



A section in the Software Development Centre

Elpro International Ltd.

BOARD OF DIRECTORS

| | |
|-----------------|---------------------------|
| K. M. CHINNAPPA | <i>Chairman</i> |
| R. K. DABRIWALA | <i>Vice Chairman</i> |
| R. N. DASS | |
| S. K. BAGLA | |
| S. RAMACHANDRAN | |
| S. DABRIWALA | <i>Wholetime Director</i> |

AUDITORS

| | |
|--------------------------|------------------------------|
| M/s A. F. FERGUSON & CO. | <i>Chartered Accountants</i> |
|--------------------------|------------------------------|

SOLICITORS

MULLA & MULLA & CRAIGIE BLUNT & CAROE

PRESIDENT

M. JHUNJHUNWALA

COMPANY SECRETARY

P. M. KADAM

BANKS

BANK OF INDIA

BANK OF BARODA

THE UNITED WESTERN BANK LTD.

STATE BANK OF HYDERABAD

REGISTERED OFFICE : Nirmal, 17th Floor, Nariman Point, Mumbai - 400 021

Elpro International Ltd.

NOTICE

Notice is hereby given that 37th Annual General Meeting of the Company will be held on Monday, 18th December, 2000 at 10.30 A.M. at Walchand Hirachand Hall, Indian Merchants' Chamber, Churchgate, Mumbai - 400 020 to transact following business :

Ordinary Business :

1. To consider and adopt Balance Sheet as at 31st March, 2000; Profit & Loss Account for the year ended on that date and the Reports of the Auditors and Directors thereon.
2. To confirm interim dividend.
3. To consider and, if thought fit, pass following ordinary resolutions for re-appointment of retiring Directors :
 "Mr. K.M. Chinnappa be and is hereby appointed as a Director."
 "Mr. R.K. Dabriwala be and is hereby appointed as a Director."
 "Mr. R.N. Dass be and is hereby appointed as a Director."
 "Mr. S.K. Bagla be and is hereby appointed as a Director."
4. To appoint Auditors and fix their remuneration.

Special Business :

5. To consider and, if thought fit, pass following ordinary resolution :
 "Dr. S. Ramachandran be and is hereby appointed as a Director."
6. To consider and, if thought fit, pass, with or without modifications, following special resolution :
 "RESOLVED that, pursuant to the provisions of Section 31 and other applicable provision(s), if any, of the Companies Act, 1956, Articles of Association of the Company be and are hereby altered by inserting following Article 61-A- Dematerialisation of shares - after existing Article 61:
 Company shall be entitled to dematerialise its shares or offer its shares in a dematerialised form and/or rematerialise the same pursuant to the Depositories Act, 1996 and the rules framed thereunder. No share certificate shall be issued for shares held with depository and provisions relating to progressive numbering shall not apply to shares in dematerialised form. Register and Index of Beneficial Owners maintained by a Depository under Section 11 of the Depositories Act shall be deemed to be the Register and Index of Members for the purposes of the Act. Provisions of Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall not apply to shares held by a Depository on behalf of beneficial owners. In case of transfer / transmission of shares in electronic and fungible form, provisions of the Depositories Act shall apply. Depository shall be deemed to be the registered owner of shares for the purpose of effecting transfer of ownership on behalf of the beneficial owner. Depository shall, however, not have voting or other rights in respect of the shares. Beneficial owner shall be entitled to all the rights and benefits and be subjected to all the liabilities in respect of shares held by the Depository."

By Order of the Board,



R. N. DASS
Director

Mumbai : October 30, 2000

NOTES :

1. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and proxy need not be a member.**
2. Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, is enclosed.

EXPLANATORY STATEMENT**Business No. 5**

Board appointed Dr. S. Ramachandran as an additional director on 12.4.2000. He holds this office upto the date of ensuing annual general meeting.

Dr. S. Ramachandran, M.Sc., Ph.D., M.B.A., is an academican, a teacher by profession and a prolific writer on the subject of management. He is currently a management consultant to several prominent companies and a visiting faculty to management institutes. He has over 32 years experience in marketing and has received, among others, Udyog Shree Award, Indira Gandhi Priyadarshini Award, Gem of Indian Award and Kohinoor Ratna Award.

Company has received a notice alongwith requisite deposit from a member of the Company signifying his intention to propose, at the ensuing annual general meeting, candidature of Dr. S. Ramachandran for directorship.

Board is of the opinion that his association as a director would be useful and in the interest of the Company. Board, therefore, recommends his candidature for directorship. None of the directors (other than Dr. Ramachandran) may be deemed to be interested or concerned in the proposal.

Business No. 6

Trading in Company's shares in demat mode would be compulsory by 26.2.2001. In order to facilitate holding and transfer of shares in demat form, Company has made arrangements, in advance, by signing tripartite agreements with the Registrar and Share Transfer Agent and both the Depositories — National Securities Depository Ltd. and Central Depository Services (India) Ltd. Specific enabling provisions are required to be made in the Articles of Association of the Company for issue, holding, transfer and dealing in shares in demat form. Copies of relevant tripartite agreements and copy of Memorandum and Articles of Association are available for inspection at the Registered Office of the Company between 11.30 AM and 1.30 PM on any working day up to the date of the annual general meeting.

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

By Order of the Board,



R. N. DASS
Director

Mumbai : October 30, 2000

* * * * *

1. Please send your queries on accounts and communicate change in address.
2. Please return certificates for shares having face value of Rs. 100/- each to get in exchange certificates for shares having face value of Rs. 10/- each.
3. Please note closure of Register of Members and Share Transfer Books from Thursday, 14th December, 2000 to Monday, 18th December, 2000 (both days inclusive).
4. Please contact Secretarial Department for revalidation of unencashed dividend warrants.
5. Sharex (India) Pvt. Ltd. - 17/B, Dena Bank Building, Second Floor, Horniman Circle, Fort, Mumbai - 400 001 - are attending to matters relating to share transfer, transmission, consolidation, change of address, dividend mandate, splitting of shares, demat/remat etc.
6. Please dematerialise your shareholding.

Elpro International Ltd.

DIRECTORS' REPORT

Your Board presents this Thirty Seventh Annual Report together with the audited statements of account for the year ended on 31st March, 2000 for your approval.

1. Financial Results :

| | 1999-2000 Rs. Lakhs | 1998-99 Rs. Lakhs |
|--|------------------------|----------------------|
| Sales and other income | 4,683 | 4,244 |
| Profit after tax | 120 | 43 |
| Profit of the previous year | 477 | 406 |
| Transfer from Investment Allowance Reserve | 19 | 27 |
| Transfer from Voluntary Retirement Reserve | — | 100 |
| Profit available for appropriation | 616 | 576 |
| Less : Transfer to General Reserve | 9 | — |
| Interim dividend & tax thereon | 79 | — |
| Final dividend & tax thereon | — | 99 |
| Balance carried to Balance Sheet | 528 | 477 |

2. Operations :

1999-2000 was a year of growth in sales in quantitative terms. Aggregate turnover during the year under report was 13% higher than the same in the previous year and could have still been higher but for continued pressure on prices.

Profit before tax increased from Rs.143 lakhs in the previous year to Rs. 233 lakhs in the current year; despite reduction in service / other income and higher incidence of input cost / overheads. ERP BaaN computer system implemented during the year under report at Pune Plant is expected to facilitate cost control.

Switchgear division received ISO-9001 certification during the year.

3. Dividend :

Company paid interim dividend for the year 1999-2000 @Rs.2/- per share during May, 2000 to shareholders whose names appeared on Register of Members on 23.5.2000. Board recommends that interim dividend be treated as final dividend.

4. Software Projects :

Company has set-up infrastructure for undertaking software development activity and has successfully developed portals relating to insurance, travel & tours and rare art works. Company has promoted dot com companies to take over and own the portals. These companies are planning to have strategic tie-up / alliance(s).

5. Investments :

Company's investment in Mukund Flexpack Ltd. (MFL) has so far been non-yielding. MFL is beset with multiple problems in the matters of marketing, production and administration. Your Board is, therefore, planning to appoint an independent consultant to study the case thoroughly and advise on the matter.

5,88,000 equity shares of Rs. 10/- each, acquired at par, of Control Technique Elpro Automation Ltd. were sold during July 2000 for a consideration of Rs.130 lakhs.

6. Foreign Exchange :

Earning and outgo of foreign exchange during the year under report were Rs.690 lakhs and Rs.435 lakhs respectively; with net exchange earning of Rs.255 lakhs. Export earnings recorded growth of 50%.

37th Annual Report**7. Technology :**

Company has fully absorbed the technology imported in the past. Company is self-reliant on this front and does not envisage any major hardship.

8. Registered Office :

Registered Office has been shifted to Nirmal, 17th Floor, Nariman Point, Mumbai 400 021 w.e.f. from 12.4.2000.

9. Demat of Shares :

Company's shares have been activated in demat mode under ISIN No. INE 579 B 01013; both with Central Depository Services (India) Ltd. and National Securities Depository Ltd. Trading in demat mode will be compulsory from 26.2.2001.

10. Directorate :

Mr. S. K. Wadia resigned from directorship w.e.f. 13.1.2000. Board appreciated his services and advice.

Board appointed Dr. S. Ramachandran as an additional director on 12.4.2000. He holds this office upto the date of ensuing annual general meeting. On receiving a notice (along with requisite deposit) from a member signifying his intention to propose candidature of Dr. S. Ramachandran for directorship, a proposal to that effect has been incorporated in notice of annual general meeting.

Pursuant to Article 143 (3), all Directors (other than Mr. S. Dabriwala) retire at the annual general meeting and are eligible for re-appointment.

11. Appointment of President :

Mr. M. Jhunjhunwala, who was successful in consolidating the operations of the Switchgear Division at Hyderabad, has been appointed as President of the Company.

12. Employees :

Industrial relations at all plants and offices remained normal throughout the year. Initiative of Labour Union at Pune Plant in offering suggestions for improvements in operations was a welcome development and a step forward in establishment of more participative management at shop floor.

Particulars of employees drawing remuneration in excess of the prescribed ceiling are given in Annexure.

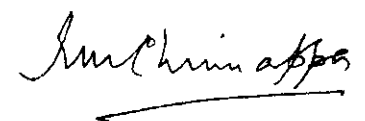
13. Auditors :

M/s A.F. Ferguson & Co. retire at the annual general meeting and are eligible for re-appointment. Audit qualifications are self-explanatory.

14. Acknowledgments :

Board thanks the banks and all business associates for their co-operation and support. Board places on record appreciation for services rendered by management, officers and workers. Finally, Board hereby thanks all shareholders for their continued support.

for and on behalf of Board,



K.M. CHINNAPPA
Chairman

Mumbai : October 30, 2000

Elpro International Ltd.

ANNEXURE : INFORMATION PURSUANT TO SECTION 217 (2A) OF THE COMPANIES ACT, 1956

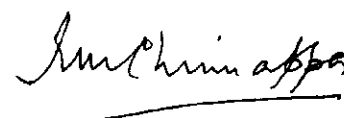
| Sr. No. | Name Age | Designation | Remuneration Rupees | Qualification | Joining Date Exps. in years | Last Employer, Designation and Service in years |
|---------|-----------------------|----------------------------------|------------------------|-------------------------|--------------------------------|---|
| 1. | Chaudhari S.S.* 44 | President | 2,50,900 | B.Tech. | 01.03.1996 21 | Bhor Industries Ltd. Sr. Vice President - Mfg. 2 1/2 |
| 2. | Deshmukh B.V. 58 | Vice President Manufacturing | 6,29,700 | B.E. (Mech.) M.I.E. | 01.05.1997 34 | Everest Kanto Cylinder Ltd. General Manager - 2 |
| 3. | Surve A.D. 61 | Vice President Personnel & HR | 6,29,700 | B.A., B.Com., M.P.M. | 01.10.1996 41 | Garware Nylons Ltd. GM - Personnel - 2 1/2 |

Services of these employees are subject to termination by notice of three months by either side.

None of the employees is a relative of any director of the Company.

Designation denotes nature of duties. (*) denotes employed for part of the year.

for and on behalf of Board,



K.M. CHINNAPPA
Chairman

Mumbai : October 30, 2000

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

| | | |
|---|--------------------------------|-----------------|
| I. Registration details : | Reg. No. : 12425 | State Code : 11 |
| | Balance Sheet Date : 31-3-2000 | |
| | | Rs. in Lakhs |
| II. Capital raised during the year : | | Nil |
| III. Position of mobilisation and deployment of funds : | Total Liabilities | 4,071 |
| | Total Assets | 4,071 |
| Sources of funds : | Paid up Capital | 356 |
| | Reserves & Surplus | 2,777 |
| | Secured Loans | 938 |
| Application of funds : | Net Fixed Assets | 898 |
| | Investments | 335 |
| | Net Current Assets | 2,819 |
| | Miscellaneous Expenditure | 19 |
| IV. Performance : | Total Income | 4,683 |
| | Total Expenses | 4,450 |
| | Profit Before Tax | 233 |
| | Profit After Tax | 120 |
| | EPS in Rupees | 3.4 |
| | Interim Dividend Rate % | 20 |
| V. Names of three principal products : | 85.35 Lightning Arresters | |
| | 85.35 H.V. Air Break Switches | |
| | 73.25 Magnets | |

REPORT OF THE AUDITORS**TO : MEMBERS OF ELPRO INTERNATIONAL LTD.**

We have audited the attached Balance Sheet of ELPRO INTERNATIONAL LIMITED as at 31st March, 2000 and also the annexed Profit & Loss Account of the Company for the year ended on that date and report that:

1. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988, issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph 1 above:
 - 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 the books;
 - c) the Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the Balance Sheet and the Profit and Loss Account comply with the Accounting Standards referred to in section 211(3C) of the Companies Act, 1956.
 - e) (i) the company has investments aggregating Rs.192.36 lakhs in certain companies and loans and advances aggregating Rs.1221.00 lakhs are recoverable from them (Note 24)
 - (ii) an intercorporate deposit and interest accrued thereon aggregating Rs.33.20 lakhs remains to be recovered (Note 25)
 - (iii) capital advances include Rs.50.12 lakhs paid to a group of companies (Note 26)

For the reasons stated in notes 24 to 26, the Company expects no loss/further loss to arise for which a provision is necessary in respect of the aforesaid items and/or that these are good and recoverable. We are unable to express an opinion in these matters and, accordingly, the consequential effects, if any, on the profits for the year and the reserves as at the year end.

- f) Subject to the paragraph (e), in our opinion and to the best of our information and according to the explanations given to us, the accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2000.
 - and
 - ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date.

for A. F. FERGUSON & CO.
Chartered Accountants

S. R. TATA
Partner

Mumbai : October 30, 2000