

***PIERLITE INDIA PVT.LTD.***  
**(FORMERLY GERARD ELECTRIC INDIA PVT. LTD.)**

**Rakhial Road,**

**Ahmedabad 380 023**

**TENTH ANNUAL REPORT FOR THE YEAR ENDED  
30<sup>TH</sup> JUNE 2007**

Your Directors are pleased to present the Tenth Annual Report together with the Audited Statement of Accounts for the year ended 30<sup>th</sup> June 2007.

**FINANCIAL RESULTS:**

	For the year ended 30.06.2007	For the year ended 30.06.2006
	-----	-----
Profit / (Loss) Before Taxation	1,79,41,844	(1,71,68,295)
Add / Less:		
Provision for Taxation (Wealth Tax)	---	8,372
(Fringe Benefit Tax)	6,44,079	5,96,785
	-----	-----
Profit / (Loss) carried to Balance Sheet	1,72,97,765	(1,77,73,452)
	-----	-----

**DIVIDEND:**

The Directors regret their inability to propose any dividend.

**SHARE CAPITAL:**

During the year under review, the company sub-divided its equity share from face value of Rs.10/- per share in to two equity share of the face value of Rs.5/- per share. The Authorised Share Capital clause of Memorandum of Association of the company was altered with the approval of members for this purpose.

**SIGNIFICANT EVENTS AFTER CLOSURE OF FINANCIAL YEAR:**

Gujarat High Court vide its order dated 30<sup>th</sup> July, 2007, approved the scheme of merger of Pierlite Lighting India Pvt. Ltd. with the company with Appointed Date of October 1, 2006.

Pursuant to provisions of scheme of merger the Company changed its name from **GERARD ELECTRIC INDIA PVT. LTD.** to **PIERLITE INDIA PVT. LTD.** effective September 29, 2007 on receipt of requisite approval.

in view of merger, accounts of Pierlite Lighting India Pvt. Ltd. for the period October 1, 2006 to June 30, 2007 have been clubbed with those of company and therefore the figures of the year under review are not comparable with those of previous year.

During the year under review, the company achieved a sales turnover of Rs. 1930.29 Lacs. The company ended the financial year with a profit of Rs. 172.97 Lacs.

#### **DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- i) that in the preparation of the annual accounts for the year ended 30<sup>th</sup> June, 2007, applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were 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 the period under review;
- iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of The Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) that the directors had prepared the accounts for the year ended 30<sup>th</sup> June, 2007, on a 'going concern' basis.

#### **BOARD OF DIRECTORS:**

During the year under review Mr. Simon Charles Gerard joined the Board of Directors as a Director of the company.

#### **PARTICULARS OF EMPLOYEES:**

The statement giving particulars of employees in receipt of remuneration as prescribed under the provisions of section 217(2A) of The Companies (Particulars of Employees) Rules, 1975, as amended, is annexed hereto and forms part of the report.

During the year under review the company has not accepted or renewed any deposits from the Public / Shareholders.

#### **INSURANCE:**

All the properties of the company, including Buildings, Plant and Machinery, Stock etc. wherever necessary and to the extent required have been adequately insured.

#### **CONSERVATION OF ENERGY:**

The Company has sufficient and effective systems for conservation of energy and no additional investment is contemplated for reduction of the same.

#### **PARTICULARS OF TECHNOLOGY ABSORPTION ETC.:**

The particulars as required to be annexed to this report with regard to technology absorption etc. under the provisions of section 217(1)(e) of The Companies Act, 1956 are annexed hereto and forms part of the report.

#### **FOREIGN EXCHANGE EARNINGS AND OUTGO:**

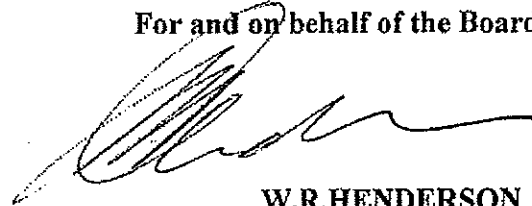
	Rs. (in lacs)
Foreign Exchange Inflow	
1. Exports:	0.16
Foreign Exchange Outgo .	
1.Imports:	
a) Components and Raw Materials	23.08
b) Machinery	---
c) Purchase for resale	89.94
2. Traveling Expenses	2.77

#### **AUDITORS:**

M/s. Manubhai & Co., Chartered Accountants, Ahmedabad, the Auditors of the company hold office upto conclusion of the ensuing Annual General Meeting and are eligible for reappointment. The members are requested to consider the appointment of auditors.

The Board of Directors acknowledges with thanks the valued support of the bankers, dealers, customers and employees at all levels for their effort and co-operation.

For and on behalf of the Board

A handwritten signature in black ink, appearing to read 'W.R. Henderson', written over the typed name.

Place: Adelaide  
Date: December 13, 2007

W.R.HENDERSON  
CHAIRMAN

rules, 1988.

**Research and Development:**

1. Specific areas in which R & D carried out by the Company

1. Product Upgradation:

Single Pole MCCB upgraded to 18KA breaking capacity in 200 A frame size.

2. Innovation:

a) Modification of 250A and 630A switches for utility in accordance with new specifications.

b) Cost reduction in terms of Materials savings achieved with above modification.

c) Aesthetic Improvement of all ELCON Products.

2. Benefits derived as a result of the

1. Addition of new range of above R & D products.

2. Addition of new features to benefit end user.

3. Future Plans of Action

1. Development of changeovers in size 2 for 250A to 400A & in size 3 for 630A to 1000A.

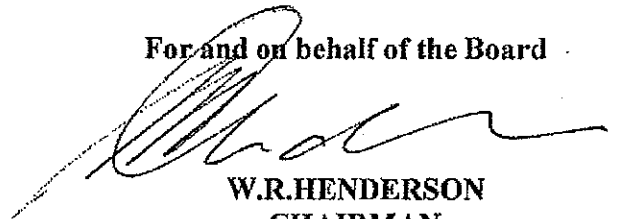
2. Upgradation of SP & TP MCCBs upto 25KA breaking capacity.

3. Product development and in house manufacturing of lighting products.

4. To develop 100A frame size SP & TP MCCB.

- |  |   |
|--|---|
| 1. Efforts in brief made towards technology :  | Indigenization of several product           |
| 2. Benefits derived as a result of the above :<br>e.g. product improvement, cost reduction,<br>Product Development, Import Substitution                                | 1) Cost Reduction<br>2) Import Substitution |
| 3. In case of imported technology (imported):<br>during the last 5 years reckoned from the<br>beginning of the financial year) following<br>information are furnished. | Not Applicable                              |
| (a) Technology imported :  | -   |
| (b) Year of Import :   | -   |
| (c) Has technology been fully absorbed :   | -   |
| (d) If not fully absorbed, area where this :<br>has not taken place, reasons therefore<br>and future plans of action   | -   |

For and on behalf of the Board



**W.R.HENDERSON**  
**CHAIRMAN**

Place: Adelaide  
Date: December 13, 2007

PIERLITE INDIA PVT. LTD.

ANNEXURE TO THE DIRECTORS' REPORT:

Information as per section 217(ZA) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, and forming part of Directors' Report for the year ended June 30, 2007

Name	Designation	Qualification	Age (Yrs)	Joining Date	Experience (Years)	Gross Remuneration (Rs.)	Previous Employment, Designation
Mr. Rakesh C Kasliwal	Managing Director	B.E.(Elec.), PGDM (I.I.M./A)	56	01.04.1998	33	31,83,460	Vice President, Electric Control Gear (India) Ltd.

Place: Adelaide

Date: December 13, 2007

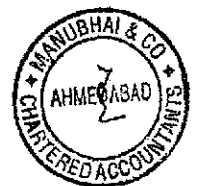
For and On behalf of the Board

  
W.R. Henderson  
Chairman



To,  
The Members of  
**Pierlite India Private Limited**  
(formerly Gerard Electric India Private Limited)

1. We have audited the attached Balance Sheet of **Pierlite India Private Limited (formerly Gerard Electric India Private Limited )** as at 30.06.2007, and also Profit and Loss Account for the year ended on that date both annexed thereto. 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 have conducted our audit in accordance with Auditing Assurance 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 (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - (i) 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;
  - (ii) In our opinion, proper books of accounts as required by law, have been kept by the Company so far as appears from our examination of those books;
  - (iii) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with books of account;
  - (iv) In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;



- (v) On the basis of written representations received from the directors, as on 30.06.2007 and taken on record by the Board of Directors, we report that none of directors is disqualified as on 30.06.2007 from being appointed as a director in terms of Clause (g) of sub Section (1) of Section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (a) in the case of Balance Sheet, of the state of affairs of the company as at 30.06.2007; and
- (b) in the case of Profit and Loss Account, of the Profit for the year ended on that date.

Place: Ahmedabad

Date: 12.12.2007



For Manubhai & Co.  
Chartered Accountants

*(J. D. Shah)*  
(J. D. Shah)  
Partner  
M. No. 100116

(Formerly GERARD ELECTRIC INDIA PRIVATE LIMITED)

**ANNEXURE TO AUDITORS' REPORT**

[Referred to paragraph 3 of our report of even date]

**1. In respect of its fixed assets:**

- a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- b. As explained to us, the fixed assets have been physically verified by the management during the year, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- c. In our opinion, the Company has not disposed of substantial part of fixed assets during the year and the going concern status of the company is not affected

**2. In respect of its inventories:**

- a. As explained to us, inventories have been physically verified by the management at regular intervals during the year.
- b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. The company has maintained proper records of inventories. As explained to us, no material discrepancies were noticed on physical verification of inventory as compared to the book records.

**3. In respect of loans granted and taken to / from parties covered in the register maintained u/s 301 of the Companies Act, 1956.**

According to the information and explanations given to us, the company has not granted or taken any loans, secured or unsecured to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Consequently, requirement of clauses [iii (a) to (g)] of the paragraph 4 of the order are not applicable.

**4. In respect of internal control**

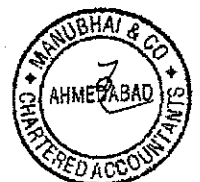
In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and also for sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.

**5. In respect of contracts or arrangements that need to be entered into a register maintained u/s 301 of the Companies Act, 1956.**

According to the information and explanations given to us, we are of the opinion that there were no contracts or arrangements that need to be entered into the register maintained under Section 301 of the Act. Consequently, requirement of clause (v)(b) of paragraph 4 of the order is not applicable.

**6. In respect of deposits from public**

In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public during the year within the meaning of sections 58A, 58AA or any other relevant provisions of The Companies Act, 1956 and the companies (Acceptance of deposits) Rules, 1975.



In our opinion the Company has an internal audit system commensurate with the size and nature of its business.

**8. In respect of maintenance of cost records**

In our opinion and according to information and explanations given to us, Central Government has not prescribed maintenance of cost records in respect of electricity generated from wind power. As informed to us, necessary records are under preparation.

**9. In respect of statutory dues:**

- a. According to the records of the Company, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, sales tax, income tax, wealth tax, custom duty, excise duty, service tax, cess and other material statutory dues applicable to it.

Further, since the Central Government has till date not prescribed the amount of cess payable under section 441A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.

- b. According to the information and explanations given to us no undisputed amounts payable in respect of sales tax, income tax, wealth tax, customs duty, excise duty, service tax and cess, were in arrears as at 30th June, 2007 for a period of more than six months from the date they became payable.
- c. The disputed statutory dues that have not been deposited on account of matters pending before appropriate authorities are as under :-

Sr. No.	Nature of Statute	Nature of Dues	Amount	Forum where the dispute is pending
1.	Gujarat Sales Tax Act, 1969	Gujarat Sales Tax	6,86,696/-	Deputy Commissioner of Sales Tax, Ahmedabad
2.	Central Sales Tax Act, 1957	Central Sales Tax	35,89,621/-	Deputy Commissioner of Sales Tax, Ahmedabad

**10. In respect of accumulated losses and cash losses**

The accumulated losses of the company are not more than fifty percent of its net worth as on 30th June 2007. The Company has incurred cash losses during the year, but not the immediately preceding financial year.

**11. In respect of dues to financial institution / banks / debentures**

In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to bank.

**12. In respect of loans and advances granted on the basis of security.**

In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.

**13. In respect of provisions applicable to Chit fund / Nidhi**

In our opinion, the Company is not a chit fund or a nidhi /mutual benefit fund/ society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.



As the company is not dealing or trading in shares, securities, debentures and other investments, the provision of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.

**15. In respect of guarantee given for loans taken by others**

According to the information and explanation given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.

**16. In respect of application of term loans**

According to the information and explanation given to us, the company has not taken any term loans during the year.

**17. In respect of fund used**

According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that the funds raised on short-term basis have not, prima facie, been used during the year for long-term investments.

**18. In respect of preferential allotment of shares**

According to the information and explanations given to us, the company has made preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956. In our opinion the price at which the shares have been issued is not prejudicial to the interest of the company.

**19. In respect of securities created for debentures**

According to the records of the company, the Company has not issued any debentures during the year.

**20. In respect of end use of money raised by public issues**

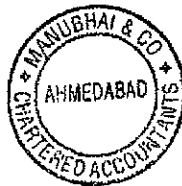
The Company has not raised any money by way of public issue during the year and therefore paragraph 4(xx) of the Companies (Auditor's Report) Order, 2003 is not applicable.

**21. In respect of fraud**

According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

Place: Ahmedabad

Date: 12.12.2007



For Manubhai & Co.  
Chartered Accountants

*J. D. Shah*

(J. D. Shah)  
Partner

M. No. 100116

Particulars	Schedule	Amount in			
		As at June 30th, 2007	As at June 30th, 2007	As at June 30th, 2006	As at June 30th, 2006
<b>I SOURCES OF FUNDS</b>					
1 Shareholders' Funds:					
(a) Share Capital	A	166,035,200		165,035,200	
(b) Share Application Money		34,668,330		34,675,030	
(c) Equity Suspense Account		1,736,015		0	
(d) Reserves & Surplus	B	13,327,270	214,766,815	1,175,153	200,885,3
2 Loan Funds:					
(a) Secured Loans	C	33,504,510		28,824,270	
(b) Unsecured Loans	D	1,429,499		1,031,085	
(c) Deferred Payment Liabilities	E	1,293,959		476,890	
			36,227,968		30,332,2
<b>TOTAL</b>			<b>250,994,783</b>		<b>231,217,4</b>
<b>II APPLICATION OF FUNDS</b>					
1 Fixed Assets:					
(a) Gross Block	F	207,189,570		198,729,692	
(b) Less: Accumulated Depreciation		91,482,473	115,707,097	81,236,514	117,493,1
(c) Net Block					
2 Investments	G		28,110		1,645,0
3 Deferred Tax					
(a) Deferred Tax Assets		21,226,729		23,328,433	
(b) Less: Deferred Tax Liabilities		21,226,729		23,328,433	
(c) Net Assets			0		
4 Current Assets, Loans & Advances:	H				
(a) Inventories		66,863,366		65,223,054	
(b) Sundry Debtors		44,902,953		36,363,764	
(c) Cash & Bank Balances		28,093,347		2,834,406	
(d) Other Current Assets		214,915		0	
(e) Loans & Advances		21,067,692		14,186,069	
		161,142,273		118,607,293	
Less: Current Liabilities & Provisions:	I	47,163,985		34,622,159	
Net Current Assets			113,978,288		83,985,1
5 Profit & Loss Account			21,281,289		
<b>TOTAL</b>			<b>250,994,784</b>		<b>203,123,3</b>

Significant Accounting Policies  
Notes on Accounts

As per our report of even date,

For, Manubhai & Co.  
Chartered Accountants

*J. D. Shah*

(J. D. Shah)  
Partner

Place: Ahmedabad  
Date: 12.12.2007



William R. Henderson  
Chairman  
Place: Adelaide  
Date: 05.12.2007

*Rakesh Kasiwal*  
Rakesh Kasiwal  
Managing Director  
Place: Ahmedabad  
Date: 12.12.2007

Robert Gerard  
Director

*Jigish R Parikh*  
Jigish R Parikh  
Company Secretary

Simon Gerar  
Director

**PIERLITE INDIA PRIVATE LIMITED**  
(FORMERLY GERARD ELECTRIC INDIA PRIVATE LIMITED)

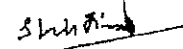
**Profit and Loss Account for the year ended on June 30th, 2007**

Particulars	Schedule	Amount in ₹			
		Current Year June 30th, 2007	Current Year June 30th, 2007	Previous Year June 30th, 2006	Previous Year June 30th, 2006
<b>INCOME</b>					
Income from Operations	J	193,029,288		120,327,790	
Other Income	K	39,039,437		5,809,191	
Increase / (Decrease) in stock	L	626,807		(10,350,475)	
<b>Total Income</b>			<b>232,695,532</b>		<b>115,786,506</b>
<b>EXPENDITURE</b>					
Purchase of Trading Goods		68,773,585		21,570,065	
Manufacturing Expenses	M	99,452,929		76,969,975	
Administrative & Other Expenses	N	30,233,889		19,499,934	
Interest		4,444,739		4,847,224	
Depreciation		10,712,917		9,745,984	
Exchange Fluctuation Loss		63,379		321,619	
<b>Total Expenditure</b>			<b>213,681,438</b>		<b>132,954,801</b>
<b>Operating Profit / (Loss) for the year</b>			<b>19,014,094</b>		<b>(17,168,295)</b>
Less: Miscellaneous Expenditure Written off			1,072,250		
<b>Profit / (Loss) before Taxation</b>			<b>17,941,844</b>		<b>(17,168,295)</b>
Less : (Add) Provision for Taxation					
Wealth Tax		0		8,372	
Fringe Benefit Tax		644,079		596,785	
Deferred Tax (Refer Note no 4 of Schedule P)		0		0	
			644,079		605,157
<b>Net Profit / (Loss) for the year</b>			<b>17,297,765</b>		<b>(17,773,452)</b>
Add:					
Balance of Loss brought forward from earlier years		(28,094,305)		(10,320,852)	
Accumulated losses of erstwhile PLIPL on account of merger		(10,484,749)		0	
			(38,579,054)		(10,320,852)
<b>Balance of Loss carried to Balance Sheet</b>			<b>(21,281,289)</b>		<b>(28,094,305)</b>
Earnings per Share of face value of Rs 5/- - Basic			0.52		(0.54)
Earnings per Share of face value of Rs 5/- - Diluted			0.45		(0.47)

Significant Accounting Policies  
Notes on Accounts

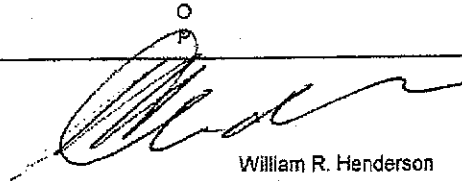
As per our report of even date,

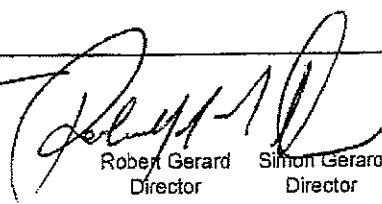
For, Manubhai & Co.  
Chartered Accountants

  
(J. D. Shah)  
Partner

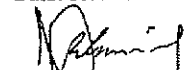
Place: Ahmedabad  
Date: 12.12.2007



  
William R. Henderson  
Chairman  
Place: Adelaide  
Date: 05.12.2007

  
Robert Gerard  
Director

  
Simon Gerard  
Director

  
Rakesh Kasliwal  
Managing Director  
Place: Ahmedabad  
Date: 12.12.2007

  
Jigish R Parikh  
Company Secretary

	June 30th, 2007	June 30th, 2006
<b>SCHEDULE 'A'</b>		
<b>SHARE CAPITAL</b>		
Authorised 7,60,00,000 Equity shares of Rs 5/- each (Previous Year 3,50,00,000 of Rs 10/- each) (Refer Note 1d of Schedule P)	380,000,000	350,000,000
	380,000,000	350,000,000
Issued 3,30,07,040 Equity shares of Rs 5/- each - fully paidup (Previous Year 3,30,07,040 of Rs 10/- each fully paidup) (Refer Note 1d of Schedule P)	165,035,200	330,070,400
	165,035,200	330,070,400
Paidup 3,30,07,040 Equity shares of Rs 5/- each - fully paidup (Previous Year 3,30,07,040 of Rs 5/- each paidup)	165,035,200	165,035,200
<b>TOTAL</b>	<b>165,035,200</b>	<b>165,035,200</b>

Notes:

1 Out of above equity shares - 59,02,500 equity shares of Rs 5/- each at par were issued as fully paid up shares for consideration other than cash.

2 All the above Equity shares are being held by the ultimate holding company

<b>SCHEDULE 'B'</b>		
<b>RESERVES &amp; SURPLUS</b>		
(i) Capital Reserve		
Balance as per last year	1,175,153	-
Add: Addition during the year	-	1,175,153
	1,175,153	1,175,153
(ii) Amalgamation Reserve		
Balance as per last year	-	-
Add: Addition during the year (Refer note 1b of Schedule P)	12,152,117	-
	12,152,117	-
<b>TOTAL</b>	<b>13,327,270</b>	<b>1,175,153</b>



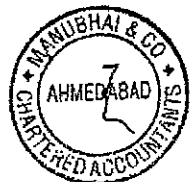


	June 30th, 2007	June 30th, 2006
<b>SCHEDULE 'C' SECURED LOANS</b>		
Cash Credit Loan From Bank:	33,504,510	28,824,270
<b>TOTAL</b>	<b>33,504,510</b>	<b>28,824,270</b>

Notes:

- 1 Cash Credit is secured by hypothecation of all tangible movable assets of the Company, including in particular, all types of stocks of raw materials, component parts, stores and spares, finished goods, stock-in-process, movable assets and book debts. Further secured by equitable mortgage on company's immovable properties
- 2 Secured by exclusive first charge on assets acquired out of the term loan sanctioned and also hypothecation of movable assets of the company and also first charge on immovable assets of the Company.

<b>SCHEDULE 'D' UNSECURED LOANS</b>		
Deposits from Dealers	1,429,499	1,031,085
<b>TOTAL</b>	<b>1,429,499</b>	<b>1,031,085</b>
<b>SCHEDULE 'E' DEFERRED PAYMENT LIABILITY</b>		
Deferred payment Liabilities for purchase of Motorcars (installments due within one year Rs.7,47,600/- previous year Rs.2,93,600/-).	1,293,959	476,890
<b>TOTAL</b>	<b>1,293,959</b>	<b>476,890</b>



**PIERLITE INDIA PRIVATE LIMITED  
(FORMERLY GERARD ELECTRIC INDIA PRIVATE LIMITED)**

**Schedules forming part of Balance Sheet**

**SCHEDULE 'F'  
FIXED ASSETS**

Amount in Rs.

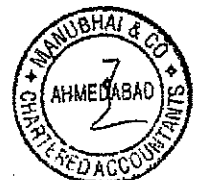
Sl. No.	Description	GROSS BLOCK			DEPRECIATION BLOCK			NET BLOCK		
		As at July 1st, 2006	Additions during the year	Deduction during the year	As at June 30th, 2007	As at July 1st, 2006	Additions during the year	Deduction during the year	As at June 30th, 2007	As on June 30th, 2006
1	Land	19,259,324	-	-	19,259,324	-	-	-	19,259,324	19,259,324
2	Buildings	25,752,531	-	-	25,752,531	983,018	-	9,197,662	16,554,869	17,537,887
3	Plant & Machinery	83,562,971	1,520,568	470,989	84,612,550	5,595,933	196,241	50,453,112	34,159,438	38,509,551
4	Tools & Moulds	58,338,596	6,197,215	1,360,647	63,175,164	3,673,461	865,219	25,779,937	37,395,227	35,366,901
5	Vehicles	3,836,658	1,867,677	-	5,704,335	502,577	-	1,847,033	3,857,302	2,492,202
6	Furniture & Fixtures	7,979,612	812,649	106,595	8,685,666	569,618	17,188	4,204,729	4,480,937	4,327,313
	<b>TOTAL</b>	<b>198,729,692</b>	<b>10,398,109</b>	<b>1,938,231</b>	<b>207,189,570</b>	<b>11,324,607</b>	<b>1,078,648</b>	<b>91,482,473</b>	<b>115,707,097</b>	<b>117,493,178</b>
	<b>Previous Year</b>	<b>196,839,082</b>	<b>2,893,448</b>	<b>1,002,838</b>	<b>198,729,692</b>	<b>9,745,984</b>	<b>462,023</b>	<b>81,236,514</b>	<b>117,493,178</b>	<b>-</b>

Note:

Addition includes Rs. 17,30,204/- (Pr Year Nil) in gross block, Rs.611690/- (Pr Year Nil) depreciation during the year and Rs. 1102483/- (Pr Year Nil) in net block on account



	June 30th, 2007	June 30th, 2006
<b>SCHEDULE 'G'</b>		
<b>INVESTMENTS</b>		
In Shares:		
a) Quoted		
4,382 (Previous Year 10000) Equity Shares of Marathon Nextgen Realty & Textile Ltd of Rs 10/- each fully paid up. (Market Value Rs 95,63,198(Previous Year Rs 36,48,000))	0	20,000
b) Unquoted		
Trade		
Nil (Previous Year 1100000) Equity Shares of Pierite Lighting India Pvt Ltd of Rs 10/- each fully paid up.	0	1,596,902
Other than Trade		
20,000 (Previous Year 20000) Equity Shares of Pyarelal Textile Ltd of 10/- each fully paid up.	14,000	14,000
20,000 (Previous Year 20000) Equity Shares of Niranjani Piramal Textile Mill Ltd of Rs 10/- each fully paid up.	14,000	14,000
1 (Previous Year 1) Equity Share of Textile Traders Co-operative Bank Ltd of Rs 10/- each fully paid up.	10	10
1 (Previous Year 1) Equity Share of Nutan Nagrik Sahkari Bank Ltd of Rs 100/- each fully paid up.	100	100
<b>TOTAL</b>	<b>28,110</b>	<b>1,645,012</b>
<b>SCHEDULE 'H'</b>		
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
<b>(A) CURRENT ASSETS:</b>		
<b>INVENTORIES</b>		
(As valued and certified by the management)		
i) Stores & Spares (At cost)	357,007	470,019
ii) Stock in trade		
(a) Raw Materials	20,516,434	19,389,917
(b) Finished Goods	29,980,677	27,493,004
(c) Stock-in-process	16,009,248	17,870,114
	<b>66,506,359</b>	<b>64,753,035</b>
<b>TOTAL</b>	<b>66,863,366</b>	<b>65,223,054</b>
<b>SUNDRY DEBTORS</b>		
(Unsecured, Considered good unless otherwise stated)		
i) Outstanding for a period exceeding six months		
Considered good	8,257,608	4,115,704
Considered doubtful	11,492,715	7,488,651
	<b>19,750,323</b>	<b>11,604,355</b>
ii) Others (Considered good)	36,645,345	32,248,060
	<b>56,395,668</b>	<b>43,852,415</b>
Less: Provision for doubtful debts	11,492,715	7,488,651
<b>TOTAL</b>	<b>44,902,953</b>	<b>36,363,764</b>



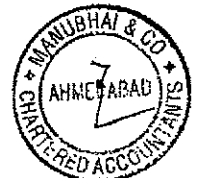
	June 30th, 2007	June 30th, 2006
<b>SCHEDULE 'H'</b>		
<b>(Continued)</b>		
<b>CASH &amp; BANK BALANCES:</b>		
Cash in Hand	212,988	122,172
Balance with Scheduled Banks:		
i) In Current Accounts	3,110,320	2,096,772
ii) In Fixed Deposit Accounts	24,770,039	615,462
<b>TOTAL</b>	<b>28,093,347</b>	<b>2,834,406</b>
<b>OTHER CURRENT ASSETS:</b>		
Interest Accrued on fixed deposits	214,915	0
<b>TOTAL</b>	<b>214,915</b>	<b>0</b>
<b>(B) LOANS &amp; ADVANCES</b>		
<b>(Unsecured, Considered good unless otherwise stated)</b>		
i) Advances recoverable in Cash or kind or for value to be received	14,324,112	8,461,811
ii) Advance Income Tax (Net of provision)	201,279	101,751
iii) Advance Fringe Benefit Tax	517,630	523,030
iv) Deposits	6,024,771	5,099,477
<b>TOTAL</b>	<b>21,067,692</b>	<b>14,186,069</b>
<b>TOTAL CURRENT ASSETS LOANS &amp; ADVANCES</b>	<b>161,142,273</b>	<b>118,607,293</b>
<b>SCHEDULE 'I'</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS:</b>		
<b>(A) CURRENT LIABILITIES</b>		
Sundry creditors		
(i) Due to Small Scale Industrial Undertakings	9,236,363	1,724,718
(ii) Others	29,912,994	30,067,718
	39,149,357	31,792,436
Other liabilities	7,370,550	2,224,566
<b>TOTAL</b>	<b>46,519,906</b>	<b>34,017,002</b>
<b>(B) PROVISIONS</b>		
Wealth Tax	-	8,372
Fringe Benefit Tax	644,079	596,785
<b>TOTAL</b>	<b>644,079</b>	<b>605,157</b>
<b>TOTAL - CURRENT LIABILITIES &amp; PROVISIONS</b>	<b>47,163,985</b>	<b>34,622,159</b>
Note : No amount is due and outstanding as on 30.06.2007 to be transferred to Investors Education and Protection Fund.		



Particulars	For the year ended on June 30th, 2007	For the year ended on June 30th, 2006
<b>SCHEDULE 'J'</b>		
<b>INCOME FROM OPERATIONS:</b>		
Sales	206,900,646	131,812,315
Wind Mill power Sale	2,945,240	2,999,710
	<b>209,845,885</b>	<b>134,812,025</b>
Less: Excise Duty	16,816,597	14,484,235
<b>TOTAL</b>	<b>193,029,288</b>	<b>120,327,790</b>
<b>SCHEDULE 'K'</b>		
<b>OTHER INCOME</b>		
Interest (Gross) (Tax deducted at source Rs 53,913 (Previous Year Rs 15,173))	1,047,194	86,470
Insurance Claims	83,654	-
Miscellaneous Income	403,539	82,794
Commission	4,085,986	2,751,619
Scrap Sale	1,989,462	2,377,995
Sales Tax/Excise Refunds	204,671	510,313
Liability no longer required written back	20,683,500	-
Profit on Sale of Investments	10,541,430	-
<b>TOTAL</b>	<b>39,039,437</b>	<b>5,809,191</b>
<b>SCHEDULE 'L'</b>		
<b>INCREASE / (DECREASE) IN STOCK</b>		
a. Finished Goods		
Closing Stock	29,980,677	27,493,004
Less: Opening Stock	27,493,004	30,700,430
Increase / (Decrease) in Stock of Finished Goods	<b>2,487,673</b>	<b>(3,207,426)</b>
b. Stock-in-progress		
Closing	16,009,248	17,870,114
Less: Opening	17,870,114	25,013,163
(Decrease) in Stock-in-progress	<b>(1,860,866)</b>	<b>(7,143,049)</b>
<b>Increase / (Decrease) in stock</b>	<b>626,807</b>	<b>(10,350,475)</b>



Particulars	For the year ended on June 30th, 2007	For the year ended on June 30th, 2006
<b>SCHEDULE 'M'</b>		
<b>MANUFACTURING EXPENSES</b>		
Raw material consumed	54,373,189	41,349,295
Stores & spares consumed	925,965	857,996
Packing Materials consumed	1,371,977	826,774
Sales Tax	10,226,958	6,224,328
Repairs & Maintenance to :		
Machinery	582,460	841,376
Buildings	137,715	534,661
Other Assets	286,688	209,345
	<b>1,006,863</b>	<b>1,585,382</b>
Power & Fuel	3,225,014	3,373,746
Payments to & Provision for Employees :		
Wages, Salaries and Bonus	26,463,154	21,293,904
Contribution to Provident Fund, ESI & Other Fund	1,117,110	1,228,567
Staff Welfare Expenses	305,552	199,542
	<b>27,885,816</b>	<b>22,722,013</b>
Wind Mill maintenance exp.	437,147	230,440
<b>TOTAL</b>	<b>99,452,929</b>	<b>76,969,975</b>
<b>SCHEDULE 'N'</b>		
<b>ADMINISTRATIVE AND OTHER EXPENSES</b>		
Rent	3,839,353	1,837,337
Rates & Taxes	141,996	271,516
Insurance	1,088,833	638,370
Advertisement	1,366,526	932,303
Traveling Expenses	2,080,014	1,225,301
Directors' Traveling Expenses	901,554	555,997
Consultancy Expenses	1,347,956	851,090
Telephone / Fax Expenses	1,440,455	1,076,704
Commission	104,666	306,724
Discount	753,473	955,089
Miscellaneous Expenses	11,347,942	7,606,877
Bad debts written off	1,083,341	880,800
Provision for doubtful debts	2,500,000	491,372
Freight & Cartages	1,446,697	1,555,796
Loss on sale of fixed assets	791,083	314,659
<b>TOTAL</b>	<b>30,233,889</b>	<b>19,499,934</b>



**SCHEDULE 'O'**  
**SIGNIFICANT ACCOUNTING POLICIES**

**1. RECOGNITION OF INCOME / EXPENDITURE:**

- (a) All income & expenditure are recognized and accounted on Accrual basis except guarantee commission and discount charges. Insurance claims are accounted on finalization of the same.
- (b) All material and known liabilities are provided for on the basis of available information / estimates.

**2. FIXED ASSETS AND DEPRECIATION:**

**(A) Fixed Assets:**

- (i) Fixed assets include all expenditure of capital nature and are stated at cost (Net of cenvat, wherever applicable) less depreciation.
- (ii) Assets item severally less than Rs. 5,000/- procured during the year are depreciated at 100%.

**(B) Depreciation:**

- (i) Depreciation on fixed assets is provided as per straight-line method as laid down u/s 205(2) (a) at the rates prescribed in schedule XIV to the Companies Act 1956.
- (ii) Depreciation on addition/disposal of the assets during the year has been provided on pro-rata basis with reference to the date of addition/disposal.

**3. INVENTORIES:**

- (a) Finished goods are valued at cost or net realisable value whichever is lower. For this purpose the cost is ascertained on weighted average method.
- (b) The stock of raw materials, own manufactured components, work in progress and other stocks are valued at cost or net realisable value whichever is lower.
- (c) The stock of stores is valued at cost.
- (d) Obsolete, defective and unserviceable stocks are duly provided for.

**4. SALES:**

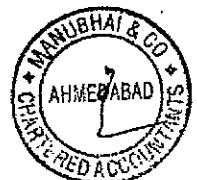
Sales include amounts recovered towards Excise Duty and Sales Tax.

**5. INVESTMENTS :**

All investments are long term and are stated at cost. However diminution in the value of investment other than temporary is duly provided for.

**6. RESEARCH & DEVELOPMENT:**

Revenue expenditure on Research & Development is charged to the Profit & Loss account in the year in which it is incurred.



assets and current liabilities are translated at the rates prevailing at the year end. Any gain or loss on account of exchange difference either on settlement or on translation is recognised in the Profit & Loss Account.

**8. RETIREMENT BENEFITS:**

(a) The Company makes regular contribution to the provident fund and pension fund. These are charged to revenue on accrual basis.

(b) Provisions for leave encashment and gratuity are made on the basis of actuarial valuation.

**9. BORROWING COST:**

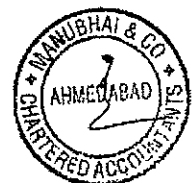
Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

**10. GENERAL:**

Accounting policies not specifically referred to are consistent with generally accepted accounting principles.

**SCHEDULE 'P'  
NOTES FORMING PART OF THE ACCOUNTS**

1. Pierlite Lighting India Private Limited (PLIPL), engaged in the business of lighting luminaries has been merged with the company. The scheme of merger was sanctioned by the Hon'ble Gujarat High Court vide its order dated 30<sup>th</sup> July, 2007. The scheme became effective on 18.09.2007, the appointed date of the scheme being 01.10.2006. Pursuant to scheme:
  - a) The assets, liabilities, rights and obligations of erstwhile PLIPL has been vested with the company w.e.f. 1<sup>st</sup> October, 2006 and have been recorded at their respective fair value under the amalgamation in the nature of merger in accordance with Accounting Standard 14 on 'Accounting for Amalgamations'.
  - b) 69,44,066 equity shares of Rs 2/- each fully paid up relating to the equity share capital of the erstwhile PLIPL as on 30<sup>th</sup> September, 2006 are to be issued 3,47,203 equity shares of Rs. 5/- each as fully paid-up to the shareholders of the amalgamating company without payment being received in cash. Further 11,00,000 equity shares of Rs. 2/- each fully paid up held by the company in PLIPL have been cancelled. Pending allotment, the face value of such shares has been shown as 'Equity Share Suspense'.
  - c) Excess of the fair value of net assets taken over by the company over paid up value of equity shares to be issued and allotted (as referred to under (b) above amounting to Rs1,21,52,117/- has been credited to Capital Reserve Account in accordance with Accounting Standard 14 on 'Accounting for amalgamations'.
  - d) The authorized share capital of the company increased by Rs. 3,00,00,000 on account of merger of PLIPL with the company.
  - e) The name of the company was changed to Pierlite India Private Limited from Gerard Electric Private Limited w.e.f. 29<sup>th</sup> September, 2007.
2. The figure for the current year include figures of Pierlite Lighting India Private Limited, which was merged with the company w.e.f. 1<sup>st</sup> October, 2006 and are therefore to that extent not comparable with those of previous year.





(ii) Guarantee issued by Bank	28,47,402	28,47,402
(iii) Capital commitments not provided for (net of advances of Rs. 24.97 lacs)	10,27,150	-

4. (a) Sundry Debtors considered good in schedule 'G' include Rs.66.29 Lacs (Previous year Rs.66.29) for which legal actions have been taken for recovery, so that the debt does not become time barred. The management is hopeful of recovery.

(b) Confirmations of balances have been received from some of the suppliers / customers and necessary adjustments have been made on the basis of confirmation received.

5. Earning per share

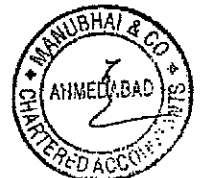
Particulars	June 30 <sup>th</sup> , 2007	June 30 <sup>th</sup> , 2006
Net Profit / (Loss) during the year	1,79,41,844	(1,71,68,295)
Weighted Average no. of equity shares outstanding	3,30,07,040	3,30,07,040
Basic Earnings / (Loss) Per Share	0.52	(0.54)
Diluted Earnings / (Loss) Per Share		
Weighted Average no. of equity shares outstanding	4,02,01,108	3,64,74,543
Diluted Earnings / (Loss) Per Share	0.45	(0.47)

6. In accordance with Accounting Standard 22, 'Accounting for Taxes on Income' issued by The Institute of Chartered Accountants of India, the Company has accounted for deferred tax liabilities of Rs. 212.27 lacs. The company also has deferred tax assets of Rs. 708.49 lacs by way of carried forward losses and unabsorbed depreciation under the Income Tax Act, 1961, out of which as a matter of prudence, deferred tax assets only to the extent of the amount of deferred tax liabilities, as above, have been recognized. Accordingly, there is no impact of the same in these Accounts.

The major components of Deferred Tax Assets and Liabilities as recognized in these accounts are as follows:

Particulars	Amount Rs. in lacs	
	June 30 <sup>th</sup> , 2007	June 30 <sup>th</sup> , 2006
<b>Deferred Tax Assets</b>		
Unabsorbed depreciation and carried forward losses	203.85	233.74
Provision for Doubtful debts & advances	8.42	3.81
<b>Total</b>	<b>212.27</b>	<b>237.55</b>
<b>Deferred Tax Liabilities</b>		
Depreciation Differences	212.27	237.55
<b>Total</b>	<b>212.27</b>	<b>237.55</b>

7. The company has book profits in the accounts for the year ended on 30<sup>th</sup> June, 2007. In view of carry forward losses and unabsorbed depreciation, there is no tax liability under regular provisions of the Income-tax Act, 1961. However liability for tax on book profits as per provisions of Section 115JB of Income-tax Act, 1961 can be determined on the basis of the figures of profit for the period from 1<sup>st</sup> April, 2007 to 31<sup>st</sup> March, 2008. In view of this, no provision for income-tax is made in the accounts.
8. Previous year's figures are not comparable as current year's figures includes figures of amalgamated company M/s. Pierlite Lighting India Private Limited.



Total	3,183,460	2,199,396
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10. Profit and Loss account includes remuneration of auditors as under:

Particulars	June 30th, 2007	June 30th, 2006
i) As Auditors	84,270	54,000
ii) In any other capacity -		
Tax Audit	20,225	11,220
Taxation Matters	24,719	10,000
Other Services	24,144	20,000
Total	153,358	95,220

11. Name of Small Scale Industries to whom the Company owes amount outstanding for more than 30 days are :

Standard Spring & Metal Press Work	Maya Industries
A. M. Brothers	Priyank Engineers
Chetan Traders (Gujarat)	Jay Traders
Mabac Process	Rohan Polymer
Premier Automats	Eminent Commu. Pvt. Ltd.
Modern Engineering Corporation	New India Cuprotec
High Bond Industries	Kaypee Lighting Industries
Perfect Technomac	Kinjal Lighting
H. N. Metal Corporation	Lumitek Engineers
Automatic Industries	Prestige Castings Pvt. Ltd.
Sun Industries	M. R. Enterprise
Rishabh Instruments	Arihant Industries
Ajay Fibreglass Pvt. Ltd.	Amol Engg. Pvt. Ltd.
Precision Spring Works	

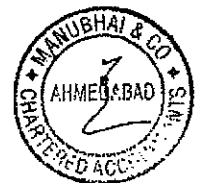
The above information regarding Small Scale Industrial Undertaking has been determined to the extent such parties had been identified on the basis of information available with the Company. This has been relied upon by the auditors.

12. Details of licensed capacity installed capacity and manufacturing activity in respect of switchgears of all types and switches, plugs, sockets etc :

Particulars	June 30th, 2007	June 30th, 2006
i) Licensed Capacity	License is not required	
ii) Installed Capacity ( as per management's certificate & relied upon by Auditors being technical matters ) - Switchgears & Safety	700,000	700,000

13. Particulars of Manufacturing Activity:

Particulars	June 30th, 2007		June 30th, 2006	
	Qty (Nos)	Rs.	Qty (Nos)	Rs.
Opening Stock	65,955	8,852,586	114,494	11,519,705
Production	325,347	-	260,985	-
Sales	346,402	117,000,586	309,524	96,820,778
Closing Stock	44,900	7,270,193	65,955	11,399,580



Opening Stock	465,946	18,640,419	465,646	19,180,733
Purchase	184,566	68,773,585	312,323	21,570,065
Sales	181,305	89,900,060	312,023	34,991,537
Closing Stock	469,207	22,710,484	465,946	18,640,419

15. Consumption of Imported & Indigenous Material:

Particulars	June 30th, 2007		June 30th, 2006	
	%	Rs.	%	Rs.
i) Indigenous	95.75	52,064,883	98.27	40,635,216
ii) Imported	4.25	2,308,306	1.73	650,059
<b>Total</b>	<b>100.00</b>	<b>54,373,189</b>	<b>100.00</b>	<b>44,534,614</b>

16. Consumption of Raw Material:

Particulars	June 30th, 2007		June 30th, 2006	
	Qty	Rs.	Qty	Rs.
i) Copper - Kgs.	41,726	19,488,754	42,008	14,856,645
ii) M.S.sheet, Flat Channels & Angles - Kgs.	114,219	4,687,082	84,657	3,452,224
iii) Electroplating	NA	NIL	NA	3,647,690
iv) Brass	4,086	1,424,230	4,941	1,300,582
v) Nylon, DMC & Bakelite powder	54,440	6,464,909	39,954	4,745,836
vi) Others	NA	22,308,214	NA	13,346,318
<b>Total</b>		<b>54,373,189</b>		<b>44,534,614</b>

17. CIF Value of Imports:  
(excluding purchase of items through other agencies)

Particulars	June 30th, 2007	June 30th, 2006
i) Raw Materials	2,308,305	444,911
ii) Purchase for resale	8,994,102	7,931,627

18. Expenditure in Foreign Currency:

Particulars	June 30th, 2007	June 30th, 2006
Travelling Expenses	277,240	86,067

19. FOB Value of Exports:

Particulars	June 30th, 2007	June 30th, 2006
Wiring Accessories & Installation Equipment	16,500	2,451,427



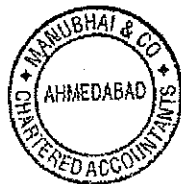
	Balance Sheet Date	30.06.2007
<b>II</b>	<b>Capital raised during the year</b>	Amount in Thousands
	Public Issue	Nil
	Rights Issue	Nil
	Bonus Issue	Nil
	Private Placement	Nil
<b>III</b>	<b>Position of mobilization and deployment of funds:</b>	Amount in Thousands
	Total Liabilities	Rs 2,50,995
	Total Assets	Rs 2,50,995
	Source of Funds:	
	Paid-up Capital	Rs 1,65,035
	Share Application Money & Equity Suspense	Rs 36,404
	Reserves & Surplus	Rs 13,327
	Secured Loan	Rs 33,505
	Unsecured Loan	Rs 2,723
	Application of Funds:	
	Net fixed Assets	Rs 1,15,707
	Investments	Rs 28
	Accumulated losses	Rs 21,281
	Net Current Assets	Rs 1,13,978
	Miscellaneous Expenses	Nil
<b>IV</b>	<b>Performance of Company</b>	Amount in Thousands
	Total Income	Rs 2,32,695
	Total Expenses	Rs 2,14,754
	(Loss) / Profit before tax	Rs 17,941
	(Loss) / Profit after tax	Rs 17,298
	Earning per share in Rs	Rs 0.52
	Dividened Rate	Nil
<b>V</b>	<b>Generic name of principal product of the Company</b>	
a)	Item Code No (ITC Code)	853620.03
	Production Description	Miniature Circuit Breakers
b)	Item Code No (ITC Code)	853620.09
	Production Description	Change Over Switches
c)	Item Code No (ITC Code)	853620.04
	Production Description	Earth Leakage Circuit Breakers

SIGNATURE TO SCHEDULES 'A' to 'P'

As per our report of even date,

For Manubhai & Co.  
Chartered Accountants

(J. D. Shah)  
Partner



Place: Ahmedabad  
Date: 12.12.2007

William R.  
Henderson  
Chairman

Robert  
Gerard  
Director

Simon  
Gerard  
Director

Place: Adaleide  
Date: 05.12.2007

Rakesh Kasiwal  
Managing Director  
Place: Ahmedabad  
Date: 12.12.2007

Jigish R Parikh  
Company Secretary