

# **i Power Solutions India Ltd.**



**22nd Annual Report  
2006-07**

## 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, 2<sup>nd</sup> Main Road,  
Karpagam Gardens,  
Adyar, Chennai-600 020.

## STATUTORY AUDITORS

W. S. Madhavann

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

## BANKERS

Bank of Maharashtra ,Chennai - 600020  
Punjab National Bank, Chennai - 600018  
Bank of Baroda, Chennai - 600045

**J. Sriraman**

Chartered Accountant

Internal Auditor

## NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the 22nd Annual General Meeting of the members of M/s. i Power Solutions India Limited will be held on 21st September 2007 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 31<sup>st</sup> March 2007 and the Profit & Loss Account for the year ended 31<sup>st</sup> March 2007 together with the reports of Directors and Auditors thereon.
2. To appoint a Director in the place of Mr. V. Parandhaman, who retires by rotation and being eligible, offers him for re-appointment.
3. To appoint auditors and to fix their remuneration.

By Order of the Board  
**i Power Solutions India Limited**

Date : 25.06.2007  
Place : Chennai

**V.PARANDHAMAN**  
CHAIRMAN

### 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 14th September 2007 to 21st September 2007 (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 Bombay Stock Exchange Limited.
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.

**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 2007.

**FINANCIAL PERFORMANCE**

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

PARTICULARS	2007	2006
Loss before Interest and Finance Charges and Depreciation	7,22,034	(50,03,810)
Interest and Finance Charges	71,754	Nil
Profit/(Loss)before Depreciation	6,50,280	(50,03,810)
Depreciation	542,825	400,822
Profit/(Loss)after Depreciation before Tax	107,455	(54,04,632)
Preliminary Expenses	Nil	Nil
Profit/(Loss)before Tax	107,455	(54,04,632)
Provision for Income Tax,Current Tax,Deferred Tax	Nil	Nil
Profit/(Loss)after Tax but before dividend	107,455	(54,04,632)

**BUSINESS PLAN**

Being an, 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. We are finding innovative ways to improve our turnover by way of organic and inorganic growth.

**DIRECTORS**

During the year Sri.V.Parandhaman, 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 during the financial year ended 31st March 2007.

**AUDITORS**

Mr. W. S. Madhavann, FCA, Chartered Accountant, Chennai, Statutory Auditor of the Company who retire at the ensuing Annual General Meeting. His re-appointment is recommended.

**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.

In respect of Foreign Exchange earning and Outgo (in US \$), details are given below.

Foreign Exchange Earning

US \$ : 74,400 /-

Foreign Exchange Outgo : NIL

**PERSONNEL**

There were no employees of the Company who were not in receipt of Rs. 24,00,000 during the financial year ended 31st March 2007 as per the limit set under the provisions of Section 217 (2A) of the Companies Act, 1956 and the rules framed thereunder.

**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 2007 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 2007. 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 Bank of Maharashtra, Punjab National Bank, Indian Bank, Bombay Stock Exchange Limited, Cameo Corporate Services Ltd., our employees and the various customers who are patronizing our products.

For and on behalf of the Board

Sd./-

**V. PARANDHAMAN**

Chairman

Date : 25.06.2007

Place : Chennai

Management discussion and analysis forms part of this annual report.

Certain financial highlights of the company are given below:

PARTICULARS	2007	2006
Loss / Surplus before Interest and Finance Charges and Depreciation	7,22,034	(50,03,810)
Interest and Finance Charges	71,754	NIL
Profit / (Loss) before Depreciation	650,280	(50,03,810)
Depreciation	542,825	400,822
Profit / (Loss) after Depreciation before Tax	107,455	(54,04,632)
Preliminary Expenses	NIL	NIL
Profit / (Loss) before Tax	107,455	(54,04,632)
Profit / (Loss) after Tax but before dividend	107,455	(54,04,632)

Your Company is taking necessary steps to improve the business. The company wants to improve its business without increasing any risk and looking for merger and acquisitions of similar businesses.

**REPORT ON CORPORATE GOVERNANCE**

(Pursuant to Clause 49 of the Listing Agreement)

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

Corporate Governance is reflected in the manner in which the Company deals with its shareholders, employees, customers as also every other stakeholder including the society in which the Company operates. Your Company is committed towards transparency in all its dealings, adhering to the corporate values and leveraging the corporate values and leveraging the corporate resources in alignment with the benefits to the stakeholders.

The promoters of your Company are committed to moulding Governance with the culture of the Company that is built upon core values, beliefs and ethics.

Your Company's pursuit towards achieving good governance is an ongoing process and it continues to practice corporate Governance of the good standard. A report on the compliance with the Code of Corporate Governance as prescribed by the Securities and Exchange Board of India (SEBI) incorporated in Clause 49 of the Listing Agreement in all material aspects is given below.

**I. Board of Directors**

The Board of Directors of the Company has an optimum combination of Executive and Non-Executive Directors with 3 independent Non-Executive Directors out of the 4 Directors on the Board as on date. The Chairman is an Executive Director and the number of Independent Non-Executive Directors on the Board is more than 50% of the Board Strength at any point of time.

All independent Non-Executive Directors comply with the requirements of the Listing Agreement for being "independent Directors". Further the Independent Directors have also affirmed that they satisfy all the prescribed requirements for being an independent Director.

As per the provisions of the Articles of Association of the Company, Mr. V.Parandhaman, who retires by rotation and being eligible himself for re-appointment at this Annual General Meeting. The Board Governance has also recommended his re-appointment for consideration of the Shareholders.

The Notice for the Annual General Meeting schedule to be held on September 21, 2007 complies with this requirement.

a) **Composition of the Board**

The Composition of the Board of Directors as on March 31, 2007 is given below

Name	Category	Designation	Total number of Committee Membership in other companies	Total number of Committee Chairmanship in other companies	Other Directorship
Mr.V.Parandhaman	Promoter Director	Chairman Cum M. D			Nil
Mr. D.Ravichander Babu	Independent Non-Executive Director	Director			Director in: M/s. Systematix Corporate Services Limited
Mr.K.Bhaskaran	Independent Non-Executive Director	Director			Director in: M/s. Bilvac Techno Management (P) Ltd.
K. Saravana Prakash	Independent Non-Executive Director	Director			Nil

b) **Board Procedure**

A detailed Agenda folder is sent to each Director in advance of Board and Committee Meetings. To enable the Board to discharge its responsibilities effectively, the Chairman apprises the Board at every Meeting of the overall performance of the Company. The Board also reviews strategy and business plans, annual operating and capital expenditure budgets, compliance reports of all laws applicable to the Company, as well as steps taken by the Company to rectify instances of non-compliances, review of major legal issues, minutes of the Board Meetings of your Company's , adoption of quarterly/half-yearly/annual results, minutes of Meeting of Audit and other Committees of the Board, and information on recruitment of officers just below the Board level, including the Compliance officer.



**c) Number of Board Meetings, attendance record of the Directors at Meeting of the Board and at the Annual General Meeting**

Board Meetings were held during the period 1st April, 2006 to 31st March 2007 on the following dates - July 28th 2006, October 30th 2006, and January 31st 2007. The gap between two meetings did not exceed four months. These were well-attended.

The twenty first Annual General Meeting was held on 25th September, 2006.

The attendance of the Directors at these Meeting is as under:

Name	Board Meetings held during the year	Board Meetings attended during the year	Attendance at the last AGM held on September 25 <sup>th</sup> 2006(yes /No)
Mr.V.Parandhaman	5	5	Yes
Mr. D.Ravichander Babu	5	5	Yes
Mr.K.Bhaskaran	5	3	Yes
K. Saravana Prakash	5	2	Yes

**II Committees of the Board**

**a) Audit Committee**

- Brief description of terms of reference
- Composition, name of members and Chairman
- Meeting and attendance during the year.

**i. Brief description of terms of reference**

The Audit Committee reviews, acts and reports to the Board of Directors with respect to;

- 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 to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference like Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956, Company Compliance with legal and Statutory requirements,