maintained. Your directors would like to apprise you that Mr. A. P. Muthuswami, an Independent Director in the erstwhile Board and Audit Committee Member, suddenly expired on 25th January, 2009 and the erstwhile Board of Directors were unable to immediately co-opt an Independent Director who could have also functioned as a Member of the Audit Committee.

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.

FIXED DEPOSITS

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

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

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

PARTICULARS OF EMPLOYEES

Particulars of employees who are in receipt of remuneration prescribed under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, is given in Annexure II.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation of co-operation and support received from employees at all levels, 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

Place: Chennai
Date : 31st July, 2009

Arun Bhalla
Director

Kishore Jayaraman
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 have 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 has also been set up on similar lines as above.
- vi. The large Power Transformer Plant at Kancheepuram has also been set up on similar lines as above.
- vii. Sodium Vapour lamps in Thirumazhisai Power Transformer Plant has been entirely replaced with Metal Halide lamps for better efficiency/economy.
- viii. Large Power Transformer Plant at Kancheepuram

Vapour Phase Drying is an advancement on the drying method for transformer windings/coils. Instead of conventional drying, using steam or electricity, Shellsol or equivalent is used as a solvent in vapour phase drying. There is significant saving in drying time thus increasing productivity and quality.

Thermic fluid is used as the medium of heating and this thermic fluid is heated in boilers using furnace oil. When compared to conventional electric heating, this method of heating results in significant saving in the running cost.

Winding machines with variable drives are used which enables the machines to start at zero or minimum speed, avoiding jerks to the coil. Braking is also smooth. This ensures error free coil winding on the machines and also savings in energy consumed by the machines.

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

B. TECHNOLOGY ABSORPTION

Research & Development :

1. Specific areas in which R&D is carried out by the Company
In the OVDT plant, the consumption of varnish has been studied and accordingly the Vacuum Pressure Impregnation (VPI) Plant has been designed such that a fine coat over the coils is obtained and consumption of varnish is reduced.
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.
Three new State of the art plants to manufacture Large Power Transformers at Kancheepuram; Distribution Transformers and Open Ventilated Dry Type Transformers at Thirumazhisai have been established and commercial production has commenced. Modern plant and machinery have been installed such as winding machines and vapour phase drying ovens which will enable faster processing of transformers with less energy consumption.

C. IMPORTED TECHNOLOGY

It is expected that with Prolec-GE acquiring management control of the Company, the Company would benefit from the technological expertise of Prolec-GE.

D. FOREIGN EXCHANGE EARNINGS AND OUTGO

The foreign exchange earnings of the Company during the year under review was Rs.1975.01 lakhs and outgo was Rs.1121.86 lakhs.

Annexure II to Directors' Report

Information as per Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 and forming Part of the Directors' Report for the year ended 31st March, 2009

Name of the Employee	Designation	Age	Qualifications	Experience	Date of Joining	Remuneration pa. (Rs.)	Commission (Rs.)	Previous Employments
P. E. Subramaniam	Chairman & Managing Director	70 Yrs	Diploma in Electrical Engg.	48	16.01.92	17,52,240	61,61,904	Partner Indo Tech Electric Company
P. S. Jagdish	Executive Director	41 Yrs	Industrial Production Engineer	18	16.01.92	11,32,545	61,61,904	Partner Indo Tech Electric Company
P. S. Shekar	Director Operations	37 Yrs	B. Com	14	22.08.94	10,65,924	61,61,904	None

Notes :

1. "Remuneration" includes salary, allowances, commission and taxable value of perquisites.
2. The above appointments are contractual.
3. Mr. P. E. Subramaniam, Mr. P. S. Jagdish and Mr. P. S. Shekar are related to each other.

CORPORATE GOVERNANCE REPORT

Company's Philosophy on Corporate Governance:

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

Board of Directors:

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

Consequent to the takeover of the Company by Prolec-GE Internacional, S. De R.L. De C.V., Nuevo Leon, Mexico, all the erstwhile Directors viz. Mr. P. E. Subramaniam, Mr. P. S. Jagdish, Mr. P. S. Shekar, Mr. K. Kannan and Mr. P. Velayudhan Pillai resigned from the Board. Mr. A. P. Muthuswami, an Independent Director and member of the Audit Committee expired on 25th January, 2009.

The Board of Directors has since been reconstituted with the appointment of Mr. Jorge Lozano, Mr. Jorge Sepulveda, Mr. Kishore Jayaraman, Mr. Arun Bhalla, Mr. Arun Srivastava and Mr. M. S. Srinivasan as Directors. Mr. Jorge Lozano, Mr. Jorge Sepulveda and Mr. Kishore Jayaraman are non wholetime directors. Mr. Arun Bhalla, Mr. Arun Srivastava and Mr. M. S. Srinivasan are independent directors.

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

None of the Directors are related to each other.

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 generally held in Chennai.

Attendance at Board Meetings, last Annual General Meeting (AGM) and number of other Directorships and Chairmanships / Memberships of Committees of each of the erstwhile Directors in various companies are stated below:

During the year under review, the Board of Directors met 8 times on 30th May, 2008, 30th July, 2008, 13th Oct, 2008, 27th Nov, 2008, 19th Dec, 2008, 12th Jan, 2009, 31st Jan, 2009 and 26th Feb, 2009

Name of Director	Type of Director	Board Meetings Attended	AGM Attended	No. of Committee Memberships Held	No. of other Directorships Held
P.E. Subramaniam Chairman & Managing Director	Promoter Director	6	No	Nil	1
P.S. Jagdish Executive Director	Promoter Director	8	Yes	Nil	1
P.S. Shekar Director-Operations	Promoter Director	7	Yes	Nil	1
K. Kannan Director	Independent Director	8	Yes	6 (including 2 as chairman)	6
A.P. Muthuswami Director	Independent Director	4	Yes	Nil	Nil
P. Velayudhan Pillai Director	Independent Director	2	No	Nil	Nil

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

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

Brief Resume of Director seeking re-appointment:

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

Audit Committee:

Consequent to the buyout by Prolec-GE, the Audit Committee has been reconstituted and comprises of two Independent Directors and one non Wholetime Director viz.,

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

Mr. Arun Bhalla is the Executive Director of PTC India Limited [formerly Power Trading Company of India Limited] and is also on the Board of Krishna Godavari Power Utilities Limited and R. S. India Global Energy Limited. He has more than 34 years of industry experience and has been associated with BHEL, Nelco, CGEE-Alstom, Tata Honeywell and Hyundai Unitech Electrical Transmission Limited at various levels of responsibilities in the areas of Project Management, Marketing, Business Development and General Management.

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

Mr. Jorge Sepulveda is the Chief Financial Officer of Prolec-GE Internacional, S. De R.L. De C.V., Nuevo Leon, Mexico and has more than 20 years of industry experience.

Mr. V. Balasubramanian, Company Secretary, is the Secretary of the Audit Committee.

Terms of Reference: Clause 49 of the Listing Agreement lists the role of the Audit Committee. The gist of the terms of reference are as follows:

- Oversee Company's financial reporting process and disclosures.
- Recommend appointment/removal/remuneration and payment of other fees of the statutory auditors.
- Review with the management the quarterly and annual financial statements before submission to the Board.
- Review with the Management, performance of the Statutory and Internal Auditors.
- Review adequacy of internal control systems, internal audit department, reporting structure and frequency.
- Discussion with internal auditors of any significant findings and follow-up thereon.

The Attendance of the erstwhile Directors at the Audit Committee Meetings held during the year ended 31st March 2009 is given below:

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

Shareholders/Investors Grievance Committee:

The Shareholders/Investors Grievance has been reconstituted and comprises three non-Executive Directors viz.

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

The Committee oversees the performance of investor grievances and recommends measures to improve the shareholders'/ investors' service. Mr. V. Balasubramanian, Company Secretary, is the Secretary of the Committee. The erstwhile members of the Committee met twice on 30th May, 2008 and 6th March, 2009.

During the Financial Year ended 31st March 2009, a total of 28 complaints [most of them relating to non-receipt of dividend warrants] were received from the shareholders. All these complaints were resolved within the financial year.

The Attendance of the erstwhile Directors at the Shareholders/Investors Grievance Committee Meetings held during the year ended 31st March 2009 is given below:

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

Remuneration Committee:

Consequent to the change in Management, a new Remuneration Committee would be reconstituted at an appropriate time.

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

No Meeting of the Remuneration Committee was held during the Financial Year 2008-09.

Details of remuneration paid to Wholetime Directors during the financial year 2008-09:

Sl. No.	Name	Designation	Salary & Allowances (Rs.)	Taxable value of perquisites (Rs.)	Commission (Rs.)
1	P.E. Subramaniam	Chairman & Managing Director	14,20,000	3,32,240	61,61,904
2	P.S. Jagdish	Executive Director	8,70,000	2,62,545	61,61,904
3	P.S. Shekar	Director-Operations	8,70,000	1,95,924	61,61,904

Details of Sitting fees paid to Independent Directors during the Financial Year 2008-09: (Fees - Rs)

Sl. No.	Name	Board Meeting	Audit Committee	Shareholders' Grievance Committee	Remuneration Committee	Project Monitoring Committee
1.	K.Kannan	1,60,000	1,60,000	40,000	-	-
2.	A.P. Muthuswami	60,000	60,000	20,000	-	-
3.	P. Velayudhan Pillai	40,000	20,000	20,000	-	-

General Body Meetings:

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

Year	Date and Time	Venue
2008	30th July 2008 at 11.30 A.M	Pleasant Days Resort, Chennai-Bangalore Trunk Road Palanjur, Sembarambakkam, Chennai 602 103
2007	30th July 2007 at 11.30 A.M	Pleasant Days Resort, Chennai-Bangalore Trunk Road Palanjur, Sembarambakkam, Chennai 602 103
2006	27th July 2006 at 11.30 A.M	Pleasant Days Resort, Chennai-Bangalore Trunk Road Palanjur, Sembarambakkam, Chennai 602 103

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

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

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

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 [except that in one audit committee held on 27th January, 2009 the quorum for the audit committee comprised one independent director and one wholetime director, due to sudden demise of one independent director who was an audit committee member] as well as with the Regulations of the Securities and Exchange Board of India.
- d. The Company affirms that no employee has been denied access to the audit committee.

Means of Communication:

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

Management Discussion and Analysis Report:

The Management Discussion and Analysis (MDA) giving an overview of the Company's business and its financial 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 : 04.09.2009
Time : 12.00 Noon
Venue : Pleasant Days Resort
Chennai-Bangalore Trunk Road
Palanjur, Sembarambakkam
Chennai - 602 103.
2. **Financial Calendar**

April to March
3. **Book Closure Date**

September 1 to September 4, 2009
4. **Financial Calendar**

Results for the quarter ending June 30, 2009	Last week of July 2009 (tentative)
Results for the quarter ending September 30, 2009	Last week of October 2009 (tentative)
Results for the quarter ending December 31, 2009	Last week of January 2010 (tentative)
Results for the quarter ending 31st March, 2009	Last week of May 2010 (tentative)
Annual General Meeting	4th week of August 2010 (tentative)

5. **Dividend Payment Date**

Not applicable

6. Listing of Shares on Stock Exchanges

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

Stock Code :

BSE SCRIP CODE NSE SYMBOL
532717 INDOTECH

The ISIN No. is INE332H01014.

7. Status of Listing Fees

The Company has paid Listing Fees for the year 2009-2010 to the National Stock Exchange of India Limited and Bombay Stock Exchange Limited within the stipulated time.

8. Stock Price Data

Month	NSE		BSE	
	High	Low	High	Low
April 2008	608.90	425.10	590.00	465.00
May 2008	552.00	461.70	547.00	460.05
June 2008	480.00	314.40	485.00	315.00
July 2008	380.00	265.00	370.00	264.90
August 2008	419.00	302.20	418.35	300.00
September 2008	468.00	255.00	419.00	232.25
October 2008	295.00	163.55	297.80	160.20
November 2008	261.00	160.55	263.00	168.05
December 2008	304.00	229.15	304.45	239.25
January 2009	319.80	286.55	325.00	286.00
February 2009	310.00	240.30	309.00	286.00
March 2009	302.00	280.00	302.00	282.00

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

9. Registrar and Share 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

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

10. Shareholding Pattern as on 31.03.2009

Category	No. of Shares	Percentage
Promoters and Persons acting in concert	5771625	54.35
Mutual Funds	430659	4.04
Financial Institutions / Banks	1350	0.02
Foreign Institutional Investors	920657	8.66
Private Corporate Bodies	1067247	10.06
Public	2254907	21.23
Foreign Nationals	24	0.01
NRI's	67411	0.63
Clearing Members	103379	0.97
Trust	2741	0.03
Total	10620000	100.00

11. Share Transfer Committee

The Board had earlier constituted a share transfer committee comprising of the following three directors:

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

All the three above-named directors have resigned from the Board and consequently from the Share Transfer Committee.

In accordance with the Listing Agreements with the Stock Exchanges, the Board has authorized Mr. V. Balasubramanian, Company Secretary and Compliance Officer and Mr. M. Subramoney, Vice President (Operations) of the Company, to severally approve share transfers/transmissions/split-up/sub-divide, consolidate or replace any share certificate(s) and also to issue duplicate share certificate(s) in addition to resolving investor complaints received, if any.

12. Shares held in dematerialized form:

Shareholding Summary as on 31st March, 2009.

Category	No. of Holders	Total Shares	% to Equity
Physical	5	252503	2.38
NSDL	12454	9416401	88.67
CDSL	3904	951096	8.95

13. Plant locations:

- 1) Survey No.153-210
Illuppapattu Village
Near Rajakulam
KM.64 Chennai Bangalore Highway
Kancheepuram District
Tamil Nadu
- 2) DP:14-19 SIDCO Industrial Estate,
Thirumazhisai
Chennai 602 107
- 3) DP:36 SIDCO Industrial Estate,
Thirumazhisai
Chennai 602 107
- 4) VII/222, Koyyamarakkad
Kanjikode
Palakkad -678 621

14. Address for Correspondence

Company Secretary
Indo Tech Transformers Limited
DP:36 Sidco Industrial Estate
Thirumazhisai
Chennai 602 107
Phone : 91-44-3028 9830/9833/9836
Email : investor@indo-tech.com

15. Distribution Schedule as on March 31, 2009.

No. of Equity Shares held	No. of Shareholders	% to Shareholders	No. of Shares	% of Shareholding
1 to 5000	15600	95.4012	10282540	9.6822
5001 to 10000	355	2.1710	2856800	2.6900
10001 to 20000	201	1.2292	3013200	2.8373
20001 to 30000	55	0.3480	1366480	1.2870
30001 to 40000	33	0.2018	1160290	1.0926
40001 to 50000	20	0.1223	942930	0.8879
50001 to 100000	27	0.1651	2001540	1.8847
Greater than 100000	47	0.2874	84234770	79.3171
TOTAL	16352	100.0000	106200000	100.0000

16. Market price Indices : High/Low of company's share price vis-à-vis Nifty Index on the National Stock Exchange of India Limited, Mumbai, during the period April 2008 to March 2009 is furnished below:

Period	Share Price		Nifty Index	
	High-Rs.	Low-Rs.	High	Low
April 2008	608.90	425.10	5230.75	4628.75
May 2008	552.00	461.70	5298.85	4801.90
June 2008	480.00	314.40	4908.80	4021.70
July 2008	380.00	265.00	4539.45	3790.20
August 2008	419.00	302.20	4649.85	4201.85
September 2008	468.00	255.00	4558.00	3715.05
October 2008	295.00	163.55	4000.80	2252.75
November 2008	261.00	160.55	3240.55	2502.90
December 2008	304.00	229.15	3110.45	2570.70
January 2009	319.80	286.55	3147.20	2661.65
February 2009	310.00	240.30	2969.75	2677.55
March 2009	302.00	280.00	3123.35	2539.45

Adoption of Non-Mandatory Requirements of Clause 49

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

Whistle Blower Policy:

The Company has a whistle blower mechanism wherein employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor or such other person as may be notified by the management. The confidentiality of those reporting violations shall be maintained and they shall not be subjected to any discriminatory practices.

For and On Behalf of the Board

Place: Chennai
Date : 31st July, 2009

Arun Bhalla
Director

Kishore Jayaraman
Director

ANNEXURE - A

Name of Director	Mr. Jorge Lozano	Mr. Jorge Sepulveda
Date of Birth	03.11.1956	03.04.1965
Date of Appointment	18 th May, 2009	18th May, 2009
Areas of Experience	He has more than 26 years of industry experience and is the President, CEO and Director of Prolec-GE S. DE R.L. DE C.V. located at Nuevo Leon, Mexico.	He has more than 21 years of industry experience and is the Chief Financial Officer of Prolec-GE S. DE R.L. DE C.V. located at Nuevo Leon, Mexico.
Educational Qualifications	B.E., M.B.A.	B.E., M.B.A
Companies in which he holds Directorship	Prolec-GE Internacional S. DE R.L. DE C.V. Nuevo Leon Mexico	None
Membership/ Chairmanship of Board Committees	None	None

ANNEXURE - A (contd.)

Name of Director	Mr. Kishore Jayaraman	Mr. Arun Bhalla
Date of Birth	22.01.1965	23.05.1951
Date of Appointment	18 th May, 2009	22 nd July, 2009
Areas of Experience	He has more than 20 years of industry Experience and is the President and CEO of GE Energy, India Region.	He has more than 34 years of industry Experience and is the Executive Director of PTC India Limited [formerly Power Trading Corporation of India Limited]. He has also been associated with BHEL, Nelco, CGEE-Alstom, Tata Honeywell and Hyundai Unitech Electrical Transmission Limited at various levels of responsibilities in the area of Project Management, Marketing, Business Development and General Management.
Educational Qualifications	M.E., M. B. A.	M.E., PGDM
Companies in which he holds Directorship	None	PTC Energy India Limited Krishna Godavari Power Utilities Limited R. S. India Global Energy Limited
Membership/ Chairmanship of Board Committees	None	Audit Committee – PTC Energy India Limited

ANNEXURE - A (contd.)

Name of Director	Mr. Arun Srivastava	Mr. M. S. Srinivasan
Date of Birth	26.10.1947	21.07.1948
Date of Appointment	22 nd July, 2009	1 st August, 2009
Areas of Experience	He has more than 38 years of industry and has been associated with Essar Power Limited as Managing Director and CEO. Prior to that he was with National Thermal Power Corporation Limited.	He has more than 2 decades of experience at senior levels in various Ministries. He is presently the Chairman of IL&FS Tamil Nadu Power Company Limited and Director of IL&FS Energy Development Company Limited.
Educational Qualifications	B.E. (Mech.)	B.Tech., Master of Public Administration
Companies in which he holds Directorship	None	Chairman - IL&FS Tamil Nadu Power Company Limited. Director – IL&FS Energy Development Company Limited.
Membership/ Chairmanship of Board Committees	None	None

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

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 transformer industry over the last two years has grown at a healthy pace at a CAGR (Compound Annual Growth Rate) of ~25%. Investments in the energy sector are likely to continue with the government targeting an addition of 90,000 MW by 2012. Further, power reforms in the form of R-APDRP (Restructure-Accelerated Power Development & Reforms Programme) and Rural Electrification would result in additional demand for distribution transformers. It is expected that the transformer industry is slated to grow at a CAGR of 15-20% over the next three years.

The Government of India's objective of "Power for all" by 2012 and setting up of Ultra Mega Power Projects by the XIth plan coupled with replacement and exports demand would result in a demand of 160,000 MVA per annum for a period of next five years. However, even with incremental capacities coming into being, the supply is estimated at 154,000 MVA per annum. This will ensure that the demand is likely to match supply thereby limiting the on-going pressure on the realizations.

OPPORTUNITIES, THREATS AND RISKS

The Company is a key player in the transformer industry in South India and has a manufacturing capacity of 7450 MVA to cater to growing demand for transformers in view of the importance given by the Govt. of India to the Power Sector.

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

- * Any discontinuity or delay in power reforms, particularly the distribution reforms would have an adverse impact on the growth as well as the order flows of transformer industry.
- * Current volatility/fluctuations prevailing in the price of key raw materials could have a material impact on the profitability of transformer manufacturers. However, orders from SEBs are more risk averse as the contracts are inbuilt with price escalation clause. But for industrial orders, this will definitely have a material impact.
- * Higher dependence on SEBs to mitigate the slowdown witnessed in the industrial segment may result in delay of cash flows, thereby putting pressure on the debtor days/working capital of the companies.

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, 2009 :

(Rs. in lakhs)

Sources of Revenue	FY2009	FY2008	FY2007
Sale of Transformers	23,730.97	22,794.48	18,793.22
Other Income	426.20	358.46	322.45
Total Revenue	24,157.17	23,152.94	19,115.67

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

3. Expenditure

The following table shows our expenditure for last three fiscals ended March 31, 2009:

(Rs. in lakhs)

Expenditure	FY 2009	FY 2008	FY 2007
Manufacturing Expenses	12,474.24	11,497.59	10,229.60
Employees Remuneration	801.24	679.45	528.20
Administration and other expenses	1,231.32	1,044.25	877.07
Preliminary expenses written off	-	-	-
Interest and finance charges	280.90	137.39	146.79
Depreciation	391.70	174.44	113.78
Total	15,179.40	13,533.12	11,895.44

BUSINESS OVERVIEW AND OUTLOOK

The total demand for transformers (160,000 MVA per annum) would keep pace with supply of transformers which is pegged at 154,000 MVA per annum during the 11th five year plan.

Once the current recessionary phase/slowdown gradually recedes, the demand for transformers is expected to pick up substantially.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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

The Company has an independent Internal Auditor for periodically carrying out audit of the transactions of the Company in order to ensure that recording and reporting are adequate and proper. The Internal Auditors independently evaluate the adequacy of internal controls to ensure that internal controls, checks and balances in the system are adequate, proper and up-to-date. Safeguarding of assets and protection against unauthorized use are also part of these exercise.

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 31.03.2009	Year ended 31.03.2008
Total Revenue	24157.17	23152.95
Operating Profit (EBIDT)	6455.57	6005.86
Profit Before Tax (PBT)	5920.66	5811.62
Profit After Tax (PAT)	3897.08	3901.82

HUMAN RESOURCES

Our employees are our most important assets. 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.

CERTIFICATION BY CHIEF EXECUTIVE OFFICER / CHIEF FINANCIAL OFFICER

We hereby certify that for the financial year ending 31.03.2009, 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 31.03.2009, 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 : 16th May, 2009

P.S. Jagdish
Chief Financial Officer

P. E. Subramaniam
Chief Executive Officer

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 2009, 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.

Attention is invited to the following:

- a) With the demise of Mr. A. P. Muthuswami, an independent Director of the company, the strength of the Board had been reduced to 5 directors, with only two independent directors, resulting in non-adherence of the directions of Clause 49 1A of listing agreement.

However this deficiency was corrected on the appointment of directors under the new management.

- b) With the demise of Mr. A. P. Muthuswami, an independent Director in the Audit Committee, the composition of the Audit Committee has been reduced to two with only one independent director, resulting in non-adherence to directions of the listing agreement **relating to the quorum for the audit committee meeting held on 27th January 2009.**

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company, subject to Para 3 above, has in general complied with the conditions of Corporate Governance as stipulated in the above mentioned clause of the Listing Agreement.

We state that as per the records maintained by the company, no Investor Grievance against the company is pending save as otherwise reported by the company, for a period exceeding one month.

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 : 31st July, 2009

**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.

We confirm that the Company has in respect of the financial year ended 31st March 2009, 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, Vice President and President.

Place : Chennai
Date : 31st July, 2009

For and On Behalf of the Board

Arun Bhalla	Kishore Jayaraman
Director	Director

AUDITOR'S REPORT

TO
THE MEMBERS
INDO TECH TRANSFORMERS LIMITED
CHENNAI

- 01) We have audited the attached Balance Sheet of M/s. INDO TECH TRANSFORMERS LIMITED Chennai, as at 31st March 2009 and also the Profit and Loss Account and the 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 Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.
- 04) Further to our comments in the Annexure referred to above, we report that:
- a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from the examination of the 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 representations received from the Directors and taken on record by the Board of Directors of the Company, we report that none of the directors is disqualified as on 31st March, 2009 from being appointed as a Director in terms of Clause (g) of subsection (1) of Section 274 of Companies Act, 1956.
- 05) Attention is invited to the following:
- i) Note No.06 (Schedule 18.B), regarding non receipt of confirmation from debtors, creditors, loans and advances and deposits. As a result thereof, we have placed reliance on the balances shown in the books of the company. Effect on revenue is not ascertained, pending completion of the reconciliation.
 - ii) Note No.04 (Schedule 18.B) regarding properties not registered in the Company's name.
 - iii) Note No.07 (Schedule 18.B) regarding the JDGFT demand for non compliance of export obligations.
 - iv) The accounts are not signed as required under the provisions of Section 215 of the Companies Act, 1956, by the Managing Director, due to his hospitalization.
- 06) Subject to para (05) above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon, 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;
- a) in the case of the **Balance Sheet**, of the state of affairs of the Company as at 31st March 2009
 - b) in the case of the **Profit and Loss Account**, of the Profit for the company for the year ended on that date and
 - c) 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

G. BALASUBRAMANYAN
Partner
Membership.No. : 7628

Place: Chennai
Date : 16th May, 2009

ANNEXURE TO THE AUDITOR'S REPORT

STATEMENT REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF INDOTECH TRANSFORMERS LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2009.

01. FIXED ASSETS:

- a. The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets. The Company is in the process of updating the fixed Assets register.
- 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 parts of fixed assets have been disposed of 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 are 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 or 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 systems 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 the directives issued by the Reserve Bank of India and the provisions of Section 58A, 58AA 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:

- According to the records produced, the company is generally regular in depositing with appropriate authorities the undisputed applicable statutory dues including Provident Fund, Employee State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess.
- As per the books and records produced to us, there were no undisputed statutory dues outstanding for more than 6 months as at 31st March 2009.
- As per the books and records provided to us along with the explanations and information the following are the statutory dues which have not been deposited on account of dispute

Name of the Statute	Nature of the dues	Amount in Rs.	Forum where dispute is pending
The Custom Act, 1944	Interest & Penalty on excise duty, Financial Year 2005-06	27,27,950	Commissioner (Appeals)
		2,93,918	Commissioner (Appeals)
		1,39,875	CESTAT
The Customs Act, 1962	Customs Duty	14,17,317	CESTAT
The Service Tax Act, 1994	Service Tax, Interest & Penalty on GTA Services	1,59,253	Commissioner (Appeals)
The Central Sales Tax Act, 1956	Demand for the Financial year 1996-97	4,41,618	High Court
The Central Sales Tax Act, 1956	Demand for the Financial year 2000-01	2,23,430	Tribunal Authority
TNGST Act, 1959	Demand for the Financial year 1996-97	15,607	Appellate Assistant Commissioner
The Central Excise Act, 1944	Interest and penalty for the Financial Year 2005-06	94,039	CESTAT
The Central Excise Act, 1944	Interest on delayed payment of duty for removal of inputs for the financial year 2005-06	9,539	CESTAT
The Central Excise Act, 1944	Interest on excise duty for the financial year 2005-06	2,65,149	Commissioner (Appeals)
Income Tax Act, 1961	Demand for the Assessment Year, 2005-06	18,79,032	Commissioner (Appeals)
Income Tax Act, 1961	Demand for the Assessment Year, 2006-07	63,34,963	Commissioner (Appeals)
The Industrial Disputes Act, 1947	Demand for incentive claimed by workers	1,11,812	High Court
Customs Act, 1944	Penalty for 2000-01	293,95,120	JD-GFT, Chennai

10. 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.

11. DUES TO FINANCIAL INSTITUTIONS/BANKS:

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

12. LOANS 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.

13. CHIT FUND COMPANY:

The company is not a Chit fund, Nidhi or mutual benefit fund or Society.

14. TRADING IN SHARES:

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

15. GUARANTEES:

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

16. TERM LOANS – APPLICATION:

In our opinion and according to the information and explanations given to us, the term loans were applied for the purposes for which they were obtained.

17. BORROWED FUNDS-USAGE:

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

18. PREFERENTIAL ALLOTMENT OF SHARES:

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

19. DEBENTURES:

The company has not issued any debentures during the year.

20. PUBLIC ISSUE:

The Company has not made any public issues during the year and hence the question of verification of end use of monies does not arise for the year.

21. 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, except for a misappropriation of funds to the extent of Rs.47,297/- by an employee during the year, out of which Rs.32,465/- has been subsequently recovered from him. A Complaint has been made by the company in this regard to Criminal Investigation Department, Chennai, which is pending.

Place : Chennai
Date : 16th May, 2009

For M/s G.BALU ASSOCIATES
Chartered Accountants
G.BALASUBRAMANYAN
Partner
Membership.No.7628

BALANCE SHEET AS AT 31st MARCH 2009

	Schedules	AS AT 31.03.2009 Rs.	AS AT 31.03.2008 Rs.
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	10,62,00,000	10,62,00,000
Reserves & Surplus	2	135,73,93,195	112,17,84,524
		146,35,93,195	122,79,84,524
Loan Funds			
Secured Loans	3	13,69,53,977	13,50,06,119
Unsecured Loans	4	1,51,25,471	1,65,56,471
Deferred Tax Liability		4,75,31,243	3,59,41,218
		166,32,03,886	141,54,88,332
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	95,00,67,410	92,19,49,676
Less : Depreciation		12,88,82,128	9,06,89,344
Net Block		82,11,85,282	83,12,60,332
Investments	6	48,96,82,846	30,49,26,701
Current Assets, Loans and Advances			
a. Current Assets	7	63,47,37,311	74,97,16,411
b. Loans & Advances		68,90,81,766	49,00,78,112
		132,38,19,077	123,97,94,523
Less : Current Liabilities and Provisions			
a. Current Liabilities	8	37,17,85,207	47,70,13,548
b. Provisions		59,96,98,112	48,34,79,676
		97,14,83,319	96,04,93,224
Net Current Assets(6-7)		35,23,35,758	27,93,01,299
		166,32,03,886	141,54,88,332
Notes to Accounts	18		

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 M/s G.BALU ASSOCIATES
CHARTERED ACCOUNTANTS

G. BALASUBRAMANYAN
PARTNER
Membership No. 7628

V. BALASUBRAMANIAN
COMPANY SECRETARY

P.S. JAGDISH
P.S. SHEKAR
K. KANNAN
P.VELAYUDHAN PILLAI
DIRECTORS

Chennai
16th May, 2009

PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH 2009

	Schedules	Year ended 31.03.2009 Rs.	Year ended 31.03.2008 Rs.
INCOME			
Gross Sales	9	237,30,97,167	227,94,48,241
Less: Levies		30,57,11,182	38,08,17,773
Net Sales		206,73,85,985	189,86,30,468
Other Income	10	4,26,20,077	3,58,46,965
Accretion to Stocks	11	2,90,77,292	3,71,77,759
		<u>213,90,83,354</u>	<u>197,16,55,192</u>
EXPENDITURE			
Raw Materials Consumed	12	124,93,43,794	117,08,89,405
Manufacturing Expenses	13	2,71,56,946	1,60,48,618
Employee Costs	14	8,01,23,727	6,79,45,528
Administrative Expenses	15	3,80,29,327	3,35,08,949
Selling & Other Expenses	16	6,32,03,188	7,04,71,062
Finance Charges	17	2,80,90,194	1,37,39,677
Loss on Sale of Assets		2,14,37,419	4,45,029
Diminution in Value of Investments		4,62,000	-
Depreciation		3,91,70,800	1,74,44,668
		<u>154,70,17,395</u>	<u>139,04,92,936</u>
Profit before taxation		59,20,65,959	58,11,62,256
Less : Provision for taxation			
- Current Year		19,00,00,000	17,40,00,000
- Deferred tax (Asset)/Liability		1,15,90,025	1,62,15,357
- Fringe benefit tax		7,67,650	7,64,037
Profit after taxation		<u>38,97,08,284</u>	<u>39,01,82,862</u>
Less: Income Tax of earlier Years		28,100	3,38,604
Add: Brought forward from Previous Year		59,60,78,722	33,07,83,678
Profit available for appropriation		98,57,58,906	72,06,27,936
Transfer To General Reserve		5,00,00,000	5,00,00,000
Dividend		13,16,91,136	6,37,20,000
Tax on Dividend		2,23,80,377	1,08,29,214
Surplus carried to Balance Sheet		78,16,87,393	59,60,78,722
Weighted Average Number of Equity Shares of Rs.10/- each - outstanding during the year		1,06,20,000	1,06,20,000
Earnings per Share - Basic and Diluted (Rs.)		36.70	36.71

Note to Accounts 18

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

As per our report of even date

For and on behalf of the Board

for **M/s G.BALU ASSOCIATES**
CHARTERED ACCOUNTANTS

G. BALASUBRAMANYAN
PARTNER
Membership No. 7628

V. BALASUBRAMANIAN
COMPANY SECRETARY

P.S. JAGDISH
P.S. SHEKAR
K. KANNAN
P.VELAYUDHAN PILLAI
DIRECTORS

Chennai
16th May, 2009

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31st MARCH 2009

	AS AT 31.03.2009 Rs.	AS AT 31.03.2008 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	37,58,48,190
c. State subsidy received	15,00,000	15,00,000
d. General Reserve	13,91,38,007	8,91,38,007
Add: Transfer from Profit & Loss A/C	5,00,00,000	5,00,00,000
	<u>18,91,38,007</u>	<u>13,91,38,007</u>
e. Surplus in Profit & Loss A/c	78,16,87,393	59,60,78,722
	<u>1,35,73,93,195</u>	<u>112,17,84,524</u>
3 SECURED LOANS		
Term Loan from Bank	13,69,53,977	13,50,06,119
	<u>13,69,53,977</u>	<u>13,50,06,119</u>
4 UNSECURED LOANS		
IFST Loan	1,46,61,571	1,46,61,571
Hire Purchase Loan	4,63,900	18,94,900
	<u>1,51,25,471</u>	<u>1,65,56,471</u>

5. FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION BLOCK			NET BLOCK		
	AS AT 01.04.08 Rs	ADDITIONS Rs	DELETIONS Rs	AS AT 31.03.09 Rs	AS AT 01.04.08 Rs	FOR THE PERIOD Rs	DELETIONS Rs	AS AT 31.03.09 Rs	AS AT 31.03.08 Rs
	Land	18,74,68,740	9,31,767	7,15,29,165	11,68,71,342	—	—	—	11,68,71,342
Buildings	34,34,17,086	2,46,89,518	—	36,81,06,604	1,74,78,675	1,17,71,448	—	2,92,50,123	32,59,38,411
Plant & Machinery	15,33,12,910	34,80,531	—	15,67,93,440	1,20,17,330	1,11,39,515	90,875	2,30,65,970	14,12,95,580
Testing Equipments	4,71,33,006	10,16,901	—	4,81,49,907	78,20,886	34,44,356	2,86,343	1,09,78,899	3,93,12,120
Material Handling Equipments	5,49,20,518	53,479	—	5,49,73,997	53,05,523	39,18,962	2,25,847	89,98,638	4,96,14,995
Tools, Jigs & Fixtures	23,08,681	40,092	—	23,48,773	11,42,537	1,69,452	—	13,11,989	11,66,144
Electrical Fittings & Equipments	3,99,52,236	1,48,19,347	—	5,47,71,583	65,68,081	30,70,233	—	96,38,314	3,33,84,155
Airconditioners & Refrigerators	34,01,632	1,76,098	—	35,77,730	4,13,245	1,67,684	—	5,80,929	29,88,387
Wind Electric Generator	1,94,62,334	—	—	1,94,62,334	1,15,74,724	9,24,461	—	1,24,99,185	78,87,610
Furniture, Fixtures & Fittings	1,97,11,996	8,07,715	—	2,05,19,711	29,52,141	12,29,688	—	41,81,829	1,67,59,855
Office Equipments	98,80,402	60,17,290	2,33,527	1,56,64,165	38,33,377	14,59,160	2,24,399	50,68,138	60,47,025
Vehicles*	2,53,50,752	3,86,102	1,50,552	2,55,86,302	65,82,825	18,75,841	1,50,552	83,08,114	1,87,67,927
Technical Know-how	1,50,00,000	—	—	1,50,00,000	1,50,00,000	—	—	1,50,00,000	—
TOTAL	92,13,20,293	5,24,18,839	7,19,13,244	90,18,25,888	9,06,89,344	3,91,70,800	9,78,016	12,88,82,128	83,06,30,949
Capital Work in Progress	6,29,383	4,82,41,522	6,29,383	4,82,41,522	—	—	—	4,82,41,522	6,29,383
Previous Year	92,19,49,676	10,06,60,361	7,25,42,627	95,00,67,410	9,06,89,344	3,91,70,800	9,78,016	12,88,82,128	83,12,60,332
	45,73,84,512	55,38,42,238	8,92,77,074	92,19,49,676	7,47,76,878	1,74,44,667	15,32,201	83,12,60,332	38,26,07,634

* includes vehicles purchased under hire purchase scheme.

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31st MARCH 2009

	AS AT 31.03.2009 Rs.	AS AT 31.03.2008 Rs.
6 INVESTMENTS -(Non-Trade)		
– Current - un-quoted		
2000999.677 Units Birla Sun Life Liquid Plus Fund of 10.0068 each	2,00,23,604	–
33826569.950 (10957956.55) Units LICMF Savings Plus Fund of Rs. 10.0000 each	33,82,65,700	10,95,79,566
17530.412 (10024.65) Units UTI Treasury Advantage Fund of Rs. 1000.2929 each	1,75,35,547	1,00,26,792
1346720.280 (1347189.54) Units of IDFC floating rate fund of Rs. 10.0150 each	1,34,87,404	1,34,79,305
10032509.165 Units of Fortis Money Plus fund of Rs. 10.0031 each	10,03,56,193	–
– (4069642.87) Units of Principal Liquid Plus Fund of Rs. 10.02 each	–	4,07,77,822
– (19,22,151.64) Units of HDFC Floating Rate Fund of Rs. 10.0809 each	–	1,93,77,018
– (2980323.47) Units of ICIC Prudential Fund of Rs. 10.5735 each	–	3,15,12,450
– (3826162.00) Units of ING Liquid Plus Fund of Rs. 10.0033 each	–	3,82,74,246
– (4140612.53) Units JM Money Manager Plus Fund of Rs. 10.0041 each	–	4,14,23,102
 - 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
Less: Diminution in Value	4,62,000	–
 Market Value Rs. 26,700/- [Rs.81,060/-]	48,96,82,846	30,49,26,701

PURCHASE AND REDEMPTION OF INVESTMENTS DURING THE YEAR ARE AS UNDER:

DESCRIPTION	2008-09				2007-08			
	ACQUISITION		REDEMPTION		ACQUISITION		REDEMPTION	
	NOS	COST (Rs)	NOS	VALUE (Rs)	NOS	COST (Rs)	NOS	VALUE (Rs)
ABN Amro Mutual Fund	-	-	-	-	27,50,000	2,75,00,000	27,89,843	2,78,98,610
Birla Interval Income Monthly Fund	-	-	-	-	20,56,761	2,05,67,613	2,069,551	2,06,95,506
Birla AXA Liquid Fund	20,291	2,02,90,956	20,291	2,02,90,957	-	-	-	-
Birla Sunlife Liquid Plus Fund	60,35,233	6,03,93,373	40,34,234	4,03,69,771	62,74,808	6,50,00,000	63,32,928	6,55,79,450
Can Liquid Fund	50,28,523	5,04,91,402	50,28,523	5,04,91,402	65,73,050	6,60,00,000	57,54,575	6,66,78,888
DWS Insta Cash Plus Fund	40,17,985	4,02,72,023	40,17,985	4,02,72,025	9,70,780	1,00,00,000	10,08,605	1,01,00,873
DBS Chola Mutual Fund	-	-	-	-	19,96,725	2,00,00,000	20,02,327	2,00,56,105
Fortis Money Plus Fund	1,00,32,509	10,03,56,192	-	-	-	-	-	-
HDFC Money Manager Fund	87,442	8,87,697	87,911	8,79,599	-	-	-	-
HDFC Floating Rate Income Fund	1,72,72,381	17,41,21,112	1,91,94,532	19,34,98,162	1,10,11,599	13,50,00,000	1,13,23,961	11,75,11,283
HDFC Liquid Fund	24,47,022	3,00,00,000	24,47,022	3,00,00,000	-	-	-	-
ICICI Prudential Mutual Fund	62,968	6,65,789	30,43,291	3,21,78,239	69,61,144	8,25,00,000	71,52,556	5,26,23,692
ING Liquid Plus Fund	1,44,47,896	14,45,75,011	1,82,74,058	18,28,49,258	1,18,42,825	12,00,00,000	82,97,592	8,31,84,331
JM Money Manager Plus Fund	21,02,108	2,10,32,155	62,42,721	6,24,55,217	44,92,856	4,50,00,000	4,99,795	50,00,000
Kotak Mutual Fund	20,00,400	2,00,99,017	20,00,400	2,00,99,018	-	-	51,22,172	5,11,22,172
Lotus India Mutual Fund	-	-	-	-	20,99,940	3,00,00,000	30,56,788	3,05,72,156
LIC MF Savings Plus Fund	5,72,84,381	57,28,43,806	3,44,15,767	34,41,57,672	1,32,05,709	14,50,00,000	37,50,000	3,75,00,000
Mirae Asset Liquid Fund	60,895	6,09,79,809	60,895	6,09,79,809	-	-	-	-
Principal Liquid Plus Fund	76,34,824	7,65,00,938	1,17,04,467	11,72,78,760	5,49,95,402	55,00,00,000	5,11,85,910	51,25,16,986
Reliance Money Manager Fund	20,51,959	3,50,79,272	20,51,959	3,50,79,272	-	-	-	-
Reliance Liquid Fund	30,144	3,01,78,611	30,144	3,01,78,611	6,54,142	1,00,00,000	10,180	1,01,91,791
SBI Magnum Insta Cash Fund	20,23,569	2,02,45,804	20,23,569	2,02,45,804	-	-	-	-
SBI Mutual Fund	-	-	-	-	10,00,000	1,00,00,000	10,18,119	1,01,81,188
Sundaram BNP Paribas Liquid Fund	30,17,832	3,02,53,761	30,17,832	3,02,53,763	1,29,81,120	13,00,00,000	1,32,64,796	13,28,50,825
Standard Chartered Mutual Fund	-	-	-	-	66,45,930	61,60,30,290	7,49,55,379	77,97,43,621
Tata Floater Fund	24,99,956	2,50,88,555	24,99,956	2,50,88,555	-	-	-	-
Tata Fixed Income Fund	24,90,955	2,50,88,555	24,90,955	2,50,88,555	-	-	-	-
Templeton India TMA Mutual Fund	-	-	-	-	19,995	2,00,00,000	20,03,115	2,00,67,810
UTI Treasury Advantage Fund	1,81,058	18,11,33,789	1,73,521	1,73,625,034	9,809	1,00,00,000	-	-

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31st MARCH 2009

	AS AT 31.03.2009 Rs.		AS AT 31.03.2008 Rs.	
7 CURRENT ASSETS, LOANS & ADVANCES				
a. Current Assets				
Inventories *				
Raw Materials	6,56,74,997		7,45,30,059	
Work in Progress	<u>6,77,78,199</u>	13,34,53,196	<u>3,87,00,907</u>	11,32,30,966
Sundry Debtors				
- Unsecured Considered good				
i. Outstanding over 6 months	6,32,29,967		7,30,78,957	
ii. Others	31,93,49,665		41,18,82,510	
- Unsecured considered doubtful	16,88,027		-	
Less: Provision for Doubtful Debts	<u>-16,88,027</u>	38,25,79,632	<u>-</u>	48,49,61,467
Cash on Hand		4,60,999		4,55,861
Balance with Scheduled Banks				
- In Cash Credit Accounts		3,29,57,618		7,74,11,204
- In Current Accounts		16,99,219		17,48,209
- In Fixed Deposit Accounts		<u>8,35,86,647</u>		<u>7,19,08,704</u>
		<u>63,47,37,311</u>		<u>74,97,16,411</u>
* Certified by Management				
b. Loans & Advances				
Unsecured, considered good				
i. Advances recoverable in cash or in kind or for value to be received				
Advance Income Tax		58,73,78,075		39,41,88,419
Other Advances		9,09,98,419		8,65,20,842
ii. Deposits		<u>1,07,05,272</u>		<u>93,68,851</u>
		<u>68,90,81,766</u>		<u>49,00,78,112</u>
8 CURRENT LIABILITIES & PROVISIONS				
a. Current Liabilities				
Sundry Creditors		20,07,92,406		30,02,44,527
Supply Bills Discounted With Bank		7,66,72,402		-
Other Liabilities		3,15,10,887		5,51,82,503
Due to Directors		1,84,85,712		1,81,14,272
Advances from Customers		2,41,59,909		4,93,12,616
Creditors for Capital goods		1,96,15,618		5,40,05,422
Unclaimed Dividend		5,48,273		1,54,208
		<u>37,17,85,207</u>		<u>47,70,13,548</u>
b. Provisions				
Provision for Taxation		59,65,76,318		40,65,76,318
Provision for Fringe benefit tax		31,21,794		23,54,144
Proposed Dividend (*)		-		6,37,20,000
Tax on Proposed Dividend (*)		-		1,08,29,214
		<u>59,96,98,112</u>		<u>48,34,79,676</u>

(* Interim dividend paid during the year Rs.13,16,91,136 and dividend tax paid during the year Rs.2,23,80,377. As no final dividend has been recommended, no provision has been made)

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2009

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
9 SALES		
Gross Sales	2,34,62,86,043	225,17,70,434
Labour & Other receipts	2,68,11,124	2,76,77,807
	<u>237,30,97,167</u>	227,94,48,241
Less: Levies		
Excise duty	22,69,62,371	29,00,00,140
Sales Tax	7,04,02,239	8,22,86,783
Education Cess	<u>83,46,572</u>	<u>85,30,850</u>
	<u>30,57,11,182</u>	3,80,817,773
	<u>206,73,85,985</u>	<u>189,86,30,468</u>
10 OTHER INCOME		
Income from Power Generation	15,90,632	16,34,202
Interest Receipts	1,23,97,787	80,01,552
Dividend Received From Mutual Funds	2,45,34,172	2,62,11,211
Dividend Received on Shares	3,900	-
Insurance Claims Received	28,72,628	-
Exchange Rate Fluctuation (Net)	12,15,873	-
Misellaneous Income	5,085	-
	<u>4,26,20,077</u>	<u>3,58,46,965</u>
11 ACCRETION/(DECRETION) TO WORK IN PROGRESS & FINISHED GOODS		
Work in Progress :		
a. Closing balance	6,77,78,199	3,87,00,907
b. Opening balance	<u>3,87,00,907</u>	<u>13,13,148</u>
	<u>2,90,77,292</u>	3,73,87,759
Finished Goods :		
a. Closing balance	-	-
b. Opening balance	<u>-</u>	<u>2,10,000</u>
	<u>-</u>	-2,10,000
	<u>2,90,77,292</u>	<u>3,71,77,759</u>
12 RAW MATERIALS CONSUMED		
Opening Stock	7,45,30,059	11,89,14,080
Add: Purchases	124,04,88,732	112,65,05,384
	<u>13,15,018,791</u>	124,54,19,464
Less : Closing Stock	<u>6,56,74,997</u>	7,45,30,059
	<u>124,93,43,794</u>	<u>117,08,89,405</u>

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2009

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
13 MANUFACTURING EXPENSES		
Power & Fuel	1,36,93,430	92,97,422
Contract Labour Payments	63,59,823	–
Factory Expenses	14,09,301	12,00,169
Freight Inward	41,40,764	35,15,367
Rent - Factory Premises	5,40,000	12,96,000
Repairs & Maintenance		
- Plant & Machinery	10,13,628	7,39,660
	<u>2,71,56,946</u>	<u>1,60,48,618</u>
14 EMPLOYEE COSTS (includes Directors Remuneration)		
Salaries, Wages & Benefits	6,90,09,713	5,97,48,652
Company's contribution to Provident Fund and other funds	62,56,368	48,78,860
Staff Welfare Expenses	48,57,646	33,18,016
	<u>8,01,23,727</u>	<u>6,79,45,528</u>
15 ADMINISTRATIVE EXPENSES		
Travelling & Conveyance	63,96,702	86,10,102
Printing & Stationery	11,73,483	11,47,079
Rent - Office	1,28,000	1,68,000
Rates, Taxes & Insurance	78,38,234	45,18,703
Repairs & Maintenance		
- Buildings	1,34,331	19,82,967
- Others	1,10,48,872	75,41,823
Telephone & Postage	30,05,781	20,65,925
Professional Charges	50,31,110	35,28,710
Directors' Sitting Fees	5,60,000	5,00,000
General Expenses	21,73,316	29,48,609
Audit Fees : Statutory	2,97,818	3,03,372
: for tax matters	88,978	1,91,307
: for Other Services	1,52,702	2,352
	<u>3,80,29,327</u>	<u>3,35,08,949</u>
16 SELLING AND OTHER EXPENSES		
Agency Commission	4,13,45,047	4,91,98,252
Contractual Deductions	1,60,03,246	1,78,47,147
Advertisement Expenses	18,75,697	25,85,664
Other expenses	22,91,171	8,39,999
Provision for Doubtful Debts	16,88,027	–
	<u>6,32,03,188</u>	<u>7,04,71,062</u>
17 FINANCE CHARGES		
On Fixed loans	1,43,20,317	19,79,261
Others	1,37,69,877	1,17,60,416
	<u>2,80,90,194</u>	<u>1,37,39,677</u>

18. NOTES TO ACCOUNTS

A) 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.

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. Revenue Recognition

Sale of goods is recognized at the point of dispatch to the customers. Gross Sales are accounted inclusive of excise duty and sales tax.

g. Expenses

All expenses booked on accrual basis. Any deduction by customers on account of contractual deductions is worked out in each year and debited to Profit & Loss A/c.

h. 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 actuarial basis.

i. Foreign Currency Transactions

Transactions in Foreign Currency are recorded at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currency are translated at the rate of exchange at the balance sheet date and resultant gain or loss is recognized in the profit and loss account.

Non monetary assets and liabilities are translated at the rate prevailing on the date of transaction.

Gain or loss on forward exchange contract is computed by multiplying the foreign currency amount of the forward exchange contract by the difference between the forward exchange rate available at the reporting date for the remaining maturity of the contract and the contracted forwarded rate (or the forward rate last used to measure a gain or loss that contract for an earlier period), is recognized in the profit and loss account of the period/year.

Gain/Loss on settlement of transaction arising on cancellation or renewal of a forward exchange contract is recognized as income or as expense of the period/year.

j. Income Tax

Provision for Current Income tax is made on the assessable income at the tax rate applicable to the relevant assessment year.

Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Fringe Benefit Tax (FBT) has been provided in accordance with provisions of the Income Tax Act.

k. Cash Flow Statements

Indirect Method was used to draw the cash flow statement.

B) Notes to Accounts

01) Secured Loans

- a) Term Loan from Standard Chartered Bank is secured by first and exclusive charge on Plant & Machinery, Buildings and 9.16 acres Land at Kancheepuram.
- b) 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 paripassu charge on Land, Factory Buildings and Plant & Machinery of the Company and further secured by second charge on paripassu basis on Plant & Machinery, Buildings and 9.16 acres Land at Kancheepuram.

Subject to the above, the Working Capital facilities from The Honkong and Shanghai Bank Corporation Limited are secured by paripassu charge with other banks on all movable fixed assets, immovable fixed assets & current assets.

02) Interest free sales tax deferment loan shown under Unsecured loans is repayable in instalments upto September 2012.

03) Funds received in the Public Issue in an earlier year has been fully utilized before 31st March 2008.

04) Fixed Assets:

- a) The Company is in the process of getting registered in Company's name, the land (to the extent of 0.132 acres) at Thirumazhisai which was earlier under lease.
- b) The Company is in the process of getting the sale documents for its Registered/Corporate Office property at DP-36, SIDCO Industrial Estate, Thirumazhisai.
- c) In respect of Land and Factory building at NIDA, Kanjikode, the General Manager, District Industries Centre, Palakkad had passed orders resuming the allotment to the company. Pending determination of compensation, no provision has been made in the accounts against the book value of the property at Rs.27,89,583.
- d) The Lease period for the erstwhile Saidapet factory has expired. The structures and certain machineries, valuing at Rs.38,99,197/-, lying at that place is under consideration for disposal.

05) Contractual Deductions/Liquidated Damages:

- a) Liquidated damages/Penalties, if any, are provided whenever there is a claim from the customer and when the same is accepted by the company.
- b) Contractual deductions during the year includes a sum of Rs.7,99,925 (Rs.Nil) due from private parties written off during the year as bad debts.

06) Confirmation of balances:

- a) Confirmations have not been received from the parties for the year end balance of debtors, advances and deposits. As such balances in the accounts of Sundry Debtors, Advances and Deposits are taken as appearing in the books of accounts and are subject to confirmation and reconciliation, if any. 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.
- b) A sum of Rs.49,34,153/- is due from Mobile Source Inc., a foreign customer, is said to be adjusted by them against amounts due by the company as reimbursement for expenses on rectification of company's products, outside India. However the company has disputed the claim. Pending settlement of the claim, no provision has been made in the accounts.
- c) Confirmations have not been received from the parties for the year end balance of Creditors. As such balances in the accounts of Creditors, are taken as appearing in the books of accounts and are subject to confirmation and reconciliation, if any.

d) 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.

07) Export Obligations - Penalty:

A demand for a sum of Rs.293,95,120/- was raised in the earlier year, on the Company by JDGFT, Chennai, as penalty for non compliance of certain export obligations. The Company has made a provision in the books a sum of Rs.75,00,000/- (including the provision of Rs.49,84,756/- made in this year's accounts). Any liability in excess of the provision made has been undertaken to be met by the Promoters Group as per the Share Purchase Agreement, and hence no further provision is considered necessary.

08) Contract labour payment under manufacturing cost represent the expenditure incurred during the year at the new factory at Kancheepuram.

09) Exchange Rate Fluctuations (Net) shown under Other Income, represents-

	2008-09	2007-08
Exchange rate fluctuation Gains	52,67,258	NIL
Exchange rate fluctuation Losses	40,51,385	NIL
	<u>12,15,873</u>	<u>NIL</u>

10) Fixed deposits in Banks include Rs. 8,35,86,647/- (Rs.6,49,23,900/-) lien marked towards margin for the guarantees and letter of credit issued by the Banks.

11) Estimated amount of contracts remaining to be executed on capital accounts not provided for is Rs. Nil. (252.96 Lakhs)

12) Un-expired portion of lease rent for the assets taken on lease amounts to Rs. Nil (Rs.3,78,000).

13) Managerial Remuneration

Particulars	AS AT 31.03.2009 Rs.	AS AT 31.03.2008 Rs
Salary	31,60,000	31,60,000
Perquisites	7,90,709	9,27,525
Commission	1,84,85,712	1,81,14,272
	<u>2,24,36,421</u>	<u>2,22,01,797</u>

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

	Rs.	Rs.
Profit after Tax	38,97,08,284	39,01,82,862
Add: Provision for Taxation	19,00,00,000	17,40,00,000
Provsion for Doubtful debts	16,88,027	-
Deferred Tax liability	1,15,90,025	1,62,15,357
Fringe Benefit Tax	7,67,650	7,64,037
Managerial Remuneration	2,24,36,421	2,22,01,797
Loss on Sale of Assets	-	4,45,029
Profit on which commission is payable	61,61,90,407	60,38,09,082
Commission @ 1% each to Managing and Whole time Directors.	1,84,85,712	1,81,14,272

14) Employee benefits:**Defined contribution plan:**

Contribution to defined contribution plans are charged in the Profit & loss Account for the year :

	As at	As at
	31.03.09	31.03.08
	Rs.	Rs.
Employer's Contribution to PF and other Funds	62,56,368	48,78,860

Defined Benefit Plan :

The employees Gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using Projected Unit Credit method which recognizes each period of service as giving raise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity.

Disclosures for defined benefit plans based on actuarial reports as on 31st March 2009.

	Description	Funded Gratuity (Rs.)	Non-funded Leave encashment (Rs.)
(i)	Change in defined benefit obligation		
	Opening defined benefit obligation	64,99,554	7,60,313
	Current service cost	5,17,256	1,14,650
	Interest Cost	5,19,964	53,797
	Actuarial Loss/(Gain)	11,83,621	39,818
	Benefits Paid	7,34,535	87,631
	Closing defined benefit obligation	79,85,860	8,80,947
(ii)	Change in fair value of assets		
	Opening fair value of plan assets	70,45,981	
	Expected return on plan assets	6,16,365	
	Actuarial Loss/(Gain)	-	
	Contributions by employer	15,52,238	
	Benefits paid	7,34,535	
	Closing fair value of plan assets	84,80,049	
(iii)	Amount recognized in the Balance Sheet		
	Present value of obligations as at year end	79,85,860	8,80,947
	Fair value of plan assets as at year end	84,80,049	
	Amount not recognized as an assets		
	Net (asset)/liability recognized as on 31.03.09	4,94,189	
(iv)	Expenses recognized in the Profit and Loss Account		
	Current service cost	5,17,256	1,14,650
	Interest on defined benefit obligation	5,19,964	
	Expected return on plan assets	(616,365)	
	Net actuarial loss/(gain) recognized in the current year	11,83,621	
(v)	Principal actuarial assumptions used		
	Discount rate (p.a)	7.5% - 8%	
	Expected rate of return on plan assets (p.a)	8%	
	Salary Escalation	5% - 6%	
	Attrition rate	1% - 3%	

15) Quantitative Information

	As at 31 st March, 2009		As at 31 st March, 2008	
a. Capacities & Production				
i) Licensed Capacity	N.A.		N.A.	
ii) Installed Capacity (Assorted sizes)	74,50,000 KVA per annum (7450 MVA)		74,50,000 KVA per annum (7450 MVA)	
iii) Actual Production	31,01,388 KVA (663 Nos)*		27,83,900 KVA (1325 Nos)*	
	Qty	Value (Rs.)	Qty	Value (Rs.)
b. Details of Closing Stock of Finished Goods	-	-	-	-
Opening Stock of Finished Goods	-	-	1 No.	2,10,000
c. Net Sales	663 (Nos.)	206,73,85,985	1325 (Nos.)	189,86,30,468
d. Details of Raw Materials consumed				
i) Ferrous Materials	34,03,435 (Kgs)	54,02,57,004	33,42,782 (Kgs)	50,14,95,803
ii) Non – Ferrous Materials	9,70,319 (Kgs)	30,81,04,322	10,61,697 (Kgs)	35,74,13,904
iii) Transformer Oil	23,75,104 (Ltrs.)	12,07,34,138	24,67,137 (Ltrs.)	8,12,78,687
iv) Others	-	28,02,48,330	-	23,07,01,011
		124,93,43,794		117,08,89,405

* Though there is a decrease in Production in quantity of transformers compared to last year, the value of sales has gone up on account of manufacture of high capacity/range of transformers.

	AS AT 31.03.2009 Rs.	AS AT 31.03.2008 Rs.
16) Value of Imports on CIF Basis		
Raw Materials	3,72,04,262	2,88,29,585
Capital goods	5,08,83,330	2,85,90,275
17) Earnings in foreign exchange		
FOB Value of exports	16,90,97,937	-
18) Expenditure in Foreign Currency		
Commission payments	64,32,240	-
Royalty payments	32,000	-
Foreign Travel	9,02,975	12,31,816
Spares for Machinery	-	3,14,882
19) Value and Percentage of Consumption of Imported and Indigenous Raw Materials and Components		
(a) Value of Imported and Indigenous Raw materials consumed		
Imported	5,45,33,625	62,68,096
Indigenous	119,48,10,169	116,46,21,309
	<u>124,93,43,794</u>	<u>117,08,89,405</u>
(b) Percentage of total consumption (%)		
Imported	4.36	0.54
Indigenous	95.64	99.46

20) The Company does not have any reportable segments as required to be disclosed.

21) As required by the standard, the computations of basic and diluted EPS are as follows:-

Details	Unit	2008-09	2007-08
a. Amount used as Numerator is Profit after Taxation	Rs.	38,97,08,284	38,98,44,258
b. Weighted Average number of Equity Shares used as the denominator	Nos	1,06,20,000	1,06,20,000
c. Nominal Value of Shares	Rs.	10	10
d. Earnings per Share (Basic/diluted)	In Rupees	36.70	36.71

22) Contingent liabilities not provided in respect of :-

S.No	Particulars	AS AT 31.03.2009 Rs.	AS AT 31.03.2008 Rs.
1.	Bank Guarantees issued	37,18,32,220	42,69,74,699
2.	Disputed Interest & Penalty on excise duty against which appeal is pending with Appellate Authority Financial Year 2005-06	35,30,470	31,61,743
3.	Disputed Demand of Service Tax, Interest & Penalty on GTA services against which appeal is pending with Appellate Authority Financial Year 2006-07	1,59,253	1,59,253
4.	Disputed Customs Duty case against which appeal is pending with Appellate Authority Financial Year 2005-06	14,17,317	14,17,317
5.	Disputed Sales Tax (TNGST/CST) demands against which appeal is pending against various authorities, for 1996-97/2000-01/2001-02	6,80,655	11,67,247
6.	Disputed Income Tax case against which appeal is pending with Commissioner Appeals Assessment year 2005-06	18,79,032	–
7.	Disputed Income Tax case against which appeal is pending with Commissioner Appeals Assessment year 2006-07	63,34,963	–
8.	Labour case pending in the court	1,11,812	1,11,812
9.	Penalty levied by JDGFT, Chennai*	218,95,120	268,79,876

(* Refer Note No.07)

23) Related party disclosures

As identified by the company and relied upon by the Auditors, the related parties are as follows:-

Name of the related party	Relationship
Key Management Personnel	
Mr. P.E. Subramaniam	Chairman & Managing Director
Mr. P.S. Jagdish	Executive Director
Mr. P.S. Shekar	Director – Operations

Associate Companies/Firm

Sivasakthi Engineering and Fabricators

Description of amounts with respect to related parties:

Nature of Transactions		As on 31.03.2009		As on 31.03.2008	
		Associate Companies and Firm	Key management Personnel	Associate Companies and Firm	Key management Personnel
1	Rent paid	14,000	6,24,000	24,000	14,40,000
2	Managerial remuneration	–	2,24,36,421	–	2,22,01,797
3	Interest Received	–	3,74,654*	–	–
4	Commission payable to Directors as on 31.03.2009	–	1,84,85,712	–	1,81,14,272

* represents interest on amounts repaid by the Whole time Directors on account of the commission paid interim.

24) Deferred tax liability represents timing difference on the account of depreciation difference.

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
Deferred tax liability:		
Depreciation difference	4,75,31,243	3,59,41,218
Deferred tax asset	–	–
	<u>4,75,31,243</u>	<u>3,59,41,218</u>

25) Sundry Creditors:

Micro, Small and Medium Enterprises under the Micro, Small & Medium Enterprises Development (MSMED) Act 2006. Based on the information available with the company there was no creditors as on 31st March 2009 who had registered under MSMED Act.

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

27) Previous year's figures have been regrouped wherever necessary to conform to current year's classification.

As per our report of even date

For and on behalf of the Board

for M/s G.BALU ASSOCIATES
CHARTERED ACCOUNTANTS

G. BALASUBRAMANYAN
PARTNER
Membership No. 7628

V. BALASUBRAMANIAN
COMPANY SECRETARY

P.S. JAGDISH
P.S. SHEKAR
K. KANNAN
P.VELAYUDHAN PILLAI
DIRECTORS

Chennai
16th May, 2009

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2009

	AS AT 31.03.2009 Rs.	AS AT 31.03.2008 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before Tax and Extraordinary Items	58,91,93,331	58,11,62,256
Adjustments for :		
Depreciation	3,91,70,800	1,74,44,668
Loss on Sale of Assets	2,14,37,419	-
Loss on Investments	4,62,000	-
Interest Income	-1,23,97,787	-80,01,552
Dividend received	-2,45,38,072	-2,62,11,211
Interest expenses	2,80,90,194	1,37,39,677
Exchange rate Fluctuation (Gain)	-12,15,873	-
	5,10,08,681	-30,28,418
Operating Profit before Working Capital Changes	64,02,02,012	57,81,33,838
Adjusted for :		
Trade & Other Receivables	10,23,81,835	-5,88,38,836
Inventories	-2,02,22,230	72,06,262
Loans & Advances	-58,13,998	-5,83,98,401
Trade & Other Payables	-10,52,28,341	2,50,66,437
	-2,88,82,734	-8,49,64,538
Cash generated from Operations	61,13,19,278	49,31,69,300
Income Tax Paid	-19,61,59,283	-18,22,29,589
Add: Income Tax Refund	29,41,527	-
Add: Extraordinary Item (Insurance Claim received)	28,72,628	-
	28,72,628	-
Net Cash Flow from Operations	42,09,74,150	31,09,39,711
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	-10,00,30,978	-46,73,58,814
Sale of Fixed Assets	4,94,97,809	8,34,734
Purchase of Investments	-172,05,77,628	-30,44,50,301
Sale of Investments	153,53,59,483	21,97,16,475
Interest Income	1,23,97,787	80,01,552
Dividend received	2,45,38,072	2,62,11,211
	-19,88,15,455	-51,70,45,143
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Procurement of Term Loan	5,87,67,474	9,00,06,119
Repayment of Term Loan	-5,68,19,616	-
Exchange rate Fluctuation (Gain)	12,15,873	-
Other Loans	-14,31,000	-31,23,852
Interest Paid	-2,80,90,194	-1,37,39,677
Dividend Paid	-22,86,20,727	-5,59,11,911
	-25,49,78,190	1,72,30,679
D. Net Increase/(Decrease) in Cash & Cash Equivalents:	-3,28,19,495	-18,88,74,753
Opening Balance of Cash and Cash equivalents	15,15,23,978	34,02,44,523
Closing Balance of Cash and Cash equivalents	11,87,04,483	15,13,69,770

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 and on behalf of the Board

for M/s G.BALU ASSOCIATES
CHARTERED ACCOUNTANTS

G. BALASUBRAMANYAN
PARTNER
Membership No. 7628

V. BALASUBRAMANIAN
COMPANY SECRETARY

P.S. JAGDISH
P.S. SHEKAR
K. KANNAN
P.VELAYUDHAN PILLAI
DIRECTORS

Chennai
16th May, 2009

Balance Sheet Abstract and Company's General Business Profile
Information as required under Part IV of the Schedule VI of the Companies Act, 1956.

I. Registration details

Registration No.	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value="2"/>	<input type="text" value="2"/>	<input type="text" value="0"/>	<input type="text" value="1"/>	<input type="text" value="1"/>	State Code	<input type="text" value="1"/>	<input type="text" value="8"/>
Balance Sheet Date	<input type="text" value="3"/>	<input type="text" value="1"/>	<input type="text" value="0"/>	<input type="text" value="3"/>	<input type="text" value="2"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	<input type="text" value="9"/>		

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

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

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

Total Liabilities	<input type="text" value="1"/>	<input type="text" value="6"/>	<input type="text" value="6"/>	<input type="text" value="3"/>	<input type="text" value="2"/>	<input type="text" value="0"/>	<input type="text" value="4"/>	Total Assets	<input type="text" value="1"/>	<input type="text" value="6"/>	<input type="text" value="6"/>	<input type="text" value="3"/>	<input type="text" value="2"/>	<input type="text" value="0"/>	<input type="text" value="4"/>
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Sources of Funds

Paid-up Capital	<input type="text" value=""/>	<input type="text" value="1"/>	<input type="text" value="0"/>	<input type="text" value="6"/>	<input type="text" value="2"/>	<input type="text" value="0"/>	<input type="text" value="0"/>	Reserves and Surplus	<input type="text" value="1"/>	<input type="text" value="3"/>	<input type="text" value="5"/>	<input type="text" value="7"/>	<input type="text" value="3"/>	<input type="text" value="9"/>	<input type="text" value="3"/>
Secured Loans	<input type="text" value=""/>	<input type="text" value="1"/>	<input type="text" value="3"/>	<input type="text" value="6"/>	<input type="text" value="9"/>	<input type="text" value="5"/>	<input type="text" value="4"/>	Unsecured Loans	<input type="text" value=""/>	<input type="text" value="1"/>	<input type="text" value="5"/>	<input type="text" value="1"/>	<input type="text" value="2"/>	<input type="text" value="5"/>	
Deferred Tax Liability	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value="4"/>	<input type="text" value="7"/>	<input type="text" value="5"/>	<input type="text" value="3"/>	<input type="text" value="1"/>								

Application of Funds

Net Fixed Assets	<input type="text" value=""/>	<input type="text" value="8"/>	<input type="text" value="2"/>	<input type="text" value="1"/>	<input type="text" value="1"/>	<input type="text" value="8"/>	<input type="text" value="5"/>	Investments	<input type="text" value=""/>	<input type="text" value="4"/>	<input type="text" value="8"/>	<input type="text" value="9"/>	<input type="text" value="6"/>	<input type="text" value="8"/>	<input type="text" value="3"/>
Net Current Assets	<input type="text" value=""/>	<input type="text" value="3"/>	<input type="text" value="5"/>	<input type="text" value="2"/>	<input type="text" value="3"/>	<input type="text" value="3"/>	<input type="text" value="6"/>	Miscellaneous Expenditure	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value="-"/>	<input type="text" value="-"/>	<input type="text" value="-"/>	
Accumulated Losses	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value="-"/>	<input type="text" value="-"/>	<input type="text" value="-"/>									

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

Turnover (Gross)	<input type="text" value="2"/>	<input type="text" value="3"/>	<input type="text" value="7"/>	<input type="text" value="3"/>	<input type="text" value="0"/>	<input type="text" value="9"/>	<input type="text" value="7"/>	Total Expenditure	<input type="text" value="1"/>	<input type="text" value="5"/>	<input type="text" value="4"/>	<input type="text" value="7"/>	<input type="text" value="0"/>	<input type="text" value="1"/>	<input type="text" value="7"/>
Profit / Loss Before Tax (+/-) +	<input type="text" value=""/>	<input type="text" value="5"/>	<input type="text" value="9"/>	<input type="text" value="2"/>	<input type="text" value="0"/>	<input type="text" value="6"/>	<input type="text" value="6"/>	Profit / Loss After Tax (+/-) +	<input type="text" value=""/>	<input type="text" value="3"/>	<input type="text" value="8"/>	<input type="text" value="9"/>	<input type="text" value="7"/>	<input type="text" value="0"/>	<input type="text" value="8"/>
Earnings per Share (Rs.P)	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value="3"/>	<input type="text" value="6"/>	<input type="text" value="."/>	<input type="text" value="7"/>	<input type="text" value="0"/>	Dividend Rate %	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value="1"/>	<input type="text" value="2"/>	<input type="text" value="4"/>		

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

Item Code No. (ITC Code)	Product Description
<input type="text" value="-"/>	<input type="text" value="Power & Distribution Transformers"/>
<input type="text" value="-"/>	<input type="text" value="Furnace & Other Special Transformers"/>
<input type="text" value="-"/>	<input type="text" value="Amorphous Metal Core Distribution Transformers"/>
<input type="text" value="-"/>	<input type="text" value="Fail Safe Distribution Transformers & Rural Area Distribution Automation & Control Systems."/>

* Generic codes are not allotted to the products manufactured.

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INDO TECH TRANSFORMERS LIMITED

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

PROXY

No. of Shares held :

Regd. Folio No. :
(if not Dematerialised)

DP ID No. :
(if Dematerialised)

Client ID No. :
(if Dematerialised)

I/We _____ of _____
_____ being a Member / Members of Indo Tech Transformers Limited,
hereby appoint _____ of _____
_____ or failing him / her
_____ of _____
_____ or failing him / her _____ of
_____ as my / our Proxy

to vote for me / us and on my/our behalf at the 17th Annual General Meeting of the Company to be held on Friday, the 4th September, 2009 at 12.00 Noon at Pleasant Days (Resort), Chennai-Bangalore Trunk Road, Palanjur, Sembarambakkam, Chennai 602 103, and at any adjournment thereof.

Signed this _____ day of _____ 2009

Please
affix
Revenue
Stamp

Signature

Note: An instrument appointing a Proxy shall be deposited at the Registered Office of the Company not less than forty-eight hours before the time for holding the meeting. A proxy need not be a member of the Company.

INDO TECH TRANSFORMERS LIMITED

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

ATTENDANCE SLIP-CUM-ENTRY PASS

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

Name and address of the Shareholder : _____

No. of Shares held :

Regd. Folio No. :
(if not Dematerialised)

DP ID No. :
(if Dematerialised)

Client ID No. :
(if Dematerialised)

I hereby record my presence at the 17th Annual General Meeting of the Company held on Friday, the 4th September, 2009 at 12.00 Noon at Pleasant Days (Resort), Chennai-Bangalore Trunk Road, Palanjur, Sembarambakkam, Chennai 602 103.

* Strike out whichever is not applicable.

