

ELPRO INTERNATIONAL LTD.

48TH ANNUAL REPORT 2010-2011

BOARD OF DIRECTORS

Mr. R. K. Dabriwala – Chairman

Mr. R. K. Choudhury

Mr. Anil Poddar

Mr. Sharat Anand

Mr. Narayan T. Atal

Mr. Surbhit Dabriwala

Mr. Ashok Jain

KEY MANAGEMENT EXECUTIVES

Mr. R. Mukherjee – CEO

Mr. Sambhaw Jain – CFO, Compliance Officer

AUDITORS

Todarwal & Todarwal
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 Kurla Road,
Andheri (E),
Mumbai - 400 072.

REGISTERED OFFICE

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

NOTICE OF THE 48TH ANNUAL GENERAL MEETING

Notice is hereby given that 48th Annual General Meeting of the Company will be held on 8th Day of July, 2011, at 9.30 a.m at National Sports Club of India, Lala Lajpat Rai Marg, Worli, Mumbai - 400 018 at Lounge 'A' to transact the following business:

Ordinary Business:

1. To consider and adopt the Audited Balance Sheet of the company as at 31st March, 2011 and Profit and Loss account for the year ended on that date and the Report of the Auditors' and Directors' thereon
2. To appoint a Director in place of Mr. R.K. Dabriwala, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Narayan T. Atal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Ashok Jain, 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 appoint a Director in place of Mr. Anil Poddar, who retires by rotation and being eligible, offers himself for re-appointment
7. 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 and authorise the Board of Directors to fix their remuneration.

Special Business:

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
 "RESOLVED THAT Mr. R.S.Dabriwala who was appointed as an Additional Director of the Company effective November 8, 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 : Kolkata

R.K.Dabriwala
Chairman

Dated : 30th May, 2011

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 3rd July 2011 to 8th July 2011 (both days inclusive).
- d. Pursuant to provisions of Section 205A of the Companies Act, 1956, as amended, the unpaid dividends for the Financial Year 2001-2002 and thereafter which remain unpaid / unclaimed for a period of seven years shall be transferred to the Investor Education and Protection Fund constituted in terms of Section 205C of the Companies Act, 1956.
- e. Members holding shares in physical form are requested to notify immediately any change in their address to the Company's Registrar and Transfer Agents **M/s. Sharex Dynamic (India) Private Limited, Unit No. 1, Luthra Industrial Premises, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai - 400072.** Members holding

shares in electronic form may intimate any such changes to their respective Depository Participants (DPs).

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACTS, 1956

Item No. 8:

Mr. R.S.Dabriwala was appointed as an additional director of the company by the Board of Directors on 8th Day of November, 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.R.S.Dabriwala, None of the Directors of the Company is concerned or interested in the resolution.

By Order of the Board of Directors

Place : Kolkata

Date : 30th May, 2011

R.K.Dabriwala
Chairman

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

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
Faridabad Capital Holding Pvt. Ltd.	Director

Mr. R. K. Choudhury

Mr. Choudhury is an Advocate with over 51 years of experience and is a senior consultant of M/s Khaitan & Co., Advocates, Kolkata & Mumbai. He is holding directorship in following Companies:-

Name of the Company	Particulars of position held
Academic Foundation & Publication Pvt. Ltd.	Director
Balrampur Chini Mills Ltd.	Director
Digjam Ltd.	Director
Elpro International Limited.	Director
Khaitan Consultants Limited.	Director
Lynx Machinery & Commercial Limited	Director
Puja Corporation Limited.	Director
Puja Art Archive Limited.	Director
Rajratan Impex Pvt. Ltd.	Director
RKDK Publisher Pvt. Ltd.	Director
Super Diamond Nirmal 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 24 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:-

Flexcituff 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 27 years experience in Chartered Accountants practice. He is holding directorship in following companies.

Name of the Company	Particulars of position held
Gama Leafin Pvt. Ltd.	Director
The Pratap Co Operative Bank Ltd.	Director

Elpro Estates Limited	Director
Elpro International Limited	Director
Ajcon Global Services Ltd.	Director
Shree Madhu Industrial Estate Ltd.	Director

Mr. Anil Poddar

Mr. Anil Poddar has experience of more than 21 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
Dabri Properties & Trading Company Limited	Director
MetLife 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

Mr. Ashok Jain

Mr. Ashok Jain is a Chartered Accountant, and having experience in different field like manufacturing, Insurance etc. He is holding the position of director in following Companies :-

Elpro International Limited	Director
First Policy Insurance Brokers Pvt. Ltd.	Director

By Order of the Board of Directors

Place : Kolkata

Date : 30th May, 2011

R.K.Dabriwala
Chairman

DIRECTORS' REPORT

Dear Shareholders,

The Directors present the 48th Annual Report together with the audited balance-sheet and profit and loss account for the year ended March 31, 2011.

1. Financial Results

Particulars

	(Rs. in Lacs)	
	Year ended 31.03.2011	Year ended 31.03.2010
Gross sales & services	3,506	2,923
Other Income	763	74
Profit / (Loss) Before Tax and Exceptional Items	730	(862)
Provision for Taxation	6	64
MAT Credit	6	—
Provision for Deferred Tax	—	—
Exceptional Items	(200)	—
Profit/(Loss) After Tax	530	(926)
Profit brought forward from previous year	(279)	(1,653)
Profit available for appropriation	251	(2,579)
Dividend-Proposed	—	—
Dividend tax on proposed dividend	—	—
Transfer to General reserve	—	—
Balance carried to Balance Sheet	251	(2,579)

2. Operations:

The top-line during the year stood at Rs.3506 Lacs, there is an increase of 20% compared to previous year. The increase in top line was on account of recognition of revenue from real estate activities and other income.

3. Dividend:

Due to accumulated losses in past years, your Directors do not recommended any dividend.

4. Subsidiary & Consolidated Financial Statement:

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

5. Directors:

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

6. Auditors:

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

7. Personnel:

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

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

During the year under review, the energy consumption was 537055 (including 5733 own generation through DG) KWH in units as against 93934 (including 7810 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.186.65 lacs and Rs. 52.27 Lacs as against Rs. 154.94 Lacs and Rs. 34.90 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 : Kolkata
Date : 30th May, 2011

R.K.Dabriwala
Chairman

MANAGEMENT DISCUSSION AND DEVELOPMENT:**1. Industry Structure and Development:**

The significant turn around in the performance of the Company is largely due to increase of revenue in real estate and the progress of its real estate activities is satisfactory although the sector has not picked up as much as other sector post recession period. With regard to its core manufacturing activities the demand situation has not improved considerably, however the Company has achieved its target of profitability in the current year from the said division

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 factors 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 its 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 core business of the Company have advanced considerably during the year and will continue to increase in the coming years.

4. Risks & Concerns and Outlook:

Your Company is known to deliver products that meet to the highest benchmarks of quality. The company is committed to maintain the same quality benchmark in real estate Business too.

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 eight Directors on the Board of the Company of which two are Promoter Directors and five 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	1	Not Present
Mr. Narayan T. Atal	Independent	NED	5	Present
Mr. S. Dabriwala	Promoter	NED	6	Present
Mr. Sharat Anand	Independent	NED	2	Present
Mr. Anil Poddar	Director	NED	6	Present
Mr. Ashok Jain	Independent	NED	3	Present
Mr. R.S.Dabriwala	Independent	NED	2	NA

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	6	None	None
Mr. R. K. Choudhury	11	None	3
Mr. Narayan T. Atal	5	None	None
Mr. S. Dabriwala	7	None	None
Mr. Sharat Anand	5	None	None
Mr. Anil Poddar	1	None	None
Mr. Ashok Jain	1	None	None
Mr. R.S Dabriwala	1	None	None

@ includes private limited companies