





Select Technologies Ltd  
(A wholly owned subsidiary of WeP Peripherals Ltd)  
Bangalore

**SCHEDULES TO THE FINANCIALS**

<b>SCHEDULE 1 : SHARE CAPITAL</b>	<b>As at March 31, 2005</b>	<b>As at March 31, 2004</b>
<b>Authorised</b> 3,500,000 (PY: 3,500,000) Equity Shares of Rs 10/- each	35,000	35,000
	<b>35,000</b>	<b>35,000</b>
<b>Issued, Subscribed and paid-up</b> 3,183,334 (PY : 3,183,334) Equity shares of Rs 10/- each fully paid up	31,833	31,833
<b>TOTAL</b>	<b>31,833</b>	<b>31,833</b>

<b>SCHEDULE 2 : RESERVES AND SURPLUS</b>	<b>As at March 31, 2005</b>	<b>As at March 31, 2004</b>
General Reserve	67	67
Profit & Loss account	58,251	-
<b>TOTAL</b>	<b>58,318</b>	<b>67</b>

<b>SCHEDULE 3 : SECURED LOANS</b>	<b>As at March 31, 2005</b>	<b>As at March 31, 2004</b>
Cash Credit facility	-	-
LC's rollover in UTI Bank	-	3,253
<b>TOTAL</b>	<b>-</b>	<b>3,253</b>

<b>SCHEDULE 4 : UNSECURED LOANS</b>	<b>As at March 31, 2005</b>	<b>As at March 31, 2004</b>
<b>Short Term loans and advances</b>		
WeP Peripherals Ltd	20,112	3,747
Others	32	223
(Payable within one year Rs.31800/-)		
<b>TOTAL</b>	<b>20,144</b>	<b>3,970</b>

SCHEDULE 5 : FIXED ASSETS

Fixed Asset Schedule as on March 31, 2005

DESCRIPTION	RATE OF DEPRECIATION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		OPENING BLOCK ON April 1, 2004	ADDITIONS DURING PERIOD	DEDUCTIONS DURING PERIOD	CLOSING BLOCK AS AT March 31, 2005	DEPRN. PROVN. AS AT April 1, 2004	DEPRECIATION FOR THE PERIOD	DEPRECIATION ADJUSTMENT	TOTAL AS AT 31st Mar 05	As at March 31, 2005	As at April 1, 2004
Computers	50%	4,918	3,900	-	8,818	2,837	2,895	-	5,732	3,086	2,081
Value of Assets less than Rs.5,000/-	100%	24	60	-	84	24	60	-	84	-	-
Machinery	25%	-	4,212	-	4,212	-	684	-	684	3,528	-
Value of Assets less than Rs.5,000/-	100%	-	2	-	2	-	-	-	-	2	-
Land	-	-	12,533	-	12,533	-	-	-	-	12,533	-
Office Equipment	20%	672	973	12	1,633	303	213	-	516	1,117	369
Value of Assets less than Rs.5,000/-	100%	43	16	-	59	44	15	-	59	-	-
Furniture & Fixtures (Incl F&E)	20%	78	3,239	-	3,317	46	299	-	345	2,972	32
Vehicles	25%	2,780	-	317	2,463	1,420	391	328	1,483	980	1,360
<b>TOTAL</b>		<b>8,515</b>	<b>24,935</b>	<b>329</b>	<b>33,121</b>	<b>4,674</b>	<b>4,557</b>	<b>328</b>	<b>8,903</b>	<b>24,218</b>	<b>5,922</b>
As on 31st March 2004		8,643	3,606	-	12,249	2,547	-	-	4,674	7,575	2,362

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SCHEDULE 6 : INVENTORIES	As at March 31, 2005	As at March 31, 2004
Finished goods (Lower of Cost or Net realisable value taken and as certified by the management)	67,717	16,314
<b>TOTAL</b>	<b>67,717</b>	<b>16,314</b>

SCHEDULE 7 : SUNDRY DEBTORS	As at March 31, 2005	As at March 31, 2004
<b>A. Debts outstanding for a period exceeding six months</b>		
Unsecured Considered good		
Unsecured Considered doubtful	622	1,159
<b>B. Other Debts</b>		
Unsecured Considered good	170,927	63,619
Unsecured Considered doubtful	-	-
<b>Sub total</b>	<b>171,549</b>	<b>64,778</b>
Less : Provision for doubtful debts	622	1,159
<b>TOTAL</b>	<b>170,927</b>	<b>63,619</b>

SCHEDULE 8 : CASH AND BANK BALANCES	As at March 31, 2005	As at March 31, 2004
<b>Cash and Cheques on hand</b>	90	1
<b>Balances with scheduled banks</b>		
In Cash Credit account	2,313	4,754
In Current account	731	182
<b>TOTAL</b>	<b>3,134</b>	<b>4,937</b>

SCHEDULE 9 : LOANS AND ADVANCES	As at March 31, 2005	As at March 31, 2004
<b>Advances recoverable in cash or in kind or for value to be received</b>		
Unsecured Considered good	28,668	11,699
Unsecured Considered doubtful	209	-
	28,877	11,699
Less: Provision for Doubtful Debts	209	-
<b>Sub Total</b>	<b>28,668</b>	<b>11,699</b>
Sundry deposits	2,453	742
<b>TOTAL</b>	<b>31,121</b>	<b>12,441</b>

SCHEDULE 10: LIABILITIES	As at March 31, 2005	As at March 31, 2004
Dues to small scale industrial undertakings		
Dues to other creditors	101,270	67,950
Advances from customers	98	343
Provision for expenses	7,531	4,928
Other liabilities	4,579	1,251
Due to WeP Peripherals Ltd	68,731	-
<b>TOTAL</b>	<b>182,209</b>	<b>74,472</b>

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<b>SCHEDULE 11 : PROVISIONS</b>	<b>As at March 31, 2005</b>	<b>As at March 31, 2004</b>
Provision for warranty liability	364	182
Employee retirement benefits	288	411
Provision for Tax	5,375	534
<b>TOTAL</b>	<b>6,027</b>	<b>1,127</b>

<b>SCHEDULE 12: PROFIT &amp; LOSS ACCOUNT</b>	<b>April 1, 2004 to March 31, 2005</b>	<b>April 1, 2003 to March 31, 2004</b>
Opening balance	(486)	(8,573)
Profit / (Loss) for the year	58,737	8,087
<b>TOTAL</b>	<b>58,251</b>	<b>(486)</b>

<b>SCHEDULE 13 : OTHER INCOME</b>	<b>April 1, 2004 to March 31, 2005</b>	<b>April 1, 2003 to March 31, 2004</b>
Dividend from investment in Mutual Funds	74	21
Miscellaneous income	936	464
<b>TOTAL</b>	<b>1,010</b>	<b>485</b>

<b>SCHEDULE 14 : COST OF GOODS SOLD</b>	<b>April 1, 2004 to March 31, 2005</b>	<b>April 1, 2003 to March 31, 2004</b>
Cost of Goods	615,611	243,667
Warranty Provision	1,674	423
Carriage and Freight outwards	4,604	580
Packing, Clearing and Forwarding charges	1,692	349
Freight Inwards and Import Expenses	3,234	894
Exchange Differences (Net)	728	(4,222)
<b>TOTAL</b>	<b>627,543</b>	<b>241,691</b>

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<b>SCHEDULE 15 : PERSONNEL, ADMINISTRATIVE &amp; MARKETING EXPENSES</b>	<b>April 1, 2004 to March 31, 2005</b>	<b>April 1, 2003 to March 31, 2004</b>
<b>Personnel Expenses</b>		
Salaries, Wages and Bonus	12,342	11,116
Retirement Benefits	70	116
Incentives	5,356	3,515
Stipend	12	15
Medical Expenses	167	236
Training & Recruitment Expenses	711	1,016
	<b>18,658</b>	<b>16,014</b>
<b>Administrative Expenses</b>		
Electricity & Power Charges	992	710
Printing & Stationery	556	252
Staff welfare	827	439
Insurance	517	299
Repairs & Maintenance - Machinery	529	-
Repairs & Maintenance - Others	606	327
Rent	3,291	1,628
Rates and taxes	1,979	401
Auditors' Remuneration	110	50
Travelling and Conveyance	5,824	5,132
Communication Expenses	2,564	2,392
Legal and Professional charges	1,792	656
Office Maintenance	3,081	703
Books & Periodicals	56	24
Postage & Courier Expenses	422	422
Miscellaneous expenses	2	15
Vehicle Maintenance	381	112
Rent on Company leased accommodation	52	-
Donation	44	-
	<b>23,625</b>	<b>13,562</b>
<b>Marketing Expenses</b>		
Advertisement and sales promotion	137	6,066
Provision for doubtful debts	100	768
Sales Entertainment Expenses	310	266
C & F Charges	29	108
Bad Debt	1,051	
Training Exp - Marketing	426	438
	<b>2,053</b>	<b>7,646</b>
<b>TOTAL</b>	<b>44,336</b>	<b>37,222</b>

<b>SCHEDULE 16 : INTEREST &amp; FINANCIAL CHARGES</b>	<b>April 1, 2004 to March 31, 2005</b>	<b>April 1, 2003 to March 31, 2004</b>
Interest on Cash Credit	312	512
Interest - Others	1,757	550
Bank Charges	2,127	914
<b>TOTAL</b>	<b>4,196</b>	<b>1,976</b>

## Schedule 17

### SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

**a. Accounting Convention:**

Accounts are maintained on accrual basis under the historical cost convention

**b. Revenue Recognition:**

Sales are net of Sales tax and discounts

**c. Depreciation:**

Depreciation has been provided on fixed assets on Straight Line Method at the rates arrived at based on the commercial life of each asset. Depreciation in respect of assets acquired during the year has been provided pro-rata on such acquisition. Individual Assets costing less than Rs.5,000 are depreciated in full in the year of purchase.

**d. Valuation of Fixed Assets:**

Fixed assets are stated at their original cost and all costs directly attributable to bringing the asset to its working condition for its intended use.

**e. Valuation of Inventories:**

Finished goods are valued at lower of cost or net realisable value. Cost is arrived at on weighted average basis.

Other Inventories are valued at Cost less provision for absorption.

**f. Foreign Currency Translation:**

Purchase and sales in Foreign Currency is accounted for at the exchange rate prevailing on the date of such purchase/sale. Gain/Loss arising out of fluctuations in the exchange rate are accounted for on payment/realisation. Outstanding payables/receivables in Foreign Currency are restated at the rates prevailing on the Balance Sheet date and the resultant Gain/Loss is dealt with in the Profit and Loss Account.

**g. Terminal Benefits:**

Gratuity has been provided for in the accounts on the estimates prepared by the management based on the valuation method under the payment of Gratuity Act 1972. Leave encashment provision is made on accrued leave eligibility as per Company policy.

**h. Income Taxes:**

Deferred Tax Assets and Liabilities are recognised for the future tax consequences of temporary differences between the carrying value of the Assets and Liabilities and their respective tax bases. Deferred tax Assets are recognised subject to management's judgement that realisation is virtually certain. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled. The effect on deferred tax Asset and Liabilities of a change in tax rates is recognised in the Income statement in the period of enactment of the change.

### NOTES ON ACCOUNTS

(All figures are reported in **Rupees thousands**, except data relating to equity shares or unless stated otherwise)

1. Estimated amount of contract remaining to be executed on capital account and not provided for Rs.3,900 (PY: Rs. Nil).
2. Claims against the company not acknowledged as debts Rs.2,920 (PY: Rs.1,600).
3. Contingent liability:
  - a) In respect of Bank Guarantees given by the company's Bankers is Rs.687 (PY: Rs.360)
  - b) In respect of Letters of Credit is Rs.2,946 (PY: Rs.17,670)

c) In respect of Provision made as per Accounting Standard – 29: -

Particulars	Legal Provision	Warranty Provision	Total
Opening as on April 1, 04	-	181.86	181.86
Additions	488.11	583.71	1071.82
Utilization	-	219.40	219.40
Reversal	-	(181.86)	(181.86)
<b>Closing as on March 31, 05</b>	<b>488.11</b>	<b>364.31</b>	<b>852.42</b>

4. The company withdrew the employees stock option plan issued in the month of August 2003.
5. i) Cash Credit, Bank Guarantees and Letters of Credit limits sanctioned by the Company's bankers M/s UTI Bank Ltd, is secured by a charge on Stocks, Receivables and Other Current Assets of the Company including goods and documents of title to goods.
- ii) Letters of Credit, Bank Guarantees and working capital limits sanctioned by M/s Standard Chartered Bank Ltd., is guaranteed by M/s WeP Peripherals Ltd., the holding company.
6. Expenditure incurred on employees who were in receipt of remuneration in the aggregate at the rate of not less than Rs.2,400 per annum Rs.Nil (PY: Nil) when employed throughout the year or Rs.200 per month Rs.Nil (PY: Nil) when employed for a part of the year.
7. Remuneration to Auditors
- |                       | 2004-05 | 2003-04 |
|-----------------------|---------|---------|
| - For Statutory Audit | 55.10   | 54.00   |
| - For Internal Audit  | 46.28   | 45.36   |
| - For Other Services  | 33.66   | 39.69   |

8. Amount due to a company in which the Directors are interested as on March 31, 2005 is Rs.88,843 (PY: Rs.3748).

Maximum amount due at anytime during the period from April 1, 2004 to March 31, 2005 Rs.104,728 (PY: Rs.3748).

**As required by accounting standard 18, the transactions with related parties are as follows:**

SI No.	Details	Disclosure	Mar-05	Mar-04
1	Related Party	WeP Peripherals Ltd		
2	Relationship	Holding Company		
3	Nature of Transaction	a) Sales to WeP Peripherals Ltd	2,846	21,447
		b) Inter Corporate Loan from WeP Peripherals Ltd	16,364	3,748
		c) Purchase from WeP Peripherals Ltd	171,644	421
		d) Services from WeP Peripherals Ltd	51	40
		e) Interest & Others	1,097	-
4	Any other elements of the related party transactions necessary for an understanding of the financials statements	NA		-
5	Outstanding items pertaining to related party as on the Balance Sheet date.	a) Due from WeP Peripherals Limited	-	1,995
		b) Due to WeP Peripherals Limited		
		- Purchases, Services & Others	68,731	-
		- Loan & Interest	20,112	3,748

9. In terms of Accounting Standards 22, the Company has arrived at an amount of Rs.143 as the Deferred Tax Asset for the period (PY: Rs.264) and have recovered a sum of Rs.3,128 from Deferred Tax Asset during the period.
10. Assets are subject to the tests of impairment as per Accounting Standard-28 and there are no assets that are impaired.
11. There are no amounts payable to suppliers who are small-scale industrial undertakings.
12. Advance includes a sum of Rs.601.64 (PY: Rs.Nil) towards Customs duty paid under protest for goods imported and cleared during the period.
13. Previous year figures have been regrouped /rearranged wherever necessary.
14. Signatures to Schedules 1 to 17

As per our report of even date attached,  
**For Siddaiah & Ram**  
Chartered Accountants

**For and on behalf of Board**

**R. Ramabhadran**  
Partner

**Deepak A Chari**  
Director

**Sai Babu E V S**  
Director

Bangalore  
Date: April 19, 2005

**Lakshmikanth R G**  
Company Secretary

**Santosh Sankunny**  
Manager – Finance &  
Operations





