

**PIERLITE INDIA PRIVATE LTD.
AHMEDABAD**

**AUDITED ACCOUNTS FOR THE YEAR
ENDED 30TH JUNE, 2009**

Manubhai & Co.

Chartered Accountants **AUDITORS' REPORT**

To,
The Members of
Pierlite India Private Limited

1. We have audited the attached Balance Sheet of Pierlite India Private Limited as at 30th June, 2009 and also Profit and Loss Account for the period from 1st July, 2008 to 30th June, 2009 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. 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) 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 30th June, 2009; and
 - (b) in the case of Profit & Loss Account, of the Loss of the Company for the year ended on that date.

Place: Ahmedabad

Date: 24-Feb-2010



For Manubhai & Co.
Chartered Accountants

J. D. Shah

(J. D. Shah)
Partner

M. No. 100116

PIERLITE INDIA PRIVATE LIMITED

Balance Sheet as at 30th June, 2009

Amount in Rs

Particulars	Schedule	As at 30th June, 2009	As at 30th June, 2009	As at 30th June, 2008	As at 30th June, 2008
I SOURCES OF FUNDS					
1 Shareholders' Funds:					
(a) Share Capital	A	202,955,545		194,695,545	
(b) Share Application Money		6,744,000		6,744,000	
(c) Reserves & Surplus	B	13,327,270		13,327,270	
			223,026,815		214,766,815
2 Loan Funds:					
Secured Loans	C		38,699,167		27,692,085
TOTAL			281,725,982		242,658,900
II APPLICATION OF FUNDS					
1 Fixed Assets:					
(a) Gross Block	D	215,789,340		220,850,614	
(b) Less: Accumulated Depreciation		127,559,433		141,112,132	
(c) Net Block			88,229,907		79,738,482
(d) Capital work in progress			912,546		912,546
2 Investments	E		28,110		5,079,363
3 Deferred Tax					
(a) Deferred Tax Assets		13,450,269		12,626,238	
(b) Less: Deferred Tax Liabilities		13,450,269		12,626,238	
(c) Net Assets			0		0
4 Current Assets, Loans & Advances:	F				
(a) Inventories		108,377,269		89,702,062	
(b) Sundry Debtors		44,453,652		55,363,073	
(c) Cash & Bank Balances		14,262,252		18,048,145	
(d) Other Current Assets		155,148		160,836	
(e) Loans & Advances		14,297,271		21,285,147	
		181,545,593		183,687,263	
Less: Current Liabilities & Provisions:	G				
		52,710,331		65,444,439	
		52,710,331		65,444,439	
Net Current Assets			128,635,262		118,142,824
5 Profit & Loss Account			43,720,157		39,765,665
TOTAL			281,725,982		242,658,900

Significant Accounting Policies
Notes on Accounts

As per our report of even date

William R. Henderson
Chairman

Robert Gerard
Director

Simon Gerard
Director

For, Manubhai & Co.
Chartered Accountants

Place: Adelaide

Date: January 25, 2010

(J. D. Shah)
Partner

Place: Ahmedabad
Date: Feb. 24, 2010



Rakesh Kesliwal
Managing Director

Place: Ahmedabad

Date: February 18, 2010

Jigish R Parikh
Company Secretary

PIERLITE INDIA PRIVATE LIMITED

Particulars	Schedule	For the Year ended 30th June 2009		Amount in Rs	
		2009	2008	2009	2008
INCOME					
Income from Operations	H	232,584,609		289,276,137	
Other Income	I	5,663,966		12,049,310	
Increase / (Decrease) in stock	J	3,278,451		7,420,994	
Exchange Fluctuation Gain - Operational		0		272,353	
Total Income			241,627,026		309,018,794
EXPENDITURE					
Cost of Goods Sold	K	134,835,444		179,651,013	
Manufacturing Expenses	L	58,761,939		57,017,769	
Administrative & Other Expenses	M	36,718,644		33,908,103	
Interest		4,144,748		3,913,259	
Depreciation / Amortisation		10,900,724		51,359,514	
Exchange Fluctuation Loss		2,512,828		-	
Total Expenditure			247,874,327		325,847,658
Operating Loss for the year			6,347,301		16,828,864
Less: Prior Period Adjustments - Credit (See Note no. 8 in Schedule 'O')			1,829,249		0
Loss before Taxation			4,518,052		16,828,864
Add: Provision for Taxation					
Wealth Tax		27,715		1,124	
Fringe Benefit Tax		388,725		674,389	
Deferred Tax (Refer Note no 5 of O)		0		0	
			416,440		675,513
Net Loss for the year			4,934,492		17,504,377
Add: Balance of Loss brought forward from Earlier Year			38,785,665		21,281,288
Balance of Loss carried to Balance Sheet			43,720,157		38,785,665
Earnings per Share of face value of Rs 5/- - Basic - (Loss)			(0.12)		(0.48)
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: Feb. 24, 2010



William R. Henderson
Chairman

Place: Adelaide

Date: January 25, 2010

Robert Gerard
Director

Simon Garard
Director

Rakesh Kasliwal
Managing Director

Place: Ahmedabad

Date: February 18, 2010

Jigish R Parikh
Company Secretary

PIERLITE INDIA PRIVATE LIMITED

Particulars	Amount in Rs	
	30th June 2009	30th June 2008
SCHEDULE 'A'		
SHARE CAPITAL		
Authorised 7,00,00,000 Equity shares of Rs 5/- each (Previous Year 7,00,00,000 of Rs 5/- each)	360,000,000	360,000,000
	360,000,000	360,000,000
Issued 4,05,91,109 Equity shares of Rs 5/- each - fully paidup (Previous Year 3,89,38,109 of Rs 5/- each fully paidup)	202,955,545	194,895,545
	202,955,545	194,895,545
Paidup 4,05,91,109 Equity shares of Rs 5/- each - fully paidup (Previous Year 3,89,38,109 of Rs 5/- each fully paidup)	202,955,545	194,895,545
	202,955,545	194,895,545
Total		
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 Out of above equity shares 3,47,203 equity shares of Rs 5/- each at par were issued to the shareholders of amalgamating company as fully paid up shares for consideration other than cash.		
3 Out of above 30279048 shares are held by the holding company - Gerard Investments Pta. Ltd and 10312081 shares are held by Chung Shan Limited.		
SCHEDULE 'B'		
RESERVES & SURPLUS		
(i) Capital Reserve Balance as per last year	1,175,163	1,175,163
(ii) Amalgamation Reserve Balance as per last year	12,152,117	12,152,117
	13,327,270	13,327,270
Total		
SCHEDULE 'C'		
SECURED LOANS		
Cash Credit From Bank	38,400,851	28,941,037
Deferred payment Liabilities for purchase of Motorcars (installments due within one year Rs.682732/- Previous year Rs.724050/-).	288,318	651,048
	38,699,167	27,882,085
Total		
Notes:		
1 Cash Credit is secured by hypothecation of entire stocks and book debts and further secured by Equitable Mortgage on Company's immovable properties situated at 1) F.P. 60/61 at Rakhial Road, Ahmedabad 2) Village :Lohched In Jambusar Taluka of District Bharuch 3) AI & PO : Kalyanpur in Dist.Jamnagar		
2 Deferred Payment Liabilities are secured by hypothecation of vehicles.		



Schedules forming part of Balance Sheet as at June 30th, 2009

SCHEDULE 'D'

FIXED ASSETS

FIXED ASSETS

S.No.	Description	Gross Block				Net Block			
		Cost as at 01.07.2008	Additions during the Year	Depreciation during the Year	Cost as at 30.06.2009	As at 30.06.2009	Depreciation / Add. Reversed/ Addition at dep.	As at 30.06.2009	As at 30.06.2008
TANGIBLE ASSETS:									
1	Land	19,259,324	-	-	19,259,324	-	-	19,259,324	19,259,324
2	Buildings	28,350,875	4,391,188	-	32,742,063	1,338,033	-	31,404,030	5,296,205
3	Computers	9,185,574	1,666,061	1,661,090	9,190,545	1,198,101	2,296,878	7,892,667	2,495,007
4	Plant & Machinery	80,153,805	4,367,201	4,367,201	88,818,805	3,091,801	2,755,250	86,062,554	21,636,382
5	Tools & Moulds	68,202,677	5,384,166	16,393,279	89,980,112	3,200,137	12,584,602	87,495,510	24,256,105
6	Vehicles	5,828,217	-	340,963	6,169,180	576,709	268,465	5,892,715	2,263,361
7	Furniture & Fixtures	5,780,268	1,953,646	-	7,733,914	570,477	(61,504)	7,672,410	4,121,810
	Sub-total	215,080,540	17,911,279	22,972,553	215,019,266	9,975,358	17,791,671	207,227,595	85,536,564
INTANGIBLE ASSETS:									
1	Software	2,770,074	-	-	2,770,074	925,366	-	1,844,708	1,682,923
	Sub-total	2,770,074	-	-	2,770,074	925,366	-	1,844,708	2,618,289
	TOTAL	220,850,614	17,911,279	22,972,553	215,789,346	10,900,724	17,791,671	208,988,674	88,154,853
	PREVIOUS YEAR	207,189,569	15,645,364	1,982,319	220,817,252	9,412,630	1,728,855	219,114,637	115,707,096
	Capital Work-in-progress							79,738,484	872,546

Note: Capital WIP includes

1 ERP Software & Installation Charges (Phase II) Rs.812,546



PIERLITE INDIA PRIVATE LIMITED

Particulars	Amount in Rs	
	31.03.2009	31.03.2008
SCHEDULE 'F'		
INVESTMENTS		
In Shares:		
a) Quoted		
6209 Shares (Previous Year 6214) Equity Shares of Marathon Nextgen Realty & Textile Ltd of Rs 10/- each fully paid up. (Market Value Rs. 12,43,042) (Previous Year Rs 21,77,386) (See Note 3 in Schedule O)	0	0
b) Unquoted		
Other than Trade		
20000 (Previous Year 20000) Equity Shares of Pyarelal Textile Ltd of 10/- each fully paid up.	14,000	14,000
20000 (Previous Year 20000) Equity Shares of Niranjan 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
Current Investment		
Nil (Previous Year 250000) Units of Rs 10 Each (Previous Year Nil) ABN AMRO Flexible short Plan Series B Monthly Div-Red (Previous Year - NAV Rs. 25,19,675)	0	2,551,273
Nil (Previous Year 250000) Units of Rs 10 Each (Previous Year Nil) ABN AMRO Interval Fund Quarterly Plan i Monthly Div-Red (Previous Year - NAV Rs. 28,02,250)	0	2,500,000
Total	28,110	5,078,383
SCHEDULE 'F'		
CURRENT ASSETS, LOANS & ADVANCES		
(A) CURRENT ASSETS:		
INVENTORIES		
i) Stores & Spares	385,281	324,172
ii) Stock in trade		
(a) Raw Materials	42,840,893	34,988,871
(b) Finished Goods	36,897,856	37,086,214
(c) Stock-in-process	19,861,615	18,324,705
iii) Material in Transit	8,351,745	0
	107,882,008	88,377,890
Sub-total	108,377,289	88,702,062
SUNDRY DEBTORS		
(Unsecured, Considered good unless otherwise stated)		
i) Outstanding for a period exceeding six months		
Considered good	7,558,214	7,969,377
Considered doubtful	13,357,734	14,252,716
	20,915,948	22,222,092
ii) Others (Considered good)	38,695,438	47,413,696
	57,811,386	68,635,788
Less: Provision for doubtful debts	13,357,734	14,252,716
Sub-total	44,453,652	55,383,073



PIERLITE INDIA PRIVATE LIMITED

		Amount in Rs	
		30.06.2009	30.06.2008
SCHEDULE 'F'			
(Continued)			
CASH & BANK BALANCES:			
Cash In Hand		164,100	311,971
Balance with Scheduled Banker:			
i) In Current Accounts		10,234,305	5,373,309
ii) In Fixed Deposit Accounts		3,683,848	12,360,885
Sub-total		14,282,252	18,046,145
OTHER CURRENT ASSETS:			
Interest Accrued on fixed deposits		155,148	190,836
Sub-total		155,148	190,836
(B) LOANS & ADVANCES			
(Unsecured, Considered good unless otherwise stated)			
i) Advances recoverable in Cash or kind or for value to be received		5,931,577	13,998,324
ii) Advance Income Tax (Net of provision)		622,445	399,707
iii) Advance Fringe Benefit Tax		-	674,389
iv) Deposits		4,743,250	6,164,727
Sub-total		14,297,271	21,265,147
Total Current Assets, Loans and Advances		181,545,593	183,557,293
SCHEDULE 'G'			
CURRENT LIABILITIES & PROVISIONS:			
(A) CURRENT LIABILITIES			
Sundry creditors			
(i) Due to Micro, Small & Medium Enterprises		415,658	2,048,508
(ii) Others		41,395,821	83,928,131
Other liabilities		41,811,778	65,976,839
Deposits from Dealers		9,320,801	7,310,108
Sub-total		1,682,179	1,482,179
		52,694,558	84,768,926
(B) PROVISIONS			
Wealth Tax		15,775	1,124
Fringe Benefit Tax		-	674,389
Sub-total		15,775	675,513
Total - Current Liabilities and Provisions		62,710,331	85,444,439
Note : No amount is due and outstanding as on 30.06.2009 to be transferred to Investors Education and Protection Fund.			



PIERLITE INDIA PRIVATE LIMITED

Schedules forming part of Profit and Loss Account for year ended on 30th June, 2009
Amount in Rs

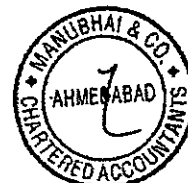
Particulars	For the year ended on 30th June, 2009	For the year ended on 30th June, 2008
SCHEDULE 'H'		
INCOME FROM OPERATIONS:		
Sales	245,720,118	303,279,812
Wind Mill power Sale	2,018,809	1,791,032
	247,738,927	305,070,844
Less: Excise Duty	17,943,448	22,452,328
Net Sales	229,795,479	282,618,516
Commission	2,789,330	6,657,819
Total	232,584,809	289,276,335
SCHEDULE 'I'		
OTHER INCOME		
Interest (Gross) (Tax deducted at source Rs 224548 (Previous Year Rs 53913.00))	1,174,937	1,085,755
Dividend	109,841	0
Insurance Claims	804,385	25,521
Miscellaneous Income	255,555	3,371,968
Liability no longer required written back	1,615,971	509
Provision of Doubtful Debts Written Back	1,681,695	-
Profit on Sale of Investments	800	7,124,386
Profit on Sale of Fixed Assets	20,983	441,202
Total	5,683,968	12,049,310
SCHEDULE 'J'		
INCREASE / (DECREASE) IN STOCK		
a. Finished Goods		
Closing Stock	38,697,855	37,086,214
Less: Opening Stock	37,086,214	29,980,877
Increase / (Decrease) in Stock of Finished Goods	(388,359)	7,105,337
b. Stock-in-progress		
Closing	19,991,515	18,324,705
Less: Opening	18,324,705	18,009,248
Increase / (Decrease) in Stock-in-progress	3,666,810	315,457
Increase / (Decrease) in stock	3,278,451	7,420,794



PIERLITE INDIA PRIVATE LIMITED

Schedules forming part of Profit and Loss Account for year ended on 30th June, 2009
Amount in Rs

Particulars	For the year ended on 30th June, 2009	For the year ended on 30th June, 2008
SCHEDULE 'K'		
COST OF GOODS SOLD		
Purchase of Trading Goods	45,388,238	71,171,514
Raw material consumed	88,251,140	104,139,777
Stores & spares consumed	1,188,088	2,117,721
Packing Material Consumed		2,222,001
Total	134,836,444	179,651,013
SCHEDULE 'L'		
MANUFACTURING EXPENSES		
Sales Tax	9,283,937	10,041,785
Repairs & Maintenance to:		
Machinery	886,492	876,828
Buildings	1,043,578	418,836
Other Assets	128,370	111,019
	2,057,438	1,404,813
Power & Fuel	3,689,875	3,638,270
Payments to & Provision for Employees :		
Wages, Salaries and Bonus	40,862,522	38,993,389
Contribution to Provident Fund, ESI & Other Fund	2,089,895	1,763,831
Staff Welfare Expenses	389,384	444,480
	43,311,801	41,221,500
Wind Mill maintenance exp.	428,988	713,401
Total	58,761,839	57,017,769
SCHEDULE 'M'		
ADMINISTRATIVE AND OTHER EXPENSES		
Rent	4,840,776	4,359,872
Rates & Taxes	30,579	628,907
Insurance	1,518,645	1,087,288
Advertisement	137,711	975,661
Traveling Expenses	2,427,152	2,727,391
Directors' Traveling Expenses	352,284	938,021
Consultancy Expenses	2,688,438	1,769,584
Telephone / Fax Expenses	1,449,318	1,587,718
Commission	504,876	-
Discount	537,452	1,458,045
Miscellaneous Expenses	14,241,174	11,788,502
Bad debts written off	3,271,338	387,022
Provision for doubtful debts	-	2,760,000
Freight & Cartages	4,821,099	3,471,163
Security Transaction Tax	-	8,919
Loss on sale of fixed assets	0	0
TOTAL	38,718,844	33,908,103



PIERLITE INDIA PRIVATE LIMITED.
SCHEDULES FORMING PART OF ACCOUNTS AS AT 30/06/2009

SCHEDULE 'N'
SIGNIFICANT ACCOUNTING POLICIES

1. **Basis of Preparation:**
The financial statements are prepared under the historical cost convention and the requirements of the Companies Act, 1956.
2. **Use of Estimates:**
The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.
3. **Recognition of Income / Expenditure:**
 - (a) All income and expenditure are recognised and accounted on Accrual basis except guarantee commission and discount charges. Insurance claims are accounted on finalization of the same.
 - (b) **Expenses :**
All material and known liabilities are provided for on the basis of available information / estimates.
4. **Fixed Assets and Depreciation:**
 - (a) **Fixed Assets:**
 - (i) **Tangible -** Fixed assets include all expenditure of capital nature and are stated at cost (Net of carry over, wherever applicable) less depreciation.
 - (ii) **Intangible -** The costs of software and its implementation which have probable economic benefits exceeding one year are capitalized at acquisition cost under Intangible Assets.
 - (iii) 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 Written Down Value method as laid down u/s 205(2) (a) at the rates prescribed in Schedule XIV to the Companies Act 1956.
 - (ii) Software costs are amortized over a period of three years.



(iii) 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.

5. Inventories:

(a) Stock of Finished goods, raw materials, own-manufactured components, work in progress and stores are valued at cost or net realisable value whichever is lower. For this purpose the cost is ascertained on weighted average method.

(b) Obsolete, defective and unserviceable stocks are duly provided for.

6. Sales:

Sales include amounts recovered towards Excise Duty and Sales Tax.

7. Investments:

Long term investments are stated at cost and current investment are stated at lower of cost or fair market value. In case of long term investments, diminution in the value of investment other than temporary nature is duly provided for.

8. Research and Development:

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

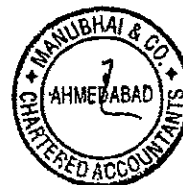
9. Foreign Currency Transactions:

Foreign currency transactions settled during the year are accounted at equivalent rupee value paid. However, year-end balances on account of unsettled transactions shown in current 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.

10. Employee Benefits:

a) Post employment benefits under defined benefit plans are recognized as an expense in the profit and loss account for the year in which the employee has rendered services. The expenses are recognized at the present value of the amount payable towards contributions. The present value is determined using the market yields of government bonds, at the balance sheet date, at the discounting rate.

b) Post employment Benefits under defined contribution plan and other long term employee benefits are recognized as an expense in the profit and loss account for the period in which employee has rendered services. Estimated liability on account of long term benefits is discounted to



current value using the yield on government bonds as on the date of balance sheet, at the discounting rate.

- c) Short term employee benefits are recognized as an expense in the profit and loss account of the year in which the related services is rendered.
- d) Actuarial gains and losses in respect of post employment and other long term benefits are charged to the profit and loss account.

11. 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.

12. General:

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

SCHEDULE 'O'
NOTES FORMING PART OF THE ACCOUNTS

- 1. The Company is a Small and Medium Sized Company (SMC) as defined in the General Instructions in respect of Accounting Standards notified under the Companies Act, 1956. Accordingly, the Company has complied with the Accounting Standards as applicable to Small and Medium Sized Company.

2. Contingent Liabilities in respect of:

Particulars	June 30 th , 2009	June 30 th , 2008
(i) Bills Discounted	Nil	Nil
(ii) Guarantee issued by bank	15,75,910	20,25,117

- 3. The company has received 6209 number of Equity Shares of Marathon Nextgen Realty & Textile Ltd. as bonus shares and therefore the cost of the same has been taken as Nil.
- 4. Sundry Debtors considered good in schedule 'G' include Rs.66.29 Lacs (Previous year Rs.66.29) for which legal action has been taken for recovery, so that the debt does not become time barred. The management is hopeful of recovery.
- 5. During the year, maintenance of accounts of the company have been migrated to Enterprise Resource Planning (Microsoft Dynamic AXPTA) system from erstwhile Disk Operating System (Wipro). During migration, certain entries have been generated in the new system without documentary evidences which have been reversed. Further, the company is also in the process of obtaining the confirmation of balances from the parties under the head Sundry Debtors, Sundry Creditors and Loans and Advances



6. Earning Per Share:

Particulars	June 30 th , 2009	June 30 th , 2008
Net Profit / (Loss) during the year	(4,934,492)	(17,504,377)
Weighted Average No. of equity Shares Outstanding	40,591,109	37,655,182
Basic Earnings/ (Loss) Per Share	(0.12)	(0.46)
Diluted Earnings/ (Loss) Per Share	Nil	Nil

7. 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. 134.50 lacs. The company also has deferred tax assets of Rs. 674.68 lacs by way of carried forward losses and unabsorbed depreciation and provisions for doubtful debts 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	June 30 th , 2009	June 30 th , 2008
Deferred Tax Assets:		
Unabsorbed depreciation and Carried forward losses (restricted to the extent of liability)	90.33	111.6
Provision for Doubtful debts & advances	44.17	13.66
Total	134.5	125.26
Deferred Tax Liabilities:		
Depreciation differences	134.5	125.66
Total	134.5	125.66

8. Prior Period Adjustments Includes:

Particulars	June 30 th , 2009 Debit/(Credit)
Deferred Tax Assets:	
Depreciation Written Back	(66,61,750)
Provision for exp written back	3,42,000
Expenditure of Earlier years not Provided in previous year paid in current year.	1,06,209
Obsolete assets written off	48,05,961
Rectification of sundry debt balance.	(2,62,329)
Total	18,29,249



9. The management has initiated the process of identifying enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small, and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at June 30, 2009 has been made in the financial statements based on information received and available with the Company. As required by Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006, the following information is disclosed:

Sr no	Particular	Amount in Rs.	
		Current Year	Previous Year
(a)	(i) Principal amount remaining unpaid at the end of the accounting year (ii) Interest due on above	4,15,955 13170	20,48,508 58440
(b)	The amount of interest paid by the buyer along with amount of payment made to the suppliers beyond the appointed date	Nil	Nil
(c)	The amount of interest accrued and remaining unpaid at the end of the financial year	13170	58440
(d)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding interest specified under this Act	Nil	Nil
(e)	The amount of further interest remaining due and payable in succeeding years, until such interest is actually paid	13170	58440

10. Related Party disclosure as required under the Accounting Standard "AS - 18" on Related Party Disclosures, Issued by the Institute of Chartered Accountants of India are given below:

(a) Nature of Relationship:
Key Managerial Personnel:
Mr. Rakesh Kasliwal - Managing Director

(b) Details of Transactions

Name of the Related Party	Relationship	Description of Transaction	(Amount in Rs.)
			Rs.
Mr. Rakesh C. Kasliwal	Key Management Personnel	Remuneration	33,53,100

11. Previous year's figures have been rearranged / regrouped wherever necessary.



12. Salaries include Managing Directors Remuneration which is as under:

Particulars	June 30 th , 2009	June 30 th , 2008
i) Salaries	3,122,700	2,750,667
ii) Contribution to Provident Fund	230,400	252,080
Total	3,353,100	3,00,2747

13. Profit and Loss Account Includes Remuneration of Auditors which is as under:

Particulars	June 30 th , 2009	June 30 th , 2008
i) As Auditors	82,725	84270
ii) In any other capacity -		
Tax Audit Fees	22,072	20225
Taxation Matters	24,266	24,719
Other Services	93,125	40,899
Total	222,188	170,113

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

Particulars	June 30 th , 2009	June 30 th , 2008
i) Licensed Capacity	(License not required)	
ii) Installed Capacity (as per management's certificate & relied upon by Auditors being technical matters) - Switchgears & Safety	700,000	700,000

15. The principal actuarial assumptions used as at the balance sheet date for Gratuity and Leave Encashment liability are as under:

Particulars	June 30 th , 2009
Discount Rate	7.75 %
Rate of increase in Compensation Levels	6.00 %
Rate of Return on Plan Assets	--

16. Particulars of Manufacturing Activities:

Particulars	June 30 th , 2009		June 30 th , 2008	
	Qty (Nos)	Rs.	Qty (Nos)	Rs.
Opening Stock	34,958	1,04,50,254	44,900	72,70,193
Production	4,62,387		3,95,591	
Sales	4,47,844	20,20,38,842	4,75,449	21,44,55,775
Closing Stock	49,501	1,07,20,172	34,958	1,04,50,254



17. Particulars of Trading Goods

Particulars	June 30 th , 2009		June 30 th , 2008	
	Qty (Nos)	Rs.	Qty (Nos)	Rs.
Opening Stock	492,131	38,331,240	469,207	22,710,484
Purchase	82,233	45,396,236	429,335	71,171,515
Sales	95,541	48,718,086	406,411	88,823,838
Closing Stock	478,823	25,977,683	492,131	38,331,240

18. Consumption of Raw Material

Particulars	June 30 th , 2009		June 30 th , 2008	
	Qty (Kgs.)	Rs.	Qty (Kgs.)	Rs.
ii) Copper	55,396	18,141,898	71,591	33,860,919
iii) M.S.sheet, Flat Channels & Angles	172,919	6,752,411	186,275	8,158,120
iiii) Electroplating	-	-	-	-
v) Brass	633	204,126	2,147	779,883
vi) Nylon, DMC & Bakelite powder	81518	72,669,39	107935	10,575,539
vii) Others		55,747,218		50,765,316
Total		88,112,592		104,139,777

19. Consumption of Imported/ Indigenous Materials

Particulars	June 30 th , 2009		June 30 th , 2008	
	%	Rs.	%	Rs.
i) Indigenous	79.8	70,315,754	77.45	80,655,892
ii) Imported	20.2	17,796,838	22.55	23,483,885
Total	100.00	88,112,592	100.00	104,139,777

20. CIF Value of Imports

Particulars	June 30 th , 2009	June 30 th , 2008
i) Raw Materials	17,796,838	36,078,914
ii) Purchase for resale	7,737,029	10,060,798
iii) Capital Goods	2525725	446127

21. Expenses In Foreign Currency

Particulars	June 30 th , 2009	June 30 th , 2008
Travelling Expenses	213,259	717,676



22. F.O.B. Value of Exports

Particulars	June 30 th , 2009	June 30 th , 2008
Wiring Accessories & Installation Equipment	NIL	NIL

23. Balance Sheet Abstract and General Business Profile:

I.	Company's Registration Details	
	Registration No.	031172
	State Code	11
	Balance Sheet	30.06.2009
II.	Capital raised during the year	8,260
	(Amount in Rs. Thousands)	
	Public Issue	NIL
	Right Issue	NIL
	Bonus Issue	NIL
	Private Placement	NIL
III.	Position of Mobilisation and Deployment of Funds	
	(Amount in Rs. Thousands)	
	Total Liabilities	261,726
	Total Assets	261,726
	Sources of Funds	261,726
	Paid up Capital	202,956
	Share Application Money	6,744
	Reserves and Surplus	13,327
	Secured Loans	38,699
	Unsecured Loans	NIL
	Application of Funds	261,726
	Net Fixed Assets	88,230
	Capital WIP	913
	Investments	28
	Deferred Tax Assets	13,450
	Net Current Assets	128,835
	Miscellaneous expenditure (Balance in Profit & Loss A/c)	43,720



IV.	Performance of Company	
	(Amount in Rs. Thousands)	
	Total Income	241,527
	Total Expenditure	246,934
	Profit/(Loss) before tax	4,518
	Profit/(Loss) after tax	4,934
	Earnings Per Share In Rs.	(0.12)
	Dividend Rate %	-
V.	Generic names of Three Principal	
	Products/Services of a Company	
	(As per Monetary Terms)	
	Product Description	
1	MOULDED CASE CIRCUIT BREAKERS	
2	CHANGE OVER SWITCHES	
3	MINIATURE CIRCUIT BREAKERS	
4	LIGHTING FIXTURES	

SIGNATURES TO SCHEDULES 'A' TO 'O'

As per our report of even date,

[Signature]
 William R. Henderson
 Chairman

[Signature]
 Robert Gerard
 Director

[Signature]
 Simon Gerard
 Director

For, Manubhai & Co.
 Chartered Accountants

Place: Adelaide
 Date: January 25, 2010

[Signature]
 (J. D. Shah)
 Partner

[Signature]
 Rakesh Kasiwal
 Managing Director

[Signature]
 Jigish R Parikh
 Company Secretary

Place: Ahmedabad
 Date: February 24, 2010

Place: Ahmedabad
 Date: February 18, 2010

