



IMP POWERS LTD

POWER TO "POWER" YOUR FUTURE



**46th Annual Report
2007 - 2008**

IMP POWERS LTD**BOARD OF DIRECTORS**

Shri Ramniwas R Dhoot	Chairman
Shri Ajay R Dhoot	Managing Director
Shri Aaditya R Dhoot	Jt Managing Director
Shri R T Raj Guroo	Independent Director
Shri Prashant J Pandit	Independent Director
Shri Jayant N Godbole	Independent Director
Shri Vishal Tulsyan	Director
Shri.J.P.Taparia	Independent Director (Appointed as Addl. Director w.e.f. 23.1.2008)

COMPANY SECRETARY

Vyankatesh Mulwad

BANKERS

State Bank of Hyderabad
 State Bank of Saurashtra (Now merged with State Bank of India)
 Bank of India
 The Karnataka Bank Ltd
 SBI Commercial and International Bank Ltd
 IDBI Bank Ltd.

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AUDITORS

Milwani Associates
 Bagaria House, 1st Floor, 31/33
 Dr. M.B. Velkar St.
 Kalbhat Lane, Mumbai – 400 002

REGISTERED OFFICE :

Survey No. 263/3/2/2, Sayli Village
 Umar Kuin Road
 Silvassa (U.T. D&NH) -396230

CORPORATE OFFICE

35/C, Popular Press Building
 2nd Floor, Pt. M M Malviya Road
 Tardeo, Mumbai – 400034

MUMBAI WORKS

85, Government Industrial Estate
 Kandivli (West)
 Mumbai – 400067

IMP POWERS LTD**NOTICE**

NOTICE is hereby given that the 46th Annual General Meeting of **IMP POWERS LIMITED** will be held on Friday, the 5th day of **December 2008** at 3.30 P.M. at the Registered Office of the Company at Survey No. 263/3/2/2, Umar Kuin Road, Sayli Village, Silvassa, U.T(D.&N.H.) to transact the following business:

AS ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended 30th June 2008 and Reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Jayant.N.Godbole who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Vishal Tulsyan who retires by rotation and being eligible offers himself for re-appointment.

AS SPECIAL BUSINESS

4. **To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution**
"RESOLVED THAT Mr. J.P.Taparia, who was appointed by the Board of Directors as an Additional Director of the Company, and who holds the office upto the conclusion of this Annual General Meeting in terms of Section 260 of the Companies Act, 1956 ('the Act') and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and is hereby appointed a Director of the Company liable to retire by rotation."

5. **To appoint M/s. Batliboi and Purohit as Statutory Auditors of the company :-**

To consider and if thought fit, pass with or without modification the following resolution as an Ordinary Resolution

"RESOLVED THAT M/s. Batliboi and Purohit, Chatered Accountants, Mumbai be and are hereby appointed the Statutory Auditors of the Company to hold the office from conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be fixed mutually by the Board of Directors and the Said Auditors".

For and on behalf of the Board of Directors

Ramniwas R Dhoot
Chairman

Dated 24th October 2008

Registered Office:

Survey No. 263/3/2/2, Umar Kuin Road,
 Sayli Village, Silvassa, U.T(D.&N.H.)

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF, AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. The Proxy form, in order to be effective, must be deposited at the Registered Office of the Company not less than 48 hours before the Commencement of the Meeting.
2. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the Special Business mentioned above is annexed hereto and forms part of the notice
3. All documents referred to in the accompanying Notice and Explanatory Statement are available for inspection at the Registered Office of the Company on working days between 11.00 a.m. to 1.00 p.m. excluding Saturdays, Sundays and Public Holidays upto the date of Annual General Meeting.
4. Members are requested to intimate to the Company, queries, if any, on the accounts at least 10 days before the date of the meeting to enable the management to keep the required information available at the meeting.
5. 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.

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6. Under Section 205A of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid dividend account of a company is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government.

Please note that as per section 205C of the Companies Act, 1956, no claim shall lie against the Company or the said Fund in respect of individual amounts, which remained unpaid or unclaimed for a period of seven years from the date they first became due for payment and no payment shall be made in respect of such claims.

Members who have not so far encashed the dividend warrants in respect of the dividend declared after the year 1999-2000 are advised to submit their claim to the Company quoting their folio no./DP ID Client ID.

7. The Register of Members and Share Transfer Books of the Company will remain closed from 29th November 2008 to 5th December 2008 (both days inclusive).
8. Change of Address and other instruction: Members are requested to inform the Company or M/s Intime Spectrum Registry Limited, immediately of any change in their address / Bank details. Member holding shares in dematerialized form are requested to intimate all changes with respect to their address, Bank details, mandate etc. to their respective Depository Participant. These changes will then be automatically reflected in the Company's records.
9. Mr. J. P. Taparia is a visionary and has rich experience in the field of setting up plants, operations, marketing, exports, takeovers, acquisitions and other business matters.

PROFILE OF THE DIRECTORS

Particulars	Mr. Jayant N. Godbole	Mr. Vishal Tulsyan	Mr. J.P. Taparia
Date of Birth	17 th December 1945	31 st May 1975	21 st November 1944
Date of Appointment	30 th November 2007	30 th November 2007	23 rd January 2008
No of shares held in the company	Nil	Nil	Nil
Expertise in Specific functional area	Mr. Jayant N Godbole has retired as Chairman of IDBI Ltd, and has played active role in IDBI as Executive Director for 5 years. Shri Jayant N Godbole has diversified experience ranging more than 37 years (in public as well as private sector in India and abroad) with specialization in Mega Project implementation and operations, Project Financing, Business Development, Venture Capital, Merchant Banking, Corporate Rehabilitation and NPA Management, Corporate Debt Restructuring, etc.	Mr. Vishal Tulsyan has more than a decade's experience of Elite Indian and Multinational financial institutions. Mr. Vishal Tulsyan is associated with the Motilal Oswal Group since 2005 and is actively involved in formulating the business strategy for the private equity business as CEO of Motilal Oswal Capital Advisors Pvt. Ltd.	Mr. J.P. Taparia has more than four decades of experience. He is visionary and has rich experience in the field of setting up plants, operations, marketing, exports, takeovers, acquisitions and other business matters. He is the Chairman of Famy Care Ltd.

IMP POWERS LTD**ANNEXURE TO NOTICE:****EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956****ITEM NO. 4:**

The Board of the Directors of the Company had appointed Mr.J.P.Taparia, Chairman Famy Care Ltd. as Additional Director with effect from 23rd January 2008 .

As per Section 260 of the Companies Act, 1956, Mr. J.P.Taparia holds the office as Additional Director upto the date of this Annual General Meeting. The Company has received notice pursuant to Section 257 of the Companies Act, 1956 from a shareholder proposing the candidature of Mr. J.P.Taparia as Director of the Company liable to retire by rotation.

A brief resume of Mr.J.P.Taparia is given in the note no. 9 to the Notice convening this Annual General Meeting.

None of the other Directors is, in any way, concerned or interested in the said resolution.

Your Directors recommend the resolution at item no. 4 of the notice.

ITEM NO 5:

M/s. Milwani Associates Statutory Auditors of the company will retire at the conclusion of the Annual General Meeting of the Company. They are not available for reappointment.

M/s. Batliboi and Purohit Chartered Accountants are one of the old and reputed firms of Chartered Accountants in Mumbai. They have given a certificate pursuant to the provisions of Section 224 of the Companies Act, 1956 that if appointed, they are within the limits prescribed under the Said Act.

None of the other Directors is, in any way, concerned or interested in the said resolution.

Your Directors recommend the resolution at item no 5 of the notice.

For and on behalf of the Board of Directors

Ramniwas R Dhoot
Chairman

Dated 24th October 2008

Registered Office:

Survey No. 263/3/2/2, Umar Kuin Road,
Sayli Village, Silvassa, U.T(D.&N.H.)

IMP POWERS LTD

**DIRECTORS' REPORT**

To,
The Members,
Imp Powers Ltd;
Silvassa.

Your Directors have pleasure in presenting their 46th Annual Report on the business and operations of the Company and Audited Accounts for the year ended 30th June 2008.

FINANCIAL RESULTS :

(Amount in Lacs)

	Year ended June 30, 2008	Year ended June 30, 2007
Sales	15211.57	11306.15
Other Income	49.68	23.45
Total Sales and Other Income	15261.25	11329.60
Profit before Interest and Finance Charges, Depreciation & Taxation	2239.06	1806.75
Less : Interest and Finance Charge	550.45	770.13
Less: Depreciation	169.20	151.22
Profit before Taxation	1519.41	885.40
Less: Provision for Taxation		
Current	363.99	54.64
Deferred	95.99	71.75
Fringe Benefit Tax	10.77	7.83
Profit After Tax	1048.67	751.18
Extra ordinary item	113.08	Nil
Net Profit	935.59	751.18
Earning per share Before extra ordinary items-Basic	13.16	12.53
Diluted	13.56	12.53
Earning Per Share After extra-ordinary Items Basic	11.48	12.53
Diluted	12.09	12.53

Note: Previous year figures have been regrouped/ rearranged wherever necessary.

OPERATIONS :

The year ended 30th June 2008 would be remembered as year of continuing growth of your Company. Your Company has achieved in the year ended 30th June 2008 impressive gross sales of Rs. 152.12 crores showing a significant increase of 35% as compared to the previous year's gross

sales of Rs. 113.06 crores during the year. Your Company exported products worth Rs. 9.27 Crores which constituted 6 % of the total sales of the Company. The exports made during the year was direct exports as against the exports of the last year, where the majority was deemed exports.

The EBIDTA (Earning Before Interest , Depreciation and Tax) has increased to Rs. 22.39 crores registering a increase of 24% as compared to previous year and the Net profit after tax (PAT) and Extra Ordinary items for the year has also shotup to Rs. 9.36 crores as compared to 7.51 crores of the previous year registering an increase of 25%

During the year, your Company has received large orders from EPC Contractors and from various other state electricity boards and also bagged multiple orders from state-owned Power Grid Corporation of India (PGCIL) and continues its growing clientele list in the Private/ EPC line.

FUTURE PROSPECTS:

As a result of the Indian Government's huge plan to generate and distribute power, and also to substantially reduce T & D Losses in the next decade, the demand for transformers will be buoyant in the next decade. To tap this huge opportunity. Your Company has completed the expansion at its manufacturing facilities situated at Silvassa (U.T) from existing 3,600 MVA to 7,000 MVA. This will catapult your company into one of the top 10 EHV and Power Transformers manufacturing companies in India.

DIVIDEND:

In order to conserve the resources to meet future requirements, your directors do not recommend any dividend on Equity Shares for the year ended on 30th June 2008.

DIRECTORS:

The Board had appointed Mr. J. P. Taparia as an Additional Director with effect from 23rd January, 2008. Pursuant to the provisions of the Section 260 of the Companies Act, 1956 holds the office up to the conclusion of ensuing Annual General Meeting. The Company has received a notice pursuant to Section 257 of the Companies Act, 1956 from a shareholder, proposing his candidature for the office of Director of the Company and shall be liable to retire by rotation.

In accordance with the provisions of the Companies Act, 1956 and the Article of Associations of the Company, Mr. Jayant N. Godbole and Mr. Vishal Tulsyan, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

IMP POWERS LTD



Dear Shareholder,

Sub.: Performance update for the year ended 30th June, 2008 & the QE on 30th Sept. 2008

I wish you very warm greetings for the New Year.

I would like to give you an update on the significant events that impacted your company during the year ended 30th June, 2008 and the QE on 30th Sept. 2008.

The Indian Transformer Industry has maintained its growth momentum, driven by huge growth opportunity and investments in the power sector. It has geared up well by raising the existing capacity to cater to the growing demand from booming Power Industry.

Business Performance

Your company has geared up well to exploit the huge opportunity available by substantially increasing utilisation of the existing capacity as well as the enhanced capacity. It has been making its operations more effective and rationalising its costs. The performance of your company during the year ended 30th June, 2008 is as follows:

<u>Working for Chairman's Communique to Shareholders - 2008-09</u>			Rs. in lakhs
Particulars	Year ended 30th June, 2008	Year ended 30th June, 2007	% Change
Net Income from Operations	13478.53	10305.92	31%
EBIDTA	2239.06	1806.75	24%
Profit Before Tax	1519.42	885.40	72%
Profit After Tax	935.59	751.19	25%
EPS (Rs. per share)	13.56	12.70	
No. of Equity Shares (in lakhs)	68.066	59.166	

These results are attached herewith and are also available on the Company's website as well as on the respective websites of BSE and NSE.

Net Income from Operations during the year ended on 30th June 2008, at Rs. 13479 lakhs (Rs. 10306 lakhs) was up by 31% as compared to the previous year. Earning before Interest, Depreciation and Tax (EBIDTA) at Rs. 2239 lakhs (Rs. 1807 lakhs) was up by 24 %. Profit before tax rose by 72% to Rs. 1519 lakhs from Rs. 895 lakhs. Profit after tax rose by 25 % to Rs. 936 lakhs from Rs. 751 lakhs owing to higher tax outgo.

CAPEX

You will be glad to know that during the quarter ended on 30th Sept. 2008, your company has completed the expansion of its annual production capacity, almost doubling from 3,600 MVA to 7,000 MVA in phase I.

IMP POWERS LTD**PERFORMANCE DURING THE QUARTER ENDED ON 30TH SEPT. 2008**

The Company's total income increased to Rs. 51.56 Crores during the QE on 30th Sept. 2008 as compared to Rs. 26.69 Crores during the QE on 30th Sept. 2007, resulting in an increase of 93%. Earning before Interest depreciation and Tax (EBIDTA) at Rs. 863 lakhs (Rs. 475 lakhs) was up by 82%. Similarly profit before tax has increased to Rs. 5.95 Crores from Rs. 2.70 Crores, resulting in an increase of 120%. Profit after tax and extraordinary items have increased to Rs. 3.30 Crores from Rs. 2.09 Crores resulting in increase by 58%.

The Company has leveraged well its recently expanded production capacity even in the wake of the gloomy global and Indian economic scenario and hence the above performance is all the more resounding and acquires greater significance in terms of the Company's success story on its trajectory of growth.

FUTURE OUTLOOK

Demand for Power Transformers is expected to grow at CAGR of over 12% for the next few years, although owing to the present economic environment, there may be some pressure on the margins and Cashflow for sometime. Your company's focus continues to be serving well its stakeholders, on strengthening Plant operations, rationalising costs, enhancing shareholder value and to maintain its brand image in the market.

Yours sincerely,

FOR IMP POWERS LTD.

RAMNIWAS R DHOOT
CHAIRMAN

Tel.: +91-22-23539180

Fax : +91-22-23539187

Website : www.imp-powers.com

Email : investor@imp-powers.com

Mumbai,

24th October, 2008

Cautionary Statement

Statements in this "Performance Update" describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. The actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand supply conditions, finished goods prices, raw material availability and price, cyclical demand, changes in Government regulations, tax regimes, economic developments within India and the countries within which the Company conducts business and other factors such as litigation and labour negotiations. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development, information or events or otherwise.

IMP POWERS LTD**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

- That in the preparation of the annual accounts for the year ended 30th June 2008, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- They have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 30th June 2008 and of the profit and loss account of the company for the year ended on that date;
- They have taken proper and sufficient care to maintain adequate accounting records in accordance with the provisions of the Companies Act, 1956 to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;

The annual accounts have been prepared on a going concern basis.

AUDITORS :

M/s. Milwani Associates, Chartered Accountants, Statutory Auditors of the Company, who hold office until the conclusion of the ensuing Annual General Meeting Mumbai, retire at the

CHANGES IN CAPITAL STRUCTURE:

During the year ended 30th June 2008, the Paid up Equity Capital of the company increased from Rs. 591.66 Lacs to Rs. 680.66 Lacs. After the year ended on 30th June 2008, the company has converted 1,50,000 Warrants into Equity Shares as per the option exercised by Mangalam Laboratories Pvt Ltd. on 10th September, 2008.

Further the following securities are yet to be converted.

Convertible Securities	Conversion Date	Conversion Price
11,80,000 8.75% Compulsorily Convertible Preference Shares (Allotted to person other than Promoter Group)	On or before 13 th March 2009	Rs.161/- per share including premium of Rs.151 /- per share
2,50,000 Warrants (allotted to Promoter Group)	On or before 13 th March 2009	Rs.161/- per share including premium of Rs.151 /- per share

**

FIXED DEPOSITS:

The Company has not accepted any Fixed Deposits from the public during the period under review.

forthcoming Annual General Meeting. They have expressed their inability to continue with the appointment, therefore not offering for the re-appointment.

It is proposed to appoint M/s. Batliboi and Purohit, Chartered Accountants, Mumbai as statutory Auditors of the company to hold office from conclusion of this Annual General Meeting until conclusion of the next Annual General Meeting. They have furnished the certificate to the Company effect that their appointment, if made, would be within the limits prescribed under Section 224 (1 B) of the Companies Act, 1956.

AUDITOR'S REPORT:

The observations in the Auditors' Report read with the Notes to accounts are self-explanatory and do not call for comments.

CORPORATE GOVERNANCE:

As required by the Clause 49 of the listing agreements entered with Bombay Stock Exchange and National Stock Exchange, where the shares of your company are listed, Management Discussion and Analysis Report, Corporate Governance Report, Auditor's Certificate on compliance of conditions of Corporate Governance are attached to this Annual Report and forms integral part of the Directors' Report.

CODE OF CONDUCT COMPLIANCE:

As per Clause 49 of the Listing Agreement with the Stock Exchanges, the declaration signed by the Jt. Managing Director regarding Code of Conduct Compliance for the year ended 30th June 2008 is annexed and forms part of the Directors' Report.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

Your Company has in place adequate internal control systems commensurate with the nature of its business and the size of its operations. In fact by appointing Sharp and Tannan Associates as your Internal Auditor, the company has strengthened its Internal Control System substantially.

IMP POWERS LTD**INSURANCE:**

Properties and Assets of the Company are adequately insured.

HUMAN RESOURCES:

Your Company recognizes that people are its principal assets and that its continued growth is dependent upon the Company's ability to attract and retain quality people. Your Company has established full-fledged Human Resources Department which is entrusted with the responsibility of retaining and developing skills of the employees of the Company. Industrial relations at all divisions of the Company remained cordial during the year.

PARTICULARS OF EMPLOYEES:

The details of the employees covered under provisions of section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended are as follows:-

Sr. No	Name	Designation	Age	Qualification	Experience	Gross Remuneration
1	Shri. Ramniwas R Dhoot	Chairman	67	B.Com	44	4926196
2	Shri. Ajay R Dhoot	Managing Director	44	B.Com	25	4701736
3	Shri. Aaditya R Dhoot	Jt. Managing Director	40	B.Com	20	4307976

INFORMATION PURSUANT TO SECTION 217(1) (e) OF THE COMPANIES ACT, 1956**a) CONSERVATION OF ENERGY**

The manufacturing process of the Company is not energy intensive; therefore impact of energy saving devices is insignificant.

The details of foreign exchange income and outgo are as below: -

(Rs in Lacs.)

	2007- 08	2006-07
Foreign Exchange Earning	926	2450
Foreign exchange expenditure -	360	171

ACKNOWLEDGEMENTS:

Your Directors take this opportunity to express their grateful appreciation for the excellent assistance and co-operation received from the Shareholders, Financial Institutions, Banks, Employees, Distributors, Suppliers and other business associates.

For and on behalf of the Board of Directors

Place : Mumbai
Dated : 24th October 2008

Ramniwas R Dhoot
Chairman