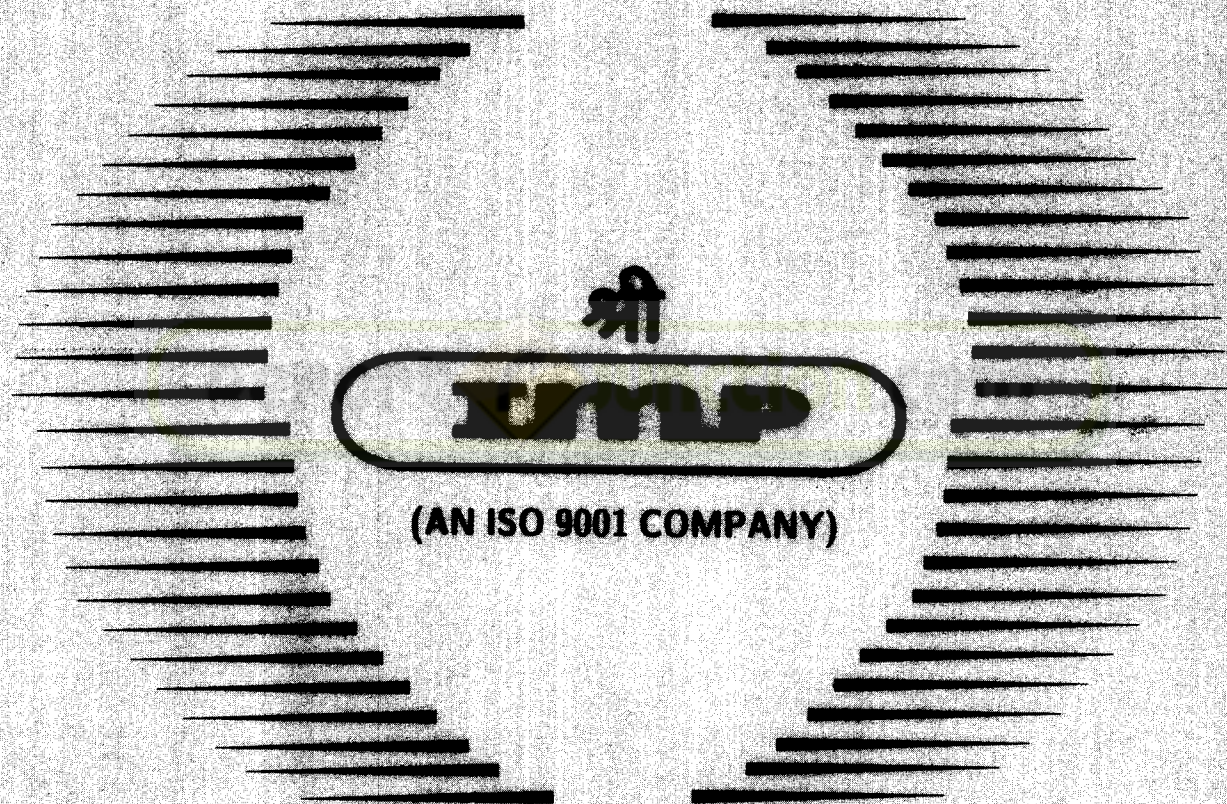


IMP POWER LIMITED



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**BOARD OF DIRECTORS**

| | |
|-------------------------|--------------------------------|
| SHRI RAMNIWAS R. DHOOT | Chairman |
| SHRI N.TATA.RAO | |
| SHRI S.M.PARANDE | |
| SHRI K.D.AGRAWAL | (Resigned w.e.f. 31 May 2003) |
| 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 KARNATKA BANK LIMITED
 INDUSIND BANK LIMITED
 SBI COMMERCIAL AND INTERNATIONAL BANK LIMITED

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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 Havelli)



SHAREHOLDERS/ANALYST INFORMATION

1. **Registrar/Transfer Agent:**
Intime Spectrum Registry Ltd.
C-13 Pannalal Silk Mills Compound
L.B. S. Marg, Bhandup, Mumbai-400078
2. **Annual General Meeting**
Date : 26th September, 2003
Time : 3.00 P.M.
Venue : 85, Govt. Industrial Estate, Kandivali (West), Mumbai -400 067.
3. **Book Closure** : 22nd September to 26th September, 2003
4. **Shareholding Pattern :**

| | % | No. of Shares |
|-----------|---------------|------------------|
| Promoters | 68.96 | 2,065,501 |
| Public | 31.04 | 930,099 |
| | <u>100.00</u> | <u>2,995,600</u> |

5. **Distribution Schedule as on 31.03.2003**

| Share holding of Nominal Value of | | Total Holders | % of Holders | Total Shares | Nominal Value Rs. | % to Total |
|--------------------------------------|-----------|---------------|--------------|--------------|----------------------|------------|
| (Rs.) | (Rs.) | | | | | |
| Upto - | 5000 | 1475 | 94.30 | 189,940 | 1,899,400 | 6.34 |
| 5001 - | 10000 | 32 | 2.05 | 25,949 | 259,490 | 0.87 |
| 10001 - | 20000 | 17 | 1.09 | 24,023 | 240,230 | 0.80 |
| 20001 - | 30000 | 9 | 0.58 | 24,084 | 240,840 | 0.81 |
| 30001 - | 40000 | 4 | 0.25 | 14,033 | 140,330 | 0.47 |
| 40001 - | 50000 | 2 | 0.13 | 9,100 | 91,000 | 0.30 |
| 50001 - | 100000 | 2 | 0.13 | 12,100 | 121,000 | 0.40 |
| 100001 - | and above | 23 | 1.47 | 2,696,371 | 26,963,710 | 90.01 |
| Total : | | 1564 | 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 Shyam Sharda, AGM (Fin. & Accts.)

IMP POWER LIMITED**NOTICE OF THE FORTY FIRST ANNUAL GENERAL MEETING**

NOTICE is hereby given that the 41st Annual General Meeting of **IMP POWER LIMITED** will be held on Friday, the 26th September, 2003 at 85, Government Industrial Estate, Kandivali (West), Mumbai-400 067 at 3.00 p.m. to transact the following business:

ORDINARY BUSINESS :-

1. To receive, consider and adopt the Audited Balance sheet as on 31st March 2003 (15 months) and the Profit and Loss Account for the period ended on that date and the Reports of Auditors and Directors thereon.
2. To appoint a Director in place of Shri Ajay R. Dhoot who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri S. M. Parande who retires by rotation and being eligible offers himself for re-appointment.
4. To re-appoint the Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS :

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary Resolution:

"RESOLVED THAT in suppression the earlier resolution passed pursuant to the provisions of Section 293 (1) (d) of the company Act, 1956 and other applicable provisions if any, of the companies Act, 1956 the company hereby accords its consent to the Board of directors to borrow any sum of the money from time to time from any one or more of the company's bankers and / or from any one or more other persons, firms, bodies corporate or financial institutions, whether by way of cash credit, advance or deposits loans debentures or bill discounting or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the company's assets and properties, stock-in-trade (including raw material, store, spare parts and components in the stock or in transit) and all or any of the undertaking of the company notwithstanding that the money to be borrowed together with moneys already borrowed by the company (apart from temporary loans obtained from company's bankers in the ordinary course of the business) will or may exceed the aggregate of the paid up capital of the company and its free reserves that is to say, reserves not set apart for any specific purpose but so however that the total amount up to which the money may be borrowed by the Board of Directors and outstanding at any time shall not exceed the sum of Rs. 70 Crores (Rupees seventy crores) exclusive of interest and the Board of Directors is hereby further authorised to execute such deeds of mortgage, Charge, hypothecation, lien, promissory notes deposit receipts and other deeds and Instruments or writing as they may think fit and containing such conditions and Covenants as the Board of Directors may think fit.

RESOLVED FURTHER THAT in suppression of the earlier resolution passed pursuant to the provision of section 293(1) (a) of the company Act, 1956 and other applicable provisions, if any, of the companies Act, 1956, the company do hereby accord its consent to mortgaging and/or charging by the Board of Directors of the company all or any of the movable or immovable properties both present and future or the whole or substantially the whole of the undertakings of the company in such form and such manner as the Board of Directors may think fit for securing any loans and/ or advances already obtained or that may be obtained from any financial institutions/ banks/ insurance companies/ person or persons and/ or to secure any debentures issued and / or that may be issued together with interest, cost, charges, expenses and any other money payable by the company to the concerned lenders within the overall limit of Rs.70 Crores (Rupees seventy Crores only)."

6. To consider and if thought fit, to pass with or without modification (s), the following resolution as an ordinary Resolution:

"RESOLVED THAT Pursuant to the provisions of section 198, 269, 309 and 311 read with Schedule XIII and such other applicable provision of the companies act, 1956 approval of the members of the company be and is hereby given to the reappointment Shri Aditya R. Dhoot as Joint Managing Director of the company with effect from 1st June 2003 for the period of five years commencing from 1st June 2003 upon same terms and conditions as per previous Agreement.

FURTHER RESOLVED THAT the joint managing director shall not while he continue to hold that office be subject to retirement by rotation.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is are hereby authorised to do all such acts, deeds and things including entering into a fresh agreement with Shri Aditya Dhoot as may be necessary to give effect to this resolution."

By Order of the Board of Directors
For IMP POWER LIMITED

Place : Mumbai
Date : 13th August, 2003

Ajay R. Dhoot
Managing Director

NOTES :

1. **A MEMBER WHO IS ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIM AND PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. The Proxy Form duly completed must reach the Registered Office of the Company not later than 48 hours before the time of holding the meeting.
3. The Company has extended the accounting year from 31st December 2002 to 31st March 2003 and accordingly accounts are prepared for the period of 15 months.



SANSKO

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4. Register of Members and Share Transfer Books of the Company will remain closed from 22- September- 2003 to 26-September, 2003 both days inclusive.
5. Members/ Proxies should bring the Attendance Slip duly filled in for attending the meeting and are also requested to bring their copies of Annual Report to the meeting.
6. Members desirous of getting any information about the Accounts and Reports of the Company are requested to address their queries to the Company Secretary well in advance so that the same are received at least 5 days before the date of the meeting to enable the management to keep the information readily available at the meeting.

Explanatory Statement

(Pursuant to the provision of the section 173(2) of the companies Act, 1956)

ITEM NO. 5:

At the Thirty Ninth Annual General Meeting of the Company held on 30th March, 2001, the members had given their consent to the Board of Directors ("The Board") of the Company to borrow a sum not exceeding Rs.45 Crores (Rupees Forty Five Crores Only) more than paid-up capital and free reserves. Since then, the Working Capital requirements of the Company have continued to grow particularly in view of the growth in Company's business as well as increase in cost of raw materials.

The Board, thereof seeks the approval of the members to raise the aggregate limit of borrowing from Rs.45 Crores (Rupees Forty Five Crores Only) to Rs.70 Crores (Rupees Seventy Crores Only).

The Company proposes a resolution authorising Board to borrow loans upto maximum of Rs.70 Crores . In order to borrow loans from Banks, institutions etc. the Board needs authorisation to mortgage/ hypothecate the assets of the Company as security/ collateral security.

Section 293(1)(a) of the Companies Act, 1956, provides, inter alia, that the Board of Directors of public Company shall not, without the consent of such public Company in general meeting, mortgage, hypothecate, sell , lease or otherwise or dispose of the whole or substantially the whole of the undertaking of the Company.

Since the mortgaging by the Company of its immovable and movable properties as aforesaid in favour of the financial institutions/ banks etc. can be considered to be disposal of the Company's properties, it is necessary for the members to pass a resolution under section 293(1)(a) of the Companies Act, 1956 authorising the Board of Directors with necessary powers, before creation of the said mortgage / charge.

The Ordinary Resolution set out at Item 5 of the notice of the meeting is intended for the purpose and Board recommends the acceptance thereof.

Your Directors recommend the resolution for your approval.

None of the Directors of the Company is interested or concerned in any way in the Resolutions.

ITEM NO. 6:

The Board of Directors has, at its meeting held on 13-August-2003 re-appointed Shri Aditya Dhoot as Joint Managing Director of the Company for a period of five years effective from 1st June, 2003 subject to the approval of the Members of the Company in the General Meeting. He has extensive experience in general, marketing and financial management of corporate bodies. He is very well versed in all aspects of production and cost and technical administration. He fulfills all conditions for the appointment of Managing Director / Whole Time Director as specified in part I of Schedule XIII to the Companies Act, 1956.

Shri Aditya Dhoot is therefore, entitled to be re-appointed by a resolution to be passed by you and without approval of the Central Government.

The terms and conditions of the appointment and remuneration of Shri Aditya Dhoot are same as per previous agreement :-

- 1) He shall carry out such duties as may be entrusted to him subject to the supervision of the Board of Directors and he shall perform such duties and services as shall from time to time be entrusted to him by the Board of Directors.
- 2) The Agreement is for a period of five years from 1st June, 2003
- 3) He shall be entitled to the following remuneration and perquisites.

A) Salary:

Rs.30,000/- p.m. in the slab of Rs.30000-5000-50000/- p.m.

B) Perquisites:

Housing

The Company shall provide furnished Accommodation to the Joint Managing Director.

The Company shall defray the maintenance expenditure of the residence.

In case no accommodation is provided by the Company, he shall be entitled to House Rent Allowance as per the rules of the Company. The expenses incurred on gas, electricity, water and furnishings for the residential accommodations shall be maximum of 50% of the salary in a year.

Medical Expenses

Expenses incurred for him and his family subject to a ceiling of one month salary in a year or five months salary over a period of five year.

Leave Travel Concessions

For self and family once in a year incurred in accordance with the rules under the Income Tax Act, 1961.

IMP POWER LIMITED**IMP****Leave**

One month leave with full payment and allowance for every eleven month of service. Encashment of leave at the end of the tenure shall be permitted and will not be included in the computation of ceiling on perquisites.

Car and Telephone

A chauffeur driven car for use on Company's business and telephone at residence.

Club Fees

Club Fee for two club which will not include admission and Life Membership fee.

Bonus

Two months salary will be paid as Bonus in each financial year.

Personal Accident Insurance

Premium not to exceed Rs.8,000/- per annum.

Payment of sitting fees as per provision of Articles of Association shall be given to him.

- 4) Notwithstanding anything contained hereinabove, where, in any financial year, during the currency of his tenure as Joint Managing Director, the Company has no profits or its profits are inadequate, the Company shall pay him minimum remuneration by way of salary,

perquisites, dearness allowance and any other allowances subject to the ceiling as prescribed in the scale laid down in Section II of Part II of Schedule XIII to the Companies Act, 1956, as applicable to the Company at the relevant time depending upon the effective capital of the Company.

This may be treated as an abstract of the draft Agreement between the Company and Shri Aditya Dhoot pursuant to section 302 of the Companies Act, 1956.

In compliance with the provisions of section 309 of the Companies Act, 1956 the terms of remuneration specified above are now being placed before the members in General Meeting for their approval.

The draft Agreement between the Company and Shri Aditya Dhoot is available for inspection by the Members of the Company at its Registered Office between 11.00 a.m. and 1.00 p.m. on any working day of the Company.

Shri Aditya Dhoot is interested in the resolution at Item No.6 of the Notice. Shri Ramniwas Dhoot and Shri Ajay Dhoot being relatives of Shri Aditya Dhoot are considered as interested in the resolution at Item No.6 of the Notice.

By Order of the Board of Directors
For IMP POWER LIMITED

Place : Mumbai
Date : 13th August, 2003

Ajay R. Dhoot
Managing Director

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DIRECTORS' REPORT

Your Directors are pleased to present the 41st Annual Report, together with the Audited statement of accounts of the Company for the period ended 31st March, 2003.

FINANCIAL RESULTS (Rs. in Million)

| | For the period ended 31 st March 2003 (15 months) | For the period ended 31 st Dec 2001 (15 months) |
|--|--|--|
| Domestic | 751.05 | 807.38 |
| Export/Deemed Export | 94.81 | 176.59 |
| Gross Sales | 845.86 | 983.97 |
| PBDIT | 80.45 | 103.64 |
| Depreciation | 14.07 | 13.61 |
| Interest | 95.43 | 76.55 |
| Profit/(Loss) before Tax | (29.05) | 13.49 |
| Income-Tax/Deferred Tax | 0.39 | 0.99 |
| Profit/ (Loss) After Tax | (29.44) | 12.50 |
| Balance brought forward | 0.15 | 0.09 |
| Profit/(Loss) available for appropriation | (29.29) | 15.33 |
| Allocated to : | | |
| Interim Dividend on Preference Share | | 0.18 |
| Proposed Dividend including Dividend Tax | | |
| - On Equity Share | — | — |
| - On Preference Share | — | — |
| Transfer to General Reserve | — | 15.00 |
| Balance Carried forward | (29.29) | 0.15 |

DIVIDEND

In view of loss for the period under review, your directors regret their inability to 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 March 31, 2003.

During the period under review, the Company achieved the gross turnover of Rs. 845.86 million in 15 months as compared to turnover of Rs.983.97 million in the previous period of 15 months. During the period ended 31st March 2003, your Company has recorded a loss of Rs.29.44 million after tax as against the net profit of Rs.12.50 million in the previous accounting period ended 31st December 2001. The losses during the period primarily has incurred due to the emergence of certain debtors as bad and the auditors have expressed their reservation about the ultimate recovery of the same and

have hence treated the same as bad debts. In addition to the above spurt in the financial expenses by 24.67% during the same period have contributed to a great extent towards the reversal of Company's profitability. The Company has exported goods worth Rs 94.81 million (including deemed export) during the period. The Company has signed the contracts in West Indies, UK, Australia and New Zealand for supply of various capacity HT/LT Transformers.

In the current period your Company has good order position of Rs. 130 million from various overseas clients, & deemed exports.

FUTURE OUTLOOK

The future of the industry looks better than never before and the demand of the products have picked up substantially and with the electricity bill becoming an inact and all SEB's have to compulsory follow the reforms, we see a radical improvement in the next couple of years. This has also been reflected in our order book position which stands at all time high of 660 million as on 31.03.03.

With the passing of the electricity Bill in the parliament, the Company is hopeful of making a remarkable turnaround in terms of recovery of its old dues with the electricity board and also envisages faster collection of its debts with the SEB which would improve its liquidity substantially. Further, the Company is constantly in touch with all banks and financial institutions for reduction in the interest rate and are hopeful of getting the benefit of decrease in the overall financial charges in the coming years.

FINANCE

The Company has continued to resort the foreign currency borrowings and has adopted prudent hedging strategies. During the period the Company has availed a short term unsecured Loan from Power Finance Corp to the tune of Rs 1705 lacs of which a sum of Rs 290 lacs excluding interest were repaid till March 31st 2003. The Company is hopeful of repaying the entire dues latest by March, 2004.

PERSONNEL

During the period industrial relations 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 adequately 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