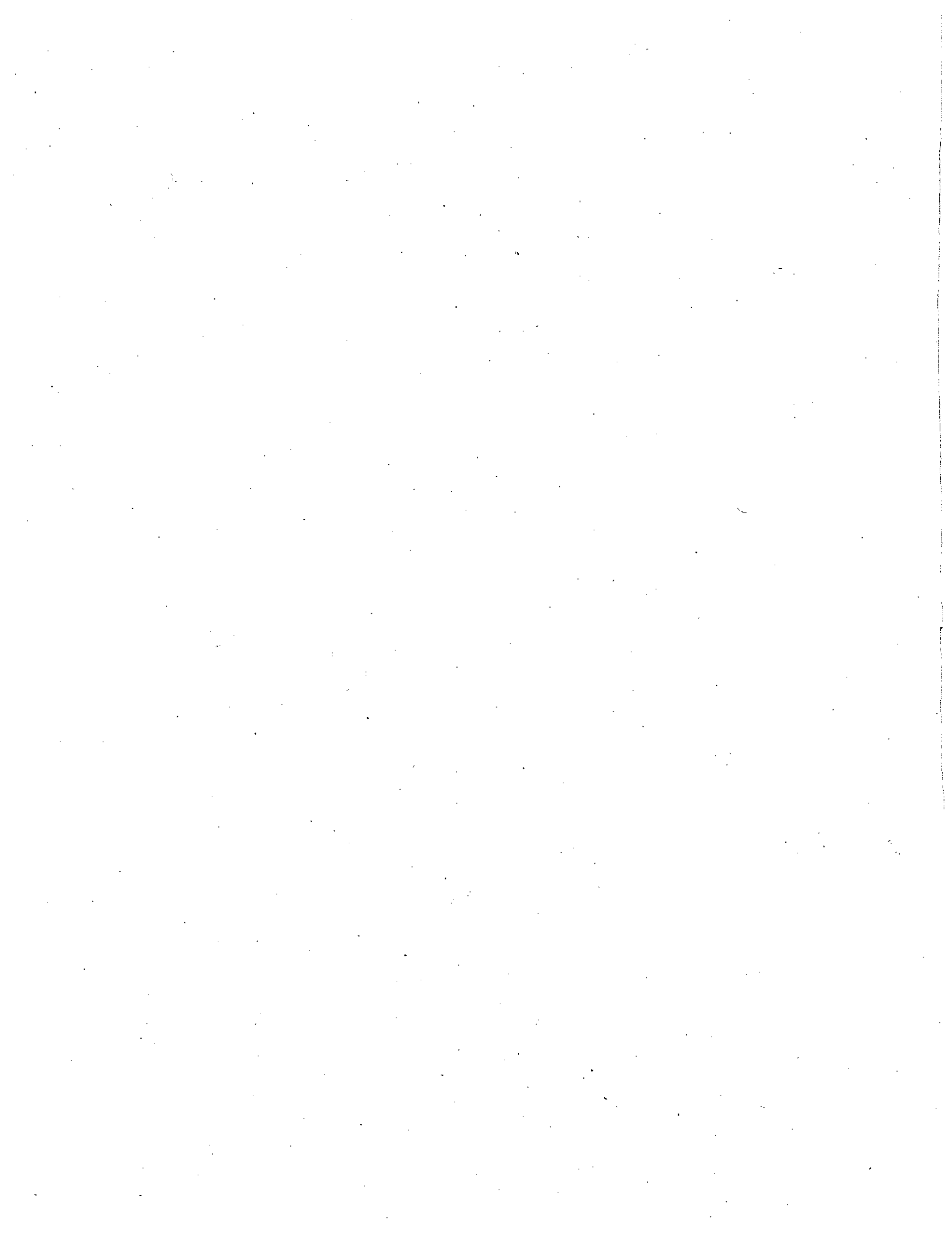


**ELPRO INTERNATIONAL LTD.**

**46TH ANNUAL REPORT 2008-2009**



**BOARD OF DIRECTORS**

Mr. R. K. Dabriwala – Chairman

Mr. R. K. Choudhury

Mr. Anil Poddar

Mr. Sharat Anand

Mr. Narayan T. Atal

Mr. Surbhit Dabriwala

**KEY MANAGEMENT EXECUTIVES**

Mr. R. Mukherjee – CEO

Mr. Sambhaw Jain – CFO, Compliance Officer

**AUDITORS**

M/s Price Waterhouse  
Chartered Accountants

**BANKS**

Bank of India

State Bank of Patiala

**SHARE TRANSFER AGENT**

Sharex Dynamic (India) Pvt. Ltd.  
Unit No. 1, Luthra Ind. Premises,  
Safed Pool,  
Andheri Kurla Road,  
Andheri (E),  
Mumbai - 400 072.

**REGISTERED OFFICE**

“NIRMAL”17th Floor,  
Nariman Point,  
Mumbai - 400 021.

**NOTICE OF THE 46<sup>TH</sup> ANNUAL GENERAL MEETING**

Notice is hereby given that 46<sup>th</sup> Annual General Meeting of the Company will be held on Tuesday 29<sup>th</sup> Day of September 2009, at 11.30 a.m. at Walchand Hirachand Hall, Indian Merchant's Chamber, Churchgate, Mumbai - 400020 to transact the following business:

**Ordinary Business:**

1. To consider and adopt the Audited Balance Sheet of the company as at 31<sup>st</sup> March, 2009 and Profit and Loss account for the year ended on that date and the Report of the Auditors' and Directors' thereon
2. To appoint a Director in place of Mr. R.K Dabriwala, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Narayan T. Atal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s Price Waterhouse, Chartered Accountants, as the auditors of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and authorize the Board of Directors to fix their remuneration.

**Special Business:**

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

**"RESOLVED THAT** Mr. Anil Poddar who was appointed as an Additional Director of the Company effective November 17, 2008 under Articles of Association of the Company and who holds office under Section 260 of the Companies Act, 1956, upto the date of this Annual General Meeting be and hereby appointed as a Director of the Company liable to retire by rotation."

**By Order of the Board of Directors**

**Place :** Mumbai  
**Dated :** 30<sup>th</sup> June, 2009

**Anil Poddar**  
**Director**

**Notes:**

- a. **A member entitled to attend and vote instead of himself and proxy need not be a member. In order to become valid, the proxy forms should be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the meeting.**
- b. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the Special Business is annexed hereto.
- c. The Register of Members and Share Transfer Books will remain closed from **25<sup>th</sup> September, 2009 to 29<sup>th</sup> September, 2009** (both days inclusive).
- d. Pursuant to provisions of Section 205A of the Companies Act, 1956, as amended, the unpaid dividends for the Financial Year 2001-2002 and thereafter which remain unpaid / unclaimed for a period of seven years shall be transferred to the Investor Education and Protection Fund constituted in terms of Section 205C of the Companies Act, 1956.
- e. Members holding shares in physical form are requested to notify immediately any change in their address to the Company's Registrar and Transfer Agents **M/s. Sharex Dynamic (India) Private Limited, Unit No. 1, Luthra Industrial Premises, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai - 400072.** Members holding shares in electronic form may intimate any such changes to their respective Depository Participants (DPs).

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACTS, 1956****Item No. 5:**

Mr. Anil Poddar was appointed as an additional director of the company by the Board of Directors on 17<sup>th</sup> November, 2008 to hold office upto the conclusion of this Annual General Meeting. He is presently director in one other company. The company has received notice under Section 257 of the Companies Act, 1956 from a member of the Company proposing his candidature as a director of the company liable to retire by rotation in terms of the Articles of Association of the Company.

Except Mr. Anil Poddar, None of the Directors of the Company is concerned or interested in the resolution.

**By Order of the Board of Directors**

Place: Mumbai  
Date: 30<sup>th</sup> June, 2009

**Anil Poddar**  
**Director**

**PARTICULARS OF DIRECTORS IN TERMS OF LISTING AGREEMENT:****Mr. R. K. Dabriwala**

Harvard alumni holding several senior management positions. He is holding directorship in following Companies:-

Name of the Company	Particulars of position held
Elpro International Limited	Director
International Conveyors limited	Director
International Belting Limited	Director
I.G.E. (India) Limited	Director
Faridabad Investment Company Limited	Director
Dabri Properties & Trading Company Limited	Director
R.C.A. Limited	Director
GE Power Services (India) Pvt. Ltd.	Director
Faridabad Capital Holding Pvt. Ltd.	Director

**Mr. R. K. Choudhury**

Mr. Choudhury is an Advocate with over 49 years of experience and is a senior consultant of M/s Khaitan & Co., Advocates, Kolkata & Mumbai . He is holding directorship in following Companies:-

Name of the Company	Particulars of position held
Academic Foundation & Publication Pvt. Ltd.	Director
Balrampur Chini Mills Ltd.	Director
Digjam Ltd.	Director
Elpro International Limited.	Director
Khaitan Consultants Limited.	Director
Lynx Machinery & Commercial Limited	Director
Puja Corporation Limited.	Director
Puja Art Archive Limited.	Director
Reliance Bengal Industries Limited.	Director
Rajratan Impex Pvt. Ltd.	Director
RKDK Publisher Pvt. Ltd.	Director
Suryakiran Apartment Services Pvt. Ltd.	Director
Super Diamond Nirmal Limited	Director
Travel Hub Pvt. Limited.	Director
Upper Ganges Sugar & Industries Ltd.	Director
Concrete Builder Pvt. Ltd.	Director
Maxgrow Merchandise Pvt. Ltd.	Director

**Mr. Sharat Anand**

Mr. Sharat Anand has a Master's degree in Business Administration from Delhi University and thereafter attended the GBC Programme conducted by London Business School, UK and has over 22 years of experience as an International Banker with extensive assignments overseas and in India and he was a Deputy CEO and Country Treasurer for a considerable period in foreign banks in India.

**Mr. Narayan T. Atal**

Mr. Narayan T. Atal is a Chartered Accountant. He has over 25 years experience in Chartered Accountants practice. He is holding directorship in following companies.

Name of the Company	Particulars of position held
Gama Leafin Pvt. Ltd.	Director
The Pratap Co Operative Bank Ltd.	Director
Elpro Estates Limited	Director
Elpro International Limited	Director
Ajcon Global Services Ltd.	Director
Shree Madhu Industrial Estate Ltd.	Director

**Mr. Anil Poddar**

Mr. Anil Poddar was appointed as an additional director of the company by the Board of Director on 17.11.2008 to hold office up to the conclusion of this Annual General Meeting. He is holding directorship in following companies.

Name of the Company	Particulars of position held
Elpro Estates Limited	Director
Elpro International Limited	Director

**Mr. Surbhit Dabriwala**

Mr. Surbhit Dabriwala is a Bachelor of Arts and Science (1998) from University of Pennsylvania, of the Wharton School of Fame, a leading league Institution. He is presently holding directorship in following Companies:-

Name of the Company	Particulars of position held
Elpro International Limited	Director
First Apartments Private Limited	Director
Faridabad Investment Company Limited	Director
Dabri Properties & Trading Company Limited	Director
Metlife India Insurance Company limited	Director
Faridabad Capital Holding Pvt. Ltd.	Director

**By Order of the Board of Directors**

**Place :** Mumbai  
**Dated :** 30<sup>th</sup> June, 2009

**Anil Poddar**  
**Director**

**DIRECTORS' REPORT**

Dear Shareholders,

The Directors present the 46<sup>th</sup> Annual Report together with the audited balance-sheet and profit and loss account for the year ended March 31, 2009.

**1. Financial Results**

(Rs. in Lacs)

Particulars	Year ended 31.03.2009	Year ended 31.03.2008
<b>Gross sales &amp; services</b>	<b>1303</b>	<b>2,967</b>
<b>Other Income</b>	<b>68</b>	<b>183</b>
Profit/(Loss) Before Tax and Exceptional Items	<b>(1469)</b>	<b>(1,845)</b>
Provision for Taxation	-	-
MAT Credit	<b>4</b>	-
Provision for Deferred Tax	-	<b>(136)</b>
Fringe Benefit Tax	<b>3</b>	<b>6</b>
Reversal of provision for diminution in value of investments	<b>(1192)</b>	-
Provision for diminution in value of investments	-	<b>5</b>
<b>Profit/(Loss) After Tax</b>	<b>(284)</b>	<b>(1,715)</b>
Profit brought forward from previous year	<b>(1370)</b>	<b>345</b>
Profit available for appropriation Dividend-Proposed	<b>(1654)</b>	<b>(1,370)</b>
Dividend-Proposed	-	-
Dividend tax on proposed dividend	-	-
Transfer to General reserve	-	-
Balance carried to Balance Sheet	<b>(1654)</b>	<b>(1,370)</b>

**2. Operations:**

The top-line during the year stood at Rs.1303 Lacs as compared to Rs. 2,967 Lacs in the previous year. The decrease in top-line is due to consolidation & slowdown in company's core manufacturing division and also due to margin pressure the company has suspended to take orders from Electricity Boards The Company has started construction activities in full swing and from next financial year the revenue from its real estate division shall start reflecting in the top line.

**3. Dividend:**

Due to loss in current year, your Directors have not recommended any dividend.

**4. Subsidiary & Consolidated Financial Statement:**

The Consolidated Financial Statement and report thereon prepared with subsidiary Elpro Estates Limited and associates Dabri Properties and Trading Company Limited forms part of the Financial Statement.

**5. Directors:**

In accordance with Articles of Association of the Company, Mr. R.K. Dabriwala & Mr Narayan T. Atal. retire by rotation as Directors at the ensuing Annual General Meeting and are eligible for re-appointment.

**6. Auditors:**

The auditors M/s. Price Waterhouse, Chartered Accountants, retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Audit Committee of the Board recommends the re-appointment of M/s. Price Waterhouse, as Auditors for a further period of one year.



**7. Personnel:**

None of the employees of the Company employed throughout the year were in receipt of remuneration of Rs.24,00,000/- or more per annum or employed for part of the year were in receipt of Rs.2,00,000/- or more per month.

**8. Conservation of Energy, Technology Absorption:****a) Conservation of Energy**

During the year under review, the energy consumption was 422610 (including 14112 own generation through DG) KWH in units as against 1619295 (including 107520 own generation through DG) KWH in the previous year. Steps taken for energy conservation, inter alia, include the following:

Maintaining the power factor to unity in spite of variable load.

**b) Technology Absorption:**

Not Applicable.

**9. Foreign Exchange Earnings and Outgo:**

Earning and outgo in foreign exchange during the year under review were Rs.266.09 Lacs and Rs.1.24 as against Rs. 696.12 Lacs and Rs. 15.65 Lacs respectively in the previous year.

**10. Directors Responsibility Statement:**

As required under Section 217(2AA) of the Companies Act, 1956, it is hereby stated that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) we have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- c) we have 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 fraud and other irregularities; and
- d) We have prepared the annual accounts on a going concern basis.

**11. Code of Corporate Governance:**

In terms of clause 49 of the Listing agreement with Stock Exchanges, a separate report on Corporate Governance along with the auditors' statement thereon is attached hereto.

**12. Management Discussion and Analysis:**

The Annual Report also contains a separate section on the Management Discussion and Analysis, which is a part of the Director's Report.

**13. Industrial relations:**

Employee relations were by and large satisfactory. No man days were lost due to strike, lock out etc.

**14. Acknowledgements:**

Your Directors wish to place on record their sincere appreciation for the assistance and support extended by Customers, Employees, Banks, Governments, Vendors, Shareholders and others associated with the activities of the Company and look forward to their continued support.

For and on behalf of the Board of Directors

Place : Mumbai  
Dated : 30<sup>th</sup> June, 2009

R. K. Dabriwala  
Chairman

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****1. Industry Structure and Development:**

The Company is largely dependent on the performance of its real estate activities which experienced severe slow down in the recent past due to global slow down and also due to deep corrections in domestic economy and with regard to its core manufacturing activities the demand situation has not improved considerably which is affecting the activity of the Company.

**2. Opportunity & Threats:**

Real estate sector has passed through the corrections and in future real estate & allied services shall provide opportunity for better performance of the Company.

**3. Segment wise performance:**

The Company is continuing its efforts to penetrate export market and good amount of export orders have been executed during the year, the real estate activities have advanced considerably during the year and will continue to be advanced with faster rate in the coming years.

**4. Risks & Concerns and Outlook:**

Your Company continues its efforts to produce good quality products at lower cost by taking all steps to retain the market share.

**5. Internal control system & its adequacy:**

Company has adequate internal control system for safeguarding assets of the Company and preventing them from unauthorized use or disposition. However the management is being regularly guided by the Audit Committee, which reviews the systems. The Company has been taking steps for further strengthening of controls.

**6. Human resource and Industrial relations**

Employee relations were by and large satisfactory.

**CAUTIONARY STATEMENT:**

Statements in this "Management discussion and analysis report" describing the Company's projections, estimates, expectations or predictions may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.

## REPORT ON CORPORATE GOVERNANCE

## 1) Company's Philosophy:

Your Company has been following philosophy of good governance policies with transparency to meet its obligation to all stakeholders in balanced and accountable manner.

## 2) Board of Directors:

## a) Composition of Board:

There are presently six Directors on the Board of the Company of which two are Promoter Directors and four are Non-Executive Independent Directors.

## b) Attendance of each Director at Board Meetings and at last Annual General Meeting:

Name of Director	Category	Status	No. of Board Meetings attended	Attendance at the last AGM
Mr. R. K. Dabriwala	Promoter	NED	4	Present
Mr. R. K. Choudhury	Independent	NED	4	Not Present
Mr. R. A. Redkar	Independent	NED	6**	Present
Mr. Narayan T. Atal	Independent	NED	9	Present
Mr. S. Dabriwala	Promoter	NED	8	Present
Mr. Sharat Anand	Independent	NED	4	Present
Mr. Anil Poddar	Independent	NED	2*	

NED - Non Executive Director

ED - Executive Director

\*Appointed as an additional director on 17<sup>th</sup> November, 2008

\*\*Resignation approved on 17<sup>th</sup> November, 2008

## c) Number of other Companies and Committees, the Director of the Company is a Director/ Member/Chairman:

Name of Director	Number of Directorship @	Other Board Committees	
		Member	Chairman
Mr. R. K. Dabriwala	8	None	None
Mr. R. K. Choudhury	16	None	4
Mr. Narayan T. Atal	5	None	None
Mr. S. Dabriwala	5	None	None
Mr. Sharat Anand	None	None	None
Mr. Anil Poddar	1	1	None

@ includes private limited companies

d) Details of Board Meeting held during 1<sup>st</sup> April, 2008 to 31<sup>st</sup> March, 2009

Sr. No.	Date
1	28 <sup>th</sup> April, 2008
2	12 <sup>th</sup> May, 2008
3	30 <sup>th</sup> June, 2008
4	31 <sup>st</sup> July, 2008
5	29 <sup>th</sup> September, 2008
6	31 <sup>st</sup> October, 2008
7	17 <sup>th</sup> November, 2008
8	15 <sup>th</sup> December, 2008
9	31 <sup>st</sup> January, 2009

e) Number of shares held by Non-Executive Directors as at 31<sup>st</sup> March, 2009:

Name of the Directors	No. of Shares
Mr. R. K. Dabriwala	84,259

3) **Audit Committee:**

## a) Composition, No. of Meetings and Attendance:

The Audit Committee of the Company comprised of four Independent, Non-Executive Directors. The Audit Committee meetings were held on April, 2008, June, 2008, July, 2008, October, 2008 and January, 2009. The details of attendance are stated below:

Name of the Director	No. of Meetings
Mr. Narayan T. Atal	5
Mr. R. A. Redkar	4**
Mr. Sharat Anand	2
Mr. R. K. Choudhury	2
Mr. Anil Poddar	1*

\*\*Resigned from the Committee w .e. f. 17<sup>th</sup> November, 2008.

\*Appointed on 17<sup>th</sup> November, 2008

The senior officials of the Company and representative of Auditors were invitees to the meetings of the Audit Committee.

## b) Terms of Reference:

The terms of reference of this Committee are wide enough covering the matters specified under the Listing Agreement.

## c) Secretary:

The Company did not have a qualified company secretary during the year.

## d) Subsidiary Company:

The minutes of the Board Meeting and Financial Statement of Elpro Estates Limited was periodically placed before the Board.

**4) Remuneration Committee:**

## a) Composition:

The Remuneration Committee comprised of three Independent, Non-Executive Directors.

## b) No. of Meetings and Attendance:

There was no meeting of the Remuneration Committee held during the year.

## c) Terms of Reference:

The terms of reference of this Committee are wide enough covering the matters specified under the Listing Agreement.

## d) Remuneration of Directors:

The remuneration payable to the Whole-Time Director is recommended by the Remuneration Committee and then approved by the Board of Directors & members at the General Meeting of the Company. Remuneration to the Whole-Time Director consists of fixed salary and perquisites.

Details of remuneration paid to the Whole-Time Director for the period 01.04.2008 to 31.03.2009

Name of Director	Salary & Allowances	Perquisites	Terms of appointment
Mr. Surbhit Dabriwala	822000	Nil	26 months from 01.10.2007 to 30.11.2009

**Notes:**

1. Company does not have a stock option scheme.
2. There is no notice period and no severance fees are payable by the Company.
3. The whole-time director is also entitled to a commission of 1 % of net profits of the Company.
4. Mr. Surbhit Dabriwala has resigned from the post of Whole Time Director of the Company .  
However he is continuing as a Non- Executive Director in the Company with effect from 20-04- 2009.

## e) Remuneration to Non-Executive Directors consists of sitting fees:

Payments for the period 01.04.2008 to 31.03.2009 (Amount in Rupees)

Name of Director	Sitting Fees
Mr. R. K. Dabriwala	17,000
Mr. R. K. Choudhury	12,750
Mr. R. A. Redkar	25,500
Mr. Sharat Anand	17,000
Mr. Narayan T. Atal	29,750
Mr. Anil Poddar	8,500

**5) Shareholders/Investors' Grievances Committee:**

## a) Composition:

Shareholders/Investors Grievance Committee comprises of Mr. Anil Poddar, Mr. Surbhit Dabriwala and Mr. Narayan T. Atal as members of the Committee. The Committee meets to approve transfer, transmission, consolidation, sub-division, issue of duplicate Share Certificates, request for dematerialization of the Company's shares, redressing of investors' complaints, etc. During the year under report, 24 meetings were held.

## b) Compliance officer:

Mr. Sambhaw Jain - CFO & Compliance Officer w.e.f. 15.02.2008

## c) Complaints:

26 Complaints were received and resolved during the year under review. There is no claim pending to be resolved as at 31-03-2009.

## d) Pending share transfer:

The number of share transfers received during the year under review and which are pending are Nil.

**6) General Body Meetings:**

a) The last three: Annual General Meetings of the Company were held as under:

Financial Year	Date	Time	Venue
2005-2006	25.09.2006	11:30 A. M	Walchand Hirachand Hall, Indian Merchants' Chambers, Mumbai
2006-2007	29.09.2007	03:30 P. M	Walchand Hirachand Hall, Indian Merchants' Chambers, Mumbai
2007-2008	29.09.2008	03:00 P.M	Walchand Hirachand Hall, Indian Merchants' Chambers, Mumbai

## b) Vote by Postal Ballot:

During the year, five resolutions were passed by way of postal ballot process.

**7) Disclosures regarding materially significant related party transactions:**

Transactions of purchase of services, inter- corporate deposits, investments, etc. are entered with related parties. Further, remuneration is paid to directors. Full disclosures as per Accounting Standard 18 issued by the Institute of Chartered Accountants of India on related party transactions, is given in the Annual Accounts.

Disclosures regarding certain non-compliance:

There were no instances of non-compliance or penalty, strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority on any matter related to capital markets during the last three years.

**8) Means of Communication:**

Half yearly report sent to each household of shareholders

No, as the results of the Company are published in the newspaper every quarter

Quarterly results published in the newspaper

Yes

Free Press Journal- Mumbai Edition

Navshakti- Mumbai Edition

Any website, where results or official news are displayed

[www.corpfilling.org](http://www.corpfilling.org)

The presentation made to the Institutional Investors or to the Analysts

No such presentation have been made

Whether Management Discussions & Analysis is part of Annual report or not

Yes Management Discussions & Analysis is part of Annual report.

**9) General Shareholder Information:**

AGM : Date, Time and Venue

29-09-2009 At 11.30 p.m. at Mumbai

Financial Calendar (Tentative) 2009-2010

First Quarter Results-last week of July' 2009

Half - Yearly Results-last week of October' 2009

Third Quarter Results-last week of January' 2010

Results for the year ending on 31<sup>st</sup> March-last week of June' 10

Book Closure Date

25<sup>th</sup> September, 2009 to 29<sup>th</sup> September, 2009  
(Both days inclusive)

Transfer of unclaimed amount to Investor Education and Protection Fund

During the year under review, the Company has credited a sum of Rs.114021 to the Investor Education and Protection Fund under the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001

Listing at Stock Exchanges

Bombay Stock Exchange Limited, Mumbai

Pune Stock Exchange Limited, Pune

The Company has paid the listing fees for the period 1 st April, 2009 to 31st March, 2010

Stock Code-Physical

504000 on Bombay Stock Exchange Limited, Mumbai

ISIN Number for NSDL &amp; CDSL

INE579B01013

Market Price Data: High, Low during each month in the last financial year

Please see Annexure A

Stock Performance

The performance of Company's shares relative to the BSE Sensex is given in Annexure B

Registrar and Transfer Agents

Sharex Dynamic (India) Private Limited

Share Transfer System

All the transfers received are processed by Registrar and Transfer Agents and approved by the Shareholders' / Investors' Grievances Committee of the Company

Distribution of Shareholding and Shareholding Pattern as on 31.03.2009

Please See Annexure C

Dematerialization of Shares and Liquidity

85.80 % of paid up capital has been dematerialized as on 31st March, 2009

Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity

Company has allotted 11,00,000 convertible warrants to foreign institutional investors convertible into equivalent number of shares at a price of Rs. 611/- per warrants. The company has allotted 775000 shares upon receipt of 100% consideration till 30-06-2009, balance 325000 warrants yet to be converted.

Plant Location

The Company's plants were located at Pune

Address for correspondence

Regd. Office:  
"NIRMAL" 17th Floor,  
Nariman Point, Mumbai - 400021

10) Non Mandatory Requirements:

**Chairman of the Board-Re: Non-executive Chairman.**

The Company has a non-executive Chairman.

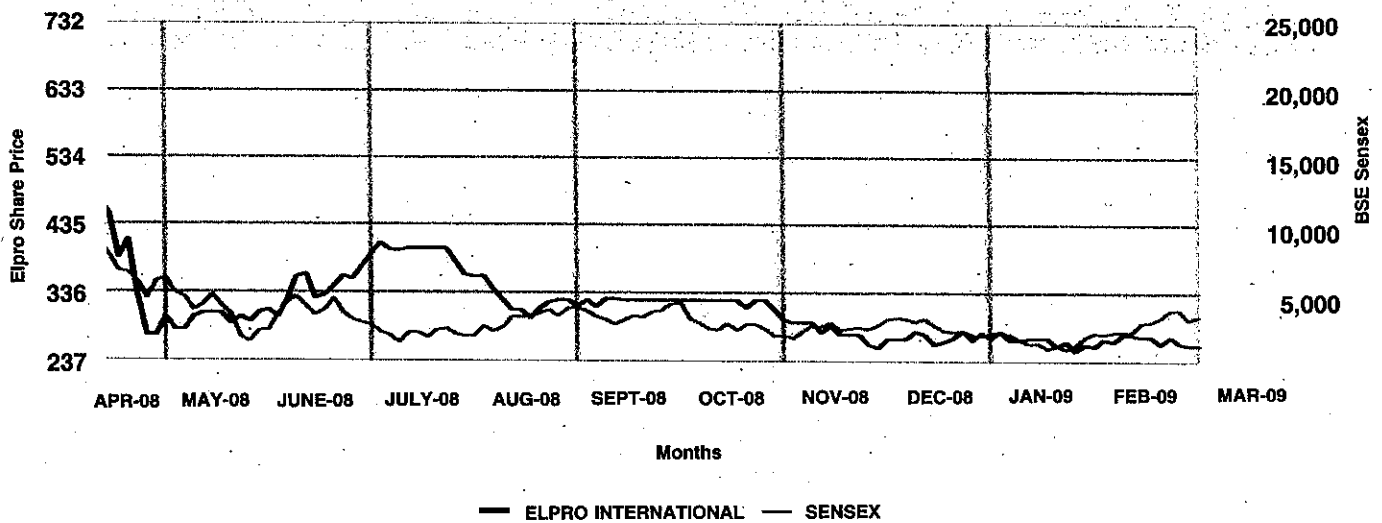
**Annexure - A**

Stock Market Data - Monthly high and low data in the last financial year at BSE

Month	High	Low
April - 08	729.90	603.00
May - 08	722.65	613.00
June - 08	670.00	507.00
July - 08	513.90	406.00
Aug - 08	630.00	445.00
Sept -08	590.00	440.10
Oct - 08	510.00	253.00
Nov - 08	411.15	316.00
Dec - 08	383.55	280.35
Jan - 09	355.00	278.40
Feb - 09	281.00	256.10
Mar - 09	282.25	239.25

**Annexure - B**

**BSE SENSEX VS ELPRO SHARE PRICE**





**Annexure – C****Distribution of Shareholding as on 31<sup>st</sup> March, 2009**

Share of Nominal Value	Members		Share	
	Number of Shares held	Shareholding %	Number of Shares held	Shareholding %
Upto 5000	2641	92.96	278126	7.04
5001-10000	120	4.22	84002	2.13
10001-20000	44	1.55	60804	1.54
20001-30000	06	0.21	14674	0.37
30001-40000	07	0.25	24967	0.63
40001-50000	03	0.11	14009	0.35
50001-100000	03	0.11	19978	0.51
100001 and above	17	0.60	3455117	87.43
<b>Total</b>	<b>2841</b>	<b>100</b>	<b>3951677</b>	<b>100</b>

**Share Holding pattern as on 31<sup>st</sup> March, 2009**

Category	Number of Shares held	Shareholding %
Promoters and Promoter Group	2336009	59.12
Mutual Funds & UTI	550	0.01
Banks, Financial Institutions, Insurance Companies	718	0.02
Bodies Corporate	427361	10.81
FII's	621128	15.72
NRI's/OCB	14066	0.36
Indian Public	544045	13.77
Clearing Members	7600	0.19
<b>Total</b>	<b>3951677</b>	<b>100</b>

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE****To the Members of  
Elpro International Limited**

We have examined the compliance of conditions of Corporate Governance by Elpro International Limited, for the year ended on 31<sup>st</sup> March, 2009, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges. We have examined the compliance of conditions of Corporate Governance by Elpro International Limited ("The Company"), for the year ended 31<sup>st</sup> March, 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of 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 Corporate Governance as stipulated in the above mentioned Listing Agreements.

We 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.

**Vilas Y. Rane**  
Partner  
Membership No. F-33220

For and on behalf of  
**Price Waterhouse**  
Chartered Accountants

Mumbai  
June 30, 2009

## AUDITORS' REPORT

**To the Members of  
Elpro International Limited**

1. We have audited the attached Balance Sheet of **Elpro International Limited** ('the Company') as at 31<sup>st</sup> March, 2009 and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date, (all together referred to as the 'financial statements') annexed thereto, 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 (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, ('the Order'), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India ('the Act'), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 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 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 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 Act;
  - e. On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors are disqualified as at March 31, 2009 from being appointed as a director under clause (g) of sub-section (1) of Section 274 of the Act;
  - f. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements, together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act 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 31<sup>st</sup> March, 2009;
    - (ii) in the case of the Profit and Loss Account, of the loss 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.

**Vilas Y. Rane**  
Partner  
Membership No. F-33220

For and on behalf of  
**Price Waterhouse**  
Chartered Accountants

Mumbai  
June 30, 2009

**(Referred to in Paragraph (3) of the Auditors' Report of even date to the members of Elpro International Limited on the financial statements for the year ended 31<sup>st</sup> March, 2009)**

1. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.  
(b) As explained to us, the Company has in place a program for conducting the physical verification of assets in a phased manner. As per the phased programme physical verification was not due to be carried out during the year. In our opinion, the frequency of verification is reasonable, having regard to the size of the Company and the nature of its business.  
(c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
2. (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.  
(b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
(c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of its inventory. The discrepancies noticed on physical verification of inventory as compared to the book records were not material.
3. (a) The Company has granted unsecured loans a company covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and the year- end balance of such loan aggregates to Rs. 799.85 lacs and Rs. 7.15 lacs respectively.  
(b) In our opinion, the rate of interest and other terms and conditions of such loans, are not prima facie prejudicial to the interest of the Company.  
(c) The principal amount is repayable on demand and there is no repayment schedule. The interest is payable on demand.  
(d) The loan given and the interest due thereon is repayable on demand and therefore question of overdue payment does not arise.  
(e) The Company has taken unsecured loan from a company covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and the year –end balance of such loan aggregates to Rs. 361.78 lacs and Rs. 14.32 lacs respectively.  
(f) In our opinion, the rate of interest and other terms and conditions of loans are not prima facie prejudicial to the interest of the Company.  
(g) In respect of the aforesaid loans, the Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest.
4. In our opinion and according to the information and explanations given to us, and having regard to the explanation that certain items purchased are of a special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system
5. (a) In our opinion and according to the information and explanations given to us and based on the disclosure of interest made by the directors of the Company, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered into the register required to be maintained under to that Section.  
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five lacs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time
6. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under. Accordingly, paragraph 4 (vi) of the Order is not applicable.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.

8. The Company has been advised that the Central Government has prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 for generation of Electricity from wind power and for Varistors and Magnets for automotive parts and accessories, manufactured by the Company, for which, in our opinion, prima facie the prescribed accounts and records are being maintained, in so far as it relates to Varistors. To the best of our knowledge and according to the information given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 for any other products manufactured by the Company.
9. (a) According to the information and explanations given to us and records of the Company examined by us, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, investor's education and protection fund, employees' state insurance, income tax, sales tax, service tax, wealth tax, customs duty, excise duty, cess and other material statutory dues applicable with the appropriate authorities during the year and there were no such outstanding dues as at 31<sup>st</sup> March, 2009 for a period exceeding six months from the date they became payable except sales tax dues of Rs 1.78 lacs .
- (b) According to the information and explanations given to us and records of the Company examined by us, the particulars of excise duty, service tax, sales tax and income tax, which have not been deposited on account of dispute are as below:

(Rs. in lacs)

Nature of the statute	Nature of Dues	Amount under dispute & unpaid	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Excise Duty	1.00	1990-91 to 93-94	High Court-Mumbai
		0.10	2001-02	Commissioner Central excise (Appeals), Hyderabad
		6.42	2001-02 to 2002-03	Joint Commissioner - Central excise
		2.23	2003-04	The Supreme Court of India.
The Central Excise Act, 1944	Service Tax	4.75	2002-03 to 2004-05	Deputy Commissioner - Central Excise
Bombay Sales Tax Act, 1959	Sales Tax	8.97	1999-00 to 2003-04	Deputy Commissioner, Sales Tax
Central Sales Tax Act, 1956		6.90	1995-96 to 2001-02	Deputy Commissioner of Appellate Tribunal , Hyderabad
Central Sales Tax Act, 1956		2.31	1998-99 to 1999-00	Deputy Commissioner of Appellate Tribunal , Hyderabad
Central Sales Tax Act, 1956		15.91	2004-2005	Deputy Appellate Commissioner (CT), Hyderabad.
Income Tax Act, 1961		12.51	1998-99	Income Tax Appellate, Tribunal
Income Tax Act, 1961		13.68	2000-01	Income Tax Appellate, Tribunal
Income Tax Act, 1961		8.60	2003-04	Commissioner of Income Tax – Appeals
<b>Total</b>		<b>83.38</b>		

10. The Company has accumulated losses which are less than fifty percent of its net worth as at the year end . The Company has incurred cash losses during the financial year ended on that date and in the immediately preceding financial year.
11. According to the records of the Company examined by us and on the basis of information and explanations given to us, the Company has not defaulted in repayment of dues to any Banks or financial institution except for delays ranging from 1 to 49 days in respect of all instalments of Rs 11.30 lacs each due to a bank, delays ranging from

- 1 to 28 days in respect of four quarterly instalments of Rs 350 lacs each due to a bank, delays ranging from 1 to 62 days in respect of ten instalments of Rs 4.40 lacs each due to a bank, delays ranging from 1-7 days lacs in respect of ten instalments of of Rs 4.50 each due to a bank, delay of 27 days in respect of one instalment of Rs 200 lacs each due to a bank, delay of 7 days of Rs 400 lacs in respect of one instalments each due to a bank and a delay of five days in respect of one instalment of Rs. 250 lacs due to a financial institution. However the said defaults have been made good by the Company during the year. The Company has not obtained any borrowing by way of debentures.
12. The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, paragraph 4(xii) of the Order is not applicable.
  13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/society are not applicable to the Company. Accordingly, paragraph 4(xiii) of the Order is not applicable.
  14. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in shares, securities, debentures and other investments.
  15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year except for guarantee given on behalf of one of the related party to the extent of Rs. 6,500 Lacs. In the absence of the audited financial statements of the party, we are unable to comment whether the terms and conditions are prejudicial to the interest of the Company.
  16. In our opinion and according to the information and explanations given to us on an overall basis, the term loans have been applied for the purpose for which they were obtained.
  17. In our opinion and according to the information and explanations given to us, and on an overall examination of the balance sheet the Company as at March 31,2009,the Company has funded its fixed assets and long term investments of Rs 14,168.59 lacs out of short – term loans.
  18. The Company has not made preferential allotment of shares to the parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, paragraph 4(xviii) of the said Order is not applicable.
  19. The Company did not have any outstanding debentures during the year. Accordingly, paragraph 4 (xix) of the said Order is not applicable.
  20. The Company has made a preferential issue of share warrants and has also issued equity shares on conversion of share warrants during the year. The Company has disclosed the end use of money raised and the same has been verified by us.
  21. During the course of our examination of the books and records of the Company, 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 or by the Company noticed or reported during the year, nor have we been informed of such case by the management.

**Vilas Y. Rane**  
Partner  
Membership No. F-33220

For and on behalf of  
**Price Waterhouse**  
Chartered Accountants

Mumbai  
June 30, 2009

	Schedule	As at March 31, 2009		As at March 31, 2008
		Rs. In Lacs	Rs. In Lacs	Rs. In Lacs
<b>I SOURCES OF FUNDS</b>				
Shareholders' Funds				
Share Capital	I	395.17		355.67
Share Warrants	I	430.76		-
Share Application Money	I	2,007.14		-
Reserves and surplus	II	<u>3,270.22</u>		<u>1,180.21</u>
			<u>6,103.29</u>	<u>1,535.88</u>
Loan Funds				
Secured loans	III	8,723.31		11,428.07
Unsecured loans	IV	<u>1,443.63</u>		<u>690.96</u>
			<u>10,166.94</u>	<u>12,119.03</u>
Deferred tax (Note 14 of Schedule XXI)				
Deferred tax liability		311.36		311.75
Less: Deferred tax asset		<u>(311.36)</u>		<u>(311.75)</u>
Deferred tax - Net			<u>-</u>	<u>-</u>
			<u><u>16,270.23</u></u>	<u><u>13,654.91</u></u>
<b>II APPLICATION OF FUNDS</b>				
Fixed assets	V			
Gross block		3,892.13		3,998.38
Less : Accumulated Depreciation		<u>2,106.53</u>		<u>2,055.88</u>
Net block		<u>1,785.60</u>		<u>1,942.50</u>
Capital Work In Progress including advances		<u>187.71</u>		<u>2,205.56</u>
			<u>1,973.31</u>	<u>4,148.06</u>
Investments	VI		<u>25,115.34</u>	<u>8,624.16</u>
Current assets, loans and advances				
Stocks	VII	1,457.48		1,520.88
Sundry debtors	VIII	230.98		511.99
Cash and bank balances	IX	559.08		261.29
Other current assets	X	30.10		165.30
Loans and advances	XI	<u>3,122.30</u>		<u>7,838.79</u>
		<u>5,399.94</u>		<u>10,298.25</u>
Less : Current liabilities and Provisions				
Current Liabilities	XII	16,381.27		9,426.39
Provisions	XIII	<u>10.77</u>		<u>19.59</u>
		<u>16,392.04</u>		<u>9,445.98</u>
Net current assets/(current liabilities)			<u>(10,992.10)</u>	<u>852.27</u>
Miscellaneous Expenditure (To the extent not written off)	XIV		<u>173.68</u>	<u>30.42</u>
			<u><u>16,270.23</u></u>	<u><u>13,654.91</u></u>
Notes to Accounts	XXI			

Schedule I to XXI annexed hereto form part of the Balance Sheet and Profit and Loss Account

As per our report of even date attached

Vilas Y. Rane  
Partner  
Membership No: F-33220

For and on behalf of  
Price Waterhouse  
Chartered Accountants

Place: Mumbai  
Date: June 30, 2009

For and on behalf of the Board

Anil Poddar  
Director

Surbhit Dabriwala  
Director

Place: Mumbai  
Date: June 30, 2009

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED  
MARCH 31, 2009.**

**Annual Report 2008-2009**

	Schedule	For the year ended March 31, 2009		For the year ended March 31, 2008
		Rs. In Lacs	Rs. In Lacs	Rs. In Lacs
<b>I INCOME</b>				
Sales and Services - Gross	XV	1,303.11		2,966.92
Less: Excise Duty		58.22		254.58
Sales and Services - Net		1,244.89		2,712.34
Other income	XVI	68.32		182.76
			1,313.21	2,895.10
<b>II EXPENDITURE</b>				
Materials	XVII	297.48		1,445.09
Employee costs	XVIII	166.41		305.96
Depreciation	V	157.51		189.34
Interest	XIX	1,677.22		1,780.31
Other expenses	XX	483.22		1,018.87
			2,781.84	4,739.57
<b>PROFIT/(LOSS) BEFORE TAX AND EXCEPTIONAL ITEMS</b>			(1,468.63)	(1,844.47)
Exceptional Item :				
Provision for diminution in value of investment no longer required written back (Refer Note 19 of Schedule XXI )			1,191.93	-
<b>PROFIT/(LOSS) BEFORE TAXATION</b>			(276.70)	(1,844.47)
Less: Provision for tax				
- Prior Period Tax		18.01	-	
- MAT Credit		(14.10)	-	
- Deferred Tax charge / (reversal)		-		(135.99)
- Fringe Benefit tax		3.33	7.24	5.71
<b>NET PROFIT/(LOSS) FOR THE YEAR</b>			(283.94)	(1,714.19)
- Balance of Profit and Loss Account (brought forward)			(1,369.15)	345.04
<b>BALANCE CARRIED TO BALANCE SHEET</b>			(1,653.09)	(1,369.15)
Basic and Diluted Earnings per equity share of face value of Rs. 10/- each (Refer Note 22 of Schedule XXI)			(7.27)	(48.20)
Notes to Accounts	XXI			

Schedule I to XXI annexed hereto form part of the Balance Sheet and Profit and Loss Account

**As per our report of even date attached**

**Vilas Y. Rane**  
Partner  
Membership No: F-33220

For and on behalf of  
**Price Waterhouse**  
Chartered Accountants

Place: Mumbai  
Date: June 30, 2009

**For and on behalf of the Board**

**Anil Poddar**  
Director

**Surbhit Dabriwala**  
Director

Place: Mumbai  
Date: June 30, 2009

	For the Year ended March 31, 2009 Rs. In Lacs	For the Year ended March 31, 2008 Rs. In Lacs
<b>A. Cash flow from Operating activities</b>		
Cash generated from operations (see note 3)	11,913.81	(4,029.50)
Miscellaneous Expenditure incurred during the year	(275.00)	-
Fringe Benefits Tax paid	(3.33)	(5.32)
Income tax (paid)/refund - net	30.31	(3.00)
Net cash from/ (used in) operating activities	<u>11,665.79</u>	<u>(4,037.82)</u>
<b>B. Cash flow from investing activities</b>		
Fixed Assets		
- Purchase	(4.71)	(197.45)
- Sale	11.01	2.25
Investments		
- Purchase (Net)	(15,301.63)	(2,865.81)
- Sale / matured (Net)	7.38	383.90
Increase in capital expenditure	2,017.85	(1,954.68)
Interest received	19.44	91.48
Dividend received	0.09	0.08
Cash Flows from investing activities before exceptional items	<u>(13,250.57)</u>	<u>(4,540.23)</u>
Net cash from / (used in) investing activities	<u>(13,250.57)</u>	<u>(4,540.23)</u>
<b>C. Cash flow from financing activities</b>		
Proceeds from borrowings	3,945.24	13,470.34
Repayment of borrowings	(6,604.36)	(3,811.46)
Cash credit, Export packing credit, Term Loans, etc. - net	(45.61)	(18.95)
Inter corporate Deposits/loans received	14,084.27	(4,748.37)
Inter corporate Deposits/loans repaid	(12,622.70)	5,499.52
Proceeds from Issue of Equity Shares	2,413.45	-
Proceeds from Issue of Equity Share Warrants	430.76	-
Share Application Money Received	2,007.14	-
Interest Paid on Loans	(1,662.67)	(1,780.31)
Net cash from / (used in) financing activities	<u>1,945.52</u>	<u>8,610.77</u>
<b>D. Net increase/(decrease) in cash and cash equivalents</b>	<b>360.74</b>	<b>32.72</b>
Cash and cash equivalents at beginning of the year	198.34	165.62
Cash and cash equivalents at end of the year	<b>559.08</b>	<b>198.34</b>
	<b>360.74</b>	<b>32.72</b>

**Notes:**

- The above Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard 3 (AS 3) 'Cash Flow Statements' as specified in Companies (Accounting Standards) Rules, 2006
- The figures for the previous year have been regrouped where necessary to conform to current period's classification
- Cash generated from operations has been arrived at as follows:



**CASH FLOW STATEMENT FOR THE YEAR ENDED  
MARCH 31, 2009 (contd.)**

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	For the year ended March 31, 2009		For the year ended March 31, 2008
	Rs. In Lacs	Rs. In Lacs	Rs. In Lacs
Profit/(Loss) before tax		(276.70)	(1,844.47)
Add / (Less)			
a. Adjustments for non- cash items / items required to be disclosed separately			
– Depreciation / Amortisation	157.51		189.34
– Miscellaneous Expenditure written off	131.74		53.25
– Interest expense	1,662.67		1,780.31
– Net (profit)/loss on sale of fixed assets	(6.29)		18.69
– Interest income	(19.44)		(91.48)
– Interest income on Income Tax Refund	(11.36)		–
– Dividend income	(0.09)		(0.08)
– Net (profit)/loss on sale of investments (current) (non-trade)	(5.04)		(7.48)
– Sundry provisions and balances no longer required written back	(5.23)		(21.49)
– Bad Debts/Advances written off, net of recoveries	–		38.84
– Provision for Bad & Doubtful Advances	24.00		–
– Foreign Exchange (Gain)/ Loss	(5.46)		7.51
– Excess Depreciation Written Back	(0.61)		–
– Provision for diminution in value of Investments	(1,191.93)		4.87
		730.47	1,972.28
b. Adjustments for changes in working capital and other provisions			
Stocks (Increase)/Decrease	63.41		(983.63)
Sundry debtors (Increase)/Decrease	262.47		516.34
Other current assets (Increase)/Decrease	135.20		(118.00)
Loans and advances (Increase)/Decrease	3,984.71		(7,714.76)
Current liabilities (Decrease)/Increase	7,023.06		4,142.74
Provisions (other than taxation) Increase/(Decrease)	(8.81)		–
		11,460.04	(4,157.31)
Cash generated from operations		11,913.81	(4,029.50)

## 4. Cash and cash equivalents comprise of :

	2008-09	2007-08
Cash on hand	0.40	0.26
Balances with bank on		
Current account	270.76	257.82
Margin money account	3.29	2.75
Deposit account	284.63	0.46
Book Overdraft	-	(62.95)
	<b>559.08</b>	<b>198.34</b>

As per our report of even date attached

**Vilas Y. Rane**  
Partner  
Membership No: F-33220

For and on behalf of  
**Price Waterhouse**  
Chartered Accountants

Place: Mumbai  
Date: June 30, 2009

For and on behalf of the Board

**Anil Poddar**  
Director

**Surbhit Dabriwala**  
Director

Place: Mumbai  
Date: June 30, 2009

	As at March 31, 2009 Rs. Lacs	As at March 31, 2008 Rs Lacs
<b>I. SHARE CAPITAL :</b>		
<b>Authorised</b>		
10,000,000 (5,000,000) Equity shares of Rs.10 each	<u>1,000.00</u>	<u>500.00</u>
<b>Issued</b>		
3,952,000 (3,557,000) Equity shares of Rs.10 each	<u>395.20</u>	<u>355.70</u>
<b>Subscribed</b>		
3,951,677 (3,556,677) Equity shares of Rs.10 each fully paid up	<u>395.17</u>	<u>355.67</u>
<b>Note:</b>		
Of the above shares, 72,000 (72,000) Equity shares of Rs. 10 each have been allotted as fully paid up for consideration other than cash.		
Equity Share Warrant Issued (Refer Note 20 of Schedule XXI)	430.76	-
Equity Share Application Money (Refer Note 20 of Schedule XXI)	2,007.14	-
<b>II. RESERVES AND SURPLUS :</b>		
(a) Share premium : As per last balance sheet	71.40	71.40
Add:- On issue of Equity Shares during the year	<u>2,373.95</u>	<u>-</u>
Total Share Premium (Refer Note 20 of Schedule XXI)	<u>2,445.35</u>	<u>71.40</u>
(b) General reserve : As per last balance sheet	2,300.00	2,300.00
Add : Transferred from Profit and Loss Account	-	-
Less: Debit Balance of Profit and Loss Account	<u>1,653.09</u>	<u>1,369.15</u>
Total General Reserve	<u>646.91</u>	<u>930.85</u>
(c) Amalgamation Reserve: As per last balance sheet	<u>177.96</u>	<u>177.96</u>
	<u>3,270.22</u>	<u>1,180.21</u>
<b>III. SECURED LOANS :</b>		
<b>Loans from Banks</b>		
a) Cash Credit/Packing Credit/Working Capital Demand Loan from Banks Secured by hypothecation of current assets and certain movable property	459.41	505.02
b) Term loan secured by hypothecation of certain cars (Repayable in one year Rs 3.69 lacs (Rs 3.39 lacs))	3.78	7.61
c) Term loan secured by hypothecation of Windmills (Repayable in one year Rs 106.80 lacs (Rs 60.39 lacs))	424.05	469.99
d) Term loan secured by hypothecation of rent receivables & equitable mortgage of certain buildings (Repayable in one year Rs Nil (Rs 80.17 lacs))	-	468.46
e) Term Loan - Refer Note (1) below (Repayable in one year Rs Nil (Rs. 1,400.00 Lac)) (Includes interest accrued and due Rs 65.31 lacs (Rs.43.15 lacs))	5,715.32	3,543.16
f) Term loan secured by hypothecation of Company's flat (Repayable in one year Rs 136.07 lacs (Rs 83.00 lacs)) (Includes interest accrued and due Rs 3.97 lacs (Rs.9.53 lacs))	343.33	425.91
<b>Loan from Others</b>		
a) Term Loan SICOM - Refer Note (1) Below (Repayable in one year Rs 1,750.00 lacs (Rs. Nil ) (Includes interest accrued and due Rs. 23.06 Lacs (Rs. Nil))	1,773.06	-
b) DSP Merrill Lynch Capital Limited- Refer Note (2) below (Repayable in one year Rs. Nil (Rs.2,400.00 lacs))	-	6,000.00
c) Term loan secured by hypothecation of certain cars (Repayable in one year Rs 4.00 lacs (Rs 4.31 lacs))	4.36	7.92
	<u>8,723.31</u>	<u>11,428.07</u>

**Notes:**

- Secured by exclusive mortgage of immovable property, exclusive charge on cash flows and collection account arising out of the project, unconditional and irrevocable corporate guarantee and pledge of shares of a subsidiary company and personal guarantee of promoters.
- The said loan has been assigned to State Bank of Patiala and SICOM Limited during the year.

As at March 31, 2009  
Rs. LacsAs at March 31, 2008  
Rs Lacs**IV. UNSECURED LOANS**

Inter-corporate Deposits - Short term.

- From other than banks  
(Repayable on demand)

1,443.63

690.96

1,443.63690.96**V. FIXED ASSETS**

Rs. In Lacs

Description	Gross Block				Depreciation				Net Block	
	As at March 31, 2008	Additions during the year	Deletions & Adjustments during	As at March 31, 2009	Upto March 31, 2008	For the year	On Deletions / Sales	As at March 31, 2009	As at March 31, 2009	As at March 31, 2008
<b>TANGIBLE ASSETS</b>										
Land – freehold	3.02	–	–	3.02	–	–	–	–	3.02	3.02
Buildings roads and Structures	979.11	–	–	979.11	202.09	18.32	–	220.41	758.70	777.02
Plant and machinery (including office equipments)	1,197.17	3.41	110.96	1,089.62	919.55	36.21	106.86	848.90	240.72	277.62
Furniture and fixtures	249.43	1.14	–	250.57	33.47	16.03	–	49.50	201.07	215.96
Vehicles	56.26	–	–	56.26	23.45	4.72	–	28.17	28.09	32.81
Windmill	768.02	–	–	768.02	138.60	79.41	–	218.01	550.01	629.42
	<b>3,253.01</b>	<b>4.55</b>	<b>110.96</b>	<b>3,146.60</b>	<b>1,317.16</b>	<b>154.69</b>	<b>106.86</b>	<b>1,364.99</b>	<b>1,781.61</b>	<b>1,935.85</b>
<b>INTANGIBLE ASSETS</b>										
Specialised Software	41.97	0.16	–	42.13	35.34	2.82	–	38.16	3.97	6.63
Technical Knowhow	39.61	–	–	39.61	39.59	–	–	39.59	0.02	0.02
<b>Assets given on Lease</b>										
Plant and Machinery	663.79	–	–	663.79	663.79	–	–	663.79	–	–
<b>Total (A)</b>	<b>3,998.38</b>	<b>4.71</b>	<b>110.96</b>	<b>3,892.13</b>	<b>2,055.88</b>	<b>157.51</b>	<b>106.86</b>	<b>2,106.53</b>	<b>1,785.60</b>	<b>1,942.50</b>
Capital Work In Progress includes Advances (Refer Note 27 of Schedule XXI)									268.09	2,285.94
Less: Provision for doubtful advances									80.38	80.38
<b>Total (B)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>187.71</b>	<b>2,205.56</b>
<b>Total (A + B)</b>	<b>3,998.38</b>	<b>4.71</b>	<b>110.96</b>	<b>3,892.13</b>	<b>2,055.88</b>	<b>157.51</b>	<b>106.86</b>	<b>2,106.53</b>	<b>1,973.31</b>	<b>4,148.06</b>
Previous year	4,185.42	197.45	384.49	3,998.38	2,230.08	189.34	363.54	2,055.88	4,148.06	

	As at March 31, 2009 Rs. Lacs	As at March 31, 2008 Rs Lacs
<b>VI. INVESTMENTS</b>		
<b>LONG TERM</b>		
<b>Unquoted - At Cost</b>		
<b>Non-Trade</b>		
<b>Government Securities</b>		
– 6/7 year National Savings Certificate *	0.10	0.10
– Kisan Vikas Patra *	0.11	0.11
<b>In a Subsidiary Company</b>		
Elpro Estates Limited (1,499,300 (1,499,300) Equity shares of Rs.10 each fully paid) **	149.93	149.93
Rs. 10 each fully paid up in Elpro Estates Limited (Formerly known as Trump Properties Limited )		
<b>Others</b>		
– 226,671,247 (84,166,952) fully paid equity shares of Rs.10 each in Metlife India Insurance Company Limited***	23,868.55	9,618.12
Less:		
Provision for diminution in value of Investment (Refer Note 19 of Schedule XXI)	–	(1,191.93)
	<u>23,868.55</u>	<u>8,426.20</u>
– 23 (23) equity shares of US\$ 1,000 each in Glenwood Pte. Limited, Singapore.	10.04	10.04
– 226,977 (226,977) fully paid equity shares of Rs.10 each in Dabri Properties & Trading Company Limited	22.50	22.50
– 2,500 (2,500) fully paid equity shares in The Saraswat Co-op Bank Ltd	0.25	0.25
<b>Quoted</b>		
<b>Non-Trade</b>		
– 440 (440) fully paid equity shares of Rs. 2 each in Financial Technologies	7.01	7.01
– 7,95,900 (1,533,900) fully paid up equity shares of Rs. 10 each in Elpro Packaging Ltd.	3.98	7.67
<b>CURRENT INVESTMENTS</b>		
<b>Un Quoted (lower of cost or fair value)</b>		
– 5,779,042.40 (Nil) Units Of Reliance Mutual Fund – Reliance Retail plan Growth plan Growth Option	1,050.00	–
– 2,107.89 (2310.74) units Kotak Gilt Saving Growth Fund	0.43	0.36
– 202.23 ( Nil) units of Templeton India Treasury Management Account Regular Plan	2.44	–
	<u>25,115.34</u>	<u>8,624.16</u>
Aggregate amount of unquoted investments (net of provisions)	25,104.35	8,609.12
Aggregate amount of quoted investments (net of provisions)	10.99	15.04
Market value of quoted investments Rs.10.99 lacs (Rs.14.68 lacs)		

\* Lodged with Government authorities.

\*\* Pledged against term loans from Bank and others.

\*\*\* There are certain restrictions on transferability of these shares.

<b>Statement Of Units Purchased and Sold During the year</b>	<b>Units Sold</b>	<b>Units Purchased</b>
<b>Mutual Fund</b>		
Templeton India treasury Management Account – Regular Plan	–	202.23
Kotak Gilt Savings Growth	2,310.70	2,107.90
Reliance Mutual Fund– Reliance Retail plan Growth plan Growth Option	6,066,589.10	11,845,631.50

	As at March 31, 2009 Rs. Lacs	As at March 31, 2008 Rs Lacs
<b>VII. STOCKS</b>		
Stores and spares	7.48	8.78
Raw materials and components	65.10	117.75
Work in progress	70.42	172.60
Finished goods	1.02	8.33
Land held as stock in trade	0.95	0.95
Project in Progress – Commercial Division	–	861.22
Project in Progress – Housing Division	1,312.51	351.25
	<u>1,457.48</u>	<u>1,520.88</u>
<b>VIII. SUNDRY DEBTORS</b>		
<b>(Unsecured)</b>		
Over six months		
– Considered good	184.45	147.92
– Considered doubtful	59.16	36.00
	<u>243.61</u>	<u>183.92</u>
Others		
– Considered good	46.53	364.07
– Considered doubtful	–	–
	<u>290.14</u>	<u>547.99</u>
Less : Provision for doubtful debts	(59.16)	(36.00)
	<u>230.98</u>	<u>511.99</u>
Note : Due from subsidiary company		
Elpro Estates Limited	15.24	2.13
Maximum balance outstanding during the year	15.24	8.22
<b>IX. CASH AND BANK BALANCES</b>		
Cash on hand	0.40	0.26
Balance with scheduled banks on		
Current account *	270.76	257.82
Margin money account	3.29	2.75
Fixed Deposit (Under lien Rs 284.17 lacs (Rs.Nil))	284.63	0.46
	<u>559.08</u>	<u>261.29</u>
* Includes balances in unclaimed dividend account Rs 2.32 lacs (Rs 3.49 lacs)		
<b>X. OTHER CURRENT ASSETS</b>		
Interest receivable *	–	88.70
Claims receivable	20.81	21.67
Price Variance Claim Receivable	9.17	49.82
Other Receivables	0.12	5.11
	<u>30.10</u>	<u>165.30</u>
* Indicates Due from Companies under same management		
– Faridabad investment Co. Ltd.	–	63.24

	As at March 31, 2009 Rs. Lacs	As at March 31, 2008 Rs Lacs
<b>XI. LOANS AND ADVANCES :</b>		
<b>(Unsecured) (Considered good)</b>		
Advances recoverable in cash or in kind or for value to be received	81.05	89.60
Advances to contractors	-	1,541.16
Advances to Suppliers	165.49	13.23
Balance with customs, excise, VAT and other Statutory authorities and Security Deposits	106.82	65.87
Receivable from Joint Venture * (Refer Note 17 of Schedule XXI)	4.90	4.90
Advance Tax/TDS/Refund due from Income tax department	207.77	174.17
Advance Fringe Benefit Tax (Net)	1.89	1.89
MAT Credit entitlement	14.10	-
Advance towards share application in Metlife India Insurance Company Limited	2,500.00	5,185.71
Loans to and deposits with companies **	31.98	740.90
Advance to Gratuity Trust	8.30	21.36
<b>(Considered doubtful)</b>		
Loans to and deposits with companies (including interest accrued thereon)	51.95	51.95
Less : Provision for doubtful Loans	(51.95)	(51.95)
	<u>3,122.30</u>	<u>7,838.79</u>
<b>Note</b>		
1) * Indicates receivable from a Subsidiary Company	4.90	4.90
Elpro Estates Limited		
Maximum balance outstanding during the year	4.90	4.90
2) ** Indicates Due from Companies under same management		
- Faridabad Investment Co. Limited	7.15	736.62
- Faridabad Capital Holding Private Limited	1.00	-
Maximum balance outstanding during the year		
- Faridabad Investment Co. Limited	799.86	799.86
- Faridabad Capital Holding Private Limited	1.00	-
<b>XII. CURRENT LIABILITIES :</b>		
Sundry Creditors		
- Due to Small and Medium Enterprises (Refer Note 13 of Schedule XXI)	-	-
- Due to Others	190.78	657.45
Other Liabilities	55.57	508.04
Advance - from Customers	32.15	60.77
Advance - Property Development	231.85	4,246.82
Advance from Sale /Lease	5,256.53	3,240.00
Advance against bookings	10,063.63	329.21
Book Overdraft	-	62.95
Dividend warrants posted but not encashed	1.89	3.07
Rental Deposits received	548.87	318.08
	<u>16,381.27</u>	<u>9,426.39</u>
<b>XIII. PROVISIONS :</b>		
Provision for leave encashment	6.23	15.05
Warranty & Other provisions	4.54	4.54
	<u>10.77</u>	<u>19.59</u>
<b>XIV. MISCELLANEOUS EXPENDITURE :</b>		
(To the extent not written off )		
Compensation Paid under VRS (Refer Note 26 of Schedule XXI)		
Opening Balance	30.42	83.66
Addition during the year	275.00	-
Amortised during the year	(131.74)	(53.24)
Closing Balance	<u>173.68</u>	<u>30.42</u>

	For the year ended March 31, 2009 Rs. Lacs	For the year ended March 31, 2008 Rs Lacs
<b>XV. SALES AND SERVICES :</b>		
Gross Sales	603.37	2,300.24
Income from Windmill	99.97	59.61
Income from lease rentals	520.55	343.63
Sale of scrap and other items	21.00	8.86
	<u>1,244.89</u>	<u>2,712.34</u>
<b>XVI. OTHER INCOME :</b>		
Interest on inter-corporate deposits/loans, bank deposits, income tax, etc. (gross)	19.44	91.48
- Tax deducted at source Rs. 3.79 lacs ( Rs. 20.05 lacs)		
Dividend from current investments (Refer Note below)	0.09	0.08
Duty drawback	6.53	15.86
Sundry provisions and credit balances no longer required written back	5.23	21.49
Miscellaneous income	1.41	46.37
Exchange Gain (net)	12.93	-
Profit on sale of Fixed Assets	6.29	-
Profit on sale of current investments (Net)	5.04	7.48
Interest on Income Tax Refund	11.36	-
	<u>68.32</u>	<u>182.76</u>
<b>Note</b>		
<b>Dividend Income Includes</b>		
1) Dividend Income from Long Term Investment (Non-Trade)	0.05	0.08
2) Dividend from Mutual Fund	0.04	-
<b>XVII. MATERIALS :</b>		
Consumption of raw material and bought out components		
<b>Opening stock</b>	118.62	228.50
Add: Purchases (including outside processing charges)	135.35	1,353.71
Less: Closing Stock	65.98	118.62
<b>Raw Material Consumed</b>	187.99	1,463.59
(Increase)/Decrease in stock of finished goods and work-in-progress		
<b>Opening stocks</b>		
Work-in-progress	172.60	155.11
Finished goods	8.33	7.32
	180.93	162.43
<b>Closing stocks</b>		
Work-in-progress	70.42	172.60
Finished goods	1.02	8.33
	71.44	180.93
<b>(Increase)/Decrease in stocks</b>	109.49	(18.50)
	<u>297.48</u>	<u>1,445.09</u>



	For the year ended March 31, 2009 Rs. Lacs	For the year ended March 31, 2008 Rs Lacs
<b>XVIII. EMPLOYEE COSTS</b>		
Salaries, wages and bonus	118.88	243.74
Contribution to Provident and other Funds	7.13	21.03
Gratuity	14.96	6.47
Provision for leave encashment	14.76	7.53
Welfare expenses	10.68	27.19
	<u>166.41</u>	<u>305.96</u>
<b>XIX. INTEREST AND FINANCE CHARGES</b>		
<b>Interest</b>		
– On loans for fixed periods	1,445.34	711.71
– Others	217.33	580.61
<b>Total</b>	<u>1,662.67</u>	<u>1,292.32</u>
<b>Finance charges</b>		
Processing / upfront fees	–	447.19
Bank charges	14.55	40.80
<b>Total</b>	<u>14.55</u>	<u>487.99</u>
	<u>1,677.22</u>	<u>1,780.31</u>
<b>XX. OTHER EXPENSES :</b>		
Stores consumed	13.46	77.46
Power and fuel (net of recoveries)	22.89	164.36
Travelling and conveyance	23.96	33.92
Foreign Travelling Expenses	4.69	19.78
Repairs to machinery	2.50	20.63
Repairs to building	4.23	0.81
Other repairs and maintenance	13.82	22.14
Insurance	4.53	5.78
Rent	25.61	13.77
Rates and taxes	13.03	17.08
Director's Fees	1.11	1.08
Commission	5.41	16.16
Penalties for late deliveries (net of recoveries )	0.03	3.04
Telephone, Telegram & Telex	6.86	11.23
Provision for Bad and Doubtful debts	24.00	8.53
Provision for Bad and Doubtful advances	–	30.26
Bad Debts/Advances written off (net of recoveries)	–	0.05
Legal and Professional charges	85.17	364.14
Freight outward (net of recoveries)	14.34	34.71
Miscellaneous Expenditure written off	131.74	53.25
Diminution in value of investment	–	4.87
Loss on sale of Fixed assets ( Net)	–	18.69
Exchange Loss ( Net )	–	7.51
Miscellaneous expenses	85.84	89.62
	<u>483.22</u>	<u>1,018.87</u>

## SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2009

## SCHEDULE XXI

## 1. SIGNIFICANT ACCOUNTING POLICIES

## a. Basis of preparation of financial statements

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on an accrual basis and are in conformity with mandatory accounting standards, as prescribed by the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India (SEBI).

## b. Use of Estimates

The preparation of the financial statements in conformity with GAAP requires Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosure relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provision for doubtful debts, future obligations under employee retirement benefit plans, income taxes and the useful lives of fixed assets and intangible assets.

Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Future results could differ from these estimates.

## c. Fixed assets and depreciation

- i) Fixed assets are stated at cost of acquisition or construction less depreciation. Cost comprises of purchase price and other costs directly attributable to the purchase or acquisition of the assets and costs attributable to bringing the asset to its present location and condition for the intended use.
- ii) Depreciation is provided on straight line method, except for assets acquired prior to January 1, 1987 which are depreciated on reducing balance method, at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956 as applicable from time to time, except for assets costing less than Rs. 5,000 each which are fully depreciated in the year of purchase.
- iii) Capital work in progress represents expenditure incurred in respect of capital projects under development and are carried at cost. Cost includes land, related acquisition expenses, construction costs, borrowing costs capitalized and other direct expenditure and advances to contractors and others.

## d. Investments

Long-term investments are valued at cost. Provision for diminution, if any in the value of investments is made to recognise a decline, other than temporary.

Current investments are stated at the lower of cost and fair value, computed individually for each investment. In case of investments in mutual funds which are unquoted, net assets value is taken as fair value.

## e. Inventories

Inventories are stated at the lower of cost and net realisable value. In determining the cost of loose tools, stores and spares, raw materials and components, the weighted average method is used. Cost of manufactured components, work in progress and manufactured finished goods include cost of conversion and other costs incurred in bringing the inventories to their present location and condition which is determined on absorption cost basis.

## f. Inventories - Project in progress

Project in progress is valued at lower of cost or net realisable value. Cost includes cost of land, materials, construction, services, borrowing costs and other overheads relating to the particular projects.

## g. Sundry Debtors and Loans and Advances

Specific debts and advances identified as irrecoverable or doubtful are written off or provided for, respectively.

## h. Foreign exchange transactions

Transactions in foreign currencies are recorded at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognized in the profit and loss account, except those relating to fixed assets acquired from outside India till March 31, 2007, which were adjusted in the carrying cost of such fixed assets.

Foreign currency monetary assets and liabilities at the year end are translated at the year end exchange rates and resultant exchange differences are recognised in the profit and loss account.

**i. Revenue recognition**

- i) Sale of goods is recognised on despatch to customer and are recorded net of sale tax and excise duties and excludes export incentives such as duty drawbacks .
- ii) Rental income is recognised on accrual basis.
- iii) Income from Joint development of property will be recognized, when Sale Deed will be executed in favour of the third party.
- iv) Revenue from wind mill power project is recognised on the basis of actual power sold as per the terms of the power purchase agreements entered into with the respective parties.
- v) Income from projects is recognized on the transfer of all significant risks and rewards of ownership to the buyers and it is not unreasonable to expect ultimate collection and no significant uncertainty exists regarding the amount of consideration. However if, at the time of transfer, substantial acts are yet to be performed under the agreement, revenue is recognized on proportionate basis as the acts are performed, i.e. on the percentage of completion basis. Determination of revenues under the percentage of completion method necessarily involves making estimates by the Company, some of which are of a technical nature, concerning, where relevant, the percentages of completion, costs to completion, the expected revenues from the project and the foreseeable losses to completion. Such estimates have been relied upon by the auditors.

**j. Research and development expenditure**

Research and development expenditure, other than capital expenditure, is expensed out as and when incurred.

**k. Retirement benefits****— Gratuity:**

Liabilities with regard to the gratuity benefits payable in future are determined by actuarial valuation at each Balance Sheet date using the Projected Unit Credit method and contributed to Employees Gratuity Fund managed by Life Insurance Corporation of India. Actuarial gains and losses arising from changes in actuarial assumptions are recognized in the Profit and Loss account in the period which they arise.

**— Leave encashment**

The Company provides for the encashment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment/availment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation.

**— Provident fund**

Provident fund contributions are made to a trust administered by the Company and are charged to the Profit and loss account. The Company has an obligation to make good the shortfall if any, between return of investment by the trust and government administered interest rate.

**l. Provisions**

Provision is made when there is present obligation as a result of a past event that probably requires an outflow of economic resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made, when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

- i) Liquidated damages/penalties are provided for meeting the obligations arising from delay in contractual delivery schedules.
- ii) Provision for probable warranty claim is based on Management's estimate and judgment and is provided as a percentage of average claims of past three years for average warranty period of 18 months.

**m. Miscellaneous expenditure (to the extent not written off)**

Compensation paid under Voluntary Retirement Scheme to be amortised fully upto March 31, 2010, as per the provisions of Accounting Standard 15 – on Employee Benefits.

**n. Assets Taken and Given on Lease****Assets taken on lease:**

- a. In respect of finance lease arrangements, the assets are capitalized and depreciated. Finance charges are charged off to the Profit and Loss account of the year in which they are incurred.
- b. Operating lease payments are recognized as expenditure in the Profit and Loss account on straight line basis, representative of the time pattern of benefits received from the use of the assets taken on lease.

**Asset given on lease:**

Lease rentals are accounted on accrual basis in accordance with the respective lease agreements.

**o. Accounting for taxes on income**

Provision for current tax is made, based on the tax payable under the Income Tax Act, 1961. Minimum Alternative Tax (MAT) credit, which is equal to the excess of MAT (calculated in accordance with provisions of section 115JB of the Income tax Act, 1961) over normal income-tax is recognized as an asset by crediting the Profit and Loss Account only when and to the extent there is convincing evidence that the Company will be able to avail the said credit against normal tax payable during the period of seven succeeding assessment years.

Deferred tax on timing differences between taxable income and accounting income is accounted for, using the tax rates and the tax laws enacted or substantially enacted as on the balance sheet date. Deferred tax assets on unabsorbed tax losses and unabsorbed tax depreciation are recognised only when there is a virtual certainty of their realisation. Other deferred tax assets are recognised only when there is a reasonable certainty of their realisation.

**p. Impairment**

The Company reviews the carrying value of tangible and intangible assets for any possible impairment at each balance sheet date. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. In assessing the recoverable amount, the estimated future cash flows are discounted to their present value at appropriate discount rates.

**q. Contingent liabilities**

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within control of the Company. A provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation at the year end date. Contingent assets are not recognized or disclosed in the financial statements.

**r. Segment Reporting**

Segments have been identified having regard to the dominant source and nature of risks and returns and the internal organisation and management structure. Inter-segment revenue is accounted on the basis of market price. Unallocated corporate expenses include revenue and expenses which relate to the enterprise as a whole and are not attributable to segments.

**s. Borrowing Costs**

Borrowing Costs that are attributable to the acquisition, construction or production of a qualifying asset is capitalized as part of the cost of that asset. Other borrowing costs are recognized as expense in the period in which they are incurred.

	2008-09 Rs. In Lacs	2007-08 Rs. In Lacs
2. i. Estimated amount of contracts remaining to be executed on capital account and not provided for	—	4,503.00
ii. Contingent liabilities not provided for:		
a. Income tax matters in dispute at various stages of appeal	237.13	237.13
b. Excise duty	9.75	7.52
c. Service tax	4.75	4.75
d. Employee related matters	Amount not ascertainable	Amount not ascertainable
e. Sales tax matters	34.09	18.18
f. Other matters	37.58	37.58
g. Bank guarantees (secured by hypothecation of current assets)	167.55	386.98
h. Corporate guarantees	6,500.00	2.95
i. Claims against the company not acknowledged as debts	267.00	267.00

	2008-09 Rs. In Lacs	2007-08 Rs. In Lacs
3. <b>Miscellaneous expenses include Auditors' remuneration:</b>		
a. Audit fees	12.50	9.50
b. Tax audit fees	—	2.50
c. Reimbursement of actual out-of-pocket expenses	0.62	0.44
4. Repairs to machinery includes spares consumed	2.50	18.47
5. <b>Earning in foreign currency on account of:</b>		
a. Exports of F.O.B. basis	266.09	669.95
b. Recovery of freight etc.	6.98	26.17
6. <b>Expenditure in foreign currency on account of:</b>		
a. Technical services (gross)	—	15.50
b. Commission	—	0.15
c. Others	1.24	—
7. Managerial remuneration debited to the Profit & Loss Account is Rs.9.33 lacs (Rs.8.74 lacs) including Directors' fees of Rs.1.11 lacs (Rs.0.99 lacs) and perquisites of Rs. Nil Lacs (Rs.0.06 lacs) but excludes accrual for gratuity and leave encashment as it is determined on the basis of actuarial valuation for the Company as a whole.		
8. <b>Value of imports on CIF basis</b>		
a. Raw materials	3.15	67.56
b. Machinery spares	—	2.08
c. Components	—	72.47

	2008-09		2007-08	
	Rs. In Lacs	%	Rs. In Lacs	%
Imported	3.15	1.67	192.85	13.18
Indigenously procured	184.84	98.33	1,270.74	86.82
	187.99	100.00	1,463.59	100.00

(\*\*) "Spare parts and components" referred to in para 4D(c) of Schedule VI to the Companies Act, 1956 have been interpreted to mean the items incorporated in the finished goods for sale and not those issued for repairs and maintenance of plants and machinery.

10. <b>Raw materials and components consumed</b>	Unit	2008-09		2007-08	
		Quantity	Value (Rs. In Lacs)	Quantity	Value (Rs. In Lacs)
<b>A. Raw Materials</b>					
<b>1. Non Ferrous</b>					
a. Zinc Oxide	Kg.	—	—	130,000	210.06
<b>2. Other Ferrous and Non Ferrous RM</b>	Kg.	162	3.15	—	169.13
<b>B. Components</b>					
a. Porcelain	No.	10,885	41.55	51,004	433.67
b. Aluminum Pipes	Mtr.	—	—	5,619	2.28
c. Others		—	143.29	—	648.45
			187.99		1,463.59

## Notes:

- a. The consumption in 9 and 10 above is arrived at as a balancing figure by adding to opening stocks, the purchases made during the year and deducting there from the closing stocks. The figure under 'Other' disclosed in B(c) above, is a balancing figure in order to agree with the consumption shown in the Profit and Loss Account. Consequently, obsolete raw materials and components written off and excess/ shortage on physical verification are included in consumption.

## 11. Details of licensed and installed capacities and production

	Unit	Licensed Capacity (*)		Installed Capacity (**)		Production (***)	
		2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
Lightning Arresters	Nos.	746,000	746,000	850,000	850,000	28,004	36,993
Accessories & Spares	Nos.	—	—	—	—	11,466	1,50,000
Varistors	Nos.	6,800,000	6,800,000	11,800,000	11,800,000	60,242	3,31,358

## Note :

\* Licensed capacities disclosed include / represent capacity indicated in the prescribed memoranda filed with Department of Industrial Development (Secretariat of Industrial Approvals) in terms of Notification No.477 (E) dated July 25, 1991.

\*\* Installed capacity is dependent on product mix and is as certified by the management and not verified by the auditors as being a technical matter.

\*\*\* Production represents production meant for sale and excludes captive consumption.

## 12. Details of opening and closing stock of goods produced and sold

Product	Stock as on 31.3.07		Stock as at 31.3.08		Stock as on 31.3.09		Sales during 2008-09		Sales during 2007-08	
	Nos.	Value	Nos.	Value	Nos.	Value	Nos.	Value	Nos.	Value
Lightning Arresters	—		57	5.49	150	1.02	27,911		36,993	
Accessories and Spares	5,000	3.41	—	—	—	—	11,466	521.34	1,50,000	2,168.46
Varistors	1,08,731	3.91	1,09,690	2.84	—	—	60,242	82.03	3,30,999	131.78
		7.32		8.33		1.02		603.37		2,300.24

## Notes:

- Included under appropriate classes of goods is the turnover of components, etc. referred to in No.10 (B)
- Sale quantity includes free samples, replacements etc.
- Sale figure given above include revenue from manufacturing activity, but excludes revenue generated from providing of services.

13. There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2009. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

## 14. Break up of Deferred Tax asset / liability (net)

	2008-09 Rs. In Lacs	2007-08 Rs. In Lacs
<b>i. Break-up of deferred tax liability as at March 31, 2009</b>		
Additional depreciation on fixed assets for tax purposes due to higher tax depreciation rates.	311.36	311.75
<b>Total deferred tax liability</b>	<b>311.36</b>	<b>311.75</b>
<b>ii. Break-up of deferred tax asset as at March 31, 2009</b>		
Provision for doubtful debts/advances that are deducted for tax purposes when written off.	47.43	36.71
On provision for employee benefits / voluntary retirement scheme compensation	19.23	7.10
On other items	4.10	4.39
On unabsorbed depreciation allowance and brought forward business loss (to the extent of residual deferred tax liabilities)	240.60	263.55
<b>Deferred tax asset</b>	<b>311.36</b>	<b>311.75</b>
<b>Net deferred tax liability /(asset) (Net)</b>	<b>Nil</b>	<b>Nil</b>

## Note:

As at March 31, 2009, the Company has carry forward losses under the Tax Laws. As a matter of prudence the Company has recognized deferred tax assets only to the extent of deferred tax liabilities as at March 31, 2009.

15. Warranty provision	2008-09 Rs. In Lacs	2007-08 Rs. In Lacs
Carrying amount as at the beginning of the year	4.54	4.54
Additional provision made during the year	—	—
Amount used during the year	—	—
Unused amount reversed during the year	—	—
<b>Carrying amount as at the end of the year</b>	<b>4.54</b>	<b>4.54</b>

16. The Investment in Elpro Packaging Limited has been stated at an estimated realisable amount.

17. The Company has entered into agreements with Elpro Estates Limited for Joint Development of its properties located at Chinchwadgaon, Pune.

**Breakup of Company's interest in Joint Venture is as follows:**

	2008-09 Rs. In Lacs	2007-08 Rs. In Lacs
Receivable from Joint Venture as share of profit	4.90	4.90
Contribution as land	0.05	0.05
<b>Total</b>	<b>4.95</b>	<b>4.95</b>

**18. Derivative transactions**

The Company has not entered into any derivative contracts to hedge its foreign currency risk.

The net unhedged foreign currency exposure as at the year-end amounted to USD 1.55 lacs (Previous year USD 1.86 lacs).

19. Investments being made in Met life India Insurance Company Limited is long term in nature. In the opinion of the management the realisable value of these investments is more than the book value as at March 31, 2009. During the year, the Company reviewed the provision made in an earlier year for diminution in value of investments in Met Life India Insurance Company Private Limited. Accordingly, the said provision was written back fully as considered no longer required and disclosed as an exceptional item.

**20. Changes in Share capital**

A During the year the authorized share capital of the Company is increased from Rs 50,000,000 divided into 5,000,000 equity shares of Rs 10 each to Rs 100,000,000 divided into 10,000,000 equity shares of Rs 10 each.

B During the year, the Company has issued convertible equity share warrants and has also issued equity shares on the conversion of share warrants. The details of which are given below:

1,100,000 convertible Warrants issued on a preferential basis to foreign institutional investors carrying an entitlement to apply for allotment of one Equity share of Rs. 10 each at a premium of Rs 601 per share on following terms and conditions.

- (i) The Warrants shall be convertible (at the sole option of the warrant holders) at any time within a period of 18 months from the date of allotment of warrants.
- (ii) Each Warrant shall be convertible into one Equity Share of Rs. 10/- each apportioned towards the Equity shares and the balance amount paid against each warrant towards the share premium.
- (iii) The Warrant holder(s) shall, before the date of allotment shall pay an amount equivalent to 10% of the consideration per warrant.
- (iv) The Warrant holder(s) shall, on the date of exercise of conversion option pay balance 90% of the consideration towards subscription to each Equity share.
- (v) The amount referred to in (iii) shall be forfeited if the option to acquire shares is not exercised within a period of 18 months from the date of allotment of warrants.
- (vi) The lock in of Equity Shares allotted by Allottees by the exercise of Warrants shall be for a period of 1(one) year reduced to the extent of holding period of Warrants.
- (vii) The Warrant holder shall be entitled to future issue of bonus /rights if any of Equity Shares or Warrants convertible into equity share or such other securities by the Company in same proportion and in manner as any other shareholders of the Company, provided the warrant are converted into Equity shares before such corporate action. The Warrant holder's will be intimated about any such corporate action appropriately.
- (viii) The Warrant by itself does not give to the holder(s) thereof any right of the shareholder's of the Company.

The total proceeds received and utilized by the Company is as follows:

<b>Proceeds received from issue and conversion of Warrants</b>	<b>Rs in lacs</b>
1. 10% of 1,100,000 equity share warrants at Rs. 611 each	672.10
2. 90% on conversion of 395,000 warrants into equity shares at Rs 611 each	2,172.11
3. 90% on exercise of conversion options 365,000 warrants by warrant holder	2,007.13
<b>Total</b>	<b>4,851.34</b>

The money received on account of issue of equity shares /shares warrants has been invested /utilized as follows:

<b>Particulars</b>	<b>Amount in lacs</b>
Property development operations	357.63
Repayments of existing debts of a subsidiary	1,276.65
Repayments of existing debts	773.42
Temporarily invested in Mutual fund and inter corporate deposit given	769.91
Invested in Met Life India Insurance Company Private Limited	1,661.59
General corporate purpose	12.14
<b>Total</b>	<b>4,851.34</b>

## 21. Related party disclosures

(a) Names of related parties and nature of relationship where transactions have taken place during the year.

1. Faridabad Investment Co. Ltd.	Investing party/promoter company
2. Dabri Properties & Trading Co. Ltd.	Associate
3. International Conveyors Limited	Enterprise over which Key Management Personnel exercise significant influence
4. Mr. Surbhit Dabriwala	Key Management Personnel
5. Mr. R. K. Dabriwala	Key Management Personnel
6. Elpro Estate Limited (Formerly known as Trump Properties Limited)	Subsidiary
7. IGE (I) Ltd.	Enterprise over which promoter company exercise significant influence
8. Faridabad Capital Holding Pvt Limited	Enterprise over which Key Management Personnel exercise significant influence
9. Elpro Packaging Limited	Associate (ceases to be an associate with effect from November 24,2008)

(b) Nature and volume of transactions during the year with the above related parties were as follows:

i) Investing party : **Faridabad Investment Co Ltd**

<b>Nature of transactions</b>	<b>March 31,2009 (Rs. Lacs)</b>	<b>March 31,2008 (Rs. Lacs)</b>
<b>Transactions during the year</b>		
1) ICD Given	225.00	670.00
2) Repayment received on ICD's given	1,024.86	100.00
3) Interest Income	9.01	63.24
<b>Balances</b>		
1) Receivables	7.15	799.86



## ii) Associate : Dabri Properties &amp; Trading Co Ltd

	March 31,2009 (Rs. Lacs)	March 31,2008 (Rs. Lacs)
<b>Nature of transactions</b>		
<b>Transactions during the year</b>		
1) Repayment made on ICD's taken	0.43	8.17
2) Interest expense	Nil	0.56
<b>Balances</b>		
1) Payable	Nil	0.43

## iii) Associate : Elpro Packaging Ltd (ceases to be an associate from Nov 24,2008)

	March 31,2009 (Rs.)	March 31,2008 (Rs.)
<b>Nature of transactions</b>		
<b>Transactions during the year</b>		
1) ICD received	Nil	185.00
2) Repayment made on ICD's taken	164.75	125.00
3) Interest expense	0.00	12.61
<b>Balances</b>		
1) Payable	0.00	164.75

## iv) Enterprise over which Key management Personnel have significant influence :

**International Conveyors limited**

	March 31,2009 (Rs. Lacs)	March 31,2008 (Rs. Lacs)
<b>Nature of transactions</b>		
<b>Transactions during the year</b>		
1) ICD received	3,348.00	410.00
2) Repayment made on ICD's taken	3,350.00	410.00
3) Interest expense	18.80	2.30
4) Advance Received towards booking	2,300.00	Nil
<b>Balances</b>		
1) Payable	14.32	1.78
2) Advance towards booking	2,300.00	Nil

## v) Enterprise over which Key management Personnel have significant influence :

**Faridabad Capital Holding Pvt Ltd.**

	March 31,2009 (Rs. Lacs)	March 31,2008 (Rs. Lacs)
<b>Nature of transactions</b>		
<b>Transactions during the year</b>		
1) ICD Given	1.00	Nil
<b>Balances</b>		
1) Receivable	1.00	Nil

## vi) Enterprise over which Promoter Company exercise Significant influence: IGE (India) Ltd.

	March 31,2009 (Rs.Lacs)	March 31,2008 (Rs.Lacs)
<b>Nature of transactions</b>		
<b>Transactions during the year</b>		
1) ICD received	6,073.00	5,003.00
2) Repayment made on ICD's taken	5,018.99	5,190.00
3) Interest expense	92.80	167.12
4) Rent and other expenses	8.60	3.00
5) Corporate guarantee given	6,500.00	Nil
<b>Balances</b>		
1) Payable	1,236.89	209.42

## vii) Subsidiary : Elpro Estates Limited (Formerly Known as Trump Properties Limited)

	March 31, 2009 (Rs.Lacs)	March 31,2008 (Rs.Lacs)
<b>Nature of transactions</b>		
<b>Transactions during the year</b>		
1) Amount received on redemption of Preferential Shares	Nil	149.54
2) Additional Investment during the year	Nil	149.93
3) Income	12.00	12.00
4) Interest Expense	Nil	268.09
5) Advance Received towards booking/property development	9,065.70	4,922.23
6) Refunded	2841.58	4549.91
7) Transfer on account of JDA Agreement (Refer Note 27 of Schedule XXI)	3948.06	Nil
<b>Balances</b>		
1) Receivable	20.14	Nil
2) Advances received against sale bookings	6,438.48	Nil
3) Advance received towards property development	231.85	4,246.82

## viii) Key Management Personnel : Mr. S. Dabriwala

	March 31,2009 (Rs.Lacs)	March 31,2008 (Rs.Lacs)
<b>Nature of transactions</b>		
<b>Transactions during the year</b>		
1) Remuneration	9.33	8.74

## ix) Relative of Key Management Personnel : Mr. R. K. Dabriwala

	March 31,2009 (Rs.Lacs)	March 31,2008 (Rs.Lacs)
<b>Nature of transactions</b>		
<b>Transactions during the year</b>		
1) Director's Sitting fees	0.17	0.18

22. <b>Earning per share</b>	<b>2008-09</b>	<b>2007-08</b>
Profit /(Loss) after tax and exceptional items (Rs. In Lacs)	<b>(283.94)</b>	<b>(1,714.19)</b>
Weighted average number of equity shares used for calculating basic earnings per share	<b>3,907,307</b>	<b>3,556,677</b>
Weighted average number of equity shares used for calculating diluted earnings per share	<b>3,907,307</b>	<b>3,556,677</b>
Face value of Equity Shares (Rs.)	<b>10</b>	<b>10</b>
Earning per share- Basic & Diluted (Rs.)	<b>(7.27)</b>	<b>(48.20)</b>

The share warrants outstanding as on March 31, 2009 are considered antidilutive as fair value of equity shares to be issued is less than the issue price.

23. During the previous year, the Company converted land admeasuring 0.41 Lacs Sq.Ft. situated at Chinchwadgaon, Pune as stock in trade. Consequently Rs. 0.08 lacs, being cost of converted land has been reduced from fixed assets and shown separately in "Schedule VII- Stocks" as "Land held as stock in trade".

24. **Segment information**

a) **Primary Business Information (Business Segments)**

These business segments represent primary basis of information set out in the financial statements. In accordance with the Accounting Standard 17, 'Segment Reporting', the Segment Information for the year ended March 31, 2009 is given as follows:

	Electrical Equipments.	Real Estate	Investment Activity	Others	Elimination	Total Rs. In Lacs
<b>SEGMENT REVENUE</b>						
<b>External Sales</b>	624.37	520.55	—	99.97	—	1,244.89
	(2,198.02)	(343.63)	(—)	(192.69)	(22.00)	(2,712.34)
<b>Inter - segment Sales</b>	—	—	—	—	—	
	(22.00)	(—)	(—)	(—)	(22.00)	
<b>Revenue</b>						<b>1,244.89</b>
						(2,712.34)
<b>RESULT</b>						
<b>Segment result</b>	-156.78	506.65	—	20.56		370.43
	(-129.96)	(342.73)	(—)	(85.83)		(298.60)
Unallocated corporate expenses (net of unallocable income)						161.84
						(362.76)
<b>Operating Profit/(Loss) before Exceptional item</b>						<b>208.59</b>
						(-64.16)
<b>Exceptional item</b>						<b>1,191.93</b>
						(—)
<b>Operating Profit/(Loss) after Exceptional item</b>						<b>1,400.52</b>
						(-64.16)
<b>Interest Expenses</b>						<b>1,677.22</b>
						(1,780.31)
<b>Profit/(Loss) before Tax &amp; Prior period expense</b>						<b>(276.70)</b>
						(-1,844.47)

	Electrical Equipments	Real Estate	Investment Activity	Others	Elimination	Total Rs. In Lacs
Prior Period Expenses						—
						(—)
Profit/(Loss) before Tax & after Prior Period expense						(276.70)
						(-1,844.47)
Income taxes / Deferred tax Reversal						(7.24)
						(130.28)
Net Profit/ (Loss) after tax						(283.94)
						(-1,714.19)
<b>Other information</b>						
Segment assets	818.26	1,951.29	26,565.35	551.01		29,885.91
	(1,372.87)	(4,990.33)	(13,809.87)	(692.11)		(20,865.18)
Unallocated corporate assets						2,602.68
						(2,205.29)
<b>Total assets</b>						32,488.59
						(23,070.47)
Segment liabilities	658.70	16,160.50	—	424.05		17,243.25
	(1,139.73)	(4,990.03)	(—)	(474.35)		(6,604.11)
Unallocated corporate liabilities						9,315.73
						(14,960.90)
<b>Total liabilities</b>						26,558.99
						(21,565.01)
Capital Expenditure	—	—	—	—		—
	(7.47)	(81.31)	(—)	(2.18)		(90.96)
Unallocated capital Expenditure						4.71
						(106.49)
<b>Total capital expenditure</b>						4.71
						(197.45)
Depreciation	44.81	9.50	—	79.41		133.72
	(79.68)	(5.63)	—	(79.55)		(164.86)
Unallocated Depreciation						23.79
						(24.48)
<b>Total Depreciation</b>						157.51
						(189.34)
Non cash expenses other than depreciation	—	—	—	131.74		131.74
	(—)	(—)	(—)	(53.25)		(53.25)

## b) Secondary Segment – Geographical Segments

	Domestic	Export	Total
<b>Segment revenue by geographical area</b>			
Based on geographical location of customers (Including net sales, services etc.)	961.96 (2,016.21)	282.93 (696.13)	1,244.89 (2,712.34)
<b>Segment Assets by geographical area</b>	32,411.32 (22,693.39)	77.27 (377.08)	32,488.59 (23,070.47)
<b>Capital Expenditure</b>	4.71 (197.45)	— (—)	4.71 (197.45)

**Note:**

- Corresponding figures in bracket pertains to previous year.
- Segment assets include all operating assets used by the segment and consist primarily of debtors, current assets and fixed assets net of provisions and allowances. Segment liabilities include all operating liabilities and consist principally of creditors and other payables. Items that relate to the enterprise as a whole or at the corporate level not attributable to a particular segment are included under "unallocated".
- The Real Estate segment includes Lease rental income and Development of Housing Projects.
- Electrical equipments segment includes manufacturing and sales of lightning arrester, varistor, Secondary surge arresters, Discharge Counter. "Others" represents income generated from windmill.
- During the year the Company has reclassified Varistors from Segment – 'Others' to Electrical Equipment Segment.

## 25. Operating leases

i) The Company's significant leasing arrangements are in respect of operating leases for premises (sheds and office, etc.). These leasing arrangements, which are non-cancelable range between 11 months and 8 years generally and are usually renewable by mutual consent on mutually agreeable terms. Aggregate lease rentals receivable are recognised as Rent in Schedule XV.

ii) Other disclosures in respect of Building assets given on operating lease

<b>Buildings</b>	2008-09 Rs. In Lacs	2007-08 Rs. In Lacs
Gross block	275.65	275.46
Accumulated depreciation	55.70	46.19
Depreciation recognized during the year	9.51	8.06
	2008-09 (Rs. In Lacs)	2007-08 (Rs. In Lacs)
Lease Rental Receipt for the year	520.55	343.63
Future minimum lease rentals Receipts not later than one year	612.49	286.75
later than one year but not later than five years	1,743.35	762.82

iii) Other disclosures in respect of assets taken on operating lease.

The Company has entered into Operating Lease arrangements towards use of office facilities. The minimum future payments during non-cancelable period under the foregoing arrangements in the aggregate for each of the following period is as follows:

	2008-09 (Rs. in lacs)	2007-08 (Rs. in lacs)
Lease rental payments for the year	8.60	3.00
Future minimum lease rentals payments payable		
Not later than one year	12.60	3.00
later than one year but not later than five years	—	—

26. During the year the Company declared voluntary retirement scheme (VRS) for its employees at Chinchwad factory. The total cost of VRS paid amounted to Rs 275 lacs. The same would be amortised till March 31, 2010 in accordance with Accounting Standard 15 on "Employee benefits".

27. During the year, the Company has entered into a 'Joint development Agreement' (JDA ) with 'Elpro Estates Limited' (Formerly known as 'Trump Properties Limited' ), a Subsidiary Company for the Joint Development of the Commercial project . In terms of the JDA Provisions the Company has transferred the Capital Work-In-Progress and the related liabilities on account of the commercial project to Elpro Estates Limited.
28. There are no dues payable to the Investor Education and Protection Fund as at March 31, 2009.
29. The Company has its own Provident fund trust covering the employees of Elpro International Limited and as the fund would have to meet any interest shortfall, it is to be construed as a defined benefit plan in terms of recent Accounting Standards Board (ASB) guidance on implementing AS 15 (Revised 2005) issued by the ICAI. However, in the absence of guidance note from the Actuarial Society of India, the Company's actuary has expressed his inability to reliably measure the provident fund liability. Accordingly, the Company has accounted for the same as a defined contribution plan.
30. The following table sets forth the funded status of the plan assets and the amounts relating to gratuity and Leave encashment recognized in the Company's Financial as at March 31, 2009.

**A. Gratuity benefits:**

<b>1. Assumptions</b>	<b>As on 31.03.09</b>	<b>As on 31.03.08</b>
Discount	8.0 %	8.0%
Salary Escalation	5.0%	5.0%
<b>2. Table showing changes in present value of obligation</b>	<b>Rs In Lacs</b>	<b>Rs. In Lacs</b>
	<b>As on 31.03.09</b>	<b>As on 31.03.08</b>
Present value of obligations at the beginning of year	74.32	76.18
Interest cost	5.95	6.09
Current service cost	4.45	4.45
Benefits paid	(77.60)	(12.99)
Actuarial (gain)/loss of obligations	7.03	0.59
Present value of obligations as at end of year	14.15	74.32
<b>3. Table showing changes in the fair value of plan assets</b>	<b>Rs In Lacs</b>	<b>Rs In Lacs</b>
	<b>As on 31.03.09</b>	<b>As on 31.03.08</b>
Fair value of plan assets at beginning of year	95.68	96.19
Expected return on plan assets	4.37	8.78
Contributions	—	3.70
Benefits paid	(77.60)	(12.99)
Actuarial Gain/(Loss) on plan assets	—	—
Fair value of plan assets at the end of year	22.45	95.68
<b>4. Table showing fair value of plan assets</b>	<b>Rs In Lacs</b>	<b>Rs In Lacs</b>
	<b>As on 31.03.09</b>	<b>As on 31.03.08</b>
Fair value of plan assets at beginning of year	95.68	96.19
Actual return on plan assets	4.37	8.78
Contributions	—	3.70
Benefits paid	(77.60)	(12.99)
Fair value of plan assets at the end of year	22.45	95.68
Funded status	8.30	21.36
Excess of actual over estimated return on plan assets (Actual rate of return = Estimated return as ARD falls on 31 <sup>st</sup> March, 2009)	—	—

<b>5. Actuarial Gain/Loss recognized</b>	<b>Rs In Lacs As on 31.03.09</b>	<b>Rs In Lacs As on 31.03.08</b>
Actuarial Gain/(Loss) for the year – obligation	(7.03)	(0.59)
Actuarial (Gain)/Loss for the year – plan assets	—	—
Total (Gain)/Loss for the year	7.03	0.59
Actuarial (Gain)/Loss recognized in the year	7.03	0.59
<b>6. The amounts to be recognized in the balance sheet and statements of Profit &amp; Loss Account</b>	<b>Rs In Lacs As on 31.03.09</b>	<b>Rs In Lacs As on 31.03.08</b>
Present Value of obligations as at the end of year	14.15	74.32
Fair value of plan assets as at the end of the year	22.45	95.68
Funded status	8.30	21.36
Net assets/(Liability) recognized in the year	8.30	21.36
<b>7. Expenses recognized in statement of Profit &amp; Loss Account</b>	<b>Rs In Lacs As on 31.03.09</b>	<b>Rs In Lacs As on 31.03.08</b>
Current service cost	4.45	4.45
Interest cost	5.95	6.09
Expected return on plan assets	(4.37)	(8.78)
Net Actuarial (gain) / loss recognized in the year	7.03	0.59
Expenses recognized in statement of Profit & Loss Account	13.06	2.35
<b>B Leave encashment:</b>		
<b>1. Actuarial Assumptions</b>	<b>As on 31.03.09</b>	<b>As on 31.03.08</b>
Discount	7.5 %	8.0%
Salary Escalation	5.0%	5.0%
<b>2. Table showing changes in present value of Obligation</b>	<b>Rs In Lacs As on 31.03.09</b>	<b>Rs In Lacs As on 31.03.08</b>
Present value of obligations at the beginning of year	16.53	18.11
Interest cost	1.24	1.44
Current service cost	1.41	3.65
Benefits paid	(25.06)	(7.96)
Actuarial (gain)/loss of obligations	12.11	1.27
Present value of obligations as at end of year	6.24	16.51
<b>3. Table showing changes in the fair value of plan assets</b>	<b>Rs In Lacs As on 31.03.09</b>	<b>Rs In Lacs As on 31.03.08</b>
Fair value of plan assets at beginning of year	—	—
Expected return on plan assets	N.A	N.A.
Contributions	N.A	N.A
Benefits paid	—	—
Actuarial Gain/(Loss) on plan assets	N.A	N.A
Fair value of plan assets at the end of year	—	—

<b>4. Actual Return on Plan Assets:</b>	<b>Rs In Lacs</b>	<b>Rs In Lacs</b>
	<b>As on 31.03.09</b>	<b>As on 31.03.08</b>
Expected return on plan assets	—	—
Actuarial (gain) /loss on plan assets	—	—
Actual return on plan assets	—	—
 <b>5. Amount recognized in the Balance Sheet</b>	 <b>Rs In Lacs</b>	 <b>Rs In Lacs</b>
	<b>As on 31.03.09</b>	<b>As on 31.03.08</b>
Liability at the end of the year	<b>6.23</b>	<b>15.05</b>
Fair value of plan assets at the end of the year.	—	—
Difference	<b>6.23</b>	<b>15.05</b>
Unrecognised past service cost	—	—
Amount recognized in the Balance Sheet	<b>6.23</b>	<b>15.05</b>
 <b>Expenses recognized in the Income Statement</b>	 <b>Rs In Lacs</b>	 <b>Rs In Lacs</b>
	<b>As on 31.03.09</b>	<b>As on 31.03.08</b>
Current service cost	<b>1.41</b>	<b>3.65</b>
Interest cost	<b>1.24</b>	<b>1.44</b>
Expected return on plan assets	—	—
Net actuarial (gain) / loss to be recognized	<b>12.11</b>	<b>1.27</b>
Expenses recognized in Profit and Loss	<b>14.76</b>	<b>6.37</b>

31. Previous year's figures have been shown in brackets and have been regrouped wherever necessary to conform to current year's classification.

**Signatures to Schedules "I" to "XXI"**

**For and on behalf of the Board**

**Anil Poddar**  
Director

**Surbhit Dabriwala**  
Director

Place: Mumbai  
Date: June 30, 2009





**CONSOLIDATED AUDITORS' REPORT****To the Board of Directors of  
Elpro International Limited**

1. We have audited the attached Consolidated Balance Sheet of **Elpro International Limited** ('the Company'), and its subsidiary (collectively referred to as the 'Group') as at March 31, 2009, and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto (collectively referred to as 'Consolidated Financial Statements') which we have signed under reference to this report. These Consolidated Financial Statements are the responsibility of the Company's management and have been prepared by the Management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with generally accepted auditing standards in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and 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 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 subsidiary company whose financial statement reflect total assets of Rs. 4,126.00 lacs as at March 31, 2009 and total revenue of Rs. 30.25 lacs and cash flow (net cash inflow) amounting to Rs. 2.54 lacs for the year ended March 31, 2009. This financial statement has been audited by other auditor whose report has been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of this subsidiary, is based solely on the report of the other auditor.
4. We have relied on the unaudited financial statements of associate company where in Group share of profit for the year aggregate to Rs. 0.12 lacs. This unaudited financial statement as approved by the Board of Directors of this company has been furnished to us by the Management and our report in so far as it relates to the amount included in respect of these associate is based solely on such approved unaudited financial statement.
5. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements and Accounting Standard (AS) 23, Accounting for investments in Associates in Consolidated Financial Statements, mandated by Rule 3 of the Companies (Accounting Standards) Rules 2006.
6. Based on our audit as aforesaid and on the consideration of the report of other auditor on separate audited financial statements and on the other financial information of the components and accounts approved by the Board of Directors as explained in paragraph 4 above 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 Group as at March 31, 2009;
  - b. in the case of the Consolidated Profit and Loss Account, of the Loss of the Group for the year ended on that date; and
  - c. in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

**Vilas Y. Rane**  
Partner  
Membership No. F-33220

For and on behalf of  
**Price Waterhouse**  
Chartered Accountants

Mumbai  
June 30, 2009

**CONSOLIDATED BALANCE SHEET  
AS AT MARCH 31, 2009**

**Annual Report 2008-2009**

	Schedules	As at March 31, 2009 Rs. Lacs	As at March 31, 2008 Rs. Lacs
<b>I SOURCES OF FUNDS</b>			
Shareholders' Funds			
Share capital	I	395.17	355.67
Share Warrants	I	430.76	—
Share Application Money	I	12,576.35	7,543.40
Reserves and surplus	II	3,184.52	1,140.47
		<u>16,586.80</u>	<u>9,039.54</u>
Minority interest		—	—
Capital reserve on consolidation		7.35	7.35
Loan Funds			
Secured loans	III	8,727.20	11,439.44
Unsecured loans	IV	1,445.78	613.09
		<u>10,172.98</u>	<u>12,052.53</u>
		<u>26,767.13</u>	<u>21,099.42</u>
<b>II APPLICATION OF FUNDS</b>			
Goodwill on consolidation		73.68	81.35
Fixed assets			
Gross block	V	4,096.46	4,202.37
Less : Accumulated Depreciation		2,261.47	2,185.27
Net block		1,834.99	2,017.10
Capital work in progress including advances		4,042.05	2,205.55
		<u>5,877.04</u>	<u>4,222.65</u>
Investments			
Deferred tax (Refer Note 4 of Schedule XXI)	VI	24,976.21	8,477.25
Deferred tax asset		372.72	373.11
Less : Deferred tax liability		(320.07)	(320.46)
Deferred tax - Net		52.65	52.65
Current assets, loans and advances			
Stocks	VII	1,457.48	1,520.84
Sundry debtors	VIII	224.15	516.55
Cash and bank balances	IX	562.77	262.45
Other current assets	X	30.10	165.30
Loans and advances	XI	3,274.84	11,032.96
		<u>5,549.34</u>	<u>13,498.10</u>
Less : Current liabilities and Provisions			
Current Liabilities	XII	9,922.89	5,241.59
Provisions	XIII	12.59	21.41
		<u>9,935.48</u>	<u>5,263.00</u>
Net current assets / (current liabilities)		(4,386.14)	8,235.10
Miscellaneous Expenditure (To the extent not written off)	XIV	173.69	30.42
		<u>26,767.13</u>	<u>21,099.42</u>
<b>Notes to accounts</b>			
Schedule I to XXI annexed hereto form part of the Balance Sheet and Profit and Loss Account			
<b>As per our report of even date attached</b>		<b>For and on behalf of the Board</b>	
<b>Vilas Y. Rane</b> Partner Membership No: F-33220  For and on behalf of <b>Price Waterhouse</b> Chartered Accountants  Place: Mumbai Date: June 30, 2009		<b>Anil Poddar</b> Director  <b>Surbhit Dabriwala</b> Director  Place: Mumbai Date: June 30, 2009	

	Schedules	For the year ended March 31, 2009 Rs. Lacs	For the year ended March 31, 2008 Rs. Lacs
<b>I INCOME</b>			
Sales and Services - Gross	XV	1,321.35	3,004.46
Less: Excise Duty		58.21	254.59
Sales and Services - Net		1,263.14	2,749.87
Other income	XVI	78.39	230.75
		<u>1,341.53</u>	<u>2,980.62</u>
<b>II EXPENDITURE</b>			
Materials / Direct cost	XVII	320.28	1,481.18
Employee costs	XVIII	166.35	321.49
Depreciation	V	183.06	229.87
Interest	XIX	1,677.76	1,795.48
Other expenses	XX	508.89	1,060.16
		<u>2,856.34</u>	<u>4,888.18</u>
<b>PROFIT/(LOSS) BEFORE TAX AND EXCEPTIONAL ITEMS</b>		<b>(1,514.81)</b>	<b>(1,907.56)</b>
Exceptional Item :			
Provision for diminution in value of investment no longer required written back (Refer Note 9 of Schedule XXI )		1,191.93	-
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		<b>(322.88)</b>	<b>(1,907.56)</b>
Less: Provision for tax			
- Current tax		-	-
- MAT credit		(14.10)	-
- Deferred tax reversal		-	(157.70)
- Fringe benefit tax		3.33	7.53
- Prior Period Tax		17.91	(0.10)
<b>PROFIT / (LOSS) AFTER TAXATION</b>		<b>(330.02)</b>	<b>(1,757.29)</b>
Add : Share of profits of associate		0.12	3.34
<b>NET PROFIT/(LOSS) FOR THE YEAR</b>		<b>(329.90)</b>	<b>(1,753.95)</b>
- Balance of Profit and Loss Account (brought forward)		(1,408.89)	345.06
<b>BALANCE CARRIED TO BALANCE SHEET</b>		<b>(1,738.79)</b>	<b>(1,408.89)</b>
Basic and Diluted Earnings per equity share of face value of Rs. 10/- each (Refer Note 11 of Schedule XXI)		(8.44)	(49.31)
Notes to Accounts	XXI		

As per our report of even date attached

Vilas Y. Rane  
Partner  
Membership No: F-33220

For and on behalf of  
**Price Waterhouse**  
Chartered Accountants

Place: Mumbai  
Date: June 30, 2009

For and on behalf of the Board

Anil Poddar  
Director

Surbhit Dabriwala  
Director

Place: Mumbai  
Date: June 30, 2009

**CONSOLIDATED CASH FLOW STATEMENT FOR  
THE YEAR ENDED MARCH 31, 2009**

**Annual Report 2008-2009**

	2008-09 Rs. Lacs	2007-08 Rs. Lacs
<b>A. Cash flow from operating activities :</b>		
Cash generated from operations (see note 4)	12,632.78	(7,616.17)
Miscellaneous Expenditure incurred during the year	(275.01)	—
Taxes (paid) / refund - net	65.54	(11.21)
Net cash generated from / (used in) operating activities	<u>12,423.31</u>	<u>(7,627.38)</u>
<b>B. Cash flow from investing activities :</b>		
Fixed assets		
— Purchase	(5.05)	(198.38)
— Sale	11.01	2.25
Investments		
— Purchase (net)	(15,301.64)	(2,715.88)
— Sale / matured (Net)	7.38	383.90
Increase in capital expenditure	(1,836.45)	(1,954.67)
Interest received	21.15	139.16
Dividend received	0.09	0.08
Net cash from / (used in) investing activities	<u>(17,103.51)</u>	<u>(4,343.54)</u>
<b>C. Cash flow from financing activities :</b>		
Proceeds from borrowings	3,945.24	13,470.34
Repayment of borrowings	(6,611.83)	(8,287.04)
Cash credit, Export packing credit, Term Loans, etc. - net	(45.61)	(24.84)
Inter corporate Deposits/loans received	4,521.40	7,226.57
Inter corporate Deposits/loans repaid	(2,979.81)	(6,475.40)
Proceeds from issue of Equity Shares	2,413.45	—
Proceeds from issue of Equity Share Warrants	430.76	—
Share application money received	5,032.95	7,543.40
Interest Paid on Loans	(1,663.08)	(1,307.01)
Redemption of Preference Shares	—	(149.54)
Net cash from / (used in) financing activities	<u>5,043.47</u>	<u>11,996.48</u>
<b>D. Net increase/(decrease) in cash and cash equivalents :</b>	<u>363.27</u>	<u>25.56</u>
Cash and cash equivalents at beginning of the year	199.50	173.94
Cash and cash equivalents at end of the year	<u>562.77</u>	<u>199.50</u>
	<u>363.27</u>	<u>25.56</u>

**Notes:**

- The figures in the cash flow statement are based on or have been derived from the audited annual financial statements of Company.
- Figures in brackets represent outflows of cash and cash equivalents.
- The Cash Flow Statement has been prepared under the Indirect Method as set out in Accounting Standard 3 (AS-3) on Cash Flow Statement.
- Cash generated from operations has been arrived at as follows :

	2008-09 Rs. Lacs	2007-08 Rs. Lacs
Profit/(Loss) before tax	(322.88)	(1,907.56)
Add / (Less) :		
a. Adjustments for non- cash items / items required to be disclosed separately		
– Depreciation	183.06	229.87
– Miscellaneous Expenditure written off	131.74	53.25
– Interest expense	1,663.08	1,307.01
– Net (profit)/loss on sale of fixed assets	(6.29)	18.69
– Interest income	(21.15)	(139.17)
– Interest income on Income Tax Refund	(19.60)	–
– Dividend income	(0.09)	(0.08)
– Net (profit)/loss on sale of investments (current) (non-trade)	(5.04)	(7.48)
– Sundry provisions and balances no longer required written back	(5.23)	(21.49)
– Bad Debts/Advances written off, net of recoveries	–	0.05
– Provision for Bad and Doubtful debts / advances	24.00	38.79
– Excess Depreciation Written Back	(0.62)	–
– Provision for leave encashment (not funded)	–	5.24
– Provision for dimunition in value of Investments made /(written back)	(1,191.93)	4.87
	<u>751.93</u>	<u>1,489.55</u>
<b>Operating profit / (loss) before working capital changes</b>	<b>429.05</b>	<b>(418.01)</b>
b. Adjustments for changes in working capital		
(Increase)/Decrease in stocks	63.36	(983.64)
(Increase)/Decrease in sundry debtors	268.39	559.62
(Increase)/Decrease in other current assets	135.20	(118.00)
(Increase)/Decrease in loans and advances	6,996.12	(6,446.17)
Increase/(Decrease) in current liabilities and provisions*	4,740.66	(209.97)
	<u>12,203.73</u>	<u>(7,198.16)</u>
<b>Cash generated from / (used in) operations</b>	<b>12,632.78</b>	<b>(7,616.17)</b>

## 5. Cash and cash equivalents comprise of :

	2008-09	2007-08
Cash on hand	0.40	0.82
Balances with scheduled banks on :		
– Current account	274.45	258.42
– Margin money account	3.29	2.75
– Deposit account	284.63	0.46
Book Overdraft	–	(62.95)
	<u>562.77</u>	<u>199.50</u>

As per our report of even date attached

Vilas Y. Rane  
Partner  
Membership No: F-33220

For and on behalf of  
**Price Waterhouse**  
Chartered Accountants

Place: Mumbai  
Date: June 30, 2009

For and on behalf of the Board

Anil Poddar  
Director

Surbhit Dabriwala  
Director

Place: Mumbai  
Date: June 30, 2009

	As at March 31, 2009 Rs. Lacs	As at March 31, 2008 Rs. Lacs
<b>I. SHARE CAPITAL</b>		
<b>Authorised</b>		
10,000,000 (5,000,000) Equity shares of Rs.10 each	<u>1,000.00</u>	<u>500.00</u>
	<b>1,000.00</b>	<b>500.00</b>
<b>Issued</b>		
3,952,000 (3,557,000) Equity shares of Rs.10 each	<u>395.20</u>	<u>355.70</u>
	<b>395.20</b>	<b>355.70</b>
<b>Subscribed</b>		
3,951,677 (3,556,677) Equity shares of Rs.10 each fully paid up	<u>395.17</u>	<u>355.67</u>
	<b>395.17</b>	<b>355.67</b>
<b>Note:</b>		
Of the above shares, 72,000 (72,000) Equity shares of Rs. 10 each have been allotted as fully paid up for consideration other than cash.		
Equity Share Warrant Issued (Refer Note 6 of Schedule XXI)	<u>430.76</u>	<u>—</u>
	<b>430.76</b>	<b>—</b>
Equity Share Application Money (Refer Note 6 of Schedule XXI)	<u>12,576.35</u>	<u>7,543.40</u>
	<b>12,576.35</b>	<b>7,543.40</b>
<b>II. RESERVES AND SURPLUS :</b>		
(a) Share premium : As per last balance sheet	<b>71.40</b>	<b>71.40</b>
Add:- On issue of Equity Shares during the year	<u>2,373.95</u>	<u>—</u>
	<b>2,445.35</b>	<b>71.40</b>
Total Share Premium (Refer Note 6 of Schedule XXI)	<u>2,445.35</u>	<u>71.40</u>
(b) General reserve : As per last balance sheet	<b>2,300.00</b>	<b>2,300.00</b>
	<u>—</u>	<u>—</u>
	<b>2,300.00</b>	<b>2300.00</b>
Add:- Transferred from Profit and Loss Account	<u>—</u>	<u>—</u>
Less:- Debit balance of Profit and Loss Account	<u>(1,738.79)</u>	<u>(1,408.89)</u>
	<b>561.21</b>	<b>891.11</b>
Total General Reserve	<u>561.21</u>	<u>891.11</u>
(c) Amalgamation Reserve : As per last balance sheet date	<b>177.96</b>	<b>177.96</b>
(d) Profit and loss account :		
Balance as per annexed account	<u>—</u>	<u>—</u>
	<b>3,184.52</b>	<b>1,140.47</b>
	<u>3,184.52</u>	<u>1,140.47</u>
<b>III. SECURED LOANS</b>		
Loans from banks		
a) Cash Credit/Packing Credit/Working Capital Demand Loan from Banks secured by hypothecation of current assets and certain moveable property	<b>459.41</b>	<b>505.02</b>
b) Term loan secured by hypothecation of certain cars [Repayable in one year Rs 7.58 lacs (Rs 3.39 lacs)]	<b>7.67</b>	<b>18.98</b>
c) Term loan secured by hypothecation of Windmills [Repayable in one year Rs. 106.80 lacs (Rs 60.39 lacs)]	<b>424.05</b>	<b>469.99</b>
d) Term loan secured by hypothecation of rent receivables & equitable mortgage of certain buildings [Repayable in one year Rs Nil (Rs 80.17 lacs)]	<b>—</b>	<b>468.46</b>
e) Term Loan - Refer Note (1) below [Repayable in one year Rs Nil (Rs. 1,400 lacs)] [Includes interest accrued and due Rs 65.31 lacs (Rs 43.15 lacs)]	<b>5,715.32</b>	<b>3,543.16</b>
f) Term loan secured by hypothecation of Company' flat [Repayable in one year Rs 136.07 lacs (Rs 83 lacs)] [Includes interest accrued and due Rs 3.97 lacs (Rs 9.53 lacs)]	<b>343.33</b>	<b>425.91</b>
Loan from Others		
a) Term Loan SICOM - Refer Note (1) below [Repayable in one year Rs 1,750 lacs (Rs. Nil )] [Includes interest accrued and due Rs. 23.06 Lacs (Rs. Nil)]	<b>1,773.06</b>	<b>—</b>

As at March 31, 2009  
Rs. LacsAs at March 31, 2008  
Rs. Lacs

b) DSP Merrill Lynch Capital Limited- Refer Note (2) below [Repayable in one year Rs Nil (Rs 2,400.00 lacs)]	—	6,000.00
c) Term loan secured by hypothecation of certain cars (Repayable in one year Rs 4.00 lacs (Rs 4.31 lacs))	4.36	7.92
	<u>8,727.20</u>	<u>11,439.44</u>

**Notes:**

- Secured by exclusive mortgage of immovable property, exclusive charge on cash flows and collection account arising out of the project, unconditional and irrevocable corporate guarantee and pledge of shares of a subsidiary company and personal guarantee of promoters
- The said loan has been assigned to State Bank of Patiala and SICOM Limited during the year.

**IV UNSECURED LOANS**

Inter-corporate Deposits - Short term

- From other than banks (Repayable on demand)	1,445.78	613.09
	<u>1,445.78</u>	<u>613.09</u>

**V. Fixed Assets***(Rs. Lacs)*

Particulars	Gross Block				Depreciation				Net Block	
	Cost as on 01.04.2008	Additions & Adjustments	Deletions & Adjustments	Cost as on 31.03.2009	As on 01.04.2008	For the year	Deletions	Total as on 31.03.2009	As on 31.03.2009	As on 31.03.2008
<b>Tangible Assets</b>										
Land - freehold	3.02	—	—	3.02	—	—	—	—	3.02	3.02
Buildings roads and Structures	979.11	—	—	979.11	202.09	18.32	—	220.41	758.70	777.02
Plant and machinery (including office equipments)	1,204.84	3.47	110.96	1,097.35	922.26	37.03	106.86	852.43	244.92	282.58
Furniture and fixtures	254.83	1.42	—	256.25	35.15	16.75	—	51.90	204.35	219.68
Vehicles	103.76	—	—	103.76	54.13	9.07	—	63.20	40.56	49.63
Windmill	768.02	—	—	768.02	138.60	79.41	—	218.01	550.01	629.42
	<b>3,313.58</b>	<b>4.89</b>	<b>110.96</b>	<b>3,207.51</b>	<b>1,352.23</b>	<b>160.58</b>	<b>106.86</b>	<b>1,405.95</b>	<b>1,801.56</b>	<b>1,961.35</b>
<b>Intangible Assets</b>										
Specialised Software	185.39	0.16	—	185.55	129.66	22.48	—	152.14	33.41	55.73
Technical Knowhow	39.61	—	—	39.61	39.59	—	—	39.59	0.02	0.02
<b>Assets given on Lease</b>										
Plant and Machinery	663.79	—	—	663.79	663.79	—	—	663.79	—	—
<b>Total (A):</b>	<b>4,202.37</b>	<b>5.05</b>	<b>110.96</b>	<b>4,096.46</b>	<b>2,185.27</b>	<b>183.06</b>	<b>106.86</b>	<b>2,261.47</b>	<b>1,834.99</b>	<b>2,017.10</b>
Capital work in progress includes capital advances (Refer Note 17 of Schedule XXI) Less: Provision for doubtful advances									4,122.43	2,285.93
									(80.38)	(80.38)
<b>Total (B):</b>									<b>4,042.05</b>	<b>2,205.55</b>
<b>Total (A + B):</b>	<b>4,202.37</b>	<b>5.05</b>	<b>110.96</b>	<b>4,096.46</b>	<b>2,185.27</b>	<b>183.06</b>	<b>106.86</b>	<b>2,261.47</b>	<b>5,877.04</b>	<b>4,222.65</b>
Previous year	4,388.48	198.38	384.49	4,202.37	2,318.95	229.87	363.55	2,185.27	2,017.10	

**VI INVESTMENTS (Non trade)****LONG TERM - UNQUOTED, AT COST****Government Securities :**

— 6/7 year National Savings Certificate *	0.10	0.10
— Kisan Vikas Patra *	0.11	0.11

**Others**

— 226,671,247 (84,166,952) fully paid equity shares of Rs.10 each in Metlife India Insurance Company Limited **	23,868.55	9,618.12
Less : Provision for Dimunition in value of Investment	—	1,191.93



	As at March 31, 2009 Rs. Lacs	As at March 31, 2008 Rs. Lacs
— 23 (23) equity shares of US\$ 1,000 each in Glenwood Pte. Limited, Singapore.	10.04	10.04
— 226,977 (226,977) fully paid equity shares of Rs.10 each in Dabri Properties & Trading Company Limited	33.30	33.19
— 2500 (2500) fully paid equity shares in The Saraswat Co-op Bank Ltd	0.25	0.25
<b>LONG TERM - QUOTED, AT COST</b>		
— 440 (440) fully paid equity shares of Rs 2 each in Financial Technologies	7.01	7.01
— 795,900 (1,533,900) fully paid up equity shares of Rs 10 each in Elpro Packaging Ltd	3.98	—
<b>CURRENT INVESTMENTS - UNQUOTED, LOWER OF COST AND FAIR VALUE</b>		
— 2,107.89 (2,310.74) units Kotak Gilt Saving Growth Fund	0.43	0.36
— 5,779,042.40 (Nil) Units Of Reliance Mutual Fund - Reliance Retail plan Growth plan Growth Option	1,050.00	—
— 202.23 ( Nil) units of Templeton India Treasury Management Account Regular Plan	2.44	—
	<u>24,976.21</u>	<u>8,477.25</u>
Aggregate amount of unquoted investments (net of provisions) Cost	24,965.22	8,470.23
Aggregate amount of quoted investments Cost	10.99	7.01
Market value	10.99	7.01
* Lodged with Government authorities.		
** There are certain restrictions on transferability of these shares.		
<b>Units of Mutual Funds purchased and sold during the year</b>	<b>No..of Units</b>	
	<b>Purchased</b>	<b>Sold</b>
<b>Name of the Scheme</b>		
Templeton India treasury Management Account - Regular Plan	202.23	—
Kotak Gilt Savings Growth	2,107.90	2,310.70
Reliance Mutual Fund- Reliance Retail plan Growth plan Growth Option	11,845,631.50	6,066,589.10
<b>VII STOCKS</b>		
Stores and spares	7.48	8.78
Raw materials and components	65.10	117.75
Work in progress	70.42	172.60
Finished goods	1.02	8.33
Land held as stock in trade	0.95	0.95
Project in Progress - Commercial Division	—	861.18
Project in Progress - Housing Division	1,312.51	351.25
	<u>1,457.48</u>	<u>1,520.84</u>
<b>VIII SUNDRY DEBTORS (Unsecured)</b>		
Over six months		
— Considered good	192.86	152.48
— Considered doubtful	59.16	36.00
	<u>252.02</u>	<u>188.48</u>
Other debt - considered good	31.29	364.07
	<u>283.31</u>	<u>552.55</u>
Less : Provision for doubtful debts	(59.16)	(36.00)
	<u>224.15</u>	<u>516.55</u>
<b>IX CASH AND BANK BALANCES</b>		
Cash on hand	0.40	0.82
Balance with scheduled banks on Current account *	274.45	258.42
Margin money account	3.29	2.75
Fixed Deposit account [Under Lien Rs 284.17 lacs (Nil)]	284.63	0.46
	<u>562.77</u>	<u>262.45</u>

\* Includes balances in unclaimed dividend account Rs 2.32 lacs (Rs 3.49 lacs)

	As at March 31, 2009 Rs. Lacs	As at March 31, 2008 Rs. Lacs
<b>X OTHER CURRENT ASSETS</b>		
Interest receivable	—	88.70
Claims receivable	20.81	21.67
Price Variance claim receivable	9.17	49.82
Other receivables	0.12	5.11
	<u>30.10</u>	<u>165.30</u>
<b>XI LOANS AND ADVANCES</b>		
<b>Unsecured - Considered good</b>		
Advances recoverable in cash or in kind or for value to be received for value to be received	161.12	3,110.52
Advances to contractors	—	1,541.16
Advances to Suppliers	165.49	13.23
Balance with customs, excise, VAT and other Statutory authorities and Security deposits	106.82	65.87
Advance Tax / TDS / Refund due from Income tax department	285.14	352.32
Advance Fringe Benefit Tax (Net)	1.89	1.89
MAT Credit entitlement	14.10	—
Advance towards share application in Metlife India Insurance Company Limited	2,500.00	5,185.71
Loans to and deposits with companies	31.98	740.90
Advance to Gratuity Trust	8.30	21.36
<b>Considered doubtful</b>		
Loans to and deposits with companies (including interest accrued thereon)	51.95	51.95
Less : Provision for doubtful loans	(51.95)	(51.95)
	<u>3,274.84</u>	<u>11,032.96</u>
<b>XII CURRENT LIABILITIES</b>		
Sundry Creditors		
— Due to Small and Medium Enterprises	—	—
— Due to Others	337.51	651.00
Other Liabilities	79.18	573.40
Advance from Customers	32.16	60.77
Advance from Sale /Lease	5,299.06	3,243.11
Advance against bookings	3,624.22	329.21
Book Overdraft	—	62.95
Dividend warrants posted but not encashed	1.89	3.07
Rental Deposits received	548.87	318.08
	<u>9,922.89</u>	<u>5,241.59</u>
<b>XIII PROVISIONS</b>		
Taxation - provision less payments (net) including tax on proposed dividend	1.82	1.82
Provision for leave encashment	6.23	15.05
Warranty & Other provisions	4.54	4.54
	<u>12.59</u>	<u>21.41</u>
<b>XIV MISCELLANEOUS EXPENDITURE</b>		
(To the extent not written off)		
<b>Compensation paid under Voluntary Retirement Scheme (VRS)</b>		
(Refer Note 16 of Schedule XXI)		
Opening balance	30.42	83.66
Add : Incurred during the year	275.01	—
Less: Amortised during the year	131.74	53.24
Closing balance	<u>173.69</u>	<u>30.42</u>

**SCHEDULES TO AND FORMING PART OF CONSOLIDATED  
PROFIT & LOSS ACCOUNT FOR THE MARCH 31, 2009**

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	Year ended March 31, 2009 Rs. Lacs	Year ended March 31, 2008 Rs Lacs
<b>XV SALES AND SERVICES :</b>		
Gross Sales	603.37	2,300.24
Income from services	30.25	49.53
Income from Windmill	99.97	59.61
Income from lease rentals	508.55	331.63
Sale of scrap and other items	21.00	8.86
	<u>1,263.14</u>	<u>2,749.87</u>
<b>XVI OTHER INCOME</b>		
Interest on inter-corporate deposits/loans, bank deposits, income tax, etc. (gross)	21.15	139.17
- Tax deducted at source Rs.3.79 lacs (Rs. 30.63 lacs)		
Dividend from current investments (Refer Note below)	0.09	0.08
Duty drawback	6.53	15.86
Sundry provisions and credit balances no longer required written back	5.23	21.49
Miscellaneous income	1.50	46.67
Exchange gain (net)	12.96	—
Profit on Sale of Fixed Assets	6.29	—
Profit on sale of current investments (Net)	5.04	7.48
Interest On Income Tax Refund	19.60	—
	<u>78.39</u>	<u>230.75</u>
<b>Note</b>		
Dividend Income Includes		
1) Dividend Income from Long Term Investment (Non-Trade)	0.05	0.08
2) Dividend from Mutual Fund	0.04	—
<b>XVII MATERIALS</b>		
Consumption of raw material and bought out components		
Opening stock	118.62	228.50
Add: Purchases (including outside processing charges)	135.35	1,353.71
	<u>253.97</u>	<u>1,582.21</u>
Less: Closing Stock	65.97	118.62
<b>Raw Material Consumed</b>	<u>188.00</u>	<u>1,463.59</u>
Other Direct material cost	22.79	36.09
<b>(Increase)/Decrease in stock of finished goods and work -in- progress</b>		
<b>Opening stocks</b>		
Work-in-progress	172.60	155.11
Finished goods	8.33	7.32
	<u>180.93</u>	<u>162.43</u>
<b>Closing stocks</b>		
Work-in-progress	70.42	172.60
Finished goods	1.02	8.33
	<u>71.44</u>	<u>180.93</u>
<b>(Increase)/Decrease in stocks</b>	<u>109.49</u>	<u>(18.50)</u>
	<u>320.28</u>	<u>1,481.18</u>
<b>XVIII EMPLOYEE COSTS</b>		
Salaries, wages and bonus	118.81	258.88
Contribution to Provident and other Funds	7.13	21.21
Gratuity	14.96	6.47
Leave encashment	14.76	7.53
Welfare expenses	10.69	27.40
	<u>166.35</u>	<u>321.49</u>

	Year ended March 31, 2009 Rs. Lacs	Year ended March 31, 2008 Rs Lacs
<b>XIX INTEREST AND FINANCE CHARGES</b>		
<b>Interest</b>		
— On loans for fixed periods	1,445.34	711.71
— Others	217.74	595.30
	<u>1,663.08</u>	<u>1307.01</u>
<b>Finance charges</b>		
Processing / upfront fees	—	447.19
Bank charges	14.68	41.28
	<u>14.68</u>	<u>488.47</u>
	<u>1,677.76</u>	<u>1,795.48</u>
<b>XX OTHER EXPENSES :</b>		
Stores consumed	13.46	77.46
Power and fuel (net of recoveries)	22.89	164.36
Travelling and conveyance	36.97	50.26
Foreign Travelling Expenses	4.69	19.78
Repairs to machinery	2.50	20.63
Repairs to building	4.23	0.81
Other repairs and maintenance	14.28	27.42
Insurance	4.86	6.42
Rent	27.56	15.68
Rates and taxes	13.49	18.39
Directors' fees	1.11	1.08
Commission	5.41	16.16
Penalties for late deliveries (net of recoveries)	0.03	3.04
Telephone, Telegram & Telex	8.72	13.97
Provision for Bad and Doubtful debts	24.00	8.53
Provision for Bad and Doubtful advances	—	30.26
Bad Debts / Advances written off (net of recoveries)	—	0.05
Legal and Professional charges	88.38	369.79
Freight outward (net of recoveries)	14.34	34.71
Miscellaneous Expenditure written off	131.74	53.25
Diminution in value of investment	—	4.87
Loss on sale of Fixed assets (Net)	—	18.69
Exchange loss (net)	—	7.51
Miscellaneous expenses	90.23	97.04
	<u>508.89</u>	<u>1,060.16</u>

**XXI SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2009****1. SIGNIFICANT ACCOUNTING POLICIES****a) Basis of preparation of financial statements**

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on an accrual basis and are in conformity with mandatory accounting standards, as prescribed by the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India (SEBI).

**b) Principles of consolidation**

The consolidated financial statements for the year ended March 31, 2009 comprise of the audited financial statements of Elpro International Limited ('the Company'), its subsidiary Elpro Estates Limited (formerly known as "Trump Properties Limited") and Unaudited financial statements of associate companies - Dabri Properties & Trading Company Limited and Elpro Packaging Limited (ceased to be an associate with effect from November 24, 2008). The consolidated financial statements have been prepared on the following basis.

- i) In respect of Subsidiary Companies, the financial statements have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and unrealised profits / losses on intra-group transactions as per Accounting Standard (AS - 21) "Consolidated Financial Statements". The results of subsidiaries are included from the date of acquisition of a controlling interest.
- ii) The excess of cost to the Company of its investment in the Subsidiary Company is recognised in the financial statements as Goodwill, which is tested for impairment on every balance sheet date. The excess of Company's share of equity and reserves of the Subsidiary Company over the cost of acquisition is treated as Capital Reserve.
- iii) Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments.
- iv) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements, except in case of a subsidiary company, Elpro Estates Limited (Formerly known as 'Trump Properties Limited'), depreciation is provided on written down value basis instead of straight line basis as followed in Elpro International Limited. The total amount of net block of these items of fixed assets represents 2.69% of the total consolidated fixed assets of the Group as at the year end.
- v) The consolidated financial statements include the share of profit / loss of associate companies, which are accounted under the 'Equity method' as per which the share of profit of the associate company has been added to the cost of investment. An associate is an enterprise in which the investor has significant influence and which is neither a subsidiary nor a joint venture.
- vi) The difference between the cost of investment in the associates and the share of net assets at the time of acquisition of shares in the associate is identified in the financial statement as Goodwill or Capital Reserve as the case may be.
- vii) Investment other than in subsidiary and associates have been accounted as per Accounting Standard (AS) 13 "Accounting for Investments".

**c) Use of Estimates**

The preparation of the financial statements in conformity with GAAP requires Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosure relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include provision for doubtful debts, future obligations under employee retirement benefit plans, income taxes and the useful lives of fixed assets and intangible assets.

Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Future results could differ from these estimates.

**d) Fixed assets and depreciation**

- i) Fixed assets are stated at cost of acquisition or construction less depreciation. Cost comprises of purchase price and other costs directly attributable to the purchase or acquisition of the assets and costs attributable to bringing the asset to its present location and condition for the intended use.
- ii) Depreciation is provided on straight line method, except for assets acquired prior to January 1, 1987 and all assets of subsidiary, which are depreciated on reducing balance method, at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956 as applicable from time to time, except for assets costing less than Rs. 5,000 each which are fully depreciated in the year of purchase.
- iii) Capital work in progress represents expenditure incurred in respect of capital projects under development and are carried at cost. Cost includes land, related acquisition expenses, construction costs, borrowing costs capitalized and other direct expenditure and advances to contractors and others.

**e) Investments**

Long-term investments are valued at cost. Provisions for diminution, if any in the value of investments is made to recognise a decline, other than temporary.

Current investments are stated at the lower of cost and fair value, computed individually for each investment. In case of investments in mutual funds which are unquoted, net assets value is taken as fair value.

**f) Inventories**

Inventories are stated at the lower of cost and net realisable value. In determining the cost of loose tools, stores and spares, raw materials and components, the weighted average method is used. Cost of manufactured components, work in progress and manufactured finished goods include cost of conversion and other costs incurred in bringing the inventories to their present location and condition which is determined on absorption cost basis.

**g) Inventories - Project in progress**

Project in progress is valued at lower of cost or net realisable value. Cost includes cost of land, materials, construction, services, borrowing costs and other overheads relating to the particular projects.

**h) Sundry Debtors and Loans and Advances**

Specific debts and advances identified as irrecoverable or doubtful are written off or provided for, respectively.

**i) Foreign exchange transactions**

Transactions in foreign currencies are recorded at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognized in the profit and loss account, except those relating to fixed assets acquired from outside India till March 31, 2007, which were adjusted in the carrying cost of such fixed assets.

Foreign currency monetary assets and liabilities at the year end are translated at the year end exchange rates and resultant exchange differences are recognised in the profit and loss account.

**j) Revenue recognition**

i) Sale of goods is recognised on despatch to customer and are recorded net of sale tax and excise duties and excludes export incentives such as duty drawbacks. Income from services rendered is recognized on completion of work.

ii) Rental income is recognised on accrual basis.

iii) Income from Joint development of property will be recognized, when Sale Deed will be executed in favour of the third party.

iv) Revenue from wind mill power project is recognised on the basis of actual power sold as per the terms of the power purchase agreements entered into with the respective parties.

v) Income from projects is recognized on the transfer of all significant risks and rewards of ownership to the buyers and it is not unreasonable to expect ultimate collection and no significant uncertainty exists regarding the amount of consideration. However if, at the time of transfer, substantial acts are yet to be performed under the agreement, revenue is recognized on proportionate basis as the acts are performed, i.e. on the percentage of completion basis. Determination of revenues under the percentage of completion method necessarily involves making estimates by the Company, some of which are of a technical nature, concerning, where relevant, the percentages of completion, costs to completion, the expected revenues from the project and the foreseeable losses to completion. Such estimates have been relied upon by the auditors.

**k) Research and development expenditure**

Research and development expenditure, other than capital expenditure, is expensed out as and when incurred.

**l) Retirement benefits****– Gratuity**

Liabilities with regard to the gratuity benefits payable in future are determined by actuarial valuation at each Balance Sheet date using the Projected Unit Credit method and contributed to Employees Gratuity Fund managed by Life Insurance Corporation of India. Actuarial gains and losses arising from changes in actuarial assumptions are recognized in the Profit and Loss account in the period which they arise.

**– Leave encashment**

The Company provides for the encashment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment/availment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation.

**– Provident fund**

Provident fund contributions are made to a trust administered by the Company and are charged to the Profit and loss account. The Company has an obligation to make good the shortfall if any, between return of investment by the trust and government administered interest rate.

**m) Provisions**

Provision is made when there is present obligation as a result of a past event that probably requires an outflow of economic resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made, when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

- i) Liquidated damages/penalties are provided for meeting the obligations arising from delay in contractual delivery schedules.
- ii) Provision for probable warranty claim is based on Management's estimate and judgment and is provided as a percentage of average claims of past three years for average warranty period of 18 months.

**n) Miscellaneous expenditure (to the extent not written off)**

Compensation paid under Voluntary Retirement Scheme to be amortised fully upto March 31, 2010, as per the provisions of Accounting Standard 15 – on Employee Benefits.

**o) Assets Taken and Given on Lease****Assets taken on lease:**

- a. In respect of finance lease arrangements, the assets are capitalized and depreciated. Finance charges are charged off to the Profit and Loss account of the year in which they are incurred.
- b. Operating lease payments are recognized as expenditure in the Profit and Loss account on straight line basis, representative of the time pattern of benefits received from the use of the assets taken on lease.

**Asset given on lease:**

Lease rentals are accounted on accrual basis in accordance with the respective lease agreements.

**p) Accounting for taxes on income**

Provision for current tax is made, based on the tax payable under the Income Tax Act, 1961. Minimum Alternative Tax (MAT) credit, which is equal to the excess of MAT (calculated in accordance with provisions of section 115JB of the Income tax Act, 1961) over normal income-tax is recognized as an asset by crediting the Profit and Loss Account only when and to the extent there is convincing evidence that the Company will be able to avail the said credit against normal tax payable during the period of seven succeeding assessment years.

Deferred tax on timing differences between taxable income and accounting income is accounted for, using the tax rates and the tax laws enacted or substantially enacted as on the balance sheet date. Deferred tax assets on unabsorbed tax losses and unabsorbed tax depreciation are recognised only when there is a virtual certainty of their realisation. Other deferred tax assets are recognised only when there is a reasonable certainty of their realisation.

**q) Impairment**

The Company reviews the carrying value of tangible and intangible assets for any possible impairment at each balance sheet date. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. In assessing the recoverable amount, the estimated future cash flows are discounted to their present value at appropriate discount rates.

**r) Contingent liabilities**

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within control of the Company. A provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation at the year end date. Contingent assets are not recognized or disclosed in the financial statements.

**s) Segment Reporting**

Segments have been identified having regard to the dominant source and nature of risks and returns and the internal organisation and management structure. Inter-segment revenue is accounted on the basis of market price. Unallocated corporate expenses include revenue and expenses which relate to the enterprise as a whole and are not attributable to segments.

**t) Borrowing Costs**

Borrowing Costs that are attributable to the acquisition, construction or production of a qualifying asset is capitalized as part of the cost of that asset. Other borrowing costs are recognized as expense in the period in which they are incurred.

## 2. Particulars of a subsidiary and associates

Name of the Company	Country of Incorporation	Percentage of ownership interest as at march 31, 2009	Percentage of ownership interest as at March 31, 2008
<b>Subsidiary (Held Directly)</b>			
(a) Elpro Estates Limited (Formerly known as 'Trump Properties Limited')	India	99.95%	99.95%
<b>Associates</b>			
(a) Dabri Properties & Trading Company Limited	India	31.77%	31.77%
(b) Elpro Packaging Limited (ceased to be an associate w.e.f. November 24, 2008)	India	—	27.75%

	2008-09 Rs. Lacs	2007-08 Rs. Lacs
3. i. Estimated amount of contracts remaining to be executed on capital account and not provided for	9,164.36	4,503.00
ii. Contingent liabilities not provided for:		
a. Income tax matters in dispute at various stages of appeal	237.13	237.13
b. Excise duty	9.75	7.52
c. Service tax	4.75	4.75
d. Employee related matters	Amount not ascertainable	Amount not ascertainable
e. Sales tax matters	34.09	18.18
f. Other matters	37.58	37.58
g. Bank guarantees (secured by hypothecation of current assets)	167.55	386.98
h. Corporate guarantees	6,500.00	2.95
i. Claims against the company not acknowledged as debts	267.00	267.00
4. Break up of Deferred Tax asset / liability (net)		
i. Break-up of deferred tax liability as at March 31, 2009		
Additional depreciation on fixed assets for tax purposes due to higher tax depreciation rates.	320.07	320.46
<b>Total deferred tax liability</b>	<b>320.07</b>	<b>320.46</b>
ii. Break-up of deferred tax asset as at March 31, 2009		
<b>Nature of timing difference</b>		
Provision for doubtful debts/advances that are deducted for tax purposes when written off.	47.43	36.71
On provision for employee benefits / voluntary retirement scheme compensation	19.23	7.10
On other items	4.37	4.66
Tax credit for the year 2005-06 u/s 115JAA	3.99	3.99
On unabsorbed depreciation allowance and brought forward business loss	297.70	320.65
<b>Deferred tax asset</b>	<b>372.72</b>	<b>373.11</b>
<b>Net deferred tax asset</b>	<b>52.65</b>	<b>52.65</b>
5. <b>Warranty provision</b>		
Carrying forward as at the beginning of the year	4.54	4.54
Additional provision made during the year	—	—
Amount used during the year	—	—
Unused amount reversed during the year	—	—
<b>Carrying amount as at the end of the year</b>	<b>4.54</b>	<b>4.54</b>

**Note:**

As at March 31, 2009, the Company has carry forward losses under the Tax Laws. As a matter of prudence the Company has recognized deferred tax assets only to the extent of deferred tax liabilities as at March 31, 2009. However, in case of the Subsidiary company, deferred tax asset has been recognized during the previous year, based on the estimate of management, there is a virtual certainty of its realization.



**6. Changes in Share capital**

- A During the year the authorized share capital of the Company is increased from Rs 50,000,000 divided into 5,000,000 equity shares of Rs 10 each to Rs 100,000,000 divided into 10,000,000 equity shares of Rs 10 each.
- B During the year, the Company has issued convertible equity share warrants and has also issued equity shares on the conversion of share warrants. The details of which are given below:  
1,100,000 convertible Warrants issued on a preferential basis to foreign institutional investors carrying an entitlement to apply for allotment of one Equity share of Rs. 10 each at a premium of Rs 601 per share on following terms and conditions.
- (i) The Warrants shall be convertible (at the sole option of the warrant holders) at any time within a period of 18 months from the date of allotment of warrants.
  - (ii) Each Warrant shall be convertible into one Equity Share of Rs. 10/- each apportioned towards the Equity shares and the balance amount paid against each warrant towards the share premium.
  - (iii) The Warrant holder(s) shall, before the date of allotment shall pay an amount equivalent to 10 % of the consideration per warrant.
  - (iv) The Warrant holder(s) shall, on the date of exercise of conversion option pay balance 90 % of the consideration towards subscription to each Equity share.
  - (v) The amount referred to in (iii) shall be forfeited if the option to acquired shares is not exercised within a period of 18 months from the date of allotment of warrants.
  - (vi) The lock in of Equity Shares allotted by Allottees by the exercise of Warrants shall be for a period of 1(one) year reduced to the extent of holding period of Warrants.
  - (vii) The Warrant holder shall be entitled to future issue of bonus /rights if any of Equity Shares or Warrants convertible into equity share or such other securities by the Company in same proportion and in manner as any other shareholders of the Company, provided the warrant are converted into Equity shares before such corporate action. The Warrant holder's will be intimated about any such corporate action appropriately.
  - (viii) The Warrant by itself does not give to the holder(s) thereof any right of the shareholder's of the Company.

The total proceeds received and utilized by the Company is as follows:

Proceeds received from issue and conversion of Warrants		Amount Rs. Lacs
1.	10% of 1,100,000 equity share warrants at Rs. 611 each	672.10
2.	90% on conversion of 395,000 warrants into equity shares at Rs 611 each	2,172.11
3.	90% on exercise of conversion options 365,000 warrants by warrant holder	2,007.13
	<b>Total</b>	<b>4,851.34</b>

The money received on account of issue of equity shares /shares warrants has been invested /utilized as follows:

Particulars	Amount Rs. Lacs
Property development operations	357.63
Repayments of existing debts of a subsidiary	1,276.65
Repayments of existing debts	773.42
Temporarily invested in Mutual fund and inter corporate deposit given	769.91
Invested in Met Life India Insurance Company Limited	1,661.59
General corporate purpose	12.14
<b>Total</b>	<b>4,851.34</b>

Further, during the year the Subsidiary Company has received Rs.3,025.82 lacs (Previous Year Rs.7,543.40 lacs) as share application money from M/s Expania Investments Limited, Cyprus against which no allotment of equity shares has been done during the year.

As per RBI - AP DIR Circular No.20 dated 14 December 2007 the time limit for allotment of equity shares has been restricted to 180 days from the date of foreign inward remittance. The limit of 180 days has expired in the case of the foreign inward remittance of Rs.7,543.40 lacs, which was received in the month of February 2008.

The Company has applied to RBI vide letter RBI/FC-GPR/08-09/67 dated 27-02-2009 through its authorized bank – HDFC Bank Limited, Pune requesting approval for issue of Equity shares upto 31<sup>st</sup> March , 2009. However, the approval from RBI is pending till date. Hence , allotment of equity shares has not been done during the year.

**7. Derivative transactions**

The Company has not entered into any derivative contracts to hedge its foreign currency risk.

The net unhedged foreign currency exposure as at the year-end amounted to USD 1.55 lacs (Previous year USD 1.86 lacs).

**8. The Investment in Elpro Packaging Limited has been stated at an estimated realisable amount.**

9. Investments' being made in Met life India Insurance Company Limited is long term in nature. In the opinion of the management the realisable value of these investments is more than the book value as at March 31, 2009. During the year, the Company reviewed the provision made in an earlier year for diminution in value of investments in Met Life India Insurance Company Limited. Accordingly, the said provision was written back fully as considered no longer required and disclosed as an exceptional item.

10. **Related party disclosures**

- (a) Names of related parties and nature of relationship where transactions have taken place during the year.

1. Faridabad Investment Co. Ltd.	Investing party/promoter company.
2. Dabri Properties & Trading Co. Ltd.	Associate
3. International Conveyors Limited	Enterprise over which Key Management Personnel exercise significant influence
4. Mr. Surbhit Dabriwala	Key Management Personnel
5. Mr. R. K. Dabriwala	Key Management Personnel
6. Elpro Packaging Limited (Ceases to be an associate w.e.f. November 24, 2008.	Associate
7. IGE (I) Ltd.	Enterprise over which promoter company exercise significant influence
8. Faridabad Capital Holding Pvt Limited	Enterprise over which Key Management Personnel exercise significant influence

- (b) Nature and volume of transactions during the year with the above related parties were as follows:

- i) Investing party : **Faridabad Investment Co Ltd**

	March 31,2009 (Rs. Lacs)	March 31,2008 (Rs. Lacs)
<b>Nature of transactions</b>		
<b>Transactions during the year</b>		
1) ICD Given	225.00	670.00
2) Repayment received on ICD's given	1,024.86	100.00
3) Interest Income	9.01	63.24
<b>Balances</b>		
1) Receivables	7.15	799.86

- ii) Associate : **Dabri Properties & Trading Co Ltd**

<b>Nature of transactions</b>		
<b>Transactions during the year</b>		
1) Repayment made on ICD's taken	0.43	8.17
2) Interest expense	Nil	0.56
<b>Balances</b>		
1) Payable	Nil	0.43

- iii) Associate : **Elpro Packaging Ltd (ceases to be an associate from November 24, 2008)**

<b>Nature of transactions</b>		
<b>Transactions during the year</b>		
1) ICD received	Nil	189.42
2) Repayment made on ICD's taken	164.75	125.00
3) Interest expense	Nil	15.38
<b>Balances</b>		
1) Payable	Nil	209.17

- iv) Enterprise over which Key management Personnel have significant influence :

**International Conveyors limited**

<b>Nature of transactions</b>		
<b>Transactions during the year</b>		
1) ICD received	3,348.00	410.00
2) Repayment made on ICD's taken	3,350.00	410.00
3) Interest expense	18.80	2.30
4) Advance Received towards bookings	2,300.00	Nil
<b>Balances</b>		
1) Payable	14.32	1.78
2) Advance receive towards bookings	2,300.00	Nil

	March 31,2009 (Rs. Lacs)	March 31,2008 (Rs. Lacs)
v) Enterprise over which Key management Personnel have significant influence : <b>Faridabad Capital Holding Pvt Ltd.</b>		
<b>Nature of transactions</b>		
<b>Transactions during the year</b>		
1) ICD Given	1.00	Nil
<b>Balances</b>		
1) Receivable	1.00	Nil
vi) Enterprise over which Promoter Company exercise Significant influence : <b>IGE (India) Ltd.</b>		
<b>Nature of transactions</b>		
<b>Transactions during the year</b>		
1) ICD received	6,073.00	5,055.50
2) Repayment made on ICD's taken	5,018.99	5,413.06
3) Interest expense	92.80	182.68
4) Rent and other expenses	20.73	4.91
5) Corporate guarantee given	6,500.00	Nil
6) Loans given	866.00	Nil
<b>Balances</b>		
1) Payable	1,248.95	209.42
vii) Key Management Personnel : <b>Mr S.Dabriwala</b>		
<b>Nature of transactions</b>		
<b>Transactions during the year</b>		
1) Remuneration	9.33	8.74
viii) Relative of Key Management Personnel : <b>Mr R.K Dabriwala</b>		
<b>Nature of transactions</b>		
<b>Transactions during the year</b>		
1) Director's Sitting fees	0.17	0.18
<b>11. Earning per share</b>		
Profit /(Loss) after tax and exceptional items (Rs. Lacs)	<b>2008-09 (329.90)</b>	<b>2007-08 (1,753.95)</b>
Weighted average number of equity shares used for calculating basic earnings per share	<b>3,907,307</b>	<b>3,556,677</b>
Weighted average number of equity shares used for calculating diluted earnings per share	<b>3,907,307</b>	<b>3,556,677</b>
Face value of Equity Shares (Rs.)	<b>10</b>	<b>10</b>
Earning per share- Basic & Diluted (Rs.)	<b>(8.44)</b>	<b>(49.31)</b>

The share warrants outstanding as on March 31, 2009 are considered antidilutive as fair value of equity shares to be issued is less than the issue price.

12. During the previous year, the Company converted land admeasuring 0.41Lacs Sq.Ft. situated at Chinchwadgaon, Pune as stock in trade. Consequently Rs 0.08 lacs, being cost of converted land has been reduced from fixed assets and shown separately in 'Schedule VII- Stocks' as "Land held as stock in trade"

**13. Primary Business Information (Business Segments)**

(a) These business segments represent primary basis of information set out in the financial statements. In accordance with the Accounting Standard 17, 'Segment Reporting', the Segment Information for the year ended March 31, 2009 is given as follows:

	Electrical Equipments	Real Estate	Investment Activity	Others	Elimination	Total (Rs. in lacs)
<b>Segment Revenue</b>						
External Sales	624.37	520.55	—	130.22	—	<b>1275.14</b>
	(2,198.02)	(343.63)	(—)	(230.22)	(—)	(2,771.87)
Inter - segment Sales	—	(12.00)	—	—	(12.00)	<b>(12.00)</b>
	(-22.00)	(—)	(—)	(—)	(-22.00)	(-22.00)
<b>Segment Revenue</b>	<b>624.37</b>	<b>508.55</b>	<b>—</b>	<b>130.22</b>		<b>1,263.14</b>
	(2,176.02)	(343.63)	(—)	(230.22)		(2,749.87)
<b>Segment Result</b>	(156.78 )	506.65	—	26.06	—	<b>375.93</b>
	(-129.96)	(342.73)	(—)	(101.23)	(—)	(314.00)
Unallocated corporate expenses (net of unallocable income)						212.98
						(426.08)
<b>Operating profit/(loss)</b>						<b>162.95</b>
						(112.08)
Interest Expenses						1,677.76
						(1,795.48)
<b>Profit / (Loss) before Tax &amp; exceptional item</b>						<b>(1,514.81)</b>
						(-1,907.56)
Exceptional item						1,191.93
						(—)
<b>Profit / (Loss) before tax &amp; after exceptional item</b>						<b>(322.88)</b>
						(-1,907.56)
Income Tax/Deferred tax Reversal						<b>(7.14)</b>
						(150.27)
<b>Net Profit /(Loss ) after tax</b>						<b>(330.02)</b>
						(- 1,757.29)
<b>Other information</b>						
<b>Segment assets</b>	818.26	1,951.29	26,426.22	551.01		<b>29,746.78</b>
	(1,358.84)	(5,004.34)	(—)	(708.63)		(7,071.81)
Unallocated corporate assets						6,708.46
						(19,178.84)
<b>Total assets</b>						<b>36,455.24</b>
						(26,250.65)

	Electrical Equipments	Real Estate	Investment Activity	Others	Elimination	Total (Rs. in lacs)
<b>Segment liabilities</b>	658.70	9,489.24	—	424.05		10,571.99
	(1,125.70)	(5,004.06)	(—)	(479.58)		(6,609.34)
Unallocated corporate liabilities						9,536.47
						(10,706.19)
<b>Total liabilities</b>						<b>20,108.46</b>
						<b>(17,315.53)</b>
Capital Expenditure	—	—	—	—		—
	(7.47)	(81.31)	(—)	(3.11)		(91.89)
Unallocated capital expenditure						5.05
						(106.49)
<b>Total capital expenditure</b>						<b>5.05</b>
						<b>(198.38)</b>
Depreciation	44.81	9.50	—	104.96		159.27
	(79.68)	(5.63)	(—)	(120.08)		(205.39)
Unallocated Depreciation						23.79
						(24.48)
<b>Total Depreciation</b>						<b>183.06</b>
						<b>(229.87)</b>
Non cash expenses other than depreciation	—	—	—	131.74		131.74
	(—)	(—)	(—)	(53.25)		(53.25)

(b) Secondary Segment – Geographical Segments

	(Rs. Lacs)		
	Domestic	Export	Total
<b>Segment revenue by geographical area</b>			
Based on geographical location of customers (Including net sales, services etc.)	980.21	282.93	1,263.14
	(2,053.74)	(696.13)	(2,749.87)
<b>Segment Assets by geographical area</b>			
	36,377.97	77.27	36,455.24
	(25,849.60)	(401.05)	(26,250.65)
<b>Capital Expenditure</b>			
	5.05	—	5.05
	(198.38)	(—)	(198.38)

**Note:**

- Corresponding figures in bracket pertains to previous year.
- Segment assets include all operating assets used by the segment and consist primarily of debtors, current assets and fixed assets net of provisions and allowances. Segment liabilities include all operating liabilities and consist principally of creditors and other payables. Items that relate to the enterprise as a whole or at the corporate level not attributable to a particular segment are included under "unallocated".
- The Real Estate segment includes Lease rental income and Development of Housing Projects:
- Electrical equipments segment includes manufacturing and sales of lightning arrester, varistor, Secondary surge arresters, Discharge Counter. "Others" represents income generated from windmill.
- During the year the Company has reclassified Varistors from Segment – 'Others' to Electrical Equipment Segment.

**14. Operating leases**

- i) The Company's significant leasing arrangements are in respect of operating leases for premises (residential, office, etc.). These leasing arrangements, which are non-cancelable range between 11 months and 8 years generally and are usually renewable by mutual consent on mutually agreeable terms. Aggregate lease rentals receivable are recognised as Rent in Schedule XV.

- ii) Other disclosures in respect of Building assets given on operating lease

<b>Buildings</b>	<b>2008-09 (Rs. Lacs)</b>	<b>2007-08 (Rs. Lacs)</b>
Gross block	275.65	275.46
Accumulated depreciation	55.70	46.19
Depreciation recognized during the year	9.51	8.06

	<b>2008-09 (Rs. Lacs)</b>	<b>2007-08 (Rs. Lacs)</b>
Lease Rental Receipt for the year	520.55	343.63
Future minimum lease rentals Receipts not later than one year	612.49	286.75
later than one year but not later than five years	1,743.35	762.82

- iii) Other disclosures in respect of assets taken on operating lease.

The Company has entered into Operating Lease arrangements towards use of office facilities. The minimum future payments during non-cancelable period under the foregoing arrangements in the aggregate for each of the following period is as follows:

	<b>2008-09 (Rs. Lacs)</b>	<b>2007-08 (Rs. Lacs)</b>
Lease rental payments for the year	8.60	3.00
Future minimum lease rentals payments payable	12.60	3.00
Not later than one year	—	—
later than one year but not later than five years	—	—

15. The Company has its own Provident fund trust covering the employees of Elpro International Limited and as the fund would have to meet any interest shortfall, it is to be construed as a defined benefit plan in terms of recent Accounting Standards Board (ASB) guidance on implementing AS 15 (Revised 2005) issued by the ICAI. However, in the absence of guidance note from the Actuarial Society of India, the Company's actuary has expressed his inability to reliably measure the provident fund liability. Accordingly, the Company has accounted for the same as a defined contribution plan.

As per the provisions of The Employee's Provident Funds Act, 1952 employees of Elpro Estate Limited (Formerly known as Trump Properties Limited) are not covered under the provisions of the said Act.

16. During the year the Company declared voluntary retirement scheme (VRS) for its employees at Chinchwad factory. The total cost of VRS paid amounted to Rs 275.01 lacs. The same would be amortised till March 31, 2010

17. During the year, the Company has entered into a 'Joint development Agreement' (JDA) with 'Elpro Estates Limited' (Formerly known as 'Trump Properties Limited'), a Subsidiary Company for the Joint Development of the Commercial project . In terms of the JDA Provisions the Company has transferred the Capital Work-In-Progress and the related liabilities on account of the commercial project to Elpro Estates Limited.
18. Previous year's figures have been shown in brackets and have been regrouped wherever necessary to conform to current year's classification.

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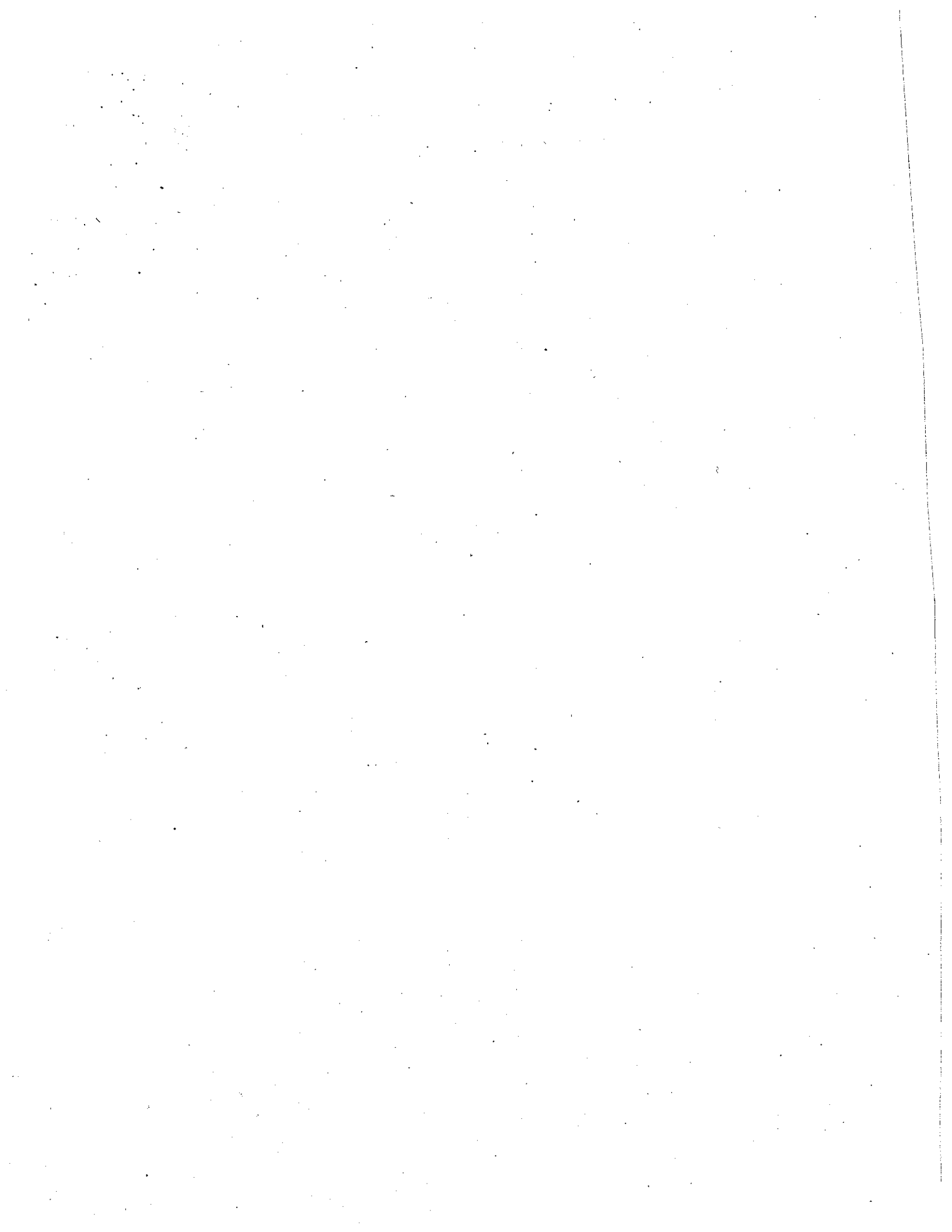
**Signatures to Schedules "I" to "XXI"**

**For and on behalf of the Board**

**Anil Poddar**  
Director

**Surbhit Dabhiwala**  
Director

Place: Mumbai  
Date: June 30, 2009





**ELPRO INTERNATIONAL LTD.**

Registered Office : Nirmal, 17th Floor, Nariman Point, Mumbai - 400 021.

**PROXY**

I/We ..... of  
..... in the district of .....  
..... being a member/members of **ELPRO INTERNATIONAL LIMITED** hereby appoint  
..... of ..... in the district of  
..... or failing him ..... of  
..... in the district of .....

as my/our proxy to vote for me/us on my/our behalf at the **46th ANNUAL GENERAL MEETING** of the Company to be held on Tuesday, September 29, 2009 at 11.30 a.m. at Walchand Hirachand Hall, Indian Merchant's Chamber, Churchgate, Mumbai - 400 020 and at any adjournment thereof.

Signed this ..... day of ..... 2009

DPID & Client ID No. : .....

Folio Number : .....

No. of Shares held : .....

Please  
affix  
Revenue  
Stamp

Signature .....

**NOTE : THIS FORM DULY COMPLETED MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.**

- Tear Here -

**ELPRO INTERNATIONAL LTD.**

Registered Office : Nirmal, 17th Floor, Nariman Point, Mumbai - 400 021.

**ATTENDANCE SLIP**

**46TH ANNUAL GENERAL MEETING ON TUESDAY, SEPTEMBER 29, 2009**

DPID No. : .....

Client ID No. : .....

Folio No. : .....

No. of Shares held : .....

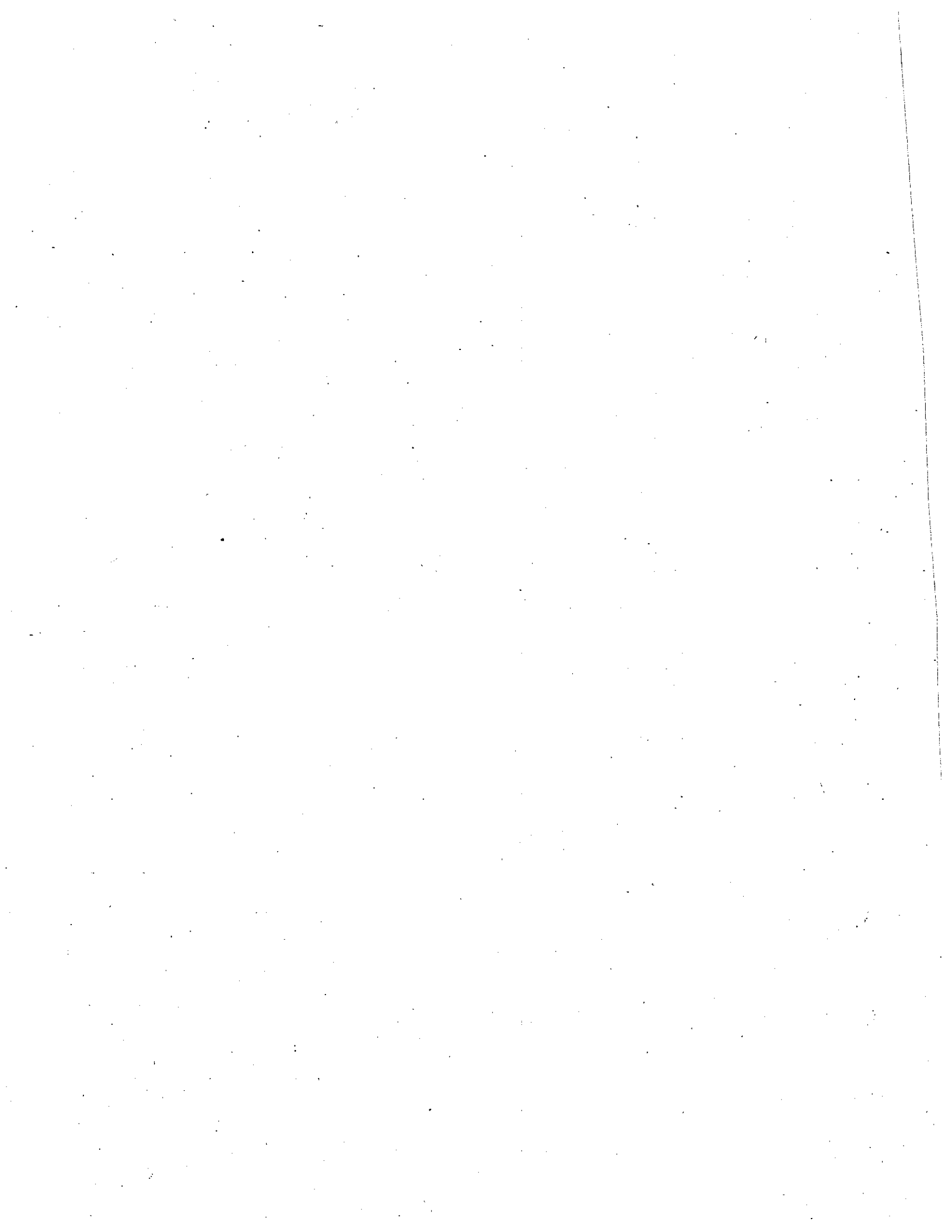
I certify that I am a registered member / Proxy for the registered member of the Company.

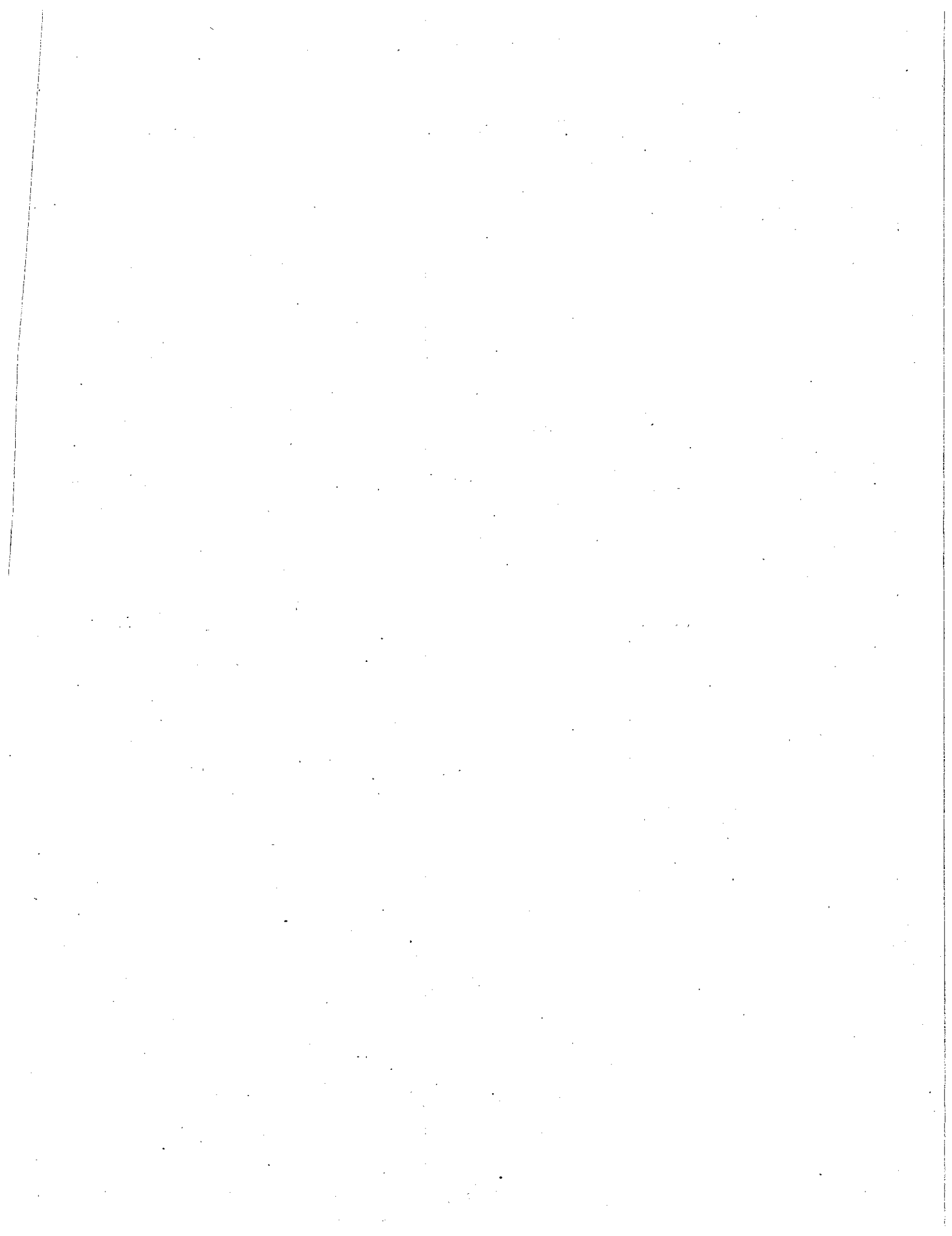
I hereby record my presence at the 46th Annual General Meeting of the Company to be held on Tuesday, September 29, 2009 at 11.30 a.m. at Walchand Hirachand Hall, Indian Merchant's Chamber, Churchgate, Mumbai - 400 020.

.....  
Name of Member / Proxy (in BLOCK Letters)

.....  
Signature of Member / Proxy

Note : Please complete the attendance slip and hand it over at the **ENTRANCE OF THE MEETING HALL**





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**Elpro International Ltd.**

Regd. Office : Nirmal, 17th Floor, Nariman Point, Mumbai - 400 021.