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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  
Mr. Mohan S. Adige  
Mr. Girish M. Bakre  
Mr. Arnold Allen

Executive Chairman

**COMPANY SECRETARY**

Ms. Nidhi Salampuria

**AUDITORS**

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

**BANKERS**

State Bank of India

**LISTED AT**

Bombay Stock Exchange Limited

**REGISTERED OFFICE**

Nirmal, 20<sup>th</sup> Floor, Nariman Point,  
Mumbai-400021.  
Tel.: 022 - 22023055/66  
Fax : 022 - 22043162  
Email : npil\_investor@khandelwalindia.com

**WORKS**

Khandelwal Nagar, Dist. Nagpur – 441402.

**REGISTRAR & SHARE TRANSFER AGENTS**

**Sharepro Services (India) Private Limited**  
13AB, Samhita Warehousing Complex,  
Second Floor, Sakinaka Telephone Exchange Lane,  
Off. Andheri Kurla Road, Sakinaka,  
Andheri (East), Mumbai - 400 072.  
Tel No.: 022-67720334/37 (Director)  
022-37720300/400 (Board)  
Email ID: sharepro@shareproservices.com

**NOTICE**

NOTICE is hereby given that the Sixteenth Annual General Meeting of the Members of Nagpur Power & Industries Limited will be held on Thursday, August 30, 2012 at 10:00 AM at Orchid & Tulip, MVIRDC World Trade Centre, Centre One, 1st 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, 2012, and the Profit & Loss statement for the financial year ended on that date together with the Director's Report and Auditor's Report thereon.
2. To appoint a Director in place of Mr. Girish Bakre, 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 modifications, the following resolution as a Special Resolution:  
"RESOLVED THAT pursuant to the provisions of Section 314(1) of the Companies Act, 1956, consent of the Company be and is hereby 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 1, 2012 for the sum not exceeding Rs. 600,000 per annum and also to ratify the additional amount of Rs. 107,645/- paid to the said Director during the financial year 2011-2012.  
"RESOLVED FURTHER THAT the Board of Directors of the company, be and is hereby authorized to determine the tenure of the service."
5. To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:  
"RESOLVED THAT in accordance with the applicable provisions of the Companies Act 1956, schedule XIII, any amendment or modification thereof, consent be and is hereby accorded to modification in the terms of remuneration paid or payable to **Mr. Gautam Khandelwal**, Executive Chairman of the company **with effect from April 01, 2011** as set out in the Explanatory Statement annexed to the Notice convening this meeting, a copy of which is duly initialed by Mr. Girish Bakre, Chairman of Remuneration Committee for identification is placed before this meeting."

By order of the Board of Directors

Place: Mumbai  
Date: May 28, 2012

Nidhi Salampuria  
Company Secretary

**NOTES**

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. The proxies to be effective should be deposited at the Registered Office of the Company not less than 48 (forty eight) hours before the commencement of 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 August 24, 2012 to August 30, 2012 (both days inclusive).
4. The Company's equity shares are listed at Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001 and the Company has paid the Annual Listing Fees to the Stock Exchange for the year 2012-13.
5. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at an Annual General Meeting.

6. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name and e-mail address, etc., to their Depository Participant only and not to the Company's Registrar and Transfer Agents, Sharepro Services (India) Private Limited. Changes intimated to the Depository Participant will then be automatically reflected in the Company's record which will help the company and Sharepro Services (India) Private Limited to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Sharepro Services (India) Private Limited.
7. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management. Members can contact the Company and Sharepro Services (India) Private Limited, for assistance in this regard.
8. Consequent upon introduction of Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their request in Form 2B (which will be made available on request) to the Registrar and Transfer Agent, Sharepro Services (India) Private Limited.
9. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days between 10:00 AM to 2:00 PM and up to the date of the Meeting.
10. Members requiring any information on accounts are requested to write to the Company at least one week before the meeting so as to enable Management to keep information ready, replies will be provided only at the meeting.
11. For the convenience of the Members, attendance slip is enclosed elsewhere in the Annual Report. Members/Proxy Holders/Authorized Representatives are requested to fill in and affix their signatures at the space provided therein and surrender the same at the venue of the AGM. Proxy/Authorized Representatives of a member should state on the attendance slip as 'Proxy or Authorized Representative' as the case may be.
12. The Directors' Report, Auditors' Report and Audited Balance Sheet as at 31st March 2011 and the Profit and Loss Account for the financial year ended on that date are enclosed.

By order of the Board of Directors

Place: Mumbai  
Date: May 28, 2012

Nidhi Salampuria  
Company Secretary

### **EXPLANATORY STATEMENT**

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

The following Explanatory statements sets out all material facts relating to the Special Business as mentioned in the accompanying Notice:

#### **Item No. 4**

As per the provisions of Section 314 (1) of the Companies Act, 1956 consent of the Company in general meeting is required to appoint Director of a Company to hold any office or place of profit in the Company.

Mr. Arnold Allen was appointed as Additional Director w.e.f. April 03, 2008 and was confirmed as a Director by approval of members at the annual general meeting held on September 25, 2008.

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 continue to add substantial value to the Company through his contribution to the management of the Company. It is recommended that his appointment shall be continued as Financial and Corporate Advisor of the Company w. e. f. April 1, 2012.

Further the company had taken the approval of Shareholders in annual general meeting held on September 25, 2008 for the payment of remuneration of the said director amounting to Rs. 33,250/- per month. However the payment was made in excess by Rs. 107,645/- during the financial year 2011-12 for which approval of the Shareholder is required by way of ratification for such excess payment made.

Your Directors recommends the resolutions for your approval. Except Mr. Arnold Allen, no other Director of the Company is, in any way, concerned or interested in the said resolution.

**Item No. 5**

The Remuneration Committee of the Board of Directors of your company at its meeting held on May 28, 2012 approved and recommend subject to the approval of the Members, modification **with effect from April 01, 2011** in the terms of remuneration paid or payable to **Mr. Gautam Khandelwal**, Executive Chairman of the Company. The gist of terms of the agreement entered by the Company with him is given below :

- That Mr. Gautam Khandelwal was appointed as Executive Chairman of the Company for a period of 5 (five) years w.e.f. July 01, 2004 duly approved by the shareholders in their Annual General Meeting held on September 28, 2004 and thereafter he was re-appointed as Executive Chairman for a period of 5 (five) years w.e.f July 1, 2009 at the Annual General Meeting of the Company held on September 25, 2009.
- That the remuneration of Mr. Gautam Khandelwal, Executive Chairman was of basic salary of Rs. 1,25,000/- per month and benefits, perquisites and allowances (including Children education allowances of Rs. 20,000/- per month per child) plus commission not exceeding 3% of net profit of the company in any given year as approved by the share holders in their Annual General Meeting held on September 25, 2009.
- That the remuneration of Mr. Gautam Khandelwal, Executive Chairman be increased from the present basic salary of Rs. 1,25,000/- per month and benefits, perquisites and allowances (including Children education allowances of Rs. 20,000/- per month per child) plus commission not exceeding 3% of net profit of the company in any given year to Rs. 2,21,767/- per month w.e.f April 01, 2011 as approved by the remuneration committee of Directors of the company, at their meeting held on May 28, 2012. *Further in case of inadequacy of profits or in case of loss incurred by the company in future the remuneration of Rs. 2,50,000/- per month will be paid as minimum remuneration.*
- That Gratuity payable to Mr. Gautam Khandelwal, Executive Chairman of the Company would not exceed half a month of salary for each completed year of his service to the company subject to maximum of Rs. 10,00,000/- as per Gratuity Act 1972.
- That the other terms and conditions of his appointment as in force shall remain same and shall apply as earlier.

The copy of the agreement entered into by the company with Mr. Gautam Khandelwal, Executive Chairman is available for inspection at the Registered Office of the company during business hours on any working day till the date of the Annual General Meeting.

The above variation in terms of remuneration of Mr. Gautam Khandelwal, Executive Chairman of the company as mentioned in item no. 5 of the Notice will be treated as an abstract under Section 302 of the Companies Act, 1956.

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

The Board recommends this Resolution for your approval.

By order of the Board of Directors

Place: Mumbai  
Date: May 28, 2012

Nidhi Salampuria  
Company Secretary

**IMPORTANT COMMUNICATION FOR MEMBERS**

The Ministry of Corporate Affairs (MCA) has taken a "Green initiative in Corporate Governance" (Circular No. 17/2011 dated 21.04.2011 and Circular no. 18/2011 dated 29.04.2011) allowing paperless compliances by Companies through electronic mode. Companies are now permitted to send various notices/ documents to its shareholders through electronic mode to the registered e-mail address of shareholders. From next year onwards, we propose to send all documents like General Meeting Notices (including AGM), Audited Financial Statements, Directors' Report, Auditors' Report etc., in electronic form to shareholders, to their e-mail address provided by them and made available to us by the Depositories. In case they desire to receive the above mentioned documents in physical form or in case of any change in their e-mail id, they are requested to contact the Company or the Company's Registrar and Transfer Agent mentioning their client ID and latest e-mail address.

**Annexure - I to Notice of Annual General Meeting**

Statement as per Part II, Section II of Schedule XIII of the Companies Act, 1956:

**I. GENERAL INFORMATION:**

1	Nature of Industry	Manufacturing of High/ Medium/ Low Carbon Ferro Manganese and Silico Manganese Slag.
2	Date or expected date of commencement of commercial production	Certificate of Commencement of Business dated January 09, 1997
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
4	Financial performance based on given indicators	As per balance sheet
5	Export performance and net foreign exchange Collaborations	Not Applicable
6	Foreign investments or collaborators, if any	Nil

**II. INFORMATION OF APPOINTEE: Mr. Gautam Khandelwal**

1	Background details	He holds a B.A. (Economics) from the University of Mumbai and studied Economics from London School of Economics. He is having about 25 years of business experience across various industries.
2	Past remuneration	Rs. 1,25,000/- per month and benefits, perquisites and (including Children education allowances of Rs. 20,000/- per month per child) plus commission not exceeding 3% of net profit of the company in any given year
3	Recognition or awards	N.A.
4	Job Profile and his suitability	Total Management of the company with respect to Administration and Technology.
5	Remuneration proposed	Rs. 2,21,767/- pm w.e.f April 01, 2011 Rs. 2,50,000/- per month w.e.f. April 01, 2012
6	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	Not Available
7	Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any.	Promoter Director associated with the company since 1996 and managing the company since July 01, 2004

**III. OTHER INFORMATION**

1	Reasons of loss or inadequate profits	Company has run out of raw material i.e. slag due to which its revenue has been declining since last year.
2	Steps taken or proposed to be taken for improvement	The Company is looking for new business opportunities and/or ways to develop its existing infrastructure
3	Expected increase in productivity and profits in measurable terms	Not Available

**Directors' Report, Management Discussion and Analysis Report**

To,  
The Members,  
Your Directors presents the Sixteenth Annual Report together with the Audited Statements of Accounts of the Company for the financial year ended March 31, 2012.

**Financial Highlights**

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

Particulars	(Rs. in Lakhs)	
	2011-12	2010-11
Sales & Other Income (Net of Excise Duty)	455.60	1146.39
Profit/(Loss) before Interest, Depreciation & Tax	21.00	713.68
Less: Interest	1.29	2.64
Profit before Depreciation	19.71	711.04
Less: Depreciation	29.84	30.83
Profit / (Loss) before Taxation	(10.13)	680.21
Less Provision for Current Tax	-	242.00
- Deferred Tax and adjustments prior year	16.81	(0.76)
Profit/ (Loss) after tax for the year	(26.94)	438.97

**Dividend**

In order to conserve resources and augment funds for future developmental activities, your directors do not recommend any dividend.

**Directors**

Mr. Girish Bakre, Director retires by rotation 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.

**Management Discussion and Analysis**

In terms of Clause 49 of the Listing Agreement with the Stock Exchange, Mumbai, the Management Discussion and Analysis report of the Company is as follows:

**a) Economy review:**

During the year though the global outlook has improved after the financial crisis of 2008, much of the developed world especially the US, Euro zone still continues to witness negative or very low GDP growth. Uncertainties continue to haunt the global economic landscape. Business sentiments, while better than before, still remain muted. However, Indian economy has shown resilience and has managed to register growth in GDP at 6.50 % for the year 2011-12 and expected to grow at reduced rate in the current year.

**b) Business and Industrial review and future outlook:**

The Company mainly operates on Metal Recovery Plant and produces Low Ferro Manganese (Slag) through its profitable slag recovery process. There has been decline in volume due to depletion of slag dumps. The Company has entered into a new business via a majority stake in "The Motwane Manufacturing Company Private Limited" its subsidiary company and is looking to develop its business in electrical sector.

**c) Risks, Concerns & Threats:**

Depletion of slag dumps poses a major problem for the Company in the years to come. In order to counter this, the Company entered into new business through its subsidiary company "The Motwane Manufacturing Company Private Limited" and is looking to develop it. 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 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.

**d) 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.

**e) Financial Performance / Overview of Operations:**

During the year under review, the total income of the Company decreased to Rs. 455.61 Lakhs from Rs. 1146.39 Lakhs in the previous year. This decrease is mainly attributable to decline in volume of slag dumps as Company mainly operates on Metal Recovery plant and the profit margins have decreased due to lower realisations of Ferro Manganese slags in 2011 - 2012.

**Subsidiary Company and Consolidated Statements**

The Company has one subsidiary i.e 'The Motwane Manufacturing Company Private Limited' (MMCPPL). During the year, revenue of the MMCPPL has marginally increased to Rs. 1681 Lakhs from Rs. 1411 Lakhs and the MMCPPL has incurred a Net profit of Rs. 9 Lakhs (Last Year – Net Loss Rs. (33) Lacs). Motwane is an R &D based company and has an ambitious plan to develop various high technology test and Measurement products which would have applicability in the domestic and international markets.

The products of the company essentially help test, manage and maintain electrical systems in a better way. In a difficult environment where energy costs are rising and environmental issues are a concern, the need to get more out of the existing grid and better management of electrical systems, place MMCPPL in a growing market. The Government has initiated various actions to improve the working of the distribution utilities as well as incentives for better energy utilization. The progress of these initiatives will benefit the company.

MMCPPL's R&D efforts have begun to start yielding results and the company has launched the first of its new products in the industrial grade multimeter segment towards the end of the year. The company has also launched products in Diagnostic insulation at par with the best in the world. We anticipate the pace of new launches will be more rapid in the coming year. The company will continue to emphasize its position as a leader in research and development.

The Motwane Brand is known for its quality, reliability, robustness and therefore is well respected in the utility, Industry and Contracting markets. The new products are technologically advanced and will enhance the brand value. In addition, MMCPPL has also enhanced its manufacturing capability through capital expenditure in fixed assets, set up a new manufacturing engineering department for taking care of improved quality, processes, and optimization in the productivity for timely customer delivery. These new products across categories will also enable it to cater customers needs better and help expand its customer and distribution footprint, and de-risk the business by having a wider base of customers.

The Ministry of Corporate Affairs, vide General Circular No.2/2011 dated 8th February 2011 has granted general exemption to the Holding Company under Section 212 of the Companies Act, 1956 from attaching to its Annual Report, the accounts of its subsidiaries. On the basis of said Circular, the Company has obtained the approval of the Board of Directors for not attaching the accounts of its subsidiary. However, the accounts of the subsidiary are accounted for in the consolidated accounts of the Company. The Company will make available the Annual Accounts of the subsidiary company and the related detailed information to the Members of the Company as well as Members of subsidiary company who may be interested in obtaining the same at any point of time. The Annual Accounts of the subsidiary company will also be kept open for inspection at the Registered Office of the Company as well as that of the respective subsidiary company. Hard copy of details of accounts of subsidiary shall be made available to the Members on demand.

**Auditors**

M/s. M. V. Ghelani & Co., Chartered Accountants, Mumbai, the Statutory Auditors of the Company hold office until the conclusion of ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if reappointed as Statutory Auditors for the Financial Year 2012-13.

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

**Employees**

Relations between the employees and the management remained cordial during the year under review. The Company has no employees of the specified categories under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended upto date.



**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:

Total Energy consumption and energy consumption per unit of production is as follows:

Particulars	Financial Year 2011-12	Financial Year 2010-11
Electricity purchased:-		
Units (KWH)-	215,050	241,200
Total Amount (Rs in lakhs )-	22.75	21.21
Rate / KWH (Rs.)	10.58	8.79
Consumption per unit of Production:		
Ferro Manganese Slag ( Low MnO )		
- Units in KWH	51.20	3.98

**(B) Technology Absorption:**

## a. Research and Development (R &amp; D):

The Company has not undertaken any R&D activity in the current year.

## b. Technology Absorption, Adaptation and Innovation:

The Company has not imported any technology during the year.

**(C) Foreign Exchange earnings and outgo:**

During the year under review, the foreign Exchange outgo was Rs 11.19 lakhs (Previous year – Rs 8.62 lakhs). The foreign exchange earning was Nil (Previous year – Nil).

**Directors' Responsibility Statement**

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

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- ii) 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 March 31, 2012 and of the profit / loss of the Company for that year;
- iii) 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;
- iv) the annual accounts have been prepared on a going concern basis.

**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 Shareholders, various Government departments, Company's Bankers and all the employees during the year under review.

By order of the Board of Directors

Place: Mumbai  
Date: May 28, 2012

Nidhi Salampurua  
Company Secretary

## 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

#### a) Composition

The Board consists of 4 (Four) Directors and of these, 3 (three) Directors are independent Directors. The Chairman of the Board is an Executive Director.

#### b) Meetings 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 2011-12, 4 (four) board meetings were held. The meetings were held on May 27, 2011; July 29, 2011; November 10, 2011 and February 03, 2012.

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
		Held	Attended	
1	Mr. Gautam P. Khandelwal	4	4	Yes
2	Mr. Mohan S. Adige	4	4	Yes
3	Mr. Girish M. Bakre	4	2	Yes
4	Mr. Arnold Allen	4	2	No

#### c) Directorship of Directors in other Companies

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

Sr. No.	Name of Director	Executive / Non-Executive / Independent <sup>1</sup>	No. of outside Directorship Held		Outside Committee Positions Held <sup>2</sup>	
			Public	Private	Chairman	Member
1	Mr. Gautam P. Khandelwal	Executive	Two	Six	One	Two
2	Mr. Mohan S. Adige	Independent	Eight	Two	Nil	Nil
3	Mr. Girish M. Bakre	Independent	Nil	Four	Nil	Nil
4	Mr. Arnold Allen	Independent	One	Nil	Nil	One

1. Independent Director means a Director defined as such under Clause 49 of the Listing Agreement.
2. Only two Committees viz. the Audit Committee and the Shareholders / Investor Grievance Committees are considered.

#### d) Detail of Directors being appointed and re-appointed

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

Mr. Girish M. Bakre aged about 51 years is a Commerce Graduate from Mumbai University and a Chartered Accountant. He has wide experience in Manufacturing Industry, Power Sector, Insurance Sector, Finance Sector both in management and commercial aspects.

#### e) 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 Chairman of the Company has given the certificate as annexed to this report as per the requirement of Clause 49 of the Listing Agreement.

**3. Audit Committee**

The Audit Committee comprise of Mr. Mohan Adige (Chairman), Mr. Girish Bakre (Member) and Mr. Arnold Allen (Member). The members of the Committee have the relevant experience in the field of finance, banking and accounting. , Company Secretary and Statutory Auditors are invitees to the Audit Committee meeting.

**Terms of reference**

- All the matters specified under section 292A of the Companies Act, 1956.
- Ensuring compliance with 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 statutory auditors and ensuring that adequate follow up and action is taken by the management.

The Committee met 4 (four) times during the year under review. The meetings were held on May 27, 2011; July 29, 2011; November 10, 2011 and February 03, 2012.

Sr. No.	Name of Director	No. of Meetings	
		Held	Attended
1	Mr. Mohan Adige - Chairman	4	4
2	Mr. Girish Bakre	4	2
3	Mr. Arnold Allen	4	2

**4. Remuneration Committee**

The Remuneration Committee comprise of Mr. Girish Bakre, (Chairman), and Mr. Mohan Adige (Member) and Mr. Arnold Allen (Member). During the year under review, no meetings were held.

A 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. Arnold Allen have waived sitting fees.

Details of remuneration paid to Directors for the year:

Name of the Director	Salary & Perquisites (Rs.)	Commission (Rs.)	Sitting Fees (Rs.)	Total (Rs.)
Mr. Gautam Khandelwal	2,661,204/-	Nil	Nil	2,661,204/-

**5. Share Transfer and Investor Grievances Committee**

The Committee comprises of Mr. Mohan Adige (Chairman), Mr. Girish Bakre (Member) and Mr. Arnold Allen (Member). During the year, the Committee met from time to time to approve transfers, transmission of shares, issue of duplicate/rematerialized shares and consolidated and splitting of share certificates, to review shareholders correspondence including complaints received from shareholders and its redressal.

**6. Annual General Meetings:**

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

Financial Year	Date, Time and Venue	Special Resolutions passed
2008-2009	September 25, 2009 at 09.00 A.M Sunflower II, World Trade Centre, Centre One, 30th Floor, Cuffe Parade, Mumbai-400005.	One special Resolution was passed unanimously by show of hands
2009-2010	September 17, 2010 at 10.00 A.M Sunflower II, World Trade Centre, Centre One, 30th Floor, Cuffe Parade, Mumbai-400005.	No special Resolution was passed
2010-2011	September 20, 2011 at 10.00 A.M Sunflower II, World Trade Centre, Centre One, 30th Floor, Cuffe Parade, Mumbai-400005.	No special Resolution was passed

Further, during the financial year 2011-12, no special resolutions were passed through postal ballot. No special resolution requiring a Postal Ballot is being proposed at the ensuing AGM.

**7. Disclosures**

- The disclosures with regard to transactions with related parties are given in the Note 28 of the audited financial statements for the year ended March 31, 2011. 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.
- The 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 were published in Free Press Journal / The Asian Age and Navshakti / Tarun Bharat, in accordance with the requirement of the Listing Agreement.
- Annual audited financial results were published in The Asian Age and Tarun Bharat. 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	:	August 30, 2012
Time	:	10.00 A.M.
Venue	:	Orchid & Tulip, World Trade Centre, Centre One, 1st Floor, Cuffe Parade, Mumbai- 400005

**(b) Financial Calendar (April 1, 2012 to March 31, 2013):**

First quarter results	:	July, 2012
Second quarter results	:	October, 2012
Third quarter results	:	January, 2013
Fourth quarter and Annual results	:	May, 2013
Annual General Meeting	:	September, 2013

**(c) Date of Book closure** : August 24, 2012 to August 30, 2012 (both days inclusive)**(d) Listing details** :

Stock Exchange	:	Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400023
Scrip Code	:	532362
ISIN Number	:	INE099E01016 - NSDL & CDSL

**(e) Market Price Data:**

High/Low price and volume of the Company's shares at BSE during each month in Financial Year 2011-12 is as follows:

Month	High (Rs.)	Low (Rs.)	Volume (shares)
Apr-11	53.50	44.00	130,145
May-11	46.90	38.65	29,191
Jun-11	47.85	40.05	373,287
Jul-11	47.25	40.75	13,861
Aug-11	43.45	31.50	9,885
Sep-11	35.95	31.00	21,461
Oct-11	37.25	32.00	20,088
Nov-11	37.50	30.00	10,808
Dec-11	37.00	27.15	22,678
Jan-12	38.00	27.00	30,259
Feb-12	43.50	26.75	177,879
Mar-12	40.35	27.30	1,910,724

**(f) Registrar and Transfer Agent:****Sharepro Services (India) Pvt. Ltd.**

13AB, Samhita Warehousing Complex,  
Second Floor, Sakinaka, Telephone Exchange Lane,  
Off. Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai- 400072  
Tel No.: 022-67720334/37(Direct) 022-37720300/400(Board)  
Email-id: sharepro@shareproservices.com

**(g) 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.

**(h) Distribution of Shareholding as on March 31, 2012 is as under:**

No. of shares	No. of Shareholders	%	No. of Shares	%
Upto 500	3364	75.190	798,963	6.101
501-1000	461	10.304	346,313	2.645
1001-2000	382	8.538	490,304	3.744
2001-3000	115	2.570	274,328	2.095
3001-4000	32	0.715	111,264	0.850
4001-5000	37	0.827	169,387	1.293
5001-10000	34	0.760	228,858	1.748
10001 and above	49	1.095	10,676,090	81.525
<b>Total</b>	<b>4474</b>	<b>100.00</b>	<b>13,095,507</b>	<b>100.00</b>

**(i) Shareholding Pattern as on March 31, 2012 is as under:**

Sr. No.	Category	No. of Shares held	% of Shareholding
1	Indian Promoters	2,099,212	16.03
2	Foreign Promoters	5,641,100	43.08
3	Mutual Funds/UTI	0	0.00
4	Financial Institutions/Banks	11,650	0.09
5	Insurance Companies	1,585,094	12.10
6	Private Bodies Corporate	668,203	5.10
7	Indian Pubic	3,076,709	23.49
8	NRI/OCBs	13,539	0.11
	<b>TOTAL</b>	<b>13,095,507</b>	<b>100.00</b>

**(j) Dematerialization of shares as on March 31, 2012 is as under:**

Particulars	No. of shares	% to Issued Capital
Dematted		
National Securities Depository Limited	9,469,130	72.31
Central Depository Securities Limited	2,098,495	16.02
Physical	1,527,882	11.67
<b>Total</b>	<b>13,095,507</b>	<b>100.00</b>

**(k) Outstanding GDR's/ADR's/Warrants 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.

**(l) Plant Location:**

Khandelwal Nagar, Dist. Nagpur-441402, Maharashtra.

**(m) Name and Designation of Compliance Officer:** Ms.Nidhi Salampuria, Company Secretary**(n) Address for correspondence:**

The Company Secretary

Nagpur Power & Industries Limited

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

Tel # +91-22-22023055/66 , Fax # +91 22-22043162

Email id: [npil\\_investor@khandelwalindia.com](mailto:npil_investor@khandelwalindia.com)

**(o) 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.

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**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 2011-12.

For Nagpur Power & Industries Limited

Date: May 28, 2012

Place: Mumbai

Gautam P. Khandelwal  
Chairman

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**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 conditions of Corporate Governance by Nagpur Power & Industries Limited, for the year ended March 31, 2012, 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 has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring 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 based on representations made by the Directors and the Management, we certify that the Company has complied in all material respects with the conditions of 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  
Firm Regn. No. 119077W

Date: May 28, 2012

Place: Mumbai

**M.V.Ghelani**  
Proprietor  
Membership No. 031105

**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 31<sup>st</sup> March 2012 and the Profit and Loss statement 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 12<sup>th</sup> June 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 Statement 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 Statement 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 31<sup>st</sup> March, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2012 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 Note 13.1 viz. the Company has not accounted for Stock of balance of accumulated waste over the years at its unit at Khandelwal Nagar, Kanhan, Nagpur as in the opinion of the company its quality, metal content and the realizable value cannot be yet reasonably ascertained.**
  - (vii) And subject to our 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 31<sup>st</sup> March 2012
    - (b) in the case of the Profit and loss statement, of the loss for the year ended on that date;
    - (c) in the case of Cash Flow Statement, of the cash flow for the year ended on that date

For M.V. GHELANI & CO.  
CHARTERED ACCOUNTANTS  
Firm Regn. No. 119077W

(M. V. GHELANI)  
PROPRIETOR  
Membership No.: 031105

Place : Mumbai  
Date : 28<sup>th</sup> May, 2012

**ANNEXURE TO THE AUDITOR'S REPORT ON THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2012**

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 31<sup>st</sup> March 2012.

- 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) During the year, the company has disposed off certain assets. It has not affected the going concern status of the company.
- 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 Note 13.1, 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 not taken loan/advances from any party listed in the register maintained under section 301 of the Companies Act, 1956.  
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. 6,68,113 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 an Internal Audit System commensurate with the size 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.  
(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 31<sup>st</sup> March, 2012 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 of three 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.
B.S.T Act, 1959	B.S.T & C.S.T	195.45	JT. Commissioner of sales tax (Appeals), Nagpur
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	117.43	Commissioner of Customs (E.P.) and Directorate General of Foreign Trade (DGFT)
The Bombay Stamp Act, 1958	Stamp duty	45.83	Supreme Court of India
Other statutory dues	Entry tax	4.58	Tahsildar
<b>TOTAL</b>		<b>395.63</b>	

- 10 The accumulated losses of the company at the end of the financial year is less than fifty percent of its net worth, it has incurred cash loss of Rs. 2,61,236/- during the financial year covered by our audit. No cash loss has been incurred in the immediately proceeding financial year.
- 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, term loan obtained (being car loan) was applied for the purpose for which the loan was obtained.
- 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 issue 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**  
**Firm Regn. No. 119077W**

**(M. V. GHELANI)**  
**PROPRIETOR**  
**Membership No.: 031105**

Place : Mumbai  
Date : 28<sup>th</sup> May, 2012

**BALANCE SHEET AS AT 31ST MARCH, 2012**

(In Rupees)

Particulars	Note No	As at 31st March, 2012	As at 31st March, 2011
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's funds</b>			
(a) Share Capital	2	130,955,070	130,955,070
(b) Reserves And Surplus	3	485,350,323	488,044,364
		<b>616,305,393</b>	<b>618,999,434</b>
<b>(2) Non-current Liabilities</b>			
(a) Long-term borrowings	4	-	32,690
		-	<b>32,690</b>
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	5	1,225,545	-
(b) Trade Payables	6	4,187,427	2,812,302
(c) Other current liabilities	7	4,796,145	5,680,048
(d) Short-term provisions	8	1,821,764	20,781,307
		<b>12,030,881</b>	<b>29,273,657</b>
<b>Total</b>		<b>628,336,275</b>	<b>648,305,781</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	9	219,815,626	223,337,643
(b) Non-current Investments	10	105,260,770	81,595,401
(c) Long term loans and advances	11	1,160,236	1,251,665
		<b>326,236,631</b>	<b>306,184,709</b>
<b>(2) Current assets</b>			
(a) Current investments	12	287,895,650	313,359,959
(b) Inventories	13	1,972,760	2,182,891
(c) Cash and Bank Balances	14	6,586,777	9,291,125
(d) Short-term loans and advances	15	5,644,457	17,287,097
		<b>302,099,644</b>	<b>342,121,072</b>
<b>Total</b>		<b>628,336,275</b>	<b>648,305,781</b>

Summary of Significant Accounting Policies

1

Other Notes on Financial Statements

23 to 39

Notes 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 attached

For M.V.Ghelani &amp; Co.

Chartered Accountants

Firm Regn. No. 119077W

M.V.Ghelani

Proprietor

Mumbai :28th May, 2012

For and on behalf of the Board

Gautam P. Khandelwal

Chairman

M.S.Adige

Director

Nidhi Salampurua - Company Secretary

Mumbai : 28th May, 2012

**Profit and Loss statement for the year ended 31st March, 2012**

(In Rupees)

Particulars	Note No	Year Ended 31st March, 2012	Year Ended 31st March, 2011
<b>I Revenue from operations</b>	16	18,296,071	108,884,240
<b>II Other Income</b>	17	27,264,489	5,754,810
<b>III Total Revenue (I +II)</b>		<b>45,560,560</b>	<b>114,639,050</b>
<b>IV Expenses:</b>			
Cost of materials consumed	18	2,407,839	21,688,101
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	19	(2,186,346)	(21,561,703)
Employee benefits expense	20	11,675,983	13,392,529
Finance costs	21	129,403	263,973
Depreciation and amortization expense	9	2,983,804	3,082,792
Other expenses	22	31,563,096	29,752,493
<b>Total Expenses</b>		<b>46,573,779</b>	<b>46,618,186</b>
<b>V Profit before tax (III - IV)</b>		<b>(1,013,219)</b>	<b>68,020,865</b>
<b>VI Tax expense:</b>			
(a) Current tax		-	24,200,000
(b) Deferred tax		-	-
(c) Short/(excess) provision for earlier years		1,680,821	(75,965)
<b>VII Profit(Loss) for the year (V-VI)</b>		<b>(2,694,040)</b>	<b>43,896,830</b>
<b>VIII Earnings per equity share:</b>			
(a) Basic		(0.21)	3.35
(b) Diluted		(0.21)	3.35

Summary of Significant Accounting Policies

1

Other Notes on Financial Statements

23 to 39

Notes referred to above form an integral part of the

Profit &amp; Loss Account. This is the Profit &amp; Loss Account

referred to in our report of even date.

As per our report of even date attached

For M.V.Ghelani &amp; Co.

Chartered Accountants

Firm Regn. No. 119077W

M.V.Ghelani

Proprietor

Mumbai :28th May, 2012

For and on behalf of the Board

Gautam P. Khandelwal

Chairman

M.S.Adige

Director

Nidhi Salampur - Company Secretary

Mumbai : 28th May, 2012

**Notes on Financial Statements for the Year ended 31st March 2012****Note 1 : SIGNIFICANT ACCOUNTING POLICIES****1.1 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.

**1.2 Use of Estimates**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimate are recognised in the period in which the results are known/materialized.

**1.3 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 those 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 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 and the office equipments are depreciated at 6.33% on Straight Line Method

**1.4 Investments:**

Investments are classified into non current investments and current investments. Non current investments are stated at cost. Current investments are stated at lower of cost or market values on overall basis. 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.

**1.5 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.

**1.6 Sundry Debtors and Loans and Advances:**

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

**1.7 Revenue Recognition:**

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

**1.8 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. Which is administered through duly constituted and approved independent trust. The liability for Gratuity and leave encashment is determined on the basis of actuarial valuations made at the year end.

**1.9 Foreign Exchange Transactions:**

Transactions denominated in foreign currency are accounted at the exchange rates prevailing on 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.

**1.10 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.

**1.11 Contingent Liability:**

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

## Notes on financial statements for the year ended 31st March 2012

	As at 31st March, 2012 Rupees	As at 31st March, 2011 Rupees
<b>2 SHARE CAPITAL</b>		
<b>Authorised share capital</b>		
2,00,00,000 Equity Shares of Rs.10 each (Previous Year 2,00,00,000 Shares of Rs.10 each)	200,000,000	200,000,000
50,00,000 Unclassified Shares of Rs.10 each (Previous Year 50,00,000 Shares of Rs.10 each)	50,000,000	50,000,000
<b>Total</b>	<b>250,000,000</b>	<b>250,000,000</b>
<b>Issued, Subscribed &amp; Paid-up</b>		
1,30,95,507 Equity Shares of Rs.10 each fully paid up. (Previous Year 1,30,95,507 Shares of Rs.10 each)	130,955,070	130,955,070
<b>Total</b>	<b>130,955,070</b>	<b>130,955,070</b>

**2.1 The reconciliation of the number of shares outstanding is set out below:**

Particulars	As at 31/03/2012	As at 31/03/2011
Equity shares at the beginning of the year	13,095,507	13,095,507
Add: Shares issued during the year	-	-
Less: Shares cancelled/bought back during the year	-	-
Equity shares at the end of the year	<b>13,095,507</b>	<b>13,095,507</b>

2.2 The Equity Shares of the Company have voting rights and are subject to the restriction as prescribed under the Companies Act, 1956.

2.3 The company has no holding Company. The subsidiary company does not hold any shares in the company.

**2.4 List of share holders holding more than 5% shares**

Name of the shareholder	As at 31/03/2012		As at 31/03/2011	
	No. of Shares	% held	No. of Shares	% held
i) Khandelwals Limited	56,41,100	43.08	56,41,100	43.08
ii) Life Insurance Corporation of India Ltd.	15,85,094	12.10	17,19,297	13.13

2.5 Disclosures pursuant to Note no. 6(A)(h,i,j,k,l) of Part I of Schedule VI to the Companies Act, 1956 is NIL.

**3 RESERVES AND SURPLUS**

Particulars	As at 31/03/2012	As at 31/03/2011
<b>(a) General Reserve</b>		
Balance as per last Balance Sheet	488,044,364	444,147,534
Add: Transfer from Profit & Loss Account	-	43,896,830
Closing Balance Total (a)	<b>488,044,364</b>	<b>488,044,364</b>
<b>(b) Surplus i.e. Profit and Loss Account</b>		
Balance as per last Balance Sheet	-	-
Add: Profit/(Loss) for the year	(2,694,040)	43,896,830
Less: Transfer to General reserve	-	(43,896,830)
Closing Balance Total (b)	<b>(2,694,040)</b>	<b>(43,896,830)</b>
<b>Net Reserve and Surplus (a)+/(b)</b>	<b>485,350,323</b>	<b>488,044,364</b>

## Notes on financial statements for the year ended 31st March 2012

	As at 31st March, 2012 Rupees		As at 31st March, 2011 Rupees	
	Non Current	Current	Non Current	Current
<b>4 LONG TERM BORROWING</b>				
<b><u>Secured Loan</u></b>				
<b>Term Loan</b>				
<b><u>From Bank</u></b>				
Axis Bank- Car Loan	-	32,690	32,690	121,605
- Fixed interest @ 11.76% p.a.				
- Secured by hypothecation of motor car purchased under the loan				
- Repayment in 48 equated monthly instalments (EMI) of Rs.11,111 each till June, 2012, of which three EMI totalling to Rs.32,690 are current maturities.				
(Refer note 7)				
<b>Total</b>	<b>-</b>	<b>32,690</b>	<b>32,690</b>	<b>121,605</b>

4.1 There has been no default in repayment of principal and interest on the loan.

#### 5 SHORT TERM BORROWINGS

##### Loan repayable on Demand

##### Secured

##### From banks

##### State Bank of India

Working Capital Advances

- Interest @ 10.00% p.a.

- Secured against term deposit receipt of the bank

##### Total

1,225,545

-

**1,225,545**

**-**

5.1 There has been no default in repayment of principal and interest on the loan.

#### 6 TRADE PAYABLES

(a) To Micro, Small and Medium Enterprises

(b) To Others

##### Total

-

4,187,427

2,812,302

**4,187,427**

**2,812,302**

6.1 In the absence of information with the company, the names of Micro, Small and Medium Enterprises to whom the company owes any sum together with interest outstanding for more than 30 days have not been given. The Auditors have relied upon this management representation.

6.2 The balances of Trade Payables are subject to confirmation.

## Notes on financial statements for the year ended 31st March 2012

	As at 31st March, 2012 Rupees	As at 31st March, 2011 Rupees
<b>7 OTHER CURRENT LIABILITIES</b>		
<b>(a) Current maturities of long-term debt</b>		
Axis Bank- Car Loan (Refer Note no. 4)	32,690	121,605
<b>(b) Other Payables</b>		
- Statutory dues	536,436	677,995
- Security deposits	261,435	261,435
- Advances from customers	3,441,489	3,268,318
- Other liability for expenses	524,095	1,350,695
<b>Total</b>	<b>4,796,145</b>	<b>5,680,048</b>
7.1 The balances of Advances from customers are subject to confirmation.		
<b>8 SHORT-TERM PROVISIONS</b>		
<b>(a) Provision for employee benefits</b>		
(i) Provision for Gratuity/ Leave encashment/ Bonus	880,862	1,190,289
(ii) Others	104,867	472,066
<b>(b) Provision for Income Tax (Net of Advance Tax)</b>	<b>836,035</b>	<b>19,118,952</b>
<b>Total</b>	<b>1,821,764</b>	<b>20,781,307</b>

8.1 The Company contributes to defined benefit schemes for Gratuity which is administered through duly constituted and approved independent trust. The liability for Gratuity and leave encashment is determined on the basis of actuarial valuations made at the year end.

8.2 Others include provision for salaries, wages, recurring deposit account of employee and commission payable to managing director/ chairman (Current Year: Rs.Nil, Previous Year: Rs.3,96,179/-).

## Notes on Financial Statements for the Year ended 31st March 2012

## Notes 9: FIXED ASSETS

Fixed Assets	GROSS BLOCK				DEPRECIATION / AMMORTISATION				IMPAIRMENT			Net Block as on 31.03.2012
	Opening as on 01.04.2011	Additions	Disposals	Closing as on 31.03.2012	Opening as on 01.04.2011	for the year	Deductions/ Adjustments	Closing as on 31.03.2012	Opening as on 01.04.2011	Reversed during the year	Closing as on 31.03.2012	
<b>1. Tangible Assets</b>												
<b>(A) OWN ASSETS</b>												
Freehold Land	181,251,700	-	-	181,251,700	-	-	-	-	-	-	-	181,251,700
Buildings	35,552,115	-	-	35,552,115	11,178,700	910,253	-	12,088,953	-	-	-	23,463,162
Plant and Equipment	25,496,511	-	-	25,496,511	14,055,564	1,211,084	-	15,266,648	-	-	-	10,229,863
Furniture and Fixtures	1,556,785	-	-	1,556,785	482,706	42,693	-	525,399	604,815	-	604,815	426,571
Vehicles	4,143,969	-	1,307,011	2,836,958	1,955,577	387,306	731,049	1,611,834	-	-	-	1,225,124
Office Equipment	1,757,737	37,750	-	1,795,487	842,202	85,235	-	927,436	-	-	-	868,051
Computers	2,837,081	-	-	2,837,081	2,501,340	91,790	-	2,593,130	-	-	-	243,952
Railway Siding	5,377,766	-	-	5,377,766	3,015,119	255,444	-	3,270,563	-	-	-	2,107,203
<b>(B) LEASED ASSETS</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total(A+B)</b>	<b>257,973,664</b>	<b>37,750</b>	<b>1,307,011</b>	<b>256,704,403</b>	<b>34,031,208</b>	<b>2,983,804</b>	<b>731,049</b>	<b>36,283,963</b>	<b>604,815</b>	<b>-</b>	<b>604,815</b>	<b>219,815,626</b>
<b>2. Intangible Assets</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Grand Total (1+2)</b>	<b>257,973,664</b>	<b>37,750</b>	<b>1,307,011</b>	<b>256,704,403</b>	<b>34,031,208</b>	<b>2,983,804</b>	<b>731,049</b>	<b>36,283,963</b>	<b>604,815</b>	<b>-</b>	<b>604,815</b>	<b>219,815,626</b>
Previous Year	258,275,539	101,474	403,347	257,973,665	31,331,596	3,082,792	383,180	34,031,207	604,185	-	604,815	223,337,643

## Note :

- Vehicles include certain vehicles Gross Block Rs. 9,744 (Previous Year Rs.19,38,454) which are transferred to the company pursuant to the Scheme of Arrangement and yet in the process of registration in company's name.
- The Depreciation for the year, has been provided on Gross Block net of accumulated depreciation and Impairment losses. Refer note no. 1.2
- In accordance with the Accounting Standard on "Impairment of Assets" AS-28, the Company has recognised impairment losses as at 1st April, 2004 on certain assets of the company at Nagpur by a corresponding adjustment to general reserve during the year ended 31st March, 2005 pursuant to the transitional provisions of the said Standard. On reversal/adjustment of impairment during the subsequent period, the balance amount of such assets is Rs.6,04,815/-. No Impairment is recognized during the current year.



## Notes on financial statements for the year ended 31st March 2012

	As at 31st March, 2012 Rupees	As at 31st March, 2011 Rupees
<b>10 NON-CURRENT INVESTMENTS</b>		
<b>(At Cost Less permanent diminution in value (if any))</b>		
<b>INVESTMENTS IN EQUITY INSTRUMENTS</b>		
<b>AT COST - TRADE</b>		
<b>(i) Unquoted</b>		
<b>In fully paid up Equity Shares in Subsidiary</b>		
Motwane Manufacturing Company Pvt.Ltd.	74,892,580	52,748,830
1,18,758 Equity Shares (Previous Year : 89,233) of Rs. 100 each		
<b>Sub Total (i)</b>	<b>74,892,580</b>	<b>52,748,830</b>
<b>AT COST - OTHER</b>		
<b>(ii) Quoted</b>		
<b>In Fully Paid-up Equity Shares</b>		
<b>ABB Limited</b>	105,773	105,773
[200 Equity Shares (Previous Year : 200) of Rs. 2 each]		
<b>ACC Limited</b>	505,458	505,458
[700 Equity Shares (Previous Year : 700) of Rs. 10 each]		
<b>Aditya Birla Nuvo Lim</b>	1,010,198	1,010,198
[1300 Equity Shares (Previous Year : 1300) of Rs. 10 each]		
<b>Axis Bank Ltd.</b>	537,199	537,199
[1300 Equity Shares (Previous Year :1300) of Rs. 10 each]		
<b>Bank of Baroda</b>	465,781	465,781
[500 Equity Shares (Previous Year :500) of Rs. 10 each]		
<b>Bharti Airtel Ltd.</b>	230,765	230,765
[700 Equity Shares (Previous Year : 700) of Rs. 5 each]		
<b>Biocon Limited</b>	758,503	758,503
[ 2500 Equity Shares (Previous Year : 2500) of Rs.5 each]		
<b>Coal India Limited</b>	110,250	110,250
[450 Equity Shares (Previous Year :450) of Rs.10 each]		
<b>Crompton Greaves Ltd.</b>	1,116,612	841,615
[5375 Equity Shares (Previous Year : 3875) of Rs. 2 each]		
<b>Globus Spirit Ltd.</b>	2,500,000	2,500,000
[25000 Equity Shares (Previous Year : 25000) of Rs. 10 each]		
<b>Grasim Industries Ltd.</b>	206,121	206,121
[200 Equity Shares (Previous Year :200) of Rs. 10 each]		
<b>HDFC Ltd.</b>	640,576	640,576
[2000 Equity Shares(Previous Year :2000) of Rs.2 each]		
<b>HDFC Bank Ltd.</b>	280,152	280,152
[1500 Equity Shares (Previous Year : 300 of Rs. 10 each) of Rs. 2 each]		
<b>Hindalco Industries</b>	266,200	266,200
[5500 Equity Shares (Previous Year : 5500) of Re. 1 each]		

## Notes on financial statements for the year ended 31st March 2012

	As at 31st March, 2012 Rupees	As at 31st March, 2011 Rupees
<b>Hindustan Const</b> [7000 Equity Shares (Previous Year : 7000) of Rs. 1 each]	485,412	485,412
<b>Indian Hotel Co. Ltd.</b> [21940 Equity Shares (Previous Year : 21940) of Re. 1 each]	1,258,919	1,258,919
<b>ITC Limited</b> [5000 Equity Shares (Previous Year : 5000) of Re. 1 each]	644,435	644,435
<b>Josts Engg.</b> [ 50 Equity Shares (Previous Year : 50) of Rs. 10 each]	14,704	14,704
<b>Kotak Mahindra Bank Ltd.</b> [3600 Equity Shares(PreviousYear :3600 ) of Rs.5 each]	697,928	697,928
<b>Larsen &amp; Toubro Ltd.</b> [1800 Equity Shares (Previous Year : 1800) of Rs. 2 each]	2,177,445	2,177,445
<b>Mahindra &amp; Mahindra Ltd.</b> [6300 Equity Shares (Previous Year : 5600) of Rs. 5 each]	1,634,782	1,158,118
<b>Mahindra &amp; Mahindra Financial Services Ltd.</b> [833 Equity Shares (Previous Year : 233) of Rs. 10 each]	471,562	46,600
<b>Mahindra Lifespace Developers Ltd.</b> [600 Equity Shares (Previous Year : Nil) of Rs.10 each]	188,471	-
<b>Marico Limited</b> [3500 Equity Shares (Previous Year : 3500) of Re. 1 each]	193,447	193,447
<b>MOIL Limited</b> [19 Equity Shares (Previous Year : 19) of Rs. 10 each]	7,125	7,125
<b>NTPC Limited</b> [1700 Equity Shares (Previous Year : 1700) of Rs. 10 each]	300,045	300,045
<b>Petronet LNG Ltd.</b> [7000 Equity Shares (Previous Year : 7000) of Rs. 10 each]	281,512	281,512
<b>Pidilite Industries Ltd.</b> [4000 Equity Shares (Previous Year : 4000) of Re. 1 each]	191,884	191,884
<b>Power Grid Corp. Ltd.</b> [11273 Equity Shares (Previous Year : 9773) of Rs. 10 each]	1,064,200	907,675
<b>Reliance Communications Ltd.</b> [850 Equity Shares (Previous Year : 850) of Rs. 5 each]	307,543	307,543
<b>Reliance Ind. Ltd.</b> [1600 Equity Shares (Previous Year : 1600) of Rs. 10 each]	1,259,977	1,259,977
<b>Sandur Mang.</b> [ 275 Equity Shares (Previous Year : 275) of Rs. 10 each]	203,160	203,160
<b>Satyam Computer</b> [7200 Equity Shares (Previous Year : 7200) of Rs. 2 each]	497,046	497,046
<b>State Bank of India</b> [1500 Equity Shares (Previous Year : 1500) of Rs. 10 each]	2,317,517	2,317,517

## SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31st March, 2011 Rupees	As at 31st March, 2010 Rupees
<b>Tata Chemicals Ltd.</b>	1,233,650	1,233,650
[4250 Equity Shares (Previous Year : 4250) of Rs. 10 each]		
<b>Tata Consultancy Service Ltd.</b>	697,480	697,480
[2200 Equity Shares (Previous Year : 2200) of Re. 1 each]		
<b>Tata Motors Limited</b>	1,299,957	1,299,957
[16500 Equity Shares (Previous Year : 3300 of Rs. 10 each) of Rs. 2 each]		
<b>Tata Power Co. Ltd.</b>	169,076	169,076
[2000 Equity Shares (Previous Year : 200 of Rs. 10 each) of Rs. 1 each]		
<b>Tata Steel Ltd.</b>	1,079,153	1,079,153
[3750 Equity Shares (Previous Year : 3750) of Rs. 10 each]		
<b>Tornt Power</b>	930,878	930,878
[3000 Equity Shares (Previous Year : 3000) of Rs. 10 each]		
<b>Unitech</b>	327,045	327,045
[4800 Equity Shares (Previous Year : 4800) of Rs. 2 each]		
<b>United Phosphorous Ltd.</b>	415,780	415,780
[3500 Equity Shares (Previous Year : 3500) of Rs. 2 each]		
<b>Yes Bank Ltd.</b>	1,284,470	1,284,470
[4500 Equity Shares (Previous Year : 4500) of Rs. 10 each]		
<b>Ultratech Cement</b>	-	-
[114 Equity Shares (Previous Year : 114) of Rs. 10 each]		
<b>Sub Total (ii)</b>	<b>30,368,190</b>	<b>28,846,571</b>
<b>Total (i+ii)</b>	<b>105,260,770</b>	<b>81,595,401</b>
10.1 Aggregate amount of quoted investents	30,368,190	28,846,571
10.2 Market value of quoted investents	46,781,948	49,545,574
10.3 Aggregate amount of unquoted investments	74,892,580	52,748,830
10.4 Aggregate provision for diminution in value of investments	-	-

## 11 LONG TERM LOANS AND ADVANCES

Particulars	(In Rupees)	
	As at 31/03/2012	As at 31/03/2011
<b>Security Deposit</b>		
(i) Unsecured, considered good	975,795	1,251,665
(ii) Unsecured, considered doubtful (Net of Provision)	184,441	-
<b>Total</b>	<b>1,160,236</b>	<b>1,251,665</b>
11.1 Provision for doubtful deposit: Current Year: Rs. 91,430/- (Previous Year: Rs. Nil)		
11.2 The balances of Security Deposits are subject to confirmation.		
11.3 In the opinion of the board loans and advances have a value on realisation in the ordinary course of business at least equal to the sums stated.		

## Notes on financial statements for the year ended 31st March 2012

	As at 31st March, 2012 Rupees	As at 31st March, 2011 Rupees
<b>12 CURRENT INVESTMENTS</b>		
(At Lower of Cost or Market Value)		
<b>(A) INVESTMENTS IN EQUITY INSTRUMENTS</b>		
<b>Quoted</b>		
<b>In Fully Paid-up Equity Shares</b>		
<b>AIA Engineering Ltd.</b>	-	199,835
(Previous Year :491 equity shares of Rs. 2 each)		
<b>Astral Poly Technik Ltd.</b>	510,250	-
[2839 Equity Shares (Previous Year : Nil) of Rs. 5 each]		
<b>Balkrishna Industries Ltd.</b>	795,779	516,574
[5234 Equity Shares (Previous Year : 3829) of Rs. 2 each]		
<b>Blue Star Limited</b>	-	110,945
(Previous Year :276 equity shares of Rs. 2 each)		
<b>Dhanuka Agritech Ltd.</b>	454,832	243,593
[4596 Equity Shares (Previous Year : 3207) of Rs. 2 each]		
<b>Exide Industries</b>	-	100,033
(Previous Year :644 equity shares of Rs. 1 each)		
<b>Greenply Industries Ltd.</b>	989,756	826,530
[5220 Equity Shares (Previous Year : 4389) of Rs. 5 each]		
<b>Hindustan Media Ventures Ltd.</b>	534,412	-
[4149 Equity Shares (Previous Year : Nil) of Rs. 10 each]		
<b>ICRA Limited</b>	-	203,730
(Previous Year :165 equity shares of Rs. 10 each)		
<b>India Bulls Infast. &amp; Power Ltd.</b>	27,420	-
[ 5495 Equity Shares (Previous Year :Nil) of Rs. 10 each]		
<b>India Bulls Real Estate Ltd.</b>	243,973	352,631
[1863 Equity Shares (Previous Year : 2271) of Rs. 2 each]		
<b>Jagran Prakashan Ltd.</b>	365,503	427,803
[3282 Equity Shares (Previous Year : 3505) of Rs. 2 each]		
<b>Lumax Auto Tech Ltd.</b>	296,483	-
[1974 Equity Shares (Previous Year : Nil) of Rs. 10 each]		
<b>Monnet Ispat &amp; Energy Ltd.</b>	-	551,268
(Previous Year : 1249 equity shares of Rs. 10 each)		
<b>Phonix Mills Ltd.</b>	-	259,465
(Previous Year : 1147 equity shares of Rs. 2 each)		
<b>Redington India Ltd.</b>	506,488	482,542
[6342 Equity Shares (Previous Year : 6043) of Rs. 2 each]		
<b>Setco Automotive Ltd.</b>	520,812	-
[3385 Equity Shares (Previous Year : Nil) of Rs. 2 each]		
<b>Shriram Trans Fin. Co. Ltd.</b>	182,213	99,940
[364 Equity Shares (Previous Year : 127) of Rs. 10 each]		
<b>Supreme Industries Ltd.</b>	492,545	-
[2496 Equity Shares (Previous Year : Nil) of Rs. 2 each]		
<b>Voltamp Transformer Ltd.</b>	-	253,401
(Previous Year : 351 equity shares of Rs. 10 each)		
<b>Total (A)</b>	<b>5,920,467</b>	<b>4,628,291</b>

## Notes on financial statements for the year ended 31st March 2012

	As at 31st March, 2012 Rupees	As at 31st March, 2011 Rupees
<b>(B) INVESTMENTS IN MUTUAL FUNDS INSTRUMENTS</b>		
<b>Unquoted</b>		
<b>In units of SBI Mutual Fund</b>	187,799,718	251,143,768
Units of SBI Premier Liquid Fund-Institutional Growth [( Switch out due to face Value change From SBI Magnum Institutional Income Fund Saving Growth ) 1,44,603.94 Units of Rs. 100/- each (Previous Year: 1,94,60,056.79 of Rs. 10/- each) 52,95,688.52 Units of Rs. 10 each redeemed during the year]		
<b>In Units of SBI SHF Ultra Short Term Fund</b>	-	52,500,000
[Current year :Nil (Previous year: 44,68,299.971 Units) 44,68,299.971 Units redeemed during the year]		
<b>In Units of HDFC Mututal Fund</b>	1,758,105	2,670,540
Units of HDFC Cash Mgmt. Treasury Advantage- Wholesale Plan Growth [78,127.20 Units (Previous Year : 1,31,847.27)] 124632.93 Units redeemed during the year]		
<b>In Units of ICICI Prud. Banking Psu Debt Fund Premium Plus Growth</b>	2,417,360	2,417,360
[2,32,288.78 Units (Previous Year :2,32,288.78)]		
<b>ICICI Prud. FMP Series 62-1 Year Plan C Cummulative</b>	10,000,000	-
[10,00,000 Units (Previous Year : Nil)]		
<b>ICICI Prudential Institutional Income Plan Growth</b>	10,000,000	-
[2,82,934.26 Units (Previous Year : Nil)]		
<b>Axis Constant Maturity 10 Year Fund - Growth Plan</b>	10,000,000	-
[9,94,203.79 Units (Previous Year : Nil)]		
<b>BNP Paribas Bond Fund - Inst. Growth</b>	10,000,000	-
[9,03,505.60 Units (Previous Year : Nil)]		
<b>Kotak Bond (Short Term) - Growth</b>	5,000,000	-
[2,61,506.28 Units (Previous Year : Nil)]		
<b>Kotak Bond (Regular) - Growth</b>	10,000,000	-
[3,29,914.32 Units (Previous Year : Nil)]		
<b>Kotak FMP Series 76 - Growth</b>	10,000,000	-
[10,00,000 Units (Previous Year : Nil)]		
<b>Canara Robeco - Income Growth Fund</b>	10,000,000	-
[4,69,969.63 Units (Previous Year : Nil)]		
<b>Templeton India Short Term Income Retail Plan - Growth</b>	5,000,000	-
[2,468.55 Units (Previous Year : Nil)]		
<b>Templeton India Income Opportunities Fund - Growth</b>	5,000,000	-
[4,38,865.97 Units (Previous Year : Nil)]		
<b>Templeton India Income Builder Account-Plan B - Growth</b>	5,000,000	-
[1,48,220.61 Units (Previous Year : Nil)]		
<b>Total (B)</b>	<b>281,975,183</b>	<b>308,731,668</b>
<b>Total (A+B)</b>	<b>287,895,650</b>	<b>313,359,959</b>
12.1 <b>Aggregate amount of quoted investents</b>	5,920,467	4,628,291
12.2 <b>Market value of quoted investents</b>	6,671,857	4,527,273
12.3 <b>Aggregate amount of unquoted investments</b>	281,975,183	308,731,668
12.4 <b>Aggregate provision for diminution in value of investments</b>	-	-

## Notes on financial statements for the year ended 31st March 2012

	As at 31st March, 2012 Rupees	As at 31st March, 2011 Rupees
<b>13 INVENTORIES</b>		
<b>Inventories</b>		
(As taken, valued and certified by management)		
(a) Raw Materials	189,456	347,295
(b) Finished goods	5,393	8,540
(c) Stores and spares	1,132,046	1,120,684
(d) By Products / Waste Products	645,865	706,372
<b>Total</b>	<b>1,972,760</b>	<b>2,182,891</b>
<b>13.1</b>	<i>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 2,250,000 (Previous Year Rs. 21,600,000/-) out of this accumulated waste based on the finding &amp; 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 such balance accumulated waste.</i>	
<b>14 CASH AND BANK BALANCES</b>		
(a) Balances with Bank	1,022,869	3,917,763
(b) Cash on hand	345,893	155,347
(c) Other Bank Balances	5,218,015	5,218,015
Term Deposit with State Bank Of India (Less than 12 months maturity) (Held by State Bank of India as security against demand loan for working capital)		
<b>Total</b>	<b>6,586,777</b>	<b>9,291,125</b>
<b>15 SHORT-TERM LOANS AND ADVANCES</b>		
(a) <b>Loans and advances to related parties (Unsecured, considered good)</b>	125,000	3,894
(b) <b>Others (Unsecured, considered good)</b>		
(i) Advance payment of tax/taxes	403,310	403,920
(ii) Others advances	3,771,436	3,083,549
(iii) Advance recoverable in cash or in kind or for value to be received	1,344,711	947,484
(iv) Shares Application Money Paid	-	12,848,250
<b>(Unsecured, considered doubtful)*</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>5,644,457</b>	<b>17,287,097</b>

15.1 \* Net of Advances considered doubtful Rs. 5,63,000 (Previous Year Rs. 5,63,000)

15.2 The balances of Loans & Advances are subject to confirmation.

15.3 In the opinion of the board the Loans and Advances have a value on realisation in the ordinary course of business at least equal to the sums stated.

## Notes on financial statement for the year ended 31st March 2012

	For the year ended 31st March, 2012 Rupees	For the year ended 31st March, 2011 Rupees
<b>16 REVENUE FROM OPERATION</b>		
Sale of products	20,195,683	120,066,593
Less : Excise duty	(1,899,612)	(11,182,353)
<b>Total</b>	<b>18,296,071</b>	<b>108,884,240</b>
<b>17 OTHER INCOME</b>		
Interest income	480,942	398,152
Dividend Income	700,732	479,458
Net gain / loss on sale of investments	25,488,488	3,168,017
Other non-operating income	594,327	1,709,184
<b>Total</b>	<b>27,264,489</b>	<b>5,754,810</b>
<b>18 COST OF MATERIALS CONSUMED</b>		
Slag RM	2,404,000	21,520,000
Dolomite	3,839	168,101
<b>Total</b>	<b>2,407,839</b>	<b>21,688,101</b>
<b>19 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
<b>(a) Opening stocks :</b>		
Work in process	-	-
Finished Goods	8,540	8,540
By Product/WastProduct	706,372	744,669
<b>Total (a)</b>	<b>714,912</b>	<b>753,209</b>
<b>(b) Stock ascertained and accounted during the year</b>	2,250,000	21,600,000
<b>(c) Closing stocks :</b>		
Work in process	-	-
Finished Goods	5,393	8,540
By Product/Wast Product	645,865	706,372
<b>(d) Total (b+c)</b>	<b>2,901,258</b>	<b>22,314,912</b>
<b>(e) Change in inventories</b>	<b>Total (a-d)</b> <b>(2,186,346)</b>	<b>(21,561,703)</b>
<b>20 EMPLOYEE BENEFITS EXPENSE</b>		
(a) Salaries and Wages*	10,329,034	11,883,336
(b) Contribution to Provident and other funds*	1,134,518	1,316,968
(c) Staff Welfare Expenses	212,431	192,225
<b>Total</b>	<b>11,675,983</b>	<b>13,392,529</b>

20.1 \*This includes directors remuneration. The members have approved the appointment of Mr. Gautam Khandelwal, Executive Director for a period of 5 years w.e.f. July 1, 2009 at AGM held on September 25, 2009. In terms thereof, where in any financial year the company has no profits or its profits are inadequate, the company will pay remuneration within the limits specified in Section 309 read with Schedule XIII of the Companies Act, 1956.

The company has incurred losses during the current year. In terms of Section II of part II of Schedule XIII, considering the effective capital of the company and other criteria mentioned therein, the maximum remuneration payable to directors is Rs.2,50,000/- p.m. i.e. Rs.30 lacs p.a. subject to approval of the members of the company. The board of directors have approved and paid sums aggregating to Rs.26,61,204/- to Mr. Gautam Khandelwal, Executive Director subject to obtaining the consent of the members in terms of Section II of part II of Schedule XIII of the Companies Act, 1956.

## Notes on financial statement for the year ended 31st March 2012

	For the year ended 31st March, 2012 Rupees	For the year ended 31st March, 2011 Rupees
<b>21 FINANCIAL COST</b>		
Interest Expenses	129,403	263,973
<b>Total</b>	<b>129,403</b>	<b>263,973</b>
<b>22 OTHER EXPENSE</b>		
Power and Fuel	2,275,533	2,121,287
Rent	235,977	230,822
Repairs to buildings	1,124,123	794,567
Repairs to Machinery	136,856	208,308
Repairs to Others	850,546	1,104,209
Insurance	74,339	133,106
Rates and taxes,excluding taxes on income	1,997,353	2,610,531
Light and Water	328,539	326,962
Fright and Handling	9,654,579	7,569,976
Conveyance	114,827	86,754
Travelling Expenses	3,869,423	2,701,355
[Includes Director's Rs.36,56,005 (previous year Rs.23,98,376) ]		
Payments to the auditor	292,336	209,594
Postage Telegram & Telephone	893,344	796,941
Printing & Stationery	197,465	165,235
Legal & Consulatancy Charges*	4,266,501	2,551,315
Security Expenses	524,314	558,146
Service charges	764,192	694,848
Donation	-	2,000,000
Upkeep of Heavy Vehicles	441,328	932,543
Upkeep of Motor Car	1,021,808	1,077,959
Service charges of Surface Vehicles	223,360	-
Provision for Doubtful Debts	91,430	563,000
Loss on sale of Fixed Assets	315,962	-
Entertainment Expenses	403,377	219,630
Plantation Expenses	348,672	863,454
Miscellaneous Expenditures	1,116,913	1,231,951
<b>TOTAL</b>	<b>31,563,096</b>	<b>29,752,493</b>

22.1 \*Pursuant to the provisions of section 314(1) of the Companies Act, 1956, the appointment of 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 p.m. was approved by the members at the annual general meeting held on September 25, 2008.

During the year the Board of Directors have approved and paid sums aggregating to Rs.5,06,645/- i.e. in excess of the sum of Rs.3,99,000/- for the year approved by the members, subject to obtaining the consent of the members for this additional sum.



**ADDITIONAL INFORMATION****23 DEFINED BENEFIT PLANS:**

As per Actuarial valuation as on 31<sup>st</sup> March, 2012 and recognised in the financial statements in respect of Employee Benefit schemes:

	Gratuity (in Rupees)
<b>23.1 Components of Employer Expenses:</b>	
a) Interest Cost from 01.04.11 to 31.03.12	4,30,290
b) Service Cost from 01.04.11 to 31.03.12	2,28,339
c) Actual return on Plan Assets	2,80,496
d) Curtailment Cost / Credit	-
e) Settlement Cost / Credit	-
f) Past Service Cost	-
g) Actuarial (Gain) / Loss	-
h) (Gain) / Loss recognised upto 31.03.12	(1,15,207)
i) Net loss provided as expense in P&L Account	2,62,926
<b>23.2 Net Asset / (Liability) recognised in Balance Sheet as at 31<sup>st</sup> March 2012</b>	
a) Present value of Obligation as at 31.03.12	47,96,961
b) Fair value of Plan Assets as at 31.03.12	45,34,035
c) Un-funded liability recognised in the Balance sheet	2,62,926
<b>23.3 Changes in benefit obligation during the year ended 31<sup>st</sup> March 2012</b>	
a) Actuarial value of Projected Benefit Obligations (PBO) as at 31.03.11	53,78,631
b) Service Cost from 01.04.2011 to 31.03.2012	2,28,339
c) Interest Cost from 01.04.2011 to 31.03.2012	4,30,290
d) Curtailment Cost / (Credit)	-
e) Settlement Cost / (Credit)	-
f) Plan Amendments	-
g) Acquisitions	-
h) Actuarial (Gain) / Loss on obligations	(1,15,207)
l) Benefits Paid from 01.04.2011 to 31.03.2012	11,25,092
j) PBO as at 31.03.12	47,96,961
<b>23.4 Change in the fair value of Plan Assets</b>	
a) Fair value of plan Assets as at 01.04.11	49,33,944
b) Actual return on plan Assets	2,95,596
c) Actuarial Gain / (Loss)	1,15,207
d) Actual Company Contribution	4,44,687
e) Benefit Paid	11,25,092
f) Plan Assets as at 31.03.12	45,34,035
<b>23.5 Actuarial Assumptions:</b>	
a) Rate of Discounting (p.a.)	8.00%
b) Rate of Increase in Compensation level (p.a.)	5.00%
c) Rate of Return on Plan Assets (p.a.)	6.00%

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.

#### 24 CONTINGENT LIABILITIES AND COMMITMENTS:

Particulars	As at 31-03-2012 Rupees	As at 31-03-2011 Rupees
<b>(i) Contingent Liability</b>		
<b>a) Claims made against the Company not acknowledged as debts :</b>		
- Sales Tax Demand not provided for pending outcome of appeal (Documents related to claim of Rs. 51,500 are currently not available with the company)	2,01,73,539	2,01,73,539
- Excise Duty Demand not provided for pending outcome of appeal	26,57,798	26,57,798
- Customs duty Demand not provided for pending outcome of appeal	1,17,42,500	58,18,808
- Other Matters (Documents related to claim of Rs.1,51,943 are currently not available with the company)	1,10,02,385	63,69,783
<b>b) Guarantees</b>	-	-
<b>c) Other money for which the company is contingently liable</b>	-	-
<b>(ii) Commitments</b>	-	-
<b>Total Contingent Liabilities and Commitments</b>	<b>4,55,76,222</b>	<b>3,50,19,928</b>

Note:

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

- 25** 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 said Act and the application for exemption filed under Section 20 of the said Act, to retain these lands are under consideration of the concerned authorities.
- 26** The Company has only one reportable segment of activity namely manufacture of "High/ Medium/ Low Carbon Ferro Manganese and Silico Manganese Slag."
- 27** Deferred tax assets of Rs. 5,78,378/- has not been provided on prudent basis.
- 28 Related Party disclosures as required under Accounting Standard – AS-18 issued by the Institute of Chartered Accountants of India, are given below:**

(a) 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. (up to 13 <sup>th</sup> May, 2011, since dissolved)	Enterprise that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the reporting enterprise.
b) Informed Technologies India Limited	
c) Zeppelin Investments Private Ltd.	
d) Khandelwal Remedies Private Ltd.	
e) Meteor Metals & Ores Ltd.	
f) Khandelwals Ltd.	
g) Motwane Manufacturing Company Pvt. Ltd	Subsidiary Company

(b) **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)	Informed Technologies India Limited	Rs.17,58,745 /Rs.17,58,745
	Advance Received/Advance Repaid	(Rs.5,81,918/Rs.5,81,918)

2 **Key Management Personnel** Remuneration (in Rupees)

a)	Mr. Gautam P. Khandelwal	Rs.26,61,204/-
b)	Mr. S. B. Kanbargi	Rs.6,96,504/-
c)	Mr. S.M. Hede ( 1.4.2011 to 31.07.2011)	Rs.8,53,600/-
d)	Mr Ripul Gouri (1.08.2011 to 31.12.2011)	Rs.5,89,964/-
e)	Mr. Arnold Allen – Professional fees	Rs.5,06,645/-

(c) **Balances Outstanding as at 31st March, 2012**

Particulars	Maximum outstanding Balance (Rs.)	Receivables (Rs.)	Payables (Rs.)
<b>1 Related parties where control exists</b>			
a) Informed Technologies India Limited	6,68,113 (93,510)	Nil ( Nil )	NIL ( Nil )
<b>2 Key Management Personnel</b>			
Mr. Gautam Khandelwal	7,85,484 (7,84,914)	Nil (3894)	Nil ( Nil )
<b>3 Relatives of Key Management Personnel*</b>			

\*See Note

*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.

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

**29 Earnings Per Share:**

Particulars		For the year ended 31 <sup>st</sup> Mar, 2012	For the year ended 31 <sup>st</sup> Mar, 2011
Profit (Loss) for the year (Rs.)	(A)	(26,94,040)	4,38,96,830
Number of Equity Shares Outstanding	(B)	1,30,95,507	1,30,95,507
Earnings per share of Rs 10 each	(A/B)	(0.21)	3.35

**30 Auditor's Remuneration**

(Including service tax)	For the year ended 31 <sup>st</sup> Mar, 2012 Rupees	For the year ended 31 <sup>st</sup> Mar, 2011 Rupees
Audit Fees	1,29,214	110,300
For taxation matters including tax audit	64,607	55,150
For other services	81,661	30,908
For Reimbursement of Expenses	16,854	13,236
<b>Total</b>	<b>2,92,336</b>	<b>2,09,594</b>

31 Sales:	For the year ended 31 <sup>st</sup> March, 2012		For the year ended 31 <sup>st</sup> March, 2011	
	Quantity (MT)	Value (Rupees)	Quantity (MT)	Value (Rupees)
Ferro Manganese	16	5,24,477	-	-
Silico Manganese	-	-	-	-
Ferro Manganese Slag (Low MnO)	4317	1,94,70,270	19,568	11,97,48,549
Manganese Ore	-	-	-	-
Others		2,00,936	-	3,18,044
<b>Total</b>		<b>2,01,95,683</b>		<b>12,00,66,593</b>

  

32 Opening Stock	For the year ended 31 <sup>st</sup> March, 2012		For the year ended 31 <sup>st</sup> March, 2011	
	Quantity (MT)	Value (Rupees)	Quantity (MT)	Value (Rupees)
Ferro Manganese	0.07	3,246	0.07	3,246
Silico Manganese	0.24	5,294	0.24	5,294
Ferro Manganese Slag (High MnO)	261	1,27,624	261	1,27,624
Ferro Manganese Slag (Low MnO)	299	5,78,430	617	6,16,726
Silico Manganese Slag	3	318	3	319
<b>Total</b>		<b>7,14,912</b>		<b>7,53,209</b>

  

33 Closing Stock	For the year ended 31 <sup>st</sup> March, 2012		For the year ended 31 <sup>st</sup> March, 2011	
	Quantity (MT)	Value (Rupees)	Quantity (MT)	Value (Rupees)
Ferro Manganese	-	-	0.07	3,246
Silico Manganese	0.24	5393	0.24	5,294
Ferro Manganese Slag (High MnO)	261	1,30,007	261	1,27,624
Ferro Manganese Slag (Low MnO)	181	5,15,533	299	5,78,430
Silico Manganese Slag	3	325	3	318
<b>Total</b>		<b>6,51,258</b>		<b>7,14,912</b>

  

34 Cost of Material Consumed	For the year ended 31 <sup>st</sup> March, 2012		For the year ended 31 <sup>st</sup> March, 2011	
	Quantity (MT)	Value (Rupees)	Quantity (MT)	Value (Rupees)
Coke/Manganese Ore/Dolomite	15	3839	663	1,68,101
Slag RM	4654	2,404,000	21,594	2,15,20,000
<b>Total</b>		<b>2,407,839</b>		<b>2,16,88101</b>

**35 Value of all Imported and Indigenous Raw Materials, Stores, Spare Parts and Components Consumed:**

	For the year ended 31 <sup>st</sup> March, 2012		For the year ended 31 <sup>st</sup> March, 2011	
	Rupees	%	Rupees	%
Raw Materials :				
Indigenous	24,07,839	100	2,16,88,101	100
Imported	-	-	-	-
Total	24,07,839	100	2,16,88,101	100

**36 Value of all Imports Calculated on CIF Basis:**

	For the year ended 31 <sup>st</sup> March, 2012	For the year ended 31 <sup>st</sup> March, 2011
	Nil	Nil

**37 Expenditure in Foreign Currency:**

	For the year ended 31 <sup>st</sup> March, 2012 Rupees	For the year ended 31 <sup>st</sup> March, 2011 Rupees
Professional and Consultation fees	4,65,690	3,53,331
Traveling	6,53,915	5,08,619
Total	11,19,605	8,61,950

**38 Earnings in Foreign Exchange:**

	For the year ended 31 <sup>st</sup> March, 2012	For the year ended 31 <sup>st</sup> March, 2011
F.O.B. Value of Goods exported	Nil	Nil

39 Previous year figures have been regrouped / reclassified / rearranged wherever necessary to make them comparable with the current year figures.

Signature to the Notes 1 to 39 forms an integratal part of the accounts.

**For M.V.Ghelani & Co.**

Chartered Accountants

Firm Registration No. 119077W

**For and on behalf of the Board**

**M.V.Ghelani**

Proprietor

Mumbai :28th May, 2012

**Gautam P.Khandelwal**

Chairman

Mumbai :28th May, 2012

**M.S.Adige**

Director

**Nidhi Salampuria**

Company Secretary

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2012

PARTICULARS	<u>FOR THE YEAR ENDED</u> <u>ON 31st MARCH 2012</u>	<u>Amount in Rupees</u> <u>FOR THE YEAR ENDED</u> <u>ON 31st MARCH 2011</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net Profit (loss) before tax paid, prior period items & extra ord. Items	(1,013,219)	68,020,865
<b>Adjustment for :</b>		
Depreciation - Current Year	2,983,804	3,082,792
Loss/(Profit) on sale of Fixed Assets	315,962	(19,833)
Interest Expenses	129,403	263,973
Profit on sale of Investment	(25,488,488)	(3,098,344)
Dividend Received	(700,732)	(479,458)
Interest Income	(480,942)	(398,152)
	<u>(23,240,993)</u>	<u>(649,022)</u>
<b>Operating profit before working capital change</b>	<b><u>(24,254,212)</u></b>	<b><u>67,371,843</u></b>
<b>Adjustment for :</b>		
Inventories	210,131	278,350
Long/Short Term Loans & Advances and other current assets	11,734,069	22,136,322
Trade Payables, Other Current Liabilities and Provisions	(860,227)	(43,892,950)
<b>Cash generated from Operations</b>	<b><u>(13,170,240)</u></b>	<b><u>45,893,565</u></b>
Cash Flow before prior period adjustments & extraordinary items	(13,170,240)	45,893,575
Prior Period adjustments	-	-
Income tax paid	(19,200,000)	(42,500,000)
<b>Net cash flow from Operating Activities</b> "A"	<b><u>(32,370,240)</u></b>	<b><u>3,393,575</u></b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(37,750)	(101,474)
Proceeds from sale of Fixed Assets	260,000	40,000
Proceeds from Investment in Mutual Fund / Shares ( incl. gain)	27,287,428	(3,458,279)
Dividend Received	700,732	479,458
Interest Income	480,942	398,152
<b>Net cash from Investing Activities</b> "B"	<b><u>28,691,352</u></b>	<b><u>(2,642,142)</u></b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayments of Long/Short term Loans (Net)	1,103,940	(2,722,320)
Interest expense	(129,403)	(263,973)
<b>Net Cash provided by / (used in) Financing Activities</b> "C"	<b><u>974,538</u></b>	<b><u>(2,986,293)</u></b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b><u>(2,704,350)</u></b>	<b><u>(2,234,860)</u></b>
<b>Cash and Cash Equivalent at the beginning of the period</b>	<b>9,291,125</b>	<b>11,525,986</b>
<b>Cash and Cash Equivalent at the end of the period</b>	<b>6,586,777</b>	<b>9,291,125</b>

As per our report of even date attached

For M.V.Ghelani & Co.  
Chartered Accountants  
Firm Regn. No. 119077W

M.V.Ghelani  
Proprietor  
Mumbai :28th May, 2012

For and on behalf of the Board

Gautam P. Khandelwal  
Chairman

M.S.Adige  
Director

Nidhi Salampuria - Company Secretary  
Mumbai : 28th May, 2012

## AUDITOR'S CERTIFICATE

To,  
The Board of Directors  
Nagpur Power and Industries Limited  
"Nirmal", 20th Floor, Nariman Point,  
Mumbai - 400 021.

We have examined the attached Cash Flow Statement of Nagpur Power & Industries Limited for the year ended 31st March, 2012. The statement has been prepared by the company in accordance with the requirements of Clause 32 of listing agreement with Stock Exchange and is based on and is derived from and is 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  
Firm Regn.No,119077W  
M.V.Ghelani  
Proprietor  
Mumbai, 28th May,2012

**AUDITOR'S REPORT**

TO THE BOARD OF DIRECTORS OF  
NAGPUR POWER & INDUSTRIES LIMITED

**REPORT OF THE AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS**

- 1) We have audited the attached Consolidated Balance Sheet of Nagpur Power & Industries Limited ("the Company") and its subsidiary The Motwane Manufacturing Company Pvt. Ltd. (collectively referred to as "the Group"), as at 31st March, 2012 and also the Consolidated Profit and Loss account for the year ended on that date, annexed thereto. These financial statements are the responsibility of Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our audit in accordance with generally accepted auditing standards in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) We did not audit the financial statements of the subsidiary company, namely, The Motwane Manufacturing Company Pvt. Ltd. whose financial statements reflect total assets of Rs. 1732.26 lacs as at 31st March 2012 and total revenues of Rs. 1681.44 lacs for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements and other information have been audited by other auditor whose report has been furnished to us, and our opinion is based solely on the report of other auditor.
- 4) We report that the Consolidated Financial Statements have been prepared by the Company's management in accordance with the requirements of the Accounting Standard (AS) -21 "Consolidated Financial Statements" and Accounting Standard (AS) 23 "Accounting for investments in Associates in the Consolidated Financial Statement", issued by the Institute of Chartered Accountants of India.
- 5) **Reference is invited to Note 16.1 viz. the Company has not accounted for Stock of balance of accumulated waste over the years at its unit at Khandelwal Nagar, Kanhan, Nagpur as in the opinion of the company its quality, metal content and the realizable value cannot be yet reasonably ascertained.**
- 6) **And subject to our comments in Paragraph 5 above the effect whereof on the accounts is not ascertainable**, Based on our audit as aforesaid, and on consideration of report of other auditors on the individual audited financial statements and on the other financial information of the components, and to the best of the information and according to the explanations given to us, we are of the opinion that the attached Consolidated Financial Statements give a true and fair view in conformity with accounting principles generally accepted in India:
  - a) In the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Group as at 31st March, 2012;
  - b) In the case of the Consolidated Profit and Loss Account, of the consolidated loss of the Group for the year ended on that date; and
  - c) In the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For M.V. GHELANI & CO.  
CHARTERED ACCOUNTANTS  
Firm Regn. No. 119077W

(M. V. GHELANI)  
PROPRIETOR  
Membership No. 031105

Place : Mumbai  
Dated: 28<sup>th</sup> May, 2012

## Consolidated Balance Sheet as at 31st March, 2012

(In Rupees)

Particulars	Note No	As at 31st March, 2012	As at 31st March, 2011
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's funds</b>			
(a) Share Capital	3	130,955,070	130,955,070
(b) Reserves And Surplus	4	524,953,226	507,597,479
		<b>655,908,296</b>	<b>638,552,549</b>
<b>MINORITY INTEREST</b>			
		<b>33,584,789</b>	<b>36,507,987</b>
<b>(2) Non-current Liabilities</b>			
(a) Long-term borrowings	5	6,563,713	5,200,098
(b) Other Long Term Liabilities	6	985,000	645,000
(c) Long-Term Provision	7	5,076,431	3,666,732
		<b>46,209,933</b>	<b>46,019,817</b>
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	8	44,330,606	41,195,781
(b) Trade Payables	9	17,886,816	15,257,509
(c) Other current liabilities	10	18,110,972	19,018,823
(d) Short-term provisions	11	5,734,485	24,103,381
		<b>86,062,879</b>	<b>99,575,494</b>
<b>Total</b>		<b>788,181,109</b>	<b>784,147,860</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	12	261,929,939	248,947,703
(ii) Intangible Assets		83,838,591	62,050,345
(b) Non-current Investments	13	30,368,190	28,999,271
(c) Long term loans and advances	14	6,925,250	7,051,959
		<b>383,061,969</b>	<b>347,049,278</b>
<b>(2) Current assets</b>			
(a) Current investments	15	287,895,650	313,359,959
(b) Inventories	16	45,885,696	43,588,645
(c) Trade Receivables	17	39,159,345	37,161,991
(d) Cash and Bank Balances	18	18,816,750	32,781,697
(e) Short-term loans and advances	19	13,361,698	10,206,290
		<b>405,119,139</b>	<b>437,098,582</b>
<b>Total</b>		<b>788,181,109</b>	<b>784,147,860</b>

Summary of Significant Accounting Policies

1 &amp; 2

Other Notes on Financial Statements

28 to 33

Notes 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 attached

For M.V.Ghelani &amp; Co.

Chartered Accountants

Firm Regn. No. 119077W

M.V.Ghelani

Proprietor

Mumbai :28th May, 2012

For and on behalf of the Board

Gautam P. Khandelwal

Chairman

M.S.Adige

Director

Nidhi Salampur - Company Secretary

Mumbai : 28th May, 2012



## Consolidated Profit and Loss statement for the year ended 31st March, 2012

(In Rupees)

Particulars	Note No	Year Ended 31st March, 2012	Year Ended 31st March, 2011
<b>I Revenue from operations</b>	20	184,815,350	249,423,791
<b>II Other Income</b>	21	28,889,071	6,279,022
<b>III Total Revenue (I + II)</b>		<b>213,704,421</b>	<b>255,702,813</b>
<b>IV Expenses:</b>			
Cost of materials consumed	22	31,863,475	44,002,880
Purchases of Stock-in-Trade	23	25,542,271	33,068,573
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	24	(2,642,284)	(29,612,883)
Employee benefits expense	25	62,073,807	56,512,128
Finance costs	26	8,934,811	7,761,372
Depreciation and amortization expense	12	17,193,588	14,499,034
Other expenses	27	70,440,048	64,816,000
<b>Total Expenses</b>		<b>213,405,716</b>	<b>191,047,107</b>
<b>V Profit before tax (III - IV)</b>		298,705	64,655,706
<b>VI Tax expense:</b>			
(a) Current tax		-	24,200,000
(b) Deferred tax		-	-
(c) Short/(excess) provision for earlier years		2,067,381	(175,838)
(d) Current Tax ( MAT)		160,000	-
Less : Mat Credit Entitlement		(160,000)	-
<b>VII Profit(Loss) for the year (before adjustment for Minority Interest) (V-VI)</b>		<b>(1,768,676)</b>	<b>40,631,544</b>
Less: Share of Profit /(loss) transferred to Minority		(404,552)	(1,619,176)
Add: Share of Pre Acquisition Profit transferred to goodwill on consolidation.		337,725	
<b>Profit(Loss) for the year (after adjustment for Minority Interest)</b>		<b>(1,835,503)</b>	<b>42,250,720</b>
<b>VIII Earnings per equity share:</b>			
(a) Basic		(0.14)	3.23
(b) Diluted		(0.14)	3.23
<b>Summary of Significant Accounting Policies</b>	1 & 2		
<b>Other Notes on Financial Statements</b>	28 to 33		
<b>Notes referred to above form an integral part of the Profit &amp; Loss Statement. This is the Profit &amp; Loss Statement referred to in our report of even date.</b>			

As per our report of even date attached

For M.V.Ghelani & Co.

Chartered Accountants

Firm Regn. No. 119077W

M.V.Ghelani

Proprietor

Mumbai :28th May, 2012

For and on behalf of the Board

Gautam P. Khandelwal

Chairman

M.S.Adige

Director

Nidhi Salampur - Company Secretary

Mumbai : 28th May, 2012

**Notes on Consolidated financial statements for the year ended 31st March 2012****1 Basis of Consolidation:**

- (a) The Consolidated Financial Statements relate to Nagpur Power & Industries Ltd ('the Company') and its subsidiary. The Company and its Subsidiary together constitute 'the Group'. The Consolidated Financial Statements have been prepared on the following basis.
- i) The financial statements of the company and its subsidiary company has been combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after eliminating intra group balances, intra group transactions and unrealized profits or losses as per Accounting Standard 21 'Consolidated Financial Statements' as notified by the Companies (Accounting Standards) Rules, 2006.
  - ii) The financial statements of Subsidiary used in the consolidation are drawn up to the same reporting date as that of the Company.
  - iii) The excess of cost to the Company, of its investments in the subsidiary over the company's portion of equity as at the date of making the investment is in the financial statements as Goodwill.
  - iv) The amount of the reserves and surplus comprises the amount of the reserve as per the balance sheet of parent company and its share in post acquisition increase in reserve of the subsidiary.
  - v) Goodwill arising out of consolidation is not amortised. However, the same is tested for impairment at each Balance Sheet date.
  - vi) The Minority Interest in the net assets of subsidiary consists of :
    - the amount of equity attributable to the minorities at the dates on which Investment in Subsidiary is made and
    - the minorities' share of movements in equity since the date the parent-subsidiary relationship came into existence.
    - The Subsidiary company which is included in consolidation and the Parent Company's holdings therein is as under:

<b>Name of the Company</b>	<b>Percentage of Holding</b>
The Motwane Manufacturing Company Pvt. Ltd	56.28%

**2. Significant Accounting Policies****2.1 Basis of 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.

**2.2 Use of estimates:-**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimate are recognized in the period in which the results are known/materialized.

### 2.3 Fixed Assets and Depreciation:

#### Holding Company :

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 those assets and on the straight-line method. The holding Company has the practice of providing Depreciation 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 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 and the office equipments are depreciated at 6.33% on Straight Line Method.

#### Subsidiary Company :

The subsidiary company provides depreciation as under :

- Fixed Assets (Tangible) are stated at their original cost.  
(Net of Cenvat/Vat Credit wherever availed).
- Depreciation is provided on Tangible Assets and on Computer Software under Intangible Assets on WDV basis at rate prescribed in Schedule XIV to the Company's Act.

#### (iii) Intangible Assets:

- (a) Technical Know-How is amortized over a period of five years from the year of commercial production.
- (b) Research & Development are amortized over a period of five years.

Of total depreciation Rs 1,71,93,589 depreciation Rs.29,83,805 related to Holding company and Rs. 1,42,09,784 related to the subsidiary company.

### 2.4 Investment:

Investments are classified into non-current and current investments. Non-current investments are stated at cost. Current investments are stated at lower of cost or market values on overall basis. 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.

### 2.5 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, trading goods and by-products/waste products are stated at lower of cost or net realization value and by-products / waste products where cost cannot be determined are stated at net realization value. The reusable waste, which is not ascertainable, is not accounted.

### 2.6 Trade Receivables and Loans and Advances:

Trade Receivables and Loans and Advances are stated after making adequate provision for doubtful balances.

### 2.7 Revenue Recognition:

Revenue is recognized when no significant uncertainty as to determination or realization exists.

### 2.8 Retirement and other employee benefit:

#### Holding Company :

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.

The Company contributes to defined benefit schemes for Gratuity, which is administered through duly constituted and approved independent trust. The liability for Gratuity and leave encashment is determined on the basis of actuarial valuations made at the year end.

**Subsidiary Company :**

The company has established an irrevocable trust to administer gratuity. The Trust has taken a policy under the Group Gratuity Cum Life Insurance Scheme from the LIC of India covering all the eligible employees. The company makes payment of annual premium and contribution to the Trust as demanded by LIC of India. The annual premium contribution is debited to P & L Account. It is informed that the annual premium contribution calculation is done by LIC after considering AS-15 guidelines.

Provident Fund/ESIC remittances to the Government are charged against revenue each year on accrual basis.

Leave Encashment was accounted for on Cash basis up to 31.3.2007. From the financial year 2007-08 the company has started accounting for the same on accrual basis which considers the sum that would have been payable to the eligible employees as on the last day of the financial year.

Provision for Bonus is made on accrual basis.

Of total provision of Rs 1,08,10,916 provision of Rs.18,21,764 is related to Holding company and Rs. 89,89,152 is related to the subsidiary company.

**2.9 Foreign Exchange Transactions:**

Transactions denominated in foreign currency are accounted at the exchange rates prevailing on 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.

**2.10 Taxation:**

**Holding Company :**

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.

**Subsidiary Company :**

Provision for Current Tax Liability, if any is computed on the basis of "Total Income / MAT" as returnable under the Income Tax Act, 1961.

The company has not provided for deferred tax assets/liability as per Accounting Standard on Accounting for Taxes on Income (AS-22).

Of total provision Rs. 1,60,000 provision of Rs. NIL is related to Holding company and Rs. 1,60,000 is related to the subsidiary company.

**2.11 Contingent Liability:**

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

## Notes on Consolidated financial statements for the year ended 31st March 2012

Particulars	As at 31st March, 2012 Rupees	As at 31st March, 2011 Rupees		
<b>3 SHARE CAPITAL</b>				
<b>Authorised share capital</b>				
2,00,00,000 Equity Shares of Rs.10 each (Previous Year 2,00,00,000 Shares of Rs.10 each)	200,000,000	200,000,000		
50,00,000 Unclassified Shares of Rs.10 each (Previous Year 50,00,000 Shares of Rs.10 each)	50,000,000	50,000,000		
<b>Total</b>	<b>250,000,000</b>	<b>250,000,000</b>		
<b>Issued, Subscribed &amp; Paid-up</b>				
1,30,95,507 Equity Shares of Rs.10 each fully paid up. (Previous Year 1,30,95,507 Shares of Rs.10 each)	130,955,070	130,955,070		
<b>Total</b>	<b>130,955,070</b>	<b>130,955,070</b>		
<b>3.1 The reconciliation of the number of shares outstanding is set out below:</b>				
<b>Particulars</b>	<b>As at 31/03/2012</b>	<b>As at 31/03/2011</b>		
Equity shares at the beginning of the year	13,095,507	13,095,507		
Add: Shares issued during the year	-	-		
Less: Shares cancelled/bought back during the year	-	-		
Equity shares at the end of the year	<b>13,095,507</b>	<b>13,095,507</b>		
<b>3.2</b> The Equity Shares of the Company have voting rights and are subject to the restriction as prescribed under the Companies Act, 1956.				
<b>3.3</b> The company has no holding Company. The subsidiary company does not hold any shares in the company.				
<b>3.4 List of share holders holding more than 5% shares</b>				
<b>Name of the shareholder</b>	<b>As at 31/03/2012</b>		<b>As at 31/03/2011</b>	
	<b>No. of Shares</b>	<b>% held</b>	<b>No. of Shares</b>	<b>% held</b>
i) Khandelwals Limited	56,41,100	43.08	56,41,100	43.08
ii) Life Insurance Corporation of India Ltd.	15,85,094	12.10	17,19,297	13.13
<b>3.5</b> Disclosures pursuant to Note no. 6(A)(h,i,j,k,l) of Part I of Schedule VI to the Companies Act, 1956 is NIL.				
<b>4 RESERVES AND SURPLUS</b>				
<b>Particulars</b>	<b>As at 31/03/2012</b>		<b>As at 31/03/2011</b>	
<b>(a) General Reserve</b>				
Balance as per last Balance Sheet	489,447,497		447,196,777	
Add: Transfer from Profit & Loss Account	-		42,250,720	
Closing Balance	489,447,497		489,447,497	
<b>Total (a)</b>	<b>489,447,497</b>		<b>489,447,497</b>	
<b>(b) Share Premium Account</b>				
<b>Total (b)</b>	<b>37,341,232</b>		<b>18,149,982</b>	
<b>(c) Surplus i.e. Profit and Loss Account</b>				
Balance as per last Balance Sheet	-		-	
Add: Profit/(Loss) for the year	(1,835,503)		42,250,720	
Less: Transfer to General reserve	-		(42,250,720)	
Closing Balance	(1,835,503)		-	
<b>Total (c)</b>	<b>(1,835,503)</b>		<b>-</b>	
<b>Net Reserve and Surplus (a)+(b) /-(c)</b>	<b>524,953,226</b>		<b>507,597,479</b>	

## Notes on Consolidated financial statements for the year ended 31st March 2012

Particulars	As at 31st March, 2012 Rupees		As at 31st March, 2011 Rupees	
	Non Current	Current	Non Current	Current
<b>5 LONG TERM BORROWING</b>				
<b>Particulars</b>	<b>As at 31/03/2012</b>		<b>As at 31/03/2011</b>	
<b>I Secured Loan</b>	<b>Non Current</b>	<b>Current</b>	<b>Non Current</b>	<b>Current</b>
<b>Term Loan</b>				
<b>Secured Loan</b>				
<b>From banks</b>				
<b>a)Axis Bank- Car Loan</b>	-	32,690	32,690	121,605
- Secured by hypothecation of motor car purchased under the loan				
i) Repayable in 48 equated monthly instalments (EMI) of Rs.11,111 each till June, 2012, of which three EMI totalling to Rs.32,690 are current maturities.				
<b>b)Kotak Mahindra Prime Ltd - Car Loans</b>	907,808	390,323	86,530	748,103
- Secured by hypothecation of motor cars purchased under the loan				
i) Repayable in 48 equated monthly intallments (EMI) of Rs.22,280 each till July, 2012, of which four EMI totaling to Rs.86,530 are current maturities.				
ii) Repayable in 48 equated monthly installments (EMI) of Rs.36,350 each till August 2015, of which twelve EMI totaling to Rs.3,03,793 are current maturities.				
<b>c)Dena Bank*</b>	4,543,905	2,632,968	3,968,878	3,390,180
- Secured against equitable mortgage of land at Nashik and hypothecation of plant & machinery of the subsidiary company				
i) Term Loan-II, Repayable in 60 equated monthly installments (EMI) of Rs.60,000 each till Feb. 2013, of which eleven EMI totaling to Rs.6,82,624 are current maturities.				
ii) Term Loan-III, Repayable in 60 equated monthly installments (EMI) of Rs.1,55,200 each till Sept. 2015, of which twelve EMI totaling to Rs.19,50,344 are current maturities. (Refer note 10)				
<b>Total (I)</b>	<b>5,451,713</b>	<b>3,055,981</b>	<b>4,088,098</b>	<b>4,259,888</b>
<b>Unsecured Loan</b>				
<b>Loans &amp; advances from related party</b>				
<b>From Director</b>	<b>1,112,000</b>	<b>-</b>	<b>1,112,000</b>	<b>-</b>
<b>Total (II)</b>			<b>1,112,000</b>	<b>-</b>
<b>Total (I+II)</b>	<b>6,563,713</b>	<b>3,055,981</b>	<b>5,200,098</b>	<b>4,259,888</b>

5.1 There has been no default in repayment of principal and interest on the loan.

## Notes on Consolidated financial statements for the year ended 31st March 2012

Particulars	As at 31st March, 2012 Rupees	As at 31st March, 2011 Rupees
<b>6 OTHER CURRENT LIABILITIES</b>		
<b>Other Payables</b>		
Trade/Security Deposit Received from Dealers	985,000	645,000
<b>Total</b>	<b>985,000</b>	<b>645,000</b>
<b>7 LONG -TERM PROVISIONS</b>		
<b>Provision for employee benefits</b>		
Provision for Leave encashment	5,076,431	3,666,732
<b>Total</b>	<b>5,076,431</b>	<b>3,666,732</b>
<b>8 SHORT TERM BORROWINGS</b>		
<b>Loan repayable on Demand</b>		
<b>Secured</b>		
<b>From banks</b>		
<b>State Bank of India</b>		
Working Capital Advances	1,225,545	-
- Secured against term deposit receipt of the bank		
<b>Dena Bank*</b>		
Cash Credit Limit	43,105,061	41,195,781
- Secured against equitable mortgage of land at Nashik, hypothecation of plant & machinery, stocks and book debts/ receivables and other current assets of the subsidiary company		
<b>Total</b>	<b>44,330,606</b>	<b>41,195,781</b>
8.1 There has been no default in repayment of principal and interest on the loan. Deposit of title deed for creation of equitable mortgage situated on Plot no.1,4 Nashik Road, survey No.116A/1+116A/ 2+117D in the name of The Motwane Mfg.Co.Pvt.Ltd.		
<b>9 TRADE PAYABLES</b>		
(a) To Micro, Small and Medium Enterprises	-	-
(b) To Others	17,886,816	15,257,509
<b>Total</b>	<b>17,886,816</b>	<b>15,257,509</b>
9.1 -In the absence of information with the company, the names of Micro, Small and Medium Enterprises to whom the company owes any sum together with interest outstanding for more than 30 days have not been given. The Auditors have relied upon this management representation.		
9.2 The balance of Trade Payable are subject to cofirmation.		
<b>10 OTHER CURRENT LIABILITIES</b>		
<b>(a) Current maturities of long-term debt</b>		
(Refer Note no. 5)		
Axis Bank- Car Loan	32,690	121,605
Kotak Mahindra Prime Ltd- Car Loan	390,323	748,103
Dena Bank	2,632,968	3,390,180
<b>(b) Other Payables</b>		
- Statutory dues	2,160,318	1,833,349
- Security deposits	261,435	261,435
- Advances from customers	3,852,108	3,703,773
- Other liability for expenses	8,781,130	8,960,378
<b>Total</b>	<b>18,110,972</b>	<b>19,018,823</b>
10.1 The balances of Advance from customers are subject to confirmation.		

## Notes on Consolidated financial statements for the year ended 31st March 2012

Particulars	As at 31st March, 2012 Rupees	As at 31st March, 2011 Rupees
<b>11 SHORT-TERM PROVISIONS</b>		
(a) Provision for employee benefits		
(i) Provision for Gratuity, Leave encashment/ Bonus	1,920,193	2,587,962
(ii) Others	1,727,024	1,324,284
(b) Provision for Income Tax (Net of Advance Tax)	836,035	19,118,952
(c) Provision for Expenses	1,251,233	1,072,183
<b>Total</b>	<b>5,734,485</b>	<b>24,103,381</b>

11.1 The Company contributes to defined benefit schemes for Gratuity, which is administered through duly constituted and approved independent trust. The liability for Gratuity and leave encashment is determined on the basis of actuarial valuations made at the year end.

11.2 Reference note 10 (a)(ii), others include provision for salary, wages, recurring deposit account of employees and commission payable to managing director/ chairman (Current Year: Rs.Nil, Previous Year: Rs.3,96,179/-).

## SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

## Notes 12: FIXED ASSETS

Fixed Assets	GROSS BLOCK				DEPRECIATION				IMPAIRMENT			Net Block as on 31.03.2012
	Opening as on 01.04.2011	Additions	Deductions/ W/off	Closing as on 31.03.2012	Opening as on 01.04.2011	for the year	Deletions	Closing as on 31.03.2012	Opening as on 01.04.2011	Reversed during the year	Closing as on 31.03.2012	
<b>(A) TANGIBLE ASSETS</b>												
Freehold Land	181,377,220	5,469,040	-	186,846,260	-	-	-	-	-	-	-	186,846,260
Buildings	37,120,063	3,143,093	-	40,263,156	11,953,935	1,046,719	-	13,000,654	-	-	-	27,262,502
Plant and Equipment	65,811,568	5,331,771	-	71,143,339	36,914,737	5,212,785	-	42,127,522	-	-	-	29,015,817
Furniture and Fixtures (see note 'c')	8,624,117	5,701,945	-	14,326,062	4,035,861	1,019,402	-	5,055,263	604,815	-	604,815	8,665,983
Vehicles	10,437,937	1,623,783	2,009,933	10,051,787	6,119,726	1,146,835	1,377,896	5,888,665	-	-	-	4,163,122
Office Equipment	3,227,007	378,571	-	3,605,578	1,881,217	166,876	-	2,048,093	-	-	-	1,557,486
Computers	2,837,081	-	-	2,837,081	2,501,340	91,790	-	2,593,130	-	-	-	243,952
Railway Siding	5,377,766	-	-	5,377,766	3,015,119	255,444	-	3,270,563	-	-	-	2,107,203
Electrical Installation	1,189,143	1,138,866	-	2,328,009	685,165	109,549	-	794,714	-	-	-	1,533,295
R & D Equipments	1,841,750	-	-	1,874,627	1,184,036	156,272	-	1,340,308	-	-	-	534,319
<b>Total (A)</b>	<b>317,843,652</b>	<b>22,787,069</b>	<b>2,009,933</b>	<b>338,653,665</b>	<b>68,291,136</b>	<b>9,205,671</b>	<b>1,377,896</b>	<b>76,118,911</b>	<b>604,815</b>	<b>-</b>	<b>604,815</b>	<b>261,929,939</b>
<b>(B) INTANGIBLE ASSETS</b>												
Goodwill on consolidation	41,981,871	19,528,975	-	61,510,846	-	-	-	-	-	-	-	61,510,846
Software (SAP)	2,034,925	208,115	-	2,243,040	1,183,184	365,704	-	1,548,888	-	-	-	694,152
Technical Know-how	4,056,430	-	-	4,056,430	-	413,659	-	413,659	-	-	-	3,642,771
Research & Development	32,097,198	10,039,071	8,850,497	33,285,772	16,936,894	7,208,553	8,850,497	15,294,950	-	-	-	17,990,822
<b>Total (B)</b>	<b>80,170,424</b>	<b>29,776,161</b>	<b>8,850,497</b>	<b>101,096,088</b>	<b>18,120,078</b>	<b>7,987,916</b>	<b>8,850,497</b>	<b>17,257,497</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>83,838,591</b>
<b>Current year (A+B)</b>	<b>398,014,076</b>	<b>52,563,230</b>	<b>10,860,430</b>	<b>439,749,753</b>	<b>86,411,214</b>	<b>17,193,587</b>	<b>10,228,393</b>	<b>93,376,408</b>	<b>604,815</b>	<b>-</b>	<b>604,815</b>	<b>345,768,531</b>
<b>Previous year</b>	<b>385,614,012</b>	<b>14,180,917</b>	<b>1,780,852</b>	<b>398,014,077</b>	<b>73,431,254</b>	<b>14,499,035</b>	<b>1,519,074</b>	<b>86,411,214</b>	<b>604,815</b>	<b>-</b>	<b>604,815</b>	<b>310,998,049</b>

## NOTE:

- Vehicles include certain vehicles Gross Block Rs. 9,744 (Previous Year Rs.19,38,454) which are transferred to the company pursuant to the Scheme of Arrangement and yet in the process of registration in company's name.
- As regards the accounting for fixed assets & depreciation please refer to note 2.3
- In accordance with the Accounting Standard AS-28 on "Impairment of Assets", the Company has recognised impairment losses as at 1st April, 2004 on certain assets of the company at Nagpur by a corresponding adjustment to general reserve during the year ended 31st March, 2005 pursuant to the transitional provisions of the said Standard. On reversal/adjustment of impairment during the subsequent period, the balance amount of such assets is Rs.6,04,815/-. No Impairment is recognized during the current year.
- Freehold land at S.No.252/6 at village parthardi, Nashik purchased during the year is held in the name of Director.



## Notes on Consolidated financial statements for the year ended 31st March 2012

Particulars	As at 31st March, 2012 Rupees	As at 31st March, 2011 Rupees
<b>13 NON-CURRENT INVESTMENTS</b>		
<b>(At Cost Less permanent diminution in value (if any))</b>		
<b>A) INVESTMENTS IN EQUITY INSTRUMENTS</b>		
<b>AT COST - OTHERS</b>		
<b>(i) Quoted</b>		
<b>In Fully Paid-up Equity Shares</b>		
<b>ABB Limited</b>	105,773	105,773
[200 Equity Shares (Previous Year : 200) of Rs. 2 each]	-	
<b>ACC Limited</b>	505,458	505,458
[700 Equity Shares (Previous Year : 700) of Rs. 10 each]	-	
<b>Aditya Birla Nuvo Lim</b>	1,010,198	1,010,198
[1300 Equity Shares (Previous Year : 1300) of Rs. 10 each]	-	
<b>Axis Bank Ltd.</b>	537,199	537,199
[1300 Equity Shares (Previous Year :1300) of Rs. 10 each]	-	
<b>Bank of Baroda</b>	465,781	465,781
[500 Equity Shares (Previous Year :500) of Rs. 10 each]	-	
<b>Bharti Airtel Ltd.</b>	230,765	230,765
[700 Equity Shares (Previous Year : 700) of Rs. 5 each]	-	
<b>Biocon Limited</b>	758,503	758,503
[ 2500 Equity Shares (Previous Year : 2500) of Rs.5 each]	-	
<b>Coal India Limited</b>	110,250	110,250
[450 Equity Shares (Previous Year :450) of Rs.10 each]	-	
<b>Crompton Greaves Ltd.</b>	1,116,612	841,615
[5375 Equity Shares (Previous Year : 3875) of Rs. 2 each]	-	
<b>Globus Spirit Ltd.</b>	2,500,000	2,500,000
[25000 Equity Shares (Previous Year : 25000) of Rs. 10 each]	-	
<b>Grasim Industries Ltd.</b>	206,121	206,121
[200 Equity Shares (Previous Year :200) of Rs. 10 each]	-	
<b>HDFC Ltd.</b>	640,576	640,576
[2000 Equity Shares(Previous Year :2000) of Rs.2 each]	-	
<b>HDFC Bank Ltd.</b>	280,152	280,152
[1500 Equity Shares (Previous Year : 300 of Rs. 10 each) of Rs. 2 each]	-	
<b>Hindalco Industries</b>	266,200	266,200
[5500 Equity Shares (Previous Year : 5500) of Re. 1 each]	-	
<b>Hindustan Const</b>	485,412	485,412
[7000 Equity Shares (Previous Year : 7000) of Rs. 1 each]	-	
<b>Indian Hotel Co. Ltd.</b>	1,258,919	1,258,919
[21940 Equity Shares (Previous Year : 21940) of Re. 1 each]	-	
<b>ITC Limited</b>	644,435	644,435
[5000 Equity Shares (Previous Year : 5000) of Re. 1 each]	-	
<b>Josts Engg.</b>	14,704	14,704
[ 50 Equity Shares (Previous Year : 50) of Rs. 10 each]	-	
<b>Kotak Mahindra Bank Ltd.</b>	697,928	697,928
[3600 Equity Shares(PreviousYear :3600 ) of Rs.5 each]	-	

## Notes on Consolidated financial statements for the year ended 31st March 2012

Particulars	As at 31st March, 2012 Rupees	As at 31st March, 2011 Rupees
<b>Larsen &amp; Toubro Ltd.</b>	2,177,445	2,177,445
[1800 Equity Shares (Previous Year : 1800) of Rs. 2 each]	-	
<b>Mahindra &amp; Mahindra Ltd.</b>	1,634,782	1,158,118
[6300 Equity Shares (Previous Year : 5600) of Rs. 5 each]	-	
<b>Mahindra &amp; Mahindra Financial Services Ltd.</b>	471,562	46,600
[833 Equity Shares (Previous Year : 233) of Rs. 10 each]	-	
<b>Mahindra Lifespace Developers Ltd.</b>	188,471	-
[600 Equity Shares (Previous Year : Nil) of Rs.10 each]	-	
<b>Marico Limited</b>	193,447	193,447
[3500 Equity Shares (Previous Year : 3500) of Re. 1 each]	-	
<b>MOIL Limited</b>	7,125	7,125
[19 Equity Shares (Previous Year : 19) of Rs. 10 each]	-	
<b>NTPC Limited</b>	300,045	300,045
[1700 Equity Shares (Previous Year : 1700) of Rs. 10 each]	-	
<b>Petronet LNG Ltd.</b>	281,512	281,512
[7000 Equity Shares (Previous Year : 7000) of Rs. 10 each]	-	
<b>Pidilite Industries Ltd.</b>	191,884	191,884
[4000 Equity Shares (Previous Year : 4000) of Re. 1 each]	-	
<b>Power Grid Corp. Ltd.</b>	1,064,200	907,675
[11273 Equity Shares (Previous Year : 9773) of Rs. 10 each]	-	
<b>Reliance Communications Ltd.</b>	307,543	307,543
[850 Equity Shares (Previous Year : 850) of Rs. 5 each]	-	
<b>Reliance Ind. Ltd.</b>	1,259,977	1,259,977
[1600 Equity Shares (Previous Year : 1600) of Rs. 10 each]	-	
<b>Sandur Mang.</b>	203,160	203,160
[ 275 Equity Shares (Previous Year : 275) of Rs. 10 each]	-	
<b>Satyam Computer</b>	497,046	497,046
[7200 Equity Shares (Previous Year : 7200) of Rs. 2 each]	-	
<b>State Bank of India</b>	2,317,517	2,317,517
[1500 Equity Shares (Previous Year : 1500) of Rs. 10 each]	-	
<b>Tata Chemicals Ltd.</b>	1,233,650	1,233,650
[4250 Equity Shares (Previous Year : 4250) of Rs. 10 each]	-	
<b>Tata Consultancy Service Ltd.</b>	697,480	697,480
[2200 Equity Shares (Previous Year : 2200) of Re. 1 each]	-	
<b>Tata Motors Limited</b>	1,299,957	1,299,957
[16500 Equity Shares (Previous Year : 3300 of Rs. 10 each) of Rs. 2 each]	-	
<b>Tata Power Co. Ltd.</b>	169,076	169,076
[2000 Equity Shares (Previous Year : 200 of Rs. 10 each) of Rs. 1each]	-	
<b>Tata Steel Ltd.</b>	1,079,153	1,079,153
[3750 Equity Shares (Previous Year : 3750) of Rs. 10 each]	-	
<b>Tornt Power</b>	930,878	930,878
[3000 Equity Shares (Previous Year : 3000) of Rs. 10 each]	-	
<b>Unitech</b>	327,045	327,045
[4800 Equity Shares (Previous Year : 4800) of Rs. 2 each]	-	
<b>United Phosphorous Ltd.</b>	415,780	415,780
[3500 Equity Shares (Previous Year : 3500) of Rs. 2 each]	-	

## Notes on Consolidated financial statements for the year ended 31st March 2012

Particulars	As at 31st March, 2012 Rupees	As at 31st March, 2011 Rupees
<b>Yes Bank Ltd.</b>	1,284,470	1,284,470
[4500 Equity Shares (Previous Year : 4500) of Rs. 10 each]		
<b>Ultratech Cement</b>		-
[114 Equity Shares (Previous Year : 114) of Rs. 10 each]		
<b>Sub Total (i)</b>	<b>30,368,190</b>	<b>28,846,571</b>
<b>(ii) Unquoted</b>		
<b>In Shares of Jhulelal Nagari Sahakari Patsantha</b>	150,000	150,000
6000 Shares of Rs 25/- each ( Previous year :6000)		
Less: Provision for Diminution Value of Investment	(150,000)	-
<b>Sub Total (ii)</b>	<b>-</b>	<b>150,000</b>
<b>Total (A) (i+ii)</b>	<b>30,368,190</b>	<b>28,996,571</b>
<b>B) INVESTMENTS IN GOVERNMENT OR TRUST SECURITIES</b>		
<b>Unquoted</b>		
<b>National Saving Certificates</b>	-	2,700
( Lodged With Sales Tax Authorities )		
<b>Total (B)</b>	<b>-</b>	<b>2,700</b>
<b>Total (A+B)</b>	<b>30,368,190</b>	<b>28,999,271</b>
<b>Aggregate amount of quoted investents</b>	<b>30,368,190</b>	<b>28,846,571</b>
<b>Market value of quoted investents</b>	<b>46,781,948</b>	<b>49,545,574</b>
<b>Aggregate amount of unquoted investments</b>	<b>-</b>	<b>152,700</b>
<b>Aggregate provision for diminution in value of investments</b>	<b>150,000</b>	<b>-</b>
<b>14 LONG TERM LOANS AND ADVANCES</b>		
<b>(a) Capital Advance</b>		
Unsecured,considered good	24,460	150,000
<b>(b) Security Deposit</b>		
(i) Unsecured,considered good	5,680,934	5,116,475
(ii) Unsecured, considered doubtful (Net of Provision)	184,441	-
<b>(c) Loan &amp; advances to related party</b>		
Unsecured,considered good ( Loan to Director)	600,000	1,400,000
<b>(d) Others Loans &amp; Advances</b>		
Unsecured,considered good		
(i) Income Tax/FBT Advances ( Net of Provision)	149,107	259,176
(ii) Vat/CST Credit Receivable	126,308	126,308
(iii) MAT Credit Entitlement	160,000	-
<b>Total</b>	<b>6,925,250</b>	<b>7,051,959</b>

14.1 Provision for doubtful deposit: Current Year: Rs. 91,430/-(Previous Year:Rs. Nil)

14.2 The balances of Security Deposits are subject to confirmation.

14.3 In the opinion of the board loans and advances have a value on realisation in the ordinary course of business at least equal to the sums stated.

## Notes on Consolidated financial statements for the year ended 31st March 2012

Particulars	As at 31st March, 2012 Rupees	As at 31st March, 2011 Rupees
<b>15 CURRENT INVESTMENTS</b>		
(At Lower of Cost or Market Value)		
<b>(A) INVESTMENTS IN EQUITY INSTRUMENTS</b>		
<b>Quoted</b>		
<b>In Fully Paid-up Equity Shares</b>		
<b>AIA Engineering Ltd.</b>	-	199,835
(Previous Year :491 equity shares of Rs. 2 each)		
<b>Astral Poly Technik Ltd.</b>	510,250	-
[2839 Equity Shares (Previous Year : Nil) of Rs. 5 each]		
<b>Balkrishna Industries Ltd.</b>	795,779	516,574
[5234 Equity Shares (Previous Year : 3829) of Rs. 2 each]		
<b>Blue Star Limited</b>	-	110,945
(Previous Year :276 equity shares of Rs. 2 each)		
<b>Dhanuka Agritech Ltd.</b>	454,832	243,593
[4596 Equity Shares (Previous Year : 3207) of Rs. 2 each]		
<b>Exide Industries</b>	-	100,033
(Previous Year :644 equity shares of Rs. 1 each)		
<b>Greenply Industries Ltd.</b>	989,756	826,530
[5220 Equity Shares (Previous Year : 4389) of Rs. 5 each]		
<b>Hindustan Media Ventures Ltd.</b>	534,412	-
[4149 Equity Shares (Previous Year : Nil) of Rs. 10 each]		
<b>ICRA Limited</b>	-	203,730
(Previous Year :165 equity shares of Rs. 10 each)		
<b>India Bulls Infast. &amp; Power Ltd.</b>	27,420	-
[ 5495 Equity Shares (Previous Year :Nil) of Rs. 10 each]		
<b>India Bulls Real Estate Ltd.</b>	243,973	352,631
[1863 Equity Shares (Previous Year : 2271) of Rs. 2 each]		
<b>Jagran Prakashan Ltd.</b>	365,503	427,803
[3282 Equity Shares (Previous Year : 3505) of Rs. 2 each]		
<b>Lumax Auto Tech Ltd.</b>	296,483	-
[1974 Equity Shares (Previous Year : Nil) of Rs. 10 each]		
<b>Monnet Ispat &amp; Energy Ltd.</b>	-	551,268
(Previous Year : 1249 equity shares of Rs. 10 each)		
<b>Phonix Mills Ltd.</b>	-	259,465
(Previous Year : 1147 equity shares of Rs. 2 each)		
<b>Redington India Ltd.</b>	506,488	482,542
[6342 Equity Shares (Previous Year : 6043) of Rs. 2 each]		
<b>Setco Automotive Ltd.</b>	520,812	-
[3385 Equity Shares (Previous Year : Nil) of Rs. 2 each]		
<b>Shriram Trans Fin. Co. Ltd.</b>	182,213	99,940
[364 Equity Shares (Previous Year : 127) of Rs. 10 each]		
<b>Supreme Industries Ltd.</b>	492,545	-
[2496 Equity Shares (Previous Year : Nil) of Rs. 2 each]		
<b>Voltamp Transformer Ltd.</b>	-	253,401
(Previous Year : 351 equity shares of Rs. 10 each)		
<b>Total (A)</b>	<b>5,920,467</b>	<b>4,628,291</b>

## Notes on Consolidated financial statements for the year ended 31st March 2012

Particulars	As at 31st March, 2012 Rupees	As at 31st March, 2011 Rupees
<b>(B) INVESTMENTS IN MUTUAL FUNDS INSTRUMENTS</b>		
<b>Unquoted</b>		
<b>In units of SBI Mutual Fund</b>	187,799,718	251,143,768
Units of SBI Premier Liquid Fund-Institutional Growth [( Switch out due to face Value change From SBI Magnum Institutional Income Fund Saving Growth ) 1,44,603.94 Units of Rs. 100/- each (Previous Year: 1,94,60,056.79 of Rs. 10/- each) 52,95,688.52 Units of Rs. 10 each redeemed during the year]		
<b>In Units of SBI SHF Ultra Short Term Fund</b>	-	52,500,000
[Current year :Nil (Previous year: 44,68,299.971 Units) 44,68,299.971 Units redeemed during the year]		
<b>In Units of HDFC Mututal Fund</b>	1,758,105	2,670,540
Units of HDFC Cash Mgmt. Treasury Advantage- Wholesale Plan Growth [78,127.20 Units (Previous Year : 1,31,847.27)] 1,24,632.93 Units redeemed during the year]		
<b>In Units of ICICI Prud. Banking Psu Debt Fund Premium Plus Growth</b>	2,417,360	2,417,360
[2,32,288.78 Units (Previous Year :2,32,288.78)]		
<b>ICICI Prud. FMP Series 62-1 Year Plan C Cummulative</b>	10,000,000	-
[10,00,000 Units (Previous Year : Nil)]		
<b>ICICI Prudential Institutional Income Plan Growth</b>	10,000,000	-
[2,82,934.26 Units (Previous Year : Nil)]		
<b>Axis Constant Maturity 10 Year Fund - Growth Plan</b>	10,000,000	-
[9,94,203.79 Units (Previous Year : Nil)]		
<b>BNP Paribas Bond Fund - Inst. Growth</b>	10,000,000	-
[9,03,505.60 Units (Previous Year : Nil)]		
<b>Kotak Bond (Short Term) - Growth</b>	5,000,000	-
[2,61,506.28 Units (Previous Year : Nil)]		
<b>Kotak Bond (Regular) - Growth</b>	10,000,000	-
[3,29,914.32 Units (Previous Year : Nil)]		
<b>Kotak FMP Series 76 - Growth</b>	10,000,000	-
[10,00,000 Units (Previous Year : Nil)]		
<b>Canara Robeco - Income Growth Fund</b>	10,000,000	-
[4,69,969.63 Units (Previous Year : Nil)]		
<b>Templeton India Short Term Income Retail Plan - Growth</b>	5,000,000	-
[2,468.55 Units (Previous Year : Nil)]		
<b>Templeton India Income Opportunities Fund - Growth</b>	5,000,000	-
[4,38,865.97 Units (Previous Year : Nil)]		
<b>Templeton India Income Builder Account-Plan B - Growth</b>	5,000,000	-
[1,48,220.61 Units (Previous Year : Nil)]		
<b>Total (B)</b>	<b>281,975,183</b>	<b>308,731,668</b>
<b>Total (A+B)</b>	<b>287,895,650</b>	<b>313,359,959</b>
12.1 <b>Aggregate amount of quoted investents</b>	5,920,467	4,628,291
12.2 <b>Market value of quoted investents</b>	6,671,857	4,527,273
12.3 <b>Aggregate amount of unquoted investments</b>	281,975,183	308,731,668
12.4 <b>Aggregate provision for diminution in value of investments</b>	-	-

## Notes on Consolidated financial statements for the year ended 31st March 2012

Particulars	As at 31st March, 2012 Rupees	As at 31st March, 2011 Rupees
<b>16 INVENTORIES</b>		
(As taken, valued and certified by management)		
(a) Raw Materials	18,284,762	16,508,803
(b) Work-in-Progress	6,159,147	4,249,596
(c) Finished goods	10,302,435	11,738,313
(d) Stock in Trade	8,971,384	8,992,265
(e) Stores and spares	1,522,103	1,393,296
(f) By Products / Waste Products	645,865	706,372
<b>Total</b>	<b>45,885,696</b>	<b>43,588,645</b>
<b>16.1</b> <i>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 2,250,000 (Previous Year Rs. 21,600,000/-) out of this accumulated waste based on the finding &amp; 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 such balance accumulated waste.</i>		
<b>17 TRADE RECEIVABLE</b>		
Unsecured, considered good		
Debts outstanding for a period exceeding six months	7,707,199	4,301,105
Other Debts	31,452,146	32,860,886
<b>Total</b>	<b>39,159,345</b>	<b>37,161,991</b>
<b>18 CASH AND BANK BALANCES</b>		
(a) <b>Cash and cash equivalents</b>		
(i) Balances with Banks	2,290,538	5,954,741
(ii) Cash on hand	483,885	307,092
(iii) Others		
Bank Deposits (Less than 3 Months Maturity)	10,000,000	20,000,000
(b) <b>Balances with banks to the extent held as security or margin money</b>		
<b>Security against demand loan for working capital to holding co.</b>		
(i) Term Deposit (Less than 12 months maturity)	5,218,015	5,218,015
<b>Margin Money against Bank Guarantee and letter of credit facilities to subsidiary co.</b>		
(ii) Term Deposits (Less than 3 Months Maturity)	210,000	544,000
(iii) Term Deposits (More than 3 Months but less than 12 months Maturity)	614,312	385,000
(iv) Term Deposits (More than 12 Months Maturity)	-	372,849
<b>Total</b>	<b>18,816,750</b>	<b>32,781,697</b>
<b>19 SHORT-TERM LOANS AND ADVANCES</b>		
(a) <b>Loans and advances to related parties</b>	925,000	803,894
(Unsecured, considered good)		
(b) <b>Others</b>		
(Unsecured, considered good)		
(i) Advance payment of tax/taxes	2,189,484	2,658,550
(ii) Others advances	7,901,812	5,326,853
(iii) Advance recoverable in cash or in kind or for value to be received	2,345,402	1,416,993
(Unsecured, considered doubtful)*	-	-
<b>Total</b>	<b>13,361,698</b>	<b>10,206,290</b>
19.1 * Net of Advances considered doubtful Rs. 5,63,000 (Previous Year Rs. 5,63,000)		
19.2 The balances of Loans & Advances are subject to confirmation.		
19.3 In the opinion of the board the Loans and Advances have a value on realisation in the ordinary course of business at least equal to the sums stated.		

## Notes on Consolidated financial statements for the year ended 31st March 2012

Particulars	For the year ended 31st March, 2012 Rupees	For the year ended 31st March, 2011 Rupees
<b>20 REVENUE FROM OPERATIONS</b>		
Sale of products	196,308,482	266,487,317
Sale of Services	2,365,351	1,828,247
Less : Excise duty	(13,633,711)	(18,721,047)
Less : Service Tax	(224,772)	(170,726)
<b>Total</b>	<b>184,815,350</b>	<b>249,423,791</b>
<b>21 OTHER INCOME</b>		
Interest income	1,469,193	496,000
Dividend Income	1,184,131	797,694
Net gain / loss on sale of investments	25,492,080	3,168,714
Other non-operating income	743,667	1,816,614
<b>Total</b>	<b>28,889,071</b>	<b>6,279,022</b>
<b>22 COST OF MATERIALS CONSUMED</b>		
<b>Manufacturing</b>		
Indigeneous	25,566,781	38,334,676
Imported	6,296,694	5,668,204
<b>Total</b>	<b>31,863,475</b>	<b>44,002,880</b>
<b>23 Purchases of Stock-in-Trade</b>		
<b>Trading Goods</b>		
Indigeneous	6,922,766	5,989,471
Imported	18,619,505	27,079,102
<b>Total</b>	<b>25,542,271</b>	<b>33,068,573</b>
<b>24 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
<b>(a) Opening stocks :</b>		
Finished Goods	11,738,313	8,975,215
Work in process	4,249,596	2,513,420
Stock-in-Trade	8,992,265	5,440,359
By Product/WastProduct	706,372	744,669
<b>Total (a)</b>	<b>25,686,546</b>	<b>17,673,663</b>
<b>(b) Stock ascertained and accounted during the year</b>	<b>2,250,000</b>	<b>21,600,000</b>
<b>(c) Closing stocks :</b>		
Finished Goods	10,302,434	11,738,313
Work in process	6,159,147	4,249,596
Stock-in-Trade	8,971,384	8,992,265
By Product/WastProduct	645,865	706,372
<b>(d) Total (b+c)</b>	<b>28,328,830</b>	<b>47,286,546</b>
<b>(e) Total (a)-(d)</b>	<b>(2,642,284)</b>	<b>(29,612,883)</b>

## Notes on Consolidated financial statements for the year ended 31st March 2012

Particulars	For the year ended 31st March, 2012 Rupees	For the year ended 31st March, 2011 Rupees
<b>25 EMPLOYEE BENEFITS EXPENSE</b>		
(a) Salaries and Wages	56,316,444	49,843,126
(b) Contribution to Provident and other funds	4,953,879	5,991,173
(c) Staff Welfare Expenses	803,484	677,829
<b>Total</b>	<b>62,073,807</b>	<b>56,512,128</b>
25.1 *This includes directors remuneration. The members have approved the appointment of Mr. Gautam Khandelwal, Executive Director for a period of 5 years w.e.f. July 1, 2009 at AGM held on September 25, 2009. In terms thereof, where in any financial year the company has no profits or its profits are inadequate, the company will pay remuneration within the limits specified in Section 309 read with Schedule XIII of the Companies Act, 1956.		
The company has incurred losses during the current year. In terms of Section II of part II of Schedule XIII, considering the effective capital of the company and other criteria mentioned therein, the maximum remuneration payable to directors is Rs.2,50,000/- p.m. i.e. Rs.30 lacs p.a. subject to approval of the members of the company. The board of directors have approved and paid sums aggregating to Rs.26,61,204/- to Mr. Gautam Khandelwal, Executive Director subject to obtaining the consent of the members in terms of Section II of part II of Schedule XIII of the Companies Act, 1956.		
<b>26 FINANCIAL COST</b>		
Interest Expenses	8,306,115	6,931,403
Bank Charges & Commission	628,696	829,969
<b>Total</b>	<b>8,934,811</b>	<b>7,761,372</b>
<b>27 OTHER EXPENSE</b>		
Power and Fuel	3,445,295	3,333,633
Rent	1,570,298	1,406,310
Repairs to buildings	1,534,769	1,596,647
Repairs to Machinery	598,466	866,294
Repairs to Others	1,692,332	2,401,376
Insurance	333,550	412,272
Rates and taxes,excluding taxes on income	2,228,350	2,786,986
Light and Water	461,273	513,335
Fright and Handling	12,310,509	10,058,141
Conveyance	1,833,336	1,850,738
Travelling Expenses	10,216,872	8,965,996
[Includes Director's Rs.39,80,820	-	



## Notes on Consolidated financial statements for the year ended 31st March 2012

Particulars	For the year ended 31st March, 2012 Rupees	For the year ended 31st March, 2011 Rupees
(previous year Rs.28,00,276)]	-	
Payments to the auditor	392,336	309,594
Postage Telegram & Telephone	2,436,899	2,468,991
Printing & Stationery	982,074	789,687
Legal & Consulancy Charges	5,384,620	3,797,902
Security Expenses	1,271,788	1,319,074
Service charges	764,192	694,848
Donation	501	2,000,000
Upkeep of Heavy Vehicles	441,328	932,543
Excise Duty paid / Increase/(Decrease) on FG	(180,523)	933,997
Consumption of Stores and Spare Parts	458,243	205,429
Testing Fees	874,283	750,835
Conference /Seminar Exp	639,772	1,176,476
Commission on Sales	8,335,407	4,622,890
Advertisement and Publicity	3,486,354	1,884,666
Sales Promotion	1,385,145	2,016,175
Liquidated Damages	1,097,753	85,595
Sundry Dr.Written -off ( Net)	356,344	44,075
Recruitment Expenses	984,891	985,955
Upkeep of Motor Car	1,813,819	2,038,999
Service charges of Surface Vehicles	223,360	-
Provision for Doubtful Debts	91,430	563,000
Loss on sale of Fixed Assets	315,962	-
Entertainment Expenses	403,377	219,630
Plantation Expenses	348,672	863,454
Miscellaneous Expenditures	1,906,973	1,920,457
<b>TOTAL</b>	<b>70,440,049</b>	<b>64,816,000</b>

27.1 \*Pursuant to the provisions of section 314(1) of the Companies Act, 1956, the appointment of 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 p.m. was approved by the members at the annual general meeting held on September 25, 2008.

During the year the Board of Directors have approved and paid sums aggregating to Rs.5,06,645/- i.e. in excess of the sum of Rs.3,99,000/- for the year approved by the members, subject to obtaining the consent of the members for this additional sum.

**Additional Information****28 CONTINGENT LIABILITIES AND COMMITMENTS:  
(to the extent not provided for)**

Particulars	As at 31-03-2012 Rupees	As at 31-03-2011 Rupees
<b>(i) Contingent Liabilities</b>		
<b>a) Claims made against the Company not acknowledged as debt :</b>		
- Sales Tax Demand not provided for pending outcome of appeal (Documents related to claim of Rs. 51,500 are currently not available with the company)	2,01,73,539	2,01,73,539
- Excise Duty Demand not provided for pending outcome of appeal	26,57,798	26,57,798
- Customs duty Demand not provided for pending outcome of appeal	1,17,42,500	58,18,808
- Other Matters (Documents related to claim of Rs.1,51,943 are currently not available with the company)	1,10,02,385	63,69,783
<b>b) Guarantees</b>	-	-
Bank Guarantees	-	-
<b>c) Other money for which the company is contingently liable</b>	-	-
<b>(ii) Commitments</b>	-	-
<b>Total Contingent Liabilities and Commitments</b>	<b>4,55,76,222</b>	<b>3,50,19,928</b>

Note:

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

**29** 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 said Act and the application for exemption filed under Section 20 of the Act, to retain these lands are under consideration of the concerned authorities.

**30 Segment Reporting :**

a) As per Accounting Standard -17 on Segment Reporting issued by the Institute of Chartered Accountants of India, the Company has reported segments information on consolidated basis including business conducted through its subsidiaries.

b) The reportable segments are :

Manufacture of "High/ Medium/ Low Carbon Ferro Manganese and Silico Manganese Slag." and Manufacture of "Electronics & Electrical Products, Energy Meters & others."

**c) Primary Segment Information :**

Particulars	31 <sup>st</sup> Mar, 2012 Rs.	For the year ended 31 <sup>st</sup> Mar, 2011 Rs.
<b>I Segment Revenue:</b>		
Sale of Products		
- High/ Medium/ Low Carbon Ferro Manganese and Silico Manganese Slag	201,95,683	12,00,66,593
- Electronics & Electrical Products, Energy Meters & others	17,61,12,799	14,64,20,724
Sale of Services	23,65,351	18,28,247
Gross Revenue	19,86,73,833	26,83,15,564
Less: Inter Segment Revenue	-	-
Total Revenue	19,86,73,833	26,83,15,564

**II Segment Results before Interest & Tax :**

Profit/(Loss) before Interest &amp; Tax from each segment

- High/ Medium/ Low Carbon Ferro Manganese and Silico Manganese Slag	( 8,83,816)	6,82,84,838
- Electronics & Electrical Products, Energy Meters & others	10,117,331	41,32,241
Total Profit before Interest & Tax	92,33,515	7,24,17,079
Less : Interest	89,34,811	77,61,372
Add : Exceptional items	-	-
Less : Prior period item	-	-
Profit before Tax	298,704	6,46,55,707

**III Other Information****Segment Assets**

High/ Medium/ Low Carbon Ferro Manganese and Silico Manganese Slag	62,83,36,276	648305781.42
Electronics & Electrical Products, Energy Meters & others	17,32,26,568	15,94,57,288
<b>Total</b>	<b>80,15,62,844</b>	<b>80,77,63,069.42</b>

**Segment Liability**

High/ Medium/ Low Carbon Ferro Manganese and Silico Manganese Slag	1,20,30,881	29,306,347
Electronics & Electrical Products, Energy Meters & others	8,66,57,142	7,97,80,977
<b>Total</b>	<b>9,86,88,023</b>	<b>10,90,87,324</b>

**Capital Expenditure**

High/ Medium/ Low Carbon Ferro Manganese and Silico Manganese Slag	37,750	1,01,474
Electronics & Electrical Products, Energy Meters & others	3,30,29,383	1,40,79,443
<b>Total</b>	<b>3,30,67,133</b>	<b>1,41,80,918</b>

**Depreciation**

High/ Medium/ Low Carbon Ferro Manganese and Silico Manganese Slag	29,83,804	30,82,792
Electronics & Electrical Products, Energy Meters & others	1,42,09,784	1,14,16,242
<b>Total</b>	<b>1,71,93,588</b>	<b>1,44,99,033</b>

31 Related Party disclosures as required under Accounting Standard -18 issued by the Institute of Chartered Accountants of India and applicable to the holding company 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. ( up to 13 <sup>th</sup> May,2011,since dissolved)	Enterprise that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the reporting enterprise
b) Informed Technologies India Limited	
c) Zeppelin Investments Private Ltd.	
d) Khandelwal Remedies Private Ltd.	
e) Meteor Metals & Ores Ltd.	
f) Khandelwals Ltd.	

(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) Informed Technologies India Limited	Rs.17,58,745/Rs.17,58,745
Advance Received/Advance Repaid	(Rs.5,81,918/Rs.5,81,918)

2	Key Management Personnel	Remuneration (in Rupees)
a)	Mr. Gautam P. Khandelwal	Rs.26,61,204/-
b)	Mr. S. B. Kanbargi	Rs. 6,96,504/-
c)	Mr. S.M. Hede ( 1.4.2011 to 31.07.2011)	Rs.8,53,600/-
d)	Mr. Ripul Gouri ( 1.08.2011 to 31.12.2011)	Rs.5,89,964/-
e)	Mr Arnold Allen- Professional fees	Rs.5,06,645/-
f)	Mrs. H.H.Motwane	Rs.16,16,705/-
g)	Mr. P.H.Motwane	Rs. 4,98,384/-
h)	Mr A.S.Parundekar	Rs. 29,48,059/-

**(III) Balances Outstanding as at 31st March, 2012**

Particulars	Maximum outstanding Balance (Rs.)	Receivables (Rs.)	Payables (Rs.)
<b>1 Related parties where control exists</b>			
a) Informed Technologies India Limited	6,68,113 (93,510)	NIL (NIL)	NIL (NIL)
<b>2 Key Management Personnel</b>			
a) Mr. Gautam Khandelwal	7,85,484 (7,84,914)	1,25,000 (3,894)	NIL (NIL)
b) Mrs. Hardevi H. Motwane	11,12,000 (11,12,000)	NIL (NIL)	11,12,000 (11,12,000)
<b>3 Relatives of Key Management Personnel</b>	<i>*See Note</i>		
<i>Figures in brackets are related to previous year</i>			

\* 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.

**32 Earnings Per Share:**

		For the year ended 31 <sup>st</sup> Mar, 2012
Profit (Loss) for the year (Rs.)	(A)	(18,35,504)
Number of Equity Shares Outstanding	(B)	130,95,507
Earnings per share of Rs 10 each	(A/B)	(0.14)

**33** The figures pertaining to Subsidiary have been reclassified wherever necessary to bring them in line with the Parent Company's Financial statement.

Signature to the Notes 1 to 33 which form an integral part of the accounts

**For M.V.Ghelani & Co.**

**For and on behalf of the Board**

Chartered Accountants

Firm Registration No. 119077W

**M.V.Ghelani**

Proprietor

Mumbai :28th May, 2012

**Gautam P.Khandelwal**

Chairman

Mumbai :28th May, 2012

**M.S.Adige**

Director

**Nidhi Salampuria**

Company Secretary

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2012**

Particulars	Amount in Rupees	
	For The Year Ended On 31st March 2012	For The Year Ended On 31st March 2011
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net Profit (loss) before tax paid, prior period items & extra ord. Items	298,705	64,655,707
<b>Adjustment for :</b>		
Depreciation - Current Year	17,193,588	14,499,034
Loss/(Profit) on sale of Fixed Assets	315,962	(56,966)
Interest Expenses	8,934,811	6,931,404
Assets /Investment Written off	152,700	-
Profit on sale of Investment	(25,492,080)	(3,099,042)
Dividend Income	(1,184,131)	(797,694)
Interest Income	(1,469,193)	(496,000)
	<u>(1,548,343)</u>	<u>16,980,736</u>
<b>Operating profit before working capital change</b>	<b>(1,249,638)</b>	<b>81,636,442</b>
<b>Adjustment for :</b>		
Inventories	(2,297,051)	(15,022,789)
Trade Receivables	(1,997,354)	1,407,309
Long Term /Short Term Loans & Advances and other current assets	(6,356,449)	38,414,679
Trade Payables, Other Current Liabilities and Provisions	3,438,785	(33,548,058)
<b>Cash generated from Operations</b>	<b>(8,461,707)</b>	<b>72,887,584</b>
Cash Flow before prior period adjustments & extraordinary items	(8,461,707)	72,887,584
Prior Period adjustments	-	-
Income tax paid	(19,200,000)	(42,500,000)
<b>Net cash flow from Operating Activities "A"</b>	<b>(27,661,707)</b>	<b>30,387,584</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(33,067,132)	(14,180,918)
Proceeds from sale of Fixed Assets	316,075	318,744
Proceeds from Investment in Mutual Fund / Shares ( incl. gain)	49,434,770	(3,457,581)
Dividend Income	1,184,131	797,694
Interest Income	1,469,193	496,000
<b>Net cash from Investing Activities "B"</b>	<b>19,337,037</b>	<b>(16,026,060)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayments of Long term/Short term Loans (Net)	3,294,533	11,884,418
Interest expense	(8,934,811)	(6,931,404)
<b>Net Cash provided by / (used in) Financing Activities "C"</b>	<b>(5,640,278)</b>	<b>4,953,014</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(13,964,948)</b>	<b>19,314,537</b>
<b>Cash and Cash Equivalent at the beginning of the period</b>	<b>32,781,697</b>	<b>13,467,160</b>
<b>Cash and Cash Equivalent at the end of the period</b>	<b>18,816,750</b>	<b>32,781,697</b>

Previous year figures have been regrouped / reclassified / rearranged wherever necessary to make them comparable with the current year figures.

As per our report of even date attached  
For M.V.Ghelani & Co.  
Chartered Accountants  
Firm Regn. No. 119077W

For and on behalf of the Board

M.V.Ghelani  
Proprietor  
Mumbai :28th May, 2012

Gautam P. Khandelwal  
Chairman  
M.S.Adige  
Director  
Nidhi Salampuriah - Company Secretary  
Mumbai : 28th May, 2012

**Statement pursuant to Section 212 of the Companies Act,1956.**

Name of the Subsidiary Company	Financial year ending of the Subsidiary	Number of Shares held	Extent of holding	For Financial Year of the Subsidiary	
				Profit/(Losses) so far it concerns the members of the Holding Company and not dealt within the books of Account of the Holding Company (Except to the extent dealt with col.6)	Profit/(Losses) so far it concerns the members of the Holding Company and dealt within the books of Account of the Holding Company
(1)	(2)	(3)	(4)	(5)	(6)
THE MOTWANE MANUFACTURING COMPANY PVT. LTD	3/31/2012	118758	56.28%	858,537	Nil

For and on behalf of the Board  
Gautam P. Khandelwal - Chairman  
Mumbai :28th May, 2012

# NAGPUR POWER & INDUSTRIES LIMITED

Registered Office : 'Nirmal', 20<sup>th</sup> 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 Sixteenth Annual General Meeting of the Company to be held at the Orchid & Tulip, MVIRDC World Trade Centre, Centre One, 1st Floor, Cuffe Parade, Mumbai- 400005, on Thursday, August 30, 2012 at 10:00 AM (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', 20<sup>th</sup> Floor, Nariman Point, Mumbai – 400 021

## **PROXY FORM**

Regd. Folio No.:

\*DP ID :

No. of Shares Held:

\*Client ID :

I/We \_\_\_\_\_ of \_\_\_\_\_

being a Member/Members of Nagpur Power & Industries Limited hereby appoint \_\_\_\_\_

\_\_\_\_\_ of \_\_\_\_\_ or failing him/her

\_\_\_\_\_ of \_\_\_\_\_ as my/our proxy to vote for me/us

and on my/our behalf at the Sixteenth Annual General Meeting of the Company to be held at Orchid & Tulip, MVIRDC World Trade Centre, Centre One, 1st Floor, Cuffe Parade, Mumbai- 400005, on Thursday, August 30, 2012 at 10.00 A.M. (I.S.T) and at any adjournment thereof.

As Witness my/our hand(s) this \_\_\_\_\_ day of \_\_\_\_\_ 2012

Affix  
Re. 1/-  
Revenue  
Stamp

Signed by the said

### **NOTES :**

1. A member entitled to attended vote is entitled to appoint a proxy to attend and vote instead of himself.
2. A proxy need not be a member.
3. This form inorder to be effective must be duly stamped, completed and signed must be deposited at the Registered Office of the Company, not later than 48 hours before the commencement of the meeting.

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

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**NAGPUR POWER & INDUSTRIES LIMITED**

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**16<sup>th</sup> ANNUAL REPORT 2011- 2012**