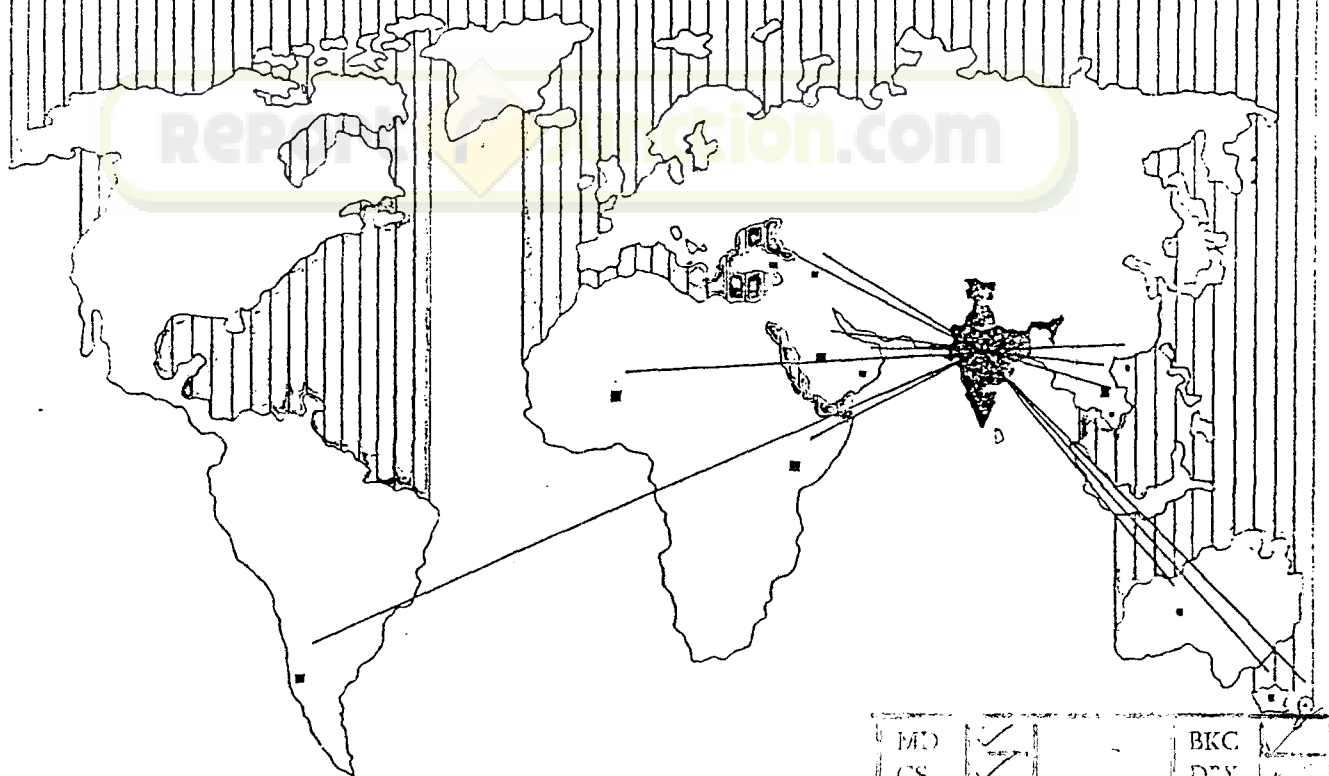


# Annual Report 1996-97



MD	✓	BKC	✓
CS	✓	DTY	✓
RO	✓	DEV	✓
TRA	✓	AC	✓
AGM	✓	SP	✓
YE	✓		✓

## INDUSTRIAL METERS LTD.

*We reaffirm our commitment to the nation on the 50th year of Independence*



TRUE COPY  
INDUSTRIAL METERS LTD.



Authorised Signatory

INDUSTRIAL METERS LIMITED

**36th ANNUAL REPORT  
AND  
ACCOUNTS  
FOR THE YEAR  
1996-97**

**Board of Directors**

**RAMNIWAS DHOOT** *Chairman and Managing Director*

**RAJENDRA SOMANI**

**SHIVRATAN TAPARIA**

**S. M. PARANDE**

**N. TATA RAO**

**AJAY DHOOT** *Jt. Managing Director*

**ADITYA DHOOT** *Executive Director*

**SANJAY C. KOTHARI** *Director Finance & Company Secretary*

**Bankers**

**STATE BANK OF HYDERABAD**

Nariman Point Branch, Mumbai - 400 021

**INDUSIND BANK LIMITED**

Indusind Centre, 231, S.V. Road, Bandra (W),  
Mumbai - 400 050

**CENTURION BANK LIMITED**

25/26 Maker Chambers III, Nariman Point,  
Mumbai 400 021

**Auditors**

**Rasiklal Shah & Associates**

Chartered Accountants

718, 1st Floor, 102-A, Middle Bungalow,

Madhav Wadi, Naigaon X' Road

Dadar (CR), Mumbai 400 014

**Regd. Office & Works :**

85, Govt. Industrial Estate,

Kandivli (West), Mumbai - 400 067

**Hyderabad Works :**

Plot No. 70, IDA (Road No. 10) Mallapur,

Hyderabad 501 507.

**Silvassa Works :**

Umerkuin Road, Survy No. 263/2/3/2

Saily Village

Silvassa (UT of Dadra & Nagar Haveli)

**Corporate Office :**

"Advent", 7th Floor,

12-A, General J. Bhosale Marg,

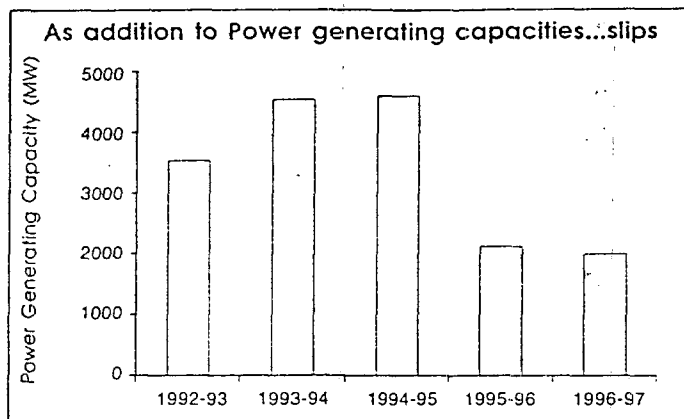
Nariman Point

Mumbai - 400 021

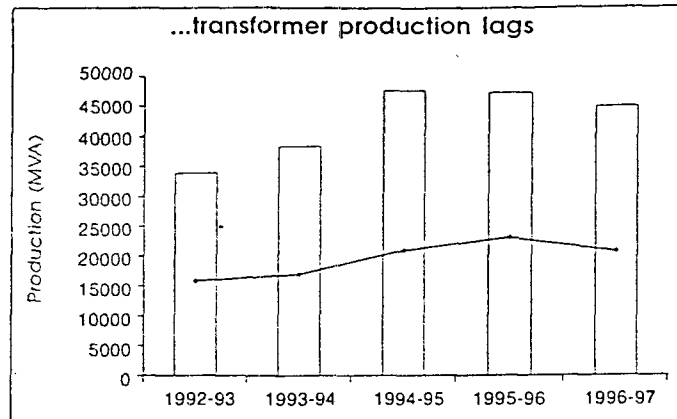
IMP

INDUSTRIAL METERS LIMITED

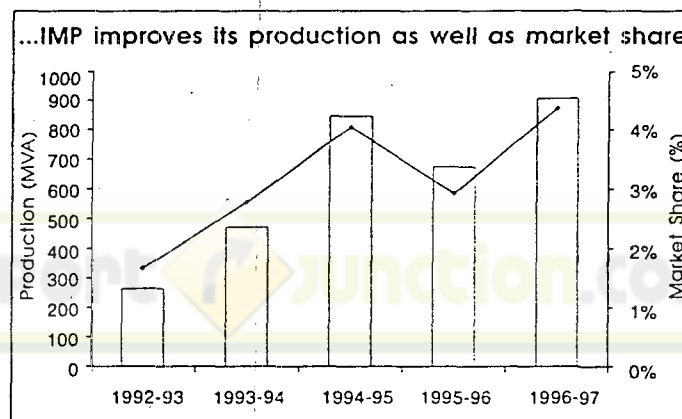
## A difficult year for the Power Equipment Industry



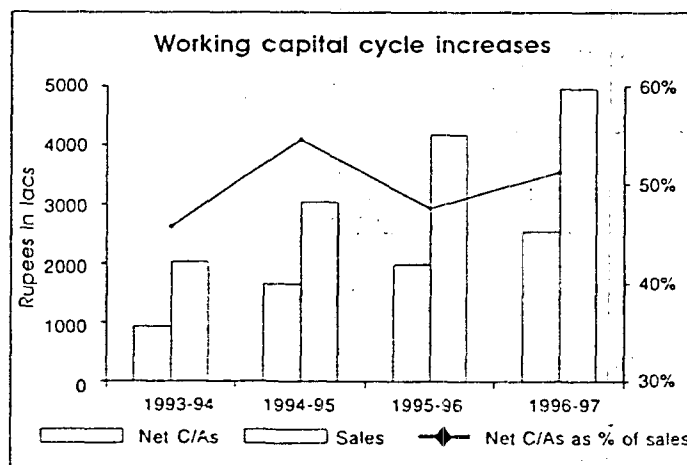
Source : Ministry of Power Annual Report 1995-96



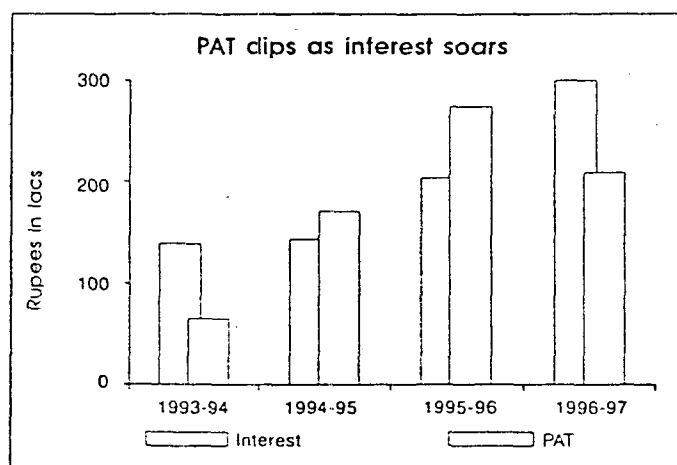
Source : IEEMA



Although IMP managed to increase production and market share, it was in 1996-97 effected by the general slow down in the economy leading to higher working capital cycle putting large demands on its liquid resources leading to increased interest costs and consequential dip in net profits.



In 1995, net current assets were higher as the public proceeds were received on 28 March, 1995





## INDUSTRIAL METERS LIMITED

The demand for Transformers is directly linked with the addition to power generation capacity and the replacement demand. Even after scaling down the target of the 8th five year plan from 60,000 MW to 38,000 MW there is likely to be a short fall of approximately 20,000 MW in the 8th five year plan. With the continuous decline in power generating capacity in the last two years and the general slow down in the economy leading to lower capital expenditure transformer off take has generally been effected.

Transformers play a major role in the transmission and distribution of electricity. It is estimated that for every MVA of power generating capacity, there is a requirement of 6 MVA in Transformer rating. Transformers step up and step down the voltage of the system and find application at various stages of generation, transmission and distribution of electrical energy. Electrical energy is generated in a generating station generally at 16.5 kv due to reasons of insulation. In order to minimize transmission losses and to economically transmit power, the voltage needs to be stepped up to say 220 kv or 400 kv to transmit it over long distances. Voltage is then stepped down to different voltage levels so as to meet the voltage and current requirements of the various end users like industrial, residential, railways etc.

The regulation of the electrical energy to various voltage levels is done by transformers. Power Transformers (rating over 2500 KVA) are used to step up/step down the voltage and are generally used in the power stations whereas distribution transformers (rating below 1600 kva) are used to reduce the voltage and are used at electricity distribution networks.

The growth in the power equipment industry of which IMP is apart imperative given the importance of power not only in our day to day life but also in the over all economic growth of our country. In order to meet the expected demand IMP has taken strategic decisions which are as under:

1. With the commencement of Silvassa operations the transformer rating that IMP can manufacture increases up to 150 MVA. Silvassa offers tax advantages to the Company and 15 years sales tax holiday is a major advantage in this tender based industry which no other like Company as on date enjoys.

(Silvassa plant photograph behind)

2. Substantial inroads into the private sector have been made thereby reducing dependence on State Electricity Boards.

Private Sector & PSU - SIEMENS, L&T, NTPC, TISCO, KOPRAN, PENNAR GROUP, SURANA GROUP, BIRLAS, ECE & ABB.

Turn key contractors/consultants - KRISHNAKOYANA IRRIGATION PROJECT, SIEMENS, DLF, MECON, MN DASTUR AND TATA CONSULTANCY SERVICES.

State Electricity Boards are bulk buyers and dependence on them can not be totally eliminated IMP has however retained its concentration on the better managed Boards.

3. Export continues to be a major thrust area and IMP has been awarded the ISO 9001 certificate for its entire product range the benefit of which would be available in the years to come.

The Meters and testing equipments manufactured by the Company has been approved for use in Europe and exports to UK have commenced. This is apart from the regular Meter exports to South East Asian countries. For the year 1997-98 exports including deemed exports are targeted at Rs. 9/10 Cr. and based on the current order book position no difficulty in achieving the same is foreseen.

The major export destinations are as under:

UK, Kenya, Gulf Countries, Newzealand, Russia & Australia.

4. At the time of their first annual review, CRISIL have upgraded Company's rating for its NCD issue from BBB+ to A-. This is at a time when the CRISIL down grades were much higher than the upgrades.



INDUSTRIAL METERS LIMITED

## SHARE HOLDERS/ANALYST INFORMATION

## 1. Registrar/Transfer Agent :

Consolidated Share Services Private Limited  
Shanti Nagar Cross Road, 'A' Near M.I.D.C. Bus Depot.,  
M.I.D.C., Andheri (East), Mumbai - 400 093.  
Phone : 835 5635/837 6800 Fax : 022-8381384

## 2. Annual General Meeting :

Date : Tuesday 30th September, 1997,  
Time : 5.00 p.m.

Venue : S. K. Somani Hall, Hindi Vidya Bhavan, 79, Marine Drive, Mumbai - 400 020.

## 3. Book closure : 15th to 28th September, 1997

## 4. Shareholding Pattern :

	%	No. of Shares
Promoters — Core	70.2	2,107,000
— friends & Associates *	4.8	143,000
Public	25.0	745,600
	100.0	2,995,600

\* Locked in upto March '98

## 5. Distribution Schedule

Number of Shares	Share Holders		Share Amount	
	Number	% To Total	(Number)	% To Total
UPTO - 500	2310	93.11	312364	10.43
501 - 1000	70	2.82	63540	2.12
1001 - 2000	32	1.29	49734	1.66
2001 - 3000	8	0.32	22580	0.75
3001 - 4000	12	0.48	42200	1.41
4001 - 5000	10	0.40	50000	1.67
5001 - 10000	9	0.36	62900	2.10
10001 & ABOVE	30	1.21	2392282	79.86
<b>TOTAL</b>	<b>2481</b>	<b>100.00</b>	<b>2995600</b>	<b>100.00</b>

## 6. Listing : Mumbai Stock Exchange B1 Group, National Stock Exchange &amp; Ahmedabad Stock Exchange.

## 7. Analyst queries to :

Mr. Ajay Dhoot, Jt. Managing Director

Mr. Sanjay C. Kothari, Director (Finance) & Company Secretary.





## INDUSTRIAL METERS LIMITED

## DIRECTORS' REPORT

Your Directors have pleasure in presenting for your approval the Thirty Sixth Annual Report together with the audited accounts of your company for the year ended 31st March'1997

## FINANCIAL RESULTS

(Rs.in Million)  
For the year ended 31st March  
1997 1996

Gross Sales	495.45	416.71
PBDIT	54.23	49.56
Depreciation	3.35	1.74
Financial charges	29.99	20.37
PAT	20.89	27.45
Balance brought forward	0.03	0.08
Profit available for appropriation	20.92	27.53
Allocated to:		
Proposed Dividend	7.20	7.20
Tax thereon	0.71	—
Transfer to Debenture Redemption Reserve	1.02	—
Transfer to General Reserve	11.97	20.30
Balance carried forward	0.02	0.03

Your Directors are pleased to maintain a dividend of Rs.2.40 per share and absorb the 10% dividend tax thereon. The dividend out go will be 10% higher at Rs.79.20 Lacs as compared to 72 Lacs.

## PERFORMANCE

The company's performance during the year has been good considering the industry average. The total turn over at 495 million is 19% higher and PAT at Rs.20.9 million is lower mainly due to the increased financial expenses and delay in commencement of operations at Silvassa. Inspite of constraints in the economy and SEBs a healthy OPM of 11.06% on sales has been maintained. The order book position at Rs.300 million is about 10% higher than in the previous year. During the year the Company has been vendor approved by NTPC and BEST and also penetrated into bagging orders from reputed private groups like DLF, TISCO, ABB, SIEMENS to name a few and turn key contractors like MECON, MN Dastur. With the Silvassa plant now on stream, your Company has started bidding for higher rating transformers and expects a very favourable response there on. In the current year your Company will benefit in general from the falling interest rates and specifically due to the judicious mix of foreign currency and rupee borrowings within the total over all borrowing.

## FINANCE

Funds raised by the Company through its IPO of shares are being deployed for the purpose for which it was raised.

A comparison between the actual performance for the year 1996-97 and the performance as projected in the prospectus dated 12th December'95, is as under:

	Projected	Actual
Total Income (Rs.in Lacs)	6073.83	4954.46
Profit After Tax (Rs.in Lacs)	359.45	208.94
Earning per share (Rs)	11.98	6.97
Book value per share (Rs) (excl.revaluation reserves)	51.64	49.51

During the year under review, CRISIL has upgraded the rating for the Company's NCD programme from BBB + to A-. The rating indicates adequate safety with regard to timely payment of interest and principal.