

BY EMAIL/FAX/COURIER

Date: 15th October, 2012

1. **The General Manager**
Department of Corporate Services
BSE Ltd.
P J Towers, Dalal Street
Fort, Mumbai: 400001

2. **The Manager**
Listing Department
National Stock Exchange of India Limited
Exchange Plaza
Plot No. C/1, G Block
Bandra-Kurla Complex
Bandra (E)
Mumbai - 400 051

Dear Sir / Madam,

Sub: Meeting of the Board of Directors of Indo Tech Transformers Limited held on 15th October, 2012

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Sub: Notice to the Stock Exchanges under Clauses 22 and 36 of the Listing Agreement – Proposal for Delisting of Equity Shares of Indo Tech Transformers Limited

This is to inform you that Indo Tech Transformers Limited (the "**Company**") has received a proposal dated 12th October, 2012, from **PROLEC-GE INTERNACIONAL, S. DE R.L. DE C.V.** (the "**Acquirer**"), to voluntarily delist the equity shares of the Company presently traded on the National Stock Exchange of India Limited (the "**NSE**") and the BSE Limited ("together, the "**Stock Exchanges**"), in accordance with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (the "**SEBI Delisting Regulations**"), by offering to purchase, the equity shares of the Company held by public shareholders (as defined under the SEBI Delisting Regulations) (the "**Public Shareholders**"), currently amounting to 2,724,375 equity shares, representing 25.65% of the issued and paid-up equity share capital of the Company (the "**Delisting Proposal**").



Indo Tech Transformers Limited
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Thirumazhisai, Chennai - 600 124, India
Phone : + 91 (0) 44 - 3028 9830 / 833 / 836
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info@indo-tech.com
www.prolecge.in

The Acquirer is the controlling shareholder and promoter of the Company. The Acquirer is a transformer manufacturing company based out of Monterrey, Mexico and is a joint venture of Xignux a Mexican industrial group with diversified portfolio including cables, transformers and food products, based in Monterrey, Mexico and General Electric a diversified global infrastructure, finance and media company based in USA.

Presently, the Acquirer owns 7,895,625 equity shares of the Company, representing 74.35% of the issued and paid-up equity share capital of the Company. The Acquirer is the sole member of the promoter and promoter group of the Company.

The salient features of the Delisting Proposal include:

1. The Acquirer, proposes to acquire the equity shares held by the Public Shareholders in accordance with the SEBI Delisting Regulations (the "**Delisting Offer**");
2. The Acquirer is of the view that, without prejudice to the minimum 'floor' price to be determined in accordance with regulation 15(2) of the SEBI Delisting Regulations, a price of Rs. 120 [Rupees One Hundred and Twenty] per equity share of the Company (the "**Indicative Price**") is an attractive price for the Public Shareholders to tender their equity shares in response to the Delisting Offer. The Acquirer has indicated that this price represents a premium of 40.9% to the average closing prices of the equity shares of the Company as quoted on NSE during the last 26 weeks preceding the date of the Acquirer's letter.
3. The Acquirer has stated that, if the Delisting Offer is successful, and on the receipt of all regulatory approvals (as applicable), it may acquire the equity shares tendered by the Public Shareholders in response to the Delisting Offer at the Indicative Price. However, by way of abundant caution, the Acquirer has clarified that: (i) the Indicative Price should in no way be construed as a ceiling or a maximum price for the purposes of bidding under the reverse book building process under the SEBI Delisting Regulations and that the Public Shareholders are free to tender their equity shares at any price higher than the floor price determined in accordance with the SEBI Delisting Regulations; and (ii) the Acquirer reserves the right to accept or reject the equity shares tendered in response to the Delisting Offer at the price discovered pursuant to the reverse book building process prescribed by the SEBI Delisting Regulations.
4. The Delisting Offer will only be successful, for the purposes of the SEBI Delisting Regulations, if the post offer shareholding of the Acquirer in the Company is at least 90% of the total paid up equity share capital of the Company or more;



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5. Subject to the successful completion of the Delisting Offer, the Acquirer proposes to seek the delisting of the equity shares of the Company from the Stock Exchanges.

The Delisting Offer, if successful, will result in a scenario where the Company is not subject to the continuous listing requirement contained in Rule 19A of the Securities Contracts (Regulation) Rules, 1957, in term of which it must maintain a minimum public shareholding of 25%. We understand that the acquisition and delisting of the equity shares of the Company would facilitate formulation of suitable business plans for the Company and provide the Acquirer with an opportunity to explore appropriate opportunities for the Company, including restructuring/ realignment of its businesses as well as other strategic options in line with the Acquirer's global strategy and vision.

The Acquirer has submitted that the Delisting Proposal provides the shareholders of the Company with an alternate exit opportunity and has requested the board of directors of the Company (the "Board") to obtain the consent of the equity shareholders of the Company to the Delisting Proposal by way of a special resolution through postal ballot in accordance with the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 and the SEBI Delisting Regulations. A copy of the letter dated 12th October, 2012 received from the Acquirer in this regard, is enclosed herewith for your records.

In view of the above, the Board at its meeting held on 15th October, 2012 has resolved as follows:

- (i) to take on record the letter dated 12th October, 2012 received from the Acquirer with respect to the Delisting Proposal;
- (ii) to approve the Delisting Proposal; and
- (iii) to seek the consent of the equity shareholders of the Company for the Delisting Proposal by way of a postal ballot in accordance with the provisions of Section 192A of the Act read with the Postal Ballot Rules and to approve the draft of the postal ballot notice, together with the explanatory statement (in terms of Section 173(2) of the Act), to be sent to the equity shareholders of the Company.



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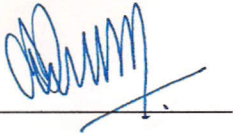
This letter serves as a notice in terms of Clauses 22 and 36 of the Listing Agreement.

You are requested to take note of the same.

Thanking you.

Yours sincerely,

For Indo Tech Transformers Limited



Alwan D.
Company Secretary

Enclosed: a/a

Indo Tech Transformers Limited

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October 12th, 2012.

The Board of Directors
Indo Tech Transformers Limited
DP: 36, SIDCO Industrial Estate,
Thirumazhisai, Chennai,
600124 India

Attention:
Mr. Alwan D.
Company Secretary of Indo Tech Transformers Limited

BY FAX AND EMAIL

Dear Sirs,

RE: Proposal to Voluntarily Delist (the "Delisting Proposal") the Equity Shares of Indo Tech Transformers Limited (the "Company") under the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (the "SEBI Delisting Regulations")

A. BACKGROUND

We, Prolec-GE Internacional, S. de R.L. de C.V., are a company incorporated under the laws of Mexico, with our registered office at Boulevard Carlos Salinas de Gortari, Km. 9.25, Apodaca, Nuevo León México C.P. 66600, and are the promoter of the Company. The Promoter is a transformer manufacturing company based out of Monterrey, Mexico and is a joint venture of Xignux a Mexican industrial group with diversified portfolio including cables, transformers and food products, based in Monterrey, Mexico and General Electric a diversified global infrastructure, finance and media company based in USA.

We presently hold 7,895,625 fully paid-up equity shares of face value of Rs. 10/- (Rupees Ten only) each of the Company, representing 74.35% of its paid-up equity share capital. The remaining 2,724,375 equity shares, representing 25.65% of the paid-up equity share capital of the Company, is held by non-promoter shareholders (the "**Public Shareholders**"). We acquired the aforesaid 74.35% of the equity shares of the Company in May, 2009, with the objective of expanding our footprint in emerging markets by establishing a presence in India and in nearby emerging economies in the Middle East and Asia.

Over the years, the net worth of the Company has reduced from Rs. 1.46 billion in 2008-09 to Rs. 751 million in 2011-12. For the last 3 years, the Company has faced a challenging business environment, has been reporting net losses and has not been able to pay any dividend to its shareholders.

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Accordingly, we note that the Company requires an infusion of equity capital. However, the minimum public shareholding requirements prescribed by applicable law restrict our ability to infuse further equity capital into the Company. Further, given the recent financial performance of the Company, the probability of active public participation in a further issue of equity shares by the Company is low.

The delisting of the equity shares of the Company would render the minimum public shareholding requirements inapplicable to the Company, giving us the flexibility to infuse equity capital to the Company. The acquisition and delisting of the equity shares of the Company will also facilitate the formulation of suitable business plans for the Company, and allow us to explore appropriate opportunities for the Company, including restructuring/ realignment of its businesses as well as other strategic options in line with our global strategy and vision.

Further, though the shares of the Company are frequently traded within the meaning of the SEBI Delisting Regulations, given the low trading liquidity of the Company on the stock exchanges on which the equity shares of the Company are listed, the Delisting Proposal provides the Public Shareholders an alternate exit opportunity.

B. PROPOSAL

In view of the foregoing, we wish to inform you that we intend to make a voluntary delisting offer to acquire the equity shares of the Company held by the Public Shareholders pursuant to, and in accordance with, the SEBI Delisting Regulations (the "**Delisting Offer**"). If the Delisting Offer is successful, and we accept the price at which the equity shares are tendered, the equity shares of the Company would be delisted from the stock exchanges on which they are presently listed i.e. the BSE Limited and the National Stock Exchange of India Limited (the "NSE"), following the Delisting Offer.

Without prejudice to the minimum 'floor' price to be determined in accordance with regulation 15(2) of the SEBI Delisting Regulations, we are of the view that a price of Rs. 120 (Rupees One Hundred and Twenty) per equity share of the Company (the "Indicative Price") is an attractive price for the Public Shareholders of Company to tender their equity shares in response to the Delisting Offer. This Indicative Price represents a premium of 40.9% to the average closing prices of the equity shares of the Company as quoted on the NSE during the last 26 weeks preceding the date of this letter.

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If the Delisting Offer is successful, and on the receipt of all regulatory approvals (as applicable), we may acquire the equity shares tendered by the Public Shareholders in response to the Delisting Offer at the aforesaid Indicative Price. However, by way of abundant caution, it is clarified that: (i) the aforesaid Indicative Price should in no way be construed as a ceiling or a maximum price for the purposes of bidding under the reverse book building process under the SEBI Delisting Regulations and the Public Shareholders are free to tender their equity shares at any price higher than the floor price determined in accordance with the SEBI Delisting Regulations; and (ii) we reserve the right to accept or reject the equity shares tendered in response to the Delisting Offer at the price discovered pursuant to the reverse book building process prescribed by the SEBI Delisting Regulations.

We note that the Delisting Offer will only be successful if our post offer shareholding is in excess of 90% of the total paid up equity share capital of the Company.

In accordance with regulation 8(1)(a) of the SEBI Delisting Regulations, we hereby request the Board of Directors (the "**Board**") of the Company for its approval to this Delisting Proposal. We further request the Board to take necessary steps to obtain the consent of the shareholders of the Company to the Delisting Proposal through the postal ballot process, and to take all such steps as are required or desirable in connection with this Delisting Proposal, including seeking the in-principle approval for the Delisting Proposal from the Stock Exchanges.

Yours sincerely,

For and on behalf of Prolec-GE Internacional, S. de R.L. de C.V.

Authorized Signatory
Name: Luis Carlos Silveyra
Designation: Secretary of the Board of Directors
Place: Apodaca, N.L., México

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