

i Power Solutions India Ltd.

The logo for iPower Solutions India Ltd. features the word "iPower" in a stylized, cursive font. The "i" is lowercase and has a dot, while "Power" is in a bold, sans-serif font. The entire logo is enclosed in a rounded rectangular border.

iPower

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**20th Annual Report
2004 - 05**

BOARD OF DIRECTORS

MR.V.PARANDHAMAN	Chairman cum Managing Director
MR. D.RAVICHANDER BABU	Director
MR.K.BHASKARAN	Director
MR. K. SARAVANA PRAKASH	Director

REGISTERED CUM CORPORATE OFFICE

9/5, II Floor, 2nd Main Road,
Karpagam Gardens,
Adyar, Chennai-600 020.

STATUTORY AUDITORS

RAMARATHNAM & MADHAVAN ASSOCIATES

1-G, Sri Padmavathy Apts, Sankarapuram
1st Street, Choolaimedu, Chennai - 94.

BANKERS

BANK OF MAHARASHTRA

Besant Nagar, Chennai

NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the 20th Annual General Meeting of the members of M/s. i Power Solutions India Limited, will be held on 28th September 2005 at 3.30 P.M. at Sangeetha Residency, #2, Luz Church Road, Mylapore, Chennai-600 004, to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2005 and the Profit & Loss Account for the year ended 31st March 2005 together with the reports of Directors and Auditors thereon.
2. To appoint a Director in the place of Mr. Ravichander Babu, who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

To pass the following Resolution with or without modification as Special Resolution.

Item No.1

RESOLVED THAT Mr. W. S. Madhavann, Chartered Accountant, Chennai be and is hereby appointed as Statutory Auditor of the Company in the place of Existing Auditor M/s. Ramarathnam & Madhavan Associates, Chartered Accountants who retire at the forthcoming Annual General Meeting.

By Order of the Board
i Power Solutions India Limited

Sd/.

V. PARANDHAMAN
CHAIRMAN

Date: 29.7.2005

Place: Chennai

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT 1956

ITEM NO: 1

The Existing Auditor has reported that they are not seeking re-appointment in the ensuing annual general meeting of the company. As such the Board of Directors has recommended the appointment Sri. W.S. Madhavann Chartered Accountant as Statutory Auditor. The changes require the approval of the Shareholders according to the provisions of the Companies Act 1956 Hence the resolution is proposed.

None of the Director is interested in the above said resolution.

NOTES

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on a poll, to vote instead of himself/herself and a Proxy need not be a member of the Company. The instrument appointing the Proxy to be valid shall be deposited at the Registered Office of the Company not later than 48 hours before the time fixed for holding the Meeting.

2. The Register of Members and the Share Transfer Books of the Company will remain closed from 19th September 2005 to 28th September 2005 (both days inclusive).
3. For shares held in Physical form, any change in address may be intimated immediately to the Company/Share Transfer Agent by quoting the Folio Number(s).
4. Members/Proxies are requested to bring the Attendance slip sent with the Annual Report duly filled in for attending the Meeting. Members who hold shares in the dematerialized form are requested to indicate their DP ID and Client ID Numbers in the Attendance slip.
5. The Company's Equity shares are listed at The Bombay Stock Exchange
6. Members holding shares in physical form can avail of the nomination facility. For Further details, Members may write to the Company/Share Transfer Agent.
7. All documents referred to in the accompanying notice are available for inspection by the members at the Registered Office of the Company on all working days, between 11.00 a.m. and 1.00 p.m. prior to the date of the meeting.

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MANAGEMENT DISCUSSION AND ANALYSIS

Certain financial highlights of the company are given below:

Rupees in thousands

PARTICULARS	2005	2004
Loss /Surplus before Interest and Finance Charges and Depreciation	7,476,346	1,297,086
Interest and Finance Charges	Nil	Nil
Profit before Depreciation	(7,476,346)	1,297,086
Depreciation	265,712	2,61,543
Profit after Depreciation before Tax	(7,742,058)	1,035,543
Preliminary Expenses	Nil	Nil
Profit before Tax	(7,742,058)	1,035,543
Profit after Tax but before dividend	(7,742,058)	1,035,543

The performance of the company is poor due to sudden cancellation of certain orders and the company is taking all kind of precaution including customer's credit appraisal. The company also proposes to enlarge its activities by entering into other related areas. The company requires huge working capital and the management is taking necessary steps in this regard.

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 2005.

FINANCIAL PERFORMANCE

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

In Rupees

PARTICULARS	2005	2004
Surplus before Interest and Finance Charges and Depreciation	7,476,346	1,297,086
Interest and Finance Charges	Nil	Nil
Profit before Depreciation	(7,476,346)	1,297,086
Depreciation	265,712	2,61,543
Profit after Depreciation before Tax	(7,742,058)	1,035,543
Preliminary Expenses	Nil	Nil
Profit before Tax	(7,742,058)	1,035,543
Provision for Income Tax Current Tax Deferred Tax	Nil	Nil
Profit after Tax but before dividend	(7,742,058)	1,035,543

BUSINESS PLAN

Being a ISO 9001:2000 certified Information Technology Development, information processing company with its presence spanning across USA, UK and Germany, our focus areas are Web/ E-commerce solutions, software application development, information processing and Multimedia and Animation services.

As part of its diversification process, i Power entered the domain of e-publishing. This division has been vested with all the expertise and infrastructure to take up work in this arena. The company is also developing products in Biometrics/ Smart Card areas.

We have built a strong, client base who, in future virtually will act as our marketers. Having offered our services to those clients, we have built strong technical expertise in all our focus areas of business.

The Information Technology outsourcing business model has been accepted in US and other parts of the world. India is the most favoured destination for IT outsourcing and this should provide a conducive environment of rapid business growth for your company and your company will increase its presence in the market.

DIRECTORS

During the year Sri.Ravichander Babu retires and being eligible, offers himself for reappointment.

CORPORATE GOVERNANCE

Your Company attaches considerable significance to good Corporate Governance as an important step towards building investor confidence and maximize long term shareholder value. Pursuant to Clause 49 of the Listing Agreement with the Stock exchange, a compliance report on Corporate Governance has been annexed as part of the Annual Report.

DEPOSITS

The Company has not accepted any fixed Deposits from the public.

DIVIDEND

No dividend is recommended

AUDITORS:

M/s. Ramarathnam and Madhavan Associates, Chartered Accountants, the Statutory Auditors of the Company retire at the ensuing Annual General Meeting and are not seeking re-appointment. It is proposed to appoint Mr. W.S. Madhavann, Chartered Accountant as statutory auditor of the company.

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 and Outgo (in US \$)

Foreign Exchange Earning	10,643
Foreign Exchange Outgo	700

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 2005 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 2005.

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, Cameo Corporate Services Ltd., our employees and the various customers who are patronizing our products.

For i POWER SOLUTIONS INDIA LIMITED

PLACE: CHENNAI
DATE: 29.7.2005

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 believes that good corporate governance practices enable the management to direct and control the affairs of the company in an efficient manner and to achieve the company's goal of maximizing value for all its stakeholders. The company will continue to focus its resources, strengths and strategies to achieve its vision of adding real value to the customers

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 is having one whole time director and 3 non-whole time directors, representing the optimum mix of professionalism, knowledge and experience. Details are given in Table 1.

C) Number of Board Meetings

i Power Solutions India Limited held 7 Board Meetings during the year ended 31st March 2005. These were on April 30th 2004, June 16th 2004, July 28th 2004, October 27th 2004, December 23rd 2004, January 31st 2005 and 19th March 2005.

Directors' attendance record and directorships held

See Table 1 for details