

# i Power Solutions India Ltd.

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**19th Annual Report  
2003 - 04**

## **BOARD OF DIRECTORS**

<b>MR.V.PARANDHAMAN</b>	<b>CHAIRMAN NON-INDEPENDENT AND NON-EXECUTIVE</b>
<b>MR. D.RAVICHANDER BABU</b>	<b>DIRECTOR INDEPENDENT AND NON- EXECUTIVE</b>
<b>MR.K.BHASKARAN</b>	<b>DIRECTOR INDEPENDENT AND NON-EXECUTIVE</b>
<b>MR. K. SARAVANA PRAKASH</b>	<b>DIRECTOR INDEPENDENT AND NON-EXECUTIVE</b>

### **AUDITORS**

### **INTERNAL AUDITOR**

#### **RAMARATHNAM & MADHAVAN ASSOCIATES**

1-G, Sri Padmavathy Apts,  
Sankarapuram Ist Street,  
Choodaimedu, Chennai - 94.

#### **PTS VARADHAN & ASSOCIATES**

Chartered Accountants  
21/9, II Floor, Easwaradass Street,  
Triplicane, Chennai-600 005.

### **BANKERS**

#### **BANK OF MAHARASHTRA**

Besant Nagar, Chennai

### **REGISTRARS & SHARE TRANSFER AGENTS**

#### **CAMEO CORPORATE SERVICES LIMITED**

'Subramanian Building', V Floor, 1, Club House Road, Chennai- 600 002

Tel: (044) 2846 0390 (5 Lines) Fax: (044) 2846 0129

### **REGISTERED OFFICE**

# 9/5, Second Floor, II Main Road, Karpagam Gardens,  
Adyar, Chennai - 600 020.

**DIRECTORS' REPORT**

Your directors have pleasure in presenting the Annual Report together with the Audited accounts of the Company for the year ended 31st March 2004.

**FINANCIAL PERFORMANCE**

The performance of the Company has improved well during the year and the highlights are given below:

In Rupees

PARTICULARS	2004	2003
Profit before Depreciation	1,297,086	6,96,773
Depreciation	2,61,543	2,74,400
Profit after Depreciation but before Tax	1,035,543	4,22,373
Profit before Tax	1,035,543	4,22,373
Provision for Income Tax Current Tax Deferred Tax	NIL	NIL
Profit after Tax but before dividend	1,035,543	4,22,373

**BUSINESS PLAN**

The Company has appointed new CEO and has targeted to recruit few more employees to develop more business models and is confident of improving the performance further. Consequent upon the signing of few agreements with customers, the business in terms of the software development, web site maintenance and BPO are likely to improve.

The ISO 9001:2000 certified issued by M/s. TUV Management Service, GmbH for Design and Development of Software Solutions and Applications, has been renewed on 14.6.2004.

**DIRECTORS**

Sri. K. Saravanaprakash was appointed as Additional Director on 24.3.2004 and will hold office upto the conclusion of this Annual General Meeting. It is proposed to appoint him as Director of the Company since the Company has received an application to appoint him as Director of the Company. During the year Sri K. Bhaskaran retires and being eligible, offers himself for reappointment. Sri H. Manivannan who was a whole time director resigned as Director with effect from 24.3.2004. The Board of Directors place on record the sincere thanks for his good services, co-operation and association with the company.

## **CORPORATE GOVERNANCE**

Your Company has complied with the provisions of Clause 49 of the Listing Agreement relating to Corporate Governance. A detailed report on Corporate Governance and a Certificate from the Auditors of the Company regarding the compliance of conditions of Corporate Governance as required under Clause 49 of the Listing Agreement is attached to this report.

## **DEPOSITS**

The Company has not accepted any fixed Deposit from the public. The Company has filed a statement in lieu of advertisement with the Registrar of Companies, Chennai.

## **DIVIDEND**

Your directors propose to retain the profit to fund the working capital. Hence dividend is not recommended.

## **OFFER FOR SALE**

An offer for sale was made pursuant to the letter No. LIST/SNA/SM/2002 of the Stock Exchange, Mumbai dated 3rd September 2002 directing the Company to make an Offer for Sale of 11,11,300 equity shares (representing 25% of 44,49,000 - [950 shares of Public] in compliance with Clause 40A of the Listing Agreement. The Company has made an offer for sale to the public for 11,11,300 equity shares of Rs.10/- each and the same was allotted to the public on prorata basis and the excess money received due to over-subscription was refunded to the shareholders within the stipulated time. Consequent upon the offer for sale, the shares issued pursuant to the merger of the company was listed with Stock Exchange, Mumbai, in the month of February 2004.

## **AUDITORS**

M/s Ramarathnam and Madhavan, Chartered Accountants, the Statutory Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for re-appointment.

## **DISCLOSURE OF PARTICULARS**

Disclosure as per requirements of Section 217 (2) (e) of the Companies Act, 1956 read with the Companies (disclosure of particulars in the Report of Board of Directors) Rules 1988, with respect to energy conservation, technology absorption is nil. Further the foreign Exchange earning during the year has been realised. There is no outgo of foreign Exchange.

## **PERSONNEL**

No one is drawing the salary beyond the limit under the provisions of Section 217 (2A) of the Companies Act, 1956 and the rules framed there under.

## **DIRECTORS RESPONSIBILITY STATEMENT**

In Compliance with the provisions of Section 217 (2AA) of the Companies Act, 1956 (the Act) your Directors hereby confirm that:-

- in preparing the Annual Accounts for the year ended 31st March 2004 all the applicable standards have been followed.
- accounting policies were adopted and applied 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 as at 31st March 2004.
- proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing/ detecting fraud and irregularities have been taken.
- the Annual accounts have been prepared on a 'going concern' basis.

## **ACKNOWLEDGEMENT**

Your directors thank and acknowledge the continuous co-operation and assistance extended by the Government of Tamil Nadu, Bank of Maharashtra, Punjab National Bank, The Bombay Stock Exchange, Ashika Capital Markets Ltd., Cameo Corporate Services Ltd., our employees and the various customers who are patronizing our products.

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**For i POWER SOLUTIONS INDIA LIMITED**

PLACE: CHENNAI  
DATE: 28.7.2004

Sd./-  
V. PARANDHAMAN  
CHAIRMAN

**REPORT ON CORPORATE GOVERNANCE**

(Pursuant to Clause 49 of the Listing Agreement)

**Introduction**

The Company is complying with the mandatory requirements of the Code of Corporate Governance (Code) introduced by the Securities and Exchange Board of India (SEBI) and incorporated in Clause 49 of the Listing Agreement in all material aspects.

**A) Company's Philosophy on Corporate Governance**

The Company is of the policy that Good Corporate Governance requires good business practices. The Company considers Corporate Governance in its widest sense, The Corporate Governance measures the delivery of Company's objects with a view to translate the ability, opportunity into reality and results. Corporate Governance is the process of building positive relationship and making a wider impact to intensify the company's interests and appreciation of its members with commitment and trust. It takes feedback into account in its reviews of the principles of commitment and growth to ensure better growth.

**B) Composition of the Board**

The Company has complied with the corporate governance norm in terms of constitution of the board, headed by its Chairperson, Mr.V.Parandhaman. The Board comprising of 4 Directors was having one whole time director upto 24.3.2004 and 3 non-whole time directors, representing the optimum mix of professionalism, knowledge and experience. Details are given in Table 1. After the resignation of one whole time director, all the directors are non-whole time directors.

**C) Number of Board Meetings**

i Power Solutions India Limited held 9 Board Meetings during the year ended 31st March 2004. They were on April 29th 2003, July 30th 2003, August 24th 2003, October 27th 2003, December 23rd 2003, January 21st 2004, January 31st 2004 , February 13th 2004 and March 24th 2004.

**D) Directors' attendance record and directorship held are listed below:**

**Table 1: Details about i Power Solutions India Limited's Board of Directors**

Name	Designation	Board Meetings held during	Board Meetings attended during the year the year	Whether attended last AGM	Other Directorships
Mr.V.Parandhaman	Chairman	9	9	Yes	Nil
Mr. D.Ravichander Babu	Director	9	9	Yes	<b>Director in:</b> M/s. Radaan Mediaworks (I) Ltd.
Mr.H.Manivannan	Director	9	5	Yes	Nil
Mr.K.Bhaskaran	Director	9	9	Yes	<b>Director in:</b> M/s. Bilvac Techno Management (P) Ltd.
K. Saravana Prakash	Director	9	1	NO	Nil

Independent Director means a Director who, apart from receiving a Director's remuneration does not have any other material pecuniary relationship or transactions with the Company, its promoters, its management, or its subsidiaries, which in the judgment of the Board may affect the independence of judgment of the Director.

None of the Directors is a member of more than 10 Board-level committees, or a Chairman of more than five such committees, as required under Clause 49 of the listing agreement.

#### **E) Information supplied to the Board**

Among others, this includes:

- Review of annual operating plans of businesses.
- Minutes of meeting of Audit Committee and other committees,
- Any issue which involves possible public claims of substantial nature,
- Transactions, if any, that involve substantial payment towards goodwill, brand equity or intellectual property,
- Sale of items of material nature, investments, assets, which is not in the normal course of business,
- Non-compliance of any regulatory or statutory provision or listing requirements as well as shareholder services such as non-payment of dividend and delays in share transfer.

The Board of iPower Solutions India Limited is routinely presented with information under the above heads whenever applicable and materially significant. These are submitted either as part of the agenda papers well in advance of the Board meetings or are tabled in the course of the Board meetings.

## F) Committees of the Board

### Audit Committee

The Company continued to derive benefit from the deliberation of the Audit Committee comprising three Non - executive and Independent Directors- Mr.D.Ravichander Babu, Chairman, Mr.K.Bhaskaran and Mr. K. Saravana Prakash who are capable of guiding and directing in the field of management, finance, accounts and Company Law. Minutes of each Audit Committee meeting are placed before, and discussed in the full Board.

The Audit Committee met 4 times during the year ended 31st March 2004

**Table 4: Attendance record of Audit Committee members :**

Name of Director	No: of Meetings	Meetings attended
MR.D.Ravichander Babu	4	4
MR. K. Bhaskaran	4	4
Mr. K. Saravana Prakash	1	-
Statutory Auditor	4	4
Internal Auditor	4	4

**Note:** Mr. K. Saravana Prakash was inducted into the Board on 24.03.2004. The Audit Committee met 4 times on 29.04.2003, 30.07.2003, 27.10.2003 and 31.01.2004

In addition to the areas noted above, i Power's Audit Committee looks into controls and security of the Company's critical IT applications, the internal and control assurance audit reports of all major divisions and profit centers and deviations from the code of business principles, if any.

## G) Shareholders/Investors Grievances Committee

The Shareholders/Investors Grievances Committee specifically looks into redressing of shareholders' and investors' complaints such as transfer of shares, non-receipt of shares and to ensure expeditious share transfer process. This committee comprising of Mr.H.Manivannan, Chairman and Mr.K.Bhaskaran, members met 1 time during the year.