

IMP POWER LIMITED



42nd Annual Report 2003-2004

IMP POWER LIMITED

**BOARD OF DIRECTORS**

| | |
|------------------------|--|
| SHRI RAMNIWAS R. DHOT | Chairman |
| SHRI N. TATA. RAO | |
| SHRI S.M. PARANDE | (Resigned w.e.f. 31 July 2004) |
| SHRI GOVARDHAN M. DHOT | (Resigned w.e.f. 15 December 2003) |
| SHRI AJAY R. DHOT | Managing Director |
| SHRI AADITYA R. DHOT | Jt. Managing Director |
| SHRI J. T. CHATTERJI | (Appointed as IDBI nominee w.e.f. 15th March 2004) |

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

AUDITORS

42nd Annual Report
 2003-2004

Milwani Associates
 Bagaria House, 1st floor, 31/33,
 Dr. M. B. Velkar St. (Kalbhat Lane), Mumbai - 400 002.

REGD & CORPORATE OFFICE

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

Website : www.imp-power.com

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 (U.T. of Dadra & Nagar Haveli)

SHAREHOLDER / 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 : 30th September, 2004
Time : 4.00 P. M.
Venue : 85, Govt. Industrial Estate, Kandivali (West), Mumbai - 400 067.

3. Book Closure : 25th September to 30th September, 2004 (both days inclusive)

4. Shareholding Pattern as on 31 - 03 - 2004 :

| | % | No. of Shares |
|-----------|--------|---------------|
| Promoters | 67.43 | 2,019,945 |
| Public | 32.57 | 975,655 |
| | 100.00 | 2,995,600 |

5. Distribution Schedule as on 31.03.2004

| Share holding of Nominal Value of | | Total Holders | % of Holders | Total Shares | Nominal Value Rs. | % to Total |
|--------------------------------------|-----------|---------------|--------------|--------------|----------------------|------------|
| (Rs.) | (Rs.) | | | | | |
| Upto - | 5000 | 1727 | 87.9330 | 2,72,995 | 27,29,950 | 9.1130 |
| 5001 - | 10000 | 122 | 6.2120 | 1,03,373 | 10,33,730 | 3.4510 |
| 10001 - | 20000 | 47 | 2.3930 | 72,213 | 7,22,130 | 2.4110 |
| 20001 - | 30000 | 22 | 1.1200 | 55,630 | 5,56,300 | 1.8570 |
| 30001 - | 40000 | 6 | 0.3050 | 21,501 | 2,15,010 | 0.7180 |
| 40001 - | 50000 | 5 | 0.2550 | 23,615 | 2,36,150 | 0.7880 |
| 50001 - | 100000 | 11 | 0.5600 | 73,312 | 7,33,120 | 2.4470 |
| 100001 - | and above | 24 | 1.2220 | 23,72,961 | 2,37,29,610 | 79.2150 |
| Total : | | 1964 | 100.0000 | 2,995,600 | 29,956,000 | 100.00 |

6. Listing : BSE, NSE & Ahmedabad Stock Exchange

7. Analyst queries to :

Shri Ajay R. Dhoot - Managing Director

IMP POWER LIMITED



NOTICE OF THE FORTY SECOND ANNUAL GENERAL MEETING

NOTICE is hereby given that the 42nd Annual General Meeting of IMP POWER LIMITED will be held on Thursday, the 30th September, 2004 at 85, Government Industrial Estate, Kandivali (West), Mumbai - 400 067, at 4.00 p.m. to transact the following business:

ORDINARY BUSINESS :-

1. To receive, consider and adopt the Audited Balance sheet as on 31st March 2004 and the Profit and Loss Account for the year ended on that date and the Report of Auditors and Directors thereon.
2. To appoint a Director in place of Shri Ramniwas R. Dhoot who retires by rotation and being eligible offers himself for re-appointment.
3. To re-appoint the Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS :

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

"Resolved that pursuant to provisions of section 198, 269, 209 & 311 read with schedule XIII and other applicable provisions of the Companies Act 1956, approval of the Company be and is hereby given to the appointment of Shri. J. T. Chatterji as the nominee director of IDBI"

"FUTHER RESOLVED THAT Shri J. T. Chatterji shall not, while he continues to hold the office, be subject to retirement by rotation."

5. To consider and, if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

"RESOLVED THAT subject to the provisions of the Companies Act, 1956, Securities Contracts (Regulation) Act, 1956 and the rules framed there under, Listing Agreement, Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 (including any statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted hereafter) and all other applicable laws, rules, regulations and guidelines and subject to all such approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution) consent is hereby accorded to the Board to delist the Equity Shares of the Company from the Ahmedabad Stock Exchange."

6. To consider and, if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to section 21 of the Companies Act, 1956, and subject to approval of the Central Government and all such other authorities, if any, the name of the Company be and is hereby changed from M/s IMP Power Limited to M/s IMP Powers

Limited.

RESOLVED FURTHER THAT the name IMP Power Limited wherever it occurs in the Memorandum and Articles of Association of the Company be substituted by the new name IMP Powers Limited."

7. To consider and, if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

"RESOLVED THAT in accordance with the provisions of Section 81 and 81(1A) and such other applicable provisions of the Companies Act, 1956 and Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000, and subject to such other approval, permission, consent and/or sanction from any other appropriate bodies as may be necessary and subject to such other conditions as may be prescribed by them while granting such approval, consent, permission and/or sanction and which may be agreed to by the Board of Directors of the Company the consent and the approval of the Company be and is hereby accorded to the Board to issue/offer/allot upto 20,00,000 Equity Shares of Rs.10/- each out of the unissued capital of the Company by way of Preferential Allotment as the Board may think fit whether at par or at premium and on such terms and conditions including the face value, amount of premium, number manner of calls etc. as the Board may think fit at the time of issue or allotment."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of Equity Shares in accordance with the term of offering and all such Shares shall rank pari passu with existing Equity Shares of the Company in all respect except that they will qualify for any dividend that may be declared in respect of the financial year of the Company in which they are allotted, pro-rata, the period from the date of the allotment and amount paid-up on such Shares."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above issue or allotment of Equity Shares or such other securities, the Board be and they are hereby authorised to do all such act, deeds, matters, and things and execute all such deeds, document, instruments and writing as they may, in their absolute discretion, deem necessary or desirable in connection with or incidental thereto without being required to such any further consent or approval of the Company or otherwise and to settle any question, difficulty/or doubt that may arise in the regard to the offer, issue, allotment and utilisation of the issue proceeds of the Equity Shares to the Company's projects/other corporate needs as they may deem fit."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the power herein conferred to the Wholetime Director or any other officer or Officers of the Company to negotiate and discuss with the appropriate authorised for designing the scheme to raise the funds and to take all such acts, deeds, matters and things as may be deemed necessary."

By Order of the Board of Directors
For IMP POWER LIMITED

Place : Mumbai
Date : 3rd Sept, 2004

Ajay R. Dhoot
Managing Director

**NOTES :**

1. **A MEMBER WHO IS ENTITLED TO ATTENDED 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. Register of Members and Share Transfer Book of the Company will remain closed from 25th September 2004 to 30th September, 2004 both days inclusive.

4. Member / 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.

5. Member desirous of getting any information about the Account and Reports of the Company are requested to address their queries 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.

6 **Unclaimed Dividends:** The Company has transferred all unpaid dividends declared up to financial years 1995-96 to the General Revenue Account of the Central Government as required by the Companies Unpaid Dividend (Transfer to general Revenue Account of the Central Government) Rules, 1978. Shareholders who have so far not claimed or collected their dividend up to the aforesaid financial year are requested to claim their dividend from the Registrar of Companies, Maharashtra, Everest, 100, Marine Drive, Mumbai - 400002 in the prescribed form. The amount of unclaimed dividend for the year 1996-97 shall become due for transfer to Investors Education & Protection funds (IEPF) of Central Government, pursuant to Section 205C of the Companies Act, 1956.

**Explanatory Statement
(Pursuant to the provision of the section 173(3) of the companies Act, 1956)**

ITEM NO. 4

In pursuance of the agreement between the Company and the IDBI and in accordance with the powers conferred in the IDBI, IDBI has appointed Shri. J. T. Chatterji, as it's nominee Director on the Board of the Company. The Board of Directors in their meeting held on 15th March 2004 approved the appointment of Shri. J. T. Chatterji, as an additional Director. As per the requirement of the Companies Act 1956, his appointment needs to be regularised and approved by Members of the Company.

The Board of Directors recommends and seeks the approval of the Members for the appointment of Shri. J. T. Chatterji, as the Director of the Company

None of the Director of the Company is interested or concerned in the said Resolutions.

ITEM NO. 5

The Equity Shares of the Company are presently listed on The Stock Exchange, Mumbai (BSE), National Stock Exchange of India Limited (NSE), which provide nationwide trading facility and Ahmedabad Stock Exchange (ASE).

By and large trading in the Company's shares is being carried out through BSE and NSE only. There has been hardly any trading volume on ASE. The Company believes that no particular benefit is available to its shareholders by continuing the listing of the shares on ASE. Moreover, ASE does not provide any value added service to the Company or to the members. The Company is, therefore, contemplating the delisting of its Equity shares from ASE.

As per the Guidelines issued by Securities and Exchange Board of India (SEBI) for voluntary delisting of shares, exit opportunity need

not be provided to the shareholders of the Company on delisting of its Equity shares from regional Stock Exchange, provided the shares of the Company continue to be listed at BSE and/or NSE.

The proposed voluntary delisting of the Company's shares from The Ahmedabad Stock Exchange would result in savings on annual listing fees and reduce administrative work. The delisting will not adversely affect any investors including the shareholders located in the region where ASE is situated. Pursuant to the guidelines issued by SEBI on voluntary delisting by Companies of their securities from the Stock Exchanges, the shareholders' approval by way of a Special Resolution is necessary.

Your Directors recommend the said resolutions at item no. 5 for your approval.

None of the Directors is interested in the resolution.

ITEM NO. 6

In view of the fact that the company has established its name and widely known as IMP Powers Ltd. The Board of Directors has proposed subject to necessary approvals and availability of name to change the name to IMP Powers Ltd.

No Director is concerned or interested in the resolution. The Board recommends the resolution for the approval of members as special resolutions.

ITEM NO. 7

Since the Company is passing through the Liquidity crunch and in view of the financial position of the Company, the Board of Director are of the view to infuse more funds in the Company by way of Preferential Allotment to the person / group of persons / Directors / Promoters / relatives of Directors & Promoters and other person & Companies in which directors / Promoters are interested."

As it will be in the great interest of the Company to have these funds, Directors recommend the resolutions to be passed as Special Resolution.

None of the director is concern of interested, directly or indirectly in the resolutions except to the extend of their share holding in the Company

By Order of the Board of Directors
For IMP POWER LIMITED

Place : Mumbai
Date : 3rd Sept, 2004

Ajay R. Dhoot
Managing Director

IMP POWER LIMITED



DIRECTOR'S REPORT

Your Directors are pleased to present the 42th Annual Report, together with the Audited statement of account of the Company for the year ended 31st March, 2004.

FINANCIAL RESULTS
(Rs. in Million)

| | For the Period ended 31st March 2004 (12 month) | For the Period ended 31 st March 2003 (15 month) |
|---|---|--|
| | (Rs. in Million) | |
| Domestic | 331.35 | 745.08 |
| Export/Deemed Export | 58.15 | 94.81 |
| Gross Sales | 389.50 | 839.89 |
| Mise Receipts | 0.82 | 5.97 |
| PBDIT | 4.06 | 80.45 |
| Depreciation | 12.56 | 14.07 |
| Interest | 90.02 | 95.43 |
| Profit/(Loss) before Tax | (98.52) | (29.05) |
| Income-Tax/Deferred Tax | 6.10 | 0.40 |
| Profit/(Loss) after Tax | (104.62) | (29.44) |
| Balance brought froward | (29.29) | (0.15) |
| Profit/(Loss) carried forward to Balance Sheet | (133.91) | (29.29) |

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 is for the 12 months period ending on 31st March 04 and hence comparison be made with the previous period ending March 03 which was for a period of 15 months.

During the period under review, the Company achieved the gross turnover of Rs. 389.50 million in 12 months as compared to turnover of Rs. 839.89 million in the previous period of 15 months. During the period ended 31st March 2004, your Company has recorded a loss of Rs. 98.52 million after tax as against the net loss of Rs. 29.04 million in the previous

accounting period ended 31st March 2003. The losses during the period primarily has incurred due to a variety of factors primarily being the non availability of the entire assesed non fund based limits from the various Consortium banks, 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. Futher the company had submitted the proposal of their debt restructuring with the various lenders which was not acceptable earlier. The delay and the ultimate denial of the proposal at the empowered committee of the IDBI had led to further deterioration in the financial health of the company and the denial of getting the additional funds as contained in the CDR proposal. 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. 58.15 million (including deemed export) during the period. The Company has signed the contracts in UK, Afganistan, Zambia, Australia and New Zealand for supply of various capacity HT/LT Transformers.

In the current period your Company has good order book position of more than Rs. 600 million from various overseas clients, state electricity boards and Private customers

FUTURE OUTLOOK

The future of the industry is very bright and the demand of the products have also increased substantially and with the applicability of new Electricity Act, we expect a significant change in the near future. This has also been reflected in our order book position which stands at all time high of Rs. 600 million appx as on 31.03.04, of which 130 million are export order.

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.

PERSONNEL

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 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 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 Mr. Ramniwas R. Dhoot, Director of the Company will retire by rotation and being eligible, offer himself for re-appointment. The IDBI had appointed their nominee Mr. J.T. Chatterji on the board of Company. The Board in their meeting on 15-03-2004 has approved the appointment of Mr. J. T. Chatterji. Mr. S. M. Parande has resigned from the directorship of the company w.e.f. 31.07.04, due to his pre-occupation. The Board expresses their appreciation for the services and valuable guidance provided during his tenure.

DIRECTORS RESPONSIBILITY STATEMENT UNDER SECTION 217

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

- While preparing Annual Account the applicable accounting standard 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.

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 income and outgo are annexed hereto in the Notes to Accounts.

There is no employees exceeding the limit 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.

CORPORATE GOVERNANCE

Since the paid up capital of the Company is below Rs. 3 crores and networth of the Company has never reached Rs. 25 crores, Corporate Governance as per clause 49 of the listing agreement is not applicable to the Company. However the Company has adopted various procedure to have good corporate governance.

ACKNOWLEDGEMENTS

The Board would like to place on record its sincere appreciation the whole hearted support and contribution made by all its employees across the Company, as well as Financial Institution, 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 : 30 June, 2004

Director

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