

ELPRO INTERNATIONAL LTD.

49TH ANNUAL REPORT 2011-2012

BOARD OF DIRECTORS

Mr. R. K. Dabriwala – Chairman

Mr. Anil Poddar

Mr. Narayan T. Atal

Mr. Surbhit Dabriwala

Mr. Ashok Jain

Mr. Ram Swaroop Dabriwala

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 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 49TH ANNUAL GENERAL MEETING

Notice is hereby given that 49th Annual General Meeting of the Company will be held on 4th Day of August, 2012 at 9.30 a.m at National Sports Club of India, Lala Lajpat Rai Marg, Worli, Mumbai - 400 018 at Prince Hall, to transact the following business:

Ordinary Business:

1. To consider and adopt the Audited Balance Sheet of the company as at 31 March, 2012 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. Ramswaroop Dabriwala, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. R.K. Dabriwala, who retires by rotation and being eligible, offers himself for re- appointment.
4. To appoint a Director in place of Mr. Narayan T. Atal, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Ashok Jain, 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. Tadarwal & Tadarwal, 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.

By Order of the Board of Directors

Place: Kolkata

Dated: 30th May, 2012

R. K. Dabriwala
Chairman

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 31st July to 4th August, 2012 (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 - 400 072**. Members holding shares in electronic form may intimate any such changes to their respective Depository Participants (DPs).

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 | Managing Director |
| International Belting Limited | Director |
| I.G.E. (India) Private Limited | Director |

| | |
|--|----------|
| Dabri Properties & Trading Co. Limited | Director |
| R.C.A. Limited | Director |
| Faridabad Capital Holding Pvt. Ltd. | Director |

Mr. Narayan T. Atal

Mr. Narayan T. Atal is a Chartered Accountant. He has over 28 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 |
| Elpro Estates Limited | Director |
| Elpro International Limited | Director |
| Ajcon Global Services Ltd. | Director |
| Shree Madhu Industrial Estate Ltd. | Director |
| Ajcon Commodity Brokers Limited | Director |

Mr. Anil Poddar

Mr. Anil Poddar has experience of more than 22 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 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 Co. Ltd. | Director |
| MetLife India Insurance Company limited | Director |
| Faridabad Capital Holding Pvt. Ltd. | Director |
| IGE (India) Private Limited | Director |
| Zenox Trading and Manufacturing Private 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:-

| Name of the Company | Particulars of position held |
|--|------------------------------|
| Elpro International Limited | Director |
| First Policy Insurance Brokers Pvt. Ltd. | Director |

Mr. Ram Swaroop Dabriwala

Mr. Ramswarup Dabriwala is a graduate & having very good experience in real estate development and manufacturing.

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

By Order of the Board of Directors

Place: Kolkata

Dated: 30th May, 2012

R.K.Dabriwala
Chairman

DIRECTORS' REPORT

Dear Shareholders,

The Directors present the 49th Annual Report together with the audited balance-sheet and the profit and loss account for the year ended March 31, 2012.

1. Financial Results

| Particulars | Year ended 31.03.2012 | Year ended 31.03.2011 |
|--|--------------------------|--------------------------|
| | | (₹ in Lacs) |
| Gross sales & services | 3189 | 3506 |
| Other Income | 76 | 763 |
| Profit / (Loss) Before Tax and Exceptional Items | (318) | 730 |
| Provision for Taxation | — | 6 |
| MAT Credit | — | 6 |
| Provision for Deferred Tax | — | — |
| Exceptional Items | 115 | (200) |
| Profit/(Loss) After Tax | (203) | 530 |
| Profit brought forward from previous year | 251 | (279) |
| Profit available for appropriation | — | 251 |
| Dividend-Proposed | — | — |
| Dividend tax on proposed dividend | — | — |
| Transfer to General reserve | — | — |
| Balance carried to Balance Sheet | 48 | 251 |

2. Operations:

The Company revenue during the year stood at ₹ 3189 Lacs, there is decrease in revenue due to sluggish demand of real estate throughout the year resulted into less number of booking of new flats as compared to previous year and further in the core manufacturing activities there was less export order for supply of manufactured goods resulted into margin pressure and lowered sale.

3. Dividend:

Due to loss during the year under review, your Directors do not recommended any dividend.

4. Subsidiary & Consolidated Financial Statement:

The accounts, report of the directors and auditors and other statement(s) as set out in section 212 of the Companies Act, 1956, in respect of the company's subsidiary namely Elpro Estates Limited (Formerly known as Trump Properties Limited) are not attached pursuant to the general exemption granted by the Central Government pursuant to general circular No. 2/2011 dated February, 2011. The particulars of performance of the subsidiary for and its financial positions as on March 31, 2012 is given in consolidated Balance Sheet as required in terms of the said general exemption. The members are informed that annual accounts of the said subsidiary and the related detailed information will be made available on request. The accounts of the said subsidiary are also open for inspection by the members at the registered office of the company.

5. Directors:

In accordance with Articles of Association of the Company, Mr. R.K.Dabriwala, Mr. Narayan T Atal, Mr. Ramswaroop Dabriwala & Mr. Ashok Jain 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. Compliance Certificate under section 383A of the Companies Act, 1956 & rule 3 of the (Compliance Certificate) Rules, 2001 is annexed to this report.**8. Personnel:**

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

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

During the year under review, the energy consumption was 545569 (including 10423 own generation through DG) KWH in units as against 537055 (including 5733 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.

10. Foreign Exchange Earnings and Outgo:

Earning and outgo in foreign exchange during the year under review were ₹149.56 Lacs and ₹33.19 Lacs as against ₹186.65 Lacs and ₹52.27 Lacs respectively in the previous year.

11. 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 transactions;
- 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.

12. 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.

13. 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.

14. Industrial relations:

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

15. 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, 2012

R.K.Dabriwala

Chairman

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

The Company is largely dependent on the performance of its Electrical Equipments Business and real estate segment which experienced slow down. The demand for the sectors has been sluggish affecting the overall performance of the Company. With regard to its core manufacturing activities the export demand situation has not improved considerably, however the Company is making efforts to improve the revenue and profitability in near future by adopting measures like technology change, exploring new markets for its products in overseas, cost cutting measure to achieve its target.

2. Opportunity & Threats:

Real estate sector is passing through a tough phase due to various factors not limiting to the global recessionary trend, economic slowdown, increase in interest cost, 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 situations and the Company has not made any extra leverage at this point and entirely focused on to complete its existing projects in hand and also exploring opportunity in commercial lease rental market which is doing fairly well as compared to other segment of the industry. 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 explore new market in export for its core manufacturing activities. The real estate sales and services has now become one of the prominent source of revenue and profitability to the Company and the business from the said segment have advanced considerably during the year and will continue to increase in the coming years.

4. Risks & Concerns and Outlook:

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:

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

2) Board of Directors:

a) Composition of Board:

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

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

| Name of Director | Category | Status | No. of Board Meetings attended | Attendance at the last AGM |
|---------------------------|-------------|--------|--------------------------------|----------------------------|
| Mr. R. K. Dabriwala | Promoter | NED | 6 | Present |
| Mr. Narayan T. Atal | Independent | NED | 2 | Present |
| Mr. S. Dabriwala | Promoter | NED | 1 | Present |
| Mr. Anil Poddar | Director | NED | 6 | Present |
| Mr. Ashok Jain | Independent | NED | 1 | Present |
| Mr. Ram Swaroop Dabriwala | Independent | NED | 5 | Present |
| Mr. R. K. Choudhary* | Independent | NED | 2 | — |
| Mr. Sharat Anand* | Independent | NED | — | Present |

NED - Non Executive Director

*Resigned during the year

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. Narayan T. Atal | 5 | None | None |
| Mr. S. Dabriwala | 6 | None | None |
| Mr. Anil Poddar | 1 | None | None |
| Mr. Ashok Jain | 1 | None | None |
| Mr. Ram Swaroop Dabriwala | 1 | None | None |

@ includes private limited companies

d) Details of Board Meeting held during 1 April, 2011 to 31 March, 2012

| Sr. No. | Date |
|---------|-------------------|
| 1 | 9 May 2011 |
| 2 | 30 May 2011 |
| 3 | 13 August 2011 |
| 4 | 23 September 2011 |
| 5 | 15 November 2011 |
| 6 | 14 February 2012 |

e) Number of shares held by Non-Executive Directors as at 31 March 2012:

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

3) Audit Committee:**a) Composition, No. of Meetings and Attendance:**

The Audit Committee of the Company comprised of Four directors out of which all are Independent, Non-Executive Directors. The Audit Committee meetings were held in May 2011, August 2011, November 2011 and February 2012. The details of attendance are stated below:

| Name of the Director | No. of Meetings |
|---------------------------|-----------------|
| Mr. Narayan T. Atal | 2 |
| Mr. Anil Poddar | 4 |
| Mr. Ashok Jain | 1 |
| Mr. Ram Swaroop Dabriwala | 3 |
| Mr. R. K. Choudhary* | 1 |

*Resigned during the year

The senior officials of the Company and representative of Auditors were invited 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 Company do not have managing and or whole time director and hence no remuneration has been paid to any director.

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.
- e) Remuneration to Non-Executive Directors consists of sitting fees:
Payments for the period 01.04.2011 to 31.03.2012 (Amount in Rupees)

| Name of Director | Sitting Fees |
|---------------------------|--------------|
| Mr. R. K. Dabriwala | ₹ 25,500 |
| Mr. R. K. Choudhury | ₹ 8,500 |
| Mr. Sharat Anand | — |
| Mr. Narayan T. Atal | ₹ 8,500 |
| Mr. Anil Poddar | ₹ 25,500 |
| Mr. Surbhit Dabriwala | ₹ 8,500 |
| Mr. Ashok Jain | ₹ 42,250 |
| Mr. Ram Swaroop Dabriwala | ₹ 21,250 |

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

Shareholders/Investors Grievance Committee comprises of Mr. Anil Poddar, Mr. Surbhit Dabriwala, Mr. Narayan T. Atal and Mr. Ram Swaroop Dabriwala 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, 23 meetings were held during the year.

b) Compliance officer:

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

c) Complaints:

4 Complaints were received and resolved during the year under review. There is no claim pending to be resolved as at 31-03-2012.

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 |
|----------------|------------|-----------|---|
| 2008-2009 | 29-09-2009 | 11.30 A.M | Walchand Hirachand Hall, Indian Merchants' Chambers, Mumbai |
| 2009-2010 | 30-09-2010 | 10.00 A.M | National Sports Club of India, Lala Lajpat Rai Marg, Worli, Mumbai. |
| 2010-2011 | 08-07-2011 | 9.30 A.M | National Sports Club of India, Lala Lajpat Rai Marg, Worli, 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

Quarterly results published in the newspaper

Any website, where results or official news are displayed

The presentation made to the Institutional Investors or to the Analysts

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

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

Yes

Free Press Journal- Mumbai Edition

Navshakti- Mumbai Edition

www.elpro.co.in

No such presentation have been made

Yes Management Discussions & Analysis is part of Annual report.