

Empower Industries India Limited

25th
ANNUAL REPORT
2006-2007

Board Of Directors : Mr. Devang Master
Mr. Jilani Sheikh
Mr. R. S. Iyengar

Registered Office : 25/25A, 2nd Floor,
327, Nawab Building,
Dr. D. N. Road, Fort,
Mumbai-400 001.
Email : investors@empowerindia.in

Auditors : MRM & ASSOCIATES
(Chartered Accountants)

Compliance Officer : Mr. Prashant Sharma

Bankers : Bank of Baroda
Bank of India
Oriental Bank of Commerce
UCO Bank
Axis Bank

**Registrar &
Transfer Agent** : Sharex Dynamic India Pvt. Ltd.

EMPOWER INDUSTRIES INDIA LIMITED

NOTICE

NOTICE is hereby given to the Members of EMPOWER INDUSTRIES INDIA LIMITED that the Twenty-fifth Annual General Meeting of the Members of the Company will be held on **Tuesday, the 25th of September, 2007 at 9.30 A.M. at 506, Midas Chambers, Near Fun Republic Multiplex, Off New Link Road, Andheri (West), Mumbai 400 053** to transact with or without modifications, the following items of business:

Ordinary Business:

1. To receive, consider, approve and adopt the Profit & Loss Account for the year ended March 31, 2007 and the Balance Sheet as of that date, together with the Reports of the Directors and Auditors thereon.
2. To declare the interim dividend as Final Dividend.
3. To appoint a Director in place of Mr. Jilani-Sheikh, who retires by rotation, but being eligible, offers himself for re-appointment.
4. To appoint M/s. M.R.M. & Associates, Chartered Accountants, as the Statutory Auditors of the Company to hold office from the conclusion of this Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

Special Business:

5. To consider and, if thought fit, to pass the following resolution which will be proposed as an Ordinary resolution:

"RESOLVED THAT Mr. Rajgopalaniyengar who was appointed as an Additional Director with effect from April 26, 2007 and who, in terms of Section 260 of the Companies Act, 1956 holds Office upto this Annual General Meeting, and in respect of whom a Notice under Section 257 of the said Act has been received from a Member of the Company, proposing his candidature to the Office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

6. To consider and, if thought fit, to pass the following resolution which will be proposed as an Ordinary resolution:

"RESOLVED THAT pursuant to the provisions of Section 293 (1) (d) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company to

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borrow at any time and from to time, money or monies as they may deem requisite for the purpose of the business of the Company, from Banks, Financial Institutions, Body/Bodies Corporate whether incorporated in India or abroad, Non-residents and /or their Groups, Association of Persons and such other person or persons as the Board of Directors may think fit, notwithstanding that the money or monies to be borrowed together with money or monies, if any, already borrowed (apart from temporary loans obtained from the bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital and its free reserves, that is to say, reserves not set apart for any specific purpose but so that the monies so borrowed shall not exceed Rs.50,00,00,000 (Rupees Fifty Crores Only) at any time over and above the aggregate of the paid-up capital and its free reserves, as aforesaid."

7. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company to the mortgaging and or charging by the Board of Directors of the Company of all or any of the immovable and/or movable properties of the Company, present and future, wheresoever situate and the whole of the Undertaking(s) of the Company together with the power to take over the management and business of the Company in certain events in favour of any one or more of the Financial Institutions, Banks and/or others to secure the loans/foreign currency loans/GDRs/external commercial borrowings, Bonds and Debentures of all kinds for an aggregate nominal value of not exceeding Rs.50,00,00,000 (Rupees Fifty Crores Only) together with interest, additional interest, commitment charges, costs, charges, expenses and other monies, including any increase on account of revaluation/devaluation/fluctuation in the rates of foreign currencies involved, payable by the Company to the Financial Institutions, Banks and/or others in terms of their respective loan agreements/letters of sanction/Memorandum of terms and conditions in respect of the said loans.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to negotiate, finalise and settle with the Financial Institutions, Banks and/or others all Deeds, Documents and writings for creation of aforesaid mortgages/charges and for reserving their rights in their favour and to do all such acts, deeds and things as may be necessary to give effect to this resolution."

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8. To consider and, if thought fit, to pass the following resolution which will be proposed as Special Resolution:

"RESOLVED THAT subject to and in accordance with the provisions of Section 17 and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Clause III A of the Memorandum of Association of the Company pertaining to the main objects to be pursued by the Company, be and is hereby altered by inserting the following new sub-clauses (3A), (3B) and (3C) after the existing sub-clause (3):

- 3A. To carry on in India and/or elsewhere in the world the business to generate, receive, produce, improve, buy, sell, resell, acquire, use, transmit, accumulate, employ, distribute, develop, handle, protect, supply and to act as agent, broker, representative, consultants, collaborator, or otherwise to deal in electric power in such place or places as may be permitted by appropriate authorities and establish power plants for generation of electricity through Hydroelectric energy, Geothermal energy, fossil fuel energy, Biomass energy, Solar energy, Wind energy, Fuel Cells energy, Ocean Thermal energy, Tidal energy and wave energy and other power plants based on any source of energy as may be developed or invented in future.
- 3B. To construct, lay down, establish, promote, erect, build, install, commission, carry out and run all necessary power substations, work shops, repair shops, wires, cables, transmission lines, accumulators, street lights for the purpose of conservation, distribution and supply of electricity of participating industries, state electricity boards and other boards for industrial, commercial, domestic, public and other purposes and also to provide regular services for repairing and maintenance of all distribution and supply lines.
- 3C. To acquire concessions, facilities or licences from electricity boards, government, semi government or local authorities for generation, distribution, production, transmission or use of electric power and to take over along with all moveable and immovable properties, the existing facilities on mutually agreed terms from aforesaid authorities and to do all incidental acts and things necessary for the attainment of the foregoing objects.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to agree to such variation or modification(s) to the aforesaid objects as may be suggested by the Registrar of Companies, Maharashtra, Mumbai."

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9. To consider and, if thought fit, to pass the following resolution which will be proposed as Special Resolution:

"RESOLVED THAT in accordance with the provisions of Sections 16, 31, 94, 95 and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Authorised Capital of the Company be and is hereby increased from Rs.1,00,00,000/- (Rupees One Crore Only) consisting of 1,00,00,000 Equity Shares of Re.1/- each to Rs.2,00,00,000/- (Rupees Two Crores Only) divided into 2,00,00,000 Equity Shares of Re.1/- each.

RESOLVED FURTHER THAT consequent upon the in the aforesaid increase in the Authorised Capital as aforesaid, the existing Clause V of the Memorandum of Association of the Company be deleted and substituted by the following:

- V. The Authorised Share Capital of the Company is Rs.2,00,00,000 (Rupees Two Crores Only) divided into 2,00,00,000 Equity Shares of Re.1/- each, with power to the Board of Directors to increase or reduce the capital and to divide its shares in the capital for the time being into several classes and to attach thereto respectively any preferential, qualified or special rights and to provide for such rate of dividend on the shares as may be determined by the Directors and to vary or modify or abrogate any such rights, privileges or conditions in such a manner as may, for the time being, be provided by the regulations of the Company and to consolidate or sub-divide the shares and issue shares of higher or lower denominations.'

RESOLVED FURTHER THAT consequent upon the increase in the Authorised Capital of the Company as aforesaid, the existing Article 3 of the Articles of Association of the Company be deleted and substituted by the following:

3. The Authorised Capital of the Company is Rs. 2,00,00,000 (Rupees Two Crores Only) divided into 2,00,00,000 Equity Shares of Re.1/- each, with power to the Board of Directors to increase or reduce the capital and to divide its shares in the capital for the time being into several classes and to attach thereto respectively any preferential, qualified or special rights and to provide for such rate of dividend on the shares as may be determined by the Directors and to vary or modify or abrogate any such rights, privileges or conditions in such a manner as may, for the time being, be provided by the regulations of the Company and to consolidate or sub-divide the shares and issue shares of higher or lower denominations.'

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10. To consider and, if thought fit, to pass the following resolution which will be proposed as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 81, 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any modification or re-enactment thereof, for the time being in force), subject to all applicable laws and in accordance with all relevant provisions of the Memorandum and Articles of Association of the Company and the Listing Agreement(s) entered into by the Company with the Bombay Stock Exchange Limited and also subject to all applicable Guidelines, Rules and Regulations of Central government, Reserve bank of India, Securities Exchange Control Board of India (**SEBI**) and Bombay Stock Exchange (**BSE**) and also subject to their all such conditions and approvals in this behalf, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which expression shall include any committee constituted for the purpose) to offer issue and allot to any one or more persons being eligible foreign as well as Indian Investors, Non-resident Individuals and/or body(ies) corporate, Association of Persons, Banks, Financial Institutions and Others (hereinafter referred to as "Investors" and which term shall mean and include persons/bodies corporate/Associations of Indian as well as foreign origin and persons being Indian as well as foreign citizens), and whether such investors are existing equity shareholders of the Company or not) by way of circulation of an Offering Circular or Prospectus or by way of Private Placement or Preferential allotment of Fully Convertible Debentures/Bonds and/or other suitable Debt instruments and Loans, in one or more currencies upto an aggregate principal amount equivalent to US \$ 12,500,000 (United States Dollars Twelve Million and Five Hundred Thousand Only) (hereinafter referred to as "the Securities"), secured or unsecured, to be subscribed in Indian and/or one or more Foreign currencies, which at the option of the holders of the Securities and/or at the option of the Company, may be converted into equity shares of the Company, such Offer, issue and allotment of Securities and conversion of such securities into equity shares of the Company to be made in one or more trenches, at such prices and on such terms and conditions as may be decided at the time of offer, issue and allotment, by the Board in accordance with the Rules, Regulations, terms, conditions and guidelines prescribed by the Memorandum and Articles of Association of the Company, SEBI, BSE and the Companies Act, 1956.

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion of any Securities referred to above or as may be necessary in accordance with the terms of Offering and such equity shares resulting from the said conversion of Securities, need not necessarily rank pari passu with the then existing equity shares of the Company but may carry such qualified rights with

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regard to voting rights and dividend, as may be decided by the Board of Directors at the time of conversion.

RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue and allotment of Securities or equity shares arising out of conversion of such Securities, as described herein above, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds and things as it may at its discretion deem necessary or desirable for such purpose and such authority to include authority to determine without any limitation or restriction, the terms, timings, the class of investors to whom the securities or shares are to be issued, the number of securities or shares to be issued in each trench, issue price, face value, premium amount on issue /conversion of securities, rate of interest, redemption period, etc, the utilization of issue proceeds and power on behalf of the Company to settle any questions, difficulties or doubts that may arise in regard to any such issue or allotment, as it may in absolute discretion deem fit.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers conferred herein above to any Committee of Directors or Managing Director or any director or any other Officer or Officers of the Company to give effect to the foregoing resolutions."

Registered Office:
25/25A, 2nd Floor, (Director)
Nawab Building,
Opp. Thomas Cook,
327, Dr. D N Road,
Fort, MUMBAI 400001.

By ORDER OF THE BOARD,

Sd/-
Devang Master
(Director)

Dated: August 21, 2007

Notes:

1. Any Member entitled to attend and vote is also entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a Member. Proxies in order to be effective must be received by the Company not less than forty eight hours before the commencement of the Meeting. Proxy Form is enclosed.
2. Explanatory Statements pursuant to Section 173 (2) of the Companies Act, 1956 setting out the material facts relating to items of Special Business, are attached hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, September 21, 2007 to Tuesday, September 25, 2007, both days inclusive.

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EXPLANATORY STATEMENTS

(Pursuant Section 173 (2) of the Companies Act, 1956)

Item No: 5

The Board of Directors appointed Mr. Rajgopalan Iyengar as an Additional Director with effect from April 26, 2007 and pursuant to Section 260 of the Companies Act, 1956, Mr. Iyengar holds office upto this Annual general Meeting. He is eligible for appointment as a Director at this Annual General Meeting and Notice in writing under Section 257 of the said Act has been received from a Member of the Company proposing his candidature to the Office of Director. In view of his vast industrial experience, your Directors recommend this resolution for your approval. Apart from the obvious interest of Mr. Iyengar, no other Director is interested in this item of business.

Item No: 6

The Board of Directors has ambitious plans to undertake a Diversification programme into the field of power infrastructure with a capacity of 10 MW, at a total estimated cost of US \$ 12 Million (approximately Rs. 48 Crores. Moreover, your Directors have plans for an expansion of the existing operations of Computer electronics, Digital Electronics, Computer Hardware, software and Telecom Services In addition, at accost of US \$0.500 Million (Approximately Rs. 2 Crores). The project cost is expected to be met out of local as well as external commercial borrowings and by private placement of fully convertible Debentures. As such borrowings would be in excess of the aggregate of the paid-up capital and the free reserves of the Company, it is necessary to obtain the consent of the Company in general meeting in compliance of Section 293 (1) (d) of the Companies Act, 1956. Hence this resolution.

None of the Directors is concerned or interested in this resolution.

Item No: 7

As mentioned above in Item 7, the Company proposes to undertake expansion of activities by acting as Retail Outlets for large scale Multi National Companies to develop the business of Computer Electronics, Digital Electronics, Computer Hardware, software and Telecom Services at an estimated cost of Indian Rupees equivalent to US \$ 500,000 (United States Dollars Five Hundred Thousand Only) besides the diversification into Power infrastructure with a capacity of 10 MW at a cost of US \$ 12 Million (Approximately Rs. 48 Crores). The Company is in the process of tying up domestic as well as foreign currency loans by way of ECB, GDRs, FCDs, etc. As security for the said loans, the Company shall have to create mortgage/charge for the borrowing limit of upto Rs. 50 Crores.

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Section 293(1)(a) of the Companies Act, 1956 provides, inter alia, that the Board of Directors of a Public Company shall not, without the consent of the Company in General Meeting, sell, lease or otherwise dispose of the whole or substantially the whole Undertaking of the Company or where the Company owns more than one Undertaking the whole or substantially whole of any such Undertaking. Since mortgaging by the Company of its immovable and movable properties as aforesaid may be regarded as disposal of the Company's properties/Undertakings, it is necessary for the Members to pass a resolution under Section 293(1)(a) of the said Act for creation of the mortgage/charge. The said resolution is recommended for your approval.

None of the Directors is concerned or interested in this resolution.

Item No: 8

At present the Company is engaged in the business of computer electronics, power electronics, and computer hardware/software development. With a view to enlarge the volume of business operations by entering into greener areas with the help of technology options available and thereby achieve substantial increase in the profitability of the Company, your Directors have decided to diversify into wind power generation segment. With a power generation capacity of 10 MW, the project calls for an investment of Indian rupees equivalent to US \$ 12 million.

In order to empower the Company to undertake this new operation, it is necessary to alter the III-A of the Objects Clause of the Memorandum of Association of the Company by inserting three sub-clauses, namely, (3A), (3B) and (3C) after the existing sub-clause (3) of Clause III-A. Your Directors feel that the new operations fall under the scope of Section 17 (1) (d) of the Companies Act, 1956, whereby the existing business of power electronics can be conveniently combined with the business of power generation to the total advantage and benefit of the Company. Your Directors, therefore, recommend this resolution for your approval. None of the Directors of the Company is materially interested in this item of business.

A copy of the Memorandum of Association of the Company is open for inspection by Members of the Company on all working days between 11.00 A.M. and 1.00 P.M.

Item No: 9

In view of the expansion and diversification programmes to be undertaken by the Company and the proposed private placement of Fully Convertible Debentures, your Directors anticipate increase in the Capital base of the Company. In order to accommodate such increase in the capital, it has been proposed to increase the existing Authorised Capital from Rs. 1,00,00,000 (Rupees One Crore Only) consisting

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of 1,00,00,000 Equity Shares of Re.1/- each to Rs.2,00,00,000/- (Rupees Two Crores Only) divided into 2,00,00,000 Equity Shares of Re.1/- each. As such increase involving alteration of Clause V of the Memorandum of Association and Article 3 of the Articles of Association, requires the approval of Members pursuant to Sections 16, 31, 95 and 95 of the Companies Act, 1956, your Directors recommend this resolution for your approval by way of Special resolution. None of the Directors of the Company is materially interested in this item of business.

A copy of the Memorandum and Articles of Association of the Company is open for inspection by Members of the Company on all working days between 11.00 A.M. and 1.00 P.M.

Item No: 10

As mentioned earlier in the above explanatory statements, the Company is all set to undertake an expansion-cum-diversification programme concerning the segments of power electronics, digital electronics, computer hardware/software development and wind power generation. The total cost of the project is estimated at Indian rupees equivalent to US \$ 12.5 million and in order to raise such means, it has been proposed to approach investors/lenders through Private Offers for External Commercial Borrowings, GDRs, Fully Convertible Debentures and/or other Debt instruments as the Directors may find expedient. Such offer, issue and allotment of FCDs/GDRs/shares will be subject to the Memorandum and Articles of Association of the Company, the Companies Act, 1956, Rules, Regulations and guidelines formed by SEBI, Central Government, Reserve Bank of India and also the conditions of the Listing Agreement with the Bombay Stock Exchange limited.

As the shares resulting from the conversion of Debt instruments may be issued and allotted to persons other than the existing equity shareholders, it is necessary to pass the resolution under this item, as compliance of Section 81 (1A) of the Companies Act, 1956. Your Directors, therefore, recommend this resolution for your approval by way of a Special resolution. None of the Directors are interested in this item of business.

A copy of the Listing Agreement with BSE is open for inspection by Members of the Company on all working days between 11.00 A.M. and 1.00 P.M.

Registered Office:
25/25A, 2nd Floor,
Nawab Building,
Opp. Thomas Cook,
327, Dr. D N Road,
Fort, MUMBAI 400001.

By ORDER OF THE BOARD,

Sd/-
Devang Master
(Director)

Dated: August 21, 2007

EMPOWER INDUSTRIES INDIA LIMITED

Registered Office : 25/25A, 2nd Floor, Nawab Building, Opp. Thomas Cook,
327, Dr. D N Road, Fort, MUMBAI 400001.

PROXY FORM

Folio No./Client ID No. _____ DP-ID No. _____

I/We _____
of _____ being
member(s) of the above named Company hereby appoint _____
of _____
of _____

as my/our proxy to attend and vote for me/us on my/our behalf at the 18th Annual General meeting of the
Company, to be held on Friday, the 31st August 2007 at 11.30 a.m. and any adjournment(s) thereof.

Signed this _____ day of _____ 2007.

Signature _____

Affix
1 Rs.
Revenue
Stamp

ATTENDANCE SLIP

I hereby record my presence at the Annual General Meeting of the above named Company being held on Tuesday
25th September 2007 at 9.30 a.m. at
Folio No. or DP-ID No / Client ID No. _____

No. of Shares held _____

Name of the Member
(in Block Capitals) _____

- Notes :
1. A member / Proxy / Authorised Representative wishing to attend the meeting must complete must the attendance slip and hand it over at the entrance of the meeting hall.
 2. If you intend to appoint a proxy, please complete, stamp, sign and deposit the proxy from given above at the Registered office at least 48 hours before the Meeting.

EMPOWER INDUSTRIES INDIA LIMITED

DIRECTORS' REPORT

To,
The Members of Empower Industries India Limited,

Your Directors are pleased to submit their 25th Report together with the audited Statements of Accounts for the year ended March 31, 2007.

1. FINANCIAL RESULTS:

(Rs. in Lacs)

Sr.No	Particulars	Year ended March 31	
		2007	2006
a	Income from Sales	5,053.88	3,204.58
b	Operating Expenditure	4,977.67	3,155.35
c	Operating Profit	76.21	49.22
d	Other Income	-	301.72
e	Profit before Depreciation & Taxes	76.21	350.94
f	Depreciation	46.18	48.97
g	Profit before taxes	30.03	301.97
h	Provision for taxes	4.10	0.13
i	Deferred Tax	(4.50)	3.99
j	Net Profit for the year	30.43	297.85
k	Balance from previous year	304.32	6.47
l	Amount available for appropriation	334.75	304.32
m	Appropriation towards Interim Dividend	9.00	-
n	Tax on Interim Dividend	1.26	-
o	Balance carried to Balance Sheet	324.49	304.32

The Sales Income for the year under review increased to Rs.5,053.88 Lacs from Rs.3,204.58 Lacs for the previous year, registering an increase of 57.70%. The operating profit for the year touched Rs.76.21 Lacs (Rs.49.22 Lacs for the previous year), resulting in an increase of 54.83%.

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2. DIVIDEND:

Based on the satisfactory performance of the Company, your Directors declared and paid for and during the year under review, an Interim Dividend @18% which absorbed Rs.10.26 Lacs including dividend tax.

3. CURRENT OPERATIONS:

The current year augurs well for the Company and with a sound Order position, your Directors are pleased to inform you that the turn over for the current year is well poised to cross Rs.100.00 Crores. The Company is in the process of finalizing certain strategic business alliances in the field of software as well as in the highly sophisticated advanced technology field of power electronics. Your Directors are of the opinion that the finalization of the said alliances will account for substantial increase in the volume of business and profitability of the Company.

4. WIND POWER GENERATION PROJECT:

Wind Energy is the fastest growing energy Sector in the World and India is no exception to this scenario. The huge Demand-supply gap in India is a motivating factor for the entrepreneurs to fully exploit the benefits available from this segment. In order to support and exploit this demand-oriented growth potential, your Directors have proposed to set up a 10 MW Wind Mill in Maharashtra and Gujarat at an estimated project cost of Rs. 48 Crores. The mode and means of financing the Capital Expenditure, is being finalized. The Company has invited quotations from Turbine Suppliers and is in the process of short listing suppliers.

5. DEPOSITS:

During the year under review, the Company did not accept any deposits within the meaning of Section 58A of the Companies Act, 1956 and the Rules framed thereunder.

6. PARTICULARS OF EMPLOYEES:

None of the employees of the Company come under the purview of Section 217 (2A) of the Companies Act, 1956 and the Rules framed thereunder.

7. DIRECTORS:

Mr. Jilani Sheikh, Director retires by rotation at the ensuing Annual General Meeting, but being eligible, offers himself for reappointment as a Director of the Company.

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Mr. Rajgopalan S Iyengar holds office upto the ensuing Annual General Meeting, but being eligible offers himself for appointment as a Director. A notice in writing under Section 257 of the Companies Act, 1956 has been received from a Member, proposing his candidature to the Office of Director.

8. AUDITORS:

The retiring Auditors M/s. M. R. M. & Associates, Chartered Accountants are eligible for re - appointment and your Directors recommend their re - appointment.

9. DIRECTORS' RESPONSIBILITY STATEMENT:

Your Directors would like to inform the members that the audited accounts containing the Financial Statements for the year ended March 31, 2007 are in full conformity with the requirement of the Act and they believe that the financial statements reflect fairly the form and substance of the transactions carried out during the year and reasonably present the Company's financial condition and results of operations. These financial statements have been audited by the Statutory Auditors MRM & ASSOCIATES, Chartered Accountants.

Your Directors further confirm that:

- In the preparation of the annual accounts, applicable accounting standards have been followed;
- The accounting policies are consistently applied and reasonable, prudent, judgment and estimates are made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year;
- That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; and
- That the Directors had prepared the annual accounts on a going concern basis.

10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO UNDER SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956 (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS), RULES, 1988.

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A. Conservation of Energy:

The operations of the Company involve low energy consumption. There are no major areas where any energy conservation measures can be taken. However, efforts are being made to conserve and optimize the use of energy in regular operations.

B. Technology absorption:

As the Company is yet to set up a regular Research & Development facility, there is no technology development or absorption during the year under review. Also, no technology has been imported under any foreign collaboration or otherwise.

C. Foreign Exchange Earnings & Outgo:

The Company has no Foreign Exchange Earnings or Expenditure during the year under review.

11. ACKNOWLEDGEMENTS:

The Directors place on record their sincere thanks to the Customers, Vendors, Investors, Business Associates, Bankers, R & T Agents of the Company and the Bombay Stock Exchange Ltd for their excellent support extended to the Company.

Place: MUMBAI

For & on behalf of
the Board of Directors,

Date: June 26, 2007

Sd/-

(CHAIRMAN)

EMPOWER INDUSTRIES INDIA LIMITED

MRM & ASSOCIATES, Chartered Accountants

C-401, Sahyadri Building, Devipada, Borivali (E), MUMBAI 400 066

Tel: 9324638282 /9322848851 / 99669381924

Email: rmareshwari@rediffmail.com / mrm_caassociates@yahoo.co.in

AUDITORS' REPORT

To,
The Members of
EMPOWER INDUSTRIES INDIA LIMITED.

1. We have audited the attached Balance Sheet of EMPOWER INDUSTRIES INDIA LIMITED as at 31st March 2007 and also the annexed Profit and Loss Account and cash flow statement of the Company for the year ended on that date which we have signed under reference to this report. 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 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. As required by the Companies (Auditors' Report) Order, 2003 as amended by Companies (Auditor's Report) (Amended) Order, 2004 (together the Order) issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, and on the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we give in the annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.

Further to our comments in the Annexure referred to in paragraph (3) above and subject to Para no 9, 11, 16 and 17 of the Notes to Accounts,

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes 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 such books;
- c) The Balance Sheet and Profit and Loss Account dealt with this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet and Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred in section 211(3C) of the Companies Act, 1956.
- e) On the basis of written representations received from the directors and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2007 from being appointed as director in terms of clause (g) of sub section (1) of section 274 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 account read with the significant accounting policies and 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 principals generally accepted in India
 - I. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2007.
 - II. In the case of the Profit and Loss Account, of the Profit of the Company for the period ended on that date.
 - III. In the case of the cash flow statement, of the cash flows for the period ended on that date.

For MRM & Associates, Chartered Accountants

Sd/-

Mradula R Maheshwari
Proprietor

Place: Mumbai
Date: 26th June, 2007

EMPOWER INDUSTRIES INDIA LIMITED

Annexure to the Auditors' Report

Annexure referred to in paragraph 3 of the report of the Auditors to the members of **EMPOWER INDUSTRIES INDIA LIMITED** on the account for the year ended 31st March 2007.

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
(b) The fixed assets of the Company are physically verified by the management at regular interval which in our opinion is reasonable having regard to the size of the Company and the nature of Fixed Assets. We are informed that there is no discrepancy noticed on such physical verification.
(c) In our opinion, and according to the information and explanations given to us, substantial part of the fixed assets has not been disposed off by the Company during the year.
2. (a) The inventory of the Company has been physically verified during the period by the management. In our opinion frequency of verification is reasonable.
(b) In our opinion, and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of Company during the year and the nature of its business.
(c) On the basis of our examination of records of inventory, in our opinion, the Company has maintained proper records of inventory. We are informed that there are no discrepancies noticed on such physical verification.
3. (a) The Company, during the period covered by our audit, has not granted secured or unsecured loans to companies covered in the Register maintained under Sections 301 of the Companies Act, 1956.
(b) The Company, during the period covered by our audit, has not taken secured or unsecured loans from companies covered in the register maintained under section 301 of the Act.
(c) The Company has not taken any loan hence question of repayment of loan or payment of interest does not arise.
(d) The Company has not given any loan hence question of overdue of such loan does not arise.
4. In our opinion and according to the information and explanations given to us, having regard to the explanations that certain items purchase are of special nature for which suitable alternative sources do not exist for obtaining competitive quotations, there are adequate internal control procedures commensurate with the size & nature of business of Company for the purchase of inventory, fixed assets and sales of goods. Further on the basis of our examinations and information and according to the explanations given to us, we have neither come across nor have we been informed of any instance of measure weaknesses in the aforesaid internal control procedures.
5. Based on audit procedure applied by us and the information and explanation provided by management, we are of the opinion that there were no transactions during the year that, need to be entered in the Register maintained under section 301 of the Companies Act 1956.
6. Based on our scrutiny of the Company's records and according to the information and explanations provided by management, in our opinion, the Company has not accepted any deposits under section 58A and 58AA of the Act and Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.
7. In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
8. We have been informed by management, no cost records have been prescribed under Section 209 (1)(d) of the Companies Act, 1956.
9. (a) According to the records of the company the company is generally regular in depositing undisputed statutory dues including Provident Fund, Investors' Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom duty, excise duty, cess and other material statutory dues as applicable have been regularly deposited by the company during the year with the appropriate authorities. According to information and explanations given to us, no undisputed amounts payable were outstanding at the year end for a period of more than 6 months from the date they become payable.
(b) According to information and explanations given, there were no disputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Custom duty, Excise duty, cess, which have been outstanding as at 31st March 2007.
10. The Company has neither accumulated losses as at March 31, 2007 nor has it incurred any cash losses during the financial year ended on that date or in the immediately preceding financial year.
11. According to the records of the company, company has not borrowed from financial institution or bank or issued debentures till 31st March, 2007. Hence, in our opinion, the question of reporting defaults in repayment of dues to financial institution or bank or debentures does not arise.
12. According to the records of the company, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion considering the nature of activities carried on by the company during the year, the provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit funds / societies are not applicable to the company.
14. As per records of the Company and the information and explanation given to us by the management, Company is not dealing or trading in shares, securities, debentures and other investments.
15. As per records of the company and the information and explanation given to us by the management, the company has not given any guarantees for loans taken by others from banks or financial institutions.
16. According to the records of the company, the company has not obtained any term loans. Hence, comments under the clause are not called for.
17. Based on the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on a short-term basis have been used for long-term investment by the company.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956 during the year.
19. According to the records of the Company, the Company has not issued any debentures.
20. The company has not raised any money by public issue during the year.
21. During the Course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on nor by the Company, noticed or reported during the year nor have we been informed such case by the management

For MRM & Associates, Chartered Accountants

Place: Mumbai
Date: 26th June, 2007

Mradula R Maheshwari
Proprietor

EMPOWER INDUSTRIES INDIA LIMITED

Balance Sheet As At 31st March 2007

Particulars	Sch	Amount Rs.		Amount Rs.	
		Rs.	As At 31/03/2007	Rs.	As At 31/03/2006
I. SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS					
Capital	1	50,00,000.00		5,000,000.00	
Reserves & Surplus	2	32,474,396.76	37,474,396.76	30,457,251.81	35,457,251.81
			37,474,396.76		35,457,251.81
II. APPLICATION OF FUNDS					
FIXED ASSETS					
Gross Block		31,978,900.00		30,216,400.00	
Add: Addition During the Year		7,395,400.53		1,762,500.00	
Less: Depreciation		29,221,094.12		24,602,900.83	
Net Block	3		10,153,206.41		7,375,999.17
INVESTMENTS	4		65,200.00	65,200.00	65,200.00
CURRENT ASSETS, LOANS & ADVANCES					
Inventories	5	8,569,253.00		434,770.00	
Sundry Debtors	6	129,708,809.81		32,009,057.77	
Cash & Bank Balance	7	2,200,612.79		781,198.86	
Loans , Advances & Deposits	8	34,855,262.00		34,732,363.53	
		175,333,937.60		67,957,390.16	
Less:					
CURRENT LIABILITIES & PROVISIONS					
Liabilities	9	147,667,729.05		39,928,016.52	
Provisions	10	410,218.20		13,321.00	
NET CURRENT ASSETS			27,255,990.35		28,016,052.64
MISCELLANEOUS EXPENDITURE			-		-
			37,474,396.76		35,457,251.81
Statement of significant accounting policies & Notes to the Accounts	17				

As per our report of even date attached
For MRM & Associates
Chartered Accountants

For & On Behalf of the Board of directors

Sd/-

Mradula R. Maheshwari
Proprietor

Place: Mumbai
Date: 26th June, 2007

Sd/-

Devang Master
Director

Place:
Mumbai
Date: 26th June, 2007

Sd/-

R. S. Iyengar
Director

EMPOWER INDUSTRIES INDIA LIMITED

Profit & Loss Account For The Period ended 31st March 2007

Particulars	Sch	Amount In Rupees	
		As At 31/03/2007	As At 31/03/2006
Income			
Sales	11	505,388,002.50	320,457,683.69
Other Income	12	-	30,172,093.80
		505,388,002.50	350,629,777.49
Expenditure			
Materials Cost	13	504,689,518.00	314,527,024.00
(Increase)/Decrease in Stock	13	(8,134,483.00)	51,551.00
Administrative Expenses	14	629,963.05	538,943.57
Personnel Expenses	15	410,492.00	399,043.52
Income tax		162,664.13	-
Financial Charges	16	8,483.34	18,665.96
		497,766,637.52	315,535,228.05
Profit Before Tax & Depreciation		7,621,364.98	35,094,549.44
Depreciation		(4,618,193.29)	(4,896,990.32)
Profit After Depreciation & Before Tax		3,003,171.69	30,197,559.12
Profit Before Tax		3,003,171.69	30,197,559.12
Provision for Tax		398,009.20	2,401.00
Provision for Fringe Benefit Tax		12,209.00	10,920.00
Deferred Tax		(450,416.46)	399,400.08
Profit After Tax		3,043,369.95	29,784,838.04
Brought forward Profit from previous year		30,432,251.81	647,413.77
Profit Available For Appropriations		33,475,621.76	30,432,251.81
Appropriations			
Interim Dividend paid		(900,000.00)	-
Dividend Tax Paid		(126,225.00)	-
Balance Carried Forward to Balance Sheet		32,449,396.76	30,432,251.81
Profit Considered for arriving at EPS		3,043,369.95	29,784,838.04
Basic and diluted earning per Share		0.61	5.96
Number of Shares used in computing basic and Diluted Earning Per Share		5,000,000	5,000,000
Statement of significant accounting policies & Notes to the Accounts	17		

As per our report of even date attached
For MRM & Associates
Chartered Accountants

Sd/-
Mradula R. Maheshwari
Proprietor
Place: Mumbai
Date: 26th June, 2007

For & On Behalf of the Board of directors

Sd/-
Devang Master
Director
Place: Mumbai
Date: 26th June, 2007

Sd/-
R. S. Iyengar
Director

EMPOWER INDUSTRIES INDIA LIMITED

-- Schedules Forming Part of The Balance Sheet As At 31st March 2007.

Particulars	Amount In Rupees	
	As At 31/03/2007	As At 31/03/2006
Schedule - 1 :- Share Capital		
Authorised Share Capital 1,00,00,000 Equity Share Capital of Re. 1/- each	10,000,000.00	10,000,000.00
Issued, Subscribed & Paid Up Capital		
50,00,000 Equity Share Capital of Re. 1/- each fully paid up	5,000,000.00	5,000,000.00
	5,000,000.00	5,000,000.00
Schedule - 2 :- Reserves & Surplus		
General Reserve		
As per last Balance Sheet	25,000.00	25,000.00
Profit & Loss Account	32,449,396.76	30,432,251.81
	32,474,396.76	30,457,251.81
Schedule - 4 :- Investment (At Cost)		
Quoted		
Long Term		
Prraneta Lease & Finance Ltd (65200 Equity shares each of face value Re.1/- Fully Paid, Previous Year 65200 each of Re. 1/-) (Market price Rs.57376/- as per BSE)	65,200.00	65,200.00
	65,200.00	65,200.00
Schedule - 5 :- Inventories (At Cost)		
Inventories (As taken Valued and Certified by the Management)	8,569,253.00	434,770.00
	8,569,253.00	434,770.00
Schedule - 6 :- Sundry Debtors (Unsecured & Considered Good)		
Debts outstanding for a period exceeding Six Months	18,143,514.33	12,369,955.00
Others	111,565,295.48	19,639,102.77
	129,708,809.81	32,009,057.77
Schedule - 7 :- Cash & Bank Balance		
Cash on-Hand	589,409.43	653,871.39
Bank Balance with Schedule Banks In Current Account	1,611,203.36	127,327.47
	2,200,612.79	781,198.86

EMPOWER INDUSTRIES INDIA LIMITED

Schedules Forming Part of The Balance Sheet As At 31st March 2007.

Particulars	Amount In Rupees	
	As At 31/03/2007	As At 31/03/2006
Schedule - 8 :- Loans & Advances		
Loans & Advances		
Advances Recoverable in Cash or Kind	34,643,300.00	34,520,401.53
Deposits	211,962.00	211,962.00
	34,855,262.00	34,732,363.53
Current Liabilities & Provisions		
Schedule - 9 :- Liabilities		
Sundry Creditors for Goods	145,481,157.55	38,764,965.16
Sundry Creditors for Expenses	65,635.50	41,252.41
Due to Directors - Current A/c's	1,902,271.00	54,771.00
Duty & Taxes	218,665.00	1,067,027.95
	147,667,729.05	39,928,016.52
Schedule - 10 :- Provisions		
Provisions for Income Tax	410,218.20	13,321.00
	410,218.20	13,321.00

EMPOWER INDUSTRIES INDIA LIMITED

Schedule forming Part of Profit & Loss Account For The Period Ended 31st March 2007.

Particulars	Amount In Rupees	
	As At 31/03/2007	As At 31/03/2006
Schedule - 11 :- Sales		
Hardware Sales	482,890.00	23,452,146.00
Software Package Sales	504,905,112.50	239,305,537.69
TV Serial Sales	-	57,700,000.00
	505,388,002.50	320,457,683.69
Schedule - 12 :- Other Income		
Long Term Capital Gain on Shares	-	30,172,093.80
	-	30,172,093.80
Schedule - 13 :- Material Cost		
Hardware -		
Purchases of Networking Products & Peripherals	-	23,031,509.00
	A	23,031,509.00
Software Packages		
Purchases	504,689,518.00	238,845,515.00
	B	238,845,515.00
TV Serials		
Purchase	-	52,650,000.00
	C	52,650,000.00
	A+B+C	314,527,024.00
(Increase)/Decrease in Stock		
Opening Stock	434,770.00	486,321.00
Closing Stock-Hardware		
Laptop, Networking products & peripherals	8,569,253.00	434,770.00
	(8,134,483.00)	51,551.00

EMPOWER INDUSTRIES INDIA LIMITED

Schedule forming Part of Profit & Loss Account For The Period Ended 31st March 2007.

Particulars	Amount In Rupees	
	As-At 31/03/2007	As-At 31/03/2006
Schedule - 14 :- Administrative Expenses		
Conveyance, Travelling & Vehicle Expenses	144,035.29	53,757.72
Donation	-	1,000.00
Electricity Charges	19,685.00	19,000.00
Furniture Hire Expenses	91,000.00	67,500.00
Legal, Professional and Other Charges	80,338.96	116,795.67
Communication Expenses	85,627.81	108,572.18
Printing and Stationery	41,687.50	19,329.00
Rent	112,800.00	96,000.00
Repairs & Maintenance	6,950.00	19,550.00
Office Expenses	26,338.49	16,525.00
Remuneration To Auditors	19,000.00	19,000.00
Rates and Taxes	2,500.00	1,914.00
	629,963.05	538,943.57
Schedule - 15 :- Personnel Expenses		
Salary & Wages	381,303.00	366,639.00
Staff Welfare Expenses (in Office Premises)	29,189.00	32,404.52
	410,492.00	399,043.52
Schedule - 16 :- Financial Charges		
Bank Charges	8,483.34	18,665.96
	8,483.34	18,665.96

EMPOWER INDUSTRIES INDIA LIMITED

Financial Period Ended 31st March 2007. Schedule 17

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS.

A] SIGNIFICANT ACCOUNTING POLICIES:-

1. Basis of Preparation of Financial Statements

- a. The financial statements have been prepared under the historical cost convention basis in accordance with the Accounting Standards and the provisions of the Companies Act, 1956, subject to what is stated herein below, as adopted consistently by the company.
- b. The company has generally followed mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.

2. Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation.

3. Depreciation

Depreciation on Fixed Assets has been calculated on written down value at the rate prescribed under schedule XIV of the Companies Act, 1956.

4. Investments

Long-term investments are stated at cost. Provision for diminution in the value of Long Term Investment is made only if such a decline is other than temporary, in the opinion of the management.

5. Inventories

Items of inventories are valued at cost or net realizable value which ever is lower. Cost of Inventories comprise of all cost of purchase, cost of conversion and other cost incurred in bringing them to their present location and condition.

The Valuation of inventories has been made on FIFO Method and there is no change in valuation from the previous year.

EMPOWER INDUSTRIES INDIA LIMITED

6 Gratuity

Provision for Gratuity Liability is not made since none of the employees have completed 5 years of service.

7. Taxation

Provision for Income tax is made on the basis of relevant provisions of the Income Tax Act, 1961.as applicable to the financial year. Deferred income taxes are recognized for the future tax consequences attributable to timing differences between the financial statement determination of income and their recognition for tax purposes.

8. Revenue recognition

The company recognizes revenue on dispatch of goods to customers for Hardware Sales and for Software on the raising the bill to the clients. Revenue is recorded at net invoice value.

B] NOTES TO ACCOUNTS: -

9. There is a claim of Rs. 150,000/- from SEBI under compliance of Substantial Acquisition & Takeover Regulation of Shares & Takeover Regulation, 1997. Since the liability is contested to be payable by the earlier management, no provision is made in the accounts.

10. Auditors Remuneration: -

	<u>31/03/2007</u>	<u>31/03/2006</u>
a. Statutory Audit Fees.	Rs. 9,500.00	Rs. 9,500.00
b. Tax Audit Fees	Rs. 9,500.00	Rs. 9,500.00
	Rs.19,000.00	Rs.19,000.00

EMPOWER INDUSTRIES INDIA LIMITED

11. The various balances (Debit and Credit) appearing in the Balance sheet are unconfirmed and are stated as certified by the Management and as recorded in the Books.
12. Related Party Disclosure
As per Accounting Standard-18 "Related party Disclosures" comes into effect in respect of accounting periods commencing on or after 01.04.2002, According to information and explanation given to us by management no loans and advances and other transaction has been given to the related parties.
13. Sundry Debtors, Creditors, Loans & Advances are stated at the ordinary course of business. In case of irrecoverable, un-reconciled, inter party transfer, debit note, credit note of sundry debtors, creditors, loans & advances, are stated as per management's judgments/decision, final settlement of accounts with the parties are subject to confirmation.
14. As per information and explanation given by the Management, Advances given to various parties are trade advances hence no interest has been provided during the year. We are further informed that during the year no loans and advance have been given to any director/s, relatives and under the same management concerns directly or indirectly.
15. The value of expenditure & earnings in foreign currency (previous Year Nil) are;
- | Expenditure
(Rupees) | Earnings
(Rupees) |
|-------------------------|----------------------|
| Nil | Nil |
16. Expenditure in respect of which third party evidences were not produced for our verification, are verified from vouchers prepared and certified by the management and As recorded in the books.
17. As informed to us by the management that loans and advances are given is Interest free hence no interest has been provided during the year.
18. Details of Opening & closing stocks of goods along with Purchases & sales of goods traded in by the Company.

EMPOWER INDUSTRIES INDIA LIMITED

<u>Opening Stock</u>	<u>31.03.2007</u>		<u>31.03.2006</u>	
<u>Items</u>	<u>Qty./Nos.</u>	<u>Value (Rs.)</u>	<u>Qty./Nos.</u>	<u>Value (Rs.)</u>
Hardware & Peripherals	81	434770	16	486321
Software Packages	Nil	Nil	Nil	Nil
T.V.serial Episode	Nil	Nil	Nil	Nil
	81	434770	16	486321
<u>Purchases</u>				
Hardware Peripherals	Nil	Nil	80	23031509
Software Packages	5511	504689518	4313	238845515
T.V.serial Episode	Nil	Nil	300	52650000
		504689518	4693	314527024
<u>Sales</u>				
Hardware Peripherals	67	482890	15	23452146
Software Packages	5417	504905112.5	4313	239305538
T.V.serial Episode	Nil	Nil	300	57700000
		505388002	5777	320457684
<u>Closing Stock</u>				
Hardware & Peripherals	14	196644	81	434770
Software Packages	97	8372609	Nil	Nil
T.V.serial Episode	Nil	Nil	Nil	Nil
	111	8569253	81	434770

19. Earning Per Share

- a. Net Profit after tax available for Equity Shareholders (Numerator used for Calculation) Rs. 30,43,369.95
- b. No. Of Equity Shares used Equity as Denominator for Calculation of EPS 50,00,000 Shares
- c. Earning per Share Rs. 0.61 (Equity Shares of face value of Re. 1/- each)

20. Remuneration Paid to the Directors is Rs 180000/- (Previous Year Rs.120000/-)

21. As per clause 4D of part 11 of Schedule VI of the Companies Act, 1956

- Value of Import on CIF Basis Nil Expenditure in Foreign Currency Nil
- Value of Import during the Year Nil Amount remitted during the year Nil
- Earning in Foreign Currency Nil

EMPOWER INDUSTRIES INDIA LIMITED

22) Previous year figures are rearranged and regrouped wherever necessary.

As per Report of Even Date Attached

FOR MRM & Associates.

For & On Behalf of the Board of Directors

Chartered Accountants

Sd/-
Mradula R Maheshwari
Proprietor

Sd/-
Devang Master
Director

Sd/-
R. S. Iyengar
Director

Place Mumbai
Date : 26/06/2007

Place : Mumbai
Date : 26/06/2007



EMPOWER INDUSTRIES INDIA LIMITED

Cash Flow Statement Annexed to the Balance Sheet As At 31st March 2007.

	2006 - 2007 Rupees	2005 - 2006 Rupees
a. Cash Flow From Operating Activities		
Net Profit/(Loss) After tax as per Profit & Loss Account	3,043,369.95	29,784,838.04
Adjusted for :		
Current year tax provision	398,009.20	2,401.00
Deferred Tax Provisions	(450,416.46)	399,400.08
Provision for Fringe Benefit Tax	12,209.00	10,920.00
Depreciation	4,618,193.29	4,896,990.32
Operating Profit Before Working Capital Changes	7,621,364.98	35,094,549.44
(Increase)/Decrease in Inventories	(8,134,483.00)	51,551.00
(Increase)/Decrease in Sundry Debtors	(97,699,752.04)	33,806,860.83
(Increase)/Decrease in Loans & Advances	(122,898.47)	(29,223,601.53)
Increase/(Decrease) in Liabilities	107,739,712.53	(37,311,037.50)
(Increase)/Decrease in Provision except Income Tax Liabilities	450,416.46	(457,810.08)
Cash Generated from Operation	9,854,360.46	1,960,512.16
Taxes Paid	(13,321.00)	-
Extra Ordinary Item as Advance from Customers written Back	-	-
	a 9,841,039.46	1,960,512.16
b. Cash Flow From Investing Activities		
Purchase of Fixed Assets	7,395,400.53	1,762,500.00
Investment	-	(178,160.00)
	b 7,395,400.53	1,584,340.00
c. Cash Flow From Financing Activities		
Interim Dividend Paid (Including Tax Paid on Distributed Profits)	(1,026,225.00)	-
(Payment)/Proceeds from Unsecured Loan	-	-
	c (1,026,225.00)	-
Net Increase in Cash & Cash Equivalents	a+b+c 1,419,413.93	376,172.16
Add: Cash & Cash Equivalents at beiging of the year	781,198.86	405,026.70
Cash & Cash Equivalents at the end of the year	2,200,612.79	781,198.86

For & On Behalf of the Board of Directors

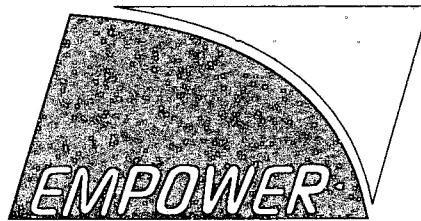
Sd/-	Sd/-
Devang Master	R. S. Iyengar
Director	Director

Place :
Mumbai
Date: 26th June, 2007

AUDITORS' CERTIFICATE

We have examined the attached Cash Flow Statement of Empower Industries India Limited (formerly known as Harijay Industries Limited) for the period ended 31st March 2007. The Statement has been prepared by the Company in accordance with the requirements of Clause 32 of Listing Agreements with the Stock Exchange & is based on & in agreement with the corresponding Profit & Loss Account & Balance Sheet of the Company covered by our Report on 26th June, 2007 to the Members of the Company.

For MRM & Associates
Chartered Accountants
Sd/-
Mradula R. Mabeshwari
Proprietor
Place: Mumbai
Date: 26th June 2007



Empower Industries India Limited

25/25A, 2nd Floor, Nawab Building, 327, D. N. Road, Fort, Mumbai - 400 001.

Ph.: 2204 5043 (Dir) / 2204 5044 / 2204 5055 Fax : 2204 5445

Email : investors@empowerindia.in