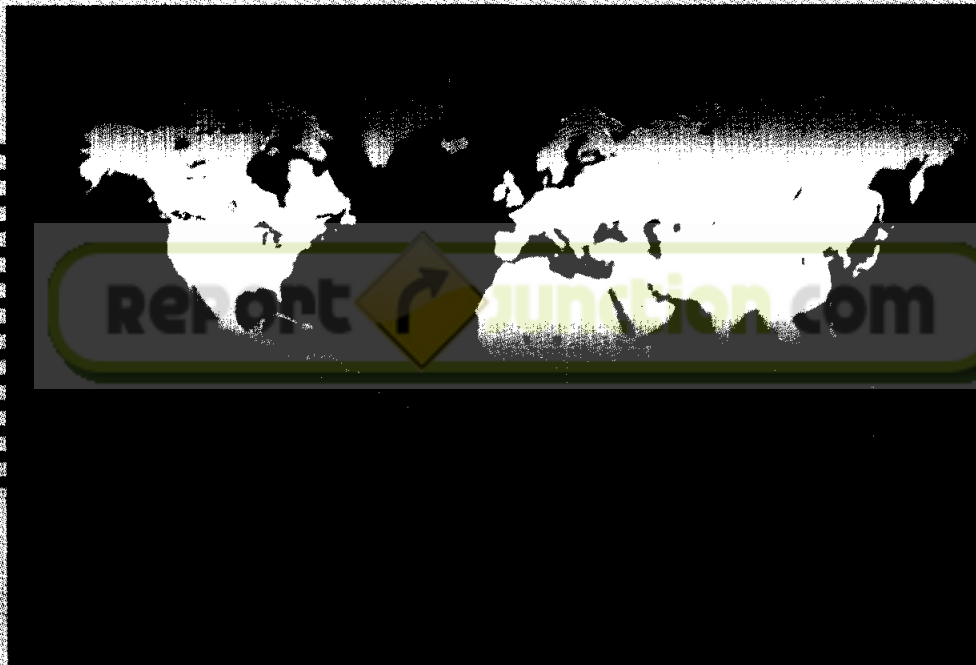




ANNUAL REPORT 2000-2001



IMP POWER LIMITED

IMP POWER LIMITED**Board of Directors****SHRI RAMNIWAS R. DHOOT**

Chairman

SHRI N.TATA RAO**SHRI S.M.PARANDE****SHRI K.D.AGRAWAL****SHRI GOVARDHAN M. DHOOT****SHRI AJAY R.DHOOT**

Managing Director

SHRI ADITYA R.DHOOT

Jt. Managing Director

Bankers

STATE BANK OF HYDERABAD

STATE BANK OF SAURASHTRA

BANK OF INDIA

THE KARNATAKA BANK LIMITED

INDUSIND BANK LIMITED

SBI COMMERCIAL AND INTERNATIONAL BANK LIMITED

**40th ANNUAL REPORT
AND
ACCOUNTS
2000-2001**

Auditors**Milwani Associates****Regd & Corporate office**

"Advent", 7th Floor,
12-A , General J.Bhosale Marg,
Nariman Point,
Mumbai – 400 021.

Mumbai Works:

85, Govt. Industrial Estate,
Kandivali (West) , Mumbai – 400 067.

Silvassa Works :

Umer Kuin Road, Survey No.263/2/3/2,
Saily village,
Silvassa (UT of Dadra & Nagar Haveli)

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IMP**SHARE HOLDERS/ANALYST INFORMATION****1. Registrar/ Transfer Agent:**

Intime Spectrum Registry Pvt.Ltd.
260, Shanti Industrial Estate,
Sarojini Naidu Road,
Mulund (W), Mumbai – 400 080.

2. Annual General Meeting

Date : 29th June, 2002
Time : 3.00 P.M
Venue : 85, Govt. Industrial Estate, Kandivali (West), Mumbai -400 067.

3. Book Closure : 27th June to 29th June, 2002.**4. Shareholding Pattern :**

	%	No. of Shares
Promoters	74.33	2,226,677
Public	25.67	768,923
	100.00	2,995,600

5. Distribution Schedule as on 31.12.2001

Share holding of Nominal Value of Rs.	Rs.	Total Holders	% of Holders	Total Shares	Nominal Value Rs.	% to Total
Upto -	5000	1500	94.82	189,785	1,897,850	6.34
5001 -	10000	29	1.83	24,304	243,040	0.81
10001 -	20000	14	0.88	20,140	201,400	0.67
20001 -	30000	10	0.63	25,789	257,890	0.86
30001 -	40000	3	0.19	10,459	104,590	0.35
40001 -	50000	2	0.13	9,300	93,000	0.31
50001 -	100000	2	0.13	12,100	121,000	0.40
100001 -	and above	22	1.39	2,703,723	27,037,230	90.26
Total :		1582	100.00	2,995,600	29,956,000	100.00

6. Listing : Mumbai (BSE), National & Ahmedabad Stock Exchange**7. Analyst queries to:**

Shri Ajay R. Dhoot - Managing Director
Shri Jagdish C. Dargar – Vice President (Finance & Account)

IMP POWER LIMITED**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors are pleased to present the Fortieth Annual Report, together with the Audited statement of accounts of the company for the period ended 31st December 2001.

FINANCIAL RESULTS

	For the period ended 31st Dec 2001 (15 months)	(Rs. in Million) For the period ended 30 th Sept 2000 (18 months)
Domestic	807.38	1132.49
Export/Deemed Export	176.59	72.95
Gross Sales	983.97	1205.44
PBDIT	103.64	109.10
Depreciation	13.61	16.15
Interest	76.54	77.54
Profit before Tax	13.49	15.41
Income-Tax	0.99	0.48
Profit After Tax	12.50	14.93
Balance brought forward	0.09	0.02
Profit available for appropriation	15.33	14.95
Allocated to :		
Interim Dividend on Preference Share	0.18	0.09
Proposed Dividend including Dividend Tax		
- On Equity Share	-	5.48
- On Preference Share	-	0.29
Transfer to General Reserve	15.00	9.00
Balance Carried forward	0.15	0.09

Your Director, in order to improve the financial position of the Company, has decided to retain the profits earned during the period and do not recommend any dividend.

PERFORMANCE

The current financial year of the Company was extended by a period of 3 months and accordingly Annual Account have been prepared for the period of 15 months ended on December 31, 2001.

During the period under review, the company achieved the gross turnover of Rs. 983.97 million in 15 months as compared to turnover of Rs.1205.44 million in the previous period of 18 months. During the period ended 31st December 2001, your company also recorded net profit of Rs.12.50 million after tax as against the net profit of Rs.14.93 million in the previous accounting period ended 30th September 2000. The Company has exported goods worth Rs 176.59 million (includes deemed export) during the period. The export for the current period has increased by 290% annualized basis over the previous period. The company has signed the contracts and received the repeat orders from New Zealand, Nigeria and UK.

Your Directors has great pride in announcing the successful short circuit testing of 25 MVA 132/33 KV Power Transformer at CPRI, Bhopal in the first attempt on 31.01.02. With this your Company is amongst the top five EHV Transformer manufacturers in the country to do so. In the current period your company has good order position of Rs. 600 million

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from Private sectors and SEBs including Rs. 200 million Export & deemed Export.

FUTURE OUTLOOK

Government of India has given a special thrust to the Power Sector with the announcement of Accelerated Power Development Program (APDP), so as to improve the commercial viability of power sector projects in a short period of time. On implementation of this, it would increase the demand for power equipments.

Based on IEEMA estimates, India could envisage an addition to 100,000 MW during the next decade, which would lead to an increased demand for power equipments.

FINANCE

The company has continued to resort the foreign currency borrowings and has adopted prudent hedging strategies. During the period the company increased its borrowing by Rs.95 million to meet out its enhanced Working Capital requirement.

PERSONNEL

Your Company's basic strength remains its people. The team has responded well to date and will further carry on its shoulders the added responsibility of facing the onslaught of the future & the challenges of global competition. This team is our greatest asset. Their ability to constantly add value to every business process will be their ultimate test.

During the period industrial relation were cordial and Director place on record their sincere appreciation of the services rendered by the employees.

INSURANCE

The assets of the company's have been insured against the usual risks.

CASH FLOW STATEMENT

Cash Flow Statement pursuant to Clause 32 of the Listing Agreement is attached herewith.

AUDITORS

The Auditors in their report have referred to the Notes forming part of the Accounts, which are self-explanatory. Messrs. Milwani Associates, Auditors of the Company retire at the ensuing Annual General Meeting & being eligible, offer themselves for reappointment.

DIRECTORS

Pursuant to the Articles of Association of the Company Shri. G. M. Dhoot and Shri. K. D. Agrawal Directors of the Company will retire by rotation and being eligible, offered themselves for re-appointment.

Shri Rajendra Somani and Shri S.R. Taparia resigned from the Board of Director of your company due to their pre-occupation. The Board expressed their appreciation for the services and valuable guidance provided during their tenure.

DIRECTORS RESPONSIBILITY STATEMENT UNDER SECTION 217

As required Under Section 217 (2AA) of the Companies Act, 1956 your Directors state:

- While preparing Annual Accounts the applicable accounting standards have been followed.
- Company has selected such accounting policies and applied them consistently and made judgement that are reasonable and prudent which give true and fair view of the affairs of the Company
- Company has taken 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 and detecting fraud and other irregularities.
- Company had prepared accounts on a going concern basis.

IMP POWER LIMITED**INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT, 1956**

The manufacturing process of Company is not energy intensive. Therefore impact of energy saving devices is insignificant. The details of foreign exchange incoming and outgoing are annexed hereto in the Notes to Accounts.

There is no employees exceeding the limits prescribed pursuant to sub-section 2A of Section 217 of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975 hence the statement required under section 217 (2A) is not annexed.

ACKNOWLEDGEMENTS

The Board would like to place on record its sincere appreciation for the whole hearted support and contribution made by all its employees across the Company, as well as Financial Institutions, Banks, Distributors, Suppliers and other business associates towards conduct of the efficient operation of your Company.

On behalf of the Board of Directors

Place : Mumbai
Dated : 13th May, 2002

R.R. Dhoot
Chairman



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IMP**AUDITORS' REPORT**

To,
The Members of
Messrs IMP Power Limited
Mumbai.

We have audited the attached Balance Sheet of **IMP POWER LIMITED** as at 31st December 2001 and also the Profit & Loss Account of the Company for the period ended on that date annexed thereto and report that:

- (I) As required by the Manufacturing and other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, and on the basis of such checks of the books and records of the company as we considered appropriate and the information and explanations given to us during the course of our audit, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said order, to the extent applicable to the company.
- (II) Further to our comments in the Annexure referred to in paragraph (I) above we report that :
- (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion proper books of accounts, as required by law, have been kept by the Company so far as appears from our examination of those books.
 - (c) The said Balance Sheet and the Profit & Loss Account are in agreement with the books of account.
 - (d) In our opinion and based on the information given to us, the said Balance Sheet and Profit & Loss Account are in compliance with the Accounting Standards issued under Section 211(3-C) of the Companies Act, 1956.
 - (e) On the basis of written representations received from the Directors and taken on record by the Board of Directors, we report that none of the Directors is disqualified from being appointed as a Director of the company as at year end under sec 274 (1) (g) of the Companies Act' 1956.
 - (f) In our opinion, and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:
 - (i) In the case of Balance Sheet, of the state of the affairs of the Company as at 31st December, 2001 and
 - (ii) In the case of the Profit & Loss Account, of the Profit of the Company for the period ended on that date.

For **MILWANI ASSOCIATES**
Chartered Accountants

Place : Mumbai
 Dated : 13th May, 2002

R.K. MILWANI
 (Proprietor)

ANNEXURE TO THE AUDITOR'S REPORT**(Referred to in paragraph (I) of our report of even date)**

1. The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets. As explained to us, physical verification of major assets was conducted by the management during the period, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No serious discrepancies were noticed on such verifications, as compared with the book records. However Fixed Assets Registers for additions during the period are under preparation.
2. None of the Fixed Assets have been revalued during the period.
3. The stocks of finished goods, spare parts and raw materials of the Company at all its locations have been physically verified by the management during the period. In our opinion frequency of such verification is reasonable.
4. In our opinion and according to the information and explanations given to us, the procedure of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
5. The discrepancies noticed on verification between the physical stocks and the book records were not material in relation to the operations of the company and the same have been properly dealt with in the books of account.
6. In our opinion, the valuation of stocks of finished goods, spare parts and raw materials has been fair and proper and in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
7. In our opinion and according to the information and explanations given to us the rate of interest and the terms and conditions on which secured and unsecured loans have been obtained from companies, or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 and from the companies under the same management as defined in section 370 (1B) of the Companies Act, 1956 are not prima-facie prejudicial to the interest of the company.
8. In the opinion of the management and according to the information and explanations given to us, the rate of interest and other terms and conditions of loans, secured or unsecured, granted by the company to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 and/or to the companies under the same management as defined under subsection (1-B) of Section 370 of the Companies Act, 1956, are prima-facie not prejudicial to the interest of the company.
9. In respect of loans and advances in the nature of loans given by the company, the parties are repaying the principal amounts as stipulated and are also regular in payment of interest.
10. In our opinion and according to the information & explanations given to us, there is an adequate internal control procedure commensurate with the size and nature of the company's business for purchase of stores and raw materials including components, plant and machinery, equipments, services obtained & other similar assets and for sale of goods.
11. In our opinion and according to the information and explanations given to us, having regard to our comments in 10 above, the prices paid for purchase of goods and materials and sale of goods and materials made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and aggregating during the period to Rs.50,000/- or more in respect of each party is reasonable, having regard to the prevailing market prices for such goods and materials or the prices at which transactions for similar goods have been made with other parties or as available with the company.
12. As explained to us, the company has regular procedure for the determination of unserviceable damaged stores, raw materials and finished goods. Adequate provision has been made in the accounts for the loss arising on the items so determined, wherever applicable.
13. As explained to us, the Company has not accepted deposits from the public, covered under the provisions of section 58 A of the Companies Act, 1956 during the period.