

श्री

**IMP**

**IMP Powers Ltd.**

**Stepping up !**



**50<sup>th</sup> Annual Report  
2011 - 2012**

## BOARD OF DIRECTORS

Shri Ramniwas R Dhoot	Chairman
Shri Ajay R Dhoot	Managing Director
Shri Aaditya R Dhoot	Jt Managing Director
Shri Rajendra Mimani	Director-Marketing
Shri R. T. RajGuroo	Director
Shri Prashant J. Pandit	Director
Shri Jayant N. Godbole	Director
Shri Prakash Bagla	Director
Shri Siby Antony	Director

## BANKERS

State Bank of Hyderabad  
State Bank of India  
Bank of India  
The Karnataka Bank Ltd  
IDBI Bank Ltd  
Axis Bank Ltd

## AUDITORS

Batliboi & Purohit  
National Insurance Building, 204,  
Dadabhoy Naoroji Road, Fort, Mumbai – 400 001

## REGISTERED OFFICE & FACTORY

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

## CORPORATE OFFICE

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

## Registrar & Transfer Agents

Link Intime India (Private) Limited  
C-13, Pannalal Silk Mills Compound  
L.B.S. Marg, Bhandup, Mumbai -400078  
Tel: 022-25963838; Fax: 25946969

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## 50<sup>th</sup> Annual General Meeting

Monday, 17<sup>th</sup> December 2012 at 3.00 p.m. at the Registered office of the Company at  
263/3/2/2, Sayli Village, Umerkoin Road, Silvassa 396230, Dadra & Nagar Haveli (U.T.)

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**Members are requested to bring their copy of the Annual Report to the Annual General Meeting**

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# **IMP POWERS LIMITED**

## **NOTICE**

Notice is hereby given that the 50<sup>th</sup> Annual General Meeting of IMP Powers Ltd. will be held on Monday, the 17<sup>th</sup> December 2012 at 3.00 p.m. at the Registered office of the Company at Survey No.263/3/2/2, Village Sayali, Umerkoi Road, Silvassa 396230, Dadra & Nagar Haveli (U.T.) to transact the following business:

### **ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Balance Sheet as at 30<sup>th</sup> June 2012, the Profit & Loss Account for the year ended on that date and the Reports of the Directors' and Auditors' thereon.
2. To declare Dividend on equity share.
3. To appoint a Director in place of Shri Siby Antony who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Shri. Jayant Godbole who retires by rotation and being eligible offers himself for reappointment.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

### **NOTES :**

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE THERE AT INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY INSTRUMENT TO BE IN ORDER MUST BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE AT LEAST 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- 2) Members/Proxies should bring the enclosed attendance slip duly filled in, for attending the meeting. Members are requested to bring their copy of the Annual Report to the meeting.

### **Book Closure & Dividend**

- 3) The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 5<sup>th</sup> December 2012 to Wednesday, 12<sup>th</sup> December 2012 (both days inclusive).
- 4) The dividend, if declared at the Annual General Meeting, will be paid on or before 16<sup>th</sup> January 2013 to those persons or their mandatees:
  - i) whose names appear as beneficial owners on the date of the meeting in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and
  - ii) whose names appear as Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Registrar and Share Transfer Agent on the date of the meeting.

5) **Nomination facility**

- Members holding shares in physical form may obtain the Nomination forms from the Company's Registrar & Share Transfer Agent.
  - Members holding shares in electronic form may obtain the Nomination Forms from their respective Depository Participants.
- 6) In respect of the matters pertaining to bank details, mandates, nomination, power of attorney, change in name/address, e-mail address etc. the members are requested to approach :
- The Company's Registrar & Share Transfer Agent, in case of shares held in physical form and
  - The respective Depository Participants, in case of shares held in electronic form.
- 7) In all correspondence with the Company/Registrar & Share Transfer Agent, members are requested to quote their folio numbers or DP ID and Client ID in respect of Shareholding in physical or electronic form respectively.
- 8) A member desirous of getting any information in respect of the contents of the Annual Report is requested to forward the queries to the Company at least seven days prior to the meeting so that the required information can be made available at the meeting.

**Regd.Off. :**

Survey No.263/3/2/2  
Umerkoi Road, Village Sayali  
Silvassa, 396230  
Dadra & Nagar Haveli (U.T.)

**By Order of the Board**

**Ramniwas R Dhoot**  
**Chairman**

Place : Mumbai

Date: 7<sup>th</sup> November 2012

# IMP POWERS LIMITED

## DIRECTOR'S REPORT

To,  
The Members Of  
IMP POWERS LTD.

Dear Shareholders,

Your Directors have pleasure in presenting you the 50<sup>th</sup> Annual Report on the business and operations of your Company together with the Audited Statement of Accounts for the financial year ended 30<sup>th</sup> June 2012.

### **FINANCIAL RESULTS:**

The financial and operating highlights for the year under review, compared with the previous financial year, are given below:

(in lakhs)

PARTICULAR	JUNE 30,2012	JUNE 30,2011
Total Sales	28224.27	24914.98
Other Income	9.01	13.91
<b>Total Sales and Other Income</b>	<b>28233.28</b>	<b>24928.89</b>
<b>Profit before Depreciation, Interest and Finance Charges and tax</b>	<b>3367.32</b>	<b>3057.13</b>
Less : Provision for depreciation	426.44	392.48
Less: finance cost	1922.30	1626.13
<b>Profit before tax</b>	<b>1018.58</b>	<b>1028.52</b>
Less : current tax	205.78	229.09
Less : deferred tax	92.83	77.90
Less : Fringe Benefit Tax	0.00	0.00
<b>Net Profit after tax</b>	<b>719.97</b>	<b>721.53</b>
Extra Ordinary Item	0.00	443.50
<b>Net Profit</b>	<b>719.97</b>	<b>278.03</b>
<b>Earning Per Share before extra ordinary Items</b>		
Basic	8.73	8.75
Diluted	8.73	8.75
<b>Earning Per Share after extra ordinary Items</b>		
Basic	8.73	3.30
Diluted	8.73	3.30

### **OPERATIONS:**

The performance of your Company during the financial year was impressive and maintained the growth trajectory especially in stiffly competitive and tough market. The total income for the year ended 30<sup>th</sup> June 2012 at Rs.28233 lacs registered an growth of 13 % as against total income of Rs.24940 lacs during the previous year ended on 30<sup>th</sup> June 2011. Export sales for the year 2011-12 was Rs. 3977 lacs compared to Rs. 925 lacs for the year 2010-11.Net Profit for the year ended 30<sup>th</sup> June 2012 grew by 159 % to Rs.720 lacs as against Net Profit of Rs.279 lacs (after extra ordinary item) of the previous year. The Consolidated PAT of the Company during the year was Rs.690 lacs.

Your Company has a very healthy unexecuted order book of 6339 MVA of transformers worth Rs.22000 lacs as on 30<sup>th</sup> June 2012.

### **FUTURE PROSPECTS**

Despite stiff competition due to market conditions, your Company has continued the growth trajectory by achieving 13% higher sales compare to last year. Your Company is confident of continuing the same growth year on year with dedicated and experienced marketing team, penetration to electricity boards in South and East region, relationship with the customers by which getting the repeat orders. The margins are going to be under pressure due to competition, but looking at the reforms undertaken in the power sector, this is bound to ease out shortly.

Your Company is focusing more on SEBs, a shift from EPC, where the take of materials is faster. Your Company apart from continued focus on the existing markets in North and West, intends to strengthen its position in East and South markets. Your Company has started participating in tenders of electricity boards of Tamilnadu, Karnataka, Orissa, West Bengal and the results are quite encouraging.

During the year, your Company has executed the export order of \$6 million received from Africa. Looking to the huge export potential in Africa market, your Company is confident of expanding its activity in Africa region and seeking opportunity in other international markets.

During the year, your Company has received first of its kind order of 315MVA/400kv class transformer from MSETCL by which your Company now is in the elite group of transformer manufacturers of 400 KV. Your Company will concentrate on manufacturing EHV transformers where the demand is rising due to the augmentation of 765kV lines.

Your Company has strong R & D division. With a view to save cost and improve the designs, your Company is going to strengthen the division to create more innovative and economical designs for higher range of transformers.

Your Company is concentrating on repair business of transformers having huge potential by taking the advantage of wide customer base. During the year, your Company has received orders from Haryana and Punjab electricity boards. Your Company is now penetrating in to other electricity boards.

### **IMP Energy Limited**

With the thermal power generation segment facing the issue of shortage of coal, other power generation sources like Hydro and renewable energy will get attention in the coming years. During the year, IMP Energy Ltd (IEL) has been incorporated as a subsidiary of your Company for mini and small hydro EPC business of less than 5 MW. IEL has received the order worth Rs.55 cr from LREDA – LEH and KREDA- Kargil in short span of six months. IEL is focusing on these regions and expecting orders totaling Rs.100 cr in the current year.

### **Key Achievements:**

- **Your Company is now completely out of CDR by repaying 100 % recompense amount.**
- Your Company has received maiden order from MSETCL for supply of EHV Transformers of 315MVA, 400kv Class which puts your Company in the top league of manufacturers in the Country.
- Single largest order from RRVPNL of 2080 MVA of 13 No.s of 160 MVA, 220kv Class.
- Executed single largest export order of \$ 6 Million from Africa.
- Formed IMP Energy Ltd, a subsidiary of IMP Powers Ltd. an PMC/EPC Co. for Small/Mini/Hydro Powers. The Company has set up its office in Delhi – Gurgaon.

### **Subsidiary Company**

With the thermal power generation segment facing the issue of shortages of coal (major raw material), other power generation sources like nuclear, hydro and renewable energy sources will get attention in the coming years.

The hydro power segment offers investment opportunities as India is considered to have hydro power generation potential worth 1,50,000 MW; of which only 25% has been harnessed till date.

Keeping in view the huge potential in this sector, IMP Energy Limited (IEL) has been incorporated as a subsidiary of IMP Powers Ltd. (IEL) It was launched for providing EPC for setting up of small and mini Hydro projects. The basic idea of embarking for Small Hydro Projects is to offer complete “End to End solution” by giving all services under one roof. The most

## **IMP POWERS LIMITED**

critical part for the development of Small Hydro Project is complete coordination among various facets such as Planning, Civil Works, Hydro Mechanical Works and Electro-Mechanical Works. IMP Energy Ltd. has tied up exclusively with turbine manufacturers as this is one of the most critical components in the E & M side.

Your Company is focusing mainly in Jammu & Kashmir, LEH/Ladakh and Kargil where there is an acute shortage of power and in most places will replace DG. These projects are run on the river projects which do not require any environment clearance nor any displacement of people/villages and nor any dams. These are funded and monitored by Government itself through MNRE.

Your Directors have pleasure to announce that in a short span of 6 months, IEL has secured orders of Rs.55 Crores till date. The pipeline of new orders looks very strong and expects to gain meaningfully in the current year.

### **Exemption under Section 212 (8) of the Companies Act, 1956.**

Ministry of Corporate Affairs has vide its General Circular No.2/2011 dated 8<sup>th</sup> February 2011 has granted general exemption under Section 212 (8) of the Companies Act, 1956. Your Company opted for the said exemption exempting the Company from attaching the audited financial statements of the subsidiary as specified under Section 212(1) of the Act. Annual Accounts of the Subsidiary and related information will be made available to the shareholders of the Company. The said accounts will also be kept open for inspection by any shareholder at the Company's registered office. The summarized financial information of IMP Energy Ltd. is published separately in the Annual Report.

A statement pursuant to Section 212 of the Companies Act, 1956 in respect of Subsidiary Company is annexed herewith and forms part of this Annual Report.

As required under the Listing Agreement with the Bombay Stock Exchange Ltd., (BSE) attached herewith is a Consolidated Financial Statement of your Company and its aforesaid Subsidiary prepared in accordance with Accounting Standard AS-21 issued by the Institute of Chartered Accountants of India.

### **DIVIDEND**

**Your Directors' have pleasure to recommend a Dividend of Re.1/- per equity share and a Special Dividend of Re. 0.50/- per Equity Share on 8136563 Equity Shares of Rs.10/- each for the year ended June 30, 2012. This Special Dividend is recommended to commemorate the Golden Jubilee Year of your Company.**

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Pursuant to Clause 49 of the Listing Agreement entered into with the Stock Exchanges, a detailed review by the Management on operation, performance and future outlook of the Company and its business, is presented in a separate section viz: Management Discussion and Analysis forming part of this Annual Report .

### **DIRECTORS**

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

### **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 financial year ended 30<sup>th</sup> June 2012 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 30<sup>th</sup> June 2012 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. Batliboi & Purohit, Chartered Accountants, Statutory Auditor of the Company, who hold office until the conclusion of ensuing Annual General Meeting will retire at the forthcoming Annual General Meeting. The Company has received a certificate from the Auditors of the Company to the effect that their appointment, if made, would be in accordance with Section 224(1B) of the Companies Act 1956. The Board recommends their appointment.

### **AUDITORS' REPORT:**

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

### **CORPORATE GOVERNANCE**

Your Company has been complying with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement. A separate section on Corporate Governance forms part of the Directors' Report and a certificate from Statutory Auditor for compliance forms part of Corporate Governance Report.

### **CODE OF CONDUCT COMPLIANCE:**

As per Clause 49 of the Listing Agreement with the Stock Exchanges, the declaration signed by the Managing Director regarding Code of Conduct Compliance for the financial year ended 30<sup>th</sup> June 2012 is annexed and forms part of the Directors' Report.

### **FIXED DEPOSIT**

Your Company has not accepted any fixed deposit from the public during the year ended 30<sup>th</sup> June 2012.

### **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

Your Company has adequate system of internal control in order to ensure that all the transaction are duly authorised, recorded and reported correctly.

Internal audit is looked after by independent firm of Chartered Accountants, M/s Sharp & Tannan Associates who conducts regular audit. Summarized internal audit observation/reports are reviewed by the Audit Committee on a regular basis. Both the Statutory as well as the Internal Auditor of the Company independently evaluate the adequacy of the internal control system. Based on the audit observations and suggestions, remedial measures are being taken by the Management on a regular basis .

### **INSURANCE**

Properties and Assets of Your Company are adequately insured.

### **HUMAN RESOURCES**

Your Company recognizes that people are its principal assets. Company's growth is always dependent upon its ability to attract and retain good quality people. A full-fledged Human Resources Department has been set up which is entrusted with the responsibility of recruiting new talent from the market, retaining and developing skills of the employees of the Company by conducting various trainings in its in house training centre at the Silvassa Factory.

Industrial relations at all divisions of the Company were also very cordial during the year.

### **PARTICULARS OF EMPLOYEES**

The Company has not employed any employee drawing remuneration in excess of the limits prescribed, under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particular of Employees ) Rules, 1975 as amended vide Companies (Particular of Employees ) Amendment Rules ,2011 during the year under review .

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.**

#### **A) Conservation Of Energy**

##### **Steps taken for conservations**

1. Installation of 144 nos turbo ventilator fans in production shops. These fans run on wind energy requiring no



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electrical power .Shop temperature will be lowered by about 5 degree C & hence use of normal fans will be drastically reduced Further, translucent sheet used for each fan will increase sunlight in the shop which will reduce power consumption on lighting.

2. Preventive maintenance of all vacuum pumps done which has increased their efficiency & reduced power consumption.
3. Installed 10kvar capacitor bank in APFC panel to improve power factor.
4. Maintained 4% oxy level in thermo pack diesel.
5. Replacement of mercury lamps with metal halide lamps .
6. Started use of LED lamps.
7. Reduction in wastage of energy by optimum use of plant & machinery, air conditioners and lighting in workshops/offices. with the help of various measures undertaken by the Company, there is a reduction in consumption of energy. Your Company is making continuous efforts to further reduce energy consumption and consequent cost of production.

### **B) Details of Foreign Exchange Income and Outgo Are As Below:**

PARTICULAR	(In Lacs)	
	2011-2012	2010-2011
Foreign exchange earnings	3977.15	916.90
Foreign exchange expenditure	18.37	10.00

### **ACKNOWLEDGEMENT**

The Board of Directors takes this opportunity to thank all investors, clients, vendors for their continued support. The Board is also thankful to the bankers for extending timely assistance in meeting the financial requirement of the Company. It would further like to place on record the co-operation and assistance provided by Government Departments, Stock Exchanges and other regulatory authorities.

Your Director also wish to place on their record their appreciation for the contribution made by the employees at all level.

**For and on Behalf of Board of Directors**

**Sd/-**

**Ramniwas R Dhoot  
Chairman**

**Place: Mumbai**

**Date: 7<sup>th</sup> November 2012**

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### ECONOMIC REVIEW :

The Global Economy is yet again facing financial meltdown like 2008-09. One can say that it has not completely come out of the receding effects of the financial meltdown witnessed during 2008-09. Impact of European economy crisis took over the world economy which continue to remain uncertain. The Indian economy also has not been spared by the effects of global turmoil and slowed down to 6.5 % from 8.4% in the year 2010-2011. However recently Assocham Survey indicated that it may further slowed down to 6-6.3 % during the fiscal 2012-13. The growth is primarily being driven by domestic investment and consumption with positive impact of rising economic activity in rural areas. However, concerns like containing inflationary pressure on the back of rising food prices and commodities have been the top priority of the Government. While the impact of this challenges may create periodic volatility in the short term, we expect Indian economy to sustain steady growth rate over medium to long term based on its strong fundamentals.

### FUTURE PROSPECTS

India has stepped its development agenda and power is an inevitable element of economic growth and development. Growth in the power sector is related to India's GDP growth rate and hence, in order to sustain the growth of 8-9% in GDP, India needs to continuously add power generation capacity to commensurate with this pace.

Although, the Indian power sector is one of the fastest growing sectors in the world and energy availability has increased by around 36% in the past 5 years, the demand for power outstrips its supply. Nearly 60 crore Indians do not have access to electricity. The energy and peaking deficits have been hovering around double digits for the past two years and the condition might worsen in the coming years considering the huge demand of power from India's rising population and rapid industrialization and urbanization. Hence, there is no slowing down of demand for the Power Sector, thus offering ample scope for rapid capacity expansion.

The Government is investing in this industry through various development schemes like Rajeev Gandhi Rural Electrification Program, '**Power for all by 2012**' and Accelerated Power Development and Reform Programme (APDRP), Ultra Mega Power Projects etc. It has also been encouraging participation of private players in this Sector.

Renewable energy sources are also being encouraged considering the growing environmental concerns. Hence, the future prospects of nuclear power, hydro power and power from renewable energy sources are also good.

In the backdrop of burgeoning energy needs, energy security and environmental concerns have emerged as important concerns for increasing number of countries worldwide. As a result, the fact is now well established that the world has no other option but to transform the present energy usage pattern in favour of renewable energy, given the benefits it offers. India is no exception in this regard. With rapidly rising energy demand on one hand and formidable challenge of providing adequate energy supply in a sustainable manner on the other hand, renewable energy technologies have started getting increased support in terms of favourable regulatory and policy environment. This, coupled with abundant availability of renewable energy sources has labeled India as one of the most attractive destinations for investments across the renewable energy value chain.

**Looking at the above points, the long term future prospects of the Indian Power Sector appear to be Green (Very Good).**

### OUT LOOK ON POWER INDUSTRY

The Indian Power Industry is one of the largest and most important industries in India as it fulfills the energy requirements of various other industries. It is one of the most critical components of infrastructure that affects economic growth and the well-being of our nation.

India has the world's 5<sup>th</sup> largest electricity generation capacity and it is the 6<sup>th</sup> largest energy consumer accounting for 3.4% of global energy consumption. Due to the fast-paced growth of the Indian economy, the country's energy demand has grown at an average of 3.6% p.a. over the past 30 years.

Total Installed Capacity of Power in India is approximately 2,00,000 MW. of this, more than 75% of the installed capacity is with the public sector (State and Central), the State sector having the largest share of 48%.

Power sector at this point of time is undergoing crucial changes in terms of huge capacity addition, higher efficiency, increased private power participation, competitive pricing and improved regulatory framework. The power requirement in India is expected to grow manifold in the coming years as a result of industrial and urban expansion. Government of India has responded

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positively by accelerating the capacity addition from 21,180 MW in 10<sup>th</sup> Plan to 56,000 MW in the 11<sup>th</sup> plan leading to almost two and a half times that of 10<sup>th</sup> Plan.

In addition the Government is investing in this industry through various development schemes: -

- **The Rural Electrification Program** is an effort to lighten up villages which have faced acute shortage of Power over the years.
- **'Power for All by 2012' plan** aims at a per capita consumption of 1000kWh by the end of the 11<sup>th</sup> Five Year Plan (2007-12).
- **The Accelerated Power Development and Reform Program (APDRP) program** is being implemented so that the desired level of 15 per cent AT&C (Aggregate Technical and Commercial) loss can be achieved by the end of 11<sup>th</sup> plan (Currently it is 30%).

The Government of India is also planning nine Ultra Mega Power Projects (UMPP) of 4 GW each with an estimated individual investment of US\$ 4 billion (Rs. 192 billion). Four of these projects are expected to be commissioned between 2011 and 2017. The UMPP is an initiative by the Government to collaborate with power generation companies to set up 4,000 MW projects to ease the Country's power deficit situation.

In India, 100% FDI is allowed in the Generation, Transmission and Distribution segments of the Power Sector. The FDI inflow in the Power Sector has been on the rise in the last 5 years. This trend is expected to continue in the coming years considering the huge opportunities available in the sector. FDI inflow is important for the power sector because it brings in money and India's power sector is in huge need of investments. More importantly, FDI also brings in advanced technology making the sector more efficient. Hence, this proves to be a major growth driver for the power sector.

### **Growth Drivers for Power from Nuclear, Hydro and Renewable Energy Sources: –**

With the thermal power generation segment facing the issue of shortages of coal (major raw material), other power generation sources like nuclear, hydro and renewable energy sources will get attention in the coming years.

**Nuclear power** projects account for 2.75% of India's total installed capacity which is about 4.77 GW. The Planning Commission's expert committee on an Integrated Energy Policy has suggested in its report that there is a possibility of reaching a nuclear power capacity of 21-29 GW by 2020 and 48-63 GW by 2030.

The **hydro power segment** offers investment opportunities as India is considered to have hydro power generation potential worth 1,50,000 MW; of which only 25% has been harnessed till date.

Using **renewable sources** to generate electricity has several advantages like a perennial energy source, potential for lower reliance on imported fossil fuels and lower CO2 emissions. However, at present the major hurdle facing rapid expansion of renewable power is high initial cost as compared to the competing fuels. But taking in to consideration the environmental concerns, this segment receives encouragement from the Government. Its share in the Country's total generation capacity has increased from 1.1% in 2001-02 to 10.63% as on 31st March, 2011 and is expected to increase in the future.

These three non-thermal sources of power also offer good investment opportunities. Companies are diversifying their power portfolios to take advantage of opportunities available in hydro power and renewable energy sources.

### **OUTLOOK ON TRANSFORMER INDUSTRY**

The growth of transformer industry generally depends upon the power generation capacity addition and planned transmission and distribution network in the Country. In our country, installed power generation is approximately 2,00,000 MW as on 31st March 2012 and capacity addition of approximately 93,000 MW is planned in XII five year plan by the year 2017. As a result of this, huge requirement in power transformer capacity would be required. Also, a good population of transformers has completed more than 20-25 years in the field and this will be required to be replaced by new transformers in near future.

**XII Plan period:** Growth of the transformer industry would be linked squarely to the quantum of investment that India commits to the power T&D sector. Traditionally, power T&D has been a grossly neglected area. In an ideal situation, every rupee spent in creating power generation facilities has to be matched by an equal amount in setting up power T&D infrastructure. This ratio of 1:1 has never been honoured in India. Experts feel that at best investment in T&D has been 50 per cent of that in power generation, as against the desirable 100 per cent. The ensuing XII Plan period (April 2012 to March 2017) is expected to be radically different from its predecessors. According to government estimates, India is expected to see an investment of Rs.13 trillion in the XII Plan. This will be equally distributed—for the first time ever—between generation and T&D. This by itself is the biggest growth driver for the transformer industry.

When it comes to power transformers of the most popular type (220kV to 400kV range), there is a dearth of domestic manufacturing capacity or rather, the envisaged demand would be much higher than the existing domestic capacity available. The demand for power transformers, which is expected to at least double over the next 3-4 years, will also be faster than any capacity addition effected by domestic manufacturers. It is reliably learnt that the combined current order book position of Indian transformer manufacturers is around 2.5 lakh MVA. This is likely to grow exponentially resulting in a wide demand-supply gap.

A big endorsement to India's indigenous manufacturing capabilities has come in the form of the 1,200kV transformer range. These ultra-high voltage transformers will form an integral part of India's ambitions of transmitting power at 1,200kV levels - the highest in the world so far. Power Grid Corporation of India, in association with domestic manufacturers, is in the midst of a pilot project at Bina in Madhya Pradesh to test equipment and monitor live conditions, preparing the ground for commercial use of 1,200kV power transmission.

Profitability in power products has eroded over last 3-4 years, with EBIT margins declining from peak of 15-19% in FY09 to 6-8% currently due to increased competitive intensity leading to 25-30% fall in transformer prices. With product prices bottoming out and prices of raw material (CRGO electrical steel) easing, margins are showing signs of stabilization. On the back of PWGR ordering, the MVA demand in power transformers is up 2x from 2008 levels, while distribution transformers continues to be at 2008 levels. We believe that the power products should see improved demand environment, given that several SEBs have raised tariffs over the past 18 months. Debt restructuring proposal will also lead to improved liquidity.

#### **ROLE OF PGCIL**

PGCIL is likely to incur capital expenditure of Rs.1 lakh Crore in the XII Plan period (2012-17), significantly higher than an estimated Rs.55,000 Crore in the ongoing XI Plan. Going by the norm that 15 per cent cost of a transmission project is towards transformers, PGCIL is likely to spend Rs.15,000 Crore to this effect during the entire XII Plan period.

**R-APDRP:** The Central government's Restructured Accelerated Power Development & Reforms Programme (R-APDRP) that aims to bring down ATC losses is construed as a big demand driver for both power and distribution transformers. R-APDRP aims to bring down aggregate technical & commercial (ATC) losses in project areas to 15 per cent. This nationwide program is urban-centric, touching cities and towns with a population of 30,000 or more.

**Replacement Market:** Apart from replacement of inefficient transformers-mainly under APDRP-there exists a big market for replacement of transformers that have outlived their operational life. A transformer usually lasts for 25-30 years and going by this yardstick, transformers installed in the 1980s will now be due for gradual replacement. It is estimated that India would need to replace between 18,000 MVA and 20,000 MVA of transformers every year in the medium term. Given that the new transformers would be far more efficient than their predecessors, the gradual replacement will also contribute to efficiency in the power T&D chain.

**Exports:** India has always been an exporter of transformers and this avenue is set to becoming even more lucrative in the coming years. Exports from India are diverse including power transformers, distribution transformers and even special purpose transformers. It is estimated that around 15 per cent of India's production of power transformers is destined for international markets. With India proving its technological edge by producing even 1,200kV transformers, surpassing global standards, the Country has a very bright future, experts feel. It is not only developing African and Central Asian economies that are importing from India, India-made transformers are even finding their way in developed markets like USA, UK, Canada, etc.

#### **COMPANY OVERVIEW**

IMP Powers Ltd., established in 1961 is celebrating its Golden Jubilee, having state of the art plant at Silvassa, manufacturing entire range of Power and EHV Transformers. Continuous R & D, adoption of new technology keeps IMP products one of the best in the field. Backed by continuous in house applied technical research and with use of best quality raw materials have enabled IMP to comply with the latest existing standards both national and international. Thousands of IMP Transformers are working round the clock in India as well as across the globe.

The Company also have plans for acquiring global technology in defined range from various sources. We expect our transformer business will grow and also be on the forefront technology.

#### **SUBSIDIARY:**

IMP has launched its subsidiary, IMP Energy Limited (IEL) in its Golden Jubilee year. IEL is launched for providing Project and Management Consultancy and end to end solutions for setting up of small and mini Hydro projects. IMP Energy Ltd has submitted bids for tenders worth Rs.150 crores during the year in LREDA-LEH and KREDA – Kargil and secured orders worth Rs.55 crores till date.

## **IMP POWERS LIMITED**

### **LOCATION & CAPACITY:-**

The Registered office and manufacturing unit of your Company is situated in Silvassa, Dadra and Nagar Haveli. The manufacturing plant at Silvassa is spread out over 5 acres having total installed capacity of 10,000 MVA. IMP's Silvassa works is amongst the most modern transformer plant built for the manufacture of HV & EHV power transformers up to 400kV class 315 MVA and has extensive testing facilities utilizing highest quality test equipments. IMP has adequate capacity to manufacture transformers for a wide range of applications thus ensuring timely deliveries as per customer requirements.

### **CLIENTS:-**

IMP is supplying transformers to all State Electricity Boards/Utilities, Power Grid Corporation of India Ltd., NTPC, NHPC, Railways, SAIL, Irrigation department. IMP is also a preferred supplier to all major EPC contractors like A2Z, Angelique, Areva, Fedders Lloyd, Godrej, KEC International, Lanco, L&T, Kalpataru, Nagarjuna Constructions, Reliance Energy, Tata Projects, Siemens, UB Engineering etc. Besides this, IMP is also approved and enlisted by all leading consultants of India like EIL, Mecon, Avant Garde, M. N. Dastur, SAIPEM, TCE, UHDE etc. In addition to our long presence in the domestic market, Company is also having strong presence in International market. It regular supplies transformers to UK, Italy, Jordan, Oman, Australia, New Zealand, African continent, Sri Lanka, Nepal etc.

### **STRENGTHS:**

- Qualified and experienced team of professionals.
- Manufacturing of wide range of Transformers upto 315 MVA /400 kv class.
- In house OLTC/RTCC manufacturing facilities which is an added advantage for prompt delivery and competitive price.
- World class manufacturing facility consisting of Air Conditioned Winding Shop, State-of-The-Art Vapour Phase Drying Oven and In house Impulse Test Lab.
- Fastest turnaround of jobs due to Vapour Phase Drying Oven.
- The only Company in India having sales tax benefit till 2017.

### **WEAKNESS AND MANAGEMENT PERCEPTION:**

- Highly working capital Intensive.
- Technology up gradations, however, will not be easily attainable due to the lack of adequate testing facilities, skilled manpower shortage, and uncertainty and slowness in the pace of reforms.
- Pressure on margins due to dependent on 100% import of CRGO.

### **OPPORTUNITIES**

In our country, installed power generation is approximately 2,00,000 MW as on March 2012 and capacity addition of approximately 93000 MW is planned in 12<sup>th</sup> five year plan (2012-2017). As a result of this, huge requirement in power transformation capacity would be required. Also, a good population of transformers has completed more than 20-25 years in field and these will be required to be replaced by new transformer in near future.

The Indian transformer industry—including power and distribution transformers—is estimated to have grown by 14 per cent in FY11, according to statistics released by IEEMA. The industry size is an estimated Rs.14,754 Crore.

It is estimated that India would need to replace between 18,000 MVA and 20,000 MVA of transformers every year in the medium term.

With India proving its technological edge by producing even 1,200kV transformers. It will additionally develop markets like USA, UK, Canada etc.

PGCIL is likely to incur capital expenditure of Rs.1 lakh Crore in the XII Plan period (2012-17), significantly higher than an estimated Rs.55,000 Crore in the ongoing XI Plan. Going by the norm that 15 per cent cost of a transmission project is towards transformers, PGCIL is likely to spend Rs.15,000 Crore to this effect during the entire XII Plan period

The demand for power transformers, is expected to at least double over the next 3-4 years, will also be faster than any capacity addition effected by domestic manufacturers.

The long term demand outlook for the transformer industry is expected to be favourable due to the focus of reforms on the T & D sector and investment lined up in the power generation sector. For XIIth Plan Period (2012-2017), the Government proposes to make investments worth INR 6400 bn in T & D sector.

Your Company is concentrating on exports, especially in Africa, South East Asia where there is huge demand for transformer industry.

### **THREATS AND MANAGEMENT PERCEPTIONS**

1. Absence of a level playing field for the domestic industry to compete with imported electrical equipment, especially from China and Korea is a clear and present threat. Although net imports of transformer segment have declined by 29%, imports of 765kv transformers have grown by about 130% over the last fiscal; mainly from China and Korea.

#### **2. Fluctuating Raw Material Prices**

Significant fluctuating raw material prices could lead to lower margins. Companies which have a higher share of fixed-price contracts are highly vulnerable to fluctuation in raw material prices.

#### **3. Financial Weakness of State Electricity Boards:-**

Various State Electricity Boards are facing financial crisis which may result in delay in execution of various power projects undertaken by them.

However, Government has announced restructuring of such State Electricity Boards which will lead to speedy execution of power projects undertaken by them. Further all the State utilities under Government initiative have taken up improvement projects for distribution system in a big way.

With over 17 states announcing tariff hikes in last one year, the financials of the ailing SEBs are likely to be better. An IBA panel had recently called for mandatory annual tariff hikes by the State utilities by way of precondition for further lending to them. Cleaning the balance sheets of State owned distribution Companies would help fund high cost power supplies and enable increased capex to strengthen the intra state transmission & distribution ( T & D ) infrastructure.

### **INTERNAL CONTROL SYSTEM**

Your Company has adequate system of internal control in order to ensure that all the transaction are duly authorised, recorded and reported correctly.

Internal audit is outsourced to an independent firm of Chartered Accountants, M/s Sharp & Tannan Associates. Regular Internal Audit is conducted by them. Summarized internal audit observation/reports are reviewed by the Audit Committee on a regular basis. Both the Statutory as well as the Internal Auditor of the Company independently evaluate the adequacy of the internal control system. Based on the audit observations and suggestions, remedial measures are being taken by the Management on a regular basis .

### **FINANCIAL PERFORMANCE:**

The financial performance of the Company is discussed in the Directors' Report.

### **MATERIAL DEVELOPMENT ON HUMAN RESOURCES**

Company's growth is always dependent upon its ability to attract and retain good quality people. Good talent and quality people are always its principal assets. A full-fledged Human Resources Department has been set up which is entrusted with the responsibility of recruiting new talent from the market, retaining and developing skills of the employees of the Company by conducting various trainings in its in house training centre at the Silvassa Factory.

Industrial relations at all divisions of the Company were also very cordial during the year.

### **CAUTIONARY STATEMENT:**

The Management Discussion and Analysis Report contains forward looking statements based upon the data available with the Company, assumptions with regard to Global and Indian Economic Conditions, the Government policies etc. The Company cannot guarantee the accuracy of assumptions and perceived performance of the Company in future. Therefore, it is cautioned that the actual results may materially differ from those expressed or implied in the Report.

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# IMP POWERS LIMITED

## CORPORATE GOVERNANCE REPORT

### 1) OUR PHILOSOPHY ON CORPORATE GOVERNANCE

IMP has established a sound framework of Corporate Governance which underlines commitment to quality of governance, transparency disclosures, consistent stakeholders' value enhancement and corporate social responsibility. IMP endeavors to transcend much beyond the regulatory framework and basic requirements of Corporate Governance focusing consistently towards building confidence of its various stakeholders including shareholders, customers, employees, suppliers and the society at large. The Company has developed a framework for ensuring transparency, disclosure and fairness to all.

### 2) BOARD OF DIRECTORS

#### i) Composition And Category Of Directors :

The Board of Directors of IMP has an appropriate mix of Executive and Non Executive Directors. As on 30<sup>th</sup> June 2012, the Board consists 9 Directors. Out of 9 Directors, 4 directors were Non-Executive Independent Directors. 4 Directors were Executive Directors and One Director was a Nominee Director.

Composition of Board as on 30<sup>th</sup> June 2012:-

CATEGORY	Name of the Director
Promoter-Executive Director	Shri Ramniwas R Dhoot
Promoter-Executive Director	Shri Ajay Dhoot
Promoter-Executive Director	Shri Aaditya R Dhoot
Whole Time Executive (functional) Director (Director-Marketing)	Shri Rajendra Mimani
Nominee Director	Shri Prakash Bagla
Independent Directors	1) Shri R. T. RajGuroo 2) Shri Jayant Godbole 3) Shri Siby Antony 4) Shri Prashant Pandit

#### ii) Attendance of each Director at the Board Meetings held during 2011-2012:

Directors Name & Designation	No. of Board Meetings		Last AGM Attended (held on 21.12.2011)
	HELD	ATTENDED	
Shri Ramniwas R Dhoot (Chairman)	5	5	YES
Shri Ajay Dhoot (Managing Director)	5	5	YES
Shri Aaditya Dhoot (Jt. Managing director)	5	5	YES
Shri R . T .RajGuroo (Independent Director)	5	4	YES
Shri Jayant Godbole (Independent Director)	5	3	NO
Shri Siby Antony (Independent Director)	5	5	NO
Shri Prashant Pandit (Independent Director)	5	1	NO
Shri Rajendra Mimani (Director-Marketing)	5	2	NO
Shri Prakash Bagla (Nominee Director)	5	5	NO

#### iii) Number of Directorships or Committee Memberships other than IMP Powers Ltd. as on 30<sup>th</sup> June 2012 :

Director's Name	Number of other Directorships	Details of Committee Memberships and Chairmanship	
		Memberships	Chairmanships
Shri Ramniwas R Dhoot (Chairman)	0	0	0
Shri Ajay Dhoot (Managing Director)	0	0	0
Shri Aaditya Dhoot (Jt. Managing director)	0	0	0

Shri R . T .RajGuroo (Independent Director)	1	0	0
Shri Jayant Godbole (Independent Director)	14	8	2
Shri Siby Antony (Independent Director)	1	0	0
Shri Prashant Pandit (Independent Director)	0	0	0
Shri Rajendra Mimani (Director-Marketing)	2	0	0
Shri Prakash Bagla (Nominee Director)	0	0	0

iv) **Details of Director appointed during the year /seeking reappointment at the ensuing Annual General Meeting .**

Name of the Director	Shri Jayant Godbole	Shri Siby Antony
<b>Date of Birth</b>	17 <sup>th</sup> February 1945	10 <sup>th</sup> May 1948
<b>Date of Appointment</b>	16 <sup>th</sup> March 2007	3 <sup>rd</sup> July 2009
<b>Number of Shares held in the Company .</b>	<b>NIL</b>	<b>NIL</b>
<b>Qualification</b>	1. Chemical Engineer from IIT, Powai. 2. Financial Management (Participation Certificate) from Bajaj Institute, University of Bombay. 3. Corporate Long Range Planning from IIM, Bangalore (1986). 4. PERT/CPM (Project Management)- Network Analysis from SIET, Hyderabad (1978).	1. Bachelor's Degree in Mathematics from Kerala University. 2. Post Graduate degree in Economics from University of Madras.
<b>Expertise in specific functional Area</b>	Shri Jayant Godbole functioned as Chairman and Managing Director of IDBI Limited at the time of retirement. During his role in IDBI as Executive Director, he also chaired the Empowered Group of Corporate Debt Restructuring (CDR). He is having a very rich experience of 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, Corporate rehabilitation etc.	Shri. Siby Antony is the former Executive Director of IDBI overall in charge of recovery and legal department and was the Chairman of CDR Empowered Group. Currently he is associated with Edelweiss Assets Reconstruction Company Limited.

V) **Number of Board Meetings :**

During the year under review the Board met 5 times on the following dates :

- |                                     |                                  |
|-------------------------------------|----------------------------------|
| 1. 09 <sup>th</sup> August ,2011    | 2. 29 <sup>th</sup> August ,2011 |
| 3. 14 <sup>th</sup> November , 2011 | 4. 31 <sup>st</sup> January,2012 |
| 5. 14 <sup>th</sup> May ,2012       |                                  |

The gap between two meetings did not exceed more than four (4) months. All the meetings were held at the Corporate office of the Company .

3) **COMMITTEES OF THE BOARD :**

A) **Audit Committee :**

i) The Company has a duly constituted audit committee in accordance with the provisions of Listing Agreement and Section 292 of the Companies Act 1956 .

ii) **Brief description of terms of reference :**

- a) Reviewing, with the Management, the quarterly financial statements and audited financial statements before submission to the Board for approval.



## IMP POWERS LIMITED

- b) Reviewing, with the Management, performance of Statutory and Internal auditors, and adequacy of the internal control systems.
- c) Reviewing the adequacy of internal audit function, if any and frequency of internal audit.
- d) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- e) Discussion with Statutory Auditors before the Audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- f) The Company's financial reporting processes, changes in the Accounting policies;
- g) Review of financial and risk management system;
- h) Recommending the appointment and removal of Internal as well as Statutory Auditors, fixation of audit fees.

### iii) **Composition of the Audit Committee :**

The Audit Committee comprises of the following Directors :

Sr. No.	Name of the Director	Designation
1.	Mr. R T RajGuroo	Chairman
2.	Mr. Siby Antony*	Jt. Chairman
3.	Mr. Aaditya R Dhoot	Member
4.	Mr. Jayant Godbole **	Jt. Chairman and Member

\* Mr. Siby Antony was appointed as Jt. Chairman w.e.f. 14<sup>th</sup> May 2012.

\*\*Mr. Jayant Godbole resigned from the Audit Committee w.e.f. 14<sup>th</sup> May 2012.

### iv) **Meetings and Attendance of the Audit Committee Members during the Year :**

During the year ended 30<sup>th</sup> June 2012 the Audit Committee met 4 times during the Year :

1. 29<sup>th</sup> August 2011
2. 14<sup>th</sup> November 2011
3. 31<sup>st</sup> January 2012
4. 14<sup>th</sup> May 2012

#### **Attendance during the year :**

Sr. No.	Name of the director	No. of Meetings attended
1	Mr. R T RajGuroo	4
2	Mr. Siby Antony	4
3	Mr. Aaditya R Dhoot	4
4	Mr. Jayant Godbole	2

### B) **Shareholders/Investor Grievances Committee :**

#### i) Terms of Reference:

To approve share transfers, transmissions, issue of duplicate share certificates, to review and advise the Company on any grievance in relation to (a) Non-transfer of shares (b) Non-receipt of Annual Report (c) any other grievance raised by any shareholder.

#### ii) Constitution :-

The Shareholders/Investors Grievance Committee comprises of following Directors:-

Sr. No	Name of the Director	Category
1	Shri R. T. RajGuroo (Chairman)	Independent, Non-Executive
2	Shri Ajay R Dhoot (Member)	Non-Independent
3	Shri Aaditya R Dhoot (Member)	Non-Independent

#### iii) Meeting and attendance during the year :

The Committee met 4 times on following dates:

1. 29<sup>th</sup> August 2011
2. 14<sup>th</sup> November 2011
3. 31<sup>st</sup> January 2012
4. 14<sup>th</sup> May 2012

Sr. No	Name of the Director	No of meetings attended
1	Shri R. T. RajGuroo (Chairman)	4
2	Shri Ajay R Dhoot (Member)	4
3	Shri Aaditya R Dhoot (Member)	4

iv) Status of Investor Complaints:

There were no complaints received against the Company during the year ended 30<sup>th</sup> June 2012 in BSE & NSE. However 2 complaints were received by our R & T Agent, Link Intime India Private Ltd. in respect of non receipt of dividend declared in the last AGM. The said complaints were resolved immediately by sending fresh dividend warrants to the concerned shareholders. As on date, no complaints were pending against the Company.

v) Name, Designation and address of Compliance officer :-

Mr. Deepak Shah  
**VP-Finance & Accounts**  
 IMP Powers Limited  
 35/C, Popular press building, 2<sup>nd</sup> floor,  
 Pt M. M. Malviya Road, Tardeo  
 Mumbai 400 034

C) Remuneration Committee

1) The Company has a duly constituted Remuneration Committee in accordance with the provisions of the Listing Agreement and applicable provisions of the Companies Act, 1956.

2) Terms of Reference

- To approve the appointment, reappointment of Managerial Personal/Whole Time Director(s).
- To review and approve remuneration payable to Whole Time Director(s)/Managing Director/Directors.
- To approve remuneration policy of Whole Time Directors/Managing Director of the Company.

3) Constitution :-

The Remuneration Committee comprises of following Directors:-

Sr. No	Name of the Director	Category
1.	Shri Jayant Godbole (Chairman)	Independent, Non-Executive
2..	Shri Aaditya R Dhoot (Member)	Non Independent
3..	Shri R. T. RajGuroo (Member)	Independent, Non-Executive
4.	Shri Siby Antony (Member)	Independent, Non-Executive

iii) Meeting and attendance during the year :

The Committee met 1 time on 29<sup>th</sup> August 2011.

Sr. No	Name of the Director	Attendance
1.	Shri Jayant Godbole (Chairman)	YES
2..	Shri Aaditya R Dhoot (Member)	YES
3..	Shri R. T. RajGuroo (Member)	YES
4.	Shri Siby Antony (Member)	YES

4. REMUNERATION OF DIRECTORS :i) Remuneration paid to Executive directors during the year ended 30<sup>th</sup> June 2012

Particulars	Shri Ramniwas R Dhoot (Chairman)	Shri Ajay Dhoot (Managing Director)	Shri Aaditya Dhoot (Jt. Managing Director)	Rajendra Mimani (Director-Marketing)
Remuneration	₹ 47,55,604	₹ 42,27,589	₹ 36,48,960	₹ 14,50,000
<b>Total</b>	<b>₹ 47,55,604</b>	<b>₹ 42,27,589</b>	<b>₹ 36,48,960</b>	<b>₹ 14,50,000</b>

## IMP POWERS LIMITED

- 1) The Company does not have a Stock Option Scheme and no severance fees are payable.
- 2) No sitting fees were paid to the Executive Directors.
- 3) Directors are not paid any Commission for the year ended 30<sup>th</sup> June 2012.

ii) Remuneration Structure of Non Executive Directors :-

The Non Executive Independent Directors are paid only sitting fees and there is no pecuniary relationship or transaction of Non-executive Independent Directors vis-a-vis the Company. Non-Executive Directors are not holding any shares of the Company.

### 5. GENERAL SHAREHOLDER INFORMATION :

<b>5.1 Registered Office</b>	Survey No. 263/3/2/2, Umar Kuin Road, Sayli Village, Silvassa, U.T. (D&N H) -396230 Telephone : 0260-6538571 Fax : 0260-2681043 Email : investor@imp-powers.com Website : <a href="http://www.imp-powers.com">www.imp-powers.com</a>
<b>5.2 Address for Correspondence</b>	35/C, Popular Press Building, 2 <sup>nd</sup> Floor, Pt. M M Malviya Road, Tardeo , Mumbai -400 034 Telephone : 022-23539180-85 Fax : 022-23539186-87
<b>5.3 Annual General Meeting</b>	Day & Date: Monday, 17 <sup>th</sup> December 2012 Time : 3.00 p.m. Venue : Survey No. 263/3/2/2, Umar Kuin Road, Sayli Village, Silvassa, U.T.(D& N H) Pin Code -396230
<b>5.4 Financial Year</b>	1st July to 30th June. The Company has changed its financial year from July-June every year to 31 <sup>st</sup> March every year from the financial year 2012-13. Accordingly the next financial year will be of 9 months i.e. 1 <sup>st</sup> July 2012 to 31 <sup>st</sup> March 2013.
<b>5.5 Financial Calendar (tentative)</b>	<ul style="list-style-type: none"> <li>• Results for quarter ending September 30 – within 45 days from the end of the quarter.</li> <li>• Results for the quarter and half year ending December 31– within 45 days from the end of the quarter.</li> <li>• Results for the nine months ending March 31 - within 45 days from the end of the quarter.</li> <li>• Results for the year ending June 30th - Within 60 days from the end of the Financial year</li> </ul> Dividend Payment Date : with in 30 days from the date of AGM
<b>5.6 Date of Book Closure</b>	Wednesday, 5 <sup>th</sup> December 2012 to Wednesday, 12 <sup>th</sup> December 2012 ( Both days inclusive)
<b>5.7 Stock Code &amp; Demat ISIN Number</b>	Bombay Stock Exchange : Stock Code : (517571) Scrip ID : IMPOWERS National Stock Exchange : Symbol : INDLMETER ISIN No : INE065B01013
<b>5.8 Dematerialization of Shares</b>	As on 30 <sup>th</sup> June 2012, 99.20 % of the paid up equity shares of the Company were held in demat.
<b>5.9 Payment of Listing fees</b>	The Company has paid in advance the Listing fees to both the Stock Exchanges mentioned above for the financial year 2012-2013.

<b>5.10 Registrar and Transfer Agent</b>	The Company has appointed Link Intime India Private Ltd, Mumbai as its Registrar and Transfer Agent. Share Transfers, dematerialization of shares, dividend payment and all other investor related activities are being attended to and processed at the office of the Registrar at the following address ; Link Intime India Private Limited C – 13, Pannalal Silk Mills Compound, L.B.S. Road, Bhandup (West), Mumbai - 400 078. Telephone # 25963838, Fax # 25946969 Email: isrl@linkintime.com
<b>5.11 Share Transfer System</b>	Share Transfer requests in physical form are processed within 30 days from the receipt. The Requests for dematerialization of shares are confirmed within 21 days from the date of receipt. The Company obtains half-yearly certificate of compliance as required under Clause 47(c) of the Listing Agreement from a Company Secretary in Practice and files a copy of the certificate with the Exchanges.
<b>5.12 Plant Locations</b>	Survey No 263/3/2/2, Umar Kuin Road, Sayli Village, Silvassa (U.T)
<b>5.13 MARKET PRICE DATA : High , Low, during each month (Bombay Stock Exchange &amp; National Stock Exchange)</b>	Annexure A
<b>5.14 Shareholding pattern as on 30<sup>th</sup> June 2012</b>	Annexure B
<b>5.15 Distribution Of Shareholding As On 30<sup>th</sup> June 2012</b>	Annexure C
<b>5.16 Details of the last three General Meetings</b>	Annexure D

**5.17 Disclosures :**

- (i) Materially significant related party transactions that may have potential conflict with the interests of Company at large The Company does not have material significant related party transactions, i.e. transactions of the Company of material nature with its Promoters, Directors of the management, or their subsidiaries or relatives etc that may have potential conflicts with the interest of the Company at large. However disclosure of transactions with any related party have been made in the Balance Sheet in Schedule No. 28; Notes to Accounts at Note No 18.
- (ii) Non-Compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to Capital Markets, during the last three years : **None**
- (iii) Whistle Blower Policy and affirmation that no personnel have been denied access to the Audit Committee The Company has implemented Whistle Blower Policy and we further affirm that no personnel have been denied access to the Audit Committee.
- (iv) Details of Compliance with mandatory requirements and adoption of the non-mandatory requirement of this clause The Company has complied with mandatory requirements and has adopted the following non mandatory requirements – (a) Whistle Blower Policy (b) None of the independent director on our Board has served for a tenure exceeding nine years.

**5.18 Means Of Communication:**

The quarterly/half yearly unaudited financial results/audited financial results are published in Business Standard (all editions) and in regional newspaper viz. Gandhi Nagar (Western Times). The quarterly/half yearly unaudited financial results/audited financial results are also posted on BSE & NSE as well as on the Company's website i.e. www.imp-powers.com which also contains latest news/press releases. The notices to the shareholders are published in the Asian Age and Gandhi Nagar (Western Times).

**5.19 Compliance Certificate of the Auditors:**

The Company has obtained a certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance as stipulated in Clause 49 and the same is annexed.

## IMP POWERS LIMITED

### 5.20 Declaration on Compliance of Code of Conduct:

Declaration that all the Board Members and Senior Management Personnel have affirmed compliance with the applicable Code of Conduct for the financial year ended 30<sup>th</sup> June 2012 is annexed.

#### Annexure A

#### Monthly High & Low during the last year ended 30<sup>th</sup> June 2012

Month	BSE		NSE	
	High	Low	High	Low
July 2011	116.00	82.00	103.85	89.30
August 2011	99.45	81.05	96.70	81.00
September 2011	91.00	68.25	84.00	64.10
October 2011	75.00	65.00	79.70	65.00
November 2011	71.00	50.60	71.50	50.35
December 2011	63.00	40.00	68.85	45.00
January 2012	54.80	43.15	56.00	43.10
February 2012	63.50	49.15	63.00	50.00
March 2012	61.95	46.00	60.95	46.05
April 2012	54.95	42.00	56.85	40.00
May 2012	47.75	31.15	47.75	31.20
June 2012	37.65	26.30	36.90	27.60

#### Annexure B

#### Shareholding Pattern as on 30<sup>th</sup> June 2012

Category	No. of Equity Shares (f.v. 10/-) held	% of Shareholding
Promoters	4093619	50.31
Banks/Financial Institutions	344206	4.23
Corporate Bodies	1834594	22.55
Indian Public	1797193	22.09
NRI	25746	0.31
Clearing Members	41205	0.51
<b>Total</b>	<b>8136563</b>	<b>100.00</b>

#### Annexure C

#### Distribution of Shareholding as on 30<sup>th</sup> June 2012:

Category(shares)	No. of Shareholders	% of Total	No. of Shares Held	% of Total
1 - 500	4582	88.0646	581202	7.1431
501 - 1000	286	5.4968	236438	2.9059
1001 - 2000	150	2.8830	221670	2.7244
2001 - 3000	54	1.0379	140164	1.7226
3001 - 4000	32	0.6150	112349	1.3808
4001 - 5000	19	0.3652	88485	1.0875
5001 - 10000	34	0.6535	258560	3.1778
10001 - Above	46	0.8841	6497695	79.8580

**Annexure D****Details of the last three Annual General Meetings:**

	(1)	(2)	(3)
<b>Date and Time</b>	<b>21<sup>st</sup> December 2011 at 3.30 p.m.</b>	<b>20<sup>th</sup> December 2010 at 2.00 p.m</b>	<b>15<sup>th</sup> December 2009 at 3.00 p.m.</b>
Venue	Survey No 263/3/2/2 Umar Kuin Road, Sayali Village Silvassa ( U.T.)	Survey No 263/3/2/2 Umar Kuin Road, Sayali Village Silvassa ( U.T.)	Survey No 263/3/2/2 Umar Kuin Road, Sayali Village Silvassa ( U.T.)
Special Resolution(s)	NIL	NIL	NIL

An Extra Ordinary General Meeting of the Company was held on Monday, 19<sup>th</sup> September, 2011 at the Registered Office of the Company at Survey No 263/3/2/2, Umar Kuin Road, Sayali Village Silvassa ( U.T.). The Company has passed two Special Resolutions.

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**Auditors' Certificate regarding Compliance of Conditions of Corporate Governance.**

**To The Members of  
IMP Powers Limited**

We have examined the compliance of conditions of Corporate Governance by **IMP Powers Limited** for the year ended on 30<sup>th</sup> June 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of the corporate governance as stipulated in the above-mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Batliboi & Purohit  
Chartered Accountants  
FRN : 101048W**

**R.D. Hangekar  
Partner  
M. No:30615**

**Date : 7<sup>th</sup> November 2012  
Place: Mumbai**

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**DECLARATION – COMPLIANCE WITH THE CODE OF CONDUCT**

In Accordance With Clause 49 Of The Listing Agreement With the Stock Exchanges, all the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended on 30<sup>th</sup> June, 2012.

**For IMP Powers Limited**

**Sd/-  
Ajay R. Dhoot  
Managing Director**

**Place: Mumbai  
Date: 7<sup>th</sup> November 2012**

# IMP POWERS LIMITED

## AUDITORS' REPORT

### To the Members of IMP Powers Limited

1. We have audited the attached Balance Sheet of **IMP Powers Limited** ('the Company') as at 30<sup>th</sup> June 2012, the Profit and Loss Account and Cash Flow Statement for the year ended on that date, annexed thereto. These Financial Statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (the Order), as amended, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraph 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 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 account as required by law have been kept by the Company, so far as appears from our examination of those books;
  - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
  - e) On the basis of the written representations received by the Company from the Directors as on 30<sup>th</sup> June 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as at 30<sup>th</sup> June, 2012 from being appointed as a director in terms of Section 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 together with the Significant Accounting Policies and other notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
    - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 30<sup>th</sup> June 2012;
    - ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
    - iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

**For Batliboi & Purohit**  
**Chartered Accountants**  
**FRN: 101048W**

**Place: Mumbai**  
**Dated: 29<sup>th</sup> August, 2012**

**(R. D. Hangekar)**  
**Partner**  
**Membership No. 30615**

### **Annexure to the Auditors' Report**

**With reference to the Annexure referred to in paragraph 3 of the Auditors' Report to the Members of IMP Powers Ltd. on the financial statements for the year ended on 30<sup>th</sup> June 2012, we report that:**

- i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) As explained to us, the fixed assets are being physically verified under a phased programme of verification, which in our opinion is reasonable and no material discrepancies have been noticed on such verification.
- c) The Company has not disposed off substantial part of its fixed assets during the year, accordingly, the assumption of the going concern being affected, does not arise.
- ii) a) Physical verification of inventory has been conducted during the year, by the management at reasonable intervals.
- b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company is maintaining proper records of its inventories and no material discrepancies were noticed on physical verification.
- iii) a) The Company has granted unsecured loan of Rs.45,83,118/- to a Company covered under register maintained under Section 301 of the Act.
- b) The rate of interest & other terms & conditions of the unsecured loan given by the Company are prima facie not prejudicial to the interest of the Company.
- c) There are no stipulated terms of repayment of principal & interest and hence we are not able to comment on the receipt of the same.
- d) As informed to us, the Company is taking reasonable steps for the recovery of the principal and interest.
- e) The Company has not taken any loans, secured or unsecured from Companies, firms or other parties covered in the register maintained under Section 301 of the Act, and hence clauses (e), (f) and (g) of the order are not applicable to the Company.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. We have not observed any major weakness in the internal control system during the course of our audit.
- v) a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
- b) The transactions made in pursuance of such contracts or arrangements aggregating during the year to Rupees five lacs or more in respect of each party have been made at prices which are reasonable having regard to prevailing market prices for such goods and materials or the prices at which transactions for similar goods or materials have been made with other parties.
- vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year within the meaning of the provisions of sections 58A and 58AA of the Act read with Companies (Acceptance of Deposits) Rules 1975. Therefore the provisions of clause (vi) of the Order are not applicable to the company.
- vii) In our opinion, and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and the nature of its business.
- viii) We have broadly reviewed the books of accounts maintained by the Company pursuant to the order made by the central Government for the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However we have not carried out any detailed examination of such accounts and records.



## IMP POWERS LIMITED

- ix) a) According to the information and explanations given to us and on the basis of examination of the records of the Company, we are of the opinion that the Company has been generally regular in depositing undisputed statutory dues including Provident fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales tax/VAT, Wealth tax, Customs Duty, Excise Duty, Service tax, Cess and other material statutory dues with the appropriate authorities and there are no outstanding unpaid amounts as at the balance sheet date for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, the dues in respect of income tax, which have not been deposited with the appropriate authorities on account of dispute and the forum where the dispute is pending as given below.

Name of Statute	Nature of dues and year	Amount (₹ in Lacs)	Forum where dispute is pending
Income tax Act, 1961	Income tax A.Y. 2008-09	187.90	Commissioner of income tax ( Appeals)

- x) The Company does not have accumulated losses as at the balance sheet date and has not incurred cash losses in the current or in the immediately preceding financial year.
- xi) On the basis of our examination and according to the information and explanations given to us, ***the Company has not repaid the dues of principal Rs. 224.65 lacs to Greater Bombay Co-operative Bank Ltd, since the said Bank did not join in the CDR scheme and also the case is under litigation as mentioned in note no. 4a(iii).***
- xii) According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
- xiii) The Company is not a chit fund / nidhi / mutual benefit fund / society to which the provisions of any special statute apply, accordingly, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
- xiv) In our opinion the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly the provisions of the clause 4(xiv) of the Companies (Auditor's Report) order, 2003(as amended) are not applicable to the Company.
- xv) According to the information and explanations given to us, the Company has not given any guarantee for the loans taken by others from Bank or Financial Institutions.
- xvi) In our opinion and according to the information and explanations given to us, on an overall basis, the term loans were applied for the purpose for which they were obtained.
- xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that prima facie there are no funds raised on short-term basis that have been used for long term investment.
- xviii) The Company has not made preferential allotment of shares to parties and Companies covered in the Register maintained under section 301 of the Companies Act, 1956.
- xix) During the year covered by our audit, the Company has not issued any debentures.
- xx) The Management has not raised any money by public issues during the year.
- xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of the audit.

**For Batliboi & Purohit  
Chartered Accountants  
FRN: 101048W**

**Place: Mumbai  
Dated: 29<sup>th</sup> August, 2012**

**(R. D. Hangekar)  
Partner  
Membership No. 30615**

**Balance Sheet as at 30<sup>th</sup> June, 2012**

Particulars	Note No.	As at 30 <sup>th</sup> June, 2012 ₹	As at 30 <sup>th</sup> June, 2011 ₹
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	2	128,062,390	105,887,630
(b) Reserves and surplus	3	857,492,921	801,992,107
		<b>985,555,311</b>	<b>907,879,737</b>
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	4	177,064,966	233,575,256
(b) Deferred tax liabilities (net)	31	45,757,414	36,474,460
(c) Other long-term liabilities	5	18,554,232	16,327,930
(d) Long-term provisions	6	7,204,199	10,561,217
		<b>248,580,811</b>	<b>296,938,863</b>
<b>3 Current liabilities</b>			
(a) Short-term borrowings	7	619,412,646	399,847,540
(b) Trade payables	8	427,260,133	289,317,441
(c) Other current liabilities	9	228,935,567	200,203,159
(d) Short-term provisions	10	15,889,611	11,206,959
		<b>1,291,497,957</b>	<b>900,575,099</b>
	<b>TOTAL</b>	<b>2,525,634,079</b>	<b>2,105,393,699</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	11.A	756,893,367	740,886,332
(ii) Intangible assets	11.B	150,608	-
(iii) Intangible assets under development	11.B	1,000,000	-
(b) Non-current investments	12	421,650	101,000
(c) Long-term loans and advances	13	57,882,282	48,473,750
		<b>816,347,907</b>	<b>789,461,082</b>
<b>2 Current assets</b>			
(a) Inventories	14	448,121,771	591,201,187
(b) Trade receivables	15	1,189,181,455	669,488,821
(c) Cash and Bank Balances	16	27,571,622	17,523,753
(d) Short-term loans and advances	17	43,536,454	36,350,201
(e) Other current assets	18	874,870	1,368,655
		<b>1,709,286,172</b>	<b>1,315,932,617</b>
	<b>TOTAL</b>	<b>2,525,634,079</b>	<b>2,105,393,699</b>

**See accompanying notes forming part of the financial statements**

Significant accounting policies the accompanying notes are an integral part of financial statements

As per our report of even date.

**For Batliboi & Purohit**  
Chartered Accountants  
FRN NO. 101048W

**On behalf of the Board of Directors**

**(CA R. D. HANGEKAR)**  
Partner  
M.No.30615

**AJAY R DHOOT**  
MANAGING DIRECTOR

**AADITYA R DHOOT**  
JT. MANAGING DIRECTOR

Place : Mumbai

Dated : 29<sup>th</sup> August, 2012

# IMP POWERS LIMITED

## Statement of Profit and Loss Account for the year ended 30<sup>th</sup> June, 2012

	Note No.	For the Year Ended 30 <sup>th</sup> June, 2012 ₹	For the Year Ended 30 <sup>th</sup> June, 2011 ₹	
<b>A CONTINUING OPERATIONS</b>				
1	Revenue from operations (gross)	19	3,071,783,970	2,729,227,755
	Less: Excise duty	19	249,357,192	237,730,166
	Revenue from operations (net)		<b>2,822,426,778</b>	<b>2,491,497,589</b>
2	Other income	20	900,738	1,391,019
3	<b>Total revenue (1+2)</b>		<b>2,823,327,516</b>	<b>2,492,888,608</b>
4	<b>Expenses</b>			
	(a) Cost of materials consumed	21.a	2,038,847,319	1,976,447,827
	(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	21.b	155,479,321	(49,050,782)
	(c) Employee benefits expense	22	101,601,979	91,402,963
	(d) Finance costs	23	192,230,057	163,612,742
	(e) Depreciation and amortisation expense	11.c	42,644,357	39,248,089
	(f) Other expenses	24	190,666,190	168,376,150
	<b>Total expenses</b>		<b>2,721,469,223</b>	<b>2,390,036,989</b>
5	<b>Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)</b>		101,858,293	102,851,619
6	Exceptional items	25.a	-	44,350,000
7	<b>Profit / (Loss) before extraordinary items and tax (5-6)</b>		<b>101,858,293</b>	<b>58,501,619</b>
8	<b>Tax expense:</b>			
	(a) Current tax expense for current year		20,578,294	22,908,900
	(b) Deferred tax	31	9,282,953	7,789,740
			<b>29,861,247</b>	<b>30,698,640</b>
9	<b>Profit / (Loss) from continuing operations (7 - 8)</b>		<b>71,997,046</b>	<b>27,802,979</b>
	<b>Earnings per share (of ₹10/- each):</b>	30		
	(a) Basic		8.73	8.75
	(b) Diluted		8.73	8.75
	<b>Earnings per share (excluding extraordinary items) (of ₹10/- each):</b>			
	(a) Basic		8.73	3.30
	(b) Diluted		8.73	3.30
<b>See accompanying notes forming part of the financial statements</b>				

Significant accounting policies the accompanying notes are an integral part of financial statements

1

As per our report of even date.

**For Batliboi & Purohit**  
Chartered Accountants  
FRN NO. 101048W

On behalf of the Board of Directors

**(CA R. D. HANGEKAR)**  
Partner  
M.No.30615

**AJAY R DHOOT**  
MANAGING DIRECTOR

**AADITYA R DHOOT**  
JT. MANAGING DIRECTOR

Place : Mumbai  
Dated : 29<sup>th</sup> August, 2012

## Cash Flow Statement for the year ended 30<sup>th</sup> June, 2012

	For the Year Ended 30 <sup>th</sup> June, 2012 ₹	For the Year Ended 30 <sup>th</sup> June, 2011 ₹
<b>A. Cash flow from operating activities</b>		
Net Profit / (Loss) before extraordinary items and tax	101,858,293	102,851,619
<i>Adjustments for:</i>		
Depreciation and amortisation	42,644,357	39,248,089
Extraordinary items	-	(44,350,000)
Profit / (loss) on sale / write off of assets	370,538	185,822
Finance costs	192,230,057	163,612,741
	<u>235,244,952</u>	<u>158,696,652</u>
Operating profit / (loss) before working capital changes	337,103,245	261,548,271
<i>Changes in working capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	143,079,416	(457,447)
Trade receivables	(519,692,634)	(67,462,543)
Short-term loans and advances	(7,186,253)	-
Long-term loans and advances	(18,554,616)	-
Other current assets	493,785	-
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	137,942,692	(11,494,493)
Other current liabilities	28,732,408	-
Other long-term liabilities	2,226,302	-
Short-term provisions	4,682,652	-
Long-term provisions	(3,357,018)	-
	<u>(231,633,266)</u>	<u>(79,414,483)</u>
	105,469,979	182,133,788
Cash flow from extraordinary items	-	-
Cash generated from operations	105,469,979	182,133,788
Net income tax (paid) / refunds	(11,432,210)	(22,908,900)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>94,037,769</b>	<b>159,224,888</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on fixed assets, including capital advances	(61,953,994)	(47,405,117)
Proceeds from sale of fixed assets	450,000	-
Investment written off	-	12,000
Purchase of long-term investments	-	-
- Subsidiaries	(320,650)	-
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(61,824,644)</b>	<b>(47,393,117)</b>

# IMP POWERS LIMITED

## Cash Flow Statement for the year ended 30<sup>th</sup> June, 2012 (Contd...)

	For the Year Ended 30 <sup>th</sup> June, 2012 ₹	For the Year Ended 30 <sup>th</sup> June, 2011 ₹
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of equity shares		
Proceeds from issue of preference shares	33,262,140	-
Redemption / buy back of preference / equity shares	(11,087,380)	-
Proceeds from long-term borrowings	(49,902,108)	-
Repayment of long-term borrowings	(6,608,181)	70,753,547
Proceeds from other short-term borrowings	219,565,106	(25,856,693)
Finance cost	(192,230,057)	(163,612,741)
Dividends on Preference Shares	(980,000)	(980,000)
Dividends paid	(12,204,845)	(8,136,563)
Tax on dividend	(1,979,931)	(1,319,954)
Cash flow from extraordinary items	-	-
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(22,165,256)</b>	<b>(129,152,404)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>	<b>10,047,869</b>	<b>(17,320,633)</b>
Cash and cash equivalents at the beginning of the year	17,523,753	34,844,386
Effect of exchange differences on restatement of foreign currency cash and cash equivalents	-	-
<b>Cash and cash equivalents at the end of the year</b>	<b>27,571,622</b>	<b>17,523,753</b>

### Notes:

- Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard (AS) 3 "Cash Flow Statements" as specified in the Companies (Accounting Standards) Rules, 2006.
- Purchase of Fixed Assets include expenditure on Intangible Assets under development during the year.
- Previous Year's figures have been regrouped/reclassified wherever applicable.

**See accompanying notes forming part of the financial statements**

Significant accounting policies the accompanying notes are an integral part of financial statements

As per our report of even date.

**For Batliboi & Purohit  
Chartered Accountants  
FRN NO. 101048W**

**On behalf of the Board of Directors**

**(CA R. D. HANGEKAR)**  
Partner  
M.No.30615

**AJAY R DHOOT**  
**MANAGING DIRECTOR**

**AADITYA R DHOOT**  
**JT. MANAGING DIRECTOR**

Place : Mumbai  
Dated : 29<sup>th</sup> August, 2012

## Note No. – 1: SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FOR THE YEAR ENDED 30<sup>th</sup> JUNE 2012.

### A. SIGNIFICANT ACCOUNTING POLICIES

#### 1. Basis of preparation of financial statements:

The financial statements are prepared under the historical cost convention on accrual basis and in accordance with Indian Generally Accepted Accounting Principles (“GAAP”) as specified in Companies (Accounting Standards) Rules, 2006, provisions of the Companies Act, 1956 and comply with the Accounting Standards issued by the Institute of Chartered Accountants of India.

During the year ended 30<sup>th</sup> June 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. The company has reclassified the previous year figures in accordance with the requirements applicable in the current year.

#### 2. Use of Estimates:

The Preparation of the financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities as on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known /materialized.

#### 3. Fixed Assets :

Fixed Assets are stated at cost of acquisition (net of Cenvat and VAT wherever applicable) or construction less accumulated depreciation and impairment loss, if any. Cost includes any directly attributable cost of bringing each asset to its working condition for intended use. Assets under installation or under construction and intangible assets under development as at balance sheet date are shown as capital work in progress together with project expenses and advances to suppliers/contractors

#### 4. Depreciation:

Depreciation in respect of all assets acquired up to 30<sup>th</sup> June, 1985 is provided on ‘Written Down Value’ method. For additions on or after 1<sup>st</sup> July, 1985 Straight Line Method of depreciation has been adopted. The rates charged are as specified in Schedule XIV of the Companies Act, 1956.

#### 5. Impairment of Assets:

An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value based on an appropriated discount factor. The impairment loss recognized in the prior accounting years is reversed if there has been a change in the estimate of recoverable amount.

#### 6. Investments:

Current investments are carried at the lower of cost or quoted/fair value, computed category-wise. Long term investments are stated at cost and provision is made for any diminution in such value, which is not temporary in nature.

#### 7. Valuation of Inventories:

- a. Raw Materials including consumables and stores are valued at lower of Cost and net realizable value. Cost is arrived on FIFO Basis.
- b. Semi-finished and Finished Goods are valued at cost of materials together with relevant factory overheads or net realizable value whichever is lower. Due consideration is given to the saleability of the stock and no obsolete or unserviceable\damaged items are included.

#### 8. Revenue Recognition :

- a. Insurance claims are accounted for as and when admitted by the appropriate authorities. Export incentive license / Advance license is accounted for as & when applied to the appropriate authorities based on fulfillment of the eligibility criteria. Values of advance licenses unutilized are accounted on accrual basis by netting off purchase value.
- b. Commission on sales is accounted as and when accepted.

## IMP POWERS LIMITED

- c. Sales are recognized on dispatch of goods to customers and include sales value of goods and excise duty and other receipts connected with sales.
- d. Liability for Excise Duty on finished goods is accounted for as and when they are cleared from the factory premises.
- e. Customs Duty on goods lying in Customs Bonded Warehouses is charged in the year of clearance of the goods when it becomes payable.
- f. CENVAT benefit on total purchase is accounted for by reducing the purchase cost of the materials\fixed assets wherever applicable.
- g. Rent income is accounted on accrual basis.

### 9. Employee Benefits:

- a. Company's defined contributions made to provident fund of government are charged to profit & loss account on accrual basis.
- b. Contribution to Gratuity Fund and provision for Leave Encashment is based on actuarial valuation carried out as on the Balance Sheet date as per Projected Unit Credit Method.

### 10. Foreign Currency Transactions:

Foreign Currency transactions are accounted at the exchange rates prevailing on the date of transactions. Foreign currency current assets and current liabilities outstanding at the balance sheet date are translated at the exchange rate prevailing on that date and the resultant gain or loss is recognized in the profit & loss account. Also, in cases where they relate to the acquisition/construction of fixed assets, they are recognized in Profit & Loss accounts.

### 11. Borrowing Cost:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets up to the date when they are ready for their intended use and other borrowing costs are charged to profit & loss account.

### 12. Operating Lease :

Assets acquired on lease where a significant position of risks and rewards of ownership are retained by lessor are classified as Operating Lease. Lease rentals are charged to profit & loss account as incurred. Initial direct costs in respect of assets taken on operating lease are expensed off in year in which cost are incurred.

Assets given on lease where a significant position of risks and rewards of ownership are retained by Lessor are classified as Operating Lease. Lease rentals are credited to profit & loss account on accrual.

### 13. Taxation:

Provision for taxation is made on the basis of the taxable profits computed for the current accounting period in accordance with the Income Tax Act, 1961.

Deferred Tax resulting from "timing difference" between book profit and taxable profit for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be adjusted in future.

### 14. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purposed of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### 15. Contingent Liabilities & Provision:

Claims against the Company not acknowledged as debts are treated as contingent liabilities. Provision in respect of contingent liabilities if any, is made when it is probable that a liability may be incurred and the amount can be reasonably estimated.

Notes forming part of the financial statements for the year ended 30<sup>th</sup> June, 2012

## Note 2 : Share Capital

Particulars	As at 30 <sup>th</sup> June, 2012		As at 30 <sup>th</sup> June, 2011	
	Number of Shares	₹	Number of Shares	₹
<b>(a) Authorised</b>				
Equity Shares of ₹ 10/- each with voting rights	27,670,000	276,700,000	12,002,000	120,020,000
Compulsorily convertible preference shares of ₹ 161/- each	-	-	1,180,000	189,980,000
Preference shares of ₹10/- each	6,330,000	63,300,000	3,000,000	30,000,000
	<b>34,000,000</b>	<b>340,000,000</b>	<b>16,182,000</b>	<b>340,000,000</b>
<b>(b) Issued</b>				
Equity Shares of ₹ 10/- each with voting rights	8,140,963	81,409,630	8,140,963	81,409,630
4% Cumulative preference shares of ₹ 10/- each	2,450,000	24,500,000	2,450,000	24,500,000
1% Preference shares of ₹10/- each	2,217,476	22,174,760	-	-
	<b>12,808,439</b>	<b>128,084,390</b>	<b>10,590,963</b>	<b>105,909,630</b>
<b>(c) Subscribed and fully paid up</b>				
Equity Shares of ₹ 10/- each with voting rights	8,136,563	81,365,630	8,136,563	81,365,630
4% Cumulative Preference Shares of ₹ 10/- each	2,450,000	24,500,000	2,450,000	24,500,000
1% Preference Shares of ₹10/- each	2,217,476	22,174,760	-	-
Shares Forfeited		22,000		22,000
	<b>12,804,039</b>	<b>128,062,390</b>	<b>10,586,563</b>	<b>105,887,630</b>
<b>Total</b>	<b>12,804,039</b>	<b>128,062,390</b>	<b>10,586,563</b>	<b>105,887,630</b>

## Note:-

- Equity Shares includes 11,27,000 shares issued as fully paid up Bonus Shares during 1994-95 by Capitalisation of Revaluation Reserve.
- 4% Redeemable Preference Shares along with dividend will be redeemed from 1st April 2013 to 31st March 2016 in twelve quarterly equal installments.
- Corporate Debt Restructuring (CDR CELL) has approved the recompense amount towards interest liabilities amounting to ₹ 443.50 lacs for the Company to exit from CDR scheme in the previous financial year. Pursuant to terms & conditions of the CDR cell, 25% of the total amount has been paid by the company in cash & for balance 75% ,the Company has issued 1% Cumulative Redeemable Preference Shares, which are redeemable in 3 half yearly equal installments beginning from March 2012 To March 2013. 1st instalment of ₹ 1,10,87,380/- was paid during the year.
- The Authorised Share Capital was reclassified and subsequently clause V substituted vide Ordinary Resolution passed by the Shareholders of the Company at their Extra ordinary General Meeting held on Monday,19th September 2011 at the Registered Office of the Company.



# IMP POWERS LIMITED

## Notes forming part of the financial statements for the year ended 30<sup>th</sup> June, 2012

### Note 2a : Share capital (contd.)

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 30 <sup>th</sup> June, 2012		As at 30 <sup>th</sup> June, 2011	
	Number of Shares	₹	Number of Shares	₹
<b>Equity shares with voting rights</b>				
At the Beginning of the period	8,136,563	81,365,630	8,136,563	81,365,630
Add:- Fresh Issue	-	-	-	-
Less:- Redemption	-	-	-	-
Outstanding at the end the period	<b>8,136,563</b>	<b>81,365,630</b>	<b>8,136,563</b>	<b>81,365,630</b>
<b>4% Redeemable preference shares</b>				
At the Beginning of the period	2,450,000	24,500,000	2,450,000	24,500,000
Add:- Fresh Issue	-	-	-	-
Less:- Redemption	-	-	-	-
Outstanding at the end the period	<b>2,450,000</b>	<b>24,500,000</b>	<b>2,450,000</b>	<b>24,500,000</b>
<b>1% Redeemable Preference Shares</b>				
At the Beginning of the period	-	-	-	-
Add:- Fresh Issue	3,326,214	33,262,140	-	-
Less:- Redemption	1,108,738	11,087,380	-	-
Outstanding at the end the period	<b>2,217,476</b>	<b>22,174,760</b>	-	-

(ii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 30 <sup>th</sup> June, 2012		As at 30 <sup>th</sup> June, 2011	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<u>Equity shares with voting rights</u>				
Advance Transformer & Equipment Pvt Ltd.	773,189	9.50	773,189	9.50
Shree Kishoriju Trading & Investment Pvt. Ltd.	561,407	6.90	561,407	6.90
Shree Rasbihari Trading and Investment Pvt. Ltd.	797,773	9.80	797,773	9.80
IL&FS Trust Company Ltd.	637,200	7.83	637,200	7.83
India Business Excellence Fund	542,800	6.67	542,800	6.67

(iii) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date:

Particulars	Aggregate number of shares	
	As at 30 <sup>th</sup> June, 2012	As at 30 <sup>th</sup> June, 2011
<u>Redeemable preference shares</u> Fully paid up pursuant to contract(s) without payment being received in cash	3,326,214	-

(iv) Details of forfeited shares

Class of shares / Name of shareholder	As at 30 <sup>th</sup> June, 2012		As at 30 <sup>th</sup> June, 2011	
	Number of shares	Amount originally paid up (₹)	Number of shares	Amount originally paid up (₹)
Equity shares	4,400	22,000	4,400	22,000
Share Premium		176,000		176,000
<b>TOTAL</b>	<b>4,400</b>	<b>198,000</b>	<b>4,400</b>	<b>198,000</b>

Notes forming part of the financial statements for the year ended 30<sup>th</sup> June, 2012

Particulars	As at 30 <sup>th</sup> June, 2012 ₹	As at 30 <sup>th</sup> June, 2011 ₹
<b>Note 3: Reserves and Surplus</b>		
<b>(a) Capital Reserve</b>		
Opening Balance as per last Audited financial Statement	7,445,000	7,445,000
Add: Additions during the year	-	-
Less: Utilised / transferred during the year	-	-
Closing balance	<u>7,445,000</u>	<u>7,445,000</u>
<b>(b) Preference Shares Capital Redemption Reserve</b>		
<b>4% Redeemable Preference Shares</b>		
Opening Balance as per last Audited financial Statement	14,087,500	11,637,500
Add: Additions during the year	-	-
Transferred from surplus in Statement of Profit and Loss	2,450,000	2,450,000
Others	-	-
Less: Utilised during the year	-	-
Closing balance	<u>16,537,500</u>	<u>14,087,500</u>
<b>1% Redeemable Preference Shares</b>		
Opening Balance as per last Audited financial Statement	-	-
Add: Additions during the year	-	-
Transferred from surplus in Statement of Profit and Loss	11,087,380	-
Others	-	-
Less: Utilised during the year	-	-
Closing balance	<u>11,087,380</u>	<u>-</u>
<b>(c) Securities Premium Account</b>		
Opening Balance as per last Audited financial Statement (includes ₹ 176,000/- towards Share forfeited)	478,577,741	478,577,741
Add : Premium on shares issued during the year	-	-
Closing balance	<u>478,577,741</u>	<u>478,577,741</u>
<b>(d) Bonds Redemption Reserve</b>		
Opening Balance as per last Audited financial Statement	30,147,750	24,582,020
Add: Additions during the year	-	-
Transferred from surplus in Statement of Profit and Loss	5,565,730	5,565,730
Others	-	-
Less: Utilised / transferred during the year	-	-
Closing balance	<u>35,713,480</u>	<u>30,147,750</u>
<b>(e) Revaluation Reserve</b>		
Opening Balance as per last Audited financial Statement	29,739,740	31,071,196
Less: Utilised for set off against depreciation	1,331,456	1,331,456
Written back / other utilisations during the year	-	-
Closing balance	<u>28,408,284</u>	<u>29,739,740</u>
<b>(f) General Reserve</b>		
Opening Balance as per last Audited financial Statement	77,226,072	77,226,072
Add: Transferred from surplus in Statement of Profit and Loss	-	-
Less: Utilised / transferred during the year for:	-	-
Closing balance	<u>77,226,072</u>	<u>77,226,072</u>

# IMP POWERS LIMITED

## Notes forming part of the financial statements for the year ended 30<sup>th</sup> June, 2012

Particulars	As at 30 <sup>th</sup> June, 2012 ₹	As at 30 <sup>th</sup> June, 2011 ₹
<b>(g) Surplus / (Deficit) in Statement of Profit and Loss</b>		
<b>Opening Balance as per last Audited Financial Statement</b>	164,768,304	155,417,572
Add: Profit / (Loss) for the year	71,997,046	27,802,979
Less: Interim dividend	-	-
Dividends proposed to be distributed to equity shareholders (₹ 1/- per share)	12,204,845	8,136,563
Dividends proposed to be distributed to preference shareholders (₹ 0.40 /-per share)	980,000	980,000
Tax on dividend	1,979,931	1,319,954
Transfer to 4% Preference Share Capital Redemption Reserve	2,450,000	2,450,000
Transfer to 1% Preference Share Capital Redemption Reserve	11,087,380	-
Transfer to Bonds Redemption Reserve	5,565,730	5,565,730
Transfer to General Reserve	-	-
Closing balance	<u>202,497,464</u>	<u>164,768,304</u>
<b>Total</b>	<u><b>857,492,921</b></u>	<u><b>801,992,107</b></u>

### Notes:-

- 1) The Company had not received the balance 90% amount on 450000 warrants, thus the Company has forfeited Warrant Application money of ₹ 74,45,000 of these Warrants and transferred to Capital Reserve.
- 2) Based on valuation report submitted by a professional valuer appointed for the purpose of valuing Factory Lease Hold Land & Building at Kandivali works & building Head office, the same have been revalued as at 31st March, 1994 on current cost basis. The resultant increase in net book value on such revaluation amounting to ₹ 67.70 million was transferred to Revaluation Reserve account.

### Note 4: Long-term borrowings

<b>(a) Bonds (Refer Note (2) below)</b>		
Secured	51,019,192	55,657,300
(5,56,573 4 % Non- Convertible Bonds)		
Unsecured	-	-
	<u>51,019,192</u>	<u>55,657,300</u>
<b>(b) Term loans</b>		
From banks		
Secured	122,768,530	172,670,638
Unsecured	-	-
	<u>122,768,530</u>	<u>172,670,638</u>
<b>(c) Other loans and advances (Vehicle Loan)</b>		
Secured	3,277,244	5,247,318
Unsecured	-	-
	<u>3,277,244</u>	<u>5,247,318</u>
<b>Total</b>	<u><b>177,064,966</b></u>	<u><b>233,575,256</b></u>

### Notes

- 1) Term loan & Bonds from Financial Institutions and Banks are secured by way of first charge on all Fixed Assets of the Company both present & future on pari-passu basis with other member bank of consortium and Second charge on all Current Assets of the company both present & future on pari-passu basis with other member bank of consortium and personal guarantee of promoter Directors.
- 2) Non Convertible Redeemable Bonds including interest will be redeemed from 1st April 2013 to 31st March 2016 in twelve quarterly equal installment. Out of which ₹ 4638108/- will be redeemed in the next 12 months considered under current liabilities.
- 3) Vehicle Loan are secured by hypothecation of vehicles.

Notes forming part of the financial statements for the year ended 30<sup>th</sup> June, 2012

Particulars	As at 30 <sup>th</sup> June, 2012 ₹	As at 30 <sup>th</sup> June, 2011 ₹
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**Note 4a : Long-term borrowings (contd.)**

(i) Details of bonds issued by the Company:

**Particulars****As at 30<sup>th</sup> June, 2012**

<b>Current</b>	<b>Non-Current</b>
₹	₹

4 % Non-Convertible Bonds

4,638,108

51,019,192

Total - Bonds (i)

4,638,10851,019,192

(ii) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings:

Particulars	As at 30 <sup>th</sup> June, 2012				
	Current	Non-Current	Period of Maturity w.r.t. the Balance Sheet date	No. of Installments Outstanding as at 30 <sup>th</sup> June 2012	Amount of each installment *
	₹	₹	Period	No.	₹
<b>Term loans from banks:</b>					
Karnataka Bank Ltd. (WCTL)	1,750,000	-	9 Months	3 Quarterly	590,000
State Bank of India (WCTL)	2,076,400	-	9 Months	3 Quarterly	690,600
State Bank of India (TL)	11,325,960	19,820,465	2 Years 9 Months	11 Quarterly	2,831,490
State Bank of India (Corporate)	25,000,000	25,000,000	2 Years	4 Half Yearly	12,500,000
State Bank of India (WCTL)	2,336,940	-	9 Months	3 Quarterly	779,308
State Bank of Hyderabad (WCTL)	2,113,154	-	6 Months	2 Quarterly	1,143,000
State Bank of Hyderabad (TL)	20,000,000	34,710,742	2 Years 9 Months	11 Quarterly	5,000,000
Bank of India (WCTL)	2,075,000	-	9 Months	3 Quarterly	685,000
Bank of India (TL)	10,008,000	20,772,423	3 Years 1 Months	37 Months	834,000
Stressed Assets Stabilisation (TL)	13,826,904	-	9 Months	3 Quarterly	4,608,000
Power Finance Corporation (TL)	9,389,760	-	9 Months	3 Quarterly	3,129,921
Greater Bombay Co-Op. Bank Ltd. (TL) (1)	-	22,464,900			
Total - Term loans from banks	99,902,118	122,768,530			
<b>Other loans and advances:</b>					
HDFC Bank Ltd.	1,051,506	2,132,516	-	-	-
Kotak Mahindra Prime Ltd.	3,660,875	1,144,728	-	-	-
Total - Other loans and advances	4,712,381	3,277,244			
Total (ii)	104,614,499	126,045,774			
<b>Total (i+ii)</b>	<b>109,252,607</b>	<b>177,064,966</b>			

Note:-\* Last Instalment payments will be of balance amount outstanding.

(1) The Greater Bombay Co-operative Bank Ltd. (GBCB) did not join CDR Scheme which was considered as approved by other consortium banks/financial institute in the year 2004-2005. GBCB did not work out on the revised repayment plan. Instead GBCB initiated the legal actions against the company. The Company has filed petition u/s 391 of the Companies Act in the High Court and the matter is pending in the court. However the company has provided interest in the books of account.

(ii) The Company has defaulted in repayment of loans and interest in respect of the following:

Particulars	As at 30 <sup>th</sup> June, 2012		As at 30 <sup>th</sup> June, 2011	
	Period of default (Years) *	₹	Period of default (Years)*	₹
<b>Term loans from banks</b>				
Principal	8	22,464,900	7	22,464,900
Interest	8	14,154,000	7	12,132,000

(iii) For the current maturities of long-term borrowings, refer item (a) in Note 9 Other current liabilities.

\* Base of the year 2004-2005

# IMP POWERS LIMITED

## Notes forming part of the financial statements for the year ended 30<sup>th</sup> June, 2012

Particulars	As at 30 <sup>th</sup> June, 2012 ₹	As at 30 <sup>th</sup> June, 2011 ₹
<b>Note : 5 Other long-term liabilities</b>		
Others:		
(i) Interest accrued but not due on Bonds	14,288,232	12,061,930
(ii) Trade / security deposits received	4,266,000	4,266,000
<b>Total</b>	<b>18,554,232</b>	<b>16,327,930</b>
<b>Note 6 : Long-term provisions</b>		
(a) Provision for employee benefits:		
(i) Provision for compensated absences	1,540,027	1,650,426
(ii) Provision for gratuity (net)	(1,191,468)	3,035,151
(b) Provision - Others:		
(i) Provision for premium payable on redemption of bonds (Refer Note 4 Long-term borrowings)	6,855,640	5,875,640
<b>Total</b>	<b>7,204,199</b>	<b>10,561,217</b>
<b>Defined Benefits Plans :</b>		
a. Contribution to Gratuity Fund - The Company regularly contributes to the gratuity fund called the " Industrial Meters Private Limited Gratuity Fund" framed under the Payment of Gratuity Act, 1972, which is a defined benefit plan.		
<b>Changes in Defined Benefit Obligation :</b>		
Liability at the beginning of the year	9,191,425	7,801,939
Interest Cost	781,271	643,660
Current Service Cost	673,041	972,696
Past Service Cost- Vested Benefit	-	-
Benefit Paid	(499,046)	(1,412,200)
Actuarial (gain)/loss on obligations	(588,795)	1,185,330
Liability at the end of the year	<u>9,557,896</u>	<u>9,191,425</u>
<b>Changes in the Fair value of Plan Assets for Gratuity ( Funded Scheme ) :</b>		
Fair Value of Plan Assets at the beginning of the year	6,156,274	7,083,474
Expected Return on Plan Assets	523,283	566,678
Contributions	3,035,151	485,000
Benefit Paid	(499,046)	(1,412,200)
Actuarial gain/ (loss) on Plan Assets	(1,533,702)	(566,678)
Fair Value of Plan Assets at the end of the year	10,749,364	6,156,274
Total Actuarial gain/( loss) To Be Recognized	<u>(2,122,497)</u>	<u>1,752,008</u>
<b>Amount recognized in the Balance Sheet:</b>		
Defined Benefit Obligation as at June 30	(9,557,896)	(9,191,425)
Fair Value of Plan Assets as at June 30	10,749,364	6,156,274
(Liability) / Assets recognized in the Balance Sheet included in the Balance Sheet included in Current Liabilities and Provisions	<u>1,191,468</u>	<u>(3,035,151)</u>
<b>Expenses recognized in the Profit &amp; Loss Account:</b>		
Current Service Cost	673,041	972,696
Interest Cost	781,271	643,660
Expected Return on Plan Assets	(523,283)	(566,678)
Actuarial (Gain) or Loss	(2,122,497)	1,752,018
Past Service Cost- Vested Benefit	-	-
Expense Recognized in P & L	<u>(1,191,468)</u>	<u>2,801,696</u>
<b>Actuarial Assumptions:</b>		
<b>Assumptions</b>		
Discount Rate Current	8.50%	8.50%
Rate of Return on Plan Assets Current	8.60%	8.50%
Salary Escalation Current	5.00%	5.00%
Attrition Rate Current Year	2.00%	2.00%

Notes forming part of the financial statements for the year ended 30<sup>th</sup> June, 2012

Particulars	As at 30 <sup>th</sup> June, 2012 ₹	As at 30 <sup>th</sup> June, 2011 ₹
<b>Note 7 :Short-term borrowings</b>		
(a) Loans repayable on demand		
From banks		
Secured		
Cash Credit Facilities	174,913,028	4,115,617
Working Capital Demand Loan	373,199,618	313,050,685
Packing Credit Loan	71,300,000	82,651,238
	<u>619,412,646</u>	<u>399,817,540</u>
(b) Loans and advances from related parties (Refer Note 28.b)		
Secured	-	-
Unsecured	-	30,000
<b>Total</b>	<u>619,412,646</u>	<u>399,847,540</u>

**Notes:**

- (i) Details of Loans repayable and security for the secured short-term borrowings:

Loans repayable on demandfrom banks:

Karnataka Bank Ltd.	58,333,102	59,543,218
Bank of India	189,831,998	127,585,267
State Bank of India	134,546,317	6,741,185
State of Hyderabad	183,996,169	138,857,338
IDBI Bank	48,393,555	67,090,532
Axis Bank Ltd	4,311,505	-
<b>Total - from banks</b>	<u>619,412,646</u>	<u>399,817,540</u>

## Note:-

- 1) Working Capital loan from Banks are secured against first charge on all current assets of the company, present & future, on pari passu basis with banks in the consortium and Second charge on all Fixed Assets of the company, both present & future, on pari-passu basis with member banks of consortium. Also collateral security of equitable Mortgage of residential property in the name of Directors situated at Ground floor, 86A, Shriniketan, Netaji Subhash Marg, Mumbai on pari passu basis with the member of banks of Consortium (Except Axis Bank Ltd.) and personal guarantee of promoter Directors.

**Note 8: Trade payables**

## Trade payables:

Total Outstanding Dues of Micro and Small Enterprises (Refer Note No. 26.2)	-	1,007,566
Other than Acceptances	427,260,133	288,309,875
<b>Total</b>	<u>427,260,133</u>	<u>289,317,441</u>

## IMP POWERS LIMITED

### Notes forming part of the financial statements for the year ended 30<sup>th</sup> June, 2012

Particulars	As at 30 <sup>th</sup> June, 2012 ₹	As at 30 <sup>th</sup> June, 2011 ₹
<b>Note : 9 Other current liabilities</b>		
(a) Current maturities of long-term debt (Refer Note 4a)	109,252,607	90,516,221
(b) Unpaid dividends	66,626	-
(c) Other payables	119,616,334	109,686,938
<b>Total</b>	<b><u>228,935,567</u></b>	<b><u>200,203,159</u></b>

Note (i): Current maturities of long-term debt (Refer Notes (i) and (ii) in Note 4a - Long-term borrowings for details of security and guarantee):

(a) Bonds (Refer No. 4a)		
Secured	4,638,108	-
(b) Term loans		
From banks		
Secured	99,902,118	86,242,355
Unsecured		
(c) Other loans and advances (Vehicle Loan)		
Secured	4,712,381	4,273,866
Unsecured	-	-
<b>Total</b>	<b><u>109,252,607</u></b>	<b><u>90,516,221</u></b>

#### Note 10: Short-term provisions

(a) Provision for employee benefits:		
(i) Provision for bonus	1,704,835	1,686,343
(ii) Provision for other employee benefits (give details)	-	64,099
(b) Provision - Others:		
(i) Provision for proposed equity dividend	12,204,845	8,136,563
(ii) Provision for tax on proposed dividends	1,979,931	1,319,954
<b>Total</b>	<b><u>15,889,611</u></b>	<b><u>11,206,959</u></b>

**Notes forming part of the financial statements for the year ended 30th June, 2012**  
**Note 11 : Fixed Assets**

A	Tangible assets	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		Balance as at 1st July, 2011 ₹	Additions ₹	Disposals ₹	Balance as at 30th June, 2012 ₹	For the year ₹	Deduction Adjustment ₹	As at 30th June, 2012 ₹	As at 30th June, 2011 ₹
	Free Hold Land	33,051,968	-	-	33,051,968	-	-	33,051,968	33,051,968
	Building & HO Building	419,461,496	5,055,631	-	424,517,127	14,098,312	-	307,495,108	316,537,789
	Plant & Machineries	457,084,073	50,676,567	-	507,760,640	23,497,511	-	367,512,027	340,332,971
	Dies & Jigs	2,750,150	-	-	2,750,150	2,750,150	-	2,750,150	-
	Electrical Installation	18,539,575	34,400	-	18,573,975	1,174,072	-	11,554,670	12,694,342
	Air Conditioning Equipments	4,164,000	163,400	-	4,327,400	1,685,286	-	2,445,548	2,478,714
	Furniture & Fixtures	23,236,450	110,900	-	23,347,350	1,436,893	-	10,992,965	12,318,958
	Office Equipments	3,341,316	213,726	-	3,555,042	1,38,815	-	1,752,318	1,677,407
	Cars & Vehicles	26,369,372	3,558,693	2,250,746	27,677,319	2,359,207	1,430,208	19,300,988	18,922,040
	Computer	10,812,940	983,381	-	11,796,321	7,940,797	-	2,787,775	2,872,143
	<b>Total</b>	<b>998,811,340</b>	<b>60,796,698</b>	<b>2,250,746</b>	<b>1,057,357,292</b>	<b>43,969,125</b>	<b>1,430,208</b>	<b>756,893,367</b>	<b>740,886,332</b>
	Previous year	951,848,295	47,485,117	522,072	998,811,340	40,579,545	256,250	740,886,332	734,246,582

**Note 11 Fixed Assets**

B	Intangible Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		Balance as at 1st July, 2011 ₹	Additions ₹	Disposals ₹	Balance as at 30th June, 2012 ₹	For the year ₹	Deduction Adjustment ₹	As at 30th June, 2012 ₹	As at 30th June, 2011 ₹
	Software	-	157,296	-	157,296	6,688	-	150,608	-
	<b>Total</b>	-	<b>157,296</b>	-	<b>157,296</b>	<b>6,688</b>	-	<b>150,608</b>	-
	Previous year	-	-	-	-	-	-	-	-
	<b>Intangible assets under development</b>	-	1,000,000	-	1,000,000	-	-	1,000,000	-

Notes : Company is under the process of implementing ERP and expenditure incurred has been considered as intangible assets under development

**Note 11 : Fixed Assets (contd.)**

C	Particulars	As at 30th June,	
		2012 ₹	2011 ₹
	Depreciation and amortisation relating to continuing operations:		
	Depreciation and amortisation for the year on tangible assets as per Note 11 A	43,969,125	40,579,545
	Depreciation and amortisation for the year on intangible assets as per Note 11 B	6,688	-
	Less: Utilised from revaluation reserve	1,331,456	1,331,456
	<b>Depreciation and amortisation relating to continuing operations</b>	<b>42,644,357</b>	<b>39,248,089</b>



# IMP POWERS LIMITED

## Notes forming part of the financial statements for the year ended 30<sup>th</sup> June, 2012

### Note 12 : Non-current investments

Particulars	As at 30 <sup>th</sup> June, 2012			As at 30 <sup>th</sup> June, 2011		
	Quoted ₹	Unquoted ₹	Total ₹	Quoted ₹	Unquoted ₹	Total ₹
Investments (At cost):						
<b>Non- Trade</b>						
Subsidiary						
32065 Equity Shares subsidiaries of IMP Energy Ltd. Of Rs. 10/- each	-	320,650	320,650	-	-	-
<b>Others</b>						
(a) 10 Equity Shares of The Mogaveera Co-Op. Bank Ltd. Of Rs. 100/- each fully paid	-	1,000	1,000	-	1,000	1,000
(b) 4000 Equity Shares of The Grater Bombay Co-Op. Bank Ltd. Of Rs. 25/- fully Paid	-	100,000	100,000	-	100,000	100,000
<b>Total</b>	-	<b>421,650</b>	<b>421,650</b>	-	<b>101,000</b>	<b>101,000</b>

Particulars	As at 30 <sup>th</sup> June, 2012 ₹	As at 30 <sup>th</sup> June, 2011 ₹
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### Note 13 : Long-term loans and advances

(a) Security deposits		
Secured, considered good	32,054,699	31,273,581
Unsecured, considered good		
	<u>32,054,699</u>	<u>31,273,581</u>
(b) Advance income tax (net of provisions ₹ 9,58,83,174/-) Unsecured, considered good	(3,168,406)	5,307,351
(c) Balances with government authorities		
Unsecured, considered good		
(i) Export Incentive (Refer Note below)	12,050,862	-
(ii) VAT credit receivable	6,335,618	6,085,136
(iii) Advance Licence	10,494,510	5,692,682
(d) Other loans and advances		
Secured, considered good	-	-
Unsecured, considered good	115,000	115,000
<b>Total</b>	<u>57,882,282</u>	<u>48,473,750</u>

i) The Company has undertaken export & deemed exports of its products, by using indigenous raw materials. Against such exports the Company has received Quantity Based Advance Licenses entitling the company to import certain raw materials at Nil Custom duty. The Utilized portion of these licenses amounting to ₹ 10.49 million (previous ₹ 5.69 million) has been valued as prevailing Customs Duty rates 30<sup>th</sup> June, 2012 and taken credit in the books of accounts in accordance with the matching principle of accountancy.

### Note 14 : Inventories

(At lower of cost and net realisable value)

(a) Raw materials		
Copper wire & Strips	84,489,934	50,358,733
Transformer oil	2,857,088	8,138,718
Lamination	11,076,445	19,309,680
Others	72,563,939	80,780,369
	<u>170,987,406</u>	<u>158,587,500</u>
(b) Work-in-progress	119,586,992	220,447,475
(c) Finished goods (other than those acquired for trading)	157,547,374	212,166,212
<b>Total</b>	<u>448,121,771</u>	<u>591,201,187</u>

Notes forming part of the financial statements for the year ended 30<sup>th</sup> June, 2012

Particulars	As at 30 <sup>th</sup> June, 2012 ₹	As at 30 <sup>th</sup> June, 2011 ₹
<b>Note 15: Trade receivables</b>		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Secured, considered good	164,922,014	92,556,590
Other Trade receivables		
Secured, considered good	1,024,259,441	576,932,231
<b>Total</b>	<b>1,189,181,455</b>	<b>669,488,821</b>
<b>Note 16 : Cash and Bank Balances</b>		
(a) Cash on hand	2,806,939	4,268,309
(b) Balances with banks		
(i) In current accounts	1,677,457	3,554,994
(ii) In earmarked accounts		
Unpaid dividend accounts	66,626	-
Balances held as margin money or security against borrowings, guarantees and other commitments	23,020,600	9,700,450
<b>Total</b>	<b>27,571,622</b>	<b>17,523,753</b>
<b>Note 17: Short-term loans and advances</b>		
(a) Loans and advances to related parties		
Secured, considered good	-	-
Unsecured, considered good	4,583,118	-
Less: Provision for doubtful loans and advances	-	-
	<u>4,583,118</u>	<u>-</u>
(b) Loans and advances to employees		
Secured, considered good	-	-
Unsecured, considered good	8,202,620	7,020,784
Less: Provision for doubtful loans and advances	-	-
	<u>8,202,620</u>	<u>7,020,784</u>
(c) Prepaid expenses - Unsecured, considered good	26,332,350	20,425,566
(d) Balances with government authorities		
Unsecured, considered good		
(i) CENVAT credit receivable	564,913	4,096,570
(ii) VAT credit receivable	-	-
(iii) Service Tax credit receivable	3,842,830	4,790,197
(e) Others		
Unsecured, considered good	10,623	17,084
Doubtful	-	-
Less: Provision for other doubtful loans and advances	-	-
	<u>10,623</u>	<u>17,084</u>
<b>Total</b>	<b>43,536,454</b>	<b>36,350,201</b>
<b>Note 18 : Other current assets</b>		
(a) Accruals		
(i) Interest accrued on deposits	874,870	1,368,655
<b>Total</b>	<b>874,870</b>	<b>1,368,655</b>

# IMP POWERS LIMITED

## Notes forming part of the financial statements for the year ended 30<sup>th</sup> June, 2012

Particulars	For the year ended 30 <sup>th</sup> June, 2012 ₹	For the year ended 30 <sup>th</sup> June, 2011 ₹
<b>Note 19 : Revenue from operations</b>		
(a) Sale of Distribution & Power Transformers	3,067,348,970	2,728,992,562
(b) Erection & Commissioning services	4,435,000	235,193
	<u>3,071,783,970</u>	<u>2,729,227,755</u>
<u>Less:</u>		
(c) Excise duty	249,357,192	237,730,166
<b>Total</b>	<b><u>2,822,426,778</u></b>	<b><u>2,491,497,589</u></b>
<b>Note 20 : Other income</b>		
(a) Interest income (Refer Note (i) below)	897,298	1,000,867
(b) Other non-operating income (net of expenses directly attributable to such income)	3,440	390,152
<b>Total</b>	<b><u>900,738</u></b>	<b><u>1,391,019</u></b>
<b>(i) Interest income comprises:</b>		
Interest from banks on:		
Deposits	805141	946082
Interest on loans and advances	92,157	54,785
<b>Total - Interest income</b>	<b><u>897,298</u></b>	<b><u>1,000,867</u></b>
<b>(ii) Royalty Received</b>		
Miscellaneous income	-	311,680
	3,440	78,472
<b>Total - Other non-operating income</b>	<b><u>3,440</u></b>	<b><u>390,152</u></b>
<b>Note 21.a : Cost of materials consumed</b>		
Opening stock	158,587,500	207,180,835
Add: Purchases	2,051,247,224	1,927,854,492
	<u>2,209,834,724</u>	<u>2,135,035,327</u>
Less: Closing stock	170,987,405	158,587,500
<b>Cost of material consumed</b>	<b><u>2,038,847,319</u></b>	<b><u>1,976,447,827</u></b>
Material consumed comprises:		
Copper wire & Strips	674,517,437	752,941,611
Transformer oil	313,928,754	249,886,611
Lamination	483,132,956	556,191,230
Others	567,268,172	417,428,375
<b>Total</b>	<b><u>2,038,847,319</u></b>	<b><u>1,976,447,827</u></b>
<b>Note 21.b : Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>		
<u>Inventories at the end of the year:</u>		
Finished goods	157,547,374	212,166,212
Work-in-progress	119,586,992	220,447,475
	<u>277,134,366</u>	<u>432,613,687</u>
<u>Inventories at the beginning of the year:</u>		
Finished goods	212,166,212	191,949,231
Work-in-progress	220,447,475	191,613,674
	<u>432,613,687</u>	<u>383,562,905</u>
<b>Net (increase) / decrease</b>	<b><u>155,479,321</u></b>	<b><u>(49,050,782)</u></b>

Notes forming part of the financial statements for the year ended 30<sup>th</sup> June, 2012

Particulars	For the year ended 30 <sup>th</sup> June, 2012 ₹	For the year ended 30 <sup>th</sup> June, 2011 ₹
<b>Note 22: Employee benefits expense</b>		
Salaries and wages	98,174,504	83,476,605
Contributions to provident and other funds	924,813	4,858,815
Staff welfare expenses	<u>2,502,662</u>	<u>3,067,543</u>
<b>Total</b>	<b><u>101,601,979</u></b>	<b><u>91,402,963</u></b>
<b>Note 23: Finance costs</b>		
(a) Interest expense on:		
(i) Borrowings	157,616,206	135,019,893
(ii) Trade payables	4,341,145	6,250,119
(b) Other borrowing costs		
(i) Bank Commission, Bank Guarantee & othr Charges	<u>30,272,706</u>	<u>22,342,730</u>
<b>Total</b>	<b><u>192,230,057</u></b>	<b><u>163,612,742</u></b>
<b>Note 24 : Other expenses</b>		
Power and fuel	12,077,147	12,979,308
Rent including lease rentals(Net) (Refer Note 29)	3,727,000	8,937,000
Repairs and maintenance - Buildings	253,142	443,992
Repairs and maintenance - Others	1,967,096	2,174,478
Insurance	3,688,309	4,665,303
Rates and taxes	2,439,831	516,192
Communication	2,302,616	2,307,284
Travelling and conveyance	20,278,899	16,049,431
Printing and stationery	1,720,819	1,333,561
Motor Car Expenses	4,528,003	2,943,549
Office Expenses & Electricity Charges	2,838,875	2,561,119
Freight and forwarding	101,139,624	80,340,604
Loading & Unloading Charges	2,255,006	1,309,510
Sales commission	10,388,042	3,847,831
Business promotion & Advertisement	3,852,297	4,221,682
Donations and contributions	1,048,950	1,296,220
Legal and professional	4,553,722	5,940,943
Payments to auditors (Refer Note (i) below)	325,000	325,000
Bad trade and other receivables, loans and advances written off	124,895	789,045
Net loss on foreign currency transactions and translation (other than considered as finance cost)	551,603	733,331
Loss on fixed assets sold / scrapped / written off	370,538	185,822
Miscellaneous expenses	<u>10,234,778</u>	<u>14,474,945</u>
<b>Total</b>	<b><u>190,666,190</u></b>	<b><u>168,376,150</u></b>
<b>Notes:</b>		
(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
As auditors - statutory audit	250,000	250,000
For taxation matters	75,000	75,000
<b>Total</b>	<b><u>325,000</u></b>	<b><u>325,000</u></b>

# IMP POWERS LIMITED

## Notes forming part of the financial statements for the year ended 30<sup>th</sup> June, 2012

Particulars	For the year ended 30 <sup>th</sup> June, 2012 ₹	For the year ended 30 <sup>th</sup> June, 2011 ₹
<b>Note 25 : Exceptional items</b>		
Recompenses amount towards Interest (CDR) (Refer Note No.2 (3) under Share Capital)	-	44,350,000
<b>Total</b>	<b>-</b>	<b>44,350,000</b>
<b>Note 26 : Additional information to the financial statements</b>		
	<b>As at 30<sup>th</sup> June, 2012 ₹</b>	<b>As at 30<sup>th</sup> June, 2011 ₹</b>
<b>26.1 Contingent liabilities and commitments (to the extent not provided for)</b>		
(i) Contingent liabilities		
(a) Claims against the Company not acknowledged as debt		
Croгат Electronics Pvt. Ltd. was supplying raw materials and there was delay in supplying the material and there were rejections and several complaints from IMP's Customers due to substandard materials and non compliance of technical norms. IMP had to procure materials from other sources resulting in loss, IMP held back payment and Croгат filed suit.		
	474,731	474,731
Asea Brown Boveri Ltd. Filed by ABB Recovery as Counter suit against IMP.		
	14,108,160	14,108,160
(b) Performance ,Counter & Advance Guarantees		
	708,418,165	532,830,000
(c) Other money for which the Company is contingently liable		
(i) Income Tax Demands (A.Y. 2008-2009)		
	18,789,885	18,789,885
<b>26.2 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006</b>		
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year		
	Nil	1,007,566
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year		
	Nil	Nil
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day		
	Nil	Nil
(iv) The amount of interest due and payable for the year		
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year		
	Nil	Nil
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid		
	Nil	Nil
Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.		
<b>26.3 Value of imports calculated on CIF basis @:</b>		
Raw materials including Spares	40,121,430	6,576,722
<b>26.4 Expenditure in foreign currency</b>		
Travelling	1,837,792	1,000,000
<b>26.5 Details of consumption of imported and indigenous items *</b>		
	<b>For the year ended</b>	
	<b>₹</b>	<b>%</b>
<u>Imported</u>		
Raw materials	36,276,085	1.77
	(5,864,271)	(0.30)
Note: Figures / percentages in brackets relates to the previous year		
<u>Indigenous</u>		
Raw materials	2,011,125,794	98.23
	(1,921,277,770)	(99.70)
Note: Figures / percentages in brackets relates to the previous year		
<b>26.6 Earnings in foreign exchange</b>		
Export of goods calculated on FOB basis	397,715,179	91,690,000
Royalty, know-how, professional and consultation fees	-	-
Interest and dividend	-	-
Other income, indicating the nature thereof.	-	-

Notes forming part of the financial statements for the year ended 30<sup>th</sup> June, 2012

Particulars	For the year ended 30 <sup>th</sup> June, 2012 ₹	For the year ended 30 <sup>th</sup> June, 2011 ₹
<b>Note 27: Disclosures under Accounting Standards 16</b>		
<b>Details of borrowing costs capitalised</b>		
Borrowing costs capitalised during the year	6,285,906	12,019,602
- as fixed assets		
<b>Total</b>	<b>6,285,906</b>	<b>12,019,602</b>

**Note 28 : Disclosures under Accounting Standards 18****Note Particulars****28.a Details of related parties:****Description of relationship**

Subsidiaries

Associates

**Names of related parties**

IMP Energy Limited

Raga Organics P. Ltd

Advance Transformers &amp; Equipments Pvt. Ltd

Shree Kishoriju Trading &amp; Equipments Pvt. Ltd

Shree Rasbihari Electricals Pvt. Ltd

Shree &amp; Sons.

Universal Transformers Pvt. Ltd

Shree Rasbihari Trading and Investments Pvt. Ltd

Raj Exports Pvt. Ltd.

Mangalam Laboratories Pvt. Ltd.

Ramniwas R Dhoot (HUF)

Key Management Personnel (KMP)

Chairman : Shri Ramniwas R Dhoot

Managing Director : Shri Ajay R Dhoot

Jt. Managing Director : Shri Aaditya R Dhoot

Relatives of KMP

Mrs. Rajkumari R Dhoot (wife of Shri R. R. Dhoot),

Mrs. Smita A Dhoot (wife of Shri Aaditya. R. Dhoot),

Mrs. Radhika A Dhoot (wife of Shri Ajay R. Dhoot),

Note: Related parties have been identified by the Management.

**Details of related party transactions during the year ended 30th June, 2012 and balances outstanding as at 30th June, 2012:**

28.b	Ultimate Holding Company	Holding Company	Subsi- diaries	Fellow Subsi- diaries	Associ- ates	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence	Total
<b>Related party transactions</b>									
Purchase of goods	-	-	-	-	(1,367,500)	-	-	-	(1,367,500)
<b>Remuneration</b>									
Shri Ramniwas R Dhoot	-	-	-	-	-	4755604	-	-	4,755,604
	-	-	-	-	-	(4,082,498)	-	-	(4,082,498)
Shri Ajay R Dhoot	-	-	-	-	-	4,227,589	-	-	4,227,589
	-	-	-	-	-	(3,698,160)	-	-	(3,698,160)
Shri Aaditya R Dhoot	-	-	-	-	-	3,648,960	-	-	3,648,960
	-	-	-	-	-	(3,129,360)	-	-	(3,129,360)
Shri Rajendra Mimani	-	-	-	-	-	1,450,000	-	-	1,450,000

# IMP POWERS LIMITED

## Notes forming part of the financial statements for the year ended 30<sup>th</sup> June, 2012

<b>Leasing or hire purchase arrangements</b>	-	-	-	-	-	-	-	-
Ramniwas R Dhoot (HUF)	-	-	-	-	120,000	-	-	120,000
	-	-	-	-	(120,000)	-	-	(120,000)
Shri Ajay R Dhoot	-	-	-	-	420,000	-	-	420,000
	-	-	-	-	(326,400)	-	-	(326,400)
Shri Aaditya R Dhoot	-	-	-	-	390,000	-	-	390,000
	-	-	-	-	240,000	-	-	240,000
Shree Rasbihari Trading & Investment Pvt. Ltd.	-	-	-	120,000	-	-	-	120,000
	-	-	-	(120,000)	-	-	-	(120,000)
<b>Balances outstanding at the end of the year</b>								
Trade receivables	-	-	-	-	-	-	-	-
Loans and advances	-	-	4,583,118	-	-	-	-	4,583,118
Trade payables	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-
Provision for doubtful receivables, loans and advances	-	-	-	-	-	-	-	-

Note: Figures in bracket relates to the previous year

### Note 29: Disclosures under Accounting Standards 19

Note	Particulars	For the year ended	For the year ended
		30 <sup>th</sup> June, 2012	30 <sup>th</sup> June, 2011
		₹	₹
<b>29 Details of leasing arrangements</b>			
	<u>As Lessor</u>		
29.a	The Company has entered into operating lease arrangements for Its Premises at Kandivali, Mumbai. The lease was non-cancellable for a period of 6 Months from 19/04/2011 and has been renewed for a further period as mutually decided by both the parties.		
	Future minimum lease receivable		
	not later than one year	8,532,000	2,490,000
	later than one year and not later than five years	6,786,140	-
	later than five years		
	<u>As Lessee</u>		
29.b	The Company has entered into operating lease arrangements for its office premises at Tardeo Mumbai . The leases are non-cancellable and are for a period of 3 years and may be renewed for a further period as mutual agreement of the parties.		
	Future minimum lease payments		
	not later than one year	11,316,000	-
	later than one year and not later than five years	30,593,890	-
	later than five years		
	Lease payments recognised in the Statement of Profit and Loss	<u>11,316,000</u>	<u>11,070,000</u>
	Contingent rents recognised as expense during the year (state basis)		

Notes forming part of the financial statements for the year ended 30<sup>th</sup> June, 2012

Particulars	For the year ended 30 <sup>th</sup> June, 2012 ₹	For the year ended 30 <sup>th</sup> June, 2011 ₹
<b>Note 30: Disclosures under Accounting Standards 20</b>		
<b>30 Earnings per share</b>		
Weighted average number of equity shares outstanding	8,136,563	8,136,563
<b>30.a Profit (Loss) after taxation as per Profit &amp; Loss account attributable to Equity Shareholders after adjusting dividend on preference shares before extraordinary items</b>	71,017,046	71,172,979
Earning Per Share (Basic & Diluted) Before Extra-Ordinary item	8.73	8.75
<b>30.b Profit (Loss) after taxation as per Profit &amp; Loss account attributable to Equity Shareholders after adjusting dividend on preference shares before extraordinary items</b>	71,017,046	26,822,979
Earning Per Share (Basic & Diluted)	<u>8.73</u>	<u>3.30</u>
Nominal Value per share	<u>10.00</u>	<u>10.00</u>

**Note 31 : Disclosures under Accounting Standards 22**

<b>31 Deferred tax (liability) / asset</b>		
<u>Tax effect of items constituting deferred tax liability</u>		
<u>Opening Balance</u>	41,609,895	32,749,947
On difference between book balance and tax balance of fixed assets	11,271,407	8,862,062
On expenditure deferred in the books but allowable for tax purposes (reversal of Previous Year)	689,748	1,361,434
On items included in Reserves and surplus pending amortisation into the Statement of Profit and Loss		
Others		
Tax effect of items constituting deferred tax liability	<u>53,571,050</u>	<u>42,973,443</u>
<u>Tax effect of items constituting deferred tax assets</u>		
<u>Opening Balance</u>	5,135,434	4,065,226
Provision for compensated absences, gratuity and other employee benefits		
Provision for doubtful debts / advances		
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	2,557,981	2,373,468
On difference between book balance and tax balance of fixed assets		
Unabsorbed depreciation carried forward		
Brought forward business losses		
On items included in Reserves and surplus pending amortisation into the Statement of Profit and Loss		
Others	<u>120,221</u>	<u>60,289</u>
Tax effect of items constituting deferred tax assets	<u>7,813,636</u>	<u>6,498,983</u>
<b>Net deferred tax (liability) / asset</b>	<u>45,757,414</u>	<u>36,474,460</u>

32 The Revised Schedule VI has become effective from 1 July, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date.

**For Batliboi & Purohit**  
Chartered Accountants  
FRN NO. 101048W

On behalf of the Board of Directors

**(CA R. D. HANGEKAR)**  
Partner  
M.No.30615

**AJAY R DHOOT**  
MANAGING DIRECTOR

**AADITYA R DHOOT**  
JT. MANAGING DIRECTOR

Place : Mumbai  
Dated : 29<sup>th</sup> August, 2012



## IMP POWERS LIMITED

### STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO SUBSIDIARY COMPANY

Name of the Subsidiary: **IMP Energy Limited**

Sr. No.	Particulars	IMP Energy Limited
1.	Financial Period ended	31 <sup>st</sup> March 2012
2.	Holding Company's interest	64.13 % in Equity Shares
3.	Shares held by Holding Company in the Subsidiary	32065 Equity Shares
4.	The net aggregate of profit or losses of the subsidiary for the current period so far as it concerns the members of the Holding Company. a) Dealt with or provided for in the accounts of the Holding Company. b) Not dealt with or provided for in the accounts of Holding Company	 NIL NIL
5.	The net aggregate of profit or losses for previous financial years of the subsidiary so far as it concerns the members of the Holding Company. a) Dealt with or provided for in the accounts of the Holding Company. b) Not dealt with or provided for in the accounts of Holding Company.	 NIL NIL

As per our report of even date.

**For Batliboi & Purohit**  
**Chartered Accountants**  
**FRN NO. 101048W**

**On behalf of the Board of Directors**

**(CA R. D. HANGEKAR)**  
Partner  
M.No.30615

**AJAY R DHOOT**  
**MANAGING DIRECTOR**

**AADITYA R DHOOT**  
**JT. MANAGING DIRECTOR**

Place : Mumbai  
Dated : 29<sup>th</sup> August, 2012

**Statement pursuant to Exemption received under Section 212 (8) of the Companies Act, 1956 relating to Subsidiary Company for the period ended 30<sup>th</sup> June 2012 .**

(Value in ₹)

Sr. No.	Particulars	IMP Energy Limited
1	Capital	500,000
2	Reserve	(4,277,927)
3	Total assets	1,001,888
4	Total liabilities	4,779,815
5	Details of investment (except in case of investment in subsidiaries )	NIL
6	Turnover	NIL
7	Profit before taxation	NIL
8	Provision for taxation	NIL
9	Profit after taxation	NIL
10	Proposed dividend	NIL

As per our report of even date.

**For Batliboi & Purohit**  
Chartered Accountants  
FRN NO. 101048W

On behalf of the Board of Directors

**(CA R. D. HANGEKAR)**  
Partner  
M.No.30615

**AJAY R DHOOT**  
MANAGING DIRECTOR

**AADITYA R DHOOT**  
JT. MANAGING DIRECTOR

Place : Mumbai  
Dated : 29<sup>th</sup> August, 2012

# **IMP POWERS LIMITED**

## **Auditors Report on Consolidated Financial Statements**

To

### **The Board of Directors of IMP Powers Limited**

1. We have audited the attached Consolidated Balance Sheet of IMP Powers Limited (the "Company") as at 30<sup>th</sup> June, 2012, and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall Financial Statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the Financial Statements of the Company's Subsidiary (IMP Energy Ltd), whose Financial Statements reflect total assets of ₹ 10,01,888/- the total expenses of ₹ 42,77,927/- and net cash flows amounting to ₹ 38744/- as at 30<sup>th</sup> June 2012. These Financial Statements and other financial information have been audited by an other auditor whose report has been furnished to us, and our opinion is based solely on the report of the other auditor.
4. We report that the consolidated Financial Statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standards (AS) 21, Consolidated Financial Statements, notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended).
5. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in the case of the consolidated balance sheet, of the state of affairs of the Company as at 30<sup>th</sup> June 2012;
  - (b) in the case of the consolidated profit and loss account, of the profit for the year ended on that date; and
  - (c) in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

**For Batliboi & Purohit**  
**Chartered Accountants**  
**FRN NO. 101048W**

**(CA R. D. HANGEKAR)**  
**Partner**  
**Membership No.: 36015**

**Place: Mumbai**

**Date: 29<sup>th</sup> August 2012**

**Consolidated Balance Sheet as at 30<sup>th</sup> June, 2012**

	Note No.	As at 30 <sup>th</sup> June, 2012 ₹
<b>A EQUITY AND LIABILITIES</b>		
<b>1 Shareholders' funds</b>		
(a) Share capital	2	128,062,390
(b) Reserves and surplus	3	855,532,542
		<b>983,594,932</b>
<b>2 Minority Interest</b>	29.2	-
<b>3 Non-current liabilities</b>		
(a) Long-term borrowings	4	177,064,966
(b) Deferred tax liabilities (net)	31	45,757,414
(c) Other long-term liabilities	5	18,578,281
(d) Long-term provisions	6	7,204,199
		<b>248,604,860</b>
<b>4 Current liabilities</b>		
(a) Short-term borrowings	7	619,412,646
(b) Trade payables	8	427,260,133
(c) Other current liabilities	9	229,103,215
(d) Short-term provisions	10	15,889,611
		<b>1,291,665,605</b>
<b>TOTAL</b>		<b>2,523,865,397</b>
<b>B ASSETS</b>		
<b>1 Non-current assets</b>		
(a) Fixed assets		
(i) Tangible assets	11.A	757,646,720
(ii) Intangible assets	11.B	2,288,806
(iii) Intangible assets under development	11.B	1,000,000
(b) Non-current investments	12	101,000
(c) Long-term loans and advances	13	58,092,073
		<b>819,128,599</b>
<b>2 Current assets</b>		
(a) Inventories	14	448,121,771
(b) Trade receivables	15	1,189,181,455
(c) Cash and Bank Balances	16	27,610,366
(d) Short-term loans and advances	17	38,948,336
(e) Other current assets	18	874,870
		<b>1,704,736,798</b>
<b>TOTAL</b>		<b>2,523,865,397</b>

See accompanying notes forming part of the financial statements

Significant accounting policies the accompanying notes are an integral part of financial statements 1

**For Batliboi & Purohit**  
Chartered Accountants  
FRN NO. 101048W

On behalf of the Board of Directors

**(CA R. D. HANGEKAR)**  
Partner  
M.No.30615

**AJAY R DHOOT**  
MANAGING DIRECTOR

**AADITYA R DHOOT**  
JT. MANAGING DIRECTOR

Place : Mumbai  
Dated : 29<sup>th</sup> August, 2012

# IMP POWERS LIMITED

## Consolidated Statement of Profit and Loss for the year ended 30<sup>th</sup> June, 2012

	Note No.	For the Year Ended 30 <sup>th</sup> June, 2012 ₹
<b>A CONTINUING OPERATIONS</b>		
1 Revenue from operations (gross)	19	3,071,783,970
Less: Excise duty	19	<u>249,357,192</u>
Revenue from operations (net)		<b>2,822,426,778</b>
2 Other income	20	<u>900,738</u>
3 <b>Total revenue (1+2)</b>		<b>2,823,327,516</b>
<b>4 Expenses</b>		
(a) Cost of materials consumed	21.a	2,038,847,319
(b) Purchases of stock-in-trade	21.b	
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	21.c	155,479,321
(d) Employee benefits expense	22	102,076,713
(e) Finance costs	23	192,230,645
(f) Depreciation and amortisation expense	11.C	42,907,580
(g) Other expenses	24	<u>194,443,147</u>
<b>Total expenses</b>		<b>2,725,984,724</b>
5 <b>Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)</b>		<u>97,342,792</u>
6 Exceptional items	25.a	-
7 <b>Profit / (Loss) before extraordinary items and tax (5 + 6)</b>		<b>97,342,792</b>
8 <b>Profit / (Loss) before tax</b>		<b>97,342,792</b>
<b>9 Tax expense:</b>		
(a) Current tax expense for current year		20,578,294
(b) Deferred tax	31	<u>9,282,953</u>
		<b>29,861,247</b>
10 <b>Profit / (Loss) before Minority Interest (8 - 9)</b>		<b>67,481,545</b>
11 <b>Minority Interest</b>		<u>1,534,492</u>
12 <b>Profit / (Loss) for the year (10 + 11)</b>		<b>69,016,037</b>
<b>13.i Earnings per share (of ₹ 10/- each):</b>		
(a) Basic	30	8.36
(b) Diluted		8.36
<b>13.ii Earnings per share (excluding extraordinary items) (of ₹ 10/- each):</b>		
(a) Basic		8.36
(b) Diluted		8.36

See accompanying notes forming part of the financial statements

Significant accounting policies the accompanying notes are an integral of financial statements 1

In terms of our report attached.

For Batliboi & Purohit  
Chartered Accountants  
FRN NO. 101048W

On behalf of the Board of Directors

(CA R. D. HANGEKAR)  
Partner  
M.No.30615

AJAY R DHOOT  
MANAGING DIRECTOR

AADITYA R DHOOT  
JT. MANAGING DIRECTOR

Place : Mumbai  
Dated : 29<sup>th</sup> August, 2012

## Consolidated Cash Flow Statement for the year ended 30<sup>th</sup> June, 2012

Particulars	For the Year Ended 30 <sup>th</sup> June, 2012 ₹	
<b>A. Cash flow from operating activities</b>		
Net Profit / (Loss) before extraordinary items and tax		97,342,792
<i>Adjustments for:</i>		
Depreciation and amortisation	42,907,580	
(Profit) / loss on sale / write off of assets	370,540	
Finance costs	192,230,645	
		<u>235,508,765</u>
Operating profit / (loss) before working capital changes		<u>332,851,557</u>
<i>Changes in working capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	143,079,416	
Trade receivables	(519,692,634)	
Short-term loans and advances	(2,598,135)	
Long-term loans and advances	(18,764,407)	
Other current assets	493,785	
Other non-current assets	-	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	137,942,692	
Other current liabilities	28,900,056	
Other long-term liabilities	2,250,351	
Short-term provisions	4,682,652	
Long-term provisions	(3,357,020)	
		<u>(227,063,244)</u>
Cash flow from extraordinary items		<u>105,788,313</u>
Cash generated from operations		-
Net income tax (paid) / refunds		105,788,313
		<u>(11,432,210)</u>
<b>Net cash flow from / (used in) operating activities (A)</b>		<u>94,356,103</u>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on fixed assets, including capital advances	(62,732,992)	
Proceeds from sale of fixed assets	450,000	
<b>Net cash flow from / (used in) investing activities (B)</b>		<u>(62,282,992)</u>
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of preference shares	33,262,140	
Redemption of preference shares	(11,087,380)	
Repayment of long-term borrowings	(56,510,290)	
Net increase / (decrease) in working capital borrowings	219,565,106	
Minority Interest paid/received	179,347	
Finance cost	(192,230,645)	
Dividends paid	(12,204,845)	
	(980,000)	
Tax on dividend	(1,979,931)	
<b>Net cash flow from / (used in) financing activities (C)</b>		<u>(21,986,498)</u>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<u>10,086,613</u>
Cash and cash equivalents at the beginning of the year		17,523,753
<b>Cash and cash equivalents at the end of the year</b>		<u>27,610,366</u>

**Notes:**

- Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard (AS) 3 "Cash Flow Statements" as specified in the Companies (Accounting Standards) Rules, 2006.
- Purchase of Fixed Assets include expenditure on Intangible Assets under development during the year.
- Previous Year's figures have been regrouped/reclassified wherever applicable.

**See accompanying notes forming part of the financial statements**

Significant accounting policies the accompanying notes are an integral part of financial statements

**For Batliboi & Purohit**  
Chartered Accountants  
FRN NO. 101048W

**On behalf of the Board of Directors**

**(CA R. D. HANGEKAR)**  
Partner  
M.No.30615

**AJAY R DHOOT**  
MANAGING DIRECTOR

**AADITYA R DHOOT**  
JT. MANAGING DIRECTOR

Place : Mumbai  
Dated : 29<sup>th</sup> August, 2012

# IMP POWERS LIMITED

## Note No. – 1: SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FOR THE YEAR ENDED 30<sup>th</sup> JUNE 2012.

### A. SIGNIFICANT ACCOUNTING POLICIES

#### 1. Basis of preparation of financial statements:

The financial statements are prepared under the historical cost convention on accrual basis and in accordance with Indian Generally Accepted Accounting Principles (“GAAP”) as specified in Companies (Accounting Standards) Rules, 2006, provisions of the Companies Act, 1956 and comply with the Accounting Standards issued by the Institute of Chartered Accountants of India.

#### 2. Use of Estimates:

The Preparation of the financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities as on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known /materialized.

#### 3. Fixed Assets :

Fixed Assets are stated at cost of acquisition (net of Cenvat and VAT wherever applicable) or construction less accumulated depreciation and impairment loss, if any. Cost includes any directly attributable cost of bringing each asset to its working condition for intended use. Assets under installation or under construction as at balance sheet date are shown as capital work in progress together with project expenses and advances to suppliers/contractors

#### 4. Depreciation:

Depreciation in respect of all assets acquired up to 30<sup>th</sup> June, 1985 is provided on ‘Written Down Value’ method. For additions on or after 1<sup>st</sup> July, 1985 Straight Line Method of depreciation has been adopted. The rates charged are as specified in Schedule XIV of the Companies Act, 1956.

#### 5. Impairment of Assets:

An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value based on an appropriated discount factor. The impairment loss recognized in the prior accounting years is reversed if there has been a change in the estimate of recoverable amount.

#### 6. Investments:

Current investments are carried at the lower of cost or quoted/fair value, computed category-wise. Long term investments are stated at cost and provision is made for any diminution in such value, which is not temporary in nature.

#### 7. Valuation of Inventories:

- a. Raw Materials including consumables and stores are valued at lower of Cost and net realizable value. Cost is arrived on FIFO Basis.
- b. Semi-finished and Finished Goods are valued at cost of materials together with relevant factory overheads or net realizable value whichever is lower. Due consideration is given to the saleability of the stock and no obsolete or unserviceable\damaged items are included.

#### 8. Revenue Recognition :

- a. Insurance and Duty Drawback on export are accounted for as and when admitted by the appropriate authorities. Values of advance licenses unutilized are accounted on accrual basis by netting off purchase value.
- b. Commission on sales is accounted as and when accepted.
- c. Sales are recognized on dispatch of goods to customers and include sales value of goods and excise duty and other receipts connected with sales.
- d. Liability for Excise Duty on finished goods is accounted for as and when they are cleared from the factory premises.
- e. Customs Duty on goods lying in Customs Bonded Warehouses is charged in the year of clearance of the goods

when it becomes payable.

- f. CENVAT benefit on total purchase is accounted for by reducing the purchase cost of the materials/ fixed assets wherever applicable.

**9. Employee Benefits:**

- a. Company's defined contributions made to provident fund of government are charged to profit & loss account on accrual basis.
- b. Contribution to Gratuity Fund and provision for Leave Encashment is based on actuarial valuation carried out as on the Balance Sheet date as per Projected Unit Credit Method.

**10. Foreign Currency Transactions:**

Foreign Currency transactions are accounted at the exchange rates prevailing on the date of transactions. Foreign currency current assets and current liabilities outstanding at the balance sheet date are translated at the exchange rate prevailing on that date and the resultant gain or loss is recognized in the profit & loss account. Also, in cases where they relate to the acquisition/construction of fixed assets, they are recognized in Profit & Loss accounts.

**11. Borrowing Cost:**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets up to the date when they are ready for their intended use and other borrowing costs are charged to profit & loss account.

**12. Operating Lease :**

Assets acquired on lease where a significant position of risks and rewards of ownership are retained by Leasor are classified as Operating Lease. Lease rentals are charged to profit & loss account as incurred. Initial direct costs in respect of assets taken on operating lease are expensed off in year in which cost are incurred.

Assets given on lease where a significant position of risks and rewards of ownership are retained by Leasor are classified as Operating Lease. Lease rentals are credited to profit & loss account on accrual.

**13. Taxation:**

Provision for taxation is made on the basis of the taxable profits computed for the current accounting period in accordance with the Income Tax Act, 1961.

Deferred Tax resulting from "timing difference" between book profit and taxable profit for the year is accounted for using the tax rates and laws that have been enacted or substantially enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a certainty that the asset will be adjusted in future.

**14. Contingent Liabilities & Provision:**

Claims against the Company not acknowledged as debts are treated as contingent liabilities. Provision in respect of contingent liabilities if any, is made when it is probable that a liability may be incurred and the amount can be reasonably estimated.

**15. Goodwill –**

Goodwill has been written off over a period of 10 years in the books of accounts.

**For Batliboi & Purohit**  
Chartered Accountants  
FRN NO. 101048W

**On behalf of the Board of Directors**

**(CA R. D. HANGEKAR)**  
Partner  
M.No.30615

**AJAY R DHOOT**  
MANAGING DIRECTOR

**AADITYA R DHOOT**  
JT. MANAGING DIRECTOR

Place : Mumbai  
Dated : 29<sup>th</sup> August, 2012



## IMP POWERS LIMITED

### Notes forming part of the Consolidated financial statements for the year ended 30<sup>th</sup> June, 2012

#### Note 2 : Share Capital

Particulars	As at 30 <sup>th</sup> June, 2012	
	Number of Shares	₹
<b>(a) Authorised</b>		
Equity Shares of ₹ 10/- each with voting rights	27,670,000	276,700,000
Compulsorily convertible preference shares of ₹ 161/- each	-	-
Preference shares of ₹10/- each	6,330,000	63,300,000
	<b>34,000,000</b>	<b>340,000,000</b>
<b>(b) Issued</b>		
Equity Shares of ₹ 10/- each with voting rights	8,140,963	81,409,630
Cumulative preference shares of ₹ 10/- each	2,450,000	24,500,000
1% Preference shares of ₹10/- each	2,217,476	22,174,760
	<b>12,808,439</b>	<b>128,084,390</b>
<b>(c) Subscribed and fully paid up</b>		
Equity shares of ₹ 10/- each with voting rights	8,136,563	81,365,630
Cumulative preference shares of ₹ 10/- each	2,450,000	24,500,000
1% Preference shares of ₹10/- each	2,217,476	22,174,760
Share Forfeited		22,000
	<b>12,804,039</b>	<b>128,062,390</b>
<b>Total</b>	<b>12,804,039</b>	<b>128,062,390</b>

#### Note:-

- Equity Shares includes 11,27,000 shares issued as fully paid up Bonus Shares during 1994-95 by Capitalisation of Revaluation Reserve.
- 4% Redeemable Preference Shares along with dividend will be redeemed from 1st April ,2013 to 31st March, 2016 in twelve quarterly equal installments.
- Corporate Debts Restructuring (CDR CELL) has approved the recompense amount towards interest liabilities amounting to ₹ 443.50 lacs for the Company to exit from CDR scheme in the previous financial year. Pursuant to terms & conditions of the CDR Cell, 25% of the total amount has been paid by the company in cash & for the balance 75% , Company has issued 1% Cumulative Redeemable Preference Shares, which are redeemable in 3 half yearly equal instalments beginning from March 2012 to March 2013.
- The Authorised Share Capital was reclassified and subsequently clause V substituted vide Ordinary Resolution passed by the Shareholders of the company at their Extra ordinary General Meeting held on Monday, 19th September 2011 at the Registered Office of the Company.

**Notes forming part of the Consolidated financial statements for the year ended 30<sup>th</sup> June, 2012**
**Note 2a : Share capital (contd.)**

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 30 <sup>th</sup> June, 2012	
	Number of Shares	₹
<b>Equity shares with voting rights</b>		
At the Beginning of the period	8,136,563	81,365,630
Add:- Fresh Issue	-	-
Less:- Redemption	-	-
Outstanding at the end the period	<b>8,136,563</b>	<b>81,365,630</b>
<b>4% Redeemable preference shares</b>		
At the Beginning of the period	2,450,000	24,500,000
Add:- Fresh Issue	-	-
Less:- Redemption	-	-
Outstanding at the end the period	<b>2,450,000</b>	<b>24,500,000</b>
<b>1% Redeemable Preference Shares</b>		
At the Beginning of the period	-	-
Add:- Fresh Issue	3,326,214	33,262,140
Less:- Redemption	1,108,738	11,087,380
Outstanding at the end the period	<b>2,217,476</b>	<b>22,174,760</b>

(ii) Details of shares held by each shareholder holding more than 5% shares:

Name of shareholder	As at 30 <sup>th</sup> June, 2012	
	Number of shares held	% holding in that class of shares
<u>Equity shares with voting rights</u>		
Advance Transformer & Equipment Pvt Ltd.	773,189	9.50
Shree Kishoriju Trading & Investment Pvt. Ltd.	561,407	6.90
Shree Rasbihari Trading and Investment Pvt. Ltd.	797,773	9.80
IL&FS Trust Company Ltd.	637,200	7.83
India Business Excellence Fund	542,800	6.67

(iii) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date:

Particulars	Aggregate number of shares
	As at 30 <sup>th</sup> June, 2012
<u>Redeemable preference shares</u> Fully paid up pursuant to contract(s) without payment being received in cash	3,326,214

(iv) Details of forfeited shares

Class of shares	As at 30 <sup>th</sup> June, 2012	
	Number of shares	Amount originally paid up (₹)
Equity shares	4,400	22,000
Share Premium		176,000
<b>TOTAL</b>		<b>198,000</b>

# IMP POWERS LIMITED

## Notes forming part of the Consolidated financial statements for the year ended 30<sup>th</sup> June, 2012

Particulars	As at 30 <sup>th</sup> June, 2012 ₹
<b>Note 3: Reserves and surplus</b>	
<b>(a) Capital Reserve</b>	
Opening Balance as per last Audited financial Statement	7,445,000
Add: Additions during the year	-
Less: Utilised / transferred during the year	-
Closing balance	<u>7,445,000</u>
<b>(b) Preference Shares Capital Redemption Reserve</b>	
<b>4% Redeemable Preference Shares</b>	
Opening Balance as per last Audited financial Statement	14,087,500
Add: Additions during the year	-
Transferred from surplus in Statement of Profit and Loss	2,450,000
Others	-
Less: Utilised during the year	-
Closing balance	<u>16,537,500</u>
<b>1% Redeemable Preference Shares</b>	
Opening Balance as per last Audited financial Statement	-
Add: Additions during the year	-
Transferred from surplus in Statement of Profit and Loss	11,087,380
Others	-
Less: Utilised during the year	-
Closing balance	<u>11,087,380</u>
<b>(c) Securities Premium Account</b>	
Opening Balance as per last Audited financial Statement (included ₹ 176000/- towards Share Forfeited)	478,577,741
Add : Premium on shares issued during the year	-
Closing balance	<u>478,577,741</u>
<b>(d) Bonds Redemption Reserve</b>	
Opening Balance as per last Audited financial Statement	30,147,750
Add: Additions during the year	-
Transferred from surplus in Statement of Profit and Loss	5,565,730
Others	-
Less: Utilised / transferred during the year	-
Closing balance	<u>35,713,480</u>
<b>(e) Revaluation Reserve</b>	
Opening Balance as per last Audited financial Statement	29,739,740
Less: Utilised for set off against depreciation	1,331,456
Written back / other utilisations during the year	-
Closing balance	<u>28,408,284</u>
<b>(f) General Reserve</b>	
Opening Balance as per last Audited financial Statement	77,226,072
Add: Transferred from surplus in Statement of Profit and Loss	-
Less: Utilised / transferred during the year for:	-
Closing balance	<u>77,226,072</u>

Notes forming part of the Consolidated financial statements for the year ended 30<sup>th</sup> June, 2012

Particulars	As at 30 <sup>th</sup> June, 2012 ₹
<b>(g) Surplus / (Deficit) in Statement of Profit and Loss</b>	
<b>Opening Balance as per last Audited Financial Statement</b>	164,768,304
Add: Profit / (Loss) for the year	69,016,036
Goodwill Created on Consolidation	2,375,776
Less: Interim dividend	-
Dividends proposed to be distributed to equity shareholders (₹1/- per share)	12,204,845
Dividends proposed to be distributed to preference shareholders (₹ 0.40/- per share)	980,000
Tax on dividend	1,979,931
Transfer to 4% Preference Share Capital Redemption Reserve	2,450,000
Transfer to 1% Preference Share Capital Redemption Reserve	11,087,380
Transfer to Bonds Redemption reserve	5,565,730
Transfer to General Reserve	-
Minority Interest	1,355,145
Closing balance	<u>200,537,085</u>
<b>Total</b>	<b><u>855,532,542</u></b>

**Notes:-**

- 1) The Company had not received the balance 90% amount on 450000 warrants, thus the Company has forfeited Warrant Application money of ₹ 74,45,000 of these Warrants and transferred to Capital Reserve.
- 2) Based on valuation report submitted by a professional valuer appointed for the purpose of valuing Factory Lease Hold Land & Building at Kandivali works & building Head office, the same have been revalued as at 31st March, 1994 on current cost basis. The resultant increase in net book value on such revaluation amounting to ₹ 67.70 million was transferred to Revaluation Reserve account

**Note 4: Long-term borrowings**

<b>(a) Bonds (Refer Note (2) below)</b>	
Secured	51,019,192
(5,56,573 4% Non- Convertible Bonds)	
Unsecured	-
	<u>51,019,192</u>
<b>(b) Term loans</b>	
From banks	
Secured	122,768,530
Unsecured	-
	<u>122,768,530</u>
<b>(c) Other loans and advances (Vehicle Loan)</b>	
Secured	3,277,244
Unsecured	-
	<u>3,277,244</u>
<b>Total</b>	<b><u>177,064,966</u></b>

**Notes**

- 1) Term loan & Bonds from Financial Institutions and Banks are secured by way of first charge on all Fixed Assets of the Company both present & future on pari-passu basis with other member bank of consortium and Second charge on all Current Assets of the company both present & future on pari-passu basis with other member bank of consortium and personal guarantee of promoter Directors.
- 2) Non Convertible Redeemable Bonds including interest will be redeemed from 1st April 2013 to 31st March 2016 in twelve quarterly equal installment. Out of which ₹ 4638108/- will be redeemed in the next 12 months considered under current liabilities.
- 3) Vehicle Loan are secured by hypothecation of vehicles.

# IMP POWERS LIMITED

## Notes forming part of the Consolidated financial statements for the year ended 30<sup>th</sup> June, 2012

Particulars	As at 30 <sup>th</sup> June, 2012 ₹
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### Note 4a : Long-term borrowings (contd.)

(i) Details of bonds issued by the Company:

Particulars	As at 30th June, 2012	
	Current ₹	Non-Current ₹
4 % Non-Convertible Bonds	4,638,108	51,019,192
Total - Bonds (i)	4,638,108	51,019,192

(ii) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings:

Particulars	As at 30th June, 2012				
	Current	Non-Current	Period of Maturity w.r.t. the Balance Sheet date	No. of Installments Outstanding as at 30th June 2012	Amount of each installment *
	₹	₹	Period	No.	₹
<b>Term loans from banks:</b>					
Karnataka Bank Ltd. (WCTL)	1,750,000	-	9 Months	3 Quarterly	590,000
State Bank of India (WCTL)	2,076,400	-	9 Months	3 Quarterly	690,600
State Bank of India (TL)	11,325,960	19,820,465	2 Years 9 Months	11 Quarterly	2,831,490
State Bank of India (Corporate)	25,000,000	25,000,000	2 Years	4 Half Yearly	12,500,000
State Bank of India (WCTL)	2,336,940	-	9 Months	3 Quarterly	779,308
State Bank of Hyderabad (WCTL)	2,113,154	-	6 Months	2 Quarterly	1,143,000
State Bank of Hyderabad (TL)	20,000,000	34,710,742	2 Years 9 Months	11 Quarterly	5,000,000
Bank of India (WCTL)	2,075,000	-	9 Months	3 Quarterly	685,000
Bank of India (TL)	10,008,000	20,772,423	3 Years 1 Months	37 Months	834,000
Stressed Assets Stabilisation (TL)	13,826,904	-	9 Months	3 Quarterly	4,608,000
Power Finance Corporation (TL)	9,389,760	-	9 Months	3 Quarterly	3,129,921
Greater Bombay Co-Op. Bank Ltd. (TL) (1)	-	22,464,900			
Total - Term loans from banks	99,902,118	122,768,530			
<b>Other loans and advances:</b>					
HDFC Bank Ltd.	1,051,506	2,132,516	-	-	-
Kotak Mahindra Prime Ltd.	3,660,875	1,144,728	-	-	-
Total - Other loans and advances	4,712,381	3,277,244			
Total (ii)	104,614,499	126,045,774			
<b>Total (i+ii)</b>	<b>109,252,607</b>	<b>177,064,966</b>			

Note:-\* Last Instalment payments will be of balance amount outstanding.

(1) The Greater Bombay Co-operative Bank Ltd. (GBCB) did not join CDR Scheme which was considered as approved by other consortium banks/financial institute in the year 2004-2005. GBCB did not work out on the revised repayment plan. Instead GBCB initiated the legal actions against the company. The Company has filed petition u/s 391 of the Companies Act in the High Court and the matter is pending in the court. However the company has provided interest in the books of account.

(ii) The Company has defaulted in repayment of loans and interest in respect of the following:

Particulars	As at 30 <sup>th</sup> June, 2012		As at 30 <sup>th</sup> June, 2011	
	Period of default (Years) *	₹	Period of default (Years)*	₹
Term loans from banks				
Principal	8	22,464,900	7	22,464,900
Interest	8	14,154,000	7	12,132,000

(iii) For the current maturities of long-term borrowings, refer item (a) in Note 9 Other current liabilities.

\* Base of the year 2004-2005

Notes forming part of the Consolidated financial statements for the year ended 30<sup>th</sup> June, 2012

Particulars	As at 30 <sup>th</sup> June, 2012 ₹
<b>Note 5: Other long-term liabilities</b>	
(a) Trade Payables:	
(i) Acceptances	-
(ii) Other than Acceptances	-
(b) Others:	
(iii) Interest accrued but not due on Bonds	14,288,232
(vi) Trade / security deposits received	4,290,049
<b>Total</b>	<b>18,578,281</b>
<b>Note 6 : Long-term provisions</b>	
(a) Provision for employee benefits:	
(i) Provision for compensated absences	1,540,027
(ii) Provision for gratuity (net) (Refer Note 30.4.b)	(1,191,468)
(b) Provision - Others:	
(i) Provision for premium payable on redemption of bonds (Refer Note 4 Long-term borrowings)	6,855,640
<b>Total</b>	<b>7,204,199</b>
<b>Defined Benefit Plans :</b>	
a. Contribution to Gratuity Fund -	
The Company regularly contributes to the gratuity fund called the " Industrial Meters Private Limited Gratuity Fund" framed under the Payment of Gratuity Act, 1972, which is a defined benefit plan.	
<b>Changes in Defined Benefit Obligation :</b>	
Liability at the beginning of the year	9,191,425
Interest Cost	781,271
Current Service Cost	673,041
Past Service Cost- Vested Benefit	-
Benefit Paid	(499,046)
Actuarial (gain)/loss on obligations	(588,795)
Liability at the end of the year	9,557,896
<b>Changes in the Fair value of Plan Assets for Gratuity ( Funded Scheme) :</b>	
Fair Value of Plan Assets at the beginning of the year	6,156,274
Expected Return on Plan Assets	523,283
Contributions	3,035,151
Benefit Paid	(499,046)
Actuarial gain/ (loss) on Plan Assets	1,533,702
Fair Value of Plan Assets at the end of the year	10,749,364
Total Actuarial gain/( loss) To Be Recognized	(2,122,497)
<b>Amount recognized in the Balance Sheet:</b>	
Defined Benefit Obligation	(9,557,896)
Fair Value of Plan Assets	10,749,364
(Liability) / Assets recognized in the Balance Sheet included in the Balance Sheet included in Current Liabilities and Provisions	1,191,468
<b>Expenses recognized in the Profit &amp; Loss Account:</b>	
Current Service Cost	673,041
Interest Cost	781,271
Expected return on Plan Asset	(523,283)
Actuarial (Gain) for Loss	(2,122,497)
Past Service Cost- Vested Benefit	-
Expense Recognized in Profit & Loss Account:	(1,191,468)
<b>Actuarial Assumptions:</b>	
<b>Assumptions</b>	
Discount Rate Current	8.50%
Rate of Return on Plan Assets Current	8.60%
Salary Escalation Current	5.00%
Attrition Rate Current Year	2.00%

# IMP POWERS LIMITED

## Notes forming part of the Consolidated financial statements for the year ended 30<sup>th</sup> June, 2012

Particulars	As at 30 <sup>th</sup> June, 2012 ₹
<b>Note 7 :Short-term borrowings</b>	
(a) Loans repayable on demand	
From banks	
Secured	
Cash Credit Facilities	174,913,028
Working Capital Demad Loan	373,199,618
Packing Credit Loan	71,300,000
Unsecured	-
	619,412,646
(b) Loans and advances from related parties (Refer Note 28.b)	
Secured	-
Unsecured	-
<b>Total</b>	<b>619,412,646</b>

### Notes:

(i) Details of Loan repayable and security for the secured short-term borrowings:

Loans repayable on demand

from banks:

Karnataka Bank Ltd.	58,333,102
Bank of India	189,831,998
State Bank of India	134,546,317
State of Hyderabad	183,996,169
IDBI Bank	48,393,555
Axis Bank	4,311,505
<b>Total - from banks</b>	<b>619,412,646</b>

Note:-

- Working Capital loan from Banks are secured against first charge on all current assets of the company , present future on pari- passu basis with banks in the consortium and Second charge on all Fixed Assets of the company both present & future on pari-passu basis with member banks of consortium. Also collateral security of equitable mortgage of residential property in the name of Directors situated at 86A, Shriniketan, Netaji Subhhash Marg, Mumbai on pari-passu basis with the member of banks of Consortium (Except Axis Bank Ltd.) and personal gurantee of promoter Directors.

### Note 8 :Trade payables

Trade payables:

Total Outstanding Dues of Micro and Small Enterprises (Refer No.26.2)	-
Other than Acceptances	427,260,133
<b>Total</b>	<b>427,260,133</b>

**Notes forming part of the Consolidated financial statements for the year ended 30<sup>th</sup> June, 2012**

Particulars	As at 30 <sup>th</sup> June, 2012 ₹
<b>Note 9 : Other current liabilities</b>	
(a) Current maturities of long-term debt (Refer Note 4a)	109,252,607
(b) Unpaid dividends	66,626
(c) Other payables	111,198,602
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	8,585,380
<b>Total</b>	<b><u>229,103,215</u></b>

Note (i): Current maturities of long-term debt (Refer Notes (i) and (ii) in Note 4a Long-term borrowings for details of security and guarantee):

(a) Bonds / debentures	
Secured	4,638,108
Unsecured	-
	<u>4,638,108</u>
(b) Term loans	
From banks	
Secured	99,902,118
Unsecured	-
	<u>99,902,118</u>
(c) Other loans and advances (Vehicle loan)	
Secured	4,712,381
Unsecured	-
	<u>4,712,381</u>
<b>Total</b>	<b><u>109,252,607</u></b>

**Note 10 : Short-term provisions**

(a) Provision for employee benefits:	
(i) Provision for bonus	1,704,835
(ii) Provision for other employee benefits	-
(b) Provision - Others:	
(i) Provision for proposed equity dividend	12,204,845
(ii) Provision for tax on proposed dividends	1,979,931
<b>Total</b>	<b><u>15,889,611</u></b>



**Notes forming part of the Consolidated financial statements for the year ended 30th June, 2012**  
**Note 11 : Fixed Assets**

A	Tangible assets	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		Balance as at 1st July, 2011 ₹	Additions ₹	Disposals ₹	Balance as at 30th June, 2012 ₹	For the year ₹	Deduction Adjustment ₹	As at 30th June, 2012 ₹	As at 30th June, 2012 ₹
	Free Hold Land	33,051,968	-	-	33,051,968	-	-	33,051,968	-
	Building & HO Building	419,461,496	5,055,631	-	424,517,127	14,098,312	-	117,022,019	307,495,108
	Plant & Machinerics	457,084,073	50,676,567	-	507,760,640	23,497,511	-	140,248,613	367,512,027
	Dies & Jigs	2,750,150	-	-	2,750,150	-	-	2,750,150	-
	Electrical Installation	18,539,575	34,400	-	18,573,975	1,174,072	-	7,019,305	11,554,670
	Air Conditioning Equipments	4,164,000	163,400	-	4,327,400	196,566	-	1,881,852	2,445,548
	Furniture & Fixtures	23,236,450	667,845	-	23,904,295	1,456,087	-	12,373,579	11,530,716
	Office Equipments	3,341,316	305,927	-	3,647,243	140,467	-	1,804,376	1,842,867
	Cars & Vehicles	26,369,372	3,558,693	2,250,746	27,677,319	2,359,207	1,430,208	8,376,331	19,300,988
	Computer	10,812,940	1,113,233	-	11,926,173	1,072,548	-	9,013,345	2,912,828
	<b>Total</b>	<b>998,811,340</b>	<b>61,575,696</b>	<b>2,250,746</b>	<b>1,058,136,290</b>	<b>43,994,770</b>	<b>1,430,208</b>	<b>300,489,570</b>	<b>757,646,720</b>
	Previous year	-	-	-	-	-	-	-	-

**Note 11 Fixed Assets**

B	Intangible Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		Balance as at 1st July, 2011 ₹	Additions ₹	Disposals ₹	Balance as at 30th June, 2012 ₹	For the year ₹	Deduction Adjustment ₹	As at 30th June, 2012 ₹	As at 30th June, 2012 ₹
	Software	-	157,296	-	157,296	6,688	-	6,688	150,608
	Goodwill on Consolidation	-	2,375,776	-	2,375,776	237,578	-	237,578	2,138,198
	<b>Total</b>	<b>-</b>	<b>2,533,072</b>	<b>-</b>	<b>2,533,072</b>	<b>244,266</b>	<b>-</b>	<b>244,266</b>	<b>2,288,806</b>
	Previous year	-	-	-	-	-	-	-	-
	<b>Intangible assets under development</b>	<b>-</b>	<b>1,000,000</b>	<b>-</b>	<b>1,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,000,000</b>

Notes : Company is under the process of implementing ERP and expenditure incurred has been considered as intangible assets under development

**Note 11 : Fixed Assets (contd.)**

C	Particulars	As at 30 June, 2012 ₹
	Depreciation and amortisation relating to continuing operations:	
	Depreciation and amortisation for the year on tangible assets as per Note 11 A	43,994,770
	Depreciation and amortisation for the year on intangible assets as per Note 11 B	244,266
	Less: Utilised from revaluation reserve	1,331,456
	<b>Depreciation and amortisation relating to continuing operations</b>	<b>42,907,580</b>

**Notes forming part of the Consolidated financial statements for the year ended 30<sup>th</sup> June, 2012**
**Note 12 : Non-current investments**

Particulars	As at 30th June, 2012		
	Quoted ₹	Unquoted ₹	Total ₹
Investments (At cost):			
<b>Non- Trade</b>			
<b>Others</b>			
(a) 10 Equity Shares of The Mogaveera Co-Op. Bank Ltd. Of Rs. 100/- each fully paid	-	1,000	1,000
(b) 4000 Equity Shares of The Grater Bombay Co-Op. Bank Ltd. Of Rs. 25/- fully Paid	-	100,000	100,000
<b>Total</b>	-	<b>101,000</b>	<b>101,000</b>

Particulars	As at 30 <sup>th</sup> June, 2012 ₹
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**Note 13 : Long-term loans and advances**

(a) Capital advances	
Secured, considered good	-
Unsecured, considered good	179,766
	<u>179,766</u>
(b) Security deposits	
Secured, considered good	32,084,724
Unsecured, considered good	32,084,724
	<u>(3,168,406)</u>
(c) Advance income tax (net of provisions ₹ 95883174/- Unsecured, considered good)	
(d) Balances with government authorities	
Unsecured, considered good	
(i) Export Incentive (Refer Note below)	12,050,862
(ii) VAT credit receivable	6,335,618
(iii) Advance license	10,494,510
(e) Other loans and advances	
Secured, considered good	-
Unsecured, considered good	115,000
Less: Provision for other doubtful loans and advances	-
<b>Total</b>	<b><u>58,092,073</u></b>

- i) The Company has undertaken export & deemed exports of its products, by using indigenous raw materials. Against such exports the Company has received Quantity Based Advance Licenses entitling the company to import certain raw materials at Nil Custom duty. The Utilized portion of these licenses amounting to Rs. 10.49 million (previous Rs. 5.69 million) has been valued as prevailing Customs Duty rates 30th June, 2012 and taken credit in the books of accounts in accordance with the matching principle of accountancy.

**Note 14 : Inventories**

(At lower of cost and net realisable value)

(a) Raw materials	
Copper wire & Strips	84,489,934
Transformer oil	2,857,088
Lamination	11,076,445
Others	72,563,939
	<u>170,987,405</u>
(b) Work-in-progress	119,586,992
(c) Finished goods (other than those acquired for trading)	157,547,374
<b>Total</b>	<b><u>448,121,771</u></b>

# IMP POWERS LIMITED

## Notes forming part of the Consolidated financial statements for the year ended 30<sup>th</sup> June, 2012

Particulars	As at 30 <sup>th</sup> June, 2012 ₹
<b>Note 15: Trade receivables</b>	
Trade receivables outstanding for a period exceeding six months from the date they were due for payment	
Secured, considered good	164,922,014
Other Trade receivables	-
Secured, considered good	1,024,259,441
<b>Total</b>	<b><u>1,189,181,455</u></b>
<b>Note 16 : Cash and Bank Balances</b>	
(a) Cash on hand	2,814,449
(b) Balances with banks	
(i) In current accounts	1,708,691
(ii) In earmarked accounts	
Unpaid dividend accounts	66,626
Balances held as margin money or security against borrowings, guarantees and other commitments	23,020,600
<b>Total</b>	<b><u>27,610,366</u></b>
<b>Note 17: Short-term loans and advances</b>	
(a) Loans and advances to employees	
Secured, considered good	-
Unsecured, considered good	8,197,620
Doubtful	-
	<u>8,197,620</u>
Less: Provision for doubtful loans and advances	-
	<u>8,197,620</u>
(b) Prepaid expenses - Unsecured, considered good	26,332,350
(c) Balances with government authorities	
Unsecured, considered good	
(i) CENVAT credit receivable	564,913
(ii) VAT credit receivable	-
(iii) Service Tax credit receivable	3,842,830
(d) Others	
Unsecured, considered good	10,623
Doubtful	-
Less: Provision for other doubtful loans and advances	-
	<u>10,623</u>
<b>Total</b>	<b><u>38,948,336</u></b>
<b>Note 18: Other current assets</b>	
(a) Accruals	
(i) Interest accrued on deposits	874,870
<b>Total</b>	<b><u>874,870</u></b>

Notes forming part of the Consolidated financial statements for the year ended 30<sup>th</sup> June, 2012

Particulars	For the Year Ended 30 <sup>th</sup> June, 2012 ₹
<b>Note 19: Revenue from operations</b>	
(a) Sale of Electric Transformers	3,067,348,970
(b) Erection & Commissioning services	4,435,000
	<u>3,071,783,970</u>
<u>Less:</u>	
(c) Excise duty	249,357,192
<b>Total</b>	<b><u>2,822,426,778</u></b>
<b>Note 20: Other income</b>	
(a) Interest income (Refer Note (i) below)	897,298
(b) Other non-operating income (net of expenses directly attributable to such income) (Refer Note (ii) below)	3,440
<b>Total</b>	<u>900,738</u>
(i) Interest income comprises:	
Interest from banks on:	
deposits	805141
Interest on loans and advances	92,157
<b>Total - Interest income</b>	<u>897,298</u>
(ii) Royalty Received	-
Miscellaneous income	3,440
<b>Total - Other non-operating income</b>	<u>3,440</u>
<b>Note : 21.a Cost of materials consumed</b>	
Opening stock	158,587,500
Add: Purchases	2,051,247,224
	<u>2,209,834,724</u>
Less: Closing stock	170,987,405
<b>Cost of material consumed</b>	<u>2,038,847,319</u>
Material consumed comprises:	
Copper wire & Strips	674,517,437
Transformer oil	313,928,754
Lamination	483,132,956
Others	567,268,172
<b>Total</b>	<b><u>2,038,847,319</u></b>
<b>Note 21.b : Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>	
<u>Inventories at the end of the year:</u>	
Finished goods	157,547,374
Work-in-progress	119,586,992
	<u>277,134,366</u>
<u>Inventories at the beginning of the year:</u>	
Finished goods	212,166,212
Work-in-progress	220,447,475
	<u>432,613,687</u>
<b>Net (increase) / decrease</b>	<b><u>155,479,321</u></b>

# IMP POWERS LIMITED

## Notes forming part of the Consolidated financial statements for the year ended 30<sup>th</sup> June, 2012

Particulars	For the Year Ended 30 <sup>th</sup> June, 2012 ₹
<b>Note 22 : Employee benefits expense</b>	
Salaries and wages	98,647,198
Contributions to provident and other funds	924,813
Staff welfare expenses	2,504,702
<b>Total</b>	<b><u>102,076,713</u></b>
<b>Note 23 : Finance costs</b>	
(a) Interest expense on:	
(i) Borrowings	157,616,206
(ii) Trade payables	4,341,145
(b) Other borrowing costs	
(i) Bank Commission	20,782,030
(ii) Expenses of Bank Guarantee	9,491,264
<b>Total</b>	<b><u>192,230,645</u></b>
<b>Note 24: Other expenses</b>	
Power and fuel	12,077,147
Rent including lease rentals (Net) (Refer Note 29)	3,727,000
Repairs and maintenance - Buildings	267,712
Repairs and maintenance - Others	1,967,096
Insurance	3,688,309
Rent, Rates and taxes	2,882,872
Communication	2,357,375
Travelling and conveyance	21,294,833
Printing and stationery	1,793,788
Motor Car Expenses	4,528,003
Office Expenses & Electricity Charges	2,859,196
Freight and forwarding	101,142,374
Loading & Unloading Charges	2,255,006
Sales commission	10,388,042
Business promotion & Advertisement	4,025,428
Donations and contributions	1,048,950
Legal and professional	5,280,214
Payments to auditors (Refer Note (i) below)	341,845
Bad trade and other receivables, loans and advances written off	124,895
Net loss on foreign currency transactions and translation (other than considered as finance cost)	551,603
Loss on fixed assets sold / scrapped / written off	370,540
Miscellaneous expenses	11,470,920
<b>Total</b>	<b><u>194,443,147</u></b>
<b>Notes:</b>	
(i) Payments to the auditors comprises (net of service tax input credit, where applicable):	
As auditors - statutory audit	266,845
For taxation matters	75,000
<b>Total</b>	<b><u>341,845</u></b>

**Notes forming part of the Consolidated financial statements for the year ended 30<sup>th</sup> June, 2012**

Particulars	For the Year Ended 30 <sup>th</sup> June, 2012 ₹	
<b>Note 25 : Exceptional items</b>		
Recompenses amount towards interest (CDR) (Refer Note No.2 (3) under Share Capital)	-	
<b>Total</b>	-	
<b>Note 26 : Additional information to the financial statements</b>		
	<b>As at 30<sup>th</sup> June, 2012 ₹</b>	
<b>26.1 Contingent liabilities and commitments (to the extent not provided for)</b>		
(i) Contingent liabilities		
(a) Claims against the Company not acknowledged as debt Crogat Electronics Pvt. Ltd. was supplying raw materials and there was delay in supplying the material and there were rejections and several complaints from IMP's Customers due to substandard materials and non compliance of technical norms. IMP had to procure materials from other sources resulting in loss, IMP held back payment and Crogat filed suit. Asea Brown Boveri Ltd. Filed by ABB Recovery as Counter suit against IMP.	474,731	
(b) Performance, Counter & Advance Guarantees	14,108,160	
(c) Other money for which the Company is contingently liable (give details)	708,418,165	
(i) Income Tax Demands (A. Y. 2008-2009)	18,789,885	
<b>26.2 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006</b>		
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	Nil	
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	Nil	
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	Nil	
(iv) The amount of interest due and payable for the year		
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	Nil	
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	Nil	
Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.		
<b>26.3 Value of imports calculated on CIF basis</b>		
	<b>For the year ended 30<sup>th</sup> June, 2012 ₹</b>	
Raw materials including Spares	40,121,430	
<b>26.4 Expenditure in foreign currency</b>		
Travelling	18,377,912	
<b>26.5 Details of consumption of imported and indigenous items *</b>		
	<b>For the year ended</b>	
	₹	%
<u>Imported</u>		
Raw materials	36,276,085	1.77
<u>Indigenous</u>		
Raw materials	2,011,125,794	98.23
<b>26.6 Earnings in foreign exchange</b>		
Export of goods calculated on FOB basis	397,715,179	

# IMP POWERS LIMITED

## Notes forming part of the Consolidated financial statements for the year ended 30<sup>th</sup> June, 2012

Particulars	For the Year Ended 30 <sup>th</sup> June, 2012 ₹
<b>Note 27: Disclosures under Accounting Standards 16</b>	
<b>Details of borrowing costs capitalised</b>	
Borrowing costs capitalised during the year	6,285,906
- as fixed assets	
<b>Total</b>	<b>6,285,906</b>

## Note 28 : Disclosures under Accounting Standards 18

### Note Particulars

#### 28.a Details of related parties:

##### Description of relationship

Subsidiaries

Associates

##### Names of related parties

IMP Energy Limited

Raga Organics P. Ltd

Advance Transformers & Equipments Pvt. Ltd

Shree Kishoriju Trading & Equipments Pvt. Ltd

Shree Rasbihari Electricals Pvt. Ltd

Shree & Sons.

Universal Transformers Pvt. Ltd

Shree Rasbihari Trading and Investments Pvt. Ltd

Raj Exports Pvt. Ltd.

Mangalam Laboratories Pvt. Ltd.

Ramniwas R Dhoot (HUF)

Key Management Personnel (KMP)

Chairman : Shri Ramniwas R Dhoot

Managing Director : Shri Ajay R Dhoot

Jt. Managing Director : Shri Aaditya R Dhoot

Relatives of KMP

Mrs. Rajkumari R Dhoot (wife of Shri R. R. Dhoot),

Mrs. Smita A Dhoot (wife of Shri Aaditya. R. Dhoot),

Mrs. Radhika A Dhoot (wife of Shri Ajay R. Dhoot),

Note: Related parties have been identified by the Management.

## Details of related party transactions during the year ended 30th June, 2012 and balances outstanding as at 30th June, 2012:

28.b	Ultimate Holding Company	Holding Company	Subsi- diaries	Fellow Subsi- diaries	Associ- ates	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence	Total
<b>Related party transactions</b>									
Purchase of goods	-	-	-	-	-	-	-	-	-
<b>Remuneration</b>									
Shri Ramniwas R Dhoot	-	-	-	-	-	4755604	-	-	4,755,604
Shri Ajay R Dhoot	-	-	-	-	-	4,227,589	-	-	4,227,589
Shri Aaditya R Dhoot	-	-	-	-	-	3,648,960	-	-	3,648,960
Shri Rajendra Mimani	-	-	-	-	-	1,450,000	-	-	1,450,000
									-

## Notes forming part of the Consolidated financial statements for the year ended 30th June, 2012

<b>Leasing or hire purchase arrangements</b>	-	-	-	-	-	-	-	-
Ramniwas R Dhoot (HUF)	-	-	-	-	120,000	-	-	120,000
Shri Ajay R Dhoot	-	-	-	-	420,000	-	-	420,000
Shri Aaditya R Dhoot	-	-	-	-	390,000	-	-	390,000
Shree Rasbihari Trading & Investment Pvt. Ltd.	-	-	-	120,000	-	-	-	120,000
<b>Balances outstanding at the end of the year</b>								
Trade receivables	-	-	-	-	-	-	-	-
Loans and advances	-	-	4,583,118	-	-	-	-	4,583,118
Trade payables	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-
Provision for doubtful receivables, loans and advances	-	-	-	-	-	-	-	-

## Note 29: Disclosures under Accounting Standards 19

Note	Particulars	For the year ended 30 <sup>th</sup> June, 2012 ₹
<b>29 Details of leasing arrangements</b>		
	<u>As Lessor</u>	
29.a	The Company has entered into operating lease arrangements for Its Premises at Kandivali, Mumbai. The lease was non-cancellable for a period of 6 Months from 19/04/2011 and has been renewed for a further period as mutually decided by both the parties.	
	Future minimum lease receivable	
	not later than one year	8,532,000
	later than one year and not later than five years	6,786,140
	later than five years	-
	<u>As Lessee</u>	
29.b	The Company has entered into operating lease arrangements for its office premises at Tardeo Mumbai . The leases are non-cancellable and are for a period of 3 years and may be renewed for a further period as mutual agreement of the parties.	
	Future minimum lease payments	
	not later than one year	11,316,000
	later than one year and not later than five years	30,593,890
	later than five years	-
	Lease payments recognised in the Statement of Profit and Loss	<u>11,316,000</u>
	Contingent rents recognised as expense during the year (state basis)	



# IMP POWERS LIMITED

## Notes forming part of the Consolidated financial statements for the year ended 30th June, 2012

Particulars	For the Year Ended 30th June, 2012 ₹
<b>Note 30 :Disclosures under Accounting Standards 20</b>	
<b>30 Earnings per share</b>	
Weighted average number of equity shares outstanding	8,136,563
30.a Profit (Loss) after taxation as per Profit & Loss account attributable to Equity Shareholders after adjusting dividend on preference shares before extraordinary items	68,036,036
Earning Per Share (Basic & Diluted) Before Extra-Ordinary item	<u>8.36</u>
30.b Profit (Loss) after taxation as per Profit & Loss account attributable to Equity Shareholders after adjusting dividend on preference shares before extraordinary items	68,036,036
Earning Per Share (Basic & Diluted)	<u>8.36</u>
Nominal Value per Share	<u>10.00</u>
<b>Note 31 :Disclosures under Accounting Standards 22</b>	
<b>31. Deferred Tax (liability) / Asset</b>	
Tax effect of items constituting deferred tax liability	
<u>Opening Balance</u>	41,609,895
On difference between book balance and tax balance of fixed assets	11,271,407
On expenditure deferred in the books but allowable for tax purposes (Reversal of Previous Year)	689,748
On items included in Reserves and surplus pending amortisation into the Statement of Profit and Loss	-
Others	<u>53,571,050</u>
Tax effect of items constituting deferred tax liability	53,571,050
<u>Tax effect of items constituting deferred tax assets</u>	
<u>Opening Balance</u>	5,135,434
Provision for compensated absences, gratuity and other employee benefits	
Provision for doubtful debts / advances	
Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961	2,557,981
On difference between book balance and tax balance of fixed assets	
Unabsorbed depreciation carried forward	
Brought forward business losses	
On items included in Reserves and surplus pending amortisation into the Statement of Profit and Loss	
Others	<u>120,221</u>
Tax effect of items constituting deferred tax assets	<u>7,813,636</u>
<b>Net deferred tax (liability) / asset</b>	<u>45,757,414</u>

In terms of our report of even date

**For Batliboi & Purohit**  
**Chartered Accountants**  
**FRN NO. 101048W**

**(CA R. D. HANGEKAR)**  
Partner  
M.No.30615

Place : Mumbai  
Dated : 29<sup>th</sup> August, 2012

**On behalf of the Board of Directors**

**AJAY R DHOOT**  
**MANAGING DIRECTOR**

**AADITYA R DHOOT**  
**JT. MANAGING DIRECTOR**





## IMP POWERS LTD.

Registered Office :- Survey No. 263/3/2/2, Sayli Village, Umar Kuin Road, Silvassa (U.T.) 396230, Dadra & Nagar Haveli (U.T.)

### ATTENDANCE SLIP

Please bring the attendance slip and hand it over at the entrance of the venue of the meeting

I/We \_\_\_\_\_

of \_\_\_\_\_ being Member/ Members of IMP Powers Ltd. residing at Address

\_\_\_\_\_ hereby record my presence at the 50<sup>th</sup> Annual General Meeting of the Company to be held on Monday, 17<sup>th</sup> December 2012 at 3.00 pm. at the Registered office of the Company situated at the above address or at any adjournment thereof.

Full name of Member (IN BLOCK LETTERS) \_\_\_\_\_

Ledger Folio No \_\_\_\_\_

D. P. ID\* \_\_\_\_\_

Client ID\* \_\_\_\_\_

No. of shares held \_\_\_\_\_

\_\_\_\_\_  
Signature of the Member or Proxy

\*Applicable if shares are held in electronic form.



## IMP POWERS LTD.

Registered Office :- Survey No. 263/3/2/2, Sayli Village, Umar Kuin Road, Silvassa (U.T.) 396230, Dadra & Nagar Haveli (U.T.)

### PROXY FORM

I/We \_\_\_\_\_

of \_\_\_\_\_ being Member/Members of IMP Powers Ltd. hereby

appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him \_\_\_\_\_

of \_\_\_\_\_ or failing him \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy

to attend and vote for me /us on my /our behalf at the 50<sup>th</sup> Annual General meeting of the Company to be held on Monday, 17<sup>st</sup> December 2012 at 3.00 pm. at the Registered office of the Company or at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2012

Ledger Folio No \_\_\_\_\_

D. P. ID\* \_\_\_\_\_

Client ID\* \_\_\_\_\_

No. of shares held \_\_\_\_\_

Signature

Affix One Rupee Revenue Stamp
--

\*Applicable if shares are held in electronic form.

Note: The proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time of the holding the Meeting.

**BOOK-POST**

**To,**

**If undelivered, please return to,**

**IMP POWERS LTD.**

263/3/2/2, Sayli Village,  
Umerkoin Road,  
Silvassa 396230,  
Dadra & Nagar Haveli (U.T.)