

ETA General Private Limited

EXPLANATORY NOTES TO FINANCIAL STATEMENTS**1. LEGAL STATUS & PRINCIPAL ACTIVITIES:**

ETA General Private Limited (the "Company") is a subsidiary of M/s. Electro-Mechanical Technical Associates Ltd., Republic of Mauritius incorporated vide Certificate of Incorporation No.59-01499 dated 5th November 1999 issued by Registrar of Companies, Pondicherry.

The share holding pattern of the Company as on 31.12.2006:

Share Holders	No. of shares	Amount	Percentage
Electromechanical Technical Associates Ltd, Mauritius	11,604,000	116,039,995	48.01
SM Salahuddin	1,450,390	14,503,905	6.00
Engineering Maintenance Company, Dubai	560,700	5,607,000	2.32
MM Mohiuddin	445,039	4,450,394	1.84
AK Agarwal	445,039	4,450,394	1.84
Fujitsu General Ltd, Japan	4,919,500	49,194,994	20.36
Fujitsu General Asia Pte Ltd, Singapore	4,743,300	47,432,997	19.63
JVM Abdul Cader	200	2,000	0.00
Total	24,168,168	241,681,680	100

The Registered office of the Company is situated at R.S.Nos 79-81, Kalitheerthalkuppam, Mannadipet, Pondicherry - 605107, India.

The object of the company is manufacturing air conditioners, air coolers and components for centralized air conditioning system.

Approval from Ministry of Commerce and Industry, Government of India was obtained vide their permission letter dated 11th February 2000 (Ref letter No:3/69/SIA/NFC/99/NRI) to direct foreign collaboration for 100% NRI Equity participation amounting to INR 100 Million (10 Crores) on repatriation basis.

2. BASIS OF PREPARATION:**2.1 Statement of Compliance**

The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis. The accounts are prepared on historical cost as a going concern and are consistent with International Financial Reporting Standards.

ETA General Private Limited**2.2 Use of estimates and judgments**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of Assets and Liabilities, Disclosure of Contingent Gain or Loss at the date of financial statements and the reported amounts of revenue and expenses during the reported period. Example of such estimates includes Provision for Commission payable to dealers, various operating expenses and the useful life of the assets. Actual results could differ from these estimates.

3. PRINCIPAL ACCOUNTING POLICIES:**3.1 Foreign Currency Translations**

The business is carried on by the Company is independent of the operations of its Holding /Group Companies. Hence, the transactions of the Company are recorded in the Functional Currency of the Country . The Financial Statements have not been translated in foreign currency.

3.2 Revenue Recognition

Revenue from sale of products is recognized upon passage of title to the customer and generally coincides with delivery/acceptance.

Sale value includes excise duty, transport, and other cost including sales tax.

The Company follows the percentage of completion method in recognizing the revenue in respect of air conditioning contracts executed during the year which is in accordance with the International Accounting Standard 18.

3.3 Financing Costs

Financing costs comprise interest payable on current facilities from banks, overdrafts and term loans from banks and suppliers. Interest income is recognized in the income statement as it accrues, taking into account the effective yield on the asset.

3.4 Property Plant and Equipment

Items of property, plant and equipment other than land are stated at cost less accumulated depreciation. The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate proportion of production overheads.

Where the parts of an item of property, plant and equipment have different useful lives they are accounted for as separate items of property, plant and equipment.

3.5 Depreciation

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Depreciation is charged in the income statement on a straight line basis over the estimated useful lives of items of property, plant and equipment. The estimated useful lives are as follows:

Assets	Life (years)
Leasehold and Freehold Land	Not Applicable
<u>Buildings:</u>	
Factory Building	30-35
Office Building	60-65
Plant and Equipment	20-25
Furniture, fixtures and office equipment	15-20
Motor vehicles	10-12
Computers	2-3

3.6 Other Intangible Assets

Company had entered Technical Collaboration Agreement with Fujitsu General Group on 22.12.1999 by virtue of which the Company is liable to pay Japanese Yen 50 Million as initial License Fees payable in three installments over a three-year period. According to the management this payment is made for acquisition of Plants, Designs, Drawings and specifications of Plant & Machinery and Layout and process for manufacturing of Window and Split Air conditioners and hence is capital in nature. The amount of three installments paid is Rs.1,95,88,316/- & the same has been capitalized as Fixed Asset & depreciation has been consistently charged on straight line basis over a period of 4 years from the year in which payment is made. The asset has been fully written off as on 31st March 2005.

As per the management, the technical agreement relating to manufacturing process has no enduring benefit and hence the same has been charged off in the Profit & Loss Account.

3.7 Inventories

Inventories are stated at lower of cost and estimated net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

3.7.1 Raw Materials

Raw materials at factory are valued at weighted average cost net of CENVAT as certified by the Management. The Company follows FIFO basis in issuing the materials.

3.7.2 Goods at Bonded Warehouse & Goods in Transit

Goods at Bonded Warehouse is valued at cost plus Customs duty payable & and Goods in transit are valued at cost.

3.7.3 Finished Goods

Finished Goods are valued at weighted average cost (inclusive of estimated Excise Duty payable) as certified by the Management.

ETA General Private Limited**3.8 Cash and Cash Equivalents**

Cash and cash equivalents comprise cash balances, Balances with Schedule banks comprising current accounts and fixed deposit balances.

3.9 Trade and Other Payables

Trade and other payables are stated at amortized cost. Liabilities are recognized for amounts to be paid for goods or services received whether or not billed to the Company. *These balances are subject to Confirmation & Reconciliation.*

3.10 Staff terminal benefits

The Company's liability towards retirement benefits in the form of Provident Fund, and Superannuation is fully funded, treated as expenditure and charged to Revenue.

3.10.1 Provident Fund

The Company contributes to the Employees Provident Fund maintained by the Central Government under the Employees Provident Fund Scheme. Both the employee and the company make monthly contributions to this Provident Fund plan equal to a specified percentage of the employee's salary.

3.10.2 Superannuation

The Company contributes to Superannuation Fund only in respect of certain employees above the Level of Senior Manager; the same is maintained by the LIC, based upon actuarial valuation. The Company makes half yearly contribution to the Superannuation plan based on a specified percentage of each covered employee's salary.

3.10.3 Provision for Gratuity

Provision for Gratuity in respect of employees who have completed 5 years of continuous service is ascertained on the assumption that they retire on the date of the balance sheet. The Company does not adopt the actuarial valuation method.

3.10.3 Provision for Leave Encashment

Provision for leave encashment is provided in the books of accounts based on the privileged leave unutilized as on balance sheet date.

3.11 Provisions

A provision is recognized in the balance sheet when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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3.11.1 Provision for maintenance and warranties

A provision for maintenance and warranties is recognized when the sale/contract is completed and handed over to the customer for the period of maintenance and warranty.

3.11.2 Operating lease payments/receipts

Factory is constructed on land taken on License for a period of 49 years along with irrevocable power of attorney on the factory land for a period of 49 years with effect from May 2000. The Company has paid a refundable deposit of Rs.2.5 Crores for this purpose. No depreciation has been provided on such land. Monthly license charge paid is charged to Profit and Loss Account, since the company is only licensed to use the land.

3.11.3 Taxation

Income tax on the profit or loss for the year comprises current and deferred tax calculated in accordance with the Indian income tax laws as prevailing from time to time. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the liability method, providing for temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognized only to the extent it is probable that future taxable profits will be available against which the deferred tax asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the tax benefit will be realized.

4. EXPLANATORY NOTES TO INCOME STATEMENT:

4.1 Turnover

Particulars	2006	2005	2004
Sale of Air Conditioners	1,202,852,471	1,195,853,058	837,293,955
Project Revenue	68,093,020	-	-
Sale of Scrap	2,118,934	3,671,872	1,615,714
Sale of Spares	5,380,350	25,185,929	119,907,078
Total	1,278,444,776	1,224,710,860	958,816,748

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4.2 Other Operating Income

Other operating income includes Interest from Bank Deposits , Interest from Intercompany deposits and Insurance claim received for the year ended 31st December 2006 amounting to INR. 23,155,929 (Previous year INR 3,602,122)

4.3 Cost of Sales

Cost comprises of materials consumed during the year & other manufacturing expenses including excise duty and customs duty.

Excise Duty includes the liability quantified at the time of removal of goods from the manufacturing unit, which is paid either by payment or adjustment against CENVAT CREDIT and Excise Duty liability on closing stock of finished goods lying at the manufacturing unit, on the reporting date of the financial statements which is calculated based on the rates in force on the same date.

Customs Duty includes the amount paid while clearing the goods either as direct entry for home consumption or through ex-bond clearance and the customs duty payable on the bonded stocks as on the reporting date.

Particulars	2006	2005	2004
Materials Consumed	709,645,860	510,212,022	456,287,976
Changes in Inventories of Finished Goods and WIP		58,862,426	(12,979,592)
<u>Manufacturing Expenses:</u>			
Carriage Inwards	23,364,586	18,101,473	11,434,876
Conversion Charges & Consumables	1,814,578	16,601,862	16,239,318
Bond Warehousing & Clearing and Forwarding Charges	16,454,426	8,245,767	7,258,063
Other Manufacturing Expenses	2,808,894	3,833,198	3,373,663
Excise Duty	22,359,356	79,555,892	122,000,048
Customs Duty	56,635,668	93,167,724	52,765,838
Total	833,083,368	788,580,364	656,380,190

4.4 Operating & Administration Expense

The operating and administration expenses comprise the following:

Particulars	2006	2005	2004
Rent	1,811,980	1,915,580	843,242
Lease Rentals	12,0000	120,000	120,000
Rates & Taxes	566,031	562,636	176,286
Electricity Charges	1,758,559	1,916,858	926,212
Insurance	2,330,670	2,718,824	1,391,626
Professional Charges	424,508	428,043	617,296
Printing & Stationery	577,723	553,549	994,575
Postage & Courier	471,375	403,507	459,776

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Directors Remuneration	2,465,760	510,000	735,000
Telephone, Cell Phone, Fax & Pager	2,318,707	2,638,728	2,374,468
Books & Periodicals	28,466	74,069	-
Hire Charges	521,299	640,457	383,739
Miscellaneous Expenses	104,317	267,051	-
Domestic Travel	5,257,824	4,400,977	4,295,442
Foreign Travel	1,545,604	1,335,074	1,261,224
Office Maintenance	3,936,221	1,091,645	3,261,596
Warranty Services Expenses	304,577	446,925	63,394
Vehicle Maintenance	274,638	299,616	199,091
Office Expenses	2,003,376	1,121,510	-
Loss on Sale	426,817	-	-
Service Charges	2,954,534	2,794,103	5,599,437
Audit Fees (Refer details in 4.8)	447,840	375,655	214,090
Total	30,650,824	24,614,807	23,916,493

4.5 Employee Benefits Cost

Particulars	2006	2005	2004
Salaries	37,437,054	28,719,430	22,718,848
Staff Welfare Expenses	1,504,783	1,597,049	1,187,715
Contribution to Employee's Welfare Funds	2,562,926	2,451,172	2,993,952
Total	41,504,763	32,767,651	26,900,515

4.6 Finance Costs

Particulars	2006	2005	2004
Interest on Cash Credit	1,747,782	1,212,317	3,360,306
Interest on Term Loan	-	2,597,960	7,483,546
Bank Charges	1,860,017	2,506,761	2,734,412
Interest on Dealer Deposit	902,848	1,428,144	127,456
Total	4,510,647	7,745,181	13,705,720

4.7 Other Expenses - Selling Expenses

Selling and Distribution Costs include marketing expenditure which is charged off in the year in which they are incurred.

Particulars	2006	2005	2004
Advertisement & Sales Promotion Expenses	42,992,869	16,202,561	42,562,365
Freight Outward	23,612,476	14,066,374	21,270,712
Dealer Commission	112,503,776	98,788,401	61,778,888
Royalty	203,930	3,359,455	3,459,746
Sales Tax & Local Levies	124,537,381	102,874,491	73,571,895
Preliminary Expenses Written off	-	9,622	38,487

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Total	303,850,432	235,300,904	202,682,093
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4.8 Audit Fees

Audit fees for the Year ended 31st December 2006 amounted to INR 4,53,983/- (Previous Year INR 375,655), the details of which are as follows:

Particulars	2006	2005	2004
<u>Audit Fees:</u>			
Statutory Audit	250,000	216,023	94,123
Special Assignments	100,000	100,000	37,800
Service Tax	42,840	40,800	20,806
Internal Audit	55,000	18,832	61,361
Total	447,840	375,655	214,090

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4.9 Depreciation

Particulars	Leasehold Land	Land	Factory Building	Office Building	Plant & Machinery	Furniture & office equipment	Technical Know-how	Motor Vehicles	Computers	Total
<u>COST</u>										
As At 1.1.2006	25,000,000	1,883,381	33,362,826	3,501,735	96,510,945	13,943,123	19,588,316	3,558,473	4,783,539	202,132,338
Additions during the year					740,944	234,266		2,336,309	10,347,469	11,322,679
Transfers during the year										
Disposals during the year					552,598					552,598
As At 31.12.2006	25,000,000	1,883,381	33,362,826	3,501,735	96,699,291	14,177,349	19,588,316	5,894,782	15,131,008	215,238,690
<u>ACCUMULATED DEPRECIATION</u>										
As At 1.1.2006			3,428,539	235,526	21,590,540	3,451,539	19,588,316	679,925	3,876,854	52,851,239
Additions during the year			1,080,554	57,078	15,293,189	766,697		457,202	1,554,223	19,208,943
Transfers during the year										
Disposals during the year					125,776					125,776
As At 31.12.2006			4,509,093	292,604	36,757,953	4,218,236	19,588,316	1,137,128	5,431,077	71,934,407
<u>NET BOOK VALUE</u>										
As At 1.1.2006	25,000,000	1,883,381	29,934,287	3,266,209	74,920,405	10,491,584	-	2,878,548	906,685	149,281,099
As At 31.12.2006	25,000,000	1,883,381	28,853,733	3,209,131	59,941,338	9,959,119	-	4,757,654	9,699,931	143,304,283

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4.9.1 Factory Building comprises buildings used for manufacturing, godowns & stores.

4.9.2 Plant & Machinery includes works machinery, tools & jigs, weighing machines, electrical installations and other assets integral to the manufacturing process. During the year, the Company has identified tools & moulds used for producing air conditioners which the Company has stopped producing. The Company has decided to write off such tools, the value of which amounts to INR 11,856,229. (Previous Year : Nil)

4.9.3 Furniture & office equipments include fittings, fixtures, office tools & air conditioning equipments.

4.9.4 Motor Vehicles include Vans & Cars. Registration costs, insurance charges are capitalized with the relevant vehicle.

EXPLANATORY NOTES TO BALANCE SHEET:

4.10 Provisions & Taxes

4.10.1 Income & Expenditure Tax

Current Tax includes provision for Income Tax provided in accordance with the relevant Tax laws of the Country & Fringe Benefit Tax.

Particulars	2006	2005	2004
Provision for Income Tax	11,295,562	3,708,004	-
Fringe Benefit Tax	1,789,131	566,410	-
Deferred Tax Asset / (Liability) (Refer 4.10.3)	(448,026)	14,164,907	68,580,747
Total	12,636,667	18,439,321	68,580,747

4.10.2 Provisions

Particulars	2006	2005	2004
Provision for Expenses	96,689,293	51,185,640	83,124,707
Provision for Leave Encashment	1,240,058	1,240,931	1,147,317
Provision for Gratuity	1,734,490	712,456	212,326
Total	99,663,841	53,139,027	84,484,350

4.10.3 Deferred Tax

The company had provided for deferred tax liability of INR 448,026 . The Company believes that there is virtual certainty of future taxable income, and hence, the company continues to carry forward the deferred tax asset to the next financial year. The major components of the deferred tax asset/liability as on the date of the Balance Sheet are as follows:

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Particulars	Amount	Tax Effect
<u>Deferred Tax Asset:</u>		
Unabsorbed Business Loss	Nil	
Unabsorbed Depreciation Loss	Nil	
Provision for Royalty and R & D Cess	2,839,923	965,291
Other disallowances	48,064,804	16,337,227
<u>Deferred Tax Liability:</u>		
Timing differences due to depreciation	(52,222,834)	(17,750,541)
Net Deferred Tax Asset	(1,318,107)	(448,026)

4.11 Inventories & Contract Work In Progress

Particulars	2006	2005	2004
Raw Materials	45,234,388	24,391,267	47,505,932
Finished Goods	56,941,444	49,239,818	87,905,048
Stock under Bonding	140,296,347	39,723,990	43,840,804
Work In Progress	6,149,365	-	-
Total	248,621,543	113,355,075	179,251,784

4.12 Trade & Other Receivables

4.12.1 Trade receivables

The total receivables outstanding as on 31st December 2006 amounting to INR 132,635,755 (Previous Year: INR 149,754,869) fall due within six Months and hence are considered as short-term receivables. *These balances are subject to Confirmation & Reconciliation.*

4.12.2 Loans & Advances

Loans & Advances consists of advance given to suppliers, Inter corporate Deposits, advances to employees and other deposits.

Particulars	2006	2005	2004
Trade Receivables	132,635,755	149,754,869	145,204,444
Advance to Suppliers	14,191,646	1,969,155	
Inter Corporate deposits	185,897,439	100,000,000	
Advance to Employees	886,033	247,409	93,877
Customs Duty	1,616,974	1,616,974	2,764,376
Cenvat Receivable	2,300,930	974,598	976,529
Sales Tax Deposits	91,800	85,800	70,800
Service Tax	16,324,247	3,721,503	

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Entry Tax	872,817	1,549,655	
Other Advances	11,012,590	3,644,833	2,494,617
Total	365,830,231	263,564,796	151,604,642

4.13 Cash and Bank balances

Cash & Bank balances for the year ended 31st December 2006 amounts to INR 5,089,869 (Previous Year : INR 72,156,808).

The various components of Cash are as follows;

Particulars	2006	2005	2004
Cash	181,901	18,623	45,355
Balance with Schedule Banks	4,905,174	72,137,838	11,304,945
Balance with Non Schedule Banks	2,794	347	347
Total	5,089,869	72,156,808	11,350,647

The Cash Flow statement for the year is prepared using the Indirect Method as given below:

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED

INR

PARTICULARS	31-Dec-06	31-Dec-05
Net profit as per Profit and loss account	51,498,134	70,244,774
ADJUSTMENTS FOR		
Depreciation in books	19,208,942	7,881,629
Preliminary Expenses written off	-	9,622
Deferred Tax	1,885,150	54,415,840
Interest	(8,469,616)	(6,109,153)
Interest paid	1,747,782	5,238,420
Provision for tax	13,619,314	6,761,831
Loss on sale of fixed asset	426,820	
Exchange Fluctuation loss/ (gain)	(2,882,660)	2,507,031
Operating cash flows before adjusting for working capital changes	77,033,866	140,949,994

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ADJUSTMENT FOR WORKING CAPITAL CHANGES		
Decrease/(increase) in Inventories	(135,266,468)	65,896,709
Decrease/(increase) in Sundry debtors	17,119,114	(4,550,425)
Decrease/(Increase) In other Current assets	(117,315,806)	(107,419,350)
Increase/(Decrease) in Current liabilities and provisions	31,235,119	102,946,300
Operating cash flow after Adjusting for working Capital changes	(127,194,175)	197,823,229
Less Income tax paid	2,068,743	6,761,831
Net Cash Flow from operating activities	(129,262,918)	191,061,398
Cash Flow from Investing Activities		
Purchase of Fixed Assets	(13,658,948)	(5,541,835)
Sale of fixed assets	-	364,823
Interest	8,469,616	6,109,153
Net cash From Investing activities	(5,189,332)	932,141
Cash flow from Financing Activities		
Proceeds of Secured Loans	64,632,682	(125,031,925)
Proceeds from unsecured loans	1,617,752	1,590,000
Interest Expense	(1,747,782)	(5,238,420)
Exchange Fluctuation	2,882,660	(2,507,032)
Net Cash Flow From Financing Activities	67,385,312	(131,187,377)
Effect of changes in Foreign Currency Translation		
Net Increase in cash and Cash equivalents	(67,066,939)	60,806,161
Cash and cash equivalents at the beginning of the year	72,156,808	11,350,647
Cash and cash equivalents at the end of the year	5,089,869	72,156,808
Net increase/Decrease	(67,066,939)	60,806,161

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4.14 Trade and other payables

Particulars	2006	2005	2004
Creditors for Purchases	191,616,059	256,317,312	135,731,772
Creditors for Expenses	2,532,937	36,727,753	12,199,577
Advance from Customers	53,410,430	2,442,793	2,452,384
<u>Statutory Dues</u>			
Professional Tax	9,273	51,308	
Sales Tax	3,172,530	6,507,891	2,148,281
Tax Deducted at Source	4,905,589	998,987	566,187
Provident Fund	108,016	259,779	245,650
Excise Duty	4,867,943	5,765,279	12,929,080
Customs Duty	31,539,489	7,259,140	19,452,682
Employees State Insurance	48,648	11,846	35,858
Other dues	2,100,272		
Total	294,356,187	316,342,089	185,758,470

4.15 Bank Borrowings

Bank borrowings for the Year ended 31st December 2006 amounts to (Previous Year: INR 1,635,923). Interest is charged on bank borrowings at normal commercial rates.

Particulars	2006	2005	2004
Term Loan	NIL	NIL	65,000,000
Cash Credit Account	28,741,010	1,328,842	28,334,313
Vehicle Loan	27,595	307,081	612,224
Working Capital Loan	37,500,000		32,721,311
Total	66,268,606	1,635,923	126,667,848

4.16 Unsecured Loans

Unsecured loans comprises dealer deposits amounting to INR 15,480,622 (Previous Year : INR 13,862,870) for the Year ended 31st December 2006.

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4.17 Share Holders Equity

4.17.1 Share Capital

The authorized capital of the Company stands at INR.242,002,000(24,200,200 shares of Rs.10 Each) and the Subscribed capital stands at INR 241,681,680(24,168,168 shares of Rs.10 Each)

4.18 Contingent liabilities and commitments

Guarantee given on behalf of the company by Banks amounts to INR.5,926,970 .Out of this, INR 4,269,500 pertains to bank guarantee given to the Customs Department for the clearance of imported Air conditioners. As per Thailand Free Trade Agreement import of air conditioner from Thailand origin is exempt basic customer duty from Sep 2006 onwards as per the Customs Notification 85/2004. ETA General Private Ltd. is importing the air conditioner from Thailand but invoices are raised by their marketing company situated at Singapore. So the customs authorities are raising the objections to clear the consignment under above said notification even though the Certificate origin in produced by ETA General Private Ltd. Now the matter is under the jurisdiction of Ministry of Finance and Ministry of Commerce, the company is already represented to the above ministry in the regard. Ministry yet to clarify the same.

4.19 Related Party Transactions

The following are the Related Parties of the Company along with their relationships.

Related Party	Nature of Relationship
Fujitsu General Asia Pte Limited, Singapore	Joint Venture
Fujitsu General Limited, Japan	Joint Venture
Fujitsu General (Thailand) Pte Ltd., Thailand	Indirect Holding
<u>ETA Engineering Private Limited</u>	Common Directorship
Mr.Syed Mohammed Salahuddin	
Mr. M.M.Mohiuddin	
Mr. A.K.Agarwal	
Mr. J.Y.M Abdul Cader	
Mr. Khalid A.K.Buhari	
M.Ejazuddin	Key Management Personnel

The nature & the value of transactions with the related parties are as follows;

Nature of Transactions	Value
Purchase of Goods	401,281,184
Sale of Goods	5,672,546
Receiving of Service	9,548,845
Royalty	203,930
Inter Corporate Deposits	105,000,000

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Interest on Intercompany Deposits	5,519,560
Lease Rent Expenses	120,000
Remuneration to Key management Personnel	2,465,760

4.20 Other Estimates and Judgments:

Management of the Company also exercises significant judgment in estimating the recoverability of trade receivables and for providing for slow moving inventory. Should these estimates vary, the income statement and balance sheet in the following years would be significantly impacted.

4.21 Comparative figures:

Certain comparative figures have been reclassified / regrouped, wherever found necessary, to conform to the presentation adopted in these financial statements.

For and on behalf of the Board of Directors

Vide Our Report of even date
For R. Bupathy & Co.,
Chartered Accountants.

M.M. Mohiuddin
Director

A.K. Agarwal
Director

M.Ejazuddin
CEO

CA R.Bupathy
Partner
Membership No: 18437

Place: Chennai
Date: