

INDO TECH TRANSFORMERS LIMITED

September 24, 2020

Department of Corporate Services
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 001
Scrip Code: 532717

Listing Department
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1, G Block,
Bandra Kurla Complex, Bandra (E),
Mumbai – 400 051
Symbol: INDOTECH

Sub: - Submission of Annual Report for 2019-20

Dear Sir / Madam,

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Annual Report of the Company for the financial year 2019-20 along with the Notice convening the 28th Annual General Meeting, which is being circulated to the shareholders through electronic mode.

We request you to take the same on record and acknowledge.

Yours faithfully,

For Indo Tech Transformers Limited



Sathyamoorthy A
Company Secretary & Compliance Officer

INDO TECH TRANSFORMERS LIMITED

A Subsidiary of Shirdi Sai Electricals Limited (A PROLEC Partner)

CIN : L29113TN1992PLC022011

Regd. Off. : S.No. 153 - 210, Illuppapattu Village, Near Rajakulam
Chennai - Bangalore Highway, Kancheepuram - 631 561.

Tele/Fax : +91 (0) 44 3729 0518

Email : info@prolec-geindia.com

www.prolecge.in



INDO TECH TRANSFORMERS LIMITED



Annual Report 2019-2020

Annual General Meeting on Friday,
October 16, 2020 through
Video Conferencing (“VC”) /
Other Audio Visual Means (“OAVM”)
at 10. 30 A.M (IST).

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COMPANY INFORMATION

Board of Directors

Ricardo Suarez Garza,
Non-Executive Director – Chairperson
(Resigned w.e.f. September 03, 2020)

N Visweswara Reddy
Non-Executive Director – Chairperson
(Appointed w.e.f. September 03, 2020)

Gunjan Bhartia, Non-Executive Director
(Resigned w.e.f. June 24, 2020)

Shridhar Gokhale
Whole-Time Director

M. S. Srinivasan, Independent Director
(Resigned w.e.f. August 07, 2020)

Ajay Kumar Dhagat, Independent Director
(Appointed w.e.f. August 13, 2020)

P. V. Krishna, Independent Director
(Retired w.e.f. August 13, 2020)

Sutanu Behuria, Independent Director
(Appointed w.e.f. August 19, 2020)

Tabassum M Wajid, Independent Director
(Retired w.e.f. August 13, 2020)

Sharat Chandra Kolla, Non-Executive Director
(Appointed w.e.f. September 03, 2020)

Chief Financial Officer

Saikrishnan C.P.

Company Secretary & Compliance Officer

Sathyamoorthy A

Statutory Auditors

B S R & Co. LLP, Chartered Accountants
KRM Tower, 1st & 2nd Floor, No 1, Harrington Road,
Chetpet, Chennai-600 031, India
Telephone : +91 44 39145000
Fax : +91 44 39145999

Secretarial Auditors

J B BHAVE & Co, Company Secretaries
7/ 9, Karan Aniket, Level 4 & 5
Plot No. 37, Shri Varanasi Society, Behind Atul Nagar,
Off Mumbai-Bangalore By-pass, Warje, Pune 411 058

Internal Auditors

G Balu Associates LLP, Chartered Accountants
Jammi Building, No. 123,
Royapettah High Road,
Mylapore, Chennai - 600 004

Cost Auditors

M J Gopalakrishnan, Cost Accountants
Flat #1, 261 "Z" Block, 6th Street
V Avenue, Anna Nagar Chennai 600 040

Registrar and Transfer Agents

Link Intime India Private Limited
C-101,247 Park, L B S Marg,
Vikhroli West, Mumbai-400 083
Telephone : 022-49186270
Fax : 022-49186060
Email : rnt.helpdesk@linkintime.co.in

Bankers

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

Registered Office & Factory

Survey No.153-210, Illuppapattu Village,
Near Rajakulam, KM-64, Kancheepuram (Dist.),
Tamil Nadu-631 561

NOTICE

NOTICE is hereby given that the **28TH Annual General Meeting ('AGM')** of the Members of Indo-Tech Transformers Limited will be held on Friday, October 16, 2020 at 10.30 A.M. Indian Standard Time ("IST") through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:-

ORDINARY BUSINESS:

- (1) To receive, consider and adopt the Audited Financial statements for the financial year ended March 31, 2020 and the Reports of the Directors and Auditors thereon.
- (2) To appoint M/s ASA & Associates LLP, Chartered Accountants, as Statutory Auditors of the company and to authorize the Board of Directors to fix their remuneration.

RESOLVED that M/s. ASA & Associates LLP, Chartered Accountants (Firm Registration No. 009571N/N500006), Unit 709 & 710, 7th Floor, BETA Wing, Raheja Towers, New Number 177, Anna Salai, Chennai – 600002, be and hereby appointed as statutory auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting to be held in the calendar year 2025, at a remuneration and reimbursement of out of pocket expenses to be decided by the Board of Directors, as they may deem fit.

SPECIAL BUSINESS:

- (3) **Appointment of Mr. Ajay Kumar Dhagat (DIN: 00250792) as Independent Director**

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

RESOLVED that pursuant to the provisions of Sections 149, 152 and such other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s), amendment(s), variation(s) or re-enactment thereof for the time being in force) after taking into consideration of declarations that he is eligible for appointment and that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 and further proposing himself as a candidate for the office of Director, based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors under Section 160 of the Act, Mr. Ajay Kumar Dhagat (DIN : 00250792), who was appointed by the Board of Directors, as an Additional Director of the Company with effect from August 13, 2020 pursuant to Section 161 of the Act and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, being eligible, offers himself for appointment, be and is hereby appointed as Independent Director of the Company for a period of five years from the date of this Annual General Meeting, not liable to retire by rotation.

- (4) **Appointment of Dr. Sutanu Behuria (DIN: 00051668) as Independent Director**

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

RESOLVED that pursuant to the provisions of Sections 149, 152 and such other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s), amendment(s), variation(s) or re-enactment thereof for the time being in force) after taking into consideration of declarations that he is eligible for appointment and that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 and further proposing himself as a candidate for the office of Director, based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors under Section 160 of the Act, Dr. Sutanu Behuria (DIN : 00051668), who was appointed by the Board of Directors, as an Additional Director of the Company with effect from August 19, 2020 pursuant to Section 161 of the Act and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting of the Company, being eligible, offers himself for appointment, be and is hereby appointed as Independent Director of the Company for a period of five years from the date of this Annual General Meeting, not liable to retire by rotation.

- (5) **Appointment of Mr. N. Visweswara Reddy (DIN: 02996298) as Director**

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

RESOLVED that pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 ("the Act") read with The Companies (Appointment and Qualifications of Directors) Rules, 2014 ("the Rules"), including any statutory modification(s) or re-enactment(s) thereof for the time being in force, Mr. N. Visweswara Reddy (DIN: 02996298), who was appointed by the Board of Directors, as an Additional Director of the Company with effect from September 03, 2020 pursuant to Section 161 of the Act and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, who being eligible, offers himself for appointment, be and is hereby appointed as a Director of the Company and liable to retire by rotation.

- (6) **Appointment of Mr. Sharat Chandra Kolla (DIN: 08851423) as Director**

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

RESOLVED that pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act,

2013 (“the Act”) read with The Companies (Appointment and Qualifications of Directors) Rules, 2014 (“the Rules”), including any statutory modification(s) or re-enactment(s) thereof for the time being in force, Mr. Sharat Chandra Kolla (DIN: 08851423), who was appointed by the Board of Directors, as an Additional Director of the Company with effect from September 03, 2020 pursuant to Section 161 of the Act and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, who being eligible, offers himself for appointment, be and is hereby appointed as a Director of the Company and liable to retire by rotation.

(7) Approval of Related Party Transaction

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

RESOLVED that pursuant to provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with applicable Rules under Companies (Meetings of Board and its Powers) Rules, 2014 and in terms of applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies (Indian Accounting Standards) Rules, 2015 (including any amendment, modification or re-enactment thereof), consent of the members of the Company be and are hereby accorded for entering into the Contracts/Arrangement/Transactions with the Related Parties of the Company during the financial year 2020-21, up to the maximum amounts as appended in table below:

S. No	Name of the related party	Relationship	Maximum value of transaction to be entered during FY 2020-21
1	Shirdi Sai Electricals Limited	Holding Company	Rs 100 Crores
2	Prolec-GE Internacional S. de R L. de. C. V	Promoter	Rs 20 Crores
3	All General Electric group entities which are related party to the Company.	Associate(s)	Rs 50 Crores
4	Any other person/entity which is a Related Party		

RESOLVED FURTHER that the Board of Directors be and are hereby authorised to undertake all such acts, deeds, matters and things to finalise and execute all such deeds,

documents and writings as may be deemed necessary, proper, desirable and expedient in its absolute discretion, to enable this resolution, and to settle any question, difficulty or doubt that may arise in this regard.

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

(8) Ratification of the Remuneration of the Cost Auditor

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

RESOLVED that pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the consent of the members of the Company be and is hereby accorded to ratify the remuneration decided by the Board of Directors, based on the recommendation of the Audit Committee, of Rs. 2,00,000/- (Rupees Two Lakhs Only) plus Tax at the applicable rates and reimbursement of out of pocket expenses to Mr. M J Gopalakrishnan, Cost Accountant, who has been appointed by the Board of Directors of the Company, for conducting the audit of the cost records of the Company for the financial year ending on March 31, 2021.

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

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

By order of the Board of Directors
for Indo-Tech Transformers Limited

Place : Kancheepuram
Date : September 15, 2020

Sathyamoorthy A
Company Secretary

Notes:

- (1) A statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts with respect to the special business set out in the Notice is annexed.
- (2) The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment at this AGM forms part of the explanatory statement.
- (3) In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular No. 20 dated May 05, 2020 read with circular no. 14 dated April 08, 2020 and Circular No. 17 dated April 13, 2020 (collectively referred to as "MCA Circulars") permitted the conduct of the Annual General Meeting ("AGM") through Video Conferencing (VC) / Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue. The deemed venue for the AGM shall be the Registered Office of the Company. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM. Members desirous of participating in the meeting through VC / OAVM, may refer to the procedures as provided in this notice.
- (4) Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
- (5) Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/ Authorization shall be sent to the Scrutinizer by email through its registered email address to c SSRINATH.GP@GMAIL.COM with a copy marked to the Company at investor@indo-tech.com and to its RTA at enotices@linkintime.co.in.
- (6) In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, the Notice of the Annual General Meeting along with the Annual Report for the financial year 2019-20 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice of Annual General Meeting and Annual Report for the financial year 2019-20 will also be available on the Company's website www.indo-tech.com; websites of the Stock Exchanges. i.e. www.bseindia.com and www.nseindia.com and on the website of Link Intime India Private Limited at instavote.linkintime.co.in. Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.
- (7) Those Shareholders whose email IDs are not registered can get their Email ID registered as follows:
 - Members holding shares in demat form can get their E-mail ID registered by contacting their respective Depository Participant.
 - Members holding shares in the physical form can get their E-mail ID registered by writing to the Registrar and Share Transfer Agent-Link InTime India Pvt Ltd (RTA) on their email id enotices@linkintime.co.in.
- (8) In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 & 21 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by Institute of Company Secretaries of India, the Company is pleased to provide e-voting facility to its members to cast their right to vote electronically on the resolutions mentioned in the notice of the 28th AGM. The Company has engaged services of Link Intime India Pvt. Ltd. to provide e-voting facility. The Company has appointed Mr G P Srinath of M/s G P Srinath & Associates, Practicing Company Secretaries, Chennai as Scrutinizer for conducting the e-voting process in fair and transparent manner. Instructions and other information relating to e-voting is annexed as Annexure-A to this notice.
- (9) In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- (10) The members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the meeting by following the procedure mentioned in the notice. Instructions and other information for members for attending the AGM through VC/OAVM is annexed as Annexure-B to this notice.
- (11) Members attending the meeting through VC/OAVM shall be counted for the purposes of reckoning the quorum under Section 103 of the Companies Act, 2013.
- (12) As the AGM of the Company is convened through Video Conferencing/OAVM, we therefore request the members to submit questions in advance relating to the business specified in this notice of AGM at least Seven (7) days before the date of the AGM on the email ID: investor@indo-tech.com
- (13) Members desiring information on the financials and operations of the Company are requested to write to the Company at least Seven (7) days before the date of the AGM to enable the Company to keep the information ready.

- (14) The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members at the Annual General Meeting.
- (15) The Register of Members and Share Transfer Books of the Company will remain closed from October 10, 2020 to October 16, 2020 (both days inclusive) in terms of the provisions of Section 91 of the Companies Act, 2013 and Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (16) Members are requested to quote their Registered Folio Number or Demat Account Number & Depository Participant (DP) ID number on all correspondences with the Company. The transfer deeds, communication for change of address, bank details, ECS details (if any) should be lodged with the Registrar & Share Transfer Agents ('RTA') of the Company, Link Intime India Private Limited. Members whose shares are held in the electronic mode are requested to intimate the same to their respective Depository Participants.
- (17) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company. SEBI has also mandated that for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to the Company for registration of transfer of securities.
- (18) The Company is concerned about the environment and utilizes natural resources in a sustainable way. The Ministry of Corporate Affairs ('MCA'), Government of India, has by its Circular Nos. 17/2011 and 18/2011, dated April 21, 2011 and April 29, 2011 respectively; permitted companies to send official documents to their shareholders electronically as part of its Green Initiative in Corporate Governance. Recognizing the spirit of the Circular issued by the MCA, we are sending documents like Notice convening the General Meetings, Financial Statements, Directors' Report, Auditors' Report, etc., to the email address provided by you with your depositories.
- (19) Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

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

Item No. 3, 4, 5 and 6: Brief Profile of Directors

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

Name of the Director	Ajay Kumar Dhagat	Sutanu Behuria	N Visweswara Reddy	Sharat Chandra Kolla
DIN	00250792	00051668	02996298	08851423
Age	75	66	53	55
Date of appointment	August 13, 2020	August 19, 2020	September 03, 2020	September 03, 2020
Qualification	<p>Electrical Engineer from the Regional Engineering College, Jabalpur, University of Jabalpur.</p> <p>Recipient of Talent Search Scholarship holder of Atomic Energy Commission.</p> <p>Management Trainee batch of GEC / AEC - UK and trained at Stratford</p>	<p>Postgraduate in Economics from Delhi School of Economics</p> <p>Postgraduate and Ph.D. in Economics from Southern Methodist University, Dallas, Texas.</p> <p>He is an Indian Administrative Services Officer (Himachal Pradesh) from the 1976 batch.</p>	<p>Graduate Mechanical Engineer</p>	<p>Graduate Mechanical Engineer from Andhra University</p>
Experience	<p>Over four decades of vast industrial experience in the Transformers industry.</p> <p>Served various key positions handling Asia Pacific Regions of Alstom T&D and in Companies such as GEC of India, Areva T&D India Ltd, Alstom SA., Tebma Shipyards Ltd, Revathi Equipment Ltd etc. during his tenure.</p>	<p>He has an illustrious career spanning 38 years of professional experience served as Secretary in the Dept. of Fertilizers, National Disaster Management Authority, Ministry of Minority Affairs and Department of Heavy Industry.</p> <p>Been Financial Advisor to the Ministries of Commerce, Textiles, Coal, Mines, Youth Affairs and Sports in the Government of India. Worked as Finance and Planning Secretary in Himachal Pradesh Government among many other Departments.</p> <p>He has served as Board member in over 25 PSUs</p>	<p>He has a vast experience in industry of service, repair and reconditioning of transformers business.</p> <p>In the reins of entrepreneurship, as Managing Partner of Ms. Shirdi Sai Electricals, he has ventured the company into EPC business to undertake rural electrification works, substation works and other transmission and distribution related projects in the country.</p> <p>He has received National Energy Conservation Award from Ministry of Power in 2014 for his contribution to produce a greater number of energy efficient transformers in the country.</p>	<p>He has rich and vast experience of 28 years plus in the fields of Manufacturing, Quality, testing and People Management.</p> <p>Currently he is the Chief Executive Officer of M/s. Shirdi Sai Electricals Ltd.</p>

Name of the Director	Ajay Kumar Dhagat	Sutanu Behuria	N Visweswara Reddy	Sharat Chandra Kolla
No. of shares held as on March 31, 2020	Nil	Nil	Nil	Nil
Directorship in other public Companies	4	3	1	Nil
Chairman / Member of Committees of Company	Chairman of Audit Committee and Nomination and Remuneration Committee. Member of Stakeholders Relationship Committee	Member of Audit Committee and Nomination and Remuneration Committee	Chairman of the Board	Member of Audit Committee and Nomination and Remuneration Committee. Chairman of Stakeholders Relationship Committee

Mr Ajay Kumar Dhagat aged seventy five years, who was appointed by the Board of Directors, as an Additional Director of the Company with effect from August 13, 2020 and who holds office up to the date of this Annual General Meeting is eligible for appointment for a term of five consecutive years subject to approval of the Members by special resolution.

Considering the expertise and the value Mr Ajay Kumar Dhagat brings to the Board, the approval of the Members by special resolution for appointing him as Independent Director for a term of five consecutive years is recommended by the Board of Directors of the Company. The Nomination and Remuneration Committee on the basis of performance evaluation, has also recommended his appointment. Mr Ajay Kumar Dhagat has given consent for his appointment.

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

Item No. 7: Approval of Related Party Transaction

Section 188 of the Companies Act, 2013 and Rule 15 of Companies (Meeting of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re- enactment(s) thereof, for the time being in force) and Companies (Indian Accounting Standards) Rules, 2015 (IND AS 24) provides that for entering into Contracts/Arrangement/Transactions as prescribed in rules framed in this regard with the related party, the Company must obtain prior approval of the Board of Directors and in case such transactions are exceeding the overall limit prescribed in the rules framed in this regard, prior approval of the shareholders by way of a resolution must be obtained. Further regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 provided that all material related party transactions (i.e. transactions exceeding ten percent of annual consolidated turnover) require the approval of the Members by way of resolution.

Your company always seeks to enter into transactions with related parties in the ordinary course of business and at arm’s length basis. However the aggregate of all transactions with the related parties may exceed the threshold limits stipulated in the aforesaid Regulations, the Company is under an obligation to seek the approval of its shareholders by way of Ordinary resolution. It is therefore, proposed to seek approval of such transactions which are either existing or proposed to be entered into by the Company with related parties by way of ordinary resolution.

Board of Directors and Audit Committee of the Company have approved the proposal to enter into transactions with the related parties at their respective meeting held on June 30, 2020. Since the proposal is in the best interest of the company, your directors recommends for the approval.

The term “Related Party” referred in this context shall derive its meaning as stipulated under the Companies Act, 2013 and Companies (Indian Accounting Standards) Rules, 2015

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

S. No	Name of the related party	Relationship	Nature of transaction	Maximum value of transaction to be entered during FY 2020-21
1	Shirdi Sai Electricals Limited	Holding Company	<ul style="list-style-type: none"> ➤ Sale, purchase or supply of any goods or materials ➤ Selling or otherwise disposing of or buying property of any kind ➤ Leasing of property of any kind ➤ Availing or rendering of any services 	Rs 100 Crores
2	Prolec-GE Internacional S. de R L. de. C. V	Promoter	<ul style="list-style-type: none"> ➤ Re-imbusement of expenses based on the agreement entered into by and between the Company and Promoter ➤ Sale, purchase or supply of any goods or materials. ➤ Availing or rendering of any services 	Rs 20 Crores
3	All General Electric group entities which are related party to the Company.	Associate(s)	<ul style="list-style-type: none"> ➤ Sale, purchase or supply of any goods or materials. ➤ Availing or rendering of any services 	Rs 50 Crores
4	Any other person/ entity which is a Related Party			

Except Mr.N. Visveswara Reddy and Mr. Sharat Chandra Kolla, none of the Directors and Key Managerial personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution.

Item No. 8: Ratification of the remuneration of Cost Auditor

Pursuant to Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014 and based on the recommendation of the Audit Committee, Board of Directors at their Meeting held on June 30, 2020 appointed Mr. M J. Gopalakrishnan as Cost Auditor for the Financial year 2020-21 at a remuneration of Rs. 2,00,000/- (Rupees Two Lakhs Only) plus Goods and Services Tax at the applicable rates and reimbursement of out of pocket expenses.

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

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

Annexure - A

INSTRUCTIONS FOR SHAREHOLDERS TO VOTE ELECTRONICALLY

1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>

Those who are first time users of LIPL e-voting platform or holding shares in physical mode have to mandatorily generate their own Password, as under:

- ▶ Click on “**Sign Up**” under ‘**SHARE HOLDER**’ tab and register with your following details: -

A. User ID: Enter your User ID

- Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
- Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
- Shareholders/ members holding shares in **physical form shall provide** Event No + Folio Number registered with the Company

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format

D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

- Shareholders/ members holding shares in **CDSL demat account shall provide either ‘C’ or ‘D’, above**
- Shareholders/ members holding shares in **NSDL demat account shall provide ‘D’, above**
- Shareholders/ members holding shares in **physical form** but have not recorded ‘C’ and ‘D’, shall provide their Folio number in ‘D’ above

- ▶ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%*), at least one numeral, at least one alphabet and at least one capital letter).

- ▶ Click “confirm” (Your password is now generated).

NOTE: If Shareholders/ members are holding shares in demat form and have registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier event of any company then they can use their existing password to login.

2. Click on ‘Login’ under ‘**SHARE HOLDER**’ tab.
3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on ‘**Submit**’.
4. After successful login, you will be able to see the notification for e-voting. Select ‘**View**’ icon.
5. E-voting page will appear.
6. Refer the Resolution description and cast your vote by selecting your desired option ‘**Favour / Against**’ (If you wish to view the entire Resolution details, click on the ‘**View Resolution**’ file link).
7. After selecting the desired option i.e. Favour / Against, click on ‘**Submit**’. A confirmation box will be displayed. If you wish to confirm your vote, click on ‘**Yes**’, else to change your vote, click on ‘No’ and accordingly modify your vote.
8. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as ‘Custodian / Mutual Fund / Corporate Body’. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the ‘**Custodian / Mutual Fund**

/ **Corporate Body**' login for the Scrutinizer to verify the same.

If you have forgotten the password:

- Click on '**Login**' under '**SHARE HOLDER**' tab and further Click '**forgot password?**'
- Enter **User ID**, select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on '**Submit**'.
- In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
- Shareholders/ members can set the password of his/ her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- The password should contain minimum 8 characters, at least one special character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

Shareholders/ members holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

In case shareholders/ members have any queries regarding e-voting, they may refer the **Frequently Asked Questions ('FAQs')** and **InstaVote e-Voting manual** available at <https://instavote.linkintime.co.in>, under **Help** section or send an email to enotices@linkintime.co.in or contact on: - Tel: 022 -4918 6000.

Annexure - B

INSTRUCTIONS FOR SHAREHOLDERS/MEMBERS TO ATTEND THE ANNUAL GENERAL MEETING THROUGH INSTAMEET (VC/OAVM)

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>

▶ Select the "**Company**" and '**Event Date**' and register with your following details: -

A. Demat Account No. or Folio No: Enter your 16 digit Demat Account No. or Folio No

- Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
- Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
- Shareholders/ members holding shares in **physical form shall provide** Folio Number registered with the Company

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

C. Mobile No.: Enter your mobile number.

D. Email ID: Enter your email id, as recorded with your DP/Company.

▶ Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:

1. Shareholders who would like to speak during the meeting must register their request 3 days in advance with the company on the investor@indo-tech.com created for the general meeting. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
2. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.
3. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.

4. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutinizer/moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour / Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour / Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour / Against'.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to

confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.

6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

DIRECTORS' REPORT

Your Directors are pleased to present the Company's 28th Annual Report together with the Audited Financial Statements for the financial year ended March 31, 2020.

FINANCIAL RESULTS

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

(Rupees in Lakhs)

PARTICULARS	Current Year 2019-2020	Previous Year 2018-2019
Revenue from Operations (Net)	20,532.52	21,338.90
Other Income	542.47	124.43
Total Income	21,074.99	21,463.33
Earnings before Depreciation, Interest & Tax	507.21	(267.65)
Less: Interest, Depreciation & Amortization Expenses	497.51	571.25
Earnings Before Tax	9.70	(838.90)
Less: Tax Expenses	(182.33)	--
Earnings After Tax	192.03	(838.90)
Other Comprehensive Income	(56.21)	(54.41)
Total Comprehensive income	135.82	(893.31)

Financial results for the financial year ended March 31, 2020 are in compliance with the Indian Accounting Standards (Ind-AS) prescribed under Section 133 of the Companies Act, 2013.

OPERATIONAL PERFORMANCE

India is becoming an increasingly influential driver of trends in the global power sector. With its energy demand set to double by 2040 and its electricity demand potentially even tripling, it will cement its role as a game-changer in global energy markets. The year 2019-20 proved to be a reset year in more ways than one for India, and for the economy at large. India's overall GDP growth was observed to be lower than estimates, at 4.2%, due to host of factors, primarily global.

A balanced approach in "Demand and Supply" is set to give a push to innovative start-ups in the power sector, increasing the per capita consumption of the country to the target of 1400 units. Total installed capacity of power in India has increased to 370 GW as on March 31, 2020, which is an increase of 3.7% compared to 356 GW as on March 31, 2019.

With modernization, there is a constant uptick in demand for power capacity to sustain lifestyles. The Government of India's continuous focus on attaining 'Power for all' has accelerated capacity addition in the country. Industry continues to behave competitive at both the market and supply side, which sets the market extremely challenging.

In totality, despite the extremely challenging market, the Company successfully achieved a balanced portfolio of orders, resulting in sustained position in the market and improved overall performance.

We continuously receive support from Parent Company for design optimization and to improve the production of large power transformers. Our focus currently is to improve productivity, control the non-operational cost and deliver the best quality transformers. The price pressure is immense and it is impacting the entire industry. In the challenging environment, with improved sourcing strategies and cost optimization our focus is to improve the margin in the coming years.

A detailed discussion on the performance of your company, industry structure, threats, opportunities, risks, future outlook and strategy is given separately in the Management's Discussion and Analysis section, which forms a part of this annual report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year the Board of the Company comprised of six experienced directors from diverse areas, which enables the Board to provide effective leadership to the Company. The composition of the Board was in conformity with the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. During the Financial Year 2019-2020, there were no changes in the composition of the Board.

The Board of Directors of the Company during the financial year was as follows:

- Mr. Ricardo Suarez Garza – Chairman
(Resigned w.e.f. September 03, 2020)
- Mr. Shridhar Gokhale – Whole-Time Director
- Mr. M S Srinivasan – Independent Director
(Resigned w.e.f. August 07, 2020)
- Mr. P V Krishna – Independent Director
(Retired w.e.f. August 13, 2020)
- Ms. Tabassum M Wajid – Independent Director
(Retired w.e.f. August 13, 2020)
- Mr. Gunjan Bhartia – Non-Executive Director
(Resigned w.e.f. June 24, 2020)

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

- Mr. Visweswara Reddy – Chairman
- Mr. Shridhar Gokhale – Whole-Time Director
- Mr. Ajay Kumar Dhagat – Independent Director
- Dr. Sutanu Behuria – Independent Director
- Mr. Sharat Chandra Kolla – Non-Executive Director

There were no changes in the composition of Key Managerial Personnel of the Company. The Key Managerial Personnel of the Company as on date of this report is as follows:

Mr. Shridhar Gokhale	–	Whole-Time Director
Mr. SaiKrishnan C. P.	–	Chief Financial Officer
Mr. Sathyamoorthy A	–	Company Secretary

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors met four (4) times during the financial year on May 22, 2019, August 14, 2019, November 13, 2019 and February 06, 2020.

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

BOARD COMMITTEES

Board Committees plays a vital role in improving the Board effectiveness in areas where more focus and discussions are required. Board has constituted three Committees in accordance with the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and its compositions are as follows:

(i) Audit Committee

The composition of the Audit Committee as on date of this report:

Mr. Ajay Kumar Dhagat, Chairman
Dr. Sutanu Behuria, Member
Mr. Sharat Chandra Kolla, Member

(ii) Nomination and Remuneration Committee

The composition of the Nomination and Remuneration Committee as on date of this report:

Mr. Ajay Kumar Dhagat, Chairman
Dr. Sutanu Behuria, Member
Mr. Sharat Chandra Kolla, Member

(iii) Stakeholders' Relationship Committee

The composition of the Stakeholders' Relationship Committee as on date of this report:

Mr. Sharat Chandra Kolla, Chairman
Mr. Ajay Kumar Dhagat, Member
Mr. Shridhar Gokhale, Member

Details in respect of each Committee during the year are provided in the Corporate Governance Report forming part of the Directors' Report.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of our knowledge and belief and according to the information and explanations obtained by us, your Directors make the following statements in terms of Section 134(3) (c) and 134 (5) of the Act, that;

- (a) In the preparation of the annual financial statements for the financial year ended March 31, 2020 the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) 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 2019-20 and of the statement of Profit and Loss of the Company for the year under review;
- (c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities;
- (d) The Directors had prepared the accounts for the financial year ended March 31, 2020 on a 'going concern basis';
- (e) The Directors had laid down Internal Financial Controls to be followed by the Company and such Internal Financial Controls are adequate and were operating effectively;
- (f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

NOMINATION AND REMUNERATION POLICY

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

As a policy, the sitting fees paid to the independent directors were revised as Rs. 30,000/- per meeting per person for attending the Board and Audit Committee Meetings and Rs. 5,000/- per meeting per person for attending Stakeholder Relationship Committee and Nomination & Remuneration Committee meetings.

COMMENTS ON AUDITORS' REPORT / SECRETARIAL AUDITORS REPORT

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188(1) OF COMPANIES ACT, 2013

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

DIVIDEND

Considering the accumulated losses, no dividend has been recommended by the Board of Directors of the Company for Financial Year 2019-20.

MATERIAL CHANGES AND COMMITMENTS

Prolec GE Internacional, S.De. R.L. De C.V has entered into a Share Purchase Agreement (the "SPA") with Shirdi Sai Electricals Limited on December 20, 2019 for sale/ transfer of 73,66,302 equity shares (constituting 69.36% of the total equity share capital) of the company. As a consequence to this SPA, Shirdi Sai Electricals Limited gave an open offer to the shareholders of the company and acquired 4,54,873 equity shares (constituting 4.28% of the total equity share capital) of the company under the open offer in compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations.

On September 03, 2020, the transfer of 73,66,032 equity shares (constituting 69.36% of the total equity share capital) from Prolec GE Internacional, S. De. R.L. De C.V to Shirdi Sai Electricals Limited has been completed.

Effective September 03,2020, Shirdi Sai Electricals Limited has become the promoter by controlling the majority shareholding of 78,20,905 equity shares (constituting 73.64% of the total equity share capital) of the Company.

BOARD EVALUTION

The Board of Directors has carried out an annual evaluation of its own performance, its Committees and individual

Directors pursuant to the requirements of the Act and the Listing Regulations. Further, the Independent Directors, at their exclusive meeting held on Nov 13, 2019, reviewed the performance of the Board, its Chairman and Non-Executive Directors and other items as stipulated under the Listing Regulations.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

CORPORATE GOVERNANCE

Your Company is committed to good corporate governance aligned with the best corporate practices. A separate Report on Corporate Governance is provided as a part of this Annual Report, besides the Management Discussion and Analysis.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Even though the provisions relating to the Corporate Social Responsibility (CSR) are not applicable to the Company, the approach towards CSR is holistic and integrated with the core business strategy of the Company for addressing social and environmental impacts of business. The Company is committed to undertake the CSR activities to address the well-being of all stakeholders and not just the company's shareholders.

STATUTORY AUDITORS

Pursuant to Section 139 of the Companies Act, 2013, M/s B S R & Co. LLP, Chartered Accountants, (ICAI Firm Registration No. 101248W/W-100022), who were appointed as Statutory Auditors complete their second term as Statutory Auditors of the Company and are not eligible for re-appointment.

In this regard, the Board of Directors have proposed the appointment of M/s. ASA & Associates LLP, Chartered Accountants (Firm Registration No. 009571N/N500006), Unit 709 & 710, 7th Floor, BETA Wing, Raheja Towers, New Number 177, Anna Salai, Chennai – 600002 as the Statutory Auditors of the Company for a period of five (5) years from the date of ensuing AGM, the same forms part of the Notice of Annual General Meeting.

FIXED DEPOSITS / PUBLIC DEPOSITS

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

INTERNAL FINANCIAL CONTROLS

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

COST AUDITORS

Pursuant to section 148 and rules made there under and based on the recommendation of the Audit Committee, your Board has approved the appointment of Mr. M J Gopalakrishnan, Cost Accountant, as the Cost Auditor of the Company for the financial year 2020-2021, on a remuneration as mentioned in the Notice convening the 28th Annual General Meeting for conducting the audit of the cost records maintained by the Company.

SECRETARIAL AUDITORS / SECRETARIAL AUDIT REPORT

Pursuant to provisions of Section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and amendments thereto, your Company engaged the services of M/s J B Bhavé & Co., Company Secretaries, Pune to conduct the Secretarial Audit of the Company for the financial year ended March 31, 2020. The Secretarial Audit Report in Form MR-3 is given in Annexure – II, forming part of this report.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

Your Company has a “Vigil Mechanism (Ombuds & Open Reporting Procedure)” to provide an avenue to stakeholders, including employees and directors, to report concerns related to any actual or potential violation of law or violation of the Company’s Code of conduct. The mechanism provides for adequate safeguards against victimization of Director(s) and Employee(s) who avail of the mechanism.

The Whistle Blower Policy is explained in corporate governance report and also placed on the notice board and the website of the Company at www.indo-tech.com

RISK MANAGEMENT FRAMEWORK

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

EXTRACT OF ANNUAL RETURN

As per provisions of Section 92 (3) of the Companies Act, 2013 (the Act) read with Rule 12 of the Companies (Management and Administration) Rules, 2014 as amended from time to time, the extract of the Annual Return in the Form MGT-9 is given in Annexure – III, forming part of this report.

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

The information as prescribed under Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 is as follows:

A. CONSERVATION OF ENERGY

Your Company has constantly been emphasizing on optimization of energy consumption in every possible area. Further, your company acknowledges that power conservation is a necessity not only for future availability, but also for environmental safety. Various avenues are being explored at periodic interval and after careful analysis, planning measures are being initiated to minimize the consumption of energy by optimum utilization of energy consuming equipment. Your Company is not a power intensive industry and hence the scope for saving of energy is limited. However, the following energy saving measures has been carried out.

- a) Your Company has 2 windmills in Tirunelveli, Tamil Nadu. The Company is adjusting the units generated against consumption at factory. This has reduced per unit energy cost to the Company.
- b) Your company has in place adequate safeguards against excessive consumption and wastage of energy, in form of energy-friendly apparatus, modern technologies as well as minimal usage mechanism.

During the year, your Company took measures for reducing the power and fuel cost including optimizing the Diesel Generator utilization. The enhancement of additional power from Electricity Board as an alternate for Diesel Generator Set, considering the efficiency of electric power, led to significant cost savings and reduction in carbon emission.

B. TECHNOLOGY ABSORPTION Research & Development:

This year your company has successfully conducted short circuit test on 100 MVA/230 KV Transformer at Central Government’s CPRI laboratory at Bengaluru. This demonstrate your company’s capability to produce robust and performing product using best of technology available. We shall continue to focus on this area in times to come.

Your Company is more focused towards the promotion of innovative ideas and has invested sufficient resources for research and development. It includes additional heater to

increase the Viscosity of Furnace oil for burning to 100% and elimination of the thermal energy losses by providing the Heat Insulation & Rinsing the thermic fluid pipeline by filling new thermic fluid which help us to remove the dust contamination in pipeline

In order to meet fire and environmental safety standards, your company has developed product filled with natural ester coolants which is fire safe and environment friendly.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company's exposure to foreign currency risk at the end of the reporting period mentioned in Note 29 to the financial statements for the year ended March 31, 2020.

SUBSIDIARY COMPANIES

As at March 31, 2020 there is no subsidiary company.

SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

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

During the financial year 2019-20, there were no cases reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors
INDO-TECH TRANSFORMERS LIMITED

Sharat Chandra Kolla
Director
DIN : 08851423

Shridhar Gokhale
Whole-Time Director
DIN : 08349732

Place: Kancheepuram
Date : September 15, 2020

Annexure - I

Form No. AOC-2

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

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

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

The contracts or arrangements or transactions entered with the related parties during the financial year 2019-20 were not material and the same were disclosed in the notes to accounts forming part of the financial statements for the year ended March 31, 2020.

For and on behalf of the Board of Directors

INDO-TECH TRANSFORMERS LIMITED

Place : Kancheepuram
Date : September 15, 2020

Sharat Chandra Kolla
Director
DIN : 08851423

Shridhar Gokhale
Whole-Time Director
DIN : 0834973

Annexure - II

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2020

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

To,
The Members
M/S. INDO-TECH TRANSFORMERS LIMITED
Survey No. 153-210, Illuppapattu Village
Near Rajakulam, Kancheepuram (Dist)
Kancheepuram - 631561
Tamil Nadu

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

Secretarial Audit was conducted for the period from 1st April 2019 to 31st March 2020, in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances of the Company and expressing my opinion thereon. I have been engaged as Secretarial Auditors of the Company to conduct the Audit of the Company to examine the compliance of Companies Act, SEBI Regulations and the other laws listed below.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and representations made by the Management and

considering the relaxations granted by the Ministry of Corporate Affairs and Securities And Exchange Board of India warranted due to spread of the COVID-19 pandemic, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2020 ("Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and legal compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2020 according to the provisions of the following list of laws and regulations:

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

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

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

(vi) OTHER APPLICABLE LAWS:

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

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) SEBI (Listing Obligations And Disclosure Requirements) Regulations 2015

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:-

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda are sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. All the decisions of the board are passed with unanimous consent of all the directors and are recorded as part of the minutes.

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

During the year under report:

The promoter Prolec GE has entered into Share Purchase Agreement (SPA) with Sai Shiridi Electricals Limited (Acquirer). Pursuant to SPA, the Acquirer has agreed to acquire 73,66,032 equity shares of the Company, representing 69.36% of the equity share capital at a price of INR 94.51 per share from the existing holding company, Prolec GE. Subsequent to SPA, the acquirer has made a mandatory Open Offer Announcement pursuant to Regulation 3(1) and 4 of the SEBI (Substantial Acquisition of Shares And Takeovers) Regulations, 2011 to acquire voting rights in excess of 25% of the equity share capital of the Company. Subject to completion of the said Open offer and receipt of all statutory approvals, the Acquirer will gain control and shall become the Promoter of the Company.

This Report should be read along with our letter of even date annexed as Annexure and forms part of this Report for all purposes.

FOR J B BHAVE & Co.
COMPANY SECRETARIES

JAYAVANT BHAVE

PROPRIETOR

PR. No. 486/2016

UDIN : F004266B000396889

FCS No. 4266

CP No. 3068

Place : Pune

Date : June 30, 2020

**ANNEXURE TO THE SECRETARIAL AUDIT REPORT OF INDO-TECH TRANSFORMERS LIMITED (2019-2020)
AUDITORS' RESPONSIBILITY**

My Report of even date is to be read along with this letter.

In accordance with the ICSI Auditing Standards (CSA1 to CSA4) -

- Maintenance of secretarial record is the responsibility of the Management of the Company. My responsibility as the Auditor is to express the opinion on the compliance with the applicable laws and maintenance of Records based on Secretarial Audit conducted by me.
- The Secretarial Audit needs to be conducted in accordance with applicable Auditing Standards. These Standards require that the Auditor should comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of Records.
- I am also responsible to perform procedures to identify, assess and respond to the risks of material misstatement or non-compliance arising from the Company's failure appropriately to account for or disclose an event or transaction. However, due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some Misstatements or material non-compliances may not be detected, even though the audit was properly planned and performed in accordance with the Standards.

Accordingly, I wish to state as under-

1. The Secretarial Audit for the financial year 2019-2020 has been conducted as per the applicable Auditing Standards.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. I believe that the process and practices, that I followed provide a reasonable basis for my opinion that the statements prepared, documents or Records maintained by the Company are free from misstatement.

3. My responsibility is limited to only express my opinion on the basis of evidences collected, information received and Records maintained by the Company or given by the Management. I have not verified the correctness and appropriateness of the financial records and books of accounts maintained by the Company.
4. Wherever required, I have obtained the Management Representation about compliance of laws, rules and regulations and happening of events, etc.
5. The Compliance of the provisions of the Corporate Laws, other applicable laws, rules, regulations and standards is the responsibility of the management. My examination as limited to verification of procedure on test basis.
6. Due to COVID-19 pandemic and subsequent lockdown declared by the Central, State and Local governments, physical verification of documents/ registers/ papers was not possible and hence, I have relied on the scanned copies / emails/ digitally accessible data, information, registers, documents and papers provided by the Company for carrying out the Secretarial Audit and to that extent our verification of documents and records might have been impacted.
7. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

FOR J B BHAVE & Co.
COMPANY SECRETARIES

JAYAVANT BHAVE
PROPRIETOR

PR. No. 486/2016

UDIN : F004266B000396889

Place : Pune

Date : June 30, 2020

FCS No. 4266

CP No. 3068

Annexure - III
EXTRACT OF ANNUAL RETURN FORM NO. MGT 9

As on financial year ended on March 31, 2020

Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS

1	CIN	L29113TN1992PLC022011
2	Registration Date	16/01/1992
3	Name of the Company	INDO-TECH TRANSFORMERS LIMITED
4	Category/Sub-category of the Company	Company limited by Shares Non-govt company
5	Address of the Registered office & contact details	Survey No. 153-210, Illuppapattu Village Near Rajakulam, Kancheepuram (Dist.) Tamilnadu -631561, India
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	LINK INTIME INDIA PRIVATE LIMITED C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083. PH:022 - 4918 6270

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)			
S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the Company
1	MANUFACTURE OF TRANSFORMERS	271	100.00%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	PROLEC GE INTERNACIONAL, S.DE R.L.DE.C.V		HOLDING	74.35%	2(46)

IV. SHARE HOLDING PATTERN**(i) Category-wise Share Holding**

Sr No	Category of Shareholders	Shareholding at the beginning of the year - April 01, 2019				Shareholding at the end of the year - March 31, 2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	-	-	-	-	-	-	-	-	-
(b)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(d)	Any Other (Specify)									
	Sub Total (A)(1)	-	-	-	-	-	-	-	-	-
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Government	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-

INDO TECH TRANSFORMERS LIMITED

Sr No	Category of Shareholders	Shareholding at the beginning of the year - April 01, 2019				Shareholding at the end of the year - March 31, 2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(e)	Any Other (Specify)									
	Bodies Corporate	7895625	-	7895625	74.3468	7895625	-	7895625	74.3468	-
	Sub Total (A)(2)	7895625	-	7895625	74.3468	7895625	-	7895625	74.3468	-
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	7895625	-	7895625	74.3468	7895625	-	7895625	74.3468	-
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	-	-	-	-	-	-	-	-	-
(b)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(c)	Alternate Investment Funds	-	-	-	-	-	-	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(e)	Foreign Portfolio Investor	16100	-	16100	0.1516	-	-	-	-	-0.1516
(f)	Financial Institutions / Banks	50	-	50	0.0005	37	-	37	0.0003	-0.0002
(g)	Insurance Companies	-	-	-	-	-	-	-	-	-
(h)	Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-
(i)	Any Other (Specify)									
	Sub Total (B)(1)	16150	-	16150	0.1521	37	-	37	0.0003	-0.1518
[2]	Central Government/ State Government(s)/ President of India									
	Sub Total (B)(2)	-	-	-	-	-	-	-	-	-
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	1717148	3252	1720400	16.1996	1487014	3252	1490266	14.0326	-2.1670
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	300433	-	300433	2.8289	304403	-	304403	2.8663	0.0374
(b)	NBFCs registered with RBI	138	-	138	0.0013	-	-	-	-	-0.0013
(c)	Employee Trusts	-	-	-	-	-	-	-	-	-
(d)	Overseas Depositories(holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-
(e)	Any Other (Specify)									
	Hindu Undivided Family	233126	-	233126	2.1952	130948	-	130948	1.2330	-0.9622
	Non Resident Indians (Non Repat)	5988	-	5988	0.0564	5577	-	5577	0.0525	-0.0039
	Non Resident Indians (Repat)	25663	-	25663	0.2416	22473	-	22473	0.2116	-0.0300
	Clearing Member	32752	-	32752	0.3084	4620	-	4620	0.0435	-0.2649
	Bodies Corporate	389725	-	389725	3.6697	766051	-	766051	7.2133	3.5436
	Sub Total (B)(3)	2704973	3252	2708225	25.5012	2721086	3252	2724338	25.6529	0.1517
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	2721123	3252	2724375	25.6532	2721123	3252	2724375	25.6532	0.0000
	Total (A)+(B)	10616748	3252	10620000	100.0000	10616748	3252	10620000	100.0000	0.0000
(C)	Non Promoter - Non Public									
[1]	Custodian/DR Holder	-	-	-	-	-	-	-	-	-
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	-	-	-	-	-	-	-	-	-
	Total (A)+(B)+(C)	10616748	3252	10620000	100	10616748	3252	10620000	100.00	

(ii) Shareholding of Promoters

Sr No	Shareholders Name	Shareholding at the beginning of the year - April 01, 2019			Shareholding at the end of the year - March 31, 2020			% change in shareholding during the year
		NO.OF SHARES HELD	% of total Shares of the company	%of Shares Pledged /encumbered to total shares	NO.OF SHARES HELD	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	
1	PROLEC GE INTERNACIONAL, S.DE R.L. DE C.V.	7895625	74.3468	0.0000	7895625	74.3468	0.0000	0.0000
	Total	7895625	74.3468	0.0000	7895625	74.3468	0.0000	0.0000

(iii) Change in Promoters Shareholding (please specify, if there is no change)

Sr No	Particulars	Date	Reason	Shareholding at the beginning of the year - April 01, 2019		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year	01-Apr-19		7895625	74.35	7895625	74.35
	Changes during the year			NIL	0.00	NIL	0.00
	At the end of the year	31-Mar-20		7895625	74.35	7895625	74.35

(iv) Shareholding Pattern of Top Ten Shareholders
(Other than Directors, Promoters and Holders of GDRs and ADRs)

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - April 01, 2019		Transactions during the year		Cumulative Shareholding at the end of the year - March 31, 2020	
		No. of shares held	% Of total shares of the Company	Date of transaction	No. of shares	No of shares held	% of total shares of the Company
1	Shirdi Sai Electricals Limited	0	0.0000			0	0.0000
	Transfer			13 Mar 2020	454873	454873	4.2832
	At the end of the year					454873	4.2832
2	Ohm Stock Broker Private Limited	95000	0.8945			95000	0.8945
	At the end of the year					95000	0.8945
3	Universal Cine Trades	40100	0.3776			40100	0.3776
	At the end of the year					40100	0.3776
4	Sanjeev Mishra	26617	0.2506			26617	0.2506
	Transfer			26 Jul 2019	9922	36539	0.3441
	At the end of the year					36539	0.3441
5	Patel Ushaben Parshottambhai	34112	0.3212			34112	0.3212
	At the end of the year					34112	0.3212
6	Manish Patel	32398	0.3051			32398	0.3051
	At the end of the year					32398	0.3051

INDO TECH TRANSFORMERS LIMITED

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - April 01, 2019		Transactions during the year		Cumulative Shareholding at the end of the year - March 31, 2020	
		No. of shares held	% Of total shares of the Company	Date of transaction	No. of shares	No of shares held	% of total shares of the Company
7	Rinku Vipul Parmar	0	0.0000			0	0.0000
	Transfer			03 Jan 2020	2700	2700	0.0254
	Transfer			10 Jan 2020	3479	6179	0.0582
	Transfer			17 Jan 2020	2821	9000	0.0847
	Transfer			24 Jan 2020	8336	17336	0.1632
	Transfer			31 Jan 2020	3664	21000	0.1977
	Transfer			14 Feb 2020	7500	28500	0.2684
	Transfer			21 Feb 2020	1500	30000	0.2825
	At the end of the year					30000	0.2825
8	Nilaben M. Mody	22502	0.2119			22502	0.2119
	At the end of the year					22502	0.2119
9	Aparnaa Fiscal Services Private Limited	21000	0.1977			21000	0.1977
	At the end of the year					21000	0.1977
10	Pankaj Jayantilal Patel	0	0.0000			0	0.0000
	Transfer			14 Jun 2019	14316	14316	0.1348
	Transfer			03 Jan 2020	6000	20316	0.1913
	At the end of the year					20316	0.1913
11	Kantilal Mishrimalji Vardhan	24264	0.2285			24264	0.2285
	Transfer			06 Mar 2020	(21478)	2786	0.0262
	Transfer			13 Mar 2020	51	2837	0.0267
	Transfer			20 Mar 2020	891	3728	0.0351
	Transfer			27 Mar 2020	1641	5369	0.0506
	At the end of the year					5369	0.0506
12	Kantilal M. Vardhan (H.U.F.)	63853	0.6013			63853	0.6013
	Transfer			06 Mar 2020	(62447)	1406	0.0132
	At the end of the year					1406	0.0132
13	Vipulkumar Anopchand Shah	20018	0.1885			20018	0.1885
	Transfer			13 Mar 2020	(20018)	0	0.0000
	At the end of the year					0	0.0000

Note:

1. Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 10620000 Shares.
2. The details of holding has been clubbed based on PAN.
3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

(v) Shareholding of Directors and Key Managerial Personnel:

Sr No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year April 01, 2019		Cumulative Shareholding during the year March 31, 2020	
		No. of shares	% of total shares	No. of shares	% of total shares
1	Mr. Shridhar Gokhale, WTD				
	At the beginning of the year	2750	0.0003	2750	0.0003
	Changes during the year	-		-	
	At the end of the year	2750	0.0003	2750	0.0003

V. INDEBTEDNESS

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

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr No.	Particulars of Remuneration	Shridhar Gokhale	Total Amount
1	Gross salary	72,23,711	72,23,711
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify	-	-
5	Others, please specify	-	-
	Total (A)	72,23,711	72,23,711

B. Remuneration to other Directors

S. No.	Particulars of Remuneration	Name of Directors			Total
		M S Srinivasan	P V Krishna	Tabassum M Wajid	
1	Independent Directors				
	Fee for attending board / committee meetings	2,35,000	2,35,000	1,20,000	5,90,000
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	2,35,000	2,35,000	1,20,000	5,90,000
2	Other Non-Executive Directors	Ricardo Garza Suarez	Gunjan Bhartia	-	Total
	Fee for attending board / committee meetings	-	-		-
	Commission	-	-		-
	Others, please specify	-	-		-
	Total (2)	-	-		-
	Total (B)=(1+2)	2,35,000	2,35,000	1,20,000	5,90,000
	Total Managerial Remuneration	2,35,000	2,35,000	1,20,000	5,90,000
	Overall Ceiling as per the Act	It is in accordance with the provisions of the Companies Act 2013			

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

S. N.	Particulars of Remuneration				Total
	Name	Shridhar Gokhale	Saikrishnanan C. P.	Sathyamoorthy A	
	Designation	WTD/ CEO	CFO	CS	
1	Gross salary	72,23,711	30,17,574	15,56,786	1,17,98,071
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	72,23,711	30,17,574	15,56,786	1,17,98,071

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

NIL

For and on behalf of the Board of Directors

INDO-TECH TRANSFORMERS LIMITED

Place : Kancheepuram
Date : September 15, 2020

Sharat Chandra Kolla
Director
DIN:08851423

Shridhar Gokhale
Whole-Time Director
DIN : 0834973

**Annexure IV
Particulars of Employees**

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

Name of the Director	Title	Remuneration in FY 2019-20 (in Rs.)	% increase in FY 2019-20 as Compared to FY 2018-19	Ratio of remuneration to Median Remuneration of Employees	Ratio of remuneration to Revenues	Ratio of remuneration to Net Profit
Shridhar Gokhale*	WTD	72,23,711	6.17%	14.95	0.0035	0.3762

* Mr. Shridhar Gokhale, appointed as Whole Time Director with effect from February 07, 2019. Ratios are annualised.

Remuneration paid to Independent Directors:

Name of the Director	Remuneration in FY 2019-20* (in Rs.)	Remuneration in FY 2018-19* (in Rs.)	% increase of remuneration (FY 2019-20 over FY 2018-19)
M S Srinivasan	2,35,000	1,60,000	47%
P V Krishna	2,35,000	1,60,000	47%
Tabassum M Wajid	1,20,000	80,000	50%

Remuneration paid to Key Managerial Personnel (KMP):

Name of the KMP	Title	Remuneration in FY 2019-20	Remuneration in FY 2018-19	% increase of remuneration in FY 2019-20 as Compared to FY 2018-19	Ratio of remuneration to Revenues	Ratio of remuneration to Net Profit
Saikrishnan C.P *	CFO	30,17,247	11,30,621	11.15	0.0015	0.1571
Sathyamoorthy A	CS	15,86,300	13,55,136	14.88	0.0008	0.0811

* Mr. Saikrishnan C.P, appointed as Chief Financial Officer with effect from October 31, 2018. Ratios are annualised.

- The number of employees on the rolls of the Company as of March 31, 2020 was 295 and as on 31st March, 2019 were 295.
- The median remuneration of employees for the month of March 2020 was Rs. 40,264 and March 2019 was Rs. 27,466.
- The operating revenue for FY 2019-20 is Rs. 20,533 lakhs whereas for FY 2018-19 stood at Rs. 21,339 lakhs. The net profit for the FY 2019-20 is Rs. 136 lakhs whereas the net loss for the FY 2018-19 was Rs. 893 lakhs.
- The aggregate remuneration of employees for the FY 2019-20 is Rs. 21.58 Crores and for FY 2018-19 was Rs. 19.84 Crores. The aggregate remuneration of whole time director and key managerial personnel for the FY 2019-20 is Rs. 117.98 Lakhs and for the FY 2018-19 was Rs. 115.72 Lakhs.
- The key parameters of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- It is hereby affirmed that the remuneration paid is as per the as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

b) Information as per Rule 5(1) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

No employee of the Company other than Mr. Shridhar Gokhale, Whole-Time Director was in receipt of remuneration, in excess of Rs 60 Lakhs during the financial year 2019-20.

(I) Employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than Rupees One crore and Twolakhs:

Nil

(II) Top Ten Employees in terms of Remuneration (Annual CTC) as on March 31, 2020

S. No	Name	Current Designation	Remuneration in Rs. (Annual CTC)	Qualification	Experience	Date of Joining	Age	Last employment	% of Equity Share
1	Shridhar Gokhale	Chief Executive Officer	72,23,711	M.E (Electrical) SMP (IIMC)	27	11-Jun-13	50	CG Power Systems Indonesia-Chief Operating Officer	0.0003
2	M Purushothaman	Head- Commercial	46,12,500	B.E. (EEE)	28	10-Dec-18	53	Vice President - Transformers & Rectifiers (India)	Nil
3	Mary Mody Karammel	Head - Design	42,00,008	B.E. (EEE)	28	25-Feb-20	52	General Manager- EMCO Ltd	Nil
4	R Dayanand	Head - Operation	39,32,625	B.E (Mech) DPM	26	1-Jul-96	50	Production Executive - Crompton Greaves	Nil
5	Saikrishnan C P	Chief Financial Officer (CFO)	30,17,574	CMA	24	3-Oct-18	48	Manager - Olam Information Services Pvt Ltd	Nil
6	Tusar Kanti Giri	Senior Manager- SCM	29,86,180	B.E (Mech)	16	2-Jan-17	38	Manager Operation- ECOTRAFO MALAYSIA SDN BHD - Malaysia	Nil
7	Fredrick Castro	Head- HR	25,60,118	M.A.B.L, PGDBA	33	21-Nov-12	59	Deputy general Manager - HR & IR – Shasun Pharmaceuticals Ltd	Nil
8	Jayabaskaran Jude	Senior Manager- Quality	22,37,761	B.E. (EEE)	25	25-Feb-10	40	Deputy manager - Asta India Pvt Ltd	Nil
9	P Narasimha Rao	Manager - Design	16,70,170	B.E (Mech)	18	18-Nov-10	36	Executive - Crompton Greaves Ltd	Nil
10	Sathyamoorthy A	Company Secretary & Finance Controller	15,56,786	MBA, A.C.S, CMA	8	18-Nov-15	31	Company Secretary & Compliance officer Megasoft Limited	Nil

(III) Employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than Rupees Eight lakhs Fifty thousand only per month

Nil

(IV) Employed throughout the financial year or part thereof, was in receipt of remuneration in that year which is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

Nil

CORPORATE GOVERNANCE REPORT

COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company’s philosophy on ethics envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operation and all its interactions with the stakeholders. The Company is in compliance with the requirements on Corporate Governance as they stood during FY 2019-20. The Company provides information on various issues concerning the Company’s business and financial performance to its shareholders.

The Company’s philosophy on Corporate Governance revolves around principles of ethical governance and is aimed at conducting business in an efficient and transparent manner and in meeting its obligations to shareholders and other stakeholders. We consider stakeholders as partners in our success and we remain committed to maximizing stakeholders’ value, be it

shareholders, employees, suppliers, customers, investors, communities or policy makers. This approach to value creation emanates from our belief that sound governance system, based on relationship and trust, is integral to creating enduring value for all.

A Report on compliance with the principles of Corporate Governance as prescribed by The Securities and Exchange Board of India (SEBI) in Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “Listing Regulations”) is given below:

GOVERNANCE STRUCTURE

Governance structure comprises the Board of Directors and the Committees of the Board at the apex level and the Management structure at the operational level. The Company has a strong legacy of fair, transparent and ethical governance practices. This brings about an effective environment for value creation.

BOARD OF DIRECTORS

The Board of Directors of the Company has an optimal combination of Executive, Non-Executive and Independent Directors who have in-depth knowledge of business, in addition to the expertise in their areas of specialization. The Board of Directors has the primary responsibility to oversee the operations of the Company. The Board comprises of Six Directors viz., three Independent and three Non-Independent, out of which, one Independent Director is a Woman Director. The Chairman of the Board is a Non-Executive and Non-Independent Director. The composition of Board is as follows:

Director	Category	DIN	DOA	Committee memberships (excluding in the Company)		Directorship(s) held in Indian Public Limited Companies	No of shares held in the Company
				Chairman	Member		
Mr. Ricardo Suarez Garza ¹	C & NED	07194157	27/05/15	--	--	--	--
Mr. M S Srinivasan ²	NED (I)	00261201	01/08/09	--	--	--	--
Mr. P V Krishna ³	NED (I)	02459872	27/05/15	--	--	--	--
Ms. Tabassum M Wajid ⁴	NED (I)	06904452	25/03/15	--	--	--	--
Mr. Gunjan Bhartia ⁵	NED	03366633	24/09/18	--	--	1	--
Mr. Shridhar Gokhale	WTD	08349732	07/02/19	--	--	--	2750
Mr. Visweswara Reddy	C & NED	02996298	03/09/20	--	--	1	--
Mr. Ajay Kumar Dhagat	NED (I)	00250792	13/08/20	1	2	4	--
Dr. Sutanu Behuria	NED (I)	00051668	19/08/20	--	4	3	--
Mr. Sharat Chandra Kolla	NED	08851423	03/09/20	--	--	--	--

¹ Mr. Ricardo Suarez Garza, Director resigned with effect from September 03, 2020

² Mr. M S Srinivasan, Independent Director resigned with effect from August 07, 2020

³ Mr. P V Krishna, Independent Director retired with effect from August 13, 2020

⁴ Ms. Tabassum M Wajid, Independent Director retired with effect from August 13, 2020

⁵ Mr. Gunjan Bhartia, Director resigned with effect from June 24, 2020

Notes:

- I. Category: C-Chairman, NED – Non-executive Director, WTD- Whole-Time Director, NED (I) – Non-executive Director and Independent.
- II. The Directorships held by Directors as mentioned above, do not include Alternate Directorships, Directorships of Foreign Companies, Section 8 Companies and Private Limited Companies.
- III. None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees across all companies in which they are Directors.

MATRIX OF SKILLS / EXPERTISE / COMPETENCIES OF THE BOARD

The Board of Directors of the company do possess fair level of skills/expertise/competencies, which are essential for the functioning of the Company in an effective manner

- i) Business Knowledge - understand the Company's business, policies, and culture (including its mission, vision, values,

goals, current strategic plan, governance structure, major risks and threats and potential opportunities) and knowledge of the industry in which the Company operates

- ii) Behavioral Skills - attributes and competencies to use their knowledge and skills to function well as team members and to interact with key stakeholders
- iii) Strategic thinking and decision making
- iv) Law & policies - Awareness of the existing law and economical policies applicable to the Company thereby ensuring proper legal and statutory compliances and appropriate application of policies to the advantage of the Company.
- v) Financial Expertise - Expertise in accounting and financial control functions. Possessing analytical skills. Expertise in preparation of financial strategies for the long term growth of the business of the Company
- vi) Technical/Professional skills and specialized knowledge to assist the ongoing aspects of the business

Director	Business Knowledge	Behavioral Skills	Strategic decision making	Law & policies	Financial Expertise	Technical/ Professional skills
Mr. Ricardo Suarez Garza	✓	✓	✓	✓	✓	✓
Mr. M S Srinivasan	✓	✓	✓	✓	✓	✓
Mr. P V Krishna	✓	✓	✓	✓	✓	✓
Ms. Tabassum M Wajid	✓	✓	✓	✓	✓	✓
Mr. Gunjan Bhartia	✓	✓	✓	✓	✓	✓
Mr. Shridhar Gokhale	✓	✓	✓	✓	✓	✓

MEETINGS OF BOARD OF DIRECTORS

Frequency: The Board meets once in every quarter to review the quarterly results and other items of the Agenda. Whenever necessary, additional meetings are held. In case of business exigencies or urgency of matters, decisions will be taken on the basis of resolutions passed by circulation and the same will be confirmed in the next Board / Committee Meeting.

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

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

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

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

Minutes of the Meetings: The draft Minutes of the proceedings of the Meetings are circulated amongst the Directors/Members of the Board / Committees within fifteen days from the conclusion of the Meeting. Comments and suggestions, if any, received from the Directors/Members are incorporated in the Minutes, in consultation with the Chairman. The Minutes are confirmed by the Directors/Members and signed by the Chairman at the next Board / Committee Meetings. All Minutes of the Committee Meetings are placed before the Board Meeting for perusal and noting.

The Board of Directors met four (4) times during the financial year on May 22, 2019, August 14, 2019, November 13, 2019, and February 06, 2020.

Name	Attendance on Meetings held on				AGM
	22 May 2019	14 Aug 2019	13 Nov 2019	06 Feb 2020	14 Aug 2019
Mr. Ricardo Suarez Garza	✓	✓	✓	LoA	✓
Mr. M S Srinivasan	✓	✓	✓	✓	✓
Mr. P V Krishna	✓	✓	✓	✓	✓
Ms. Tabassum M Wajid	LoA	✓	✓	✓	✓
Mr. Gunjan Bhartia	✓	✓	LoA	LoA	✓
Mr. Shridhar Gokhale	✓	✓	✓	✓	✓

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

INDEPENDENT DIRECTORS

To ensure highest standards of integrity, corporate credibility, transparent governance and also to uphold the interests of Stakeholders, Company has conferred significant powers and responsibilities to three directors who are independent from the Management.

CONFIRMATION FROM THE INDEPENDENT DIRECTORS

The Independent Directors of the Company satisfies the requirements laid down under section 149(6) of the Companies Act 2013 and Regulation 16(1) (b) of the Listing Regulations. In compliance with section 149 (7) of the Companies Act 2013, Company has received a declaration from each of the Independent Directors. In opinion of the Board, the independent Directors comply with the criteria of independence as laid down under Listing Regulations and Section 149(6) of the Companies Act 2013.

The following Non - Executive Directors are considered as Independent Directors:-

- Mr. M S Srinivasan* – Independent Director
(Resigned w.e.f. August 07, 2020)
- Mr. P V Krishna – Independent Director
(Retired w.e.f. August 13, 2020)
- Ms. Tabassum M Wajid – Independent Director
(Retired w.e.f. August 13, 2020)
- Mr. Ajay Kumar Dhagat – Independent Director
- Dr. Sutanu Behuria – Independent Director

* Mr. M S Srinivasan, resigned from the Board of Directors with effect from August 07, 2020 due to his preoccupation. Apart from this there are no other material reasons for his resignation.

Meetings of the Independent Directors: A separate meeting of Independent Directors was held during the year without the attendance of Non-Independent Directors and members of Management. All the Independent Directors were present at the meeting.

Familiarization Programme: The Familiarization Program is aimed to provide insights of the Company to enable the Independent Directors to understand the Company’s business in depth that would facilitate their active participation in managing the Company and to update the independent directors on a continuing basis on any significant changes therein so as to be in a position to take well-informed and timely decision. Company has adopted Familiarization policy and the same is available on the Company’s website. Website link: <http://www.indo-tech.com>

BRIEF RESUME OF DIRECTOR SEEKING APPOINTMENT / RE- APPOINTMENT:

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

DISCLOSURE OF DIRECTORS’ AND OTHERS INTEREST IN TRANSACTIONS WITH THE COMPANY

None of the Directors, Key Managerial Personnel and Senior Management, whether directly, indirectly or on behalf of third parties, had any material interest in any transaction or matter directly affecting the Company pursuant to the provisions of Regulation 4(2)(f) of the Listing Regulations.

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

COMMITTEE OF DIRECTORS

The Board has constituted Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee to primarily focus and deal on the issues in the respective areas effectively and to use director’s time more efficiently.

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

During the Financial year, each Committee has played a significant role in upholding and nurturing the principles of good governance and assisting the Board of Directors in discharging its duties and responsibilities.

AUDIT COMMITTEE:

The Audit Committee acts on the terms of reference given by the Board pursuant to Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

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

Composition: The Audit Committee consists of two Independent Directors and one Non-Executive Director. Company Secretary of the Company is acting as Secretary of the Audit Committee.

Meetings and Attendance: The Committee members met four times during the financial year ended March 31, 2020. The Attendance of members at the Committee Meetings is given below:

Members	Attendance on Meetings held on			
	22 May 2019	14 Aug 2019	13 Nov 2019	06 Feb 2020
Mr. M.S Srinivasan Chairman	✓	✓	✓	✓
Mr. Ricardo Suarez Garza	✓	✓	✓	LoA
Mr. P V Krishna	✓	✓	✓	✓

(✓ - Attended, LoA – Leave of Absence)

The terms of reference are briefly described below:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the Board, appointment, re-appointment, replacement or removal (in the event of necessity) of Statutory Auditors, Cost Auditors and / or any other auditors including fixation of remuneration.
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
- Review, with the management, the annual financial statements before submission to the Board for approval.
- Review and monitor the Internal Audit Report and the effectiveness on the Risk Management Plan and Internal Financial Controls.

- Review adequacy of internal control systems, internal audit department, reporting structure and frequency, whistle blower mechanism, statutory compliances.
- Approval or any subsequent modification of Related Party Transactions of the Company.

The Audit Committee is vested with the necessary powers to achieve its objectives.

The Committee has discharged such other role/function as envisaged under Regulation 18 (3) read with Part C of Schedule II of the Listing Regulations and the provisions of Section 177 of the Act.

STAKEHOLDERS' RELATIONSHIP COMMITTEE:

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

The said Committee has been authorized to approve the transfer/ transmission/ transposition of shares and issue of duplicate share certificates.

During the year Board reconstituted the Committee on May 22, 2019 to induct Mr. Shridhar Gokhale and on August 14, 2019 to induct Ms. Tabassum M Wajid, Independent Director as members of the Committee in compliance with the Listing Regulations.

The Committee consisted of two non-executives directors, one independent director and one executive director. Mr. Sathyamoorthy A, Company Secretary of the Company is the Compliance officer and Secretary of the Committee.

Composition and the attendance of Members at the Meetings held during the financial year ended March 31, 2020 is given below:

Members	Attendance on Meetings held on		
	14 Aug 2019	13 Nov 2019	06 Feb 2020
Mr. Ricardo Suarez Garza, Chairman	✓	✓	LoA
Mr. Gunjan Bhartia	✓	LoA	LoA
Ms. Tabassum M Wajid	✓	✓	✓
Mr. Shridhar Gokhale	✓	✓	✓

INVESTOR GRIEVANCES REDRESSAL STATUS

No complaints were received from the Shareholders during the period. All queries and requests from the shareholders are well addressed and resolved to their satisfaction and as on the date of the report no queries were held as unattended.

Particulars	Numbers
Number of Complaints outstanding as at April 01, 2019	0
Number of Complaints received during the year ended March 31, 2020	0
Number of Complaints resolved during the year ended March 31, 2020	0
Number of Complaints outstanding as at March 31, 2020	0

NAME, DESIGNATION AND ADDRESS OF COMPLIANCE OFFICER

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

Address : Survey No. 153-210, Illuppapattu Village Near Rajakulam, Kancheepuram (Dist.), Tamilnadu – 631561.

Phone :044-30289854

Fax :044-37290547

NOMINATION AND REMUNERATION COMMITTEE:

The terms of reference and role of the Nomination and Remuneration Committee are as per the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations which includes formulating the criteria to:

- Determine qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

The Committee consisted of three Non-Executives Directors with an independent Director as Chairman and the Company Secretary as the Secretary of the Committee.

Committee met for three times during the financial year ended March 31, 2020. The Attendance of Members at the Meetings held during the financial year is given below:

Members	Attendance on Meetings held on		
	14 Aug 2019	13 Nov 2019	06 Feb 2020
Mr. P.V Krishna, Chairman	✓	✓	✓
Mr. M.S Srinivasan	✓	✓	✓
Ms Tabassum M Wajid	✓	✓	✓

Performance evaluation criteria for Independent Directors (ID): The Nomination and Remuneration Committee has laid

down the criteria for performance evaluation of Independent Directors. The framework of performance evaluation of the Independent Directors captures the participation of the Directors in the Board proceedings and his/her effectiveness, contribution at the meetings, guidance / support to the Management.

REMUNERATION TO DIRECTORS

(I) Remuneration policy

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178(3) of the Companies Act, 2013, the Nomination and Remuneration Committee of the Company has formulated a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees.

The remuneration policy framed by the Nomination and Remuneration Committee warrants the Committee to decide the remuneration and other areas which falls under the terms of reference of the Committee.

(II) Remuneration of Non-Executive Directors

The Remuneration paid to Non-Executive Directors as sitting fees for the financial year ended March 31, 2020 is summarized below during the financial year.

During the Financial Year 2019-20, the Company did not have any material pecuniary relationship or transactions with Non-Executive Directors apart from paying sitting fees as disclosed below.

Name	Sitting fees (in Rs.)
Mr. M. S. Srinivasan	2,35,000
Mr. P V Krishna	2,35,000
Ms. Tabassum M Wajid	1,20,000

(III) Remuneration of Executive Directors

Remuneration to Executive Directors being paid as per the Service Agreements entered with them subject to the limits specified as per the provisions of the Companies Act, 2013. The details are mentioned below;

S. No	Particulars of Remuneration	Mr Shridhar Gokhale, Whole Time Director
1	Gross Salary	72,23,711
2	Stock Options	--
3	Others (Incentives)	--
Total		72,23,711

GENERAL MEETINGS AND EXTRA ORDINARY GENERAL MEETINGS:

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

For Financial Year ended	Date and Time	Venue	Special Resolutions Passed
March 31, 2019	August 14, 2019 At 01.30 P.M	Hotel Fairfield By Marriott, FSP, Mambakkam, Sriperumbudur, Kancheepuram District, Tamil Nadu 602105	<ul style="list-style-type: none"> Appointment and Fixing of Remuneration to Mr Shridhar Gokhale as Whole Time Director Appointment of Mr M S Srinivasan as Independent Director
March 31, 2018	August 14, 2018 At 02.30 P.M	Hotel Fairfield By Marriott, FSP, Mambakkam, Sriperumbudur, Kancheepuram District, Tamil Nadu 602105	<ul style="list-style-type: none"> Appointment and Fixing of Remuneration to Mr Ajay Kumar Sinha, Whole Time Director
March 31, 2017	September 06, 2017 At 02.30 P.M	GRT Regency, Gandhi Road, Kanchipuram TamilNadu-631502	<ul style="list-style-type: none"> NIL

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

NIL

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

NIL

MEANS OF COMMUNICATION:

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

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

SEBI COMPLAINTS REDRESSAL SYSTEM (SCORES):

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

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

CODE OF CONDUCT:

The code of Conduct for all the members of the Board and senior management of the Company has been posted on the website of the Company: www.indo-tech.com. All Board members and senior management personnel (as per Regulation 26(3) of the Listing Regulations) have affirmed compliance with the applicable Code of Conduct. A declaration to this effect forms part of this Report.

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

The Company's shares are listed on the BSE Limited and the National Stock Exchange of India Limited. With the view to preventing insider trading and abusive self-dealing in the securities of the Company, the Company has formulated a Code of Conduct to Regulate, Monitor and Report Trading of the Company's securities by Insiders in accordance with the SEBI Prohibition of Insider Trading) Regulations, 2015. As a part of this Code, the Company's Directors, Key Managerial Personnel and designated employees are advised of the closure of the trading window for dealing / transacting in the Company's Equity Shares prior to the announcement of the quarterly, half-yearly and annual financial results of the Company and other price sensitive information.

The Company has also adopted a Code of Corporate Disclosure Practices, for ensuring timely and adequate disclosure of Unpublished Price Sensitive Information by the Company, to enable the investor community to take informed investment decisions with regard to the Company's shares.

SHAREHOLDERS' INFORMATION:

28th Annual General Meeting:

The 28th Annual General Meeting will be held on **Friday, October 16, 2020 through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") at 10. 30 A.M (IST).**

Financial Year of the Company

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

Financial Calendar (tentative)

Results for the quarter ending June 30, 2020	Second week of September, 2020
Results for the quarter ending September 30, 2020	Second week of November 2020
Results for the quarter ending December 31, 2020	Second week of February 2021
Results for the quarter ending March 31, 2021	Third week of May 2021
AGM for the Financial year ending March 31, 2021	Second week of August 2021

Date of book closure:

October 10, 2020 to October 16, 2020 (both days inclusive)

LISTING OF SHARES ON STOCK EXCHANGES

The equity shares of the Company are currently listed with National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The Company has paid till date, appropriate listing fee to both the stock exchanges.

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 001.

National Stock Exchange of
India Limited
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra Kurla Complex,
Bandra (E),
Mumbai – 400 051

Stock Code

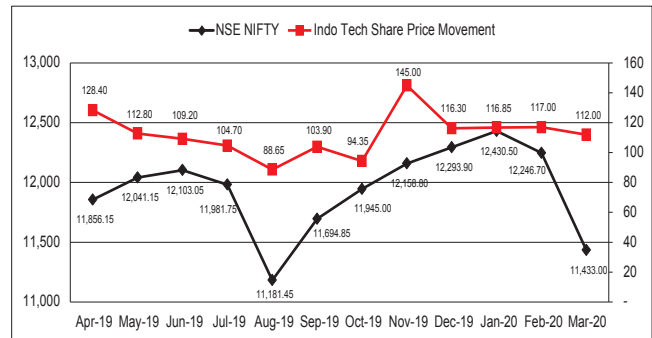
Stock Exchange	Code
BSE Limited	532717
National Stock Exchange of India Limited	INDOTECH
ISIN number for equity shares	INE332H01014

STOCK PRICE DATA

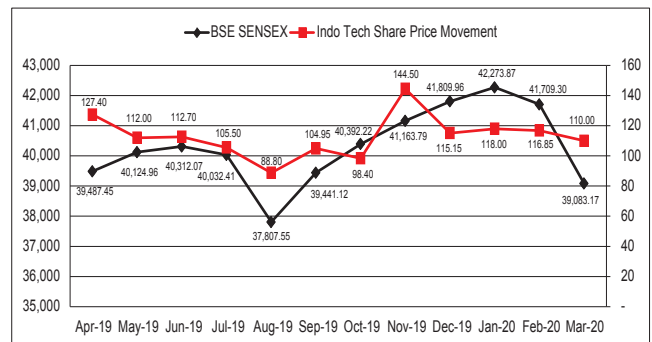
Month	NSE		BSE	
	High	Low	High	Low
Apr-19	128.40	102.20	127.40	102.20
May-19	112.80	91.40	112.00	91.25
Jun-19	109.20	90.45	112.70	89.00
Jul-19	104.70	80.80	105.50	82.00
Aug-19	88.65	73.70	88.80	70.20
Sep-19	103.90	76.75	104.95	77.00
Oct-19	94.35	75.95	98.40	75.10
Nov-19	145.00	85.20	144.50	73.00
Dec-19	116.30	90.00	115.15	88.15
Jan-20	116.85	110.70	118.00	111.05
Feb-20	117.00	106.70	116.85	107.50
Mar-20	112.00	69.65	110.00	81.45

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

PERFORMANCE IN COMPARISON TO NSE NIFTY:



PERFORMANCE IN COMPARISON TO BSE SENSEX



REGISTRAR AND SHARE TRANSFER AGENTS

Link Intime India Private Limited

C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083

Phones : 022 - 4918 6270, Fax : 022-4918 6060

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

SHAREHOLDING PATTERN AS ON MARCH 31, 2020

Category	No. of Shares	Percentage
Foreign Promoter Company	78,95,625	74.3468
Hindu Undivided Family	1,30,948	1.2330
Non Resident (Non Repatriable)	5,577	0.0525
Non Resident Indians	22,473	0.2116
Other Bodies Corporate	7,66,051	7.2133
Public	17,94,669	16.8990
Financial Institutions / Banks	37	0.0003
Clearing Members	4,620	0.0435
Total	1,06,20,000	100.00

SHARE TRANSFER, TRANSMISSIONS, SPLITS, SUB-DIVISION, CONSOLIDATION, RE-MAT

No applications for transfer/ transmission/split/subdivision/ consolidation/Re-mat were received during the financial year ended March 31, 2020.

SHAREHOLDING SUMMARY AS ON MARCH 31, 2020

Category	Total Shares	% to Equity
Physical	3,252	0.03
NSDL	92,68,422	87.27
CDSL	13,48,326	12.70
Total	1,06,20,000	100.00

DISTRIBUTION SCHEDULE AS ON MARCH 31, 2020

No. of Equity Shares held	No. of Shareholders	% to Shareholders	No. of Shares	% of Shareholding
1 to 500	8136	93.0786	6,66,639	6.28
501 to 1000	264	3.0202	2,09,021	1.97
1001 to 2000	173	1.9792	2,57,233	2.42
2001 to 3000	65	0.7436	1,64,082	1.54
3001 to 4000	24	0.2746	81,629	0.77
4001 to 5000	15	0.1716	71,028	0.67
5001 to 10000	34	0.3890	2,47,226	2.33
Greater than 10000	30	0.3432	89,23,142	84.02
TOTAL	8741	100	1,06,20,000	100

DEMATERIALIZATION OF SHARES

As per SEBI's direction, dematerialization facility for the shares of the Company is available and it is in the interest of all the shareholders to convert their physical holdings into electronic holdings by dematerialization.

As on March 31, 2020, 1,06,16,748 shares were held in dematerialized form which constitute approx. 99.97 % of total number of subscribed shares.

LIQUIDITY

Since Company's shares are listed on BSE Limited and National Stock Exchange of India Limited and are compulsorily traded in dematerialised form, these shares enjoy enough liquidity in the market.

SHARE TRANSFER SYSTEM

The Company has entered into agreement with M/s. Link Intime India Pvt Ltd, Mumbai to carry out the transfer related activities. Authorised personnel are approving the transfer on periodical basis. All valid transfers are affected within stipulated days. Share certificates received at Registered Office are also sent to Registrars and Share Transfer Agents for doing the needful.

In case of electronic transfers, the bye laws of Depositories are complied with. During the Financial Year 2018-19, the Securities and Exchange Board of India ('SEBI') and Ministry of Corporate Affairs ('MCA') has mandated that existing members of the Company who hold securities in physical form and intend to transfer their securities after April 1, 2019, can do so only in dematerialised form. Therefore, Members holding shares in physical form were requested to consider converting their shareholding to dematerialised form.

Share transactions in electronic form can be effected in a much simpler and faster manner. After a confirmation of a sale/purchase transaction from the broker, shareholders should approach the Depository Participant ("DP") with a request to debit or credit the account for the transaction. The DP will immediately arrange to complete the transaction by updating the account. There is no need for a separate communication to the Company to register these share transfers.

Shareholders should communicate with M/s. Link Intime India Pvt Ltd, the Company's Registrars and Transfer Agents ('RTA') quoting their folio number or Depository Participant ID ('DP ID') and Client ID number, for any queries to their securities

CREDIT RATING

S. No	Date of Report of Credit rating	Credit Rating Agency	Instrument	Rating
1	August 26, 2019	ICRA Limited	Non-Fund Based Credit Limit (guarantees and Letter of Credits)	[ICRA] A4+
2	August 26, 2019	ICRA Limited	Cash Credit Limit	[ICRA] BB+ (Negative)

GREEN INITIATIVE IN THE CORPORATE GOVERNANCE

As part of the green initiative process, the company has taken the initiative of sending documents like Notice calling Annual General meeting, Corporate Governance Report, Directors' Report, audited Financial Statements, Auditors Report, Dividend intimations etc., by email. Physical copies are sent only to those shareholders whose email addresses are not registered with the company and for the bounced-mail cases. Shareholders are requested to register their email id with Registrar and Share Transfer Agent / concerned depository to enable the company to send the documents in electronic form or inform the company in case they wish to receive the above documents in paper mode.

In view of the continuing lock down restrictions the circulars issued by Ministry of Corporate affairs (MCA) has provided relaxations for companies for conducting Annual General Meeting (AGM) through Video Conferencing (VC) or through other audio-visual means (OAVM) and has dispensed with the printing and despatch of annual reports to shareholders. As per the circular, the requirements of Regulations 36 (1)(b) and (c) and Regulation 58 (1)(b) &(c) of the LODR dealing with sending of hard copies of annual reports to shareholders are dispensed with for listed entities who conduct their AGMs during the calendar year 2020 (i.e. till December 31, 2020).

Considering the current Covid-19 challenges in exercise of the above relaxations, the company would be dispatching annual report only in electronic mode to the registered mail id of the shareholders for this upcoming AGM. Your company would not be printing / sending physical copies of Annual Report

PLANT LOCATION & ADDRESS FOR CORRESPONDENCE

INDOTECH TRANSFORMERS LIMITED

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

DISCLOSURES**Related Party Transactions**

There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. The Company does not have any subsidiary or associate. Transactions with related parties are entered into by the Company in the normal course of business and at arm's length. The details of transactions are periodically placed before the Audit Committee for review and approval. Members may refer to the notes to the accounts for details of related party transactions. Company has adopted a policy on related party transaction and it is placed on website of the Company (web link: <http://www.indo-tech.com>).

Disclosure of Accounting Treatment

The Company has followed the treatment laid down in the Accounting Standards prescribed by the Institute of Chartered Accountants of India, in the preparation of financial statements. There are no audit qualifications in the Company's financial statements for the year under review.

Compliance with Regulations:

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

Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)

The Company has not raised funds through preferential allotment or qualified institutions placement during the year ended March 31, 2020

CERTIFICATE FROM THE PRACTICING COMPANY SECRETARY

M/s K Krishnamoorthy, Practicing Company Secretary has issued a certificate as required under the Listing Regulation, confirming that none of the directors on the Board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority.

RECOMMENDATIONS OF COMMITTEE OF BOARD OF DIRECTORS

During the year ended March 31, 2020, all recommendations made by the Committees of the Board of Directors (viz. Audit

Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee were accepted by the Board of the Company.

TOTAL FEES FOR ALL SERVICES PAID BY THE COMPANY ON A CONSOLIDATED BASIS, TO THE STATUTORY AUDITORS

The details of payment made to Statutory Auditors during financial year 2019-20 are mentioned below:

S. No	Particulars of fees	(Rupees in Lakhs)
1	Statutory audit	23.00
2	Tax audit	4.00
3	Limited review of quarterly results	9.75
4	Corporate Governance	2.00
5	Reimbursement of expenses	9.72
	Total	48.47

WHISTLE-BLOWER POLICY

The Company has a Whistle Blower mechanism wherein the employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor or such other person as may be notified by the management. The confidentiality of those reporting violations shall be maintained and they shall not be subjected to any discriminatory practices. The Company affirms that no employee has been denied access to the Audit Committee. The Whistle-blower Policy is placed on website of the Company www.indo-tech.com

STATEMENT OF COMPLAINTS IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

There was no complaints during the financial year ended March 31, 2020.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Even though the provisions relating to the Corporate Social Responsibility (CSR) are not applicable to the Company, the approach towards CSR is holistic and integrated with the core business strategy of the Company for addressing social and environmental impacts of business.

DIVIDEND POLICY

Company did not declare any dividend during the period due to accumulated losses.

TRANSFER OF UNPAID/UNCLAIMED DIVIDEND AMOUNT TO INVESTOR EDUCATION AND PROTECTION FUND

Company does not have any unpaid/unclaimed dividend amount which are pending to be transferred to the Investor Educations and Protection Fund.

DETAILS OF COMPLIANCE WITH MANDATORY REQUIREMENTS AND ADOPTION OF NON-MANDATORY REQUIREMENTS

The Company has complied with the applicable mandatory requirements of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015.

The Company has adopted following non-mandatory requirements as specified in Part E of Schedule II of the SEBI (LODR) Regulations, 2015.

- A Non-Executive Chairperson is entitled to maintain a Chairperson's office at the Company's expenses and also allowed reimbursement of expenses incurred in performance of his duties.
- During the year under review, there was no audit qualification in the Auditors' Report on the Company's financial statements.
- The Chairperson of the Company and the CEO are different persons.
- The Internal Auditor of the Company is a permanent invitee to the Audit Committee Meeting and regularly attends the Meeting for reporting their findings of the internal audit to the Audit Committee Members

POLICY FOR DETERMINING 'MATERIAL' SUBSIDIARIES

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

DISCLOSURE OF COMMODITY PRICE RISKS AND COMMODITY HEDGING ACTIVITIES

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

COMPLIANCE OR OTHERWISE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT

The Company has complied with the requirements of the Corporate Governance and has made disclosures to the extent required and applicable to it, as stipulated in Listing Regulations.

CORRESPONDENCE REGARDING CHANGE OF ADDRESS ETC

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

PENDING INVESTORS' GRIEVANCES

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

For and on behalf of the Board of Directors
INDO-TECH TRANSFORMERS LIMITED

Sharat Chandra Kolla
Director
DIN:08851423

Shridhar Gokhale
Whole-Time Director
DIN : 08349732

Place: Kancheepuram
Date : September 15, 2020

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**FORWARD-LOOKING STATEMENTS**

This report contains forward-looking statements which may contain certain statements describing the Company's objectives, expectations or forecasts that appear to be forward-looking within the meaning of applicable securities laws and regulations while actual outcomes may differ materially from what is expressed herein. The Company is not obliged to update any such forward-looking statements. Some important factors that could influence the Company's operations comprise economic developments, pricing and demand and supply conditions in global and domestic markets, changes in government regulations, tax laws, litigation and industrial relations.

ECONOMIC AND INDUSTRIAL HIGHLIGHTS**The Global Economy**

The global economy grew at 2.4% in CY 2019, slowing from 3.0% in CY 2018. Amid global trade war and Brexit. Brexit which was a key uncertainty for Europe over last two years, also saw resolution towards end of 2019. The US economy remained relatively strong growing at 2.3%.

Global outlook has changed since the outbreak of COVID-19. There has been coordinated global monetary policy changes and fiscal support from Government

The Global economic prospects by World Bank in January 2020 forecasted that Global economic growth is set to rise by 2.5 percent this year, a small rise from an estimated 2.4 percent in 2019, as trade and investment gradually recover. Following a year during which weak trade and investment dragged the world economy to its feeblest performance since the global financial crisis, economic growth is poised for a modest rebound this year. However, for even that modest uptick to occur, many things have to go right.

Emerging market and developing economies are anticipated to see growth accelerate to 4.1 percent from 3.5 percent last year. However, that acceleration will not be broad-based: the pickup is anticipated to come largely from a handful of large emerging economies stabilizing after deep recessions or sharp slowdowns. Many EMDEs need to rebuild macroeconomic policy space to enhance resilience to possible adverse developments. They also need to pursue decisive reforms to bolster governance and business climates, improve tax policy, promote trade integration, and rekindle productivity growth, while protecting vulnerable groups. These policy actions would help foster inclusive and sustainable long-term growth.

Growth in the East Asia and Pacific region is projected to slow from an estimated 5.8 percent in 2019 to 5.7 percent in 2020 and moderate further to 5.6 percent in 2021-22. Easier financing conditions and fiscal will partly mitigate the lingering impact of trade tensions amid domestic challenges. In China, growth is expected to slow gradually, from an estimated 6.1 percent in 2019, to 5.9 percent in 2020, and to 5.7 percent by 2022. In

the rest of the region, growth is expected to recover slightly to 4.9 percent in 2020 and firm further to 5 percent in 2021-22.

Following the global economy, Growth in the South Asia region is estimated to have decelerated to 4.9 percent in 2019, reflecting a sharper than- expected and broad-based weakening in domestic demand. In India, activity was constrained by insufficient credit availability, as well as by subdued private consumption. Regional growth is expected to pick up gradually, to 6 percent in 2022, on the assumption of a modest rebound in domestic demand. Growth in India is projected to decelerate to 5 percent in FY2019/20 amid enduring financial sector issues. Key risks to the outlook include a sharper-than-expected slowdown in major economies, a reescalation of regional geopolitical tensions, and a setback in reforms to address impaired balance sheets in the financial and corporate sectors.

COVID-19 IMPACT

COVID-19 has triggered a global crisis like no other—a global health crisis that, in addition to an enormous human toll, is leading to the deepest global recession since the second world war. While the ultimate growth outcome is still uncertain, and an even worse scenario is possible if it takes longer to bring the health crisis under control, the pandemic will result in output contractions across the vast majority of emerging market and developing economies (EMDEs). Moreover, the pandemic is likely to exert lasting damage to fundamental determinants of long-term growth prospects, further eroding living standards for years to come.

The immediate policy priorities are to alleviate the ongoing health and human costs and weakened the near-term economic losses, while addressing challenges such as informality and weak social safety nets that have heightened the impact on vulnerable populations. Once the crisis abates, it will be necessary to reaffirm credible commitment to sustainable policies—including medium-term fiscal frameworks in energy-exporting EMDEs suffering from the large plunge in oil prices—and undertake the necessary reforms to support long-term growth prospects. For these actions, global coordination and cooperation will be critical.

Economic disruptions are likely to be more severe and protracted in those countries with larger domestic outbreaks, greater exposure to international spillovers (particularly through exposure to global commodity and financial markets, global value chains, and tourism), and larger pre-existing challenges such as informality. Growth forecasts for all regions have been severely downgraded, Asia's substantial downgrade is primarily the result of stringent lockdown measures. Many countries have avoided more adverse outcomes through sizable fiscal and monetary policy support measures.

Therefore the growth prospects depend on many factors, including how COVID-19 evolves, the duration of any shutdowns, the impact on activity, and the implementation

of fiscal and monetary policy support. Uncertainty will likely prevail for an extended period. The baseline forecast envisions a 5.2 percent contraction in global GDP in 2020—the deepest global recession in eight decades, despite unprecedented policy support. In India, growth is estimated to have slowed to 4.2 percent in FY 2019/20 (the year ending in March- 2020) and output is projected to contract by 3.2 percent in FY2020/21, when the impact of COVID-19 will largely materialize.

Indian Economy – Opportunities and Threats

India has emerged as the fastest growing major economy in the world and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its robust democracy and strong partnerships. The growth of the economy appears to have bottomed out and is expected to pick up in 2020-21. The prospects for Indian economy for the year 2020-21 need to be assessed in the light of emerging global and domestic challenges and opportunities. India's GDP is expected to reach US\$ 5 trillion by FY25 and achieve upper-middle income status on the back of digitization, globalization, favorable demographics, and reforms.

Global headwinds and challenges in the domestic financial sector moderated the growth of Indian economy in 2019-20. The real GDP growth moderated to 5.0 percent in 2019-20 as compared to 6.8 percent in 2018-19. Despite a temporary moderation in the Gross Domestic Product (GDP) growth in 2019-20, the fundamentals of Indian economy remain strong and GDP growth is expected to rebound from the third quarter of 2020-21. The World Bank's Global Economic Prospects report has lowered India's GDP growth to five per cent for the fiscal year 2020-21 from its earlier estimates. Its projection for India GDP in 2021-22 has also come down indicating that economic recovery could take longer than expected.

However the Macro-Economic Framework Statement 2020-21 from Government of India, states that the positive prospects for the economy are continuation of structural reforms that will revive growth and expected normalization of credit flow as investment picks up induced by a cut in the corporate tax rate and anticipated transmission of repo rate cuts earlier implemented by the Monetary Policy Committee.

INDUSTRY

Power is one of the most critical components of infrastructure crucial for the economic growth and welfare of nations. The existence and development of adequate infrastructure is essential for sustained growth of the Indian economy. India's power sector is one of the most diversified in the world. Sources of power generation range from conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power to viable non-conventional sources such as wind, solar, and solid waste. With Electricity availability in every village, consumption in the country has increased and will rise further in future. To meet this increasing demand for electricity, continuous addition to the installed generating capacity is needed.

Indian power sector is undergoing a significant change that has redefined the industry outlook. Sustained economic growth continues to drive electricity demand in India. The Government of India's focus on attaining 'Power for all' has accelerated capacity addition in the country. At the same time, the competitive intensity is increasing at both the market and supply sides (fuel, logistics, finances, and manpower).

India has been the third largest producer and third largest consumer of electricity in the world with installed power capacity reaching 370.34 GW as of April 2020. Electricity production reached 1,252.61 billion unit (BU) in FY20. India was ranked fourth in wind power, fifth in solar power and fifth in renewable power installed capacity as of 2018. India's rank jumped to 22 in 2019 from 137 in 2014 on World Bank's Ease of Doing Business - "Getting Electricity" ranking.

In FY20, total thermal installed capacity in the country stood at 230.81 GW, while renewable, hydro and nuclear energy installed capacity totalled to 86.76 GW, 45.70 GW and 6.78 GW, respectively. The Government plans to double the share of installed electricity generation capacity of renewable energy to 40 per cent by 2030. India has also raised the solar power generation capacity addition target by five times to 100 GW by 2022. The Government is preparing a 'rent a roof' policy for supporting its target of generating 40 GW of power through solar rooftop projects by 2022. The peak power demand in the country stood at 180.80 GW in FY20(P).

In the Union Budget 2020-21, Rs 15,875 crore (US\$ 2.27 billion) has been allocated to the Ministry of Power, while Rs 5,500 crore (US\$ 786.95 million) has been allocated towards Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY). The Cabinet Committee on Economic Affairs (CCEA) has approved commercial coal mining for private sector and the methodology of allocating coal mines via auction and allotment, thereby prioritising transparency, ease of doing business and ensuring the use of natural resources for national development.

The Government of India has identified power sector as a key sector of focus so as to promote sustained industrial growth. Some recent key initiatives by the Government of India to boost the Indian power sector:

- The Union Budget 2020-21 has allocated Rs 15,875 crore (US\$ 2.27 billion) to Ministry of Power and Rs. 5,500 crore (US\$ 786.95 million) towards the Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY - Scheme of Govt. of India for Rural Electrification).
- Government plans to establish renewable energy capacity of 500 GW by 2030.
- Ujwal Discoms Assurance Yojana (UDAY) was launched by the Government of India to encourage operational and financial turnaround of State-owned Power Distribution Companies (DISCOMS), with an aim to reduce Aggregate Technical & Commercial (AT&C) losses.

India's electricity security has improved markedly through the creation of a single national power system and major investments in thermal and renewable capacity. India's power system is currently experiencing a major shift to higher shares of variable renewable energy, which is making system integration and flexibility priority issues. The Government of India has supported greater interconnections across the country and now requires the existing coal fleet to operate more flexibly. It is also promoting affordable battery storage.

International experience suggests that a diverse mix of flexibility investments is needed for the successful system integration of wind and solar PV. This flexibility is available not only from the coal fleet – it can also come from natural gas capacity, variable renewables themselves, energy storage, demand-side response and power grids. Many of these solutions are not yet fully utilised in India. To fully activate a diverse set of flexibility options, it is critical for the government to put in place electricity market reforms that enable the appropriate price signals and create a robust regulatory framework.

The Government is taking various initiatives like 10 year tax exemption for Solar Power Projects to achieve the intended objective of adding 175 GW of renewable energy. The Government is actively looking to restart the stalled hydro power projects and increase the Wind energy production to 60 GW by 2022 from the current 22 GW.

The electricity generation target of conventional sources for the year 2020-21 has been fixed as 1330 Billion Unit (BU). i.e. growth of around 6.33% over actual conventional generation of 1250.784 BU for the previous year (2019-20). The conventional generation during 2019-20 was 1250.784 BU as compared to 1249.337 BU generated during 2018-19, representing a growth of about 0.12%.

A robust and efficient power T&D infrastructure is imperative for effective transfer of power from generation source to the consumption points / demand centres. Thus, expanding the T&D infrastructure to transmit the power generated to consumer points across the length and breadth of the country becomes imperative.

OPPORTUNITIES, CONCERNS AND RISKS

Opportunities

India is becoming an increasingly influential driver of trends in the global power sector. With its energy demand set to double by 2040 and its electricity demand potentially even tripling, it will cement its role as a game-changer in global energy markets. Electricity is a key constituent for the economic growth of the country and is directly linked to GDP of the country. There has been a rise in demand for power in India due to increase in capacity utilization, industrialization, urbanization and population.

India is likely to attract a massive investment in power generation sector in the five-year period between 2017 and 2022 in setting

up projects across thermal, hydro, nuclear and renewable segment. Power transformers contribute a major portion in overall market revenues due to their higher price points.

With a population of 1.38 billion and one of the world's fastest-growing major economies, the Indian government has initiated policies designed to conduct large-scale renewable energy auctions and promote access to oil and gas markets for foreign investors. Now the International Energy Agency (IEA) has published its first review of India's energy policies. The study was conducted in partnership with The National Institution for Transforming India (NITI Aayog), a government think-tank that helps plan and implement major policy initiatives. The study states that, India is working hard to move towards its aspirations of transforming the energy sector. The energy choices that India makes will be critical for Indian citizens as well as the future of the planet.

The report highlights the strong growth of renewables in India, which now account for almost 23% of the country's total installed capacity. It also found that energy efficiency improvements in India avoided 15% of additional energy demand, oil and gas imports, and air pollution – as well as 300 million tonnes of CO2 emissions between 2000 and 2018. In India's renewables-rich states, the share of variable renewables in electricity generation is already above 15%, a level that the IEA says "calls for dedicated policies to ensure they integrate smoothly into the power system".

The report also strongly encourages India to institutionalise energy policy coordination across government with a national energy policy framework. The IEA says increased access to affordable energy has raised the living standards of all segments of the country's population and adds that it believes India now has the institutional framework it needs to attract more investment for its growing energy needs. The report states that faced with the challenge of some stressed assets in coal and gas-fired generation, the government has been implementing a package of measures to enhance the economic efficiency of coal and gas supply for power generation and the availability of finance.

On renewables, the IEA suggests that a diverse mix of flexibility investments is needed for the successful system integration of wind and solar PV. It adds that this flexibility is available not only from the coal fleet but also from natural gas capacity, variable renewables themselves, energy storage, demand-side response and power grids.

Based on current policies, India's energy demand could double by 2040, with electricity demand potentially tripling as a result of increased appliance ownership and cooling needs. By raising the level of its energy efficiency ambition, India could save some \$190 billion per year in energy imports by 2040 and avoid electricity generation of 875 terawatt-hours per year – almost half of India's current annual power generation."

A transformer is regarded as the most expensive asset in a power transmission network as it nearly cost 60% of the total

substation capital cost. Transformers are critical components of the Power T&D network that are used to change voltage in the power transmission and distribution process, and hence play a key role. Transformers can be broadly classified, based on the output rating as:

- Distribution Transformers (31.5 to 5,000 KVA)
- Power Transformers (5.1 to 500 MVA)

Renewable energy and other Environment conservation oriented actions to create demand:

Renewable energy is fast emerging as a major source of power in India. The Government of India has set a target to achieve 175 gigawatts (GW) installed capacity of renewable energy by FY22. As of June 2019, the Government launched US\$ 5 billion of transmission-line tenders in phases and has set a target of 175 GW by 2022.

In the Solar and Wind park, transformers are required as part of the power evacuation system. Step-up generation transformers (33KV) would be needed at each power injection point in the solar park from where power would be transmitted to the nearest substation, which will have a step-up transformer (33KV/220KV), which will raise voltage to higher levels for feeding into the power grid. The company hopes that renewable energy parks can create enough demand. The Government of India is planning to invite bids for the largest solar tender in the world for installing 20 GW of solar power capacity to give a boost to manufacturing of solar power equipment in India.

As Government is pushing Electric vehicle mobility technology very actively, we see there will be demand of Electric vehicle charging stations. These stations will need high power of electricity which is provided at high voltage and thus need Transformers to reduce it low voltage level.

Concerns and Risks:

1. Raw material price volatility:

Copper and CRGO laminated Silicon Steel are the major raw material which contributes more than 50% cost of total raw material. The supply of CRGO is one of the major challenges in the industry as it needs to be imported and there is less supply. CRGO which is one of the major raw materials for transformers is not being manufactured in India causing more FOREX outflow and the importers levy high service charge from the manufacturers. Adverse price movement of both commodities can impact the margins of the Company. The Copper price is determined by the London Metal Exchange (LME). Reverse migration of labour due to COVID-19 lock down has impacted capacity of steel fabrication industry which has taken its toll on Fabricated steel items which is 3rd highest cost component in Transformer's Raw Material cost structure.

2. Unorganized players:

India's transformer market is predominantly unorganised with many small participants catering to the smaller distribution transformer markets. In addition to severe competition with MNC players, domestic manufacturers, Chinese and Korean manufacturer's entry makes the market very competitive. Company has to compete with unorganized players for orders from SEBs, utilities and industrial clients. This makes the market more price sensitive rather than quality. Recent development at trade relations front with China being watched closely and its impact on our industry yet to be seen.

3. Overcapacity in industry

Due to the entry of large number of players during favorable time, overcapacity is continue to be a major negative factor in the industry. The demand from the manufacturing segment is still a major concern for the industry, the manufacturing sector is yet to see an investment uptick and this has led to slowdown in new as well as expansion projects. As a result aggressive pricing is undertaken by some of the Transformers manufacturers which could impact margins.

4. Slowdown in the manufacturing segment

The demand from the manufacturing segment is still a major concern for the industry, the manufacturing sector is yet to see an investment uptick due to low capacity utilisation and this has led to slowdown in new as well as expansion projects. The slowdown in the manufacturing segment has a 'Domino' effect on the overall transformer industry – low power demand from the manufacturing segment is one of the major reasons for reducing peak power deficit in the country, excess power from the manufacturing sector is diverted to residential and agricultural sectors shortening power outages in these sectors. Unless power demand from manufacturing segment increases the utilities will be not be very enthusiastic to spend on improving power availability or expanding the network. Hence, demand expansion in the core manufacturing sectors is very critical for the transformer industry.

5. Financial Health of State Discoms

Years of populist tariff schemes, mounting Aggregate Technical & Commercial losses and operational inefficiencies have adversely affected the financial health of State Discoms which are currently plagued with humongous out-standing debts.

6. Energy park tenders won with very low energy unit rate

In year 2017-18 and 2018-19, during SEKI auction under intense competition, IPPs won Solar and Wind park tenders

with very low per unit rates. This has put immense pressure margins of IPPs and transferred to OEMs. Transformers OEMs which are already bearing burden of overcapacity and high raw material cost are now entered in to a cut throat competition where winner of most orders could be a loser in long run if money collection cycle does not happen as projected.

7. Delay in payment to IPPs by EBs

There is considerable delay in payment to IPPs by EBs. This delay affects financial health of IPPs and in turn affects cash cycle of OEMs. OEMs have to be choosy in accepting orders from such IPPs and this affects year to year growth.

8. Renegotiation of wind and solar power purchase contracts by state utilities

Industry witnessing a trend of State utilities reviewing and renegotiating the signed power purchase agreements (PPAs) with wind and solar power developers. This impair the cash flows of projects and may impact investor sentiments in the sector. PPA renegotiation or cancellation to be an event risk and a deviation from normal business proceedings, as these are not embedded in the contracts

9. Utility Orders

The transformer industry largely depends on the spending from transmission and distribution utilities and recent tenders/ordering activity by utilities clearly demonstrate the downward trend. Lack of funds is one of the key reason behind it. All Contracts awarding by the utilities are based on low price (L1) bidder which resulting in price war with unorganized players without compromise on the quality is the challenge for the organized quality driven Companies. The payment terms of utilities are generally high credit period compared to private parties which impact the Company's cash flow.

BUSINESS OVERVIEW AND OUTLOOK

With emphasis of central Government on renewable energy generation addition, country is moving towards decentralized electricity generation. Earlier, bulk electricity was generated near coal mines in central and east part of India and then transmitted through EHV lines of 400 KV & 765 KV to Western and Southern part of India. As majority of renewable parks are located in Western and Southern India, growth of 400KV or 765 KV Transmission lines will be limited. This mean 220 KV class Transmission equipment will be in demand where your company is appropriately positioned. In addition to the domestic market, your Company has taken steps to foray into the global market improve its performance and reach.

Due to excess installed capacity of Indian transformer industry and heavy competition, last few years were challenging. In these years some established transformers manufacturing plants have been closed down whereas your company sailed through these difficult times. Your company sees this as opportunity

to fill vacated space and increasing market share in 220 KV product segment.

As the world of power transformers is drastically transforming, the manufacturers are rapidly looking forward to addressing the needs of the massively increasing smart-grid infrastructure. The technological innovations and inventions in the field of these transformers is focusing on delivering a golden future of the smart grid.

The profound benefits behind this outgrowing need includes reduced greenhouse gas emissions, enhanced air quality, improved energy security, and high grid utilization inducing a robust increase in the interactive digital communications, adoption of smart metering, and high reliance on secondary side power.

The wide scale usage of power transformers has brought about a transformative turn in the power and energy sector since the last few years. Furthermore, the ongoing inventions and technological advancements in the field would also spur the expansion of these devices across the globe on a large scale in the forthcoming years.

RISK AND INTERNAL CONTROLS

The Audit Committee and the Board of Directors reviewed internal controls and the progress of implementation of the recommendations of internal audits. The Whole-Time Director/CFO certification provided in the report discusses the adequacy of our internal control systems and procedures.

The Company has an Internal Financial Control (IFC) process which aims at providing reasonable assurance on - reliability of financial information, compliances with laws and regulations in force and realization and optimization of operations. It ensures documentation and evaluation of unit and entity level controls through existing policies and procedures, primarily to identify any significant gaps and define key actions for improvement. Management conducted an assessment of the effectiveness of internal financial controls and based on this assessment, management has determined that the Company's internal financial controls as of March 31, 2020 were effective.

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.

HUMAN RESOURCES

Your company recognizes employees are the foundation of corporate success. We consider them our most valuable assets, and have been working towards keeping them engaged and inspired. In continuation of it, this year we have established

a process to identify and recognize performing employees through “Employee of the Month” scheme. We believe that Engaged and Inspired employees are more satisfied with their work, tend to stay longer, and are more productive, customer focused and committed. We have employees who have been with us for more than 25 years. Our periodical trainings have enhanced productivity and product performance on quality front. Our work place culture not only attracts and retains the best employees but also attracts employees who have left us for better prospects to re-join us. The Human resource department builds friendly relationship with each employee and helps them resolve grievances at short notice thereby inculcating an employee friendly environment which is highly rewarding.

Amid the impact of COVID-19 and the challenges it presents on a personal and business level, health and safety of the employees and their families are the priority of the company. The company has undertaken all safety measures across the plant and are following increased protocols to ensure our people are safe and secure. During lock down period our HR team quickly adopted new norms and continued with online training sessions for all staff employees utilizing knowledge

of internal and external experts. This online engagement with employees helped all to remain connected with each other and provide necessary moral and advisory support.

FINANCIAL AND OPERATIONS PERFORMANCE

The financial statements complied with the requirements of the Companies Act, 2013, and the Generally Accepted Accounting Principles (GAAP) in India. The financial performance of your Company was affected by the combined impact of pricing pressures in the market place, increases in input costs, delays in projects as well as complying with stringent design specifications of the customers.

The outbreak of the deadly Covid-19 pandemic, followed by the lockdown imposed in the country has adversely affected the business operations of the Company. Two months of the first Quarter (April and May) were non-productive month and we resumed business during the last week of May following the Government protocol on minimum staff.

Despite all challenges, the Company is fully focused on reducing the input costs and is using the expertise of its parent company.

FINANCIAL HIGHLIGHTS

	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
Gross Sales & Other Income	21,075	21,463	23,016	16,591	22,318	18,671	11,455	12,495	12,596	12,417
Net Sales & Other Income	21,075	21,463	22,472	15,059	20,263	17,363	10,485	11,554	11,572	11,428
Earnings before Depreciation, Interest and Tax (EBDIT)	507	-268	151	-308	937	632	-529	-3,857	-3,218	-1,861
Depreciation	479	519	474	482	535	518	299	504	412	380
Profit After Tax	192	-839	-369	-1,127	402	-374	-1,880	-5,018	-3,998	-2,274
Equity Dividend %	--	--	--	--	--	--	--	--	--	--
Dividend Payout	--	--	--	--	--	--	--	--	--	--
Equity Share Capital	1,062	1,062	1,062	1,062	1,062	1,062	1,062	1,062	1,062	1,062
Reserves and Surplus	11,591	11,455	12,348	12,757	14,425	14,023	-450	1,430	6,447	10,446
Net Worth	12,653	12,517	13,410	13,819	15,487	15,085	612	2,492	7,509	11,508
Gross Fixed Assets	6,671	6,563	5,987	5,909	10,106	10,003	9,888	9,902	9,822	9,945
Net Fixed Assets	4,797	5,159	5,034	5,429	6,215	6,635	7,047	7,309	7,667	8,130
Total Assets	20,193	19,346	20,868	20,868	21,269	20,659	18,270	17,684	17,599	15,923

KEY INDICATORS	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
Earnings per Share - Rs.	1.81	-7.90	-3.48	-10.62	3.79	-3.52	-17.7	-47.25	-37.65	-21.42
Turnover per share - Rs.	198.45	202.10	216.72	156.22	210.16	175.82	107.35	117.65	118.71	116.91
Book value per share - Rs.	119.14	117.86	126.27	130.12	145.83	142.04	5.76	23.46	70.72	108.36
Debt : Equity Ratio	--	--	--	--	--	--	20.62:1	3.27:1	0.71:1	0.09:1
EBDIT / Gross Turnover %	2%	-1%	1%	-2%	4%	3%	-5%	-32%	-26%	-15%
Net Profit Margin %	1%	-4%	-2%	-7%	2%	-2%	-19%	-42%	-32%	-18%
RONW %	2%	-7%	-3%	-8%	3%	-2%	-307%	-201%	-53%	-20%
ROCE %	4%	-2%	1%	-2%	6%	4%	-77%	-150%	-42%	-16%

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**To****The Members of Indo Tech Transformers Limited**

The Certificate is issued in accordance with the terms of our engagement letter dated May 18, 2020.

We have examined the compliance of conditions of Corporate Governance by Indo Tech Transformers Limited ('the Company'), for the year ended March 31, 2020, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ('the Listing Regulations'), pursuant to the Listing Agreement of the Company with the Stock exchanges.

Management's Responsibility

The Company's Management is responsible for compliance of conditions of Corporate Governance including the preparation and maintenance of all relevant supporting records and documents as stipulated under the Listing Regulations. This responsibility includes the design, implementation and maintenance of corporate governance process relevant to the compliance of the conditions. Responsibility also includes collecting, collating and validating data and designing, implementing and monitoring of Corporate Governance process suitable for ensuring compliance with the Listing Regulations.

Auditors' Responsibility

Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations for the year ended March 31, 2020.

We conducted our examination of the Corporate Governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016), Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ('ICAI') and the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

In our opinion and to the best of our information and according to the information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations, as applicable.

We 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.

Restrictions on use

This Certificate is issued solely for the purpose of complying with the aforesaid Listing Regulations and may not be suitable for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

for B S R & Co. LLP
Chartered Accountants
Firm's Registration No. - 101248W/W-100022

Amar Sunder
Partner
Membership No. 078305
ICAI UDIN: 20078305AAAACC9383

Place : Mumbai
Date : September 18, 2020

CERTIFICATION BY CHIEF EXECUTIVE OFFICER / CHIEF FINANCIAL OFFICER

We hereby certify that for the financial year ending March 31, 2020, on the basis of the review of the financial statements and the cash flow statement and to the best of our knowledge and belief that:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year ending March 31, 2020, which are fraudulent, illegal or in violation of the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls. We have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and have taken the required steps to rectify these deficiencies.
5. We further certify that:-
 - a) There have been no significant changes in internal control during this year.
 - b) There have been no significant changes in accounting policies during this year.
 - c) There have been no instances of significant fraud of which we have become aware and the involvement therein of the management or an employee having a significant role in the Company's internal control system.

Place : Kancheepuram
Date : June 30, 2020

Shridhar Gokhale
Whole-Time Director

Saikrishnan C P
Chief Financial Officer

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

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

We confirm that the Company has in respect of the financial year ended March 31, 2020, received from the Members of the Board and the senior management team of the Company a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means employees in the rank of Heads of functions.

For Indo Tech Transformers Limited

Place : Kancheepuram
Date : June 30, 2020

Shridhar Gokhale
Whole-Time Director

INDEPENDENT AUDITORS' REPORT

To the Members of Indo Tech Transformers Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Indo Tech Transformers Limited ("the Company"), which comprise the balance sheet as at March 31, 2020, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Going concern – Effect of continuous losses and current economic conditions

The key audit matter	How the matter was addressed in our audit
<p>The Company has incurred losses over the past few years and has significant accumulated losses as at balance sheet date.</p> <p>Further, the impact of COVID-19 pandemic on the budgets / forecasts and uncertain business environment caused by various external factors may pose a threat / liquidity challenge for the Company.</p> <p>Management based on its assessment, has not identified a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.</p> <p>As more fully explained in Note 2b to the financial statements, the Company's financial statements have been prepared using the going concern basis of accounting. The use of this basis of accounting is appropriate unless management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.</p> <p>In view of continued and accumulated losses and the possible impact of COVID-19 on the business, we identified the assessment of going concern as a key audit matter.</p>	<p>Our audit procedures to assess the going concern assumption in the preparation of the financial statements included the following:</p> <ul style="list-style-type: none"> • evaluating the business plan and various underlying facts and assumptions with respect to such plan; • evaluating the impact of COVID-19 on the Company's operations and the possible measures undertaken by the Company with respect to such challenges; • obtaining the support letter received by the Company from its holding company and the Acquirer (also refer Note 2b to the financial statements); • verifying the available banking limits with underlying documentation.

2. Revenue - Timing of recognition

The key audit matter	How the matter was addressed in our audit
<p>Revenue mainly comprises of sales of transformers and rendering of related services.</p> <p>We identified the timing of revenue recognition a key audit matter because revenue is one of the key performance indicators of the Company and therefore there is a risk that revenue may be recognized in the incorrect period.</p>	<p>We have performed the following procedures with respect to the timing of revenue recognition;</p> <ul style="list-style-type: none"> • obtaining an understanding of the order execution processes and relevant controls relating to the accounting for customer contracts; • assessing and evaluating the design, implementation and operating controls effectiveness of key internal controls which govern the timing of revenue recognition; • for revenue transactions recorded just before and after the year end, inspecting the related invoices and other underlying documents, to assess if the related revenue had been recognised in the appropriate financial year on the basis of the terms of sale as set out in the customer purchase orders/ agreements.

3. Recoverability of trade receivables

The key audit matter	How the matter was addressed in our audit
<p>Considering the industry in which the Company operates and the customer profile and mix, the Company has significant dues outstanding from customers which are already past due.</p> <p>The recoverability assessment and the provisioning requirement carried on by the management is based on the ageing profile, historical payment pattern and the past record of default by the customer, expected date of collection and time value of money.</p> <p>We identified the recoverability of trade receivables as a key audit matter because of the inherent uncertainty in assessing if trade receivables will be recovered in full, and that the assessment of the allowance for doubtful debts requires exercise of judgement by management.</p> <p>See note 11 and 29C(ii) to the financial statements</p>	<p>We have performed the following procedures in relation to the recoverability of trade receivables:</p> <ul style="list-style-type: none"> • evaluating the design, implementation and operating effectiveness of key internal controls relating to debt collection and the calculation of the allowance for doubtful debts; • assessing the accuracy of individual balances in the trade receivables ageing report by comparing the details in the trade receivables ageing report with underlying sales invoices, on a sample basis; • obtaining an understanding of the basis of management’s judgement about the recoverability of individual overdue balances and evaluating the allowance for doubtful debts made by management for these balances with reference to the industry in which the Company is operating, the ageing of overdue balances, correspondences with the customers and historical payment records; • obtaining direct confirmations and comparing receipts from customers subsequent to the financial year end relating to balances as at March 31, 2020 with bank statements and relevant underlying documentation, on a sample basis.

Other Information

The Company’s management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company’s annual report, but does not include the financial statements and our auditors’ report thereon. The annual report is expected to be made available to us after the date of this auditors’ report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's and Board of Directors' Responsibility for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a

material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at March 31, 2020 on its financial

position in its financial statements - Refer Note 30 to the financial statements.

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 have not been made in these financial statements since they do not pertain to the financial year ended March 31, 2020.
- (C) With respect to the matter to be included in the Auditors' Report under Section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

for B S R & Co. LLP
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Amar Sunder
Partner
Membership No. 078305
UDIN: 20078305AAAABL6933

Place: Mumbai
Date: June 30, 2020

Annexure - A to the Independent Auditors' Report on the financial statements of Indo Tech Transformers Limited for the year ended March 31, 2020

(Referred to in our report of even date)

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

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, duty of customs, goods and services tax and other material statutory dues were in arrears as at March 31, 2020 for a period of more than six months from the date they became payable except in respect of income tax deductible at source estimated at an aggregate of Rs. 14.38 lakhs pertaining to FY 2018-19 and FY 2019-20 which has not been deducted/ paid.

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

Name of the statute	Nature of the dues	Amount (Rs. lakhs)	Period to which the amount relates	Forum where the dispute is pending
The Central Sales Tax Act, 1956	Central sales tax	4.42	FY 1996-97	Madras High Court
The Central Sales Tax Act, 1956	Central sales tax	3.63^	FY 2005-06 FY 2006-07	Assistant Commissioner of Commercial Taxes
Tamil Nadu General Sales Tax Act, 1959	Penalty	0.16	FY 1996-97	Commissioner of Commercial Tax Appeals
Tamil Nadu Value Added Tax Act, 2006	Sales tax	Nil@	FY 2008-09	Appellate Deputy Commissioner of Commercial Taxes

Name of the statute	Nature of the dues	Amount (Rs. lakhs)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise duty	146.02	FY 2008-09 to December 2012	Custom Excise and Service Tax Appellate Tribunal, Chennai
Central Excise Act, 1944	Excise duty	41.16	January 2012 to December 2013 and March 2014 to June 2014	Joint Commissioner of Central Excise
Finance Act, 1994	Service Tax	79.22#	FY 14-15	Custom Excise and Service Tax Appellate Tribunal, Chennai
Income-tax Act, 1961	Income Tax	36.70	AY 2005-06	Madras High Court
Income-tax Act, 1961	Income Tax	45.76	AY 2016-17	Commissioner of Income Tax (Appeals)
^ net of Rs. 25.00 lakhs paid under protest @ net of Rs. 7.51 lakhs paid under protest # net of Rs. 4.17 lakhs paid under protest				

- viii. In our opinion and according to the information and explanations given to us, the Company did not have any outstanding loan or borrowings from any banks, financial institutions, government or debenture holders during the year.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations give to us and based on our examination of the records, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanation given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the financial statements as required by the applicable accounting standard.

- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. In our opinion and according to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the order is not applicable.

for B S R & Co. LLP
Chartered Accountants
 Firm's Registration No. 101248W/W-100022

Amar Sunder
Partner
 Membership No. 078305
 UDIN: 20078305AAAABL6933

Place: Mumbai
 Date: June 30, 2020

Annexure - B to the Independent Auditors' Report on the financial statements of Indo Tech Transformers Limited for the year ended March 31, 2020

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Indo Tech Transformers Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the

risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

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

Chartered Accountants

Firm's Registration No. 101248W/W-100022

Amar Sunder

Partner

Membership No. 078305

UDIN: 20078305AAAABL6933

Place: Mumbai

Date: June 30, 2020

INDO TECH TRANSFORMERS LIMITED

Balance Sheet as at March 31, 2020

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

	Note	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	4	4,793.04	5,159.48
Capital work-in-progress	4	-	-
Intangible assets	5	3.67	5.84
Financial assets			
Deposits	6(i)	198.95	180.02
Other financial assets	6(ii)	302.54	8.88
Deferred tax assets, net	7	-	-
Non-current tax assets	8	388.08	374.89
Other non-current assets	9	38.20	63.53
Total non-current assets		5,724.48	5,792.64
Current assets			
Inventories	10	4,621.91	3,442.54
Financial assets			
Trade receivables	11	7,384.92	6,177.87
Cash and cash equivalents	12(i)	432.83	2,069.95
Other bank balances	12(ii)	832.33	950.27
Other financial assets	13	237.71	52.98
Current tax assets	14	226.36	-
Other current assets	15	732.69	860.03
Total current assets		14,468.75	13,553.64
Total Assets		20,193.23	19,346.28
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	1,062.00	1,062.00
Other equity		11,590.59	11,454.77
Total equity		12,652.59	12,516.77
Liabilities			
Non-current liabilities			
Provisions	18	116.07	93.80
Total non-current liabilities		116.07	93.80
Current liabilities			
Financial Liabilities			
Trade payables	19	798.72	715.26
- total outstanding dues of micro enterprises and small enterprises		4,856.62	3,826.77
- total outstanding dues of creditors other than micro enterprises and small enterprises		1,495.29	1,956.61
Other current liabilities	20	273.94	237.07
Provisions	18	273.94	237.07
Total current liabilities		7,424.57	6,735.71
Total liabilities		7,540.64	6,829.51
Total equity and liabilities		20,193.23	19,346.28
Significant accounting policies	3		
The notes referred to above form an integral part of the financial statements			

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. - 101248W/W-100022

Amar Sunder
Partner
Membership No.: 078305

Place: Mumbai
Date: June 30, 2020

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

M S Srinivasan
Director
DIN No.: 00261201

Saikrishnan C P
Chief Financial Officer

Place: Chennai
Date: June 30, 2020

Shridhar Gokhale
Director
DIN No.: 08349732

Sathyamoorthy A
Company Secretary

Statement of Profit and Loss for the year ended March 31, 2020

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

	Note	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from operations	21	20,532.52	21,338.90
Other income	22	542.47	124.43
Total income		21,074.99	21,463.33
Expenses			
Cost of materials consumed	23	17,013.17	15,737.01
Changes in inventories of finished goods and work-in-progress	24	(1,655.50)	735.86
Employee benefits expense	25	2,158.13	1,984.18
Finance costs	26	18.58	52.35
Depreciation and amortisation expense	27	478.93	518.90
Other expenses	28	3,051.98	3,273.93
Total expenses		21,065.29	22,302.23
Profit / (Loss) before tax		9.70	(838.90)
Tax expenses:			
Current tax		-	-
Current tax pertaining to earlier years		(182.33)	-
Profit / (Loss) after tax		192.03	(838.90)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of defined benefit liability	18	(56.21)	(54.41)
Income tax relating to items that will not be reclassified to profit or loss		-	-
Total comprehensive income for the year		135.82	(893.31)
Earnings per equity share:			
- Basic	33	1.81	(7.90)
- Diluted		1.81	(7.90)
Significant accounting policies	3		
The notes referred to above form an integral part of the financial statements			

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. - 101248W/W-100022

Amar Sunder
Partner
Membership No.: 078305

Place: Mumbai
Date: June 30, 2020

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

M S Srinivasan
Director
DIN No.: 00261201

Saikrishnan C P
Chief Financial Officer

Place: Chennai
Date: June 30, 2020

Shridhar Gokhale
Director
DIN No.: 08349732

Sathyamoorthy A
Company Secretary

Statement of Changes in Equity for year ended March 31, 2020

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

a. Equity share capital **Amount**

Balance as at April 1, 2018	1,062.00
Changes in equity share capital during the year	-
Balance as at March 31, 2019	1,062.00
Changes in equity share capital during the year	-
Balance as at March 31, 2020	1,062.00

b. Other equity

	Reserves and surplus (Refer note 17)				Other Comprehensive Income (Refer note 17)	Total
	Securities premium	Capital reserve	General reserve	Retained earnings	Remeasurements of defined benefit liability	
Balance as at April 1, 2018	3,758.48	14,912.50	1,933.53	(8,199.38)	(57.05)	12,348.08
Loss for the year	-	-	-	(838.90)	-	(838.90)
Other comprehensive income	-	-	-	-	(54.41)	(54.41)
Total comprehensive income for the year	-	-	-	(838.90)	(54.41)	(893.31)
Balance as at March 31, 2019	3,758.48	14,912.50	1,933.53	(9,038.28)	(111.46)	11,454.77
Profit for the year	-	-	-	192.03	-	192.03
Other comprehensive income	-	-	-	-	(56.21)	(56.21)
Total comprehensive income for the year	-	-	-	192.03	(56.21)	135.82
Balance as at March 31, 2020	3,758.48	14,912.50	1,933.53	(8,846.25)	(167.67)	11,590.59

Significant accounting policies

3

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

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. - 101248W/W-100022

Amar Sunder
Partner
Membership No.: 078305

Place: Mumbai
Date: June 30, 2020

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

M S Srinivasan
Director
DIN No.: 00261201

Saikrishnan C P
Chief Financial Officer

Place: Chennai
Date: June 30, 2020

Shridhar Gokhale
Director
DIN No.: 08349732

Sathyamoorthy A
Company Secretary

Cash Flow Statement for the year ended March 31, 2020

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

Note	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash flows from operating activities		
	9.70	(838.90)
<i>Adjustments:</i>		
Depreciation and amortisation expense	478.93	518.90
Property, plant and equipment written off	2.74	-
Profit on sale of property, plant and equipment	-	(2.51)
Provision for doubtful debts	129.29	464.45
Provision for doubtful receivables	14.54	-
Deposits written off	9.10	-
Interest income	(159.34)	(76.92)
Unrealised loss / (gain) on foreign exchange fluctuation	1.57	(0.98)
Liabilities / provisions no longer required written back	(333.72)	(10.11)
Provision for inventories	21.98	47.16
Provision for warranty	23.57	41.95
Finance costs	18.58	52.35
Operating cash flow before working capital changes	216.94	195.39
(Increase) / decrease in inventories	(1,201.35)	808.47
(Increase) / decrease in trade receivables	(1,336.34)	1,306.89
Increase in deposits and other financial assets	(217.90)	(2.43)
Decrease in other assets	138.13	196.62
Increase / (decrease) in trade payables, other liabilities and provisions	963.51	(724.21)
Cash generated from operating activities	(1,437.01)	1,780.73
Income taxes paid	(13.19)	(36.27)
Net cash (used in) / from operating activities	(1,450.20)	1,744.46
Cash flows from investing activities		
Purchase of property, plant and equipment	(113.06)	(102.70)
Proceeds from sale of property, plant and equipment	-	24.04
Interest received	108.83	55.25
Bank deposits (having original maturity of more than three months)	(175.72)	(59.05)
Net cash used in investing activities	(179.95)	(82.46)

Cash Flow Statement for the year ended March 31, 2020 *(continued)*

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

Cash flows from Financing activities

Finance costs paid		(6.97)	(37.89)
Net cash used in financing activities	(C)	(6.97)	(37.89)
Net (decrease) / increase in cash and cash equivalents	(A+B+C)	(1,637.12)	1,624.11
Cash and cash equivalents at the beginning of the year (see note below)		2,069.95	445.84
Cash and cash equivalents at the end of the year (see note below)		432.83	2,069.95

		As at March 31, 2020	As at March 31, 2019
Components of cash and cash equivalents:	12(i)		
- Cash in hand		-	-
- Bank balances			
- on current accounts		70.46	552.41
- on cash credit accounts		362.37	517.54
- on deposit accounts (with original maturity of 3 months or less)		-	1,000.00
		432.83	2,069.95

Significant accounting policies

3

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

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. - 101248W/W-100022

Amar Sunder
Partner
Membership No.: 078305

Place: Mumbai
Date: June 30, 2020

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

M S Srinivasan
Director
DIN No.: 00261201

Shridhar Gokhale
Director
DIN No.: 08349732

Saikrishnan C P
Chief Financial Officer

Sathyamoorthy A
Company Secretary

Place: Chennai
Date: June 30, 2020

Notes to financial statements for the year ended March 31, 2020

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

1 Company overview

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

2 Basis of preparation

a. Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 specified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements were authorised for issue by the Company's Board of Directors on June 30, 2020.

Details of the Company's accounting policies are included in Note 3.

- b. On December 20, 2019, Prolec GE Internacional, S de R.L de C.V., (the 'Existing holding company') and Shirdi Sai Electricals Limited (the 'Acquirer') have entered into a Share Purchase Agreement (the 'SPA'). Pursuant to the SPA, the Acquirer has agreed to acquire from the Existing holding Company, being the promoter of the Company, 7,366,032 equity shares representing 69.36% of the equity share capital of the Company at a price of Rs. 94.51 per equity share, completion of which shall be subject to receipt of all statutory approvals, as may be applicable, and satisfaction of certain other conditions precedent.

Since the Acquirer has entered into the SPA to acquire the voting rights in excess of 25% of the equity share capital and control over the Company, a mandatory open offer announcement was made by the Acquirer under Regulation 3(1) and Regulation (4) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments thereto, for the acquisition of up to 2,724,375 fully paid-up equity shares of the Company, representing 25.65% of the total paid-up equity share capital of the Company. The Acquirer has completed the open offer process as per SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and acquired 454,873 equity shares, which constitutes 4.28% of the total paid up share capital of the Company as on March 31, 2020. Pursuant to the consummation of the transactions contemplated under the SPA, the Acquirer will obtain control and shall become the promoter of the Company. However, pending such consummation as at date, Prolec GE Internacional, S de R.L de C.V. continues to be the promoter of the Company.

The Company had been incurring losses over the last few years and has accumulated losses as at the reporting date. In order to overcome this, the Company has developed a business plan to strengthen its financial position / liquidity and has initiated corrective measures to improve its operational performance. Based on the approved business plans, availability of banking limits, commitment and intention of the Existing holding Company and the Acquirer to provide timely financial and other assistance as may be considered necessary to enable the Company to continue in operational existence for the foreseeable future, the Company believes that it would be able to meet its financial requirements and no adjustments would be required in respect of the carrying values of assets / liabilities. Accordingly, these financial statements have been prepared on a going concern basis.

c. Functional and presentation currency

These financial statements are presented in Indian Rupees (Rs.), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

d. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Net defined benefit liability / (asset)	Present value of defined benefit obligations less Fair value of plan assets

e. Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may

differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2020 is included in the following notes:

Note 3(c) - estimated useful life of property, plant and equipment and intangible assets;

Note 3(i) and Note 30 – recognition and measurement of provisions and contingencies; key assumptions about the likelihood and magnitude of an outflow of resources;

Note 3(o) and Note 7 – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;

Note 3(h) and Note 18 – measurement of defined benefit obligations: key actuarial assumptions;

Note 3(f) and Note 29 – impairment of financial assets.

f. Measurement of fair values

A few of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 29.

3 Significant accounting policies**a. Foreign currency****Foreign currency transactions**

Transactions in foreign currencies are translated into the functional currency of the Company, at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in profit or loss.

b. Financial instruments**(i) Recognition and initial measurement**

Trade receivables and unbilled revenue are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- Fair value through OCI (FVOCI) – debt investment;
- FVOCI – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investments fair value in OCI (designated as FVOCI - equity investment). This election is made on an investment by investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at

FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

c. Property, plant and equipment**(i) Recognition and measurement**

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(iii) Depreciation

Depreciation is provided on the straight-line method over the useful life as prescribed under Part C of Schedule II of the Companies Act, 2013. Freehold land is not depreciated.

The estimated useful lives of items of property, plant and equipment for the current and comparative period are as follows:

Asset	Useful life (in years)
Buildings	30-60
Plant and machinery	15
Office equipments	5
Computer and accessories	3-6
Furniture and fixtures	10
Vehicles	8

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. The management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

d. Intangible assets

(i) Recognition and measurement

Intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses, if any.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(iii) Amortisation

Amortisation is calculated to write off the cost of intangible assets over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in statement of profit and loss. Intangible assets comprise of softwares purchased which are amortised over a period of 5 years.

e. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

Value of identified items of finished goods and work-in-progress are written down if estimated recoverable value of such item is lower than its cost.

f. Impairment

(i) Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the customer;
- a breach of contract such as a default / being significantly past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the customer will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(ii) Impairment of non-financial assets

The Company's non-financial assets other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

g. Non-current assets held for sale

Non-current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognised in profit or loss.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

If the Company no longer satisfies the criteria for classification of such assets as held for sale, the assets are reclassified back to their original classification at the lower of its carrying value before the asset was classified as held for sale adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset not been reclassified as held for sale and its recoverable amount on the date of reclassification.

h. Employee benefits**(i) Short-term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(iii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iv) Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

(v) Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

i. Provisions and contingent liabilities

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

(i) Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on technical evaluation, historical warranty data and a weighting of all possible outcomes by their associated probabilities.

(ii) Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

j. Earnings per share

Basic earnings per share is computed by dividing net profit or loss for the year attributable to equity shareholders by the weighted average number of shares outstanding during the year. Diluted earnings per share amounts are computed after adjusting the effects of all dilutive potential equity shares. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share, and also the weighted average number of equity shares, which could have been issued on the conversion of all dilutive potential shares.

k. Revenue

The Company derives revenues primarily from sale of transformers and related services (i.e. freight, insurance and labour).

(a) Sale of goods

Revenue is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control over a promised good refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from those goods. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the individual delivery and acceptance terms agreed with the customers. The amount of revenue to be recognised (transaction price) is based on the consideration expected to be received in exchange for goods, excluding amounts collected on behalf of third parties such as tax or other taxes directly linked to sales. Revenue from sale of goods is recorded net of allowances for estimated rebates, cash discounts and estimates of return of goods, all of which are established at the time of sale.

If a contract contains more than one performance obligation, the transaction price is allocated to each performance obligation based on their relative standalone selling prices. In case of any modification to the contract, the entity recognises such modification as a separate contract if it increases both the performance obligation and the consideration due for such modification.

Arrangements with customers for sale of the goods are either on a fixed firm price basis or variable on a key material price change basis.

Amounts due in respect of price escalation claims and / or variation in sale are recognised as revenue only if the contract allows for such claims or variations and / or there is evidence that the customer has accepted it and it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

Liquidated damages / penalties, warranties and contingencies are provided for, based on management's assessment of the estimated liability, as per the contractual terms and / or acceptance.

Revenues in excess of invoicing are classified as contract assets (i.e. unbilled revenue). Consideration received before the transfer of goods to the customers are presented as a contract liability (i.e. advance from customers).

(b) Sale of services

Revenue from services is recognised as the performance obligation is satisfied in accordance with the terms of the relevant contract.

Disaggregation of revenue

The Company disaggregates revenue from contracts with customers by the nature of sale i.e. sale of transformers and sale of services and type of contracts viz fixed price contract and variable price contract. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors. Refer Note 21.

i. Recognition of interest income or expense

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

m. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company is engaged into the business of manufacture and sale of transformers and there are not more than one reportable segment as envisaged by Indian Accounting Standard 108 - Segment Reporting (Ind AS-108).

n. Leases

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

Effective April 1, 2019, the Company adopted Ind AS 116, Leases and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. For transition, the Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition, by class of asset, and leases for

which the underlying asset is of low value, on a lease-by-lease basis. The Company has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17. Considering the above, there were no contracts which warrant recognition of right-of-use asset or lease liability as per Ind AS 116 as on the transition date.

Leases under Ind AS 116 (applicable from April 1, 2019)

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

The Company recognises right-of-use asset (ROU) representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Leases under Ind AS 17 (applicable till March 31, 2019)**(i) Determining whether an arrangement contains a lease**

At inception of an arrangement, it is determined whether the arrangement is or contains a lease.

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

(ii) Assets held under leases

Leases of property, plant and equipment that transfer to the Company substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Company's Balance Sheet.

(iii) Lease payments

Payments made under operating leases are generally recognised in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

o. Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax is not recognised for temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. The Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

p. Cash and cash equivalents

For the purpose of presentation in the statement of cash flow, cash and cash equivalents includes cash on hand, deposits held at call with the financial institution, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

Notes to financial statements for the year ended March 31, 2020
(All amounts are in Indian Rupees lakhs, except share data or as stated)

4 Property, plant and equipment

Particulars	Freehold land	Buildings	Plant and machinery	Office equipments	Computer and accessories	Furniture and fixtures	Vehicles	Total
Gross carrying value								
Balance as at April 1, 2018	1,090.11	2,172.84	2,593.93	27.66	39.37	61.71	1.30	5,986.92
Additions	-	17.64	106.26	-	-	0.17	-	124.07
Deletions / write off	-	-	87.34	-	-	-	-	87.34
Reclassification from assets held for sale (Refer note 36)	87.18	452.11	-	-	-	-	-	539.29
Balance as at March 31, 2019	1,177.29	2,642.59	2,612.85	27.66	39.37	61.88	1.30	6,562.94
Additions	-	19.69	87.75	0.93	4.69	-	-	113.06
Deletions / write off	-	-	3.94	5.54	4.99	0.05	1.30	15.82
Balance as at March 31, 2020	1,177.29	2,662.28	2,696.66	23.05	39.07	61.83	-	6,660.18
Accumulated depreciation								
Balance as at April 1, 2018	-	202.81	688.39	3.92	10.76	45.36	1.30	952.54
Depreciation during the year (Refer note 27)	-	161.63	342.20	6.22	4.12	2.56	-	516.73
Deletions / write off	-	-	65.81	-	-	-	-	65.81
Balance as at March 31, 2019	-	364.44	964.78	10.14	14.88	47.92	1.30	1,403.46
Depreciation during the year (Refer note 27)	-	121.54	345.19	3.87	4.49	1.67	-	476.76
Deletions / write off	-	-	1.66	5.08	4.99	0.05	1.30	13.08
Balance as at March 31, 2020	-	485.98	1,308.31	8.93	14.38	49.54	-	1,867.14
Net block								
As at March 31, 2019	1,177.29	2,278.15	1,648.07	17.52	24.49	13.96	-	5,159.48
As at March 31, 2020	1,177.29	2,176.30	1,388.35	14.12	24.69	12.29	-	4,793.04

Capital work-in-progress

Particulars	Amount
Balance as at April 1, 2018	21.37
Additions	18.49
Assets capitalised during the year	39.86
Balance as at March 31, 2019	-
Additions	-
Assets capitalised during the year	-
Balance as at March 31, 2020	-

The Company's immovable properties and current assets, to the extent of Rs. 4,700 lakhs (March 31, 2019: 4,700 lakhs), are subject to a charge against the facilities provided by the banks.

Notes to financial statements for the year ended March 31, 2020

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

5 Intangible assets

Particulars	Computer software	Total
Gross carrying value		
Balance as at April 1, 2018	11.06	11.06
Additions	-	-
Disposals	-	-
Balance as at March 31, 2019	11.06	11.06
Additions	-	-
Disposals	-	-
Balance as at March 31, 2020	11.06	11.06
Accumulated amortisation		
Balance as at April 1, 2018	3.05	3.05
Amortisation during the year (Refer note 27)	2.17	2.17
Disposals	-	-
Balance as at March 31, 2019	5.22	5.22
Amortisation during the year (Refer note 27)	2.17	2.17
Disposals	-	-
Balance as at March 31, 2020	7.39	7.39
Net block		
As at March 31, 2019	5.84	5.84
As at March 31, 2020	3.67	3.67

6 Non-current financial assets**(i) Deposits***(unsecured, considered good)*

Particulars	As at March 31, 2020	As at March 31, 2019
Deposits	198.95	180.02
Total	198.95	180.02

(ii) Other financial assets

Particulars	As at March 31, 2020	As at March 31, 2019
Bank deposit (due to mature after 12 months from the reporting date)*	302.54	8.88
Total	302.54	8.88

* Under lien with banks

Notes to financial statements for the year ended March 31, 2020

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

7 Deferred tax assets, net

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred tax assets		
On provisions and carried forward tax losses *	439.85	487.71
	439.85	487.71
Deferred tax liabilities		
On excess of depreciation / amortisation on fixed assets under income-tax law over depreciation / amortisation provided in accounts	439.85	487.71
	439.85	487.71
Deferred tax assets (net)	-	-

* Deferred tax asset on unabsorbed depreciation or carry forward of losses are recognised only if there is a probable certainty of realisation of such assets. Hence, deferred tax asset on provisions and carried forward tax losses and has been restricted to the extent of deferred tax liabilities.

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the unused tax losses amounting to Rs. 10,364.71 lakhs as at March 31, 2020 and Rs. 13,797.96 lakhs as at March 31, 2019 because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom.

Tax losses carried forward

Tax losses for which no deferred tax asset was recognised expire as follows:

Particulars	As at March 31, 2020	Expiry date	As at March 31, 2019	Expiry date
Expire	6,258.31	Refer below	9,407.61	Refer below
Never expire	4,106.40		4,390.35	

Year of expiry Financial year ending March 31	As at March 31, 2020	As at March 31, 2019
2020	-	3,221.62
2021	2,357.49	2,357.49
2022	3,408.39	3,408.39
2023	420.11	420.11
2027	72.32	-
Total	6,258.31	9,407.61

8 Non-current tax assets

Particulars	As at March 31, 2020	As at March 31, 2019
Advance tax (net of provision for tax)	388.08	374.89
Total	388.08	374.89

Notes to financial statements for the year ended March 31, 2020

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

9 Other non-current assets

Particulars	As at March 31, 2020	As at March 31, 2019
<i>(unsecured, considered good)</i>		
Balance with government authorities	33.23	49.58
Prepayments	4.97	13.95
<i>(unsecured, considered doubtful)</i>		
Balance with government authorities	22.43	22.43
Less: Provision for doubtful receivables	(22.43)	(22.43)
Total	38.20	63.53

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

Particulars	As at March 31, 2020	As at March 31, 2019
Raw material and components *	1,242.50	1,746.38
Work-in-progress	2,863.90	1,396.05
Finished goods	518.63	330.98
Stores, spares and consumables	130.21	80.48
Total	4,755.24	3,553.89
Less: Provision for inventories	(133.33)	(111.35)
Total	4,621.91	3,442.54

* Includes goods-in-transit of Rs. 59.80 lakhs (March 31, 2019: Rs. 19.60 lakhs).

The write-down of inventories during the year amounted to Rs. 44.02 lakhs (March 31, 2019: Rs. Nil). The write-down is included in changes in inventories of finished goods and work-in-progress.

11 Trade receivables

Particulars	As at March 31, 2020	As at March 31, 2019
Secured, considered good (Refer note 35)	401.86	401.86
Unsecured, considered good	6,857.12	5,854.88
Significant increase in credit risk	339.04	278.28
Credit impaired / doubtful	1,300.22	1,026.88
	8,898.24	7,561.90
Less: Loss allowance (Refer note below)	(1,513.32)	(1,384.03)
Net trade receivables	7,384.92	6,177.87

Note: The above amount is net of bad debts Rs. Nil (March 31, 2019: Rs. 28.66 lakhs).

For trade receivables from related parties, refer note 34.

The Company's exposure to credit risks and loss allowances related to trade receivables are disclosed in note 29.

Notes to financial statements for the year ended March 31, 2020

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

12 (i) Cash and cash equivalents

Particulars	As at March 31, 2020	As at March 31, 2019
Cash and cash equivalents:		
Cash on hand	-	-
Bank balances		
- on current accounts	70.46	552.41
- on cash credit accounts	362.37	517.54
- on deposit accounts (with original maturity of 3 months or less)	-	1,000.00
Total	432.83	2,069.95

(ii) Other bank balances

Particulars	As at March 31, 2020	As at March 31, 2019
Deposit accounts with maturity up to twelve months*	832.33	950.27
Total	832.33	950.27

* Under lien with banks

13 Other current financial assets

Particulars	As at March 31, 2020	As at March 31, 2019
<i>To parties other than related parties (unsecured, considered good)</i>		
Interest accrued on deposits	31.65	39.05
Unbilled revenue	161.57	13.93
Other receivables	44.49	-
Total	237.71	52.98

14 Current tax assets

Particulars	As at March 31, 2020	As at March 31, 2019
Current tax assets	226.36	-
Total	226.36	-

During the current year, the Company has received a refund order for AY 2006-07 amounting to Rs. 226.36 lakhs which includes interest of Rs. 44.04 lakhs. Also refer note 22.

Notes to financial statements for the year ended March 31, 2020

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

15 Other current assets

Particulars	As at	
	March 31, 2020	March 31, 2019
<i>(unsecured, considered good)</i>		
Advance to suppliers	85.29	448.42
GST receivable	536.15	311.97
Staff advances	57.85	53.24
Prepayments	53.40	31.00
<i>(unsecured, considered doubtful)</i>		
Other receivables	14.54	15.40
Less: Provision for doubtful receivables	(14.54)	-
Total	732.69	860.03

16 A. Share capital**a The details of authorised, issued, subscribed and paid up share capital is as under:**

Particulars	As at	
	March 31, 2020	March 31, 2019
Authorised		
15,300,000 (March 31, 2019: 15,300,000) Equity Shares of Rs.10 each	1,530.00	1,530.00
Issued, subscribed and paid up		
10,620,000 (March 31, 2019: 10,620,000) Equity Shares of Rs.10 each, fully paid up	1,062.00	1,062.00

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares	Amount	Number of shares	Amount
At the commencement and at the end of the year	10,620,000	1,062.00	10,620,000	1,062.00

c Rights, preferences and restrictions attached to equity shares

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

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

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares	Amount	Number of shares	Amount
Equity shares of Rs. 10 each fully paid up held by: Prolec GE Internacional, S de R.L de C.V., Mexico, the holding company	7,895,625	789.56	7,895,625	789.56

Notes to financial statements for the year ended March 31, 2020

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

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares	% of total shares in the class	Number of shares	% of total shares in the class
Equity shares of Rs. 10 each fully paid up held by: Prolec GE Internacional, S de R.L de C.V., Mexico, the holding company	7,895,625	74.35%	7,895,625	74.35%

B. Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. It sets the amount of capital required on the basis of annual business and long-term operating plans.

17 Other Equity
a. Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

b. Capital reserve

Capital reserve represents the subvention (voluntary, non-repayable financial grant) of US\$ 25 million (Rs. 14,912.50 lakhs) received from the holding company.

c. General reserve

General reserve is the accumulation of retained earnings of the Company, apart from the statement of profit and loss balance, which is utilised for meeting future obligations.

d. Other comprehensive income

Remeasurements of defined benefit liability comprises of actuarial gains / losses and return on plan assets (excluding interest income).

18 Provisions

Particulars	Non-Current		Current	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits				
Gratuity (Refer note 18(a))	23.37	46.20	-	-
Compensated absences	92.70	47.60	25.54	12.24
	116.07	93.80	25.54	12.24
Other provisions (Refer note 18(b))				
Provision for warranty	-	-	248.40	224.83
Provision for others	-	-	-	-
	-	-	248.40	224.83
Total	116.07	93.80	273.94	237.07

Notes to financial statements for the year ended March 31, 2020

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

(a) Provisions for employee benefits

For details about the related employee benefits expense, Refer note 25.

The Company operates the following post-employment defined benefit plan.

Gratuity: The Company has a defined benefit gratuity plan, governed by the Payment of Gratuity Act, 1972. It entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned. The gratuity plan is a funded plan and the Company makes contributions to a fund managed by the LIC. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

This defined benefit plan expose the Company to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk.

A. Funding

The gratuity plan is fully funded by the Company. The funding requirements are based on the gratuity fund's actuarial measurement framework set out in the funding policies of the plan. The funding of Plan is based on a separate actuarial valuation for funding purposes for which the assumptions may differ from the assumptions set out in (D). Employees do not contribute to the plan.

B. Reconciliation of the net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset) liability and its components.

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Reconciliation of present value of defined benefit obligation		
Balance at the beginning of the year	398.93	320.03
Benefits paid	(18.97)	(29.81)
Current service cost	33.89	28.53
Past service cost	-	-
Interest cost	28.88	23.93
Actuarial (gains) losses recognised in other comprehensive income		
changes in financial assumptions	10.23	15.86
experience adjustments	44.56	40.39
Balance at the end of the year	497.52	398.93
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Reconciliation of present value of plan assets		
Balance at the beginning of the year	352.73	228.50
Contributions made to the plan	116.01	135.11
Benefits paid	(18.96)	(29.81)
Interest income	25.79	17.09
Return on plan assets recognised in other comprehensive income	(1.42)	1.84
Balance at the end of the year	474.15	352.73

Notes to financial statements for the year ended March 31, 2020

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

C. (i) Expense recognised in profit or loss

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current service cost	33.89	28.53
Past service cost	-	-
Interest cost	28.88	23.93
Interest income	(25.79)	(17.09)
Net gratuity costs recognised in profit or loss	36.98	35.37

(ii) Remeasurements recognised in other comprehensive income

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Actuarial (gain) loss on defined benefit obligation	54.79	56.25
Return on plan assets excluding interest income	1.42	(1.84)
Total	56.21	54.41

D. Defined benefit obligation
(i) Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

Particulars	As at March 31, 2020	As at March 31, 2019
Discount rate	6.80%	7.50%
Long term rate of compensation increase	6.50%	7.00%
Estimated rate of return on plan assets	7.30%	7.50%

(ii) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Particulars	As at March 31, 2020		As at March 31, 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)	(24.41)	26.38	(19.68)	21.26
Future salary growth (0.50% movement)	25.96	(24.43)	20.90	(19.51)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

(b) Movements in other provisions

Particulars	Warranty		Others	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
At the commencement of the year	224.83	190.87	-	14.17
Provision made during the year	95.76	100.98	-	-
Provision utilised / written back during the year	(72.19)	(67.02)	-	(14.17)
At the end of the year	248.40	224.83	-	-

Notes to financial statements for the year ended March 31, 2020

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

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

Provision for others: This represents provisions made for probable liabilities / claims arising out of pending disputes / litigations with customs authorities.

19 Trade payables

Particulars	As at March 31, 2020	As at March 31, 2019
Total outstanding dues of micro enterprises and small enterprises (Refer note 31)	798.72	715.26
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,856.62	3,826.77
Total	5,655.34	4,542.03

All trade payables are 'current'. For trade payables to related parties, refer note 34.

The Company's exposure to currency and liquidity risks related to trade payables is disclosed in Note 29.

20 Other current liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Advance from customers	1,339.92	1,735.61
Employee benefits payable	111.35	182.05
Statutory dues payable	44.02	38.95
Total	1,495.29	1,956.61

21 Revenue from operations

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Sale of products	19,951.22	20,735.04
Total sale of products (A)	19,951.22	20,735.04
Sale of services		
Freight and insurance	225.38	197.49
Labour services	174.90	371.84
Others	-	0.13
Total sale of services (B)	400.28	569.46
Other operating revenues		
Scrap sales	181.02	34.40
Total other operating revenues (C)	181.02	34.40
Total revenue from operations (A+B+C)	20,532.52	21,338.90

Notes to financial statements for the year ended March 31, 2020

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

Disaggregation of revenue from contracts with customers

In the following disclosure, revenue from contract with customers is disaggregated by nature of contract.

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Type of contracts		
Fixed price	16,763.99	20,462.20
Variable price	3,768.53	876.70
Total	20,532.52	21,338.90

22 Other income

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest income from:		
Fixed deposit	101.43	62.26
Deposits remeasured at amortised cost	13.87	14.66
Income tax refund	44.04	-
Income from power generation	32.06	16.63
Profit on sale of property, plant and equipment	-	2.51
Exchange gain on foreign exchange fluctuation	-	0.98
Liabilities / provisions no longer required written back	333.72	10.11
Miscellaneous income	17.35	17.28
Total	542.47	124.43

23 Cost of materials consumed

(including stores and spares)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Inventory of materials at the beginning of the year	1,826.86	1,899.47
Add: Purchases	16,559.02	15,664.40
Less: Inventory of materials at the end of the year	1,372.71	1,826.86
Cost of materials consumed	17,013.17	15,737.01

24 Changes in inventories of finished goods and work-in-progress

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening inventory		
Finished goods		
Transformers	330.98	150.86
Work-in-progress		
Transformers under production	1,396.05	2,312.03
	1,727.03	2,462.89
Closing inventory		
Finished goods		
Transformers	518.63	330.98
Work-in-progress		
Transformers under production	2,863.90	1,396.05
	3,382.53	1,727.03
Changes in inventories of finished goods and work-in-progress	(1,655.50)	735.86

Notes to financial statements for the year ended March 31, 2020

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

25 Employee benefits expense

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, wages and bonus	1,934.06	1,752.12
Contribution to provident and other funds	86.74	95.90
Expenses related to post-employment defined benefit plans (Refer note 18(a))	36.98	35.37
Staff welfare expenses	100.35	100.79
Total	2,158.13	1,984.18

26 Finance costs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest expense	18.58	52.35
Total	18.58	52.35

27 Depreciation and amortisation expense

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation of property, plant and equipment (Refer note 4)	476.76	516.73
Amortisation of intangible assets (Refer note 5)	2.17	2.17
Total	478.93	518.90

28 Other expenses

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Rent	12.30	8.86
Rates and taxes	117.54	43.35
Power and fuel	220.84	217.29
Repairs and maintenance:		
- Buildings	101.92	94.96
- Plant and machinery	70.47	81.14
- Others	24.40	24.92
Contract labour	388.55	369.16
Factory expenses	253.85	235.43
Insurance	24.09	10.29
Printing and stationery	8.94	9.60
Travelling and conveyance	194.95	193.28
Communication expenses	8.67	13.19
Professional and legal charges	108.23	132.65
Payment to auditors (refer note below)	48.47	42.17
Directors' sitting fees	5.90	4.00
Advertisement and sales promotion	12.16	52.20
Agency commission	543.47	598.14
Freight outward	380.50	339.30
Bank charges	224.76	183.39
Property, plant and equipment written off	2.74	-
Provision for doubtful debts	129.29	464.45

Notes to financial statements for the year ended March 31, 2020

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

28 Other expenses (contd.)

Provision for doubtful receivables	14.54	-
Deposits written off	9.10	-
Provision for inventories	21.98	47.16
Foreign exchange loss, net	4.89	-
Warranty cost, net	44.99	41.95
General expenses	74.44	67.05
Total	3,051.98	3,273.93

Note: Payment to auditors (excluding tax)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
As Auditor:		
Statutory audit	23.00	20.00
Tax audit	4.00	3.50
Limited review of quarterly results	9.75	9.75
Corporate Governance	2.00	1.75
Reimbursement of expenses	9.72	7.17
Total	48.47	42.17

29 Financial instruments - Fair values and risk management
A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities.

	Note	Carrying amount as at March 31, 2020			Fair value
		FVTPL	FVOCI	Amortised cost	Level 3
Financial assets measured at fair value					
Deposits	6(i)	-	-	198.95	198.95
Financial assets not measured at fair value					
Bank deposits	6(ii)	-	-	302.54	
Trade receivables	11	-	-	7,384.92	
Cash and cash equivalents	12(i)	-	-	432.83	
Other bank balances	12(ii)	-	-	832.33	
Interest accrued on deposits	13	-	-	31.65	
Unbilled revenue	13	-	-	161.57	
Other receivables	13	-	-	44.49	
Total financial assets		-	-	9,389.28	
Financial liabilities not measured at fair value					
Trade payables	19	-	-	5,655.34	
Total financial liabilities		-	-	5,655.34	

Notes to financial statements for the year ended March 31, 2020

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

	Note	Carrying amount as at March 31, 2019			Fair value
		FVTPL	FVOCI	Amortised cost	Level 3
Financial assets measured at fair value					
Deposits	6(i)	-	-	180.02	180.02
Financial assets not measured at fair value					
Bank deposits	6(ii)	-	-	8.88	
Trade receivables	11	-	-	6,177.87	
Cash and cash equivalents	12(i)	-	-	2,069.95	
Other bank balances	12(ii)	-	-	950.27	
Interest accrued on deposits	13	-	-	39.05	
Unbilled revenue	13	-	-	13.93	
Total financial Assets		-	-	9439.97	
Financial liabilities not measured at fair value					
Trade payables	19	-	-	4,542.03	
Total financial liabilities		-	-	4,542.03	

Note: The Company has not disclosed fair values of financial instruments such as trade receivables and related unbilled revenue, cash and bank balances, bank deposit, interest accrued and trade payables (that are short term in nature), because their carrying amounts are reasonable approximations of their fair values. Such items have been classified under amortised costs in the above table.

B. Measurement of Fair Values**(i) Valuation technique and significant unobservable input****Deposits**

The fair values for deposits are calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs.

(ii) Level 3 fair values**Deposits***Reconciliation of Level 3 fair values*

	Amount
Balance as at April 1, 2018	173.47
Deposits made during the year	17.04
Gains included in statement of profit and loss	
- Interest income	14.66
Deposits refunded during the year	(25.15)
Balance as at March 31, 2019	180.02

Notes to financial statements for the year ended March 31, 2020

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

Deposits

Reconciliation of Level 3 fair values (contd.)

Deposits made during the year	14.16
Gains included in statement of profit and loss	
- Interest income	13.87
Loss included in statement of profit and loss	
- Deposits written off	(9.10)
Balance as at March 31, 2020	198.95

Sensitivity analysis

	March 31, 2020		March 31, 2019	
	Increase	Decrease	Increase	Decrease
Current Lending rate (0.50% movement)	0.46	(0.46)	0.70	(0.71)

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk (See C (ii))
- Liquidity risk (See C (iii)) and
- Market risk (See C (iv))

(i) Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors along with the top management are responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(ii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade receivables, deposits and other financial assets.

The carrying amount of financial assets represents the maximum exposure to credit risk.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of the Company's trade receivables and other financial assets.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including end-user customers, industry, trading history with the Company and existence of previous financial difficulties.

Notes to financial statements for the year ended March 31, 2020

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

Expected credit loss assessment for customers as at March 31, 2020 and March 31, 2019

The Company based on internal assessment which is driven by the historical experience / current facts available in relation to default and delays in collection thereof uses an allowance matrix to measure the expected credit loss of trade receivables. Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses.

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables:

Particulars	March 31, 2020			March 31, 2019		
	Gross carrying amount	Weighted-average loss rate	Loss allowance	Gross carrying amount	Weighted-average loss rate	Loss allowance
Current (not past due)	2,037.61	0.19%	3.85	3,329.27	0.71%	23.62
1-90 days past due	3,295.91	1.10%	36.12	648.91	1.26%	8.20
More than 90 days past due	3,564.72	41.33%	1,473.35	3,583.72	37.73%	1,352.21
Total	8,898.24		1,513.32	7,561.90		1,384.03

Movements in the allowance for impairment in respect of trade receivables

The movement in the allowance for impairment in respect of trade receivables is as follows:

	2020	2019
Balance at April 1	1,384.03	948.24
Amounts written off	-	(28.66)
Net remeasurement of loss allowance	129.29	464.45
Balance at March 31	1,513.32	1,384.03

(iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, including contractual interest but excluding impact of netting agreements.

As at March 31, 2020

Particulars	Contractual cash flows		
	Carrying amount	1 year or less	More than 1 year
Trade payables	5,655.34	5,655.34	-
Total	5,655.34	5,655.34	-

As at March 31, 2019

Particulars	Contractual cash flows		
	Carrying amount	1 year or less	More than 1 year
Trade payables	4,542.03	4,542.03	-
Total	4,542.03	4,542.03	-

Notes to financial statements for the year ended March 31, 2020

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

(iv) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. The Company is domiciled in India and has its majority of revenues and other transactions in its functional currency i.e. Rs. Accordingly, the Company is not exposed to any high currency risk.

Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales and purchases are denominated and the functional currency. The currencies in which these transactions are primarily denominated is USD.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk are as follows:

Particulars	As at	As at
	March 31, 2020	March 31, 2019
	USD	USD
Trade and other payables	(49.56)	(14.51)
Net exposure in respect of recognised assets and liabilities	(49.56)	(14.51)

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Rs. against US dollar as at the reporting date would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
March 31, 2020				
USD (1% movement)	0.50	(0.50)	0.50	(0.50)
March 31, 2019				
USD (1% movement)	0.15	(0.15)	0.15	(0.15)

30 Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Contingent liabilities:		
Claims against the company not acknowledged as debt		
- Income tax matters	69.55	36.86
- Excise duty matters	187.18	187.18
- Service tax matters	83.39	-
- Sales tax matters	40.71	22.32

(i) Pursuant to the Supreme Court judgement dated February 28, 2019 on the inclusion of special allowances for contribution to provident fund, the Company has been legally advised that there are interpretative challenges on the application of the judgement retrospectively. Based on the legal advice and in the absence of the reliable measurement of the provision for earlier periods, the Company has not recorded a provision for the prior years.

Notes to financial statements for the year ended March 31, 2020

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

- 31 The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the Micro, Small and Medium Enterprise Development Act, 2006 ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2020 has been made in the financial statements based on information received and available with the Company.

Particulars	As at March 31, 2020	As at March 31, 2019
The amounts remaining unpaid to micro, small and medium suppliers at the end of the year		
- Principal	793.06	715.26
- Interest	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	5.66	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

- 32 The Company is engaged in the business of manufacture and sale of transformers and there are not more than one reportable segment as envisaged by Indian Accounting Standard 108 - Segment Reporting (Ind AS-108).

Geographical information

Revenue attributed to the Company's country of domicile and foreign countries from which the Company derives revenues is as under:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
India	20,532.52	20,848.94
Rest of the world	-	489.96
Total	20,532.52	21,338.90

Notes to financial statements for the year ended March 31, 2020

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

33 Earnings per share

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of earnings per share calculation are as follows:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit / (Loss) for the year, attributable to the equity holders	192.03	(838.90)
Weighted average number of equity shares	10,620,000	10,620,000
Earnings per equity share:		
- Basic	1.81	(7.90)
- Diluted	1.81	(7.90)

34 Related party transactions

Names of related parties with whom controls exists and nature of relationship are as follows:

Nature of relationship	Name of the related party
Ultimate holding company	Xignux S.A. de C.V., Mexico
Holding company	Prolec GE Internacional, S de R.L de C.V., Mexico
Fellow subsidiary	Prolec S.A. de C.V., Mexico
Key management personnel	Mr. Shridhar Gokhale, (CEO till February 6, 2019 and Whole Time Director w.e.f February 7, 2019) Mr. Ajay Kumar Sinha (Whole Time Director until December 31, 2018) Mr. Milagripattu Sundaravaradan Srinivasan, Independent Director Mr. Pallavur Venkateswaran Krishna, Independent Director Ms. Tabassum Mustafa Wajid, Independent Director Mr. Ricardo Garza Suarez, Director Mr. Gunjan Bhartia, Director

Other related parties with whom transactions have taken place

Nature of relationship	Name of the related party
Subsidiary of material equity investor in the holding company	GE India Industrial Private Limited GE T&D India Limited GE Power Controls Italia Srl GE Grid Solutions UK Limited GE Power Systems India Private Limited Alstom Grid Australia Pty Limited

Notes to financial statements for the year ended March 31, 2020

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

Details of related party transactions

Nature of transaction	Year ended March 31, 2020	Year ended March 31, 2019
Agency commission paid / accrued GE India Industrial Private Limited	543.47	598.14
Service cost paid / accrued GE India Industrial Private Limited	-	43.05
Liabilities / provisions no longer required written back (Service cost) GE India Industrial Private Limited	101.95	-
Sale of goods GE T&D India Limited	29.33	781.88
GE Power Controls Italia Srl	-	102.41
Alstom Grid Australia Pty Limited	-	17.76
GE Power Systems India Private Limited	5.42	-
Sale of services GE T&D India Limited	-	2.58
GE Power Controls Italia Srl	-	8.29
GE Power Systems India Private Limited	0.66	-
Purchases of goods GE T&D India Limited	71.45	30.08
GE India Industrial Private Limited	-	35.91
GE Grid Solutions UK Limited	98.38	-
Rework Charges GE T&D India Limited	2.06	-
Managerial remuneration Mr. Ajay Kumar Sinha	-	50.85
Mr. Shridhar Gokhale	72.24	9.88
Sitting Fees (Key management personnel)	5.90	4.00

Notes to financial statements for the year ended March 31, 2020

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

Balances at year end	Year ended March 31, 2020	Year ended March 31, 2019
Balances due from		
GE India Industrial Private Limited	-	0.10
GE T&D India Limited	-	13.97
Balances due to		
GE India Industrial Private Limited	1,522.40	1,144.83
GE Grid Solutions UK Limited	29.10	-
GE T&D India Limited	27.12	-

35 The Company had entered into an agreement with Prolec GE, whereby Prolec GE has assured the Company that they would make good the loss to the benefit of the Company in case certain identified customers do not pay or default in the payment of outstanding dues. Based on the agreement, the balance outstanding from these customers has been presented as secured.

36 During the previous year, assets previously classified as held for sale, had been reclassified back to property, plant and equipment on account of certain criteria for recognition as held for sale no longer being met. The depreciation charge for the previous year includes depreciation amounting to Rs. 64.22 lakhs consequent to such reclassification.

37 Impact of COVID-19 pandemic

In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. In view of the economic impact as a result of the pandemic, the Company has considered internal and external information and has performed an analysis based on current estimates while assessing the recoverability of assets including, trade receivables, inventories and other current / non-current assets (net of provisions established) for any possible impact on the financial results. The Company has also assessed the impact of this whole situation on its capital and financial resources, profitability, liquidity position, internal financial controls etc., and is of the view that based on its current assessment, this situation does not materially impact the financial statements. The Company will continue to closely monitor any material changes to future economic conditions.

38 Transfer pricing

The Company has transactions with related parties. For the financial year 2018-19, the Company has obtained the Accountant's Report from a Chartered Accountant as required by the relevant provisions of the Income-tax Act, 1961 and has filed the same with the tax authorities. For the financial year 2019-20, the management confirms that it maintains documents as prescribed by the Income-tax Act, 1961 to prove that these transactions are at arm's length considering the economic scenario, prevailing market conditions etc. and the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

39 Disclosure of specified bank notes

The disclosures regarding details of specified bank notes held and transacted during November 8, 2016 to December 30, 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended March 31, 2020.

40 Prior year comparatives

Previous year figures have been regrouped / reclassified, wherever necessary, to conform to current year's classification and presentation.

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. - 101248W/W-100022

Amar Sunder
Partner
Membership No.: 078305

Place: Mumbai
Date: June 30, 2020

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

M S Srinivasan
Director
DIN No.: 00261201

Saikrishnan C P
Chief Financial Officer

Place: Chennai
Date: June 30, 2020

Shridhar Gokhale
Director
DIN No.: 08349732

Sathyamoorthy A
Company Secretary



If undelivered please return to:

INDO TECH TRANSFORMERS LIMITED

Secretarial Department

Survey no. 153-210, Illuppapattu Village,

Near Rajakulam, Kancheepuram (Dist.),

Tamilnadu-631561