

ELPRO INTERNATIONAL LTD.

47TH ANNUAL REPORT 2009-2010

BOARD OF DIRECTORS

Mr. R. K. Dabhiwala – Chairman
Mr. R. K. Choudhury
Mr. Anil Poddar
Mr. Sharat Anand
Mr. Narayan T. Atal
Mr. Surbhit Dabhiwala

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
State Bank of India

SHARE TRANSFER AGENT

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

REGISTERED OFFICE

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

NOTICE OF THE 47TH ANNUAL GENERAL MEETING

Notice is hereby given that 47th Annual General Meeting of the Company will be held on Thursday 30th Day of September 2010, at 10.00 a.m. at National Sports Club of India, Lala Lajpat Rai Marg, Worli, Mumbai - 400 018 at Loung 'A' to transact the following business:

Ordinary Business:

1. To consider and adopt the Audited Balance Sheet of the company as at 31st March, 2010 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 Choudhury, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Anil Poddar, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Sharat Anand, who retires by rotation and being eligible, offers himself for re-appointment
5. To appoint a Director in place of Mr. Surbhit Dabriwala, who retires by rotation and being eligible, offers himself for re-appointment
6. To consider and, if thought fit, pass with or without modification the following resolution as ordinary resolution for appointment of auditors other than retiring auditor:-
"RESOLVED THAT M/s. Todarwal & Todarwal, Chartered Accountants, be and is hereby appointed as the auditors of the company from the conclusion of this meeting to the conclusion of the next annual general meeting of the company, in place of M/s. Price Waterhouse, Chartered Accountants, the present auditors who have expressed their unwillingness for reappointment.
 Resolved further that the board of directors of the company be authorised to fix remuneration of the auditors so appointed including out of pocket expenses for the conduct of the audit."

Special Business:

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT Mr. Ashok Jain who was appointed as an Additional Director of the Company effective May 15, 2010 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 : 28th August, 2010

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 **September 25th, 2010 to 30th September 2010** (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 Kuria 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. 7:**

Mr. Ashok Jain was appointed as an additional director of the company by the Board of Directors on 15th Day of May, 2010 to hold office upto the conclusion of this Annual General Meeting. 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. Ashok Jain, None of the Directors of the Company is concerned or interested in the resolution.

By Order of the Board of Directors

Place : Mumbai
Dated : 28th August, 2010

Anil Poddar
Director

PARTICULARS OF DIRECTORS IN TERMS OF LISTING AGREEMENT:

Mr. R. K. Dabrivwala

He is 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
Dabri Properties & Trading Company Limited	Director
R.C.A. Limited	Director
GE Power Services (India) Pvt. Ltd.	Director
Faridabad Capital Holding Pvt. Ltd.	Director
Elpro Capital (P) Ltd.	Director
IGE (Realty) (P) Ltd.	Director

Mr. R. K. Choudhury

Mr. Choudhury is an Advocate with over 50 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
Diglam 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
Super Diamond Nirmal Limited	Director
Travel Hub Pvt. Limited.	Director
Upper Ganges Sugar & Industries 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 23 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. He is holding directorship in following Companies:-

Flexciluff Industries Limited	Director
Parijat Consulting (P) Limited	Director
Parijat Financial Consultancy (P) Limited	Director
Parijat Industries (India) (P) Limited	Director
New Generation (India) (P) Limited	Director
Elpro International Limited	Director

Mr. Narayan T. Atal

Mr. Narayan T. Atal is a Chartered Accountant. He has over 26 years experience in Chartered Accountants practice. He is holding directorship in following companies.

Name of the Company	Particulars of position held
Gamma 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 has experience of more than 20 years in different manufacturing field like Textile, Electrical equipments, real estate etc. 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,. 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
Mettife India Insurance Company limited	Director
Faridabad Capital Holding Pvt. Ltd.	Director
Elpro Capital (P) Limited	Director
IGE (Realty) (P) Limited	Director
IGE (India) Limited	Director

By Order of the Board of Directors

Place : Mumbai
Dated : 28th August, 2010

Anil Poddar
Director

DIRECTORS' REPORT

Dear Shareholders,

The Directors present the 47th Annual Report together with the audited balance-sheet and profit and loss account for the year ended March 31, 2010.

1. Financial Results

Particulars	(Rs. in Lacs)	
	Year ended 31.03.2010	Year ended 31.03.2009
Gross sales & services	2923	1303
Other Income	74	68
Profit / (Loss) Before Tax and Exceptional Items	(862)	(1469)
Provision for Taxation	64	—
MAT Credit	—	—
Provision for Deferred Tax	—	—
Fringe Benefit Tax	—	3
Exceptional Items	—	(1192)
Reversal of provision for diminution in value of investments	—	—
Provision for diminution in value of investments	(926)	(284)
Profit/(Loss) After Tax	(1653)	(1369)
Profit brought forward from previous year	(2579)	(1653)
Profit available for appropriation	—	—
Dividend-Proposed	—	—
Dividend tax on proposed dividend	—	—
Transfer to General reserve	—	—
Balance carried to Balance Sheet	(2579)	(1654)

2. Operations:

The top-line during the year stood at Rs.2923 Lacs which is more than double as compared to Rs.1303 Lacs in the previous year. The increase in top line was on account of recognition of revenue from real estate activities from March Quarter this year.

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 Dabhi Properties and Trading Company Limited forms part of the Financial Statement.

5. **Directors:**

In accordance with Articles of Association of the Company, Mr. Surbhit Dabhiwala, Mr. Anil Poddar, Mr. Sharat Anand & Mr. R.K.Choudhury, retire by rotation as Directors at the ensuing Annual General Meeting and are eligible for re-appointment.

6. **Auditors:**

M/s. Price Waterhouse, Chartered Accountants, retiring auditors have communicated their unwillingness to seek reappointment.

And as recommended by the Audit Committee of the company in their meeting, M/s Todarwal & Todarwal, Chartered Accountants is proposed to be appointed as the Statutory Auditors of the company

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 93934 (including 7810 own generation through DG) KWH in units as against 422160 (including 14112 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.154.94 Lacs and Rs.34.90 Lacs as against Rs.266.09 Lacs and Rs.4.39 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
Date : 28th August, 2010

R. K. Dabriwala
Chairman

MANAGEMENT DISCUSSION AND DEVELOPMENT:**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, however during the last fiscal, the Indian economy turned around after the 2nd Quarter, at a much faster and better than expected rate. Though the residential real estate sector witnessed a pick-up demand particularly in affordable housing it is still well below the peak level. With regard to it's 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. Key risk synonymous to the real estate industry includes the global recessionary trend, economic slowdown, increase in financial charges, non-availability or undue increase in cost of raw materials coupled with market fluctuations. Elpro is adequately equipped to face and mitigate any such adverse situation. The Company does not apprehend any serious inherent risk in the real estate industry in the long run.

3. Segment wise performance:

The Company is continuing it's efforts to penetrate export market and good amount of export orders have been executed during the year for its core manufacturing activities and efforts were made to increase it further, the real estate activities which has now become the mainstream of business of the Company 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 is known o deliver products that meet to the highest benchmarks of quality The company is committed to deliver the same in real estate.

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

Employees relations throughout the year was 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 Three 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	Present
Mr. Narayan T. Atal	Independent	NED	5	Present
Mr. S. Dabriwala	Promoter	NED	7	Present
Mr. Sharat Anand	Independent	NED	1	Present
Mr. Anil Poddar	Director	NED	7	Present

NED - Non Executive Director

ED - Executive Director

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	9	None	None
Mr. R. K. Choudhury	13	None	4
Mr. R. A. Redkar	2	None	None
Mr. Narayan T. Atal	5	None	None
Mr. S. Dabriwala	8	None	None
Mr. Sharat Anand	5	None	None
Mr. Anil Poddar	1	1	None

@ includes private limited companies

d) Details of Board Meeting held during 1st April, 2009 to 31st March, 2010

Sr. No.	Date
1	20 th April, 2009
2	30 th June, 2009
3	31 st July, 2009
4	14 th August, 2009
5	10 th September, 2009
6	31 st October, 2009
7	12 th January, 2010
8	30 th January, 2010

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

Name of the Directors	No. of Shares
Mr. R. K. Dabhiwala	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, 2009, June, 2009, July, 2009, October, 2009 and January, 2010. The details of attendance are stated below:

Name of the Director	No. of Meetings
Mr. Narayan T. Atal	5
Mr. Sharat Anand	1
Mr. R. K. Choudhury	3
Mr. Anil Poddar	5

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 01.04.2009 to 31.03.2010

Name of Director	Salary & Allowances	Perquisites	Terms of appointment
Mr. Surbhiti Dabirwala	Nil	1,50,667	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. Surbhiti Dabirwala has resigned from the post of Whole Time Director of the Company with effect from 20-04-2009. However he is continuing as a Non-Executive Director in the Company.
- e) Remuneration to Non-Executive Directors consists of sitting fees:

Payments for the period 01.04.2009 to 31.03.2010 (Amount in Rupees)

Name of Director	Sitting Fees
Mr. R. K. Dabirwala	17,000
Mr. R. K. Choudhury	20,000
Mr. Sharat Anand	5,250
Mr. Narayan T. Atal	25,250
Mr. Anil Poddar	34,750
Mr. Surbhiti Dabirwala	29,750

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

Shareholders/Investors Grievance Committee comprises of Mr. Anil Poddar, Mr. Surbhiti Dabirwala 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:

21 Complaints were received and resolved during the year under review. There is no claim pending to be resolved as at 31-03-2010.

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
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
2008-2009	29-09-2009	11.30 A.M	Walchand Hirachand Hall, Indian Merchants' Chambers, Mumbai

b) Vote by Postal Ballot:

During the year, Nil 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.corpfiling.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:

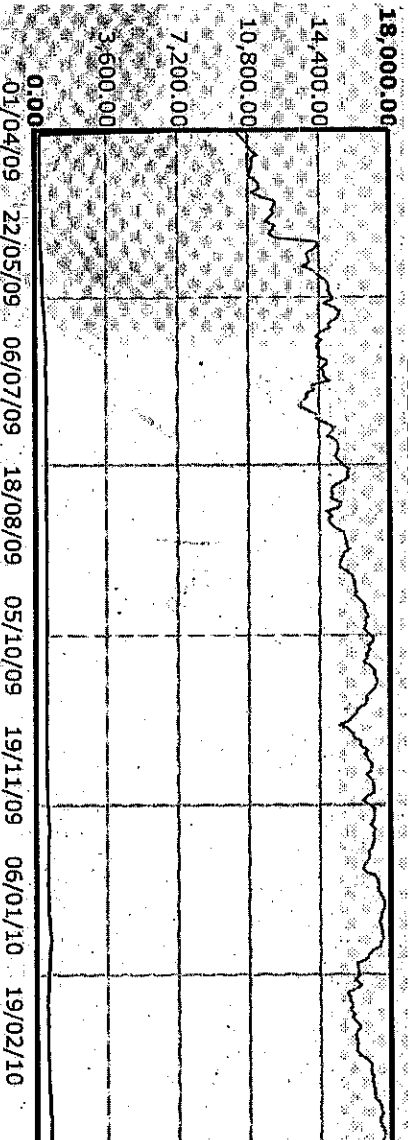
AGM : Date, Time and Venue	30-09-2010 at 9.30 A.M at Mumbai
Financial Calendar (Tentative) 2010-2011	First Quarter Results- 2 nd Week of August 2010 Half - Yearly Results- 2 nd week of November, 2010 Third Quarter Results- 2 nd Week of February 2011 Results for the year ending on 31st March -2 nd week of May, 2011
Book Closure Date	25 th September 2010 to 30 th September 2010 (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.69100 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, 2010 to 31 st March, 2011 to Bombay Stock exchange Limited. Company has filed de-listing application with Pune Stock Exchange Limited, the order is pending 504000 on Bombay Stock Exchange Limited, Mumbai
Stock Code-Physical	INE579B01013
ISIN Number for NSDL & CDSL	Please see Annexure A
Market Price Data: High, Low during each month in the last financial year	The performance of Company's shares relative to the BSE Sensex is given in Annexure B.
Stock Performance	Sharex Dynamic (India) Private Limited
Registrar and Transfer Agents	All the transfers received are processed by Registrar and Transfer Agents and approved by the Shareholders' / Investors' Grievances Committee of the Company
Share Transfer System	Please See Annexure C
Distribution of Shareholding and Shareholding Pattern as on 31.03.2009	96.57 % of paid up capital has been dematerialized as on 31 st March, 2010
Dematerialization of Shares and Liquidity	Not Issued
Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity	
Plant Location	The Company's plants were located at Chinchward & Bhosari, 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 - 09	272.85	233.10
May - 09	350.00	252.00
June - 09	575.75	335.10
July - 09	582.75	490.25
Aug - 09	588.75	512.20
Sept -09	579.95	540.20
Oct - 09	579.75	550.00
Nov - 09	614.00	550.00
Dec - 09	684.70	571.05
Jan - 10	759.90	500.10
Feb - 10	744.00	511.20
Mar - 10	779.95	560.00

Annexure - B**BSE SENSEX VS ELPRO SHARE PRICE**

● Elpro International ● Sensex

Annexure - C**Distribution of Shareholding as on 31st March, 2010**

Share of Nominal Value	Members		Share	
	Number of Shareholders	% of Total Shareholders	Number of Shares held	Shareholding %
upto 5000	2644	93.00	267989	5.81
5001-10000	120	4.22	82244	1.78
10001-20000	42	1.48	57860	1.25
20001-30000	08	0.28	19751	0.43
30001-40000	05	0.18	18246	0.40
40001-50000	04	0.14	18800	0.41
50001-100000	02	0.07	15522	0.34
100001 and above	18	0.63	4131265	89.58
Total	2843	100	4611677	100

Share Holding pattern as on 31st March, 2010

Category	Number of Shares held	Shareholding %
Promoters and Promoter Group	252447	54.74
Mutual Funds & UTI	550	0.01
Central Government/State Government	5000	0.11
Banks, Financial Institutions, Insurance Companies	718	0.02
Bodies Corporate	461983	10.02
FII's	1113000	24.13
NRI's/OCB	15221	0.33
Indian Public	490388	10.63
Clearing Members	370	0.01
Total	4611677	100

CFO CERTIFICATION

I, Sambhaw Jain, Chief Financial Officer, responsible for the finance function certify that:

- a) We have reviewed the financial statements and cash flow statement for the year ended March 31,2010 and to the best of our knowledge and belief:
 - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31,2010 are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d)
 - i) There has not been any significant change in internal control over financial reporting during the year under reference.
 - ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements.
 - iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting

Place : Mumbai

Date : August 28, 2010

Sambhaw Jain
Chief Financial Officer

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To the Members of Elpro International Limited.

We have examined the compliance of conditions of Corporate Governance by Elpro International Limited ("the Company") for the year ended March 31,2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchange(s) 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 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 Agreement. 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.

For and on behalf of

Price Waterhouse

Chartered Accountants

Firm Registration Number: 012754N

Vilas Y. Rane

Partner

Membership No. F-333220

Place : Mumbai

Dated : August 28, 2010

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 March 31, 2010 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 statement') 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 the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together 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 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 written representations received from the directors, as on March 31, 2010 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of 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 March 31, 2010;
 - (ii) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Price Waterhouse
Chartered Accountants
Firm Registration Number: 012754N

Vilas Y. Rane
Partner
Membership Number – F-33220

Place: Mumbai
Date: August 28, 2010

**(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 31st March, 2010)**

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
(b) The fixed assets of the Company are physically verified by the Management according to a phased programme. The frequency of verification is reasonable, having regard to the size of the Company and nature of its business. Pursuant to the phased programme, fixed assets have been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
(c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of 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 inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
3. (a) The Company has granted unsecured loans, to 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 loans aggregates to Rs. 665.62 lacs.
(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 Company received the principal and interest amount upon demand. 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 loans, from five companies 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 loans aggregates to Rs. 14,342.43 lacs and Rs. 439.79 lacs, respectively.
(f) 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.
(g) In respect of the aforesaid loans, the Company is regular in repaying the principal amounts as stipulated and is also regular in payment of interest, where applicable.
4. In our opinion and according to the information and explanations given to us, having regard to our comments in paragraph 5(b) below, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to 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 weakness in 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 in the register required to be maintained under 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 Lakhs in respect of any party were made at prices which are reasonable having regard to the prevailing market prices in cases where similar transactions were entered with other parties. In respect of transactions, being of a special nature, where similar transactions have not been entered with other parties, we are unable to comment upon the reasonableness of the prices.

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.
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 have been made and being maintained, in so far as it relates to Varistors. The Cost records for Magnets for automotive parts and accessories have not been maintained for the period under audit since there was no production relating to magnet division of the Company. 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. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
9.
 - (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities and there are no arrears of statutory dues outstanding as at March 31, 2010 for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income-tax, sales-tax, wealth-tax, service-tax, customs duty, excise duty and cess as at March 31, 2010 which have not been deposited on account of a dispute, are as follows:

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	Sales Tax	6.90	1995-96 to 2001-02	Deputy Commissioner of Tax Appellate Tribunal, Hyderabad
Central Sales Tax Act, 1956		2.31	1998-99 to 1999-00	Deputy Commissioner of Appellate Tribunal, Hyderabad
Sales tax - EOU		1.78	2002-2003	Deputy Commissioner of Appellate Tribunal, Pune
Income Tax Act, 1961		3.53	1991-92	Honble Mumbai High Court
Income Tax Act, 1961	Income Tax	12.51	1998-99	Income Tax Appellate, Tribunal
Income Tax Act, 1961		13.68	2000-01	Income Tax Appellate, Tribunal
Income Tax Act, 1961		24.03	2001-02	Income Tax Appellate, Tribunal
Income Tax Act, 1961		8.60	2003-04	Commissioner of Income Tax - Appeals

(Rs. in lacs)

10. The Company has accumulated losses which are less than fifty percent of its net worth as at March 31, 2010. The Company has incurred cash losses in 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 the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date except for delays ranging from 8 to 23 days in respect of six installments of Rs. 11.30 lacs each due to a bank and delays ranging from 1 to 13 days in respect of 10 interest payments within range of Rs. 26.87 lacs to Rs. 39.03 lacs due to a bank. 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 and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/ societies are not applicable to the Company.
14. In our opinion, 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 terms and conditions of the guarantees given by the Company, for loans taken by others from banks or financial institutions during the year, are not 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 purposes for which they were obtained.
17. On the basis of an overall examination of the balance sheet of the Company as at March 31, 2010, in our opinion and according to the information and explanations given to us, the Company has funded its long term investments of Rs. 9,076.18 lacs out of short term funds.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
19. The Company did not have any outstanding debentures during the year.
20. The Company has 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.

For **Price Waterhouse**
Chartered Accountants
Firm Registration Number: 012754N

Vilas Y. Rane
Partner
Membership Number – F-33220

Place: Mumbai
Date: August 28, 2010

	Schedule	As at March 31, 2010		As at March 31, 2009	
		Rs. In Lacs	Rs. In Lacs	Rs. In Lacs	Rs. In Lacs
I SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	I	461.17		395.17	
Share Warrants	I	—		430.76	
Reserves and surplus	II	6,617.41		3,270.22	
Share Application Money	I		7,078.58	4,096.15	
Loan Funds			12,515.00	2,007.14	
Secured loans	III	7,623.02		8,723.31	
Unsecured loans	IV	640.54		1,443.63	
Deferred tax (Note 14 of Schedule XXI)			8,263.56	10,166.94	
Deferred tax liability		285.59		311.36	
Less: Deferred tax asset		285.59		311.36	
Deferred tax - Net		—	—	—	
			<u>27,857.14</u>	<u>16,270.23</u>	
II APPLICATION OF FUNDS					
Fixed assets	V				
Gross block		3,533.64		3,892.13	
Less : Accumulated Depreciation		1,594.32		2,106.53	
Net block		1,939.32		1,785.60	
Capital Work In Progress including advances		33.91		187.71	
Investments	VI		1,973.23	1,973.31	
Current assets, loans and advances			27,511.08	25,115.34	
Stocks	VII	1,951.52		1,457.48	
Sundry debtors	VIII	135.81		230.98	
Cash and bank balances	IX	424.99		559.08	
Other current assets	X	48.79		30.10	
Loans and advances	XI	9,630.30		3,122.30	
		<u>12,191.41</u>		<u>5,399.94</u>	
Less : Current liabilities and Provisions					
Current Liabilities	XII	14,087.92		16,381.27	
Provisions	XIII	9.77		10.77	
		<u>14,097.69</u>		<u>16,392.04</u>	
Net current assets / (current liabilities)			(1,906.28)	(10,992.10)	
Miscellaneous Expenditure	XIV		—	173.68	
(To the extent not written off)					
Debit Balance In Profit and Loss Account			279.11	—	
			<u>27,857.14</u>	<u>16,270.23</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					
For Price Waterhouse					
Chartered Accountants					
Firm Registration Number : 012754N					
Vilas Y. Rane					
Partner					
Membership No: F-33220					
Place: Mumbai					
Date: August 28, 2010					
Anil Poddar					
Director					
R. K. Dabriwala					
Chairman					
Place: Mumbai					
Date: August 28, 2010					
For and on behalf of the Board					

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED
MARCH 31, 2010**

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		For the year ended March 31, 2010		For the year ended March 31, 2009	
Schedule		Rs. In Lacs	Rs. In Lacs	Rs. In Lacs	Rs. In Lacs
I INCOME					
Sales and Services - Gross	XV	2,922.63		1,303.11	
Less: Excise Duty		28.17		58.22	
Sales and Services - Net		2,894.46		1,244.89	
Other Income	XVI	72.62		68.32	
			2,967.08	1,313.21	
II EXPENDITURE					
Materials	XVII	189.17		297.48	
Project Cost	XVII	1,089.97		—	
Employee costs	XVIII	82.37		166.41	
Depreciation	V	157.07		157.51	
Interest	XIX	1,769.75		1,677.22	
Other expenses	XX	541.15		483.22	
			3,829.48	2,781.84	
			(862.40)	(1,468.63)	
PROFIT/(LOSS) BEFORE TAX AND EXCEPTIONAL ITEMS					
Exceptional item					
Provisions for diminution in value of investment no longer required written back					
(Refer Note 20 of Schedule XXI)					
				1,191.93	
				—	
PROFIT/(LOSS) BEFORE TAXATION					
Less: Provision for tax			(862.40)	(276.70)	
— Current tax		63.62		—	
— Prior Period Tax		—		18.01	
— MAT Credit		—		(14.10)	
— Fringe Benefit tax		—	63.62	3.33	
PROFIT/(LOSS) AFTER TAXATION					
NET PROFIT/(LOSS) FOR THE YEAR					
— Balance of Profit and Loss Account			(926.02)	(283.94)	
			(926.02)	(283.94)	
			(1,653.09)	(1,369.15)	
			(2,579.11)	(1,653.09)	
			2,300.00	1,653.09	
			(279.11)	—	
			(20.67)	(7.27)	
Less: Adjusted against balance in general reserve					
BALANCE CARRIED TO BALANCE SHEET					
Basic and Diluted Earnings per equity share of face value of Rs. 10/- each					
(Note 23 of Schedule XXI)					
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

For and on behalf of the Board

For Price Waterhouse
Chartered Accountants
Firm Registration Number : 012754N

Vilas Y. Rane
Partner
Membership No: F-33220
Place: Mumbai
Date: August 28, 2010

Anil Poddar
Director
R. K. Dabhiwala
Chairman
Place: Mumbai
Date: August 28, 2010

CASH FLOW STATEMENT FOR THE YEAR ENDED
MARCH 31, 2010

	For the Year ended March 31, 2010 Rs. In Lacs	For the Year ended March 31, 2009 Rs. In Lacs
Cash Flow from Operating activities		
Profit before Taxation as per Profit and Loss Account	(862.40)	(276.70)
Adjustments for :		
Depreciation	157.07	157.51
Miscellaneous expenditure written off	173.69	131.74
Interest expenses	1,743.37	1,662.67
Loss / (profit) on sale of fixed assets (net)	0.56	(6.29)
Interest income	(36.63)	(30.80)
Dividend income	(0.24)	(0.09)
Profit on sale of investments (net)	(6.33)	(5.04)
Provision no longer required written back	(6.36)	(5.23)
Provision for doubtful debts and liquidated damages	30.00	24.00
Foreign Exchange (Gain) / Loss	—	(5.46)
Excess Depreciation written back	—	(0.61)
Provision for diminution in value of investments written back	—	(1,191.93)
Operating Profit before Working Capital Changes	1,192.73	453.77
Adjustments for :		
(Increase)/decrease in inventories	(494.04)	63.41
(Increase)/decrease in debtors	65.16	262.47
(Increase)/decrease in other current assets	(18.70)	135.20
(Increase)/decrease in loans and advances	17.29	3,984.71
Increase/(decrease) in creditors	(2,286.98)	7,023.06
Increase/(decrease) in provisions	(1.00)	(8.81)
Cash generated from / (used in) operations	(1,525.54)	11,913.81
Direct taxes (paid)/ refund (including fringe benefits tax)	(14.62)	26.98
Miscellaneous Expenditure incurred during the year	—	(275.00)
Net Cash Flow from/ (used in) operating activities	(A) (1,540.16)	11,665.79
CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES		
Purchase of fixed assets	(161.25)	(4.71)
Proceeds from sale of fixed assets	3.69	11.01
Decrease in capital expenditure	—	2,017.85
Proceeds from sale of investments	1,058.77	7.38
Purchase of Investments	(3,448.20)	(15,301.63)
Advance towards share application	(5,141.41)	—
Loans and deposits placed with the companies	(1,432.87)	—
Dividend received	0.24	0.09
Interest received	36.63	19.44
Net Cash Flow from / (used in) investing activities	(B) (9,084.40)	(13,250.57)

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

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For the year ended March 31, 2010		For the year ended March 31, 2009
Rs. In Lacs	Rs. In Lacs	Rs. In Lacs

Cash Flow from / (used in) financing activities

Repayment of borrowings (Net)	(1,100.29)	(2,704.73)
Inter corporate Deposits/loans received -(Net)	(803.08)	1,461.57
Proceeds from Issue of Equity Shares	3,925.68	2,413.45
Proceeds from Issue of Equity Shares warrants	—	430.76
Share application money received	10,211.53	2,007.14
Interest Paid on Loans	(1,743.37)	(1,662.67)
Net Cash Flow from / (used in) financing activities	(C) 10,490.47	1,945.52
Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)	(134.09)	360.74
Opening Cash and Cash Equivalents	559.08	198.34
Closing Cash and Cash Equivalents (Refer Note 1 below)	424.99	559.08

Notes to the Cash Flow Statement

1. Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the cash flow statement comprise of the following Balance Sheet items.

Particulars	As at March 31, 2010 (Rs. In Lacs)	As at March 31, 2009 (Rs. In Lacs)
Cash on hand	0.48	0.40
Balance with scheduled banks:		
In current accounts	107.11	270.76
In fixed and margin deposits	317.40	287.92
	<u>424.99</u>	<u>559.08</u>

2. The above Cash Flow Statement has been prepared under indirect method as set out in Accounting Standard 3 (AS 3) 'Cash Flow Statements' as specified in Companies (Accounting Standard) Rules, 2006.
3. Previous year's figures have been regrouped/ reclassified wherever necessary to conform to current years' classification.

As per our report of even date attached

For and on behalf of the Board

For Price Waterhouse
Chartered Accountants
Firm Registration Number : 012754N

Vilas V. Rane
Partner
Membership No: F-33220
Place: Mumbai
Date: August 28, 2010

Anil Poddar
Director
R. K. Dabriwala
Chairman
Place: Mumbai
Date: August 28, 2010

**SCHEDULES TO AND FORMING PART OF THE BALANCE
SHEET AS AT 31 MARCH, 2010**

As at March 31, 2010 As at March 31, 2009
Rs. Lacs Rs. Lacs

I. SHARE CAPITAL :

Authorised 10,000,000 (10,000,000) Equity shares of Rs. 10 each	<u>1,000.00</u>	<u>1000.00</u>
Issued 4,612,000 (3,952,000) Equity shares of Rs. 10 each	<u>461.20</u>	<u>395.20</u>
Subscribed 4,611,677 (3,951,677) Equity shares of Rs. 10 each fully paid up.		

Note:

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 21 of Schedule XXI)

Equity Share Application Money (Refer Note 21 of Schedule XXI)

<u>461.17</u>	<u>395.17</u>
—	430.76
<u>12,515.00</u>	<u>2,007.14</u>

II. RESERVES AND SURPLUS :

(a) Share premium : As per last balance sheet	2,445.35	71.40
Add:- On issue of Equity Shares during the year	3,966.60	2,373.95
Total Share Premium (Refer Note 21 of Schedule XXI)	<u>6,411.95</u>	<u>2,445.35</u>
(b) General reserve : As per last balance sheet	2,300.00	2,300.00
Add : Transferred from Profit and Loss Account	—	—
Less :Adjustment of Debit Balance in Profit and Loss Account	2,300.00	1,653.09
Total General Reserve	177.96	646.91
(c) Amalgamation Reserve: As per last balance sheet	<u>27.50</u>	<u>177.96</u>
(d) Capital Reserve: (Refer Note 21 of Schedule XXI)	<u>6,617.41</u>	<u>3,270.22</u>

III. SECURED LOANS :

Loans from Banks

a) Cash Credit Loan from Bank secured by hypothecation of current assets and certain fixed assets	166.69	459.41
b) Term loan secured by hypothecation of certain cars (Repayable in one year Rs.0.67 lacs (Rs.3.69 lacs))	0.67	3.78
c) Term loan secured by hypothecation of Windmills (Repayable in one year Rs.106.80 lacs (Rs.106.80 lacs))	366.70	424.05
d) Term Loan - Refer Note below (Repayable in one year Rs.1,900.00 lacs (Rs. 1,400.00 lacs)) (includes interest accrued and due Rs.50.40 lacs (Rs. 65.31 lacs))	4,950.52	5,715.32
e) Term loan secured by hypothecation of Company's flat (Repayable in one year Rs.135.65 (Rs.136.07 lacs)) (includes interest accrued and due Rs.2.79 lacs (Rs.3.97 lacs))	242.01	343.33
f) Working Capital Demand Loan secured by current assets and certain fixed assets (Repayable in one year Rs.100 lacs (Rs. Nil))	150.00	—
g) Term Loan- Rental Discounting Secured against future rent receivables and extension of mortgage of immovable property of a group company. (Repayable in one year Rs.368.38 lacs (Rs. Nil))	1,739.94	—

Loan from Others

a) Term Loan SICOM - Refer Note Below (Repayable in one year Rs. Nil (Rs.1,750.00 lacs)) (includes interest accrued and due Rs. Nil(Rs. 23.06 lacs))	—	1,773.06
b) Term loan secured by hypothecation of certain cars (Repayable in one year Rs.2.08 lacs (Rs. 4.00 lacs))	6.49	4.36
	<u>7,623.02</u>	<u>8,723.31</u>

Note:

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.

SCHEDULES TO AND FORMING PART OF THE BALANCE SHEET AS AT 31 MARCH, 2010

Annual Report 2009-2010

As at March 31, 2010 As at March 31, 2009
Rs. Lacs Rs Lacs

IV. UNSECURED LOANS

- Inter-corporate Deposits - Short term
 - From other than banks
 - (Repayable on demand)

640.54	1,443.64
<u>640.54</u>	<u>1,443.64</u>

V. FIXED ASSETS AS ON 31.03.2010

Rs. Lacs

Particulars	Gross Block			Depreciation			Net Block	
	Cost as on 01.04.2009	Addition & Adjustments During the year	Deletion & Adjustments During the year	Cost as on 31.03.2010	As on 01.04.2009	For the year	Total as on 31.03.2010	As on 31.03.2010
Land - freehold	3.02	255.41	—	258.43	—	—	—	258.43
Buildings roads and Structures	979.11	29.28	—	1,008.39	220.41	18.45	238.86	769.53
Plant and machinery (including office equipments)	1,089.62	4.69	—	1,094.31	848.90	35.71	884.61	209.70
Furniture and fixtures	250.57	17.19	—	267.76	49.50	16.11	65.61	202.15
Vehicles	56.26	8.46	9.75	54.97	28.17	4.52	27.20	27.77
Windmill	768.02	—	—	768.02	218.01	79.41	297.42	470.60
INTANGIBLE ASSETS	3,146.60	315.03	9.75	3,451.88	1,364.99	154.20	5.49	1,938.18
Specialised Software	42.13	0.02	—	42.15	38.16	2.87	41.03	1.12
Technical Knowhow	39.61	—	—	39.61	39.59	—	39.59	0.02
ASSETS GIVEN ON LEASE	663.79	—	663.79	—	663.79	—	—	—
Plant and Machinery	663.79	—	663.79	—	663.79	—	—	—
Total (A):	3,892.13	315.05	673.54	3,533.64	2,106.53	157.07	669.28	1,939.32
Advances on capital account								114.29
Less: Provision for doubtful advances								80.38
Total (B):	—	—	—	—	—	—	—	33.91
Total (A + B):	3,892.13	315.05	673.54	3,533.64	2,106.53	157.07	669.28	1,973.23
Previous year	3,998.38	4.71	110.96	3,892.13	2,055.88	157.51	106.86	1,973.31

	As at March 31, 2010 Rs. Lacs	As at March 31, 2009 Rs. Lacs
VI INVESTMENTS		
LONG TERM		
Unquoted		
Non-Trade		
Government Securities		
— 6/7 year National Savings Certificate *	0.10	0.10
— Kisan Vikas Patra *	0.11	0.11
In a Subsidiary Company		
Elpro Estates Limited	149.93	149.93
1,499,300 (1,499,300) Equity shares of Rs. 10 each fully paid) ** (Formerly known as Trump Properties Limited)		
Others		
— 261,102,322 (226,671,247) fully paid equity shares of Rs. 10 each in Medlife India Insurance Company Private Limited***	27,311.66	23,868.55
— 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 (Associate)	22.50	22.50
— 2,500 (2,500) fully paid equity shares in The Saraswat Co-op Bank Limited	0.25	0.25
Quoted		
Non-Trade		
— 440 (440) fully paid equity shares of Rs. 2 each in Financial Technologies Limited	7.01	7.01
— 7,95,900 (7,95,900) fully paid up equity shares of Rs. 10 each in Elpro Packaging Limited.	3.98	3.98
— 50 (Nil) fully paid equity shares of Rs. 2 each in ABB Limited	0.42	—
— 50 (Nil) fully paid equity shares of Rs. 10 each in Accurate Transformers Limited	0.04	—
— 50 (Nil) fully paid equity shares of Rs. 10 each in Ackruti City Limited	0.26	—
— 200 (Nil) fully paid equity shares of Rs. 10 each in Adani Power Limited	0.21	—
— 50 (Nil) fully paid equity shares of Rs. 5 each in Ansal Properties and Infrastructure Limited	0.04	—
— 50 (Nil) fully paid equity shares of Rs. 10 each in Atlas Copco (India) Limited	0.44	—
— 100 (Nil) fully paid equity shares of Rs. 2 each in Areva T&D India Limited	0.27	—
— 50 (Nil) fully paid equity shares of Rs. 10 each in BGR Energy Systems Limited	0.26	—
— 50 (Nil) fully paid equity shares of Rs. 10 each in Bilpower Limited	0.09	—
— 50 (Nil) fully paid equity shares of Rs. 10 each in Brigade Enterprises Limited	0.07	—
— 50 (Nil) fully paid equity shares of Rs. 2 each in Crompton Greaves Limited	0.12	—
— 50 (Nil) fully paid equity shares of Rs. 2 each in DLF Limited	0.16	—
— 50 (Nil) fully paid equity shares of Rs. 10 each in Eclerx Services Limited	0.25	—
— 50 (Nil) fully paid equity shares of Re. 1 each in Elgi Equipments Limited	0.04	—
— 50 (Nil) fully paid equity shares of Rs. 2 each in Emco Limited	0.04	—
— 50 (Nil) fully paid equity shares of Rs. 10 each in IWP Power Limited	0.05	—
— 50 (Nil) fully paid equity shares of Rs. 10 each in Indo Tech Transformer Limited	0.16	—
— 50 (Nil) fully paid equity shares of Rs. 10 each in Ingersoll Rand (India) Limited	0.18	—
— 50 (Nil) fully paid equity shares of Rs. 2 each in Lancor Holdings Limited	0.05	—
— 200 (Nil) fully paid equity shares of Rs. 1 each in Marico Limited	0.21	—
— 50 (Nil) fully paid equity shares of Rs. 10 each in Mazda Controls Limited	0.05	—
— 50 (Nil) fully paid equity shares of Rs. 10 each in Omaxe Limited	0.05	—
— 50 (Nil) fully paid equity shares of Rs. 2 each in Pantaloon Retail(India) Limited	0.19	—
— 50 (Nil) fully paid equity shares of Rs. 5 each in Puravankara Projects Limited	0.05	—
— 400 (Nil) fully paid equity shares of Re. 1 each in Shree Renuka Sugars Limited	0.34	—
— 50 (Nil) fully paid equity shares of Rs. 2 each in Sunteck Realty Limited	0.29	—
— 100 (Nil) fully paid equity shares of Rs. 10 each in Torrent Power Limited	0.30	—
— 50 (Nil) fully paid equity shares of Rs. 10 each in Voltamp Transformers Limited	0.44	—

	As at March 31, 2010 Rs. Lacs	As at March 31, 2009 Rs. Lacs
CURRENT INVESTMENTS		
Unquoted - Non Trade		
— Nil (5,779,042.40) Units Of Reliance Mutual Fund	—	1,050.00
— Reliance Retail Growth plan option	0.43	0.43
— 2,107.89 (2,107.89) units of Kotak Gilt Saving Growth Fund	—	2.44
— Nil (202.23) units of Templeton India Treasury Management Account Regular Plan	<u>27,511.08</u>	<u>25,115.34</u>
Aggregate amount of unquoted investments	27,494.99	25,104.35
Aggregate amount of quoted investments	16.09	10.99
Market value of quoted investments Rs 20.46 lacs (Rs 10.39 lacs)		
* Lodged with Government authorities.		
** Pledged against term loans from Bank and others.		
*** There are certain restrictions on transferability of these shares.		
Statement Of Units Purchased and Sold During the year	Units Purchased	(Value Rs. in lacs)
Mutual Fund		
HDFC Cash Management Fund - Treasury Advantage Plan - Wholesale - Growth	4,008,558	800.00
	As at March 31, 2010	As at March 31, 2009
	Rs. Lacs	Rs. Lacs
VII STOCKS		
Stores and spares	7.98	7.48
Raw materials and components	67.20	65.10
Work in progress	34.01	70.42
Finished goods	6.43	1.02
Land held as stock in trade	0.95	0.95
Project in Progress - Housing Division	<u>1,834.95</u>	<u>1,312.51</u>
	<u>1,951.52</u>	<u>1,457.48</u>
VIII SUNDRY DEBTORS		
(Unsecured)		
Over six months		
— Considered good	69.70	184.45
— Considered doubtful	<u>89.16</u>	<u>59.16</u>
	158.86	243.61
Others		
— Considered good	66.11	46.53
— Considered doubtful	—	—
	<u>224.97</u>	<u>290.14</u>
	<u>(89.16)</u>	<u>(59.16)</u>
Less : Provision for doubtful debts	<u>135.81</u>	<u>230.98</u>
IX CASH AND BANK BALANCES		
Cash on hand	0.48	0.40
Balance with scheduled banks in		
Current account *	107.11	270.76
Margin money account	—	3.29
Fixed Deposit	317.40	284.63
(Under Lien Rs 316.94 Lacs (Rs 284.17 Lacs))	<u>424.99</u>	<u>559.08</u>

*Includes balances in unclaimed dividend account Rs 1.65 Lacs (Rs 2.32 Lacs)

**SCHEDULES TO AND FORMING PART OF THE BALANCE
SHEET AS AT 31 MARCH, 2010**

	As at March 31, 2010 Rs. Lacs	As at March 31, 2009 Rs. Lacs
X OTHER CURRENT ASSETS		
Claims receivable	39.62	20.81
PV Claim Receivable	9.17	9.17
Other Receivables	—	0.12
	<u>48.79</u>	<u>30.10</u>
XI LOANS AND ADVANCES :		
(Unsecured) (Considered good)		
Advances recoverable in cash or in kind or for value to be received	243.47	85.95
Advances to Suppliers	29.50	165.49
Balance with customs, excise, VAT authorities and other	69.48	106.82
Advance Tax/TDS/Refund due from Income tax department	158.77	207.77
Advance Fringe Benefit Tax (Net)	1.89	1.89
MAT Credit entitlement	14.10	14.10
Advance towards share application in Metlife India Insurance Company Limited	7,641.41	2,500.00
Loans to and deposits with companies	1,464.84	31.98
Advance to Gratuity Trust	6.84	8.30
	<u>9,630.30</u>	<u>3,122.30</u>
XII CURRENT LIABILITIES :		
Sundry Creditors	—	—
- Due to Small and Medium Enterprises (Refer Note 13 of Schedule XXI)	—	—
- Due to Others	272.85	190.78
Other Liabilities	180.02	55.57
Advance-from Customers	82.27	32.15
Advance-Property Development	—	231.85
Advance against flat / commercial property sale agreements	6,151.89	5,256.53
Advance against flat bookings (Refer Note 18 of Schedule XXI)	6,868.52	10,063.63
Dividend warrants posted but not encashed	1.23	1.89
Rental Deposits received	531.14	548.87
	<u>14,087.92</u>	<u>16,381.27</u>
XIII PROVISIONS :		
Provision for leave encashment	5.23	6.23
Warranty & Other provisions	4.54	4.54
	<u>9.77</u>	<u>10.77</u>
XIV MISCELLANEOUS EXPENDITURE		
(To the extent not written off)		
Compensation Paid under VRS (Refer Note 26 of Schedule XXI) ,	173.68	30.42
Opening Balance	—	275.00
Addition during the year	(173.68)	(131.74)
Amortised during the year	—	—
Closing Balance	<u>—</u>	<u>173.68</u>

**SCHEDULES TO AND FORMING PART OF THE
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010**

Annual Report 2009-2010

	For the year ended March 31, 2010 Rs. Lacs	For the year ended March 31, 2009 Rs. Lacs
XV SALES AND SERVICES :		
Gross Sales - Operation	478.79	603.37
- Real Estate	1,676.60	—
Income from Windmill	92.99	99.97
Income from lease rentals	645.81	520.55
Sale of scrap and other items	0.27	21.00
	<u>2,894.46</u>	<u>1,244.89</u>
XVI OTHER INCOME :		
Interest on inter-corporate deposits/loans, bank deposits, income tax, etc. (gross)	36.63	19.44
— Tax deducted at source Rs.2.85 lacs (Rs.3.79 lacs)	0.24	0.09
Dividend from current investments (Refer Note below)	3.72	6.53
Duty drawback	6.36	5.23
Sundry provisions and credit balances no longer required written back	19.34	1.41
Miscellaneous income	—	12.93
Forex Gain / (Loss) (net)	—	6.29
Profit on sale of Fixed Assets	6.33	5.04
Profit on sale of current investments (Net)	—	11.36
Interest on Income Tax Refund	<u>72.62</u>	<u>68.32</u>
Notes:		
Dividend income includes		
1) Dividend income from Long Term Investments (Non- trade)	0.10	0.05
2) Dividend from mutual fund	0.14	0.04
XVII MATERIALS :		
Consumption of raw material and bought out components	65.98	118.62
Opening stock	160.26	135.35
Add: Purchases (including outside processing charges)	68.07	65.98
Less: Closing Stock	<u>158.17</u>	<u>187.99</u>
Raw Material Consumed		
(Increase)/Decrease in stock of finished goods and work-in-progress		
Opening stocks	70.42	172.60
Work-in-progress	1.02	8.33
Finished goods	<u>71.44</u>	<u>180.93</u>
Closing stocks		
Work-in-progress	34.01	70.42
Finished goods	6.43	1.02
	40.44	71.44
(Increase)/Decrease in stocks	31.00	109.49
Total Material cost	<u>189.17</u>	<u>297.48</u>
Project Cost (Refer Note 17 of Schedule XXI)	<u>1,089.97</u>	<u>—</u>
Total cost	<u>1,279.14</u>	<u>297.48</u>

SCHEDULES TO AND FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

	For the year ended March 31, 2010 Rs. Lacs	For the year ended March 31, 2009 Rs. Lacs
XVIII EMPLOYEE COSTS		
Salaries, wages and bonus	72.62	118.88
Contribution to Provident and other Funds	1.73	7.13
Gratuity	1.47	14.96
Provision for leave encashment	5.05	14.76
Welfare expenses	1.50	10.68
	<u>82.37</u>	<u>166.41</u>
XIX INTEREST AND FINANCE CHARGES		
Interest		
— On loans for fixed periods	998.18	1,445.34
— Others	745.19	217.33
	<u>1,743.37</u>	<u>1,662.67</u>
Finance charges		
Bank charges	26.38	14.55
	<u>26.38</u>	<u>14.55</u>
	<u>1,769.75</u>	<u>1,677.22</u>
XX OTHER EXPENSES :		
Stores consumed	11.59	13.46
Power and fuel (net of recoveries)	3.82	22.89
Travelling and conveyance	19.51	23.96
Foreign Travelling Expenses	4.26	4.69
Repairs to machinery	3.46	2.50
Repairs to building	0.32	4.23
Other repairs and maintenance	7.64	13.82
Insurance	2.39	4.53
Rent	26.49	25.61
Rates and taxes	5.01	13.03
Director's Fees	1.32	1.11
Commission	1.94	5.41
Penalties for late deliveries (net of recoveries)	0.45	0.03
Telephone, Telegram & Telex	4.42	6.86
Provision for Bad and Doubtful debts	25.00	24.00
Provision for Liquidated Damages	5.00	—
Legal and Professional charges	71.88	85.17
Freight outward (net of recoveries)	9.43	14.34
Miscellaneous Expenditure written off	173.69	131.74
Compensation	61.00	—
Interest Compensation	22.49	—
Loss On Sale Of Fixed Assets	0.56	—
Share issue Expenses	4.03	—
Miscellaneous expenses	75.45	85.84
	<u>541.15</u>	<u>483.22</u>

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2010
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, intangible assets and capital work in progress

Fixed assets and intangible assets are stated at cost of acquisition or construction less accumulated depreciation and impairment. Cost includes taxes, duties, freight and other incidental expense related to acquisition and installation. Borrowing costs attributable to acquisition, construction of qualifying asset (i.e. an asset requiring substantive period of time to get ready for intended use) are capitalized in accordance with the requirements of Accounting Standard 16 (AS 16), "Borrowing Costs" mandated by Rule 3 of the Companies (Accounting Standards) Rules 2006.

Capital work in progress comprises of outstanding advances paid to acquire fixed assets and cost of fixed assets that are not yet ready for their intended use at the year end.

d. Depreciation and Amortisation

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.

e. Assets Taken and Given on Lease

Assets taken on lease:

- i. 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.
- ii. 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.

f. 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.

g. Inventories

Inventories are stated at the lower of cost and net realizable 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.

h. 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.

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.

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 dispatch 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, subject to the actual cost incurred being at least 25% of the total estimated project cost involved and further subject to receipt of at least 10% of the total sales consideration. 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.

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/avallment. 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.

Liquidated damages/penalties are provided for meeting the obligations arising from delay in contractual delivery schedules. 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 is amortized fully up to March 31, 2010, as per the provisions of Accounting Standard 15 – on Employee Benefits.

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 ten 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.

	2009-10	2008-09
	Rs. In Lacs	Rs. In Lacs
2.		
i. Estimated amount of contracts remaining to be executed on capital account and not provided for	—	—
ii. Contingent liabilities not provided for:		
a. Income tax matters in dispute at various stages of appeal	62.35	237.13
b. Excise duty	9.75	9.75
c. Service tax	4.75	4.75
d. Employee related matters		
e. Sales tax matters		
f. Other matters	18.18	34.09
g. Bank guarantees (secured by hypothecation of current assets)	37.58	37.58
h. Corporate guarantees	46.31	167.55
i. Claims against the company not acknowledged as debts	6,500.00	6,500.00
	596.00	267.00
3. Miscellaneous expenses include Auditors' remuneration:		
a. Audit fees	18.20	12.50
b. Reimbursement of actual out-of-pocket expenses	0.14	0.62
c. Other matters	—	—
4.		
Repairs to machinery includes spares consumed	3.46	2.50
5. Earning in foreign currency on account of:		
a. Exports of F.O.B. basis	154.94	266.09

6. Expenditure in foreign currency on account of:					
Miscellaneous			2.00		1.24
7. Managerial remuneration debited to the Profit & Loss Account is Rs. Nil lacs (Rs.9.33 lacs) including Directors' fees of Rs. 0.34 lacs (Rs.1.11 lacs) and perquisites of Rs. Nil lacs (Rs. Nil 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. Value of imports on CIF basis				32.90	3.15
a. Raw materials					
9. Value of imported and indigenous raw materials and components consumed (**)					
		2009-10		2008-09	
	Rs. In Lacs	%	Rs. In Lacs	%	
Imported	32.65	20.64	3.15	1.67	
Indigenously procured	125.52	79.36	184.84	98.33	
	158.17	100.00	187.99	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. Raw materials and components consumed					
	Unit	Quantity	Value	Quantity	Value
		2009-10	(Rs. In Lacs)	2008-09	(Rs. In Lacs)
A. Raw Materials					
1. Non Ferrous					
a. Zinc Oxide	Kg.	—	—	—	—
2. Other Ferrous and Non Ferrous RM	Kg.	321.44	2.29	162	3.15
B. Components					
a. Porcelain	No.	12,924	28.12	10,885	41.55
b. Aluminium Pipes	Mtr.	—	127.76	—	143.29
c. Others			158.17		187.99

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 (***)	
		2009-10	2008-09	2009-10	2008-09
Lightning Arresters	Nos.	746,000	850,000	27,199	28,004
Accessories & Spares	Nos.	—	—	5,827	11,466
Varistors	Nos.	6,800,000	6,800,000	62,728	60,242

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		Stock as at		Stock as on		Sales during		Sales during	
	Nos.	Value	Nos.	Value	Nos.	Value	Nos.	Value	Nos.	Value
Lighting Arresters	57	8.33	150	1.02	800	5.76	26,549	390.74	27,911	521.34
Accessories and Spares	—	—	—	—	2,154	—	3,673	—	11,466	—
Varistors	—	—	—	—	1,500	0.67	61,228	88.05	60,242	82.03
	8.33	—	1.02	—	6.43	478.79				603.37

Notes:

1. Included under appropriate classes of goods is the turnover of components, etc. referred to in No.10 (B)
2. Sale quantity includes free samples, replacements etc.
3. 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, 2010. 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)

	2009-10 Rs. In Lacs	2008-09 Rs. In Lacs
i. Break-up of deferred tax liability as at March 31, 2010		
Additional depreciation on fixed assets for tax purposes due to higher tax depreciation rates.	285.59	311.36
Total deferred tax liability	285.59	311.36
ii. Break-up of deferred tax asset as at March 31, 2010		
Provision for doubtful debts/advances that are deducted for tax purposes when written off.	56.32	47.43
On provision for employee benefits / voluntary retirement scheme compensation	58.14	19.23
On other items	1.51	4.10
On unabsorbed depreciation allowance and brought forward business loss (to the extent of residual deferred tax liabilities)	169.62	240.60
Deferred tax asset	285.59	311.36
Net deferred tax liability /(asset) (Net)	Nil	Nil

Note:

As at March 31, 2010, the Company has carried forward losses and unabsorbed depreciation 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, 2010.

15. Warranty provision

	2009-10 Rs. In Lacs	2008-09 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	—	—
Carrying amount as at the end of the year	4.54	4.54

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

17. Project cost includes

	2009-10 Rs. In Lacs	2008-09 Rs. In Lacs
Materials and labour cost	827.37	—
Consultant and professional expenses	220.16	—
Other direct development expenses	42.44	—
Total	1,089.97	—

18. Advance against flat bookings include Rs 6,399 lacs (Previous year 8,738.48 lacs) received from related parties in respect of which formal sale agreements are yet to be entered into. The Management confirms that these advances have been received in the normal course of business.

19. 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 0.07 lacs (Previous year USD 1.55 lacs).

20. Investments made in Met Life India Insurance Company Limited are 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, 2010.

During the previous 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.

21. Share capital

During the previous year the authorized share capital of the Company was 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.

During the previous year, the Company had issued 1,100,000 convertible equity share warrants on a preferential basis to foreign institutional investors carrying an entitlement to apply for allotment of Equity shares of Rs 10 each at a premium of Rs 601 per share. 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.

During the current year the Company has issued 660,000 (Previous year 395,000) equity shares on conversion of the share warrants into equity shares and transferred Rs 3,966.60 lacs (Previous year Rs.2, 373.95 lacs) to Share Premium Account. The balance 45,000 share warrants issued expired on October 24, 2009 which were cancelled by the Company and the 10% subscription amount received against the issuance of warrants amounting to Rs 27.50 lacs has been forfeited by the Company there upon as per the terms of the warrants. The same has been credited to capital reserves.

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

Proceeds received from issue and conversion of Warrants

Sr No	Particulars	March 31, 2010	March 31, 2009
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
4	90% on exercise of conversion of 660,000 warrants by warrant holder	1,622.21	—
Total		1,622.21	4,851.34

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

Particulars	March 31, 2010	Amount in Lacs March 31, 2009
Property development operations	68.50	357.63
Repayments of existing debts of a subsidiary	—	1,276.65
Repayments of existing debts / inter corporate deposits	315.00	773.42
Temporarily invested in Mutual fund and inter corporate deposit given	—	769.91
Invested in Met Life India Insurance Company Limited	1,209.78	1,661.59
General corporate purpose	28.93	12.14
Total	1,622.21	4,851.34

During the current year, the Company has submitted Draft Letter of Offer to SEBI and stock exchange on January 14, 2010 with regard to proposed right issue of equity shares upto maximum of Rs 13,800 lacs. The consent of SEBI is awaited.

The Company has obtained consent from its promoters to convert their unsecured loan / share application money amounting to Rs 12,515.00 lacs to be adjusted against the respective rights entitlements in the proportion of their existing share holding and also for unsubscribed portion of right issue, if any. The same has been disclosed as Equity share application money as at March 31, 2010.

22. Related party disclosures

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

1. Faridabad Investment Company Ltd.	Investing party/promoter company
2. Dabri Properties & Trading Co. Ltd.	Associate
3. International Conveyors Limited	Promoter Company
4. Mr. Surbhit Dabriwala	Promoter Director
5. Mr. R. K. Dabriwala	Promoter Director
6. Mrs. Yamini Dabriwala	Relative of promoter Director
7. Elpro Estate Limited (Formerly known as Trump Properties Limited)	Subsidiary
8. IGE (I) Ltd.	Enterprise over which promoter company/promoter exercise significant influence
9. Faridabad Capital Holdings Private Limited	Enterprise over which promoter company/promoter exercise significant influence
10. Elpro Packaging Limited	Associate (ceases to be an associate with effect from November 24, 2008)
11. RCA Limited	Promoter Company
12. Elpro Capital Private Limited	Enterprise over which promoter company/promoter exercise significant influence
13. IGE Realty Private Ltd	Enterprise over which promoter company/promoter exercise significant influence
14. International Belting Limited	Enterprise over which promoter company/promoter exercise significant influence

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

i) Promoter Company : Faridabad Investment Co Ltd

	March 31,2010 (Rs. Lacs)	March 31,2009 (Rs. Lacs)
Nature of transactions		
Transactions during the year		
1) Inter corporate deposit (ICD) (Given) / Received	7,000.00	(225.00)
2) Repayment (received) / Repayment on ICD 's	800.00	(1,024.86)
3) ICD Converted to Equity share application	6,200.00	—
4) Advance received against flat booking	6,200.00	—
5) Interest (Income) / Expenses	293.67	(9.01)
Balances		
1) (Receivables) / payable	—	(7.15)
2) Advance received against flat booking	6,200.00	—
3) Maximum Balances during the year	7,000.00	799.86
4) Share application money	6,200.00	—

ii) Associate : Dabrl Properties & Trading Co Ltd

	March 31,2010 (Rs. Lacs)	March 31,2009 (Rs. Lacs)
Nature of transactions		
Transactions during the year		
1) Repayment made on ICD's taken	Nil	0.43
2) Interest expense	Nil	Nil
Balances		
1) Payable	Nil	Nil
2) Maximum Balances,during the year	Nil	Nil

iii) Promoter Company:

International Conveyors limited

	March 31,2010 (Rs. Lacs)	March 31,2009 (Rs. Lacs)
Nature of transactions		
Transactions during the year		
1) ICD received / advance against flat booking converted into ICD	4,065.00	3,348.00
2) Repayment made on ICD's taken	1,400.00	3,350.00
3) Interest expense	146.47	18.80
4) Advance received against flat booking	—	2,300.00
5) Converted to Equity share application	2,600.00	—
6) Other expenses	0.09	—
Balances		
1) Payable	211.15	14.32
2) Advance towards booking	—	2,300.00
3) Other Expenses	0.09	—
4) Maximum Balance during the year	3,379.32	2,300.00
5) Share application money	2,600.00	—

iv) Promoter Director : Mr. Surbhit Dabriwala

March 31,2010 March 31,2009
(Rs.Lacs) (Rs.Lacs)

Nature of transactions

Transactions during the year

1) Remuneration	—	9.33
2) Director's Sitting Fees	0.30	—

Balances

1) Maximum Balance payable during the year	—	—
--	---	---

v) Promoter Director: Mr. R. K. Dabriwala

March 31,2010 March 31,2009
(Rs. Lacs) (Rs.Lacs)

Nature of transactions

Transactions during the year

1) Director's Sitting fees	0.17	0.17
2) Share Application Money Received	225.00	—

Balances

1) Maximum Balance during the year	225.00	—
2) Share application money	225.00	—

vi) Relative of promoter Director: Mrs. Yamini Dabriwala

March 31,2010 March 31,2009
(Rs.Lacs) (Rs.Lacs)

Nature of transactions

Transactions during the year

1) Share Application Money Received	590.00	—
-------------------------------------	--------	---

Balances

1) Maximum Balance during the year	590.00	—
2) Share application money	590.00	—

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

March 31,2010 March 31,2009
(Rs. Lacs) (Rs. Lacs)

Nature of transactions

Transactions during the year

1) Interest free advance as per JDA agreement	578.64	—
2) Rent Income	12.00	12.00
3) Advance Received towards booking/property development	—	9,065.70
4) Refunded	—	2,841.58
5) Transfer on account of JDA Agreement (Refer Note 27 of Schedule XXI)	—	3,948.06
6) Amount refunded on cancellation of sale booking	6,487.61	—

Balances

1) Receivable	16.90	25.04
2) Advances received against flat bookings	—	6,438.48
3) (Advance received towards property development) / financing for property development	566.64	(231.85)
4) Maximum Balance receivable /(payable) during the year	4,001.50	(10,061.95)

viii) Enterprise over which Promoter Company/Promoter exercise significant influence: IGE (India) Ltd.

Nature of transactions		March 31, 2010	March 31, 2009
Transactions during the year		(Rs.Lacs)	(Rs.Lacs)
1) ICD received		3,534.00	6,073.00
2) Repayment made on ICD's taken		2,927.63	5,018.99
3) Interest expense		248.90	92.80
4) Rent and other expenses		24.55	8.60
5) Corporate guarantee given		—	6,500.00
6) ICD converted into equity share application		2,500.00	—
7) Advance paid towards proposed Purchase of Development Rights Certificate (TDR)		182.82	—
8) Interest income		0.22	—
Balances			
1) Payable / (Receivable) (including interest)		(665.62)	1,236.89
2) Maximum Balances payable during the year		2,914.11	2,127.17
3) Corporate guarantee		6,500.00	6,500.00
4) Share application money		2,500.00	—

ix) Enterprise over which promoter company/promoter exercise significant influence: Faridabad Capital Holding Pvt Ltd.

Nature of transactions		March 31, 2010	March 31, 2009
Transactions during the year		(Rs. Lacs)	(Rs. Lacs)
1) ICD (Given)		—	(1.00)
2) Advance received against flat bookings		199.00	—
3) Other Expenses		0.01	—
Balances			
1) Advance against flat bookings		199.00	—
2) Receivable		—	1.00
3) Maximum Balance during the year		200.00	1.00

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

Nature of transactions		March 31,2010	March 31, 2009
Transactions during the year		(Rs.)	(Rs.)
1) ICD received		—	Nil
2) Repayment made on ICD's taken		—	164.75
3) Interest expense		—	—
Balances			
1) Payable		—	—
2) Maximum Balances during the year		—	—
		No transactions during the year	—

xi) Enterprise over which promoter company/promoter exercise Significant Influence: **RCA Limited**

March 31,2010	March 31,2009
(Rs.Lacs)	(Rs.Lacs)

Nature of transactions**Transactions during the year**

1) ICD Given	400.00	—
2) Interest Expense	6.27	—
3) Converted into share application money	400.00	—

Balances

1) Maximum Balance during the year	400.00	—
2) Payable	6.27	—
3) Share application money	400.00	—

xii) Enterprise over which promoter company/promoters exercise Significant Influence:

Elpro Capital Private Limited

March 31,2010	March 31,2009
(Rs.Lacs)	(Rs.Lacs)

Nature of transactions**Transactions during the year**

1) Reimbursement of incorporation expenses	2.48	—
Balances		
1) Maximum Balance during the year	2.48	—
2) Payable	2.48	—

xiii) Enterprise over which promoter company/promoters exercise Significant Influence:

International Belting Limited

March 31,2010	March 31,2009
(Rs.Lacs)	(Rs.Lacs)

Nature of transactions**Transactions during the year**

1) ICD Received	619.00	—
2) ICD Repaid	400.00	—
3) Interest Expense	3.74	—

Balances

1) Maximum Balance during the year	619.00	—
2) Payable	222.36	—

23. Earning per share

Profit / (Loss) after tax and exceptional items (Rs. In Lacs)

2009-10	2008-09
(926.02)	(283.94)

Weighted average number of equity shares used for calculating basic earnings per share

4,480,978	3,907,307
-----------	-----------

Weighted average number of equity shares used for calculating diluted earnings per share

4,480,978	3,907,307
-----------	-----------

Face value of Equity Shares (Rs.)

10	10
----	----

Earning per share- Basic & Diluted (Rs.)

(20.67)	(7.27)
---------	--------

The share warrants outstanding as on March 31, 2009 were considered anti dilutive as fair value of equity shares to be issued was less than the issue price.

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, 2010 is given as follows:

	Electrical Equipments	Real Estate	Investment Activity	Others	Elimination	Total Rs. in Lacs
SEGMENT REVENUE						
External Sales	479.06	2,322.41	—	92.99	—	2,894.46
	(624.37)	(520.55)	(—)	(99.97)	(—)	(1,244.89)
Inter - segment Sales	—	—	—	—	—	—
	—	—	—	—	—	—
Revenue						2,894.46
RESULT						(1,244.89)
Segment result	(57.97)	1,140.04	—	8.62	—	1,090.69
	((156.78))	(506.65)	(—)	(20.56)		(370.43)
Unallocated corporate expenses (net of unallocable income)						(183.34)
						(161.84)
Operating Profit/(Loss) before Exceptional item						907.35
Exceptional item						(208.59)
						—
Operating Profit/(Loss) after Exceptional item						(1,191.93)
Interest Expenses						907.35
						(1,400.52)
						(1,769.75)
Profit/(Loss) before Tax & Prior period expense						(1,677.22)
						(862.40)
Prior Period Expenses						((276.70))
						—
Profit/(Loss) before Tax & after Prior Period expense						(—)
						(862.40)
Income taxes / Deferred tax Reversal						(276.70)
						63.62
						(7.24)
Net Profit/ (Loss) after tax						(926.02)
						(283.94)

	Electrical Equipments	Real Estate	Investment Activity	Others	Elimination	Total Rs. in Lacs
Other information						
Segment assets	665.80	2,269.13	35,152.52	484.85		38,572.30
	(818.26)	(1,951.29)	(26,565.35)	(551.01)		(29,885.91)
Unallocated corporate assets						3,103.42
						(2,602.68)
Total assets						41,675.72
						(32,488.59)
Segment liabilities	352.28	13,832.46	(—)	366.70		14,551.44
	(658.70)	(16,160.50)	(—)	(424.05)		(17,243.25)
Unallocated corporate liabilities						7,809.81
						(9,315.74)
Total liabilities						22,361.25
						(26,558.99)
Capital Expenditure	—	—	—	—		—
Unallocated capital Expenditure						315.05
						(4.71)
Total capital expenditure						315.05
						(4.71)
Depreciation	42.92	9.50	—	79.41		131.83
	(44.81)	(9.50)	(—)	(79.41)		(133.72)
Unallocated Depreciation						25.24
						(23.79)
Total Depreciation						157.07
						(157.51)
Non cash expenses other than depreciation	173.69	(—)	(—)	(—)		173.69
	(131.74)	(—)	(—)	(—)		(131.74)

b) Secondary Segment – Geographical Segments

	Domestic	Export	Total
Segment revenue by geographical area			
Based on geographical location of customers	2,739.52	154.94	2,894.46
(Including net sales, services etc.)	(961.96)	(282.93)	(1,244.89)
Segment Assets by geographical area	41,672.70	3.02	41,675.72
	(32,411.32)	(77.27)	(32,488.59)
Capital Expenditure	315.05	—	315.05
	(4.71)	(—)	(4.71)

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 / commercial 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 previous year the Company had 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

	2009-10 Rs. In Lacs	2008-09 Rs. In Lacs
Buildings		
Gross block	180.50	180.50
Accumulated depreciation	40.59	36.67
Depreciation recognized during the year	3.92	3.92
Lease Rental Receipt for the year	645.81	520.55
Future minimum lease rentals Receipts not later than one year later than one year but not later than five years	657.75	612.49
	1,534.91	1,743.35

- 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:

	2009-10 (Rs. in lacs)	2008-09 (Rs in lacs.)
Lease rental payments for the year	13.57	8.60
Future minimum lease rentals payments payable		
Not later than one year	13.90	12.60
later than one year but not later than five years	—	—

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

27. During the previous 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, 2010.

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, 2010.

A. Gratuity benefits:

		As on 31.03.10	As on 31.03.09
1. Assumptions			
Discount		8.00 %	8.00%
Salary Escalation		5.00%	5.00%
2. Table showing changes in present value of obligation		Rs In Lacs As on 31.03.10	Rs. In Lacs As on 31.03.09
Present value of obligations at the beginning of year		14.15	74.32
Interest cost		1.13	5.95
Current service cost		1.74	4.45
Benefits paid		(7.89)	(77.60)
Actuarial (gain)/loss of obligations		0.21	7.03
Present value of obligations as at end of year		9.34	14.15
3. Table showing changes in the fair value of plan assets			
Fair value of plan assets at beginning of year		22.45	95.68
Expected return on plan assets		1.61	4.37
Contributions		—	—
Benefits paid		(7.88)	(77.60)
Actuarial Gain/(Loss) on plan assets		—	—
Fair value of plan assets at the end of year		16.18	22.45
4. Table showing fair value of plan assets			
Fair value of plan assets at beginning of year		22.45	95.68
Actual return on plan assets		1.61	4.37
Contributions		—	—
Benefits paid		(7.88)	(77.60)
Fair value of plan assets at the end of year		16.18	22.45
Funded status		6.84	8.30
Excess of actual over estimated return on plan assets		—	—
(Actual rate of return = Estimated return as ARD falls on 31 st March 2010)			
5. Actuarial Gain/Loss recognized			
Actuarial Gain/ (Loss) for the year – obligation		(0.21)	(7.03)
Actuarial (Gain)/Loss for the year – plan assets		—	—
Total (Gain)/Loss for the year		(0.21)	(7.03)
Actuarial (Gain)/Loss recognized in the year		(0.21)	(7.03)
6. The amounts to be recognized in the balance sheet and statements of Profit & Loss Account			
Present Value of obligations as at the end of year		9.34	14.15
Fair value of plan assets as at the end of the year		16.18	22.45
Funded status		6.84	8.30
Net assets/ (liability) recognized in the year		6.84	8.30

Elpro International Ltd.

7. Expenses recognized in statement of Profit & Loss Account

	Rs In Lacs As on 31.03.10	Rs In Lacs As on 31.03.09
Current service cost	1.74	4.45
Interest cost	1.13	5.95
Expected return on plan assets	(1.61)	(4.37)
Net Actuarial (gain) / loss recognized in the year	0.21	7.03
Expenses recognized in statement of Profit & Loss Account	1.47	13.06

B Leave encashment:

1. Actuarial Assumptions

	As on 31.03.10	As on 31.03.09
Discount	8.0%	7.5%
Salary Escalation	5.0%	5.0%

2. Table showing changes in present value of Obligation

	Rs In Lacs As on 31.03.10	Rs In Lacs As on 31.03.09
Present value of obligations at the beginning of year	6.23	16.53
Interest cost	0.50	1.24
Current service cost	1.92	1.41
Benefits paid	(6.05)	(25.06)
Actuarial (gain)/loss of obligations	2.63	12.11
Present value of obligations as at end of year	5.23	6.23

3. Amount recognized in the Balance Sheet

Liability at the end of the year	5.23	6.23
Fair value of plan assets at the end of the year.	—	—
Difference	5.23	6.23
Unrecognised past service cost	—	—
Amount recognised in the Balance Sheet	5.23	6.23

Expenses recognized in the Income Statement

Current service cost	1.92	1.41
Interest cost	0.50	1.24
Expected return on plan assets	—	—
Net actuarial (gain) / loss to be recognized	2.63	12.11
Expenses recognized in Profit and Loss	5.05	14.76

31. The Company is in the process of appointment of company secretary.

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

7

Signatures to Schedules "I" to "XXI"

For and on behalf of the Board

For Price Waterhouse
Chartered Accountants
Firm Registration Number : 012754N

Vilas Y. Rane
Partner
Membership No: F-33220
Place: Mumbai
Date: August 28, 2010

Anil Poddar
Director
R. K. Dabriwala
Chairman
Place: Mumbai
Date: August 28, 2010

**Balance Sheet Abstract and Company's
General Business Profile**

Annual Report 2009-2010

ELPRO INTERNATIONAL LIMITED

Additional Information Pursuant to Part IV of Schedule VI to the Companies Act, 1956
[Refer Schedule 17, Note 16]

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.

L 5 1 5 0 5 M H 1 9 6 2 P L C 0 1 2 4 2 5

State Code

1 1

Balance Sheet Date

3 1 0 3 2 0 1 0

Date Month Year

II. Capital raised during the year (Amount in Rs. Thousand)

Public Issue

6 6 0 0

Bonus Issue

N I L

Rights Issue

N I L

Private Placement (including
share application money
pending allotment)

N I L

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousand)

Total Liabilities

4 1 9 5 4 8 3

Total Assets

4 1 9 5 4 8 3

Sources of Funds

Paid - Up Capital (excluding
share application money
pending allotment)

4 6 1 1 7

Secured Loans

7 6 2 3 0 2

Reserves & Surplus

7 0 7 8 5 8

Unsecured Loans

6 4 0 5 4

Application of Funds

Net Fixed Assets

1 9 7 3 2 3

Net Current Assets

(-) 1 9 0 6 2 8

Accumulated Losses

2 7 9 1 1

Investments

2 7 5 1 1 0 8

Misc. Expenditure

N I L

IV. Performance of Company (Amount in Rs. Thousand)

Turnover

2 9 6 7 0 8

+ - Profit / Loss Before Tax

8 6 2 4 0

+ - Earnings Per Share in Rs.

2 0 . 6 7

Total Expenditure

3 8 2 9 4 8

+ - Profit / Loss After Tax

9 2 6 0 2

Dividend Rate %

N I L

V. Generic names of Three Principal Products / Services of Company (As per Monetary terms)

Item Code No. (ITC Code)

8 5 3 5 4 0 1 0

Product Description

L I G H T E N I N G A R R E S T E R

Item Code No. (ITC Code)

8 5 3 3 0 0 0 0

Product Description

V A R I S T O R S (M E T A L O X I D E)

For and on behalf of the Board

Place: Mumbai
Date: August 28, 2010

Anil Poddar
Director

R. K. Dabhiwala
Chairman

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, hereinafter referred to as the 'Group' (Refer note 2 of Schedule 'XXI' to the attached consolidated financial statements) as at March 31, 2010, the related 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 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 the 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 a subsidiary company included in the consolidated financial statements, which constitute total assets of Rs. 4,216.37 lacs and net assets of Rs. 3,617.84 lacs as at March 31, 2010, total revenue of Rs. 234.81 lacs, net profit of Rs 87.44 lacs and net cash inflow amounting to Rs. 188.90 lacs for the year then ended. This financial statement has been audited by other auditor whose report has been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of the other auditor.
4. We did not audit the financial statements of an associate company which constitute Group's share of profit for the year ended March 31, 2010 Rs. 1.70 lacs and Group's share of profit of Rs 5.22 lacs upto March 31, 2010. This financial statement has been audited by other auditor whose report has been furnished to us, and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements is based solely on the report of the other auditor.
5. We report that the Consolidated Financial Statements have been prepared by the Company's management 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, notified under sub - section 3C of Section 211 of the Companies Act, 1956.
6. Based on our audit and on the consideration of the reports of other auditors on separate financial statements and on the other financial information of the components of the Group as referred in paragraph 3 and 4 above and to the best of our information and according to the explanations given to us, in our opinion, 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, 2010;
 - 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 Price Waterhouse

Chartered Accountant

Firm Registration No. 012754N

Place: Mumbai
Date: August 28, 2010

**CONSOLIDATED BALANCE SHEET
AS AT MARCH 31, 2010**

Annual Report 2009-2010

	Schedule	Rs. In Lacs	As at March 31, 2010 Rs. In Lacs	As at March 31, 2009 Rs. In Lacs
I SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital	I	461.17		395.17
Share Warrants	I	—		430.76
Reserves and surplus	II	9,204.08		3,184.52
Share Application Money	I		9,665.25	4,010.45
Minority Interest			12,515.00	12,576.35
Capital reserve on consolidation			452.84	—
Loan Funds			7.35	7.35
Secured loans	III	7,623.03		8,727.20
Unsecured loans	IV	1,044.86		1,445.78
			8,667.89	10,172.98
			<u>31,308.33</u>	<u>26,767.13</u>
II APPLICATION OF FUNDS				
Goodwill on Consolidation				
Fixed assets	V		73.68	73.68
Gross block		3,737.97		4,096.46
Less : Accumulated Depreciation		1,765.45		2,261.47
Net block		1,972.52		1,834.99
Capital Work In Progress including advances		3,903.75		4,042.05
Investments	VI		5,876.27	5,877.04
Deferred tax (Refer Note 4 to Schedule XXI)			27,373.72	24,976.21
Deferred tax assets		304.65		372.72
Less: Deferred tax liability		287.82		320.07
Deferred tax - Net			16.83	52.65
Current assets, loans and advances				
Stocks	VII	1,951.52		1,457.48
Sundry debtors	VIII	144.22		224.15
Cash and bank balances	IX	617.58		562.77
Other current assets	X	48.79		30.10
Loans and advances	XI	9,142.31		3,274.84
		11,904.42		5,549.34
Less : Current liabilities and Provisions				
Current Liabilities	XII	14,228.17		9,922.89
Provisions	XIII	9.77		12.59
		14,237.94		9,935.48
Net current assets / (liabilities)			(2,333.52)	(4,386.14)
Miscellaneous Expenditure (To the extent not written off)	XIV		—	173.69
Debit Balance In Profit and Loss Account			301.35	—
			<u>31,308.33</u>	<u>26,767.13</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

For and on behalf of the Board of Directors

For Price Waterhouse
Chartered Accountants
Firm Registration Number : 012754N

Anil Poddar
Director

R. K. Dabriwala
Chairman

Vilas Y. Rane
Partner
Membership No: F-33220

Place: Mumbai
Date: August 28, 2010

Place: Mumbai
Date: August 28, 2010

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED MARCH 31, 2010**

	Schedules	Rs. In Lacs	For the year ended March 31, 2010 Rs. In Lacs	For the year ended March 31, 2009 Rs. In Lacs
I INCOME				
Sales and Services - Gross	XV	2,927.02		1,321.35
Less: Excise Duty		28.17		58.21
Sales and Services - Net		2,898.85		1,263.14
Other Income	XVI	291.04		78.39
			3,189.89	1,341.53
II EXPENDITURE				
Materials	XVII	200.92		320.28
Project Cost	XVII	1,089.97		—
Employee costs	XVIII	83.69		166.35
Depreciation	V	173.25		183.06
Interest	XIX	1,778.46		1,677.76
Other expenses	XX	593.78		508.89
			3,920.07	2,856.34
PROFIT/(LOSS) BEFORE TAX AND EXCEPTIONAL ITEMS			(730.18)	(1,514.81)
Exceptional Item : Provisions for diminution in value of investment no longer required written back (Refer Note 11 of Schedule XXI)			—	1,191.93
PROFIT/(LOSS) BEFORE TAXATION			(730.18)	(322.88)
Less: Provision for tax				
- Current tax		84.52		—
- Prior Period Tax		—		17.91
- MAT Credit		—		(14.10)
- Deferred Tax charge/ reversal		35.87		—
- Fringe Benefit tax		—	120.39	3.33
PROFIT/(LOSS) AFTER TAXATION			(850.57)	(330.02)
NET PROFIT/(LOSS) FOR THE YEAR			(850.57)	(330.02)
Less: Share of profit to minority			(13.69)	—
Add: Share of profit of associate			1.70	0.12
			(862.56)	(329.90)
- Balance of Profit and Loss Account			(1,738.79)	(1,408.89)
Less: Adjusted against balance in General reserve			(2,601.35)	(1,738.79)
BALANCE CARRIED TO BALANCE SHEET			2,300.00	1,738.79
			(301.35)	—
Basic and Diluted Earnings per equity share of face value of Rs. 10/- each (Note 13 of Schedule XXI)			(19.25)	(8.44)
Notes to Accounts	XXI			

As Per our report of even date attached

For and on behalf of the Board of Directors

For Price Waterhouse
Chartered Accountants
Firm Registration Number : 012754N

Anil Poddar
Director

R. K. Dabirwala
Chairman

Vilas Y. Rane
Partner
Membership No: F-33220

Place: Mumbai
Date: August 28, 2010

Place: Mumbai
Date: August 28, 2010

**CONSOLIDATED CASH FLOW STATEMENT FOR
THE YEAR ENDED MARCH 31, 2010**

Annual Report 2009-2010

PARTICULARS	For the year ended	
	March 31, 2010 (Rs. In Lacs)	March 31, 2009 (Rs. In Lacs)
CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT BEFORE TAXATION AS PER PROFIT AND LOSS ACCOUNT	(730.18)	(322.88)
Adjustments for :		
Depreciation	173.25	183.06
Miscellaneous expenditure written off	173.69	131.74
Interest expenses	1,749.01	1,663.08
Loss / (profit) on sale of fixed assets (net)	0.56	(6.29)
Interest income	(252.64)	(40.75)
Dividend income	(0.24)	(0.09)
Profit on sale of investments (net)	(6.33)	(5.04)
Provision no longer required written back	(6.36)	(5.23)
Provision for doubtful debts and liquidated damages	35.05	24.00
Excess Depreciation written back	—	(0.62)
Provision for diminution in value of investments written back	—	(1,191.93)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	1,135.81	429.05
Adjustments for :		
(Increase)/decrease in inventories	(494.04)	63.36
(Increase)/decrease in debtors	44.88	268.39
(Increase)/decrease in other current assets	(18.69)	135.20
(Increase)/decrease in loans and advances	9.11	6,996.12
Increase/(decrease) in creditors	4,311.64	4,740.66
Increase/(decrease) in provisions	(2.82)	—
CASH GENERATED FROM / (USED IN) OPERATIONS	4,985.89	12,632.78
Direct taxes paid (including fringe benefits tax)	34.45	65.54
Miscellaneous Expenditure incurred during the year	—	(275.01)
NET CASH FLOW FROM/ (USED IN) OPERATING ACTIVITIES	(A) 5,020.34	12,423.31
CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES		
Purchase of fixed assets	(176.75)	(1,841.50)
Proceeds from sale of fixed assets	3.69	11.01
Proceeds from sale of investments in mutual funds	1,058.77	7.38
Purchase of shares in companies	(3,448.20)	(15,301.64)
Advance towards share application	(5,141.41)	—
Loans and deposits placed with the companies	(854.22)	—
Dividend received	0.24	0.09
Interest received	252.64	21.15
NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES	(B) (8,305.24)	(17,103.51)
CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES		
Proceeds from borrowings	—	—
Repayment of borrowings (Net)	(1,104.17)	(2,712.20)
Inter corporate Deposits/loans received -(Net)	(400.92)	1,541.59

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

PARTICULARS	For the year ended March 31, 2010 (Rs. In Lacs)	For the year ended March 31, 2009 (Rs. In Lacs)
Proceeds from Issue of Equity Shares	3,925.68	2,413.45
Proceeds from Issue of Equity Shares warrants	—	430.76
Refund of share application money	(7,543.40)	—
Share application money received	10,211.53	5,032.95
Interest Paid on Loans	(1,749.01)	(1,663.08)
NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES	(C)	
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	<u>3,339.71</u>	<u>5,043.47</u>
OPENING CASH AND CASH EQUIVALENTS	562.77	199.50
CLOSING CASH AND CASH EQUIVALENTS (Refer Note 1 below)	617.58	562.77
Notes to the Cash Flow Statement		
1. Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the cash flow statement comprise of the following Balance Sheet items.		
Particulars	As at March 31, 2010 (Rs. In Lacs)	As at March 31, 2009 (Rs. In Lacs)
Cash on hand	0.48	0.40
Balance with scheduled banks:		
In current accounts	299.70	274.45
In fixed and margin deposits	317.40	287.92
	<u>617.58</u>	<u>562.77</u>

2. The above Cash Flow Statement has been prepared under indirect method as set out in Accounting Standard 3 (AS 3) 'Cash Flow Statements' as specified in Companies (Accounting Standard) Rules, 2006.
3. Previous year's figures have been regrouped/ reclassified wherever necessary to conform to current years' classification.

As Per our report of even date attached

For and on behalf of the Board of Directors

For Price Waterhouse
Chartered Accountants
Firm Registration Number : 012754N

Anil Poddar
Director

R. K. Dabhiwala
Chairman

Vilas Y. Rane
Partner
Membership No: F-33220

Place: Mumbai
Date: August 28, 2010

Place: Mumbai
Date: August 28, 2010

	As at March 31, 2010 Rs. in Lacs	As at March 31, 2009 Rs. in Lacs
I. SHARE CAPITAL		
Authorised		
10,000,000 (10,000,000) Equity shares of Rs. 10 each	1,000.00	1,000.00
Issued		
4,612,000 (3,952,000) Equity shares of Rs. 10 each	461.20	395.20
Subscribed		
4,611,677 (3,951,677) Equity shares of Rs. 10 each fully paid up	461.17	395.17
Note:		
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)	—	430.76
Equity Share Application Money (Refer Note 6 of Schedule XXI)	12,515.00	12,576.35
II. RESERVES AND SURPLUS :		
(a) Share premium : As per last balance sheet	2,445.35	71.40
Add:- On issue of Equity Shares during the year	6,553.27	2,373.95
Total Share Premium (Refer Note 6 of Schedule XXI)	8,998.62	2,445.35
(b) General reserve:	2,300.00	2,300.00
Add : Transferred from Profit and Loss Account	—	—
Less: Debt balance in the profit and loss account	2,300.00	1,738.79
Total General Reserve	—	561.21
(c) Amalgamation Reserve: As per last balance sheet	177.96	177.96
(d) Capital Reserve: (Refer Note 6 of Schedule XXI)	27.50	—
(e) Balance in Profit and loss account :	—	—
Total	9,204.08	3,184.52
III SECURED LOANS :		
Loans from Banks		
a) Cash Credit Loan from Banks - Bank of India	166.69	459.41
secured by hypothecation of current assets and certain fixed assets		
b) Term loan secured by hypothecation of certain cars	0.67	7.67
(Repayable in one year Rs. 0.67 lacs (Rs. 7.58 lacs))		
c) Term loan secured by hypothecation of Windmills	366.70	424.05
(Repayable in one year Rs. 106.80 lacs (Rs. 106.80 lacs))		
d) Term Loan - Refer Note below		
(Repayable in one year Rs. 1,900.00 lacs (Rs. 1,400.00 lacs))	4,950.52	5,715.32
(includes interest accrued and due Rs.50.40 lacs (Rs. 65.31 lacs))		
e) Term loan secured by hypothecation of Company's flat	242.01	343.33
(Repayable in one year Rs. 135.65 (Rs. 136.07 lacs))		
(includes interest accrued and due Rs.2.79 lacs (Rs.3.97 lacs))		
f) Working Capital Demand Loan secured by current assets and certain fixed assets (Repayable in one year Rs. 100 lacs(Rs.Nil))	150.00	—
g) Term Loan- Rental Discounting	1,739.94	—
Secured against future rent receivables and extension of mortgage of immovable property of a group company.		
(Repayable in one year Rs.368.38 lacs (Rs. Nil))		
Loan from Others		
a) Term Loan SICOM - Refer Note below	—	1,773.06
(Repayable in one year Rs. Nil (Rs. 1,750.00 lacs))		
(includes interest accrued and due Rs. Nil(Rs. 23.06 lacs))		

As at March 31, 2010 As at March 31, 2009
Rs. in Lacs Rs. in Lacs

b) Term Loan secured by hypothecation of certain cars (Repayable in one year Rs.2.08 lacs (Rs. 4.00 lacs))	6.50	4.36
Total	<u>7,623.03</u>	<u>8,727.20</u>

Note:

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.

IV UNSECURED LOANS

Inter-corporate Deposits - Short terms	1,044.86	1,445.78
From other than banks		
(Repayable on demand)	<u>1,044.86</u>	<u>1,445.78</u>
Total		

V. Fixed Assets: as on 31.03.2010**(Rs. Lacs)**

Particulars	Gross Block			Depreciation			Net Block	
	Cost as on 01.04.2009	Addition & Adjustments During the year	Deletion & Adjustments During the year	Cost as on 31.03.2010	As on 01.04.2009	For the year	Deletions	Total as on 31.03.2010
Tangible Assets								
Land - freehold	3.02	255.41	—	258.43	—	—	—	258.43
Buildings roads and Structures	979.11	29.27	—	1,008.38	220.41	18.45	—	238.86
Plant and machinery (including office equipments)	1,097.35	4.69	—	1,102.04	852.43	36.36	—	886.79
Furniture and fixtures	256.25	17.19	—	273.44	51.90	16.62	—	68.52
Vehicles	103.76	8.46	—	102.48	63.20	7.75	—	65.47
Windmill	768.02	—	—	768.02	218.01	79.41	—	297.42
Intangible Assets	3,207.51	315.02	9.74	3,512.79	1,405.95	158.59	5.48	1,559.06
Specialised Software	185.55	0.02	—	185.57	152.14	14.66	—	166.80
Technical Knowhow	39.61	—	—	39.61	39.59	—	—	39.59
Assets given on Lease								
Plant and Machinery	663.79	—	663.79	—	663.79	—	663.79	—
Total (A):	4,096.46	315.04	673.53	3,737.97	2,261.47	173.25	669.27	1,765.45
Capital work in progress includes capital advances (Refer Note 16 of Schedule XXI) Less: Provision for doubtful advances								
Total (B):								
Total (A + B):	4,096.46	316.04	673.53	3,737.97	2,261.47	173.25	669.27	1,765.45
Previous year	4,202.37	5.05	110.96	4,096.46	2,185.27	183.06	106.86	2,261.47

VI INVESTMENTS**LONG TERM - UNQUOTED**

As at March 31, 2010 As at March 31, 2009
Rs. in Lacs Rs. in Lacs

Non Trade**Government Securities**

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

Others

— 261,102,322 (226,671,247) fully paid equity shares of Rs.10 each in Metlife India Insurance Company Private Limited**	27,311.66	23,868.55
— 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. (Associate)	35.07	33.30
— 2,500(2,500) fully paid equity shares in The Saraswat Co-op Bank Limited	0.25	0.25

**SCHEDULES TO AND FORMING PART OF CONSOLIDATED
BALANCE SHEET AS AT MARCH 31, 2010**

Annual Report 2009-2010

	As at March 31, 2010 Rs. in Lacs	As at March 31, 2009 Rs. in Lacs
QUOTED		
Non-Trade		
— 440 (440) fully paid equity shares of Rs. 2 each in Financial Technologies Limited	7.01	7.01
— 795,900 (795,900) fully paid up equity shares of Rs. 10 each in Elpro Packaging Limited.	3.98	3.98
— 50 (Nil) fully paid equity shares of Rs. 2 each in ABB Limited	0.42	—
— 50 (Nil) fully paid equity shares of Rs. 10 each in Accurate Transformers Limited	0.04	—
— 50 (Nil) fully paid equity shares of Rs. 10 each in Ackruti City Limited	0.26	—
— 200 (Nil) fully paid equity shares of Rs. 10 each in Adani Power Limited	0.21	—
— 50 (Nil) fully paid equity shares of Rs. 5 each in Ansal Properties and Infrastructure Limited	0.04	—
— 50 (Nil) fully paid equity shares of Rs. 10 each in Atlas Copco (India) Limited	0.44	—
— 100 (Nil) fully paid equity shares of Rs. 2 each in Areva T&D India Limited	0.27	—
— 50 (Nil) fully paid equity shares of Rs. 10 each in BGR Energy Systems Limited	0.26	—
— 50 (Nil) fully paid equity shares of Rs. 10 each in Bilpower Limited	0.09	—
— 50 (Nil) fully paid equity shares of Rs. 10 each in Brigade Enterprises Limited	0.07	—
— 50 (Nil) fully paid equity shares of Rs. 2 each in Crompton Greaves Limited	0.12	—
— 50 (Nil) fully paid equity shares of Rs. 2 each in DLF Limited	0.16	—
— 50 (Nil) fully paid equity shares of Rs. 10 each in Eclerx Services Limited	0.25	—
— 50 (Nil) fully paid equity shares of Re. 1 each in Elgi Equipments Limited	0.04	—
— 50 (Nil) fully paid equity shares of Rs. 2 each in Emco Limited	0.04	—
— 50 (Nil) fully paid equity shares of Rs. 10 each in IMP Power Limited	0.05	—
— 50 (Nil) fully paid equity shares of Rs. 10 each in Indo Tech Transformer Limited	0.16	—
— 50 (Nil) fully paid equity shares of Rs. 10 each in Ingersoll Rand (India) Limited	0.18	—
— 50 (Nil) fully paid equity shares of Rs. 2 each in Lancor Holdings Limited	0.05	—
— 200 (Nil) fully paid equity shares of Rs. 1 each in Marico Limited	0.21	—
— 50 (Nil) fully paid equity shares of Rs. 10 each in Mazda Controls Limited	0.05	—
— 50 (Nil) fully paid equity shares of Rs. 10 each in Omaze Limited	0.05	—
— 50 (Nil) fully paid equity shares of Rs. 2 each in Pantaloon Retail (India) Limited	0.19	—
— 50 (Nil) fully paid equity shares of Rs. 5 each in Puravankara Projects Limited	0.05	—
— 400 (Nil) fully paid equity shares of Re. 1 each in Shree Renuka Sugars Limited	0.34	—
— 50 (Nil) fully paid equity shares of Rs. 2 each in Sunteck Realty Limited	0.29	—
— 100 (Nil) fully paid equity shares of Rs. 10 each in Torrent Power Limited	0.30	—
— 50 (Nil) fully paid equity shares of Rs. 10 each in Voltamp Transformers Limited	0.44	—
CURRENT INVESTMENTS		
Quoted - Non Trade		
— Nil (5,779,042.40) Units of Reliance Mutual Fund - Reliance Retail Growth plan option	—	1,050.00
— 2,107.89 (2,107.89) units of Kotak Gilt Saving Growth Fund	0.43	0.43
— Nil (202.23) units of Templeton India Treasury Management account regular plan	—	2.44
Total	27,373.72	24,976.21
Aggregate amount of unquoted investments	27,357.20	24,965.22
Aggregate amount of quoted investments	16.52	10.99
Market value of quoted investments Rs 20.46 lacs (Rs 10.99 lacs)		
* Lodged with Government authorities.		
** There are certain restrictions on transferability of these shares.		
Statement Of Units Purchased and Sold During the year	Units Purchased	(Value Rs. in Lacs)
Mutual Fund		
HDFC Cash Management Fund - Treasury Advantage Plan - Wholesale - Growth	4,008,558	800.00
VII STOCKS		
Stores and spares	7.98	7.48
Raw materials and components	67.20	65.10
Work in progress	34.01	70.42
Finished goods	6.43	1.02
Land held as stock in trade	0.95	0.95
Project in Progress - Housing Division	1,834.95	1,312.51
Total	1,951.52	1,457.48

**SCHEDULES TO AND FORMING PART OF CONSOLIDATED
BALANCE SHEET AS AT MARCH 31, 2010**

	As at March 31, 2010 Rs. in Lacs	As at March 31, 2009 Rs. in Lacs
VIII SUNDRY DEBTORS		
(Unsecured)		
Over six months	78.11	192.86
— Considered good	89.16	59.16
— Considered doubtful	167.27	252.02
Others		
— Considered good	66.11	31.29
— Considered doubtful	—	—
Less : Provision for doubtful debts	233.38	283.31
Total	(89.16)	(59.16)
	144.22	224.15
IX CASH AND BANK BALANCES		
Cash on hand	0.48	0.40
Balance with scheduled banks on		
Current account *	299.70	274.45
Margin money account	—	3.29
Fixed Deposit	317.40	284.63
(Under Lien Rs 316.94 Lacs (Rs 284.17 Lacs))		
Total	617.58	562.77
* Includes balances in unclaimed dividend account Rs. 1.65 Lacs (Rs. 2.32 Lacs)		
X OTHER CURRENT ASSETS		
Claims receivable	39.62	20.81
PV Claim Receivable	9.17	9.17
Other Receivables	—	0.12
Total	48.79	30.10
XI LOANS AND ADVANCES :		
(Unsecured) (Considered good)		
Advances recoverable in cash or in kind or for value to be received	326.81	161.12
Advances to contractors	—	—
Advances to Suppliers	29.50	165.49
Balance with customs, excise, VAT authorities and Security Deposits	69.48	106.82
Advance Tax/TDS/Refund due from Income tax department	166.09	285.14
Advance Fringe Benefit Tax (Net)	1.89	1.89
MAT Credit entitlement	14.10	14.10
Advance towards share application in Meliße India Insurance Company Limited	7,641.41	2,500.00
Loans and deposits with companies	886.20	31.98
Advance to Gratuity Trust	6.83	8.30
Total	9,142.31	3,274.84
XII CURRENT LIABILITIES :		
Sundry Creditors		
— Due to Small and Medium Enterprises	362.97	337.51
— Due to Others	188.29	79.18
Other Liabilities	124.13	32.16
Advance from Customers	6,151.89	5,299.06
Advance against flat / commercial property sale agreements	6,868.52	3,624.22
Advance against flat booking (Refer Note 8 to Schedule XXI)	1.23	1.89
Dividend warrants posted but not encashed	531.14	548.87
Rental Deposits received	—	—
Total	14,228.17	9,922.89
XIII PROVISIONS :		
Provision for fringe benefit tax	—	1.82
Provision for leave encashment	5.23	6.23
Warranty & Other provisions	4.54	4.54
Total	9.77	12.59

**SCHEDULES TO AND FORMING PART OF CONSOLIDATED
PROFIT & LOSS ACCOUNT FOR THE MARCH 31, 2010**

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	Year ended March 31, 2010 Rs. Lacs	Year ended March 31, 2009 Rs. Lacs
XIV MISCELLANEOUS EXPENDITURE		
(To the extent not written off)		
Compensation Paid under VRS (Refer Note 17 of Schedule XXI)	173.69	30.42
Opening Balance	—	275.01
Addition during the year	(173.69)	(131.74)
Amortised during the year	—	173.69
Closing Balance	—	—
XV SALES AND SERVICES :		
Sales	478.79	603.37
Income from Windmill	92.99	99.97
Income from Housing	1,676.60	—
Income from lease rentals	633.81	508.55
Income from services	16.39	30.25
Sale of scrap and other items	0.27	21.00
Total	<u>2,898.85</u>	<u>1,263.14</u>
XVI OTHER INCOME :		
Interest on inter-corporate deposits/cans, bank deposits, income tax, etc. (gross)	247.88	21.15
- Tax deducted at source Rs. 23.97 lacs (Rs.3.79 lacs)	0.24	0.09
Dividend from current investments (Refer Note below)	3.72	6.53
Duty drawback	6.36	5.23
Sundry provisions and credit balances no longer required written back	2.40	—
Profit on sale of Right to Purchase Property	19.35	1.50
Miscellaneous Income	—	12.96
Forex Gain / (Loss) (net)	—	6.29
Profit on sale of Fixed Assets	6.33	5.04
Profit on sale of current investments (Net)	4.76	19.60
Interest on Income Tax Refund	—	—
Total	<u>291.04</u>	<u>78.39</u>
Notes:		
Dividend income includes		
1) Dividend income from Long Term Investments (Non-trade)	0.10	0.05
2) Dividend from mutual fund	0.14	0.04
XVII MATERIALS :		
Consumption of raw material and bought out components	65.97	118.62
Opening stock	160.27	135.35
Add: Purchases (including outside processing charges)	68.07	65.97
Less: Closing Stock	158.17	188.00
Raw Material Consumed	11.75	22.79
Other direct material cost	—	—
(Increase)/Decrease in stock of finished goods and work-in-progress	70.42	172.60
Opening stocks	1.02	8.33
Work-in-progress	71.44	180.93
Finished goods	—	—
Closing stocks	34.01	70.42
Work-in-progress	6.43	1.02
Finished goods	40.44	71.44
(Increase)/Decrease in stocks	31.00	109.49
Total Material cost	200.92	320.28
Project Cost (Refer Note 7 of Schedule XXI)	1,089.97	—
Total	<u>1,290.89</u>	<u>320.28</u>

**SCHEDULES TO AND FORMING PART OF CONSOLIDATED
PROFIT & LOSS ACCOUNT FOR THE MARCH 31, 2010**

	Year ended March 31, 2010 Rs. Lacs	Year ended March 31, 2009 Rs. Lacs
XVIII EMPLOYEE COSTS		
Salaries, wages and bonus	73.91	118.81
Contribution to Provident and other Funds	1.76	7.13
Gratuity	1.47	14.96
Provision for leave encashment	5.05	14.76
Welfare expenses	1.50	10.69
Total	83.69	166.35
XIX INTEREST AND FINANCE CHARGES		
Interest		
— On loans for fixed periods	998.22	1,445.34
— Others	750.79	217.74
Finance charges		
Bank charges	29.45	14.68
Total	1,778.46	1,677.76
XX OTHER EXPENSES :		
Stores consumed	11.59	13.46
Power and fuel (net of recoveries)	3.82	22.89
Travelling and conveyance	24.05	36.97
Foreign Travelling Expenses	4.26	4.69
Repairs to machinery	3.46	2.50
Repairs to building	0.32	4.23
Other repairs and maintenance	8.77	14.28
Insurance	2.57	4.86
Rent	28.29	27.56
Rates and taxes	5.01	13.49
Director's Fees	1.32	1.11
Commission	1.94	5.41
Penalties for late deliveries (net of recoveries)	0.45	0.03
Telephone, Telegram & Telex	5.69	8.72
Provision for Bad and Doubtful debts	30.05	24.00
Provision for Liquidated Damages	5.00	—
Legal and Professional charges	107.01	88.38
Freight outward (net of recoveries)	9.43	14.34
Miscellaneous Expenditure written off	173.69	131.74
Compensation	61.00	—
Interest Compensation	22.49	—
Loss on Sale of Fixed Assets	0.56	—
Audit Fees	20.76	—
Share issue Expenses	4.03	—
Miscellaneous expenses	58.22	90.23
Total	593.78	508.89

XXI SCHEDULES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2010

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, 2010 comprise of the audited financial statements of Elpro International Limited ("the Company"), its subsidiary Elpro Estates Limited (formerly known as "Trump Properties Limited") and audited financial statements of associate companies - Dabir Properties & Trading Company Limited and Elpro Packaging Limited (ceased to be an associate with effect from November 2008). The consolidated financial statements have been prepared on the following basis.

- i) In respect of Subsidiary Company, 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 subsidiary 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 1.68% (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 associate 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) 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 dispatch 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 subject to the actual cost incurred being at least 25% of the total estimated project cost involved and further subject to receipt of at least 10% of the total sales consideration. 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.

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 in 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/availingment. 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.

Liquidated damages/penalties are provided for meeting the obligations arising from delay in contractual delivery schedules. 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:**

i. 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.

ii. 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 ten 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.

2. Particulars of a subsidiary and associates

Name of the Company	Country of Incorporation	Percentage of ownership interest as at March 31, 2010	Percentage of ownership interest as at March 31, 2009
Subsidiary (Held Directly)			
(a) Elpro Estates Limited (Formerly known as 'Trump Properties Limited') Associates	India	86.17%	99.95%
(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%

3.

	2009-10	2008-09
	Rs. Lacs	Rs. Lacs

i. Estimated amount of contracts remaining to be executed on capital account and not provided for

ii. Contingent liabilities not provided for:

- Income tax matters in dispute at various stages of appeal
- Excise duty
- Service tax
- Employee related matters

62.35	237.13
9.75	9.75
4.75	4.75
Amount not ascertainable	Amount not ascertainable
18.18	34.09
37.58	37.58
46.31	167.55
6,500.00	6,500.00
596.00	267.00

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

- Break-up of deferred tax liability as at March 31, 2010
Additional depreciation on fixed assets for tax purposes due to higher tax depreciation rates.

287.82	320.07
287.82	320.07

ii. Break-up of deferred tax asset as at March 31, 2010

Nature of timing difference

Provision for doubtful debts/advances that are deducted for tax purposes when written off.

56.32 47.43

On provision for employee benefits / voluntary retirement scheme compensation

58.14 19.23

On other items

1.85 4.37

Tax credit for the year 2005-06 u/s 115JAA

3.99 3.99

On unabsorbed depreciation allowance and brought forward business loss

184.35 297.70

Deferred tax asset

304.65 372.72

Net deferred tax asset

16.83 52.65

Note:

As at March 31, 2010, the Company has carried forward losses and unabsorbed depreciation 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, 2010. 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.

5. Warranty provision

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	—	—
Carrying amount as at the end of the year	4.54	4.54

6. Share capital

During the previous year the authorized share capital of the Company was 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.

During the previous year, the Company had issued 1,100,000 convertible equity share warrants on a preferential basis to foreign institutional investors carrying an entitlement to apply for allotment of Equity shares of Rs. 10 each at a premium of Rs 601 per share. 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.

During the current year the Company has issued 660,000 (Previous year 395,000) equity shares on conversion of the share warrants into equity shares and transferred Rs 3,966.60 lacs (Previous year Rs.2,373.95 lacs). The balance 45,000 share warrants issued expired on October 24, 2009 which were cancelled by the Company and the 10% subscription amount received against the issuance of warrants amounting to Rs 27.50 lacs has been forfeited by the Company there upon as per the terms of the warrants. The same has been credited to capital reserves.

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

Rs. Lacs			
Proceeds received from issue and conversion of Warrants			
Sr No	Particulars	March 31, 2010	March 31, 2009
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
4	90% on exercise of conversion of 660,000 warrants by warrant holder	1,622.21	—
Total		1,622.21	4,851.34

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

Amount in lacs			
Particulars	March 31, 2010	March 31, 2009	
Property development operations	68.50	357.63	
Repayments of existing debts of a subsidiary	—	1,276.65	
Repayments of existing debts / inter corporate deposits	315.00	773.42	
Temporarily invested in Mutual fund and inter corporate deposit given	—	769.91	
Invested in Met Life India Insurance Company Limited	1,209.78	1,661.59	
General corporate purpose	28.93	12.14	
Total	1,622.21	4,851.34	

During the current year, the Company has submitted Draft Letter of Offer to SEBI and stock exchange on January 14, 2010 with regard to proposed right issue of equity shares upto maximum of Rs 13,800 lacs. The consent of SEBI is awaited.

The Company has obtained consent from its promoters to convert their unsecured loan / share application money amounting to Rs 12,515.00 lacs to be adjusted against the respective rights entitlements in the proportion of their existing share holding and also for unsubscribed portion of right issue, if any. The same has been disclosed as Equity share application money as at March 31, 2010

Further, during the year the Subsidiary Company allotted 240,000 equity shares of Rs 10 each at Rs 1,250.76/- premium per share to Expania Investments Limited. Cyprus for an aggregate amount of Rs 3,025.82 lacs.

The share application money amounting to Rs 7,543.39 lacs received in earlier years was refunded back to M/s Expania Investments Limited, Cyprus on December 1, 2009.

The said allotment was made as per the resolution dated December 7, 2009 and form FCGPR (for issue of shares to non-residents) was filed with Authorised Dealer on January 1, 2010.

7. Project cost includes

Particulars	2009-10 Rs. In Lacs	2008-09 Rs. In Lacs
Materials and labour cost	827.37	—
consultant and professional expenses	220.16	—
Other direct development expenses	42.44	—
Total	1,089.97	—

8. Advance against flat bookings include Rs 6,399 lacs (Previous year 2,300.00 lacs) received from related parties in respect of which formal sale agreements are yet to be entered into. The Management confirms that these advances have been received in the normal course of business.

9. 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 0.07 lacs (Previous year USD 1.55 lacs).

- 10.** The Investment in Elpro Packaging Limited has been stated at an estimated realisable amount.
- 11.** Investments made in Met Life India Insurance Company Limited are 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, 2010.

During the previous 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.

12. Related party disclosures

- (a) Names of related parties and nature of relationship where transactions have taken place during the year.
- | | |
|--|---|
| 1. Faridabad Investment Company Ltd. | Investing party/promoter company |
| 2. Dabri Properties & Trading Co. Ltd. | Associate |
| 3. International Conveyors Limited | Promoter company |
| 4. Mr. Surbhit Dabhiwala | Promoter Director |
| 5. Mr. R. K. Dabhiwala | Promoter Director |
| 6. Mrs Yarnini Dabhiwala | Relative of Promoter Director |
| 7. Elpro Estate Limited (Formerly known as Trump Properties Limited) | Subsidiary |
| 8. IGE (I) Ltd. | Enterprise over which promoter company/promoter exercise significant influence |
| 9. Faridabad Capital Holdings Pvt. Limited | Enterprise over which promoter company/promoters exercise significant influence |
| 10. Elpro Packaging Limited | Associate (ceases to be an associate with effect from November 24, 2008) |
| 11. RCA Limited | Promoter company |
| 12. Elpro Capital Pvt. Limited | Enterprise over which promoter company/promoter exercise significant influence |
| 13. IGE Realty Pvt. Ltd. | Enterprise over which promoter company/promoter exercise significant influence |
| 14. International Belting Limited | Enterprise over which promoter company/promoter 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, 2010 (Rs. Lacs)	March 31, 2009 (Rs. Lacs)
Nature of transactions		
Transactions during the year		
1) Inter Corporate Deposits (ICD) (Given) / Received	7,000.00	(225.00)
2) Repayment (received) / Repayment on ICD's	800.00	(1,024.86)
3) ICD Converted to Equity share application	6,200.00	—
4) Advance received against flat booking	6,200.00	—
5) Interest (Income) / Expenses	293.67	(9.01)
Balances		
1) (Receivables) / payable	—	(7.15)
2) Capital Advances Received	6,200.00	—
3) Maximum Balances during the year	7,000.00	799.86
4) Share application money	6,200.00	—
Associate : Dabri Properties & Trading Co. Ltd.		
Nature of transactions		
Transactions during the year		
1) Repayment made on ICD's taken	—	0.43
2) Interest expense	—	—
Balances		
1) Payable	—	—
2) Maximum balances during the year	—	—

iii) Associate : Elpro Packaging Ltd (ceases to be an associate from November 24, 2008)		March 31, 2010	March 31, 2009
Nature of transactions		(Rs. Lacs)	(Rs. Lacs)
Transactions during the year			
1) ICD received		—	—
2) Repayment made on ICD's taken		—	164.75
3) Interest expense		—	—
Balances			
1) Payable		—	—
promoter company: International Conveyors limited			
Nature of transactions			
Transactions during the year			
1) ICD received / advance against flat bookings converted into ICD		4,065.00	3,348.00
2) Repayment made on ICD's taken		1,400.00	3,350.00
3) Interest expense		146.47	18.80
4) Advance received against flat bookings		Nil	2,300.00
5) Converted to Equity share application		2,600.00	—
6) Other expenses		0.09	—
Balances			
1) Payable		211.15	14.32
2) Advance received towards bookings		—	2,300.00
3) Other Expenses		0.09	—
4) Maximum Balance during the year		3,379.32	2,300.00
5) Share application money		2,600.00	—
Enterprise over which promoter company/promoter exercises significant influence:			
Faridabad Capital Holding Pvt Ltd.			
Nature of transactions			
Transactions during the year			
1) ICD (Given)		—	1.00
2) Advance received against flat bookings		199.00	—
3) Other Expenses		0.01	—
Balances			
1) Receivable		—	1.00
2) Maximum Balance during the year		200.00	1.00
3) Advance against flat bookings		199.00	—
Enterprise over which promoter company/promoter exercise significant influence: IGE (India) Ltd.			
Nature of transactions			
Transactions during the year			
1) ICD received		3,534.00	6,073.00
2) Repayment made on ICD's taken		2,927.63	5,018.99
3) Interest expense		248.90	92.80
4) Rent and other expenses		29.24	20.73
5) Corporate guarantee given		—	6,500.00
6) ICD converted into equity share application		2,500.00	866.00
7) Advance against TDR Purchase		182.82	—
Balances			
1) Payable / (Receivable)		(665.62)	1,248.95
2) Maximum Balances payable during the year		2,914.11	2,127.17
3) Corporate guarantee		6,500.00	6,500.00
4) Share application money		2,500.00	—
promoter company : RCA Limited			
Nature of transactions			
Transactions during the year			
1) ICD Given		400.00	—
2) Interest Expense		6.27	—
3) Converted into share application money		400.00	—
vii)			

	March 31, 2010 (Rs. Lacs)	March 31, 2009 (Rs. Lacs)
Balances		
1) Maximum Balance during the year	400.00	—
2) Closing balance payable	6.27	—
3) Share application money	400.00	—
viii) Enterprise over which promoter company/promoter exercise Significant Influence: Elpro Capital Pvt. Limited		
Nature of transactions		
Transactions during the year		
1) Reimbursement of incorporation expenses	2.48	—
Balances		
1) Maximum Balance during the year	2.48	—
2) Payable	2.48	—
ix) Enterprise over which promoter company/promoter exercise Significant Influence: International Belting Limited		
Nature of transactions		
Transactions during the year		
1) ICD Received	619.00	—
2) ICD Repaid	400.00	—
3) Interest Expense	3.74	—
Balances		
1) Maximum Balance during the year	619.00	—
2) Payable	222.36	—
x) Promoter Director : Mr S. Dabirwala		
Nature of transactions		
Transactions during the year		
1) Remuneration	—	9.33
2) Sitting fees	0.30	—
xii) Promoter Director : Mr R.K. Dabirwala		
Nature of transactions		
Transactions during the year		
1) Director's Sitting fees	0.17	0.17
2) Share Application Money Received	225.00	—
Balances		
1) Maximum Balance during the year	225.00	—
2) Share application money	225.00	—
Relative of promoter director: Mrs Yamini Dabirwala		
Nature of transactions		
Transactions during the year		
1) Share Application Money Received	590.00	—
Balances		
1) Maximum Balance during the year	590.00	—
2) Share application money received	590.00	—
13. Earning per share		
Profit/(Loss) after tax and exceptional items (Rs. Lacs)	2009-10 (862.56)	2008-09 (329.90)
Weighted average number of equity shares used for calculating basic earnings per share	4,480,978	3,907,307
Weighted average number of equity shares used for calculating diluted earnings per share	4,480,978	3,907,307
calculating diluted earnings per share	4,480,978	3,907,307
Face value of Equity Shares (Rs.)	10	10
Earning per share- Basic & Diluted (Rs.)	(19.25)	(8.44)
The share warrants outstanding as on March 31, 2009 were considered anti dilutive as fair value of equity shares to be issued was less than the issue price.		

14. 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, 2010 is given as follows:

(Rs. Lacs)

	Electrical Equipments	Real Estate	Investment Activity	Others	Elimination	Total (Rs. in lacs)
Segment Revenue						
External Sales	479.06	2,322.41	—	109.38	—	2,910.85
	(624.37)	(520.55)	(—)	(130.22)	(—)	(1,275.14)
Inter - segment Sales	—	(12.00)	—	—	(12.00)	(12.00)
	(—)	(12.00)	(—)	(—)	(12.00)	(12.00)
Segment Revenue	479.06	2,310.41	—	109.38	—	2,898.85
	(624.37)	(508.55)	(—)	(130.22)	—	(1,263.14)
Segment Result	(57.97)	1,140.04	—	13.26	—	1,095.33
	((156.78))	(506.65)	(—)	(26.06)	(—)	(375.93)
Unallocated corporate expenses (net of unallocable income)						299.59
						(212.98)
Operating profit / (loss)						795.64
						(162.95)
Interest Income						252.64
Interest Expenses						1,778.46
						(1,677.76)
Profit / (Loss) before Tax & exceptional item						(730.18)
						(1,514.81)
Exceptional item						—
						(1,191.93)
Profit / (Loss) before tax & after exceptional item						(730.18)
						(322.88)
Income Tax/Deferred tax Reversal						120.39
						(7.14)
Net Profit / (Loss) after tax						(850.57)
						(-) (330.02)
Other Information						
Segment assets	665.81	6,208.64	35,015.13	493.26		42,382.84
	(818.26)	(1,951.29)	(26,426.22)	(551.01)		(29,746.78)
Unallocated corporate assets						2,862.08
						(6,708.46)
Total assets						45,244.92
						(36,455.24)

	Electrical Equipments	Real Estate	Investment Activity	Others	Elimination	Total (Rs. in lacs)
Segment liabilities	352.28	13,939.64	-	366.70		14,658.62
	(658.70)	(9,489.24)	(-)	(424.05)		(10,571.99)
Unallocated corporate liabilities						8,247.21
						(9,536.47)
Total liabilities						22,905.83
						(20,108.46)
Capital Expenditure	-	-	-	-		-
	(-)	(-)	(-)	(-)		(-)
Expenditure						(5.05)
Total capital expenditure						315.04
						(5.05)
Depreciation	42.92	9.50	-	79.41		131.83
	(44.81)	(9.50)	(-)	(104.96)		(159.27)
Unallocated Depreciation						41.42
						(23.79)
Total Depreciation						173.25
						(183.06)
Non cash expenses other than depreciation	173.69	-	-	-	-	173.69
	(131.74)	(-)	(-)	(-)		(131.74)

(b) Secondary Segment - Geographical Segments

(Rs. Lacs)

	Domestic	Export	Total
Segment revenue by geographical area			
Based on geographical location of customers	2,743.91	154.94	2,898.85
(Including net sales, services etc.)	(980.21)	(282.93)	(1,263.14)
Segment Assets by geographical area			
	45,241.90	3.02	45,244.92
	(36,377.97)	(77.27)	(36,455.24)
Capital Expenditure			
	315.04	-	315.04
	(5.05)	-	(5.05)

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 previous year the Company has reclassified Varistors from Segment - 'Others' to Electrical Equipment Segment.

15. 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

Buildings	2009-10	2008-09
	(Rs. Lacs)	(Rs. Lacs)
Gross block	180.50	180.50
Accumulated depreciation	40.59	36.67
Depreciation recognized during the year	3.92	3.92
Lease Rental Receipt for the year	2009-10	2008-09
	(Rs. Lacs)	(Rs. Lacs)
Future minimum lease rentals Receipts not later than one year	645.81	520.55
later than one year but not later than five years	657.75	612.49
	1,534.91	1,743.35

- 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:

	2009-10	2008-09
	(Rs. Lacs)	(Rs. Lacs)
Lease rental payments for the year	13.57	8.60
Future minimum lease rentals payments payable		
Not later than one year	13.90	12.60
later than one year but not later than five years	—	—

16. 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.

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

18. During the previous year, the Company has entered into a 'Joint development Agreement' on June 3rd, 2008(JDA) with 'Elpro Estates Limited' (Formerly known as 'Trump Properties Limited'), a Subsidiary Company for the Joint Development of the Commercial project for development/construction of Commercial Mall admeasuring 7,29,641.90 sq. ft. built up area. 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.

19. 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 of directors

Anil Poddar
Director

R. K. Dabriwala
Chairman

For Price Waterhouse
Chartered Accountants
Firm Registration No - 012754N
Vilas Y. Rane
Partner
Membership No - F- 33220

Place: Mumbai
Date: August 28, 2010

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 in the district of as my/our proxy to vote for me/us on my/our behalf at the **47th ANNUAL GENERAL MEETING** of the Company to be held on Thursday, September 30th, 2010 at 10.00 a.m. at National Sports Club of India, Lala Lajpat Rai Marg, Worli, Mumbai - 400 018 at Loung 'A' and at any adjournment thereof.

Signed this day of 2010

DPID & Client ID No.

Folio Number

No. of Shares held

Signature.....

Please
affix
Revenue
Stamp

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

47TH ANNUAL GENERAL MEETING ON THURSDAY, SEPTEMBER 30, 2010

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 47th Annual General Meeting of the Company to be held on Thursday, September 30, 2010 at 10.00 a.m. at National Sports Club of India, Lala Lajpat Rai Marg, Worli, Mumbai - 400 018 at Loung 'A'.

.....
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.