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As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies to the meeting.



BOARD OF DIRECTORS

Mr. Gautam P. Khandelwal	Executive Chairman
Mr. Mohan S. Adige	Member
Mr. Girish M. Bakre	Member
Mr. Arnold Allen	Member

Asst. COMPANY SECRETARY

Ms. Kalpana Patel
ACS, L.L.B

AUDITORS

M/s. M. V. Ghelani & Co.
Chartered Accountants, Mumbai

BANKERS

State Bank of India

LISTED AT

Bombay Stock Exchange Limited

REGISTERED OFFICE

Nirmal, 20th Floor, Nariman Point,
Mumbai-400021.

WORKS

Khandelwal Nagar, Dist. Nagpur – 441402.

REGISTRAR & SHARE TRANSFER AGENTS

Sharepro Services (India) Private Limited

912, Raheja Centre,
Free Press Journal Road,
Nariman Point,
Mumbai-400021.

Satam Estate, 3rd Floor,
Above Bank of Baroda,
Cardinal Gracious Road,
Chakala, Andheri (East),
Mumbai- 400099.

**NOTICE**

NOTICE is hereby given that the Twelfth Annual General Meeting of the Members of Nagpur Power & Industries Limited will be held on Thursday, September 25, 2008 at 9.00 A.M at Sunflower II, MVRDC World Trade Centre, Centre One, 30th Floor, Cuffe Parade, Mumbai-400005 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2008 and the Profit & Loss Account for the year ended on that date and the Report of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Gautam Khandelwal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s M. V. Ghelani & Co., Chartered Accountants, as Statutory Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass with or without modification(s) the following resolution as Special Resolution:
'RESOLVED THAT pursuant to the provisions of Section 372A and other applicable provisions, if any of the Companies Act, 1956 consent of the Company is accorded to the Board of Directors of the Company to acquire by way of subscription, purchase or otherwise equity/equity related securities/other securities of any body corporate up to a limit not exceeding Rs. 60 Crore notwithstanding that the aggregate of securities so far acquired or to be acquired in all bodies corporate may exceed the limits prescribed under the said section.
RESOLVED FURTHER THAT the Board of Directors of the Company is authorized to do all acts, deeds and things necessary in this regard.'
5. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:
'RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions if any, of the companies Act, 1956 or any statutory modification(s) or re-enactment thereof, Mr. Arnold Allen, who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956, be and is hereby appointed as Director of the Company subject to retirement by rotation under the provisions of the Articles of Association of the Company.'
6. To consider and, if thought fit, to pass with or without modification(s) the following resolution as Special Resolution:
'RESOLVED THAT pursuant to the provisions of Section 314(1) of the Companies Act, 1956, consent of the Company is accorded to appoint Mr. Arnold Allen, Director of the Company to hold an office or a place of profit as Financial and Corporate Advisor w.e.f April 3, 2008 for the sum of Rs. 33,250 per month.
FURTHER RESOLVED THAT the Board is authorized to determine the tenure of the service.'
7. To consider and, if thought fit, to pass with or without modification(s) the following resolution as Special Resolution:
'RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and 310 and other applicable provisions, if any of the Companies Act, 1956, read with Schedule XIII thereto, (including any statutory modification or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to revise the percentage of Commission to be paid to the Executive Director of the Company, Mr. Gautam Khandelwal w.e.f April 1, 2008, from 2% to 3% of the net profits of the Company.
RESOLVED FURTHER THAT total remuneration payable to Mr. Gautam Khandelwal, Executive Director, in any Financial Year shall not exceed the limits specified in Section 309 read with Schedule XIII of the Companies Act, 1956 or any amendments thereto.
RESOLVED FURTHER THAT except above, all other terms and conditions of appointment of Mr. Gautam Khandelwal as approved by the shareholders of the Company in it's A.G.M held on September 28, 2004 and varied by the Board of Directors duly authorized and notified to Members shall remain the same.'
8. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:
'RESOLVED THAT the Company hereby accords its approval to sell its Asset i.e Furnaces situated at Company's factory place at Khandelwal Nagar, Nagpur.'

By order of the Board of Directors

**Kalpana Patel
Asst. Company Secretary**

Place: Mumbai

Date: June 27, 2008

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.
Proxy form, in order to be effective, must be deposited at the Registered Office of the Company not less than forty-eight hours before the time fixed for holding the meeting
2. Explanatory statement pursuant to Sections 173(2) of the Companies Act, 1956, in respect of the special businesses proposed to be transacted at the Meeting is annexed hereto.
3. Register of Members and Share Transfer Books of the Company will remain closed from September 22, 2008 to September 25, 2008 (both days inclusive).



4. The Company's equity shares are listed at Bombay Stock Exchange Limited, Phiroze Jeejibhoy Towers, Dalal Street, Mumbai 400001 and the Company has paid the Annual Listing Fees to the Stock Exchange for the year 2008-09.

By order of the Board of Directors

Kalpana Patel
Asst. Company Secretary

Place: Mumbai

Date: June 27, 2008

EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

ITEM NO. 4

The Company is generating surplus funds from its operational and other activities and seeks consent to invest the funds in short term/long term securities. It is proposed that the Board of Directors be authorized to invest upto Rs. 60 Crore in any body corporate by way of subscription and/or purchase of equity/equity related securities /other securities from time to time.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

The Board recommends the resolution for your approval.

ITEM NO. 5 & 6

The Board of Directors of the Company have appointed, pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 137 of the Articles of Association of the Company, Mr. Arnold Allen as an Additional Director of the Company w.e.f April 03, 2008 and retires at the ensuing Annual General Meeting of the Company. The Board considers it desirable that the Company should continue to avail his services.

A brief resume of Mr. Arnold Allen as stipulated under Clause 49 of the Listing Agreement with Stock Exchanges in India is provided in Report on Corporate Governance forming part of the Annual Report.

Mr. Arnold Allen is advising and assisting the management in strategic, financial and corporate matters. Your Directors feel that service of Mr. Arnold Allen will add substantial value to the Company through his contribution to the management of the Company. He will bring in his long experience and expertise for deliberations of the Board and Committees. It is recommended that he be appointed as Financial and Corporate Advisor of the Company w.e.f April 3, 2008. As per the provisions of Section 314(1) of the Companies Act, 1956 consent of the Members by way of Special Resolution is required for his appointment.

Except Mr. Arnold Allen, no other Director is concerned or interested in Resolutions No. 5 & 6.

The Board recommends the resolutions No. 5 & 6 for your approval.

ITEM NO.7

The Board of Directors at its Meeting held on 29th June 2004 had appointed Mr. Gautam Khandelwal as an Executive Director for a period of 5 years w.e.f 1st July, 2004 on terms and conditions, duly approved by the Members of the Company at Annual General Meeting of the Company held on September 28, 2004.

The Remuneration Committee has recommended revision of remuneration of an Executive Director to reward the contribution made by him to the Company within the statutory limits prescribed under Sections 189, 269, 309 and 310 read with Schedule XIII of the Companies Act, 1956.

None of the Directors of the Company, except Mr. Gautam Khandelwal is, in any way, concerned or interested in the said resolution.

The Board recommends the resolution for your approval.

ITEM NO.8

The Company is having furnaces that have not been operational since many years due to economic non-viability in terms of high & continuously increasing power costs & volatile prices of Raw-materials. The Company has informed about the same time to time in its Annual Report to the Members.

The management is of the opinion that this is the opportune time to sell around 45 year old furnaces as the potential buyers may prefer to install furnaces with the latest technology & design. The Board has therefore entered into an Agreement to sell the same for Rs. 6.60 Crores and informed the Stock Exchange as well as the Public Notice has been made. The formalities for completion of transaction are under progress.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

The Board recommends the resolution for your approval.

By order of the Board of Directors

Kalpana Patel
Asst. Company Secretary

Place: Mumbai

Date: June 27, 2008

**Directors' Report**

To,

The Members,

Your Directors presents the Twelfth Annual Report together with the Audited Statements of Accounts of the Company for the Financial Year ended March 31, 2008.

Financial Highlights

The performance of your Company for the year under review is summarized below:

Particulars	(Rs. in Lakhs)	
	2007-08	2006-07
Sales & Other Income	1587.93	803.80
Profit/(Loss) before Interest, Depreciation & Tax	862.06	174.76
Less: Interest	1.34	3.10
Profit before Depreciation	860.72	171.66
Less: Depreciation	88.66	95.87
Profit before taxation	772.06	75.79
- Provision for current tax and fringe benefit tax	302.65	39.75
- Deferred Tax and adjustments prior year	0.37	0.89
- MAT Credit Entitlement/Adjustments	-	(12.00)
Profit after Taxation	469.04	47.15

Review of Operations

During the year under review, the total income of the Company has been increased from Rs. 803.80 Lakhs to Rs. 1587.93 Lakhs. The increase in the revenues during the year, is mainly attributable to the rise in price of the products of the Company.

Further the Company mainly operates on Metal Recovery plant and there has been decline in volume due to depletion of slag dumps.

During the year the company has made further investment of Rs. 356.24 Lakhs in the shares of Motwane Manufacturing Company Private Limited.

Future Outlook

The Company is actively looking at alternative business opportunities/ diversifications.

Dividend

In order to conserve resources and augment funds for future developmental activities the Directors do not recommend any dividend.

Directors

Mr. Gautam Khandelwal, Director retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

Mr. Nikhil Khattau, Director has resigned from the Board on April 03, 2008. The Members of the Board acknowledges the contribution and support the Company has received from him.

Mr. Arnold Allen was appointed as Additional Director w.e.f April 03, 2008 and retires at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment. The Board recommends to the Members his appointment as a Director.

Auditors

M/s. M. V. Ghelani & Co., Chartered Accountants, Mumbai, the Statutory Auditors of the Company retire at the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received Certificate u/s 224(1B) of the Companies Act, 1956, expressing willingness to be reappointed as Statutory Auditors for the Financial Year 2008-09.

The observations made in the Auditor's Report are self-explanatory and therefore, do not call for any further comments.

Public Deposits

The Company has not accepted any fixed deposits during the year in accordance with Section 58A of the Companies Act, 1956 and rules thereunder.

**Employees**

Relations between the employees and the management remained cordial during the year under review.

Information pursuant to Section 217(2A) of the Act read with the companies (particular of Employees) Rules, 1975, as amended by the Companies (Particular of Employees) Amendment Rules, 1999 forms part of this report. However, in accordance with the provisions of section 219(1) (b) (iv) of the Act such information has been excluded from the report sent to the members, any member desirous of obtaining this information may write to the compliance officer at the Registered Office of the Company.

Conservation of Energy, Technology Absorption, Foreign Exchange Earning and Outgo

In accordance with the requirements of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, your Directors furnish the required details below:

(a) Conservation of Energy: The company continues to take appropriate measures with regard to conservation of energy:

Particulars	Financial Year	Financial Year
	2007-08	2006-07
Electricity purchased:		
- Units (KWH)	4,44,072	4,10,583
- Total Amount (Rs in lakhs)	25.15	26.42
- Rate / KWH (Rs)	5.66	6.43
Consumption per unit of Production:		
Ferro Manganese / Silico Manganese		
- Units in KWH	8.67	5.07

(b) Research and Development (R & D): The Company has not undertaken any R&D activity in the current year.

(c) Technology Absorption: The Company has not imported any technology during the year.

(d) Foreign Exchange earnings and outgo: During the year under review, the foreign Exchange outgo was Rs 38.27 lakhs. (Previous year – Rs 28.83 lakhs). There was no foreign exchange earning during the year.

Directors' Responsibility Statement

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Board of Directors of your Company confirms that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2008 and of the profit of the Company for that year;
- the Directors have taken proper and sufficient care to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared on a going concern basis.

Management Discussion and Analysis Report

In terms of Clause 49 of the Listing Agreement with the Stock Exchange, Mumbai, the Management Discussion and Analysis report of the Company for the year under review is attached and forms part of this Report.

Corporate Governance

Pursuant to Clause 49 of the Listing Agreement, a detailed report on Corporate Governance along with the Certificate of Statutory Auditors on the Compliance is given as an Annexure to this Report.

Acknowledgements

Your Board of Directors wish to place on record their appreciation for the whole-hearted co-operation received by the Company from the Shareholders, various Government departments, Company's Bankers and all the employees during the year under review.

For and on behalf of the Board of Directors

Gautam P. Khandelwal
Chairman

Place : Mumbai

Date : June 27, 2008

**Management Discussion and Analysis****Economy review:**

The economy continued to expand at a robust pace, although there was some moderation in the growth momentum during the year 2007-08. The GDP growth rate moderated to 8.7 percent in the year 2007-08 from 9.6 percent in the year 2006-07. The moderation in growth occurred in all the three sectors, viz., agriculture and allied activities, industry and services. Notwithstanding the moderation, the general mood in the economy was positive. India also continued to be one of the fastest growing economies of the world. Particularly Nagpur, the city where your Company has its operations is witnessing high economic growth.

Business and Industrial review:

Ferro alloys business has been highly volatile during the year. Electricity continues to be in short supply and very costly. The government reforms have not yet taken hold and we anticipate that energy prices will remain high in the medium term. The Company anticipates that while demand will grow, imports of ferro alloys will also grow and Company's without captive power & captive mines will have tough times. Further, the supply of Manganese Ore in India is limited and is only through Government owned mining Companies. These Companies are going for forward integration into Ferro Alloys. Hence, the availability of domestic ore supplies will be limited in future. Due to this uncertainty and prevailing market situation, the Company did not produce ferro alloys through the electro metallurgical process .i.e furnaces, but through its profitable slag recovery process. The Company is preparing itself to meet the challenges by looking at alternative business opportunities / diversifications in the near future.

Risks, Concerns & Threats:

Depletion of slag dumps poses a major problem for the Company in the years to come. The Company will diversify into new business and/or develop its surplus infrastructure to counter this.

The Company has Core Management Committee, which meets frequently to take the stock of all the impending and immediate threats to the business and takes necessary steps for positioning of the Company to meet the same in time. Any major threats affecting the Company in general and business environment indirectly affecting the functioning of the Company are discussed with the Board from time to time.

Internal Control Systems

The Company has adequate internal control systems in place. These systems are continuously monitored, periodically reviewed and wherever necessary are modified as per the requirements for exercising effective controls.

The systems are subjected to the supervision of the Audit Committee and the Board.

Financial Performance / Overview of Operations:

During the year under review, the total income of the Company has been increased from Rs. 803.80 Lakhs to Rs. 1587.93 Lakhs. The increase in the revenues during the year, is mainly attributable to the rise in price of the products of the Company.

Further the Company mainly operates on Metal Recovery plant and there has been decline in volume due to depletion of slag dumps.

Cautionary Statement:

Statement in this Management Discussion and Analysis describing the Company's objective, projections, estimates, expectations or predictions may constitute "forward looking statements" within the meaning of applicable laws and regulation. Actual results might differ materially from those expressed or implied.



Report on Corporate Governance

1. Company's philosophy on the Corporate Governance:

Nagpur Power & Industries Limited believes in adopting the best practices in the area of Corporate Governance and follows the principles of fair representation, full disclosure, accountability and responsibility in all its dealings and communications with the ultimate objective of realizing and enhancing shareholder's values and protecting the rights and interests of all its stakeholders.

2. Board of Directors:

Composition of the Board of Directors:

The Board of the Company comprises of Four (4) Directors. Of these Two (2) Directors are independent Directors. The Chairman of the Board is an Executive Director.

Other provisions of the Board:

a) Meeting of the Board

The meetings of the Board of Directors are held atleast once in quarter, scheduled well in advance and generally held at the Company's Registered office in Mumbai.

During the Financial Year 2007-08, Six Board meetings were held. The Board meetings were held on April 19, 2007, June 28, 2007, July 27, 2007, October 30, 2007, January 30, 2008 and March 25, 2008.

Attendance of each Director at the Board Meeting and the last Annual General Meeting:

Sr. No.	Name of Directors	Attendance details	
		Board Meeting	Last A.G.M
1.	Mr. Gautam P. Khandelwal	6	Yes
2.	Mr. Mohan S. Adige	6	Yes
3.	Mr. Nikhil Khattau ¹	2	Yes
4.	Mr. Girish M. Bakre	5	No
5.	Mr. Arnold Allen ²	N.A	N.A

1. Mr. Nikhil Khattau, an independent Director resigned on April 3, 2008. The Board acknowledged the contribution and support the Company had received from him.
2. Mr. Arnold Allen was appointed as an additional director by the Board of Directors in their Meeting held on April 3, 2008.

b) Directorship of Directors in other Companies

The details of the Directors with regard to their outside Directorships, committee positions are as follows:

Name of Director	Executive/ Non-Executive / Independent ²	No. of outside Directorship Held		Outside Committee Positions Held ³	
		Public	Private	Chairman	Member
Mr. Gautam P. Khandelwal	Executive	Two	Six	One	One
Mr. Mohan S. Adige	Non-Executive	Three	Nil	Nil	Nil
Mr. Nikhil Khattau ¹	Independent	Two	Six	Nil	One
Mr. Girish Bakre	Independent	Nil	Four	Nil	Nil
Mr. Arnold Allen ²	Independent	One	Nil	Nil	Nil

1. Mr. Nikhil Khattau, an independent Director resigned on April 3, 2008. The Board acknowledged the contribution and support the Company had received from him.
2. Mr. Arnold Allen was appointed as an additional director by the Board of Directors in their Meeting held on April 3, 2008.
3. Independent Director means a Director defined as such under Clause 49 of the Listing Agreement.
4. Only two Committees viz. the Audit Committee and the Shareholders / Investor Grievance Committees are considered.

**Detail of Directors being appointed and re-appointed**

The details of the Director being appointed and re-appointed at the ensuing Annual General Meeting as required under Clause 49 of the Listing Agreement is as follows:

1. Mr. Gautam Khandelwal, aged 46 years holding Bachelor's Degree in Economics from the University of Mumbai and studied Economics from London School of Economics. He is having around 20 years of business experience across various industries. He is also on Board of Punjab National Bank, Informed Technologies India Limited, Globus Spirits Limited, Magnachem Pharmaceuticals Private Limited, Khandelwal Remedies Private Limited, Zeppelin Investments Private Limited and Khandelwals Limited, London.
2. Arnold Allen was appointed as an Additional Director by the Board of the Company in their meeting held on April 3, 2008. He is qualified English Chartered Accountant. He was partner in Shipley Blackburn, Chartered Accountants, U.K (the firm which has now become Shipleys LLP). His guidance and expertise of international business is beneficial to the Company. He is also on the Board of Informed Technologies India Limited.

Code of Conduct:

The Company has laid down code of conduct applicable to all Board Members and Senior Executives of the Company. All Board members and Senior Executives have confirmed compliance of the code of conduct.

The CEO of the Company has given the certificate given as an Annexure to this report as per the requirement of Clause 49 of the Listing Agreement.

3. Audit Committee

The Audit Committee comprised of 3 members of the Board of the Company under the Chairmanship of Mr. Nikhil Khattau. However, with resignation of Mr. Nikhil Khattau from the Board of the Company, on April 3, 2008, the Board reconstituted the Audit Committee comprising Mr. Mohan Adige as Chairman of the Audit Committee, Mr. Arnold Allen, Member and Mr. Girish M. Bakre, as Member of the Audit Committee in their Meeting held on April 3, 2008. The members of the Committee have the relevant experience in the field of finance, banking and accounting. The Finance Manager and Asst. Company Secretary are invitees to the audit committee meeting.

Terms of reference

- All the matters specified under section 292A of the Companies Act, 1956.
- Matters listed under the listing agreement with the stock exchange.
- Financial reporting process and disclosure of financial information.
- Reviewing any change in accounting policies and practices.
- Compliance with accounting standards and reviewing the adequacy of internal control system.
- Reviewing the reports of the internal and statutory auditors and ensuring that adequate follow up and action is taken by the Management.

The Committee met 5 times during the year under review. The said meetings were held on April 19, 2007, June 28, 2007, July 27, 2007, October 30, 2007 and January 30, 2008.

Name of Director	No. of Meetings	
	Held	Attended
Mr. Nikhil Khattau	5	5
Mr. Gautam Khandelwal	5	5
Mr. Girish Bakre	5	5
Mr. Mohan Adige	N.A	N.A
Mr. Arnold Allen	N.A	N.A

4. Remuneration Committee :

The company held constituted Remuneration Committee to formulate and recommend to the Board all elements of the remuneration package of the Managing Director and Executive Director.

The Remuneration Committee comprise of Mr. Nikhil Khattau, Chairman, Mr. Mohan Adige, Member and Mr. Girish Bakre, Member. However, with the resignation of Mr. Nikhil Khattau, on April 3, 2008, the Board reconstituted the Remuneration Committee comprising of Mr. Girish Baker as Chairman of the Remuneration Committee and Mr. Mohan Adige as member in their Meeting held on April 3, 2008.



During the year under review, the Remuneration Committee met on March 25, 2008.

Monthly remuneration is paid to Executive Director while other independent directors are eligible only for sitting fees Mr. Mohan S. Adige, Mr. Girish Bakre and Mr. Nikhil Khattau have waived the sitting fees.

Details of remuneration paid to Directors for the year:

Name of the Director	Salary & Perquisites	Commission	Sitting Fees
Mr. Gautam Khandelwal	23,01,924	15,70,395	Nil
Mr. Mohan S. Adige	Nil	Nil	Nil
Mr. Girish Bakre	Nil	Nil	Nil
Mr. Nikhil Khattau	Nil	Nil	Nil

5. Share Transfer and Investor Grievances Committee

The Committee consists of Mr. Girish .M. Bakre & Mr.Nikhil Khattau. However, with the resignation of Mr. Nikhil Khattau, on April 3, 2008, the Board reconstituted the Share Transfer and Investor Grievances Committee comprising of Mr. Mohan Adige as Chairman of the Committee, Mr. Girish Bakre as Member and Mr. Arnold Allen as Member in their Meeting held on April 3, 2008.

During the year, the Committee met from time to time to approve transfers and to review the shareholders correspondence including the complaint received from the shareholders and their redressal.

6. Annual General Meetings:

Details of the last three Annual General Meetings held is given below:

Financial Year	Date, Time and Venue
2004-2005	September 29, 2005 at 9.00 A.M The Sunflower Suite II, MVIRDC, World Trade Centre, Centre One, 30 th Floor, Cuffe Parade, Mumbai-400005.
2005-2006	September 29, 2006 at 9.00 A.M Seminar I & II, World Trade Centre, Centre One, 31 st Floor, Cuffe Parade, Mumbai-400005.
2006-2007	September 28, 2007 at 9.00 A.M Seminar II, World Trade Centre, Centre One, 31 st Floor, Cuffe Parade, Mumbai-400005.

In Annual General Meeting held on September 28, 2007, a Special Resolution was passed unanimously by show of hands by the shareholders present at the meeting. No Special Resolution was passed through postal ballot last year.

7. Disclosures

- The disclosures with regard to transactions with related parties are given in the Notes to Accounts under Note xi of the audited financial statements for the year ended March 31, 2008. The Audit Committee has reviewed these transactions in compliance with Clause 49 of the Listing Agreement.
- There were no instances of non-compliance, penalties, restrictions imposed on the Company by Stock Exchange, SEBI or any statutory authority on any matter related to capital markets, during the last three years.
- Company does not have Whistle Blower Policy, but however no person is denied access to Audit Committee.
- The Company has complied with mandatory requirement.
- The Company has adopted Non-Mandatory requirement of setting up Remuneration Committee.

8. Means of communication

- The quarterly un-audited results are published in accordance with the requirement of the Listing Agreement.
- Newspapers in which results are normally published: Free Press Journal and Navshakti.
- The annual audited financial results were published in national and local dailies. These are not sent individually to the shareholders. No presentations were made to institutional investors or to the analysts.

**9 General Shareholders Information****(a) Annual General Meeting:**

Date : September 25, 2008
 Time : 9.00 A.M
 Venue : Sunflower II, MVIRDC World Trade Centre, Centre One,
 30th Floor, Cuffe Parade, Mumbai- 400005.

(b) Financial Calendar (April 1, 2008 to March 31, 2009):

First quarter results : July, 2008
 Second quarter results : October, 2008
 Third quarter results : January, 2009
 Fourth quarter and Annual results : June, 2009
 Annual General Meeting : September 2009

(c) Date of Book closure: September 22, 2008 to September 25, 2008 (both days inclusive)**(d) Listing on Stock Exchange and Stock Code:**

Bombay Stock Exchange Limited,
 Phiroze Jeejeebhoy Towers,
 Dalal Street, Fort, Mumbai - 400023.
 BSE Stock code: 532362

(e) ISIN Number : INE099E01016**(f) Market Price Data :**

High/Low price and volume of the Company's shares at BSE during each month in Financial Year 2007-08 is as follows:

Month	High (Rs.)	Low(Rs.)	Volume (shares)
April-2007	42.15	27.10	123341
May-2007	38.20	28.50	147811
June-2007	32.90	24.55	206343
July-2007	42.20	27.60	414613
August-2007	37.55	28.90	276915
September-2007	48.00	33.50	906677
October-2007	78.95	43.05	2025861
November-2007	74.60	54.05	414556
December-2007	84.15	59.30	563506
January-2008	112.65	59.70	530232
February-2008	75.05	49.65	118781
March-2008	51.25	29.70	132287

(g) Registrar and Transfer Agent:

Sharepro Services (India) Pvt. Ltd. 912, Raheja Centre,
 Satam Estate, 3rd Floor, Free Press Journal Road,
 Above Bank of Baroda, Nariman Point,
 Cardinal Gracious Road, Mumbai-400021.
 Chakala, Andheri (West),
 Mumbai-400099 and

(h) Share Transfer System:

Share transfer in physical form are registered and returned within a period of 7 to 15 days from the date of receipt in case documents are complete in all respects. The share transfer committee meets every fortnight.

**(i) Distribution of Shareholding as on March 31, 2008 is as under:**

No. of shares	No. of Shareholders	%	No. of Shares	%
Upto 500	3878	76.04	923817	7.06
501-1000	528	10.35	405076	3.09
1001-2000	411	8.06	531787	4.06
2001-3000	130	2.55	306450	2.34
3001-4000	38	0.75	132882	1.02
4001-5000	44	0.86	205415	1.57
5001-10000	29	0.57	196134	1.49
10001 and above	42	0.82	10393946	79.37
Total	5100	100.00	13095507	100.00

(j) Shareholding Pattern:

Shareholding pattern as on March 31, 2008

Sr. No.	Category	No. of Shares held	% of Shareholding
1	Indian Promoters	2037400	15.56
2	Foreign Promoters	5641100	43.08
3	Directors and relatives (other than in 1)	200	0.00
4	Financial Institutions i.e LIC	1924250	14.69
5	Nationalised Banks	11650	0.09
6	Private Bodies Corporates	324324	2.48
7	Indian Public	3139662	23.97
8	NRIs/OCBs	16921	0.13
	Total	13095507	100

(k) Dematerialization of shares as on March 31, 2008

Particulars	No. of shares	% to Capital
Dematted		
National Securities Depository Limited	8863472	67.68
Central Depository Securities Limited	2319703	17.71
Physical	1912332	14.61
Total	13095507	100.00

(l) Outstanding GDR's/ADR's/Warrents or any convertible instruments, conversion date and likely impact on equity:

The Company has not issued any GDRs/ADRs and there are no warrants or any Convertible instruments.

(m) Plant Location:

Khandelwal Nagar, Dist. Nagpur-441402, Maharashtra.

(n) Name and Designation of Compliance Officer:Ms. Kalpana M. Patel
Asst. Company Secretary**(o) Address for correspondence:**The Asst. Company Secretary
The Nagpur Power & Industries Limited
Nirmal, 20th Floor, Nariman Point, Mumbai-400021.**(p) Auditors Certificate on Corporate governance:**

The Auditors Certificate on Compliance of Clause 49 of the Listing Agreement relating to Corporate Governance is given as an annexure to this report.

**Declaration**

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board of Directors and Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics in respect of Financial Year 2007-08.

For Nagpur Power & Industries Limited
Gautam P. Khandelwal
Chairman

Date: June 27, 2008
Place: Mumbai

Annexure**Auditors' Certificate regarding compliance of the conditions of Corporate Governance**

To,
The Members of
Nagpur Power & Industries Limited

We have examined the compliance of the conditions of Corporate Governance by Nagpur Power & Industries Limited, for the year ended 31st March 2008, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange, (hereinafter referred to as clause 49).

The compliance of the conditions of corporate governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied in all material respects with the conditions of the Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For M.V.Ghelani & Co.
Chartered Accountants

M.V.Ghelani
Proprietor

Date: June 27, 2008
Place: Mumbai

**AUDITOR'S REPORT****TO THE MEMBERS OF
NAGPUR POWER & INDUSTRIES LIMITED**

1. We have audited the attached Balance Sheet of NAGPUR POWER & INDUSTRIES LIMITED as at March 31, 2008 and the Profit and Loss account and the Cash Flow Statement for the year ended on that date, 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 conducted our audit in accordance with the auditing 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(s). 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 (Auditor's Report) Order, 2003 issued by the Central Government vide notification No G.S.R. 480(E) dated June 12, 2003 in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
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 account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with 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 of the Company, as on 31st March, 2008 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2008 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (vi) Reference is invited to Schedule 18 note (ii) viz. the Company has not accounted for such Stocks of unextracted metal contents in the waste accumulated over the years at its unit at Khandelwal Nagar, Kanhan, Nagpur as in the opinion of the Management the metal content therein and the value thereof is not ascertainable.
 - (vii) And subject to the comments in Paragraph 4(vi) above the effect whereof on the accounts is not ascertainable. In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the 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 case of the balance sheet, of the state of affairs of the Company as at March 31, 2008
 - (b) in the case of the Profit and loss account, of the profit for the year ended on that date;
 - (c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date

**For, M.V.GHELANI & CO.
CHARTERED ACCOUNTANTS**

**(M.V. GHELANI)
PROPRIETOR**

**Mumbai
Date: 27th June, 2008**

**ANNEXURE TO THE AUDITOR'S REPORT ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2008**

Annexure referred to in paragraph 3 of our report of even date to the members of Nagpur Power & Industries Limited on the financial statements for the year ended 31st March 2008.

- 1 (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) As explained to us, the fixed assets have been physically verified by the management during the year in accordance with a phased programme of verification which, in our opinion, is reasonable having regard to the size of the company and nature of its fixed assets. No material discrepancies were noticed on such verification.
(c) There was no substantial disposal of Fixed Assets during the year. However, reference is invited to Schedule 18 note (xiv) in this regard.
- 2 (a) The inventory has been physically verified by the management during the year and in our opinion, the frequency of such verification is reasonable.
(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) In our opinion and according to the information and explanation given to us, except in respect of stock of accumulated waste referred to in Schedule 18 Note (ii) the Company is maintaining proper records of inventory.

The discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the size of the operations of the Company and the same have been properly dealt with in books of accounts.
- 3 In respect of loans / advances, secured or unsecured granted or taken by the Company to/ from companies, firm or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
(a) During the year, the Company has taken loan/advances from one party listed in the register maintained under section 301 of the Companies Act, 1956. The maximum amount outstanding during the year was Rs. 1.48 Lacs.

During the year, the Company has granted loan/advance to one party covered in the register maintained under section 301 of the Companies Act, 1956, the maximum amount involved during the year was Rs. 6.00 lacs and their outstanding at the year end is Rs. NIL.

(b) According to the information and explanations given to us, the loan/advance is interest free. In our opinion, other terms and conditions are not prima facie, prejudicial to the interest of the Company.
(c) According to the information and explanations given to us, there is no overdue amount of loan granted to these Companies listed in the register maintained under section 301 of the companies Act, 1956.
- 4 In our opinion and according to the information and explanations given to us, prima facie 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 with regard to the sale of goods. During the course of audit, we have not observed any weakness in internal controls.
- 5 (a) According to the information and explanations provided by the management to us, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956, have been so entered.
(b) In our opinion and according to the information and explanations given to us, transactions made in pursuance of any contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding Rs. Five lacs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time where such market prices are available.
- 6 The Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India and the provisions of sections 58A and 58AA of the Act and the rules framed thereunder.
- 7 The Company does not have any Internal Audit System commensurate with size of the Company and nature of its business.
- 8 According to the information and explanations given to us, the maintenance of cost records was not prescribed by the Central Government under section 209(1)(d) of the Act for any of the activities of the Company.
- 9 (a) The Company is generally regular in depositing with appropriate authorities, Provident Fund, ESIC and other undisputed statutory dues including Income Tax, sales Tax, Wealth Tax, Custom Duty, Excise Duty, cess and other material statutory dues applicable to it. The unclaimed Dividend of Rs 1,01,591 relating to financial year 1997-98 has been transferred to Investor Education and Protection Fund on 12th April 2007.
(b) According to the information and explanations given to us no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, sales Tax, Wealth Tax, Custom Duty, Excise Duty, cess and other statutory dues were in arrears, as at 31st March, 2008 for a period of more than six months from the date they become payable.
(c) According to the information and explanations given to us, the following dues of sales tax, customs duty and excise duty have not been deposited with the appropriate authorities on account of dispute;



Name of the Statute	Nature of dues	Amount (Rs. in lacs)	Forum where dispute is pending
West Bangal Sales tax Act, 1957 Sales tax Case at Calcutta.	Sales tax demand for the various Asst. Years	2.43	Commissioner of Sales Tax (Appeal) Calcutta.
Uttar Pradesh Sales Tax Act, 1957 Sales tax case at Kanpur.	Sales tax demand for the Asst. Year 1980-81	3.33	Commissioner of Sales Tax (Appeal) Kanpur.
Central Excise Act, 1944, Customs Act, 1962 & Finance Act, 1994 Duty case at Nagpur.	Excise Duty	26.58	Commissioner of Customs & Central Exice (Appeals), Nagpur.
Customs Act, 1962	Customs and Advalorem Duty	58.19	Commissioner of Customs (E.P.) and Directorate General of Foreign Trade (DGFT)
TOTAL Rs.		90.53	

- 10 The Company does not have accumulated losses at the end of the financial year and it has not incurred any cash loss during the financial year and in the financial year immediately proceeding this financial year also.
- 11 According to the information and explanations given to us and the records made available to us, the Company has not defaulted in repayment of dues to any financial institution, banks or debenture holders during the year.
- 12 According to the information and explanations given to us and the records made available to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities
- 13 According to the information and explanations given to us and the records made available to us, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- 14 In our opinion and According to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company
- 15 According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- 16 According to the information and explanations given to us and the records made available to us, the Company has not obtained any term loans during the period covered by our audit report.
- 17 According to the information and explanations given to us and the records made available to us, the Company has not used any funds raised on short-term basis for long-term investment and vice versa during the period covered by our audit report.
- 18 The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act.
- 19 According to the information and explanations given to us and the records made available to us, the Company has not issued any debentures during the period covered by our audit report.
- 20 According to the information and explanations given to us and the records made available to us, the Company has not raised any money by public issues during the period covered by our audit report.
- 21 To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by Company has been noticed or reported during the course of our audit.

**For, M.V.GHELANI & CO.
CHARTERED ACCOUNTANTS**

**(M.V. GHELANI)
PROPRIETOR**

**Mumbai
Date: 27th June, 2008**



BALANCE SHEET AS AT 31ST MARCH 2008

	Schedule	Rupees	As at 31st March 2008 Rupees	As at 31st March 2007 Rupees
SOURCES OF FUNDS				
Shareholder's Funds				
Capital	1		130,955,070.00	130,955,070.00
Reserves and Surplus	2		252,338,212.18	205,434,416.71
Loan Funds				
Secured Loans	3		2,526,960.07	2,198,114.92
Deferred Tax Liability			125,901.36	88,856.00
TOTAL			<u>385,946,143.61</u>	<u>338,676,457.63</u>
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block	4	413,623,909.24		413,325,178.85
Less: Depreciation and Impairment		<u>139,089,075.74</u>		<u>130,673,887.26</u>
Net Block			274,534,833.50	282,651,291.59
Investments	5		132,074,388.52	58,746,600.00
Current Assets, Loans and Advances				
Inventories	6	6,484,056.80		11,850,752.21
Sundry Debtors	7	-		27,513.00
Cash & Bank Balances	8	22,062,677.76		330,196.96
Other Current Assets, Loans & Advances	9	<u>25,365,909.49</u>		<u>8,530,472.90</u>
			<u>53,912,644.05</u>	<u>20,738,935.07</u>
Less : Current Liabilities & Provisions				
Current Liabilities	10	38,036,836.46		17,015,910.03
Provisions	11	<u>36,538,886.00</u>		<u>6,444,459.00</u>
			<u>74,575,722.46</u>	<u>23,460,369.03</u>
Net Current Assets			(20,663,078.41)	(2,721,433.96)
TOTAL			<u>385,946,143.61</u>	<u>338,676,457.63</u>

Significant Accounting Policies and Notes to Accounts 18

The Schedules and Notes to account referred to above form an integral part of the Balance Sheet.
This is the Balance Sheet referred to in our report of even date.

As per our report of even date annexed
For M.V. Ghelani & Co.
Chartered Accountants

M.V. Ghelani
Proprietor

Mumbai : 27th June, 2008

For and on behalf of the Board
Gautam P. Khandelwal Chairman
M.S. Adige Director

Mumbai : 27th June, 2008



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2008

	Schedule	For the year ended 31st March 2008 Rupees	For the year ended 31st March 2007 Rupees
INCOME			
Sales (including excise duty)		155,063,221.00	80,013,392.00
Other Income	12	3,729,748.73	366,613.41
Increase / (Decrease) in Stock	13	15,948,101.00	16,204,810.00
Provision no longer required	14	-	3,092,227.17
TOTAL INCOME	A	174,741,070.73	99,677,042.58
EXPENDITURE			
Materials Consumed		21,458,518.41	20,964,561.80
Manufacturing Expenses	15	48,215,778.38	31,369,694.50
Administrative, General and other Expenses	16	18,859,879.11	29,866,700.64
TOTAL EXPENDITURE	B	88,534,175.90	82,200,956.94
Profit before Interest and Depreciation	A-B	86,206,894.83	17,476,085.64
Interest	17	134,268.72	310,108.29
Depreciation		8,866,409.28	9,586,636.47
Profit/(Loss) before taxation		77,206,216.83	7,579,339.88
Payment & Provision for taxation			
Current Tax		30,000,000.00	3,500,000.00
Fringe Benefit Tax		265,375.00	475,000.00
Deferred Tax		37,045.36	88,856.00
MAT Credit Entitlement / Adjustments		-	(1,200,000.00)
Profit after Taxation		46,903,796.47	4,715,484.88
Amount available for Appropriations			
Appropriations :			
Transfer to General Reserve		46,903,796.47	4,715,484.88
Earning Per Share(Basic & Diluted)		3.58	0.36

Significant Accounting Policies and Notes to Accounts 18

The Schedules and Notes to account referred to above form an integral part of the Profit and Loss Account. This is the Profit & Loss Account referred to in our report of even date.

As per our report of even date annexed

For M.V. Ghelani & Co.
Chartered Accountants

M.V. Ghelani
Proprietor

Mumbai : 27th June, 2008

For and on behalf of the Board
Gautam P. Khandelwal
M.S. Adige

Chairman
Director

Mumbai : 27th June, 2008



SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31st March 2008 Rupees	As at 31st March 2007 Rupees
SCHEDULE 1 - SHARE CAPITAL		
AUTHORISED		
2,00,00,000 Equity Shares of Rs. 10 each	200,000,000.00	200,000,000.00
50,00,000 Unclassified Shares of Rs. 10 each	50,000,000.00	50,000,000.00
	<u>250,000,000.00</u>	<u>250,000,000.00</u>
ISSUED, SUBSCRIBED AND PAID UP		
1,30,95,507 Equity Shares of Rs.10 each fully paid up.	130,955,070.00	130,955,070.00
TOTAL	<u>130,955,070.00</u>	<u>130,955,070.00</u>

NOTE:

Of the above, shares 13,095,500 Equity Shares of Rs. 10 each are allotted as fully paid up for consideration other than cash pursuant to the Scheme of Arrangement sanctioned on 9th July, 1998 by the Honourable High Court of Judicature at Bombay.

SCHEDULE 2 - RESERVES AND SURPLUS**General Reserve**

Balance as per last Balance Sheet	205,434,415.71	200,718,931.83
Add : Transfer from Profit and Loss Account	46,903,796.47	4,715,484.88
	<u>252,338,212.18</u>	<u>205,434,416.71</u>

SCHEDULE 3 - SECURED LOANS**From State Bank Of India**

Cash Credit Limit	-	1,886,837.77
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(Secured by Hypothecation of entire stock of inventories viz. Raw materials, Work in Process, Finished Goods, Stores and Spares and Book Debts and personal guarantee of Shri Gautam P. Khandelwal, Director of the Company in the previous year and the facility surrendered & charges satisfied during the current year)

Overdraft Limit	2,449,742.35	-
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(Secured by Term Deposit Receipt of the bank availed this year)

From Others :

(Car loan secured by hypothecation of Vehicles)

Citi Bank	24,134.72	99,274.15
ICICI Bank	53,083.00	212,003.00
	<u>2,526,960.07</u>	<u>2,198,114.92</u>


SCHEDULES FORMING PART OF THE BALANCE SHEET
SCHEDULE 4 - FIXED ASSETS

Fixed Assets	GROSS BLOCK				DEPRECIATION					IMPAIRMENT				Net Block as on 31.03.2008
	Opening as on 01.04.2007	Additions	Deductions	Closing as on 31.03.2008	Opening as on 01.04.2007	for the year	for Additions	for Deletions	Closing upto 31.03.2008	Opening as on 01.04.2007	for the year	Reversed during the year	Closing as on 31.03.2008	
Land (FreeHold)	181,251,700.00	-	-	181,251,700.00	-	-	-	-	-	-	-	-	-	181,251,700.00
Buildings	46,214,682.34	-	-	46,214,682.34	10,510,203.45	1,233,116.72	-	-	11,743,320.17	776,709.33	-	-	776,709.33	33,694,652.84
Plant & Machinery	169,305,615.48	-	-	169,305,615.48	105,810,142.59	6,564,380.88	-	-	112,374,523.47	5,718,057.46	-	-	5,718,057.46	51,213,034.55
Railway Siding	5,377,765.94	-	-	5,377,765.94	1,993,343.01	255,443.88	-	-	2,248,786.89	-	-	-	-	3,128,979.05
Furniture & Equipment	5,114,216.25	173,863.00	-	5,288,079.25	2,426,958.64	298,475.44	9,757.34	-	2,735,191.42	604,814.59	-	-	604,814.59	1,948,073.24
Vehicles	6,061,198.84	927,264.00	802,396.61	6,186,066.23	2,265,561.60	413,280.03	91,954.99	451,220.80	2,319,575.82	568,096.59	-	-	568,096.59	3,298,393.82
	413,325,178.85	1,101,127.00	802,396.61	413,623,909.24	123,006,209.29	8,764,696.96	101,712.34	451,220.80	131,421,397.77	7,667,677.97	-	-	7,667,677.97	274,534,833.50
Previous Year	413,173,021.85	585,239.00	433,082.00	413,325,178.85	113,470,860.42	9,561,125.82	25,510.67	51,287.60	123,006,209.29	7,667,677.97	-	-	7,667,677.97	282,651,291.59

NOTE:

- Vehicles include Gross Block Rs. 19,38,454 which are transferred to the company pursuant to the scheme of Arrangement and yet in the process of registration in the company's name.
- Refer to schedule 18 Note No.(x) on Impairment of Fixed Assets.
- The Depreciation for the year, has been provided on Gross Block net of Impairment losses and accumulated depreciation. Refer to Schedule 18 note (i)(b) on Fixed Assets and Depreciation.

As at	As at
31st March 2008	31st March 2007
Rupees	Rupees

SCHEDULE 5 - INVESTMENTS
AT COST - TRADE
Unquoted
In fully paid up Equity Shares

Motwane Manufacturing Company Pvt.Ltd.

42,824,070.00

7,200,000.00

[78233 Equity Shares (Previous Year : 24000) of Rs. 100 each of these, 2672 Equity Shares are yet to be transferred in the name of Company

Sub Total (a)

42,824,070.00

7,200,000.00

AT COST - NON TRADE
(i) LONG TERM
Quoted
In Fully Paid-up Equity Shares
Mahindra Financial Services Ltd.

46,600.00

46,600.00

[233 Equity Shares (Previous Year : 233) of Rs. 10 each]

ACC Limited

379,709.00

-

[450 Equity Shares (Previous Year : Nil) of Rs. 10 each]

Indian Hotel Co. Ltd.

305,756.00

-

[2700 Equity Shares (Previous Year : Nil) of Rs. 1 each]

ITC Limited

188,730.00

-

[1000 Equity Shares (Previous Year : Nil) of Rs. 1 each]

Mahindra & Mahindra Ltd.

655,965.00

-

[1000 Equity Shares (Previous Year : Nil) of Rs. 10 each]

Marico Limited

193,447.00

-

[3500 Equity Shares (Previous Year : Nil) of Rs. 1 each]

NTPC Limited

209,530.00

-

[1100 Equity Shares (Previous Year : Nil) of Rs. 10 each]

Power Grid Corp. Ltd.

209,832.00

-

[2500 Equity Shares (Previous Year : Nil) of Rs. 10 each]

Reliance Communications Ltd.

189,205.00

-

[350 Equity Shares (Previous Year : Nil) of Rs. 5 each]

State Bank of India

241,682.00

-

[120 Equity Shares (Previous Year : Nil) of Rs. 10 each]

Tata Motors Limited

814,207.52

-

[1520 Equity Shares (Previous Year : Nil) of Rs. 10 each]

Tata Steel Limited

343,794.00

-

[600 Equity Shares (Previous Year : Nil) of Rs. 10 each]

Tata Consultancy Service Ltd.

386,521.00

-

[500 Equity Shares (Previous Year : Nil) of Rs. 1 each]

Sub Total (b)

4,164,978.52

46,600.00



SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31st March 2008 Rupees	As at 31st March 2007 Rupees
(ii) CURRENT		
Unquoted		
In Mutual Funds		
<i>In units of SBI Mutual Fund</i>	80,085,340.00	46,500,000.00
[66,54,955 Units (Previous Year :41,86,189 Units) of Magnum Institutional Income Fund Saving Growth] [23,07,467 Units (Previous Year :4,43,219) redeemed during the year]		
<i>In units of Reliance Mutual Fund</i>	5,000,000.00	5,000,000.00
[5,00,000 Units (Previous Year : 5,00,000) of Reliance Equity Fund - Dividend Plan]		
Sub Total (c)	<u>85,085,340.00</u>	<u>51,500,000.00</u>
Total (b+c) (d)	<u>89,250,318.52</u>	<u>51,546,600.00</u>
GRAND TOTAL (a+d)	<u>132,074,388.52</u>	<u>58,746,600.00</u>
Aggregate Cost of Company's quoted Investments	4,164,978.52	46,600.00
Aggregate market value of Company's quoted Investments	4,304,002.00	54,347.00
Aggregate Cost of Company's unquoted Investments	127,909,410.00	58,700,000.00
 SCHEDULE 6 - INVENTORIES		
(As Taken, Valued and Certified by Management) [Refer Schedule 18 - Note (i)(d) and (ii)]		
Raw Materials	3,218,508.13	6,752,026.54
Work in Process	-	-
Finished Goods	513,568.00	2,349,736.00
By-Products / Waste Products	138,118.00	278,849.00
Stores & Spares	2,613,862.67	2,470,140.67
[Valued at Cost except the obsolete/non usable stores written off for obsolescence Rs. Nil (previous year :Rs. 13,99,230) and includes fuel oil]	<u>6,484,056.80</u>	<u>11,850,752.21</u>
 SCHEDULE 7 - SUNDRY DEBTORS		
Unsecured -		
Considered Good		
Debts outstanding for a period exceeding six months	-	-
Others	-	27,513.00
	<u>-</u>	<u>27,513.00</u>
 CONSIDERED DOUBTFUL		
Debts outstanding for a period exceeding six months	-	-
Less: Provisions for Doubtful Debts	-	-
Total	<u>-</u>	<u>27,513.00</u>



SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31st March 2008 Rupees	As at 31st March 2007 Rupees
SCHEDULE 8 - CASH AND BANK BALANCES		
Cash and Cheques on Hand	195,820.85	116,484.85
Balances with Schedule Banks		
- In Current Accounts	16,866,856.91	213,712.11
- In Fixed Deposits	5,000,000.00	-
Total	22,062,677.76	330,196.96
SCHEDULE 9 - OTHER CURRENT ASSETS, LOANS AND ADVANCES		
Unsecured, Considered good		
Deposits	877,464.50	852,964.50
Advance Income Tax	19,758,735.00	4,994,247.00
Advance Sales Tax	10,000.00	10,000.00
Advances to Suppliers of goods and services	4,301,057.49	1,474,377.40
Advances recoverable in cash or in kind or for value to be received including :	418,652.50	1,198,884.00
a. Rs.3,800 (previous year : 3,800) due from the directors of the company - maximum amount due during the year Rs. 43,650 (Previous year : 53,140)		
b. Rs. NIL (Previous year : Rs.6,00,000) due from the companies under same management - maximum amount due during the year Rs.13,12,343 (Previous year : Rs. 1,57,59,016) [Refer Schedule 18 - Note xi - (iii)]		
Total	25,365,909.49	8,530,472.90
SCHEDULE 10 - LIABILITIES		
Sundry Creditors		
(i) Dues to small scale industrial undertaking (Refer Schedule 18 Note (v)(a))	-	-
(ii) Others	5,824,019.46	4,123,560.03
Unclaimed Dividends (Refer Schedule 18 Note (v)(b))	-	101,591.00
Taxes Payable	199,363.00	311,239.00
Security Deposits	10,000.00	10,000.00
Advance from customers	26,839,895.00	7,705,631.00
Others Liabilities	5,163,559.00	4,763,889.00
Total Liabilities	38,036,836.46	17,015,910.03
SCHEDULE 11 - PROVISIONS		
Provision for Income / Fringe Benefit Tax	34,692,588.00	5,745,213.00
Provision for Leave Salary and Bonus	659,640.00	588,505.00
Other Provisions	1,186,658.00	110,741.00
Total	36,538,886.00	6,444,459.00



SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

	For the year ended 31st March 2008 Rupees	For the year ended 31st March 2007 Rupees
SCHEDULE 12 - OTHER INCOME		
Interest (Gross)		
[Tax deducted at source Rs.26,638 (previous year : Rs. 12,648)]	207,092.00	326,653.00
Dividend Received	6,652.00	466.00
Profit on Sale of Mutual Fund Units	2,585,340.00	-
Rent Received	5,500.00	7,808.00
Miscellaneous Income	14,326.73	12,833.74
Sale of Scrap	910,838.00	-
Credit Balance Written Back	-	18,852.67
Total	3,729,748.73	366,613.41
SCHEDULE 13 - INCREASE / (DECREASE) IN STOCK		
A. CLOSING STOCKS		
WORK IN PROCESS	-	-
FINISHED GOODS	513,568.00	2,349,736.00
BY PRODUCTS / WASTE PRODUCTS	138,118.00	278,849.00
Sub Total (A)	651,686.00	2,628,585.00
B. STOCKS ASCERTAINED AND AND ACCOUNTED DURING THE YEAR	17,925,000.00	20,300,000.00
[Refer Schedule 18 - Note. 18(ii)]		
Sub Total (B)	17,925,000.00	20,300,000.00
C. Sub Total (A+B)	18,576,686.00	22,928,585.00
D. OPENING STOCKS		
Work in Process	-	5,755.00
Finished Goods	2,349,736.00	6,117,594.00
By Products / Waste Products	278,849.00	600,426.00
Sub Total (D)	2,628,585.00	6,723,775.00
INCREASE / (DECREASE) (C - D)	15,948,101.00	16,204,810.00
SCHEDULE 14 - PROVISION WRITTEN BACK AS NO LONGER REQUIRED		
Provision written back as no longer required in respect of :		
Bad & Doubtful debts	-	3,092,227.17
	-	3,092,227.17



SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

	For the year ended 31st March 2008 Rupees	For the year ended 31st March 2007 Rupees
SCHEDULE 15 - MANUFACTURING EXPENSES		
Salaries, Wages & Bonus	8,475,163.88	6,263,709.50
Contribution to Provident, ESIC, Gratuity, Pension & Other Funds	1,040,246.00	1,127,399.00
Sub Total	9,515,409.88	7,391,108.50
Power and Fuel	2,566,154.00	2,641,948.00
Light and Water	284,704.00	847,487.00
Stores and Spares Parts consumed	-	50,733.00
Repairs		
Plant & Machinery	510,013.00	1,050,291.00
Buildings	3,255,657.00	349,426.00
Sub Total	3,765,670.00	1,399,717.00
Freight and Handling	9,443,135.00	5,501,528.00
Taxes		
Sales Tax & other taxes	1,795,690.00	2,753,952.00
Excise duty paid	20,551,495.00	10,387,175.00
Sub Total	22,347,185.00	13,141,127.00
Rent, Rates Taxes & Insurance		
Rent Charges	202,005.75	221,971.00
Insurance	91,514.75	174,075.00
Sub Total	293,520.50	396,046.00
Total	48,215,778.38	31,369,694.50
SCHEDULE 16 - ADMINISTRATIVE, GENERAL AND OTHER EXPENSES		
Conveyance	151,062.00	237,685.00
Travelling Expenses	3,189,267.23	3,444,888.07
[Includes Director's Rs. 20,21,000.68 (previous year Rs.25,52,150.07)]		
Directors Remuneration		
- Salaries & Commission	3,844,621.00	1,613,309.00
Auditor's Remuneration	172,500.00	143,000.00
Commission on Fernn Slag	24,720.00	200,814.00
Postage Telegram & Telephone	877,501.82	912,015.00
Printing & Stationery	204,370.50	199,692.75
Legal & Consultancy Charges	4,459,559.00	3,864,027.00
Security Expenses	275,689.00	207,637.00
Service charges	638,808.00	489,748.00
Bank charges	100,661.86	294,181.00
Advertisement & Publicity	88,437.00	125,803.00
Upkeep of Heavy Vehicles	1,571,406.00	2,056,298.00
Upkeep of Motor Car	803,030.93	889,606.00
Repairs to others	1,146,777.00	569,559.00
Obsolete/Non usable Stores W/off	-	1,399,230.00
Bad Debts written off	117,945.00	3,092,227.17
Advances written off	-	8,133,431.39
Miscellaneous Expenditures	1,193,522.77	1,993,550.26
TOTAL OF ADMINISTRATION, GENERAL AND OTHER EXPENSES	18,859,879.11	29,866,700.64
SCHEDULE 17 - INTEREST CHARGES		
To Bank	134,268.72	310,108.29
Total	134,268.72	310,108.29

**SCHEDULE 18 - Notes forming part of the Accounts****i) Major Accounting Policies:****a) Basis for preparation of Financial Statements:**

The financial statements are prepared under the historical cost convention on the accrual basis of accounting and in accordance with the accounting principles generally accepted in India and the provisions of the Companies Act, 1956 as adopted consistently by the Company.

b) Fixed Assets and Depreciation:

Fixed assets are stated at Cost less impairment losses, accumulated depreciation except freehold land, which is stated at cost. Consequent to the recognition of impairment loss depreciation for the year on assets impaired has been provided on the basis of revised balance useful life of these assets and on the straight-line method. Depreciation is provided on Straight Line Method and at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 on all other assets except office equipments, furnaces and pollution control equipment. The office equipments are depreciated at 6.33% on Straight Line Method. The depreciation on furnaces and pollution control equipments has been provided on Written Down Value Method and at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

c) Investments:

Investments are classified into long term and current investments. Long Term investments are stated at cost. Current investments are stated at lower of cost or market values. When disposing of a part of the holding of an individual investment, the carrying amount of cost allocated to the part that is disposed is determined on the basis of the average carrying amount of the total holding of the investment.

d) Inventories:

Inventories of raw materials are stated at lower of cost or net realizable value. Work in process is stated at cost. Stores, spares & tools are stated at cost except the obsolete/non usable stores, which are written off for obsolescence. Finished goods and by-products/waste products are stated at lower of cost or net realisable value and by-products / waste products where cost cannot be determined are stated at net realisable value. The reusable waste, which is not ascertainable, is not accounted (Refer Note ii).

e) Sundry Debtors and Loans and Advances:

Sundry Debtors and Loans and Advances are stated after making adequate provisions for doubtful balances.

f) Revenue Recognition:

Revenue is recognised when no significant uncertainty as to determination or realisation exists.

g) Retirement and other employee benefit:

- i) The Company contributes towards Provident Fund & Family Pension Fund which are defined contribution schemes. Liability in respect thereof is determined on the basis of contribution as required under the statute/rules.
- ii) The Company contributes to defined benefit schemes for Gratuity. The liability for Gratuity and leave encashment is determined on the basis of actuarial valuations made at the year end.

h) Foreign Exchange Transactions:

Transactions denominated in foreign currency are accounted at the exchange rates prevailing at the date of the transaction. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the Profit and Loss Account. Exchange differences relating to fixed assets are adjusted in the cost of the asset. Premium in respect of forward contracts is accounted over the period of the contract.

i) Taxation:

Income tax expense comprises of current tax, deferred tax charge or credit and fringe benefit tax. The deferred tax charge or credit is recognised using current tax rates. Where there is an unabsorbed depreciation or carry forward loss, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future. Deferred tax assets/liabilities are reviewed as at each Balance Sheet date based on developments during the year and available case laws, to reassess realisation/liabilities.

**j) Contingent Liability:**

Contingent liabilities are usually not provided for unless it is probable that the future outcome may be materially detrimental to the Company.

- ii) Company's Ferro Alloys unit generated waste during the process of manufacture, which has accumulated over the years in and around the main plant. The waste is reusable for extracting metal content therein. Company has set up a Metal Recovery Plant for the purpose. During the year, company has accounted for stock of unextracted metal contents valuing Rs 1,79,25,000/- (Previous Year Rs. 2,03,00,000/-) out of this accumulated waste based on the valuation report of the Consultant Metallurgist obtained during the year. The technical consultants have advised the Company that the balance of this accumulated waste in terms of its quality, metal content and realizable value cannot be yet reasonably ascertained. Company has therefore not been in a position to account for stock of this balance accumulated waste.

iii) DEFINED BENEFIT PLANS:

As per Actuarial valuation as on 31st March, 2008 and recognised in the financial statements in respect of Employee Benefit schemes:

	Gratuity (in Rupees)
1. Components of Employer Expenses:	
a) Interest Cost from 01.04.07 to 31.03.08	2,97,741
b) Service Cost from 01.04.07 to 31.03.08	2,14,585
c) Actual return on Plan Assets	2,65,991
d) Curtailment Cost / Credit	-
e) Settlement Cost / Credit	-
f) Past Service Cost	-
g) Actuarial (Gain) / Loss	-
h) (Gain) / Loss recognised upto 31.03.08	1,80,082
i) Net loss provided as expense in P&L Account	4,26,417
2. Net Asset / (Liability) recognised in Balance Sheet as at 31 st March 2008	
a) Present value of Obligation as at 31.03.08	39,48,990
b) Fair value of Plan Assets as at 31.03.08	35,22,573
c) Un-funded liability recognised in the Balance sheet	4,26,417
3. Changes in benefit obligation during the year ended 31 st March 2008	
a) Actuarial value of Projected Benefit Obligations (PBO) as at 31.03.07	37,21,768
b) Service Cost from 01.04.2007 to 31.03.2008	2,14,585
c) Interest Cost from 01.04.2007 to 31.03.2008	2,97,741
d) Curtailment Cost / (Credit)	-
e) Settlement Cost / (Credit)	-
f) Plan Amendments	-
g) Acquisitions	-
h) Actuarial (Gain) / Loss on obligations	1,80,082
l) Benefits Paid from 01.04.2007 to 31.03.2008	4,65,186
j) PBO as at 31.03.08	39,48,990
4. Change in the fair value of Plan Assets	
a) Fair value of plan Assets as at 01.04.07	37,21,768
b) Actual return on plan Assets	2,65,991
c) Actuarial Gain / (Loss)	-
d) Actual Company Contribution	-
e) Benefit Paid	4,65,186
f) Plan Assets as at 31.03.08	35,22,573



5. Actuarial Assumptions:

a) Rate of Discounting (p.a.)	8%
b) Rate of Increase in Compensation level (p.a.)	5%
c) Rate of Return on Plan Assets (p.a.)	NIL

The company has relied on the valuation certificate issued by consulting Actuary for calculating the actuarial value of Gratuity liability of the employees of the company in terms of AS 15 (revised) issued by the Institute of Chartered Accountants of India.

iv) Contingent Liabilities not provided for:

	As at 31-03-2008	As at 31-03-2007
	Rupees	Rupees
a) Claims against the Company not acknowledged as debts	146,39,863	11,297,029
b) Sales Tax Demand not provided for pending outcome of appeal	5,76,236	5,76,236
c) Excise Demand not provided for pending outcome of appeal	26,57,798	26,57,798
d) Customs duty Demand not provided for pending outcome of appeal	58,18,808	NIL
e) Others	51,500	51,500

Note:

Future cash outflow on (a) to (d) is determinable on the completion of negotiations/on receipt of judgments/ decisions from respective firms/authorities.

v) In Schedule 10 "Liabilities"

(a) In the absence of information with the company, the name of small scale industrial undertaking to whom the company owes any sum together with interest outstanding for more than 30 days have not been given. This management representation has been relied upon by the Auditors.

(b) The unclaimed dividend of Rs 101,591 relating to Financial year 1997-98 has been transferred to Investor Education and Protection Fund on 12th Apr 2007

vi) The declaration filed under the Urban Land (Ceiling and Regulation) Act, 1976 in respect of the Company's holdings in excess of the ceiling prescribed under the Act and the application for exemption filed under Section 20 of the Act, to retain these lands are under consideration of the concerned authorities.

vii) The Company has only one reportable segment of activity namely manufacture of "High Carbon Ferro Manganese, High Carbon Silico Manganese and Medium Carbon Ferro Manganese."

viii) The balance of Sundry Debtors, Deposits, Advances and Sundry Creditors are subject to confirmation.

ix) In the opinion of the Board, current assets, loans and advances have value on realisation in the ordinary course of business atleast equal to the amount at which they are stated.

x) In accordance with the Accounting Standard on "Impairment of Assets" AS-28, the Company has recognised impairment losses as at 1st April, 2004 amounting to Rs.76,67,677/- on certain assets of the company at Nagpur by a corresponding adjustment to general reserve during the previous year, pursuant to the transitional provisions of the said Standard. No impairment is recognised during the current year

xi) Related Party disclosures as required under Accounting Standard -18 issued by the Institute of Chartered Accountants of India, are given below:

(I) Name and Nature of Relationship of the Related Parties where Control Exists:

Name of the Related Party	Nature of Relationship
a) Magnachem Pharmaceuticals Private Ltd.	Associate Company
b) Informed Technologies India Limited	Associate Company
c) Zeppelin Investments Private Ltd.	Associate Company
d) Khandelwal Remedies Private Ltd.	Associate Company
e) Meteor Metals & Ores Ltd.	Associate Company
f) Khandelwals Ltd.	Associate Company



(II) Name of the Related Parties having transaction with the Company during the year and the details of transactions carried out with them:

- 1 Enterprises owned or significantly influenced by any management personnel or their relatives
 - a) Meteor Metals & Ores Limited
Advance given now received Rs. 6,00,000
 - b) Informed Technologies India Limited
Advance Received/Advance Repaid Rs. 12,60,385 / 12,60,385
 - c) Khandelwals Limited Legal and
Consultancy fees Rs. 9,80,756
- 2 Key Management Personnel Remuneration (in Rupees)
 - a) Mr. Gautam P. Khandelwal Rs.38,72,819
 - b) Mr. S. B. Kanbargi Rs. 7,55, 800
 - c) Mr. S.M. Hede Rs.13,01,920

(III) **Balances Outstanding as at 31st March, 2008**

	Maximum outstanding Balance(Rs.)	Receivables (Rs.)	Payables (Rs.)
1 Related parties where control exists			
a) Meteor Metals & Ores Limited	6,00,000 (91,06,907)	NIL (6,00,000)	NIL (NIL)
b) Informed Technologies India Limited	1,48,287 (53,70,554)	NIL (NIL)	NIL (NIL)
c) Khandelwals Limited			
* Credit Balance	5,64,056* (5,96,360)*	NIL (NIL)	NIL (NIL)
2 Key Management Personnel			
a) Mr. Gautam Khandelwal	5,40,000 (6,00,00)	NIL (NIL)	NIL (NIL)
3 Relatives of Key Management Personnel*	NIL		

Figures in brackets are related to previous year

* The company does not have an exhaustive list of business or professions in which relatives of directors of the company have substantial interest. As such, payments made to any such persons, if any have not been identified. This management representation has been relied upon by the Auditors.

(IV) No amounts have been written off/provided for or written back during the year in respect of debts due from or to related parties.

xii) Earnings Per Share:

		For the year ended 31 st Mar, 2008	For the year ended 31 st Mar, 2007
Profit (Loss) for the year (Rs.)	(A)	46,903,796	47,15,485
Number of Equity Shares Outstanding	(B)	130,95,507	130,95,507
Earnings per share of Rs 10 each	(A/B)	3.58	0.36



xiii) Additional information pursuant to the provisions of Paragraphs 3, 4, 4A, 4B, 4C and 4D of Part II Schedule VI of the Companies Act, 1956:

a) Managerial Remuneration:
[To the Managing Director]

	For the year ended 31 st Mar, 2008 Rupees	For the year ended 31 st Mar, 2007 Rupees
Salaries & Allowances (excluding provision for Leave Salary)	22,20,000	15,00,000
Commission	15,70,395	61,240
Contribution to Provident & Gratuity Fund	54,226	52,069
Perquisites Reckoned under Income Tax Rules	27,698	—
Total	38,72,319	16,13,309
Computation of net profits in accordance with sec. 198 Companies Act, 1956:		
Profit Before Tax	7,72,06,217	7,579,341
Add: Depreciation charged in the accounts	88,66,409	95,86,636
Directors Remuneration	38,72,319	16,13,309
Less: Depreciation charged as per Section 350	88,39,840	95,63,071
Provision written back not required	—	30,92,227
Capital gain on SBI units	25,85,340	—
Net Profit for Section 198	7,85,19,765	61,23,988
Maximum commission payable to Directors @ 2% of Net profit	15,70,395	61,240
Payable for the year (not exceeding the overall limit)	15,70,395	21,240

b) Auditor's Remuneration (excluding Service Tax)

	For the year ended 31 st Mar, 2008 Rupees	For the year ended 31 st Mar, 2007 Rupees
Audit Fees	1,00,000	90,000
Taxation matters including tax audit	50,000	35,000
Certification Work	17,000	17,000
Out of Pocket expenses	5,500	5,500
TOTAL	1,72,500	1,47,500

C) Quantitative information in regard to Licensed Capacity, Installed Capacity and Actual Production:

Products	Unit	Installed Capacity	Actual Production	
			For the year ended 31 st March, 2008	For the year ended 31 st March, 2007
Ferro Manganese	MT	47750	25	7
		OR		
Silico Manganese	MT	30000	41	55
Value added Ferro Alloys	MT	6000	—	—
Ferro Manganese Slag (High MnO)**	MT	N.A.**	—	—
Ferro Manganese Slag (Low MnO)**	MT	N.A.**	51150	80900

Note: (1) As per the industrial policy declared in July 1991 and as amended in April 1993, no license is required for the products manufactured by the company.

(2) Installed Capacities are as certified by the management on which Auditors have placed reliance, this being a technical matter.

** (3) Since a By-Product / Waste product



d) Sales:

	For the year ended 31st March, 2008		For the year ended 31st March, 2007	
	Quantity	Value	Quantity	Value
	MT	Rupees	MT	Rupees
Ferro Manganese	48	23,15,041	120	39,34,524
Silico Manganese	95	32,45,716	60	13,66,464
Ferro Manganese Slag (Low MnO)	51422	14,16,28,636	81494	7,32,07,397
Manganese Ore	846	69,39,985	—	—
Others	—	9,33,843	—	15,05,007
Total		15,50,63,221		8,00,13,392

e) Opening Stock

	For the year ended 31st March, 2008		For the year ended 31st March, 2007	
	Quantity	Value	Quantity	Value
	MT	Rupees	MT	Rupees
Ferro Manganese	33	10,83,942	146	47,45,716
Silico Manganese	54	12,65,794	59	13,71,878
Ferro Manganese Slag (High MnO)	261	1,34,589	261	1,42,190
Ferro Manganese Slag (Low MnO)	279	1,43,924	873	4,57,899
Silico Manganese Slag	3	336	3	336
		26,28,585		67,18,019

f) Closing Stock

	For the year ended 31st March, 2008		For the year ended 31st March, 2007	
	Quantity	Value	Quantity	Value
	MT	Rupees	MT	Rupees
Ferro Manganese	11	5,05,513	33	10,83,942
Silico Manganese	-	8,055	54	12,65,794
Ferro Manganese Slag (High MnO)	261	1,32,391	261	1,34,589
Ferro Manganese Slag (Low MnO)	8	5,397	279	1,43,924
Silico Manganese Slag	3	330	3	336
Total		6,51,686		26,28,585

Refer note 18 (ii)

g) Raw Material Consumed

	For the year ended 31st March, 2008		For the year ended 31st March, 2007	
	Quantity	Value	Quantity	Value
	MT	Rupees	MT	Rupees
Manganese Ore	846	34,40,268*	159	6,47,062
Slag RM	72,073	1,80,18,250	81270	2,03,17,500
Total		2,14,58,518		2,09,64,562

* Sold during the year



g) Value of all Imported and Indigenous Raw Materials, Stores, Spare Parts and Components Consumed:

	For the year ended 31st March, 2008		For the year ended 31st March, 2007	
	Rupees	%	Rupees	%
Raw Materials :				
Indigenous	2,14,58,518	100	2,09,64,562	100
Imported	—		—	
Total	2,14,58,518	100	2,09,64,562	100

	For the year ended 31st Mar, 2008 Rupees	For the year ended 31st Mar, 2007 Rupees
Value of all Imports Calculated on CIF Basis:	Nil	Nil

h) Expenditure in Foreign Currency:

	For the year ended 31st Mar, 2008 Rupees	For the year ended 31st Mar, 2007 Rupees
Consultation fees	22,88,355	5,96,360
Travelling	15,38,268	22,86,713
	38,26,623	28,83,073

i) Earnings in Foreign Exchange:

	For the year ended 31st Mar, 2008	For the year ended 31st Mar, 2007
F.O.B. Value of Goods exported	Nil	Nil

- xiv) The Company has entered into an agreement for sale of Continuous Process Plant – Furnaces (2 nos.) and its related assets forming part of Ferro Alloys Business of the Company and for which advance of Rs. 40.50 Lacs has been received and shown under Advances from Customers in Schedule 10. The formalities for completion of transaction are under progress. These assets have not been in use for the past four years and the company has been operating the Metal Recovery Plant.
- xv) Previous year figures have been regrouped / reclassified / rearranged wherever necessary to make them comparable with the current year's figures.

Signature to the Schedule 1 to 18 which form an integrated part of the accounts.

For M.V. Ghelani & Co.

Chartered Accountants

M.V. Ghelani

Proprietor

Mumbai : 27th June, 2008

For and on behalf of the Board

Gautam P. Khandelwal

M.S. Adige

Chairman

Director

Mumbai : 27th June, 2008



CASH FLOW STATEMENT AS FOR THE YEAR ENDED 31.03.2008

Particulars	For The Year Ended On 31st March 2008	For The Year Ended On 31st March 2007
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Profit (loss) before tax paid, prior period items & extra ord. Items	77,206,216.83	7,579,340.88
Less : Provision for Taxation	30,302,420.36	4,063,856.00
	46,903,796.47	3,515,484.88
Adjustment for :		
Depreciation - Current Year	8,866,409.28	9,586,636.47
Loss on sale of Fixed Assets	161,175.81	361,794.40
Interest Expenses	134,268.72	310,108.29
Profit on sale of Mutual Funds	-2,585,340.00	0.00
Dividend Received	-6,652.00	-466.00
Interest Income	-207,092.00	-326,653.00
	6,362,769.81	9,931,420.16
Operating profit before working capital change	53,266,566.28	13,446,905.04
Adjustment for :		
Inventories	5,366,695.41	6,282,947.80
Trade Receivables	27,513.00	687,412.00
Other Current Assets , Loans and Advances	-16,835,436.59	9,179,832.73
Deferred Tax Liability	37,045.36	
Trade Payables, Other Liabilities and Provisions	67,135,080.43	-5,505,123.02
Net of Change in Working Capital	55,730,897.61	10,645,069.51
Cash generated from Operation	108,997,463.89	24,091,974.55
Cash Flow before prior period adjustments & extraordinary items	108,997,463.89	24,091,974.55
Prior Perid adjustment	0.00	1,200,000.00
Income tax paid	-16,019,727.00	1,936,399.00
Net cash flow from Operating Activities "A"	92,977,736.89	27,228,373.55
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	-1,101,127.00	-585,239.00
Proceeds from sale of Fixed Assets	190,000.00	20,000.00
Investment in Mutual Fund / Shares (Net)	-73,327,788.52	-26,700,000.00
Profit on sale of Mutual Funds	2,585,340.00	0.00
Dividend Received	6,652.00	466.00
Interest Income	207,092.00	326,653.00
Net cash from Investing Activities "B"	-71,439,831.52	-26,938,120.00
CASH FLOW FROM FINANCING ACTIVITIES		
Repayments of Secured Loan (Net)	328,845.15	-62,267.51
Interest expense	-134,269.72	-310,108.29
Net Cash provided by / (used in) Financing Activities "C"	194,575.43	-372,375.80
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	21,732,480.80	-82,122.25
Cash and Cash Equivalent at the beginning of the period	330,196.96	412,319.21
Cash and Cash Equivalent at the end of the period	22,062,677.76	330,196.96

For M.V.Ghelani & Co.
Chartered Accountants

M.V.Ghelani
Proprietor

Mumbai : 27th June, 2008

For and on behalf of the Board
Gautam P. Khandelwal
M.S. Adige

Chairman
Managing Director

Mumbai : 27th June, 2008

Auditors Certificate

To,
The Board of Directors
Nagpur Power & Industries Limited, Mumbai

We have verified the attached Cash flow statement of Nagpur Power & Industries Limited for the year ended 31st March, 2008. The statement has been prepared by the Company in accordance with the requirements of Clause 32 of Listing agreement with the Stock Exchange Mumbai and is based on and in agreement with the corresponding Profit & Loss Account and Balance sheet of the Company covered by our Report of even date to the Members of the Company.

For M.V.Ghelani & Co.
Chartered Accountants

M.V.Ghelani
Proprietor

Mumbai : 27th June, 2008



Balance Sheet Abstract and Company's General Business Profile

I Registration Details

Registration No.	1	0	4	3	6	1
State Code					1	1
Balance Sheet Date	3	1	0	3	0	8

II Capital Raised during the year (Rs.in Thousands)

Public Issue	N	I	L
Right Issue	N	I	L
Bonus Issue	N	I	L
Private Placement	N	I	L

III Position of Mobilisation and Deployment of Funds (Amount in Rs.Thousands)

Source of Funds						
Total Liabilities	3	8	5	9	4	6
Total Assets	3	8	5	9	4	6
Paid up Capital	1	3	0	9	5	5
Reserves & Surplus	2	5	2	3	3	8
Secured Loans			2	5	2	7
Unsecured Loans				N	I	L
Net Fixed Assets	2	7	4	5	3	5
Investments	1	3	2	0	7	4
Net Current Assets	(2	0	6	6	3)	
Miscellaneous Expenditure				N	I	L
Accumulated Losses				N	I	L

IV Performance of Company (Amount in Rs.Thousands)

Total Income	1	7	4	7	4	1
Total Expenditure		8	8	5	3	4
Profit Before Tax		7	7	2	0	6
Profit After Tax		4	6	9	0	4
Earning per Share in Rs.			3	.	5	8
Dividend rate %				N	I	L

V Generic Names of three principal products/service of Company (As per monetary terms)

Item Code No.(ITC Code)	7	2	0	2							
Product Description	F	E	R	R	O	A	L	L	O	Y	S

For M.V. Ghelani & Co.
Chartered Accountants

M.V. Ghelani
Proprietor

Mumbai : 27th June, 2008

For and on behalf of the Board
Gautam P. Khandelwal
M.S. Adige

Chairman
Director

Mumbai : 27th June, 2008

NAGPUR POWER & INDUSTRIES LIMITED

Registered Office : 'Nirmal', 20th Floor, Nariman Point, Mumbai – 400021

ATTENDANCE SLIP

(PLEASE PRESENT THIS SLIP AT THE ENTRANCE)

Regd. Folio No.:

*DP ID :

No. of Shares Held:

*Client ID :

NAME & ADDRESS OF THE MEMBER / PROXY _____

I hereby record my presence at the Twelfth Annual General Meeting of the Company to be held at the Sunflower II, MVIRDC, World Trade Centre, Centre One, 30th Floor, Cuffe Parade, Mumbai-400005, on Thursday, September 25, 2008 at 9.00 A.M. (I.S.T)

.....
(Signature of the Member/ Proxy)

(To be signed at the time of handing over this slip at the Hall and not in advance)

NAGPUR POWER & INDUSTRIES LIMITED

Registered Office : 'Nirmal', 20th Floor, Nariman Point, Mumbai – 400 021

PROXY FORM

Regd. Folio No.:

*DP ID :

No. of Shares Held:

*Client ID :

I/We _____

of _____

of _____ being a Member/Members of Nagpur Power & Industries Limited hereby

appoint _____ of _____ or failing him/her

_____ of _____ or failing him/her

_____ of _____ as my/our proxy to vote for me/

us and on my/our behalf at the Twelfth Annual General Meeting of the Company to be held at the Sunflower II, MVIRDC, World Trade Centre, Centre One, 30th Floor, Cuffe Parade, Mumbai-400005, on Thursday, September 25, 2008 at 9.00 A.M. (I.S.T) and at any adjournment thereof.

As Witness my/our hand(s) this _____ day of _____ 2008

Affix
Re. 1/-
Revenue
Stamp

Signed by the said

NOTE: The Proxy must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid Meeting.

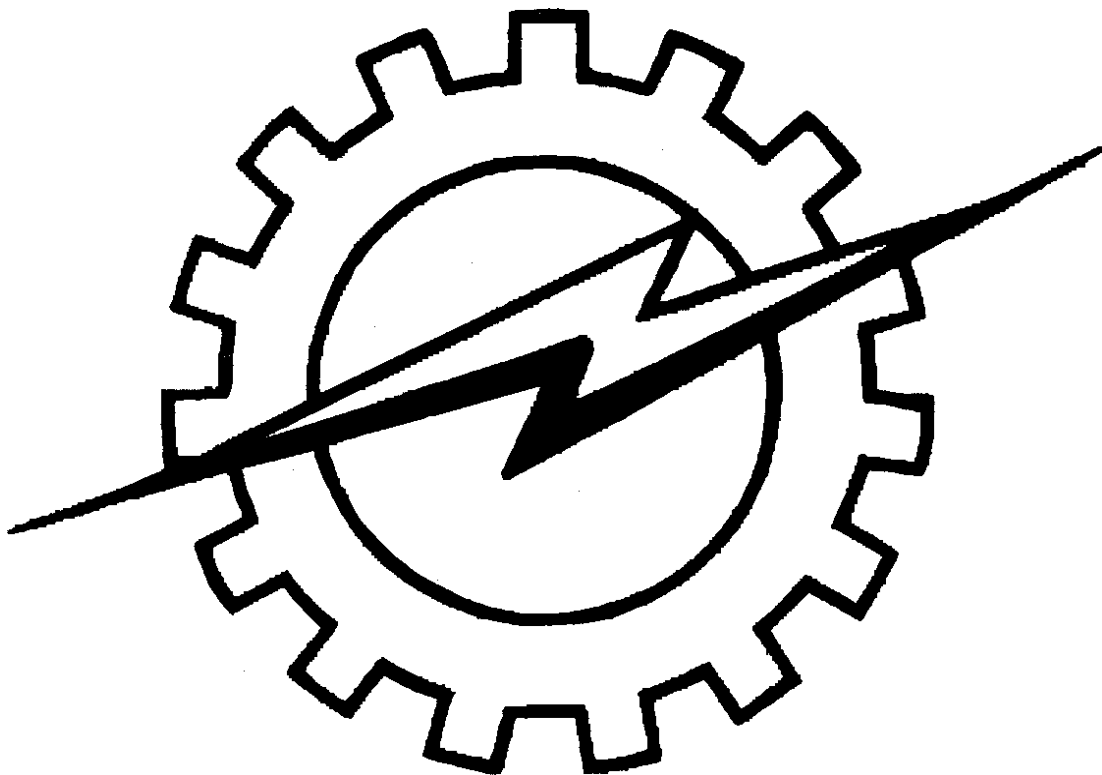
* Applicable for investors holding shares in Electric (Demat) Form.

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2007-2008 ANNUAL REPORT