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

**BOARD OF DIRECTORS**

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

**Asst. COMPANY SECRETARY**

Ms. Kalpana Patel  
*ACS, L.L.B*

**AUDITORS**

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

**BANKERS**

State Bank of India

**LISTED AT**

Bombay Stock Exchange Limited

**REGISTERED OFFICE**

Nirmal, 20<sup>th</sup> Floor, Nariman Point,  
Mumbai-400021.

**WORKS**

Khandelwal Nagar, Dist. Nagpur – 441402.

**REGISTRAR & SHARE TRANSFER AGENTS****Sharepro Services (India) Private Limited**

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

13AB, Samhita Warehousing Complex,  
Second Floor, Sakinaka Telephone Exchange Lane,  
Off. Andheri Kurla Road, Sakinaka, Andheri (East),  
Mumbai- 400072.

**NOTICE**

NOTICE is hereby given that the Thirteenth Annual General Meeting of the Members of Nagpur Power & Industries Limited will be held on Friday, September 25, 2009 at 9.00 A.M at Sunflower II, MVIRDC World Trade Centre, Centre One, 30<sup>th</sup> 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, 2009, Profit & Loss Account for the year ended on that date and Report of Directors and Auditors 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 modification(s) the following resolution as an Ordinary Resolution:  
RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions if any, of the Companies Act, 1956 (the Act) (including any statutory modification or re-enactment thereof for the time being in force), approval of the Company is accorded to the re-appointment of Mr. Gautam Khandelwal, as a Whole-time Director, designated as an Executive Chairman of the Company, for a period of 5 (five) years with effect from 1<sup>st</sup> July 2009, on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to this notice, with liberty to the Board of Directors (hereinafter referred to as "the Board") to alter and vary the terms and conditions and/or remuneration, within the limits specified in Section 309 read with Schedule XIII to the Companies Act, 1956 or any statutory modification or re-enactment thereof.

RESOLVED FURTHER THAT the Board is authorized to take all such steps as may be necessary, proper or expedient to give effect to this resolution. "

5. To consider and, if thought fit, to pass with or without modification(s) the following resolution as Special Resolution:  
"RESOLVED THAT pursuant to the provisions of Section 163 and all other applicable provisions, if any, of the Companies Act, 1956, the Register of Members, Index of Members, Register of Debentureholders, Index of Debentureholders and other related books be kept at the premises of the Company's Registrar & Transfer Agent, Sharepro Services (India) Private Limited, 13AB, ("R & T Agents") Samhita Warehousing Complex, Second Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai – 400072. and also at 912, Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai – 400021, and/or at such other place(s) within the city of Mumbai where the R & T Agents may shift its office from time to time and/or at the Registered Office of the Company at Nirmal, 20th Floor, Nariman Point, Mumbai - 400 021.

By order of the Board of Directors

Kalpna Patel  
Asst. Company Secretary

Place: Mumbai  
Date: June 30, 2009

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.  
Proxy form, in order to be effective, must be deposited at the Registered Office of the Company not less than forty-eight hours before the time fixed for holding the meeting
2. Explanatory statement pursuant to Sections 173(2) of the Companies Act, 1956, in respect of the special businesses proposed to be transacted at the Meeting is annexed hereto.
3. Register of Members and Share Transfer Books of the Company will remain closed from September 17, 2009 to September 25, 2009 (both days inclusive).
4. The Company's equity shares are listed at Bombay Stock Exchange Limited, Phiroze Jeejibhoy Towers, Dalal Street, Mumbai 400001 and the Company has paid the Annual Listing Fees to the Stock Exchange for the year 2009-10.
5. Members requiring any information on the Accounts are requested to write to the Company at least one week before the meeting so as to enable the Management to keep the information ready, replies will be provided only at the meeting.
6. 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 the Annual General Meeting.

7. Consequent upon the 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.

By order of the Board of Directors

Kalpana Patel  
Asst. Company Secretary

Place: Mumbai

Date: June 30, 2009

#### **EXPLANATORY STATEMENT**

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

##### **ITEM NO. 4**

Mr. Gautam Khandelwal has been Chairman and Executive Director of the Company since July 1, 2004. The present tenure of Mr. Gautam Khandelwal as an Executive Director of the Company ends on June 30, 2009.

The present proposal is to seek member's approval for the re-appointment of and remuneration payable to Mr. Gautam Khandelwal as an Executive Chairman, in terms of the applicable provisions of the Companies Act, 1956

The Board of Directors of the Company (the 'Board'), at its meeting held on June 30, 2009 has re-appointed Mr. Gautam Khandelwal for a period of 5 years w.e.f July 1, 2009, subject to the approval of Members on following terms and conditions:

- i) Remuneration: (a) Basic Salary: Rs. 1,25,000 per month (b) benefits, perquisites and allowances shall include furnished accommodation or house rent allowance in lieu thereof, house maintenance allowance together with reimbursement of expenses, gas, electricity, water, furnishing and repairs, medical reimbursement for self and family, Children education allowances (at present Rs. 20,000/- per month per child), leave travel concession for self and family, club fees and expenses, use of Company cars, medical and personal accident insurance and other benefits, amenities and facilities in accordance with Companies policies and determined by the Board from time to time. The value of the perquisites would be evaluated as per Income Tax Rules, 1962 wherever applicable and at cost in absence of any such rules. However, the Company's contribution to provident fund, gratuity and leave encashment at the end of the tenure, as per the rules of the Company and to the extent are not taxable under the Income- tax law, shall not be included for the purpose of the overall ceiling of remuneration.

Minimum Remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of basic salary, benefits, perquisites and allowances as specified above and within the limits laid down under Schedule XIII of the Companies Act, 1956.

- ii) Commission in any year not exceeding 3% of the net profit of the Company computed in the manner referred under Section 198(1) of the Companies Act, 1956 or any statutory modification(s) or any re-enactment thereof.
- iii) Provision of car use, telephone and other communication facilities at residence, on Company's business, would not be considered as perquisites.

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

This is deemed to be an abstract pursuant to Section 302 of the Companies Act, 1956.

The Board recommends the resolution for your approval.

##### **ITEM NO. 5**

Sharepro Services (India) Private Limited, Mumbai is our Registrar and Transfer Agent (RTA), who have been providing depository related services for the shares held in demat mode and also acting as the Share Transfer Agent for the shares held in physical segment. The said RTA has changed one of its office and had made general notice in newspaper for investors. The Company had also intimated to Bombay Stock Exchange Limited, where shares of the Company are listed to inform investors about the same. In pursuance of Section 163(1) of the Companies Act, the Board of Directors recommends the resolution as set out in the Notice for your approval.

By order of the Board of Directors

Kalpana Patel  
Asst. Company Secretary

Place: Mumbai

Date: June 30, 2009

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

To,  
The Members,  
Your Directors presents the Thirteenth Annual Report together with the Audited Statements of Accounts of the Company for the Financial Year ended March 31, 2009.

**Financial Highlights**

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

Particulars	(Rs. in Lakhs)	
	2008-09	2007-08
Sales & Other Income	3308.61	1587.92
Profit/(Loss) before Interest, Depreciation & Tax	2242.22	862.06
Less: Interest	0.88	1.34
Profit before Depreciation	2241.34	860.72
Less: Depreciation	82.94	88.66
Profit before taxation	2158.40	772.06
- Provision for current tax and fringe benefit tax	793.77	302.65
- Deferred Tax and adjustments prior year	0.99	0.37
Profit after Taxation	1363.64	469.04

**Dividend**

In order to conserve resources and augment funds for future developmental activities and/or strengthen business of the Company, 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.

Mr. Gautam Khandelwal has been Chairman and Executive Director of the Company since July 1, 2004. The present tenure of Mr. Gautam Khandelwal as an Executive Director of the Company ends on June 30, 2009. The Board of Directors of the Company (the 'Board'), at its meeting held on June 30, 2009 has re-appointed Mr. Gautam Khandelwal for a further period of 5 years w.e.f July 1, 2009, subject to the approval of Members.

Mr. Mohan Adige, appointed as Technical Advisor in 11<sup>th</sup> Annual General Meeting of Members of the Company, has resigned w.e.f April 1, 2009. However, he will continue to serve the Company as 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, world economy experienced severe volatility and was also impacted by the US and European financial crisis. Global trade was affected with reduced exports from Developing & Emerging countries like India and China. However, India was one of few large economies that registered a robust growth in GDP at 6.7% for the year 2008-09.

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

Ferro alloys business has been highly volatile during the year. However, the Company mainly operates on Metal Recovery Plant and produces Low Ferro Manganese (Slag) through its profitable slag recovery process. However, there has been decline in volume due to depletion of slag dumps. The Company is preparing itself to meet the challenges by looking at alternative business opportunities / diversifications in the near future.

**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, company is looking for new business and / or develop its surplus infrastructure. During the year, as part of diversification your company has increased its equity stake in "The Motwane Manufacturing Company Private Limited", and now it has become subsidiary of the company with holding of 50.41%.

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 Company to meet the same in time. Any major threats affecting the Company in general and business environment indirectly affecting the functioning of the Company are discussed with the Board from time to time.

**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 has been increased from Rs. 1587.92 Lakhs to Rs. 3308.61 Lakhs. The increase in the revenues during the year is mainly attributable to the rise in price of the products of the Company. Further the Company mainly operates on Metal Recovery plant and there has been decline in volume due to depletion of slag dumps. Further, the Company is in process of completion of delivery and sale of furnaces (for details please refer note xv of schedule 18).

**Subsidiary Company and Consolidated Statements**

During the year, as part of further diversification your Company has increased its equity stake in 'The Motwane Manufacturing Company Private Limited'. Now, it has become subsidiary of the Company with holding of 50.41%. It is a leading designer, manufacturer and supplier of high performance Electronic Test and Measurement equipments in India. It is a Company with strong in-house Research & Development capability. Its product range includes a general range for industrial and other applications and special products for specific high voltage applications for the Power Sector, Railways, Defence, Motor and Transformer Industry. During the year, revenue of the subsidiary has increased to Rs. 1315/- Lacs from Rs. 832/- Lacs, showing growth of around 58% and Net Profit of the Company has increased to Rs. 58/- Lacs from Rs. 45/- Lacs, showing growth of around 29%.

Consolidated Financial Statements in accordance with Accounting Standard-21 issued by The Institute of Chartered Accountants of India have been provided in the Annual Report. These Consolidated Financial Reports provide financial information about your Company and its Subsidiary as a single economic entity. The Consolidated Financial Statements form part of this Annual Report. Further, the financial statements of a Subsidiary forms part of this Annual Report. Further, a statement pursuant to section 212(3) of the Companies Act, stating financial details about subsidiary, is also annexed to this report.

**Auditors**

M/s. M. V. Ghelani & Co., Chartered Accountants, Mumbai, the Statutory Auditors of the Company retires at the conclusion of ensuing Annual General Meeting and eligible for re-appointment. The Company has received Certificate u/s 224(1B) of the Companies Act, 1956, expressing willingness to be reappointed as Statutory Auditors for the Financial Year 2009-10. The observations made in the Auditor's Report are self-explanatory and therefore, do not call for any further comments.

**Public Deposits**

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

**Employees**

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

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

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

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

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

Particulars	Financial Year 2008-09	Financial Year 2007-08
Electricity purchased:		
- Units (KWH)	3,96,235	4,44,072
- Total Amount (Rs in lakhs )	20.25	25.15
- Rate / KWH (Rs )	5.11	5.66
Consumption per unit of Production:		
Ferro Manganese / Silico Manganese		
- Units in KWH	2.87	3.37

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

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

(d) Foreign Exchange earnings and outgo: During the year under review, the foreign Exchange outgo was Rs 48.69 lakhs (Previous year – Rs 38.27 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:

- in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31<sup>st</sup> March, 2009 and of the profit of the Company for that year;
- the Directors have taken proper and sufficient care to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared on a going concern basis.

**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.

**Corporate Social Responsibility**

Your Company strongly believes that growth has not only to be profitable and competitive, but also sustainable in a socially relevant way. The Company has undertaken an environment friendly initiative to plant around one lakh trees over land owned by it in Nagpur, in order to contribute towards reducing the effects of global warming gases and climate change. This will also help to conserve land resources and enrich land value of the Company.

**Acknowledgements**

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

For and on behalf of the Board of Directors

Gautam P. Khandelwal  
Chairman

Place : Mumbai

Date : June 30, 2009

### 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 of the Company comprises of Four (4) Directors. Of these Three (3) 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 2008-09, Five Board meetings were held. The Board meetings were held on April 3, 2008, June 27, 2008, July 29, 2008, October 24, 2008 and January 29, 2009.

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

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

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

Name of Director	Executive / Non-Executive / Independent <sup>1</sup>	No. of outside Directorship Held		Outside Committee Positions Held <sup>2</sup>	
		Public	Private	Chairman	Member
Mr. Gautam P. Khandelwal	Executive	Three	Six	One	One
Mr. Mohan S. Adige	Independent	Three	One	Nil	Nil
Mr. Girish Bakre	Independent	Nil	Two	Nil	Nil
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 Director 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 Bakre, aged 49 years is 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.
- Mr. Gautam Khandelwal, aged 47 years holding Bachelor's Degree from the University of Mumbai and studied Economics from London School of Economics. He is having around 20 years of business experience across various industries. He is also on Board of Punjab National Bank, Informed Technologies India Limited, Globus Spirits Limited, Magnachem Pharmaceuticals Private Limited, Khandelwal Remedies Private Limited, Zeppelin Investments Private Limited, Krohm Solutions Private Limited, The Motwane Manufacturing Company Private Limited, MW. Com (India) Private Limited and Khandelwals Limited, London.

##### 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 given as an Annexure to this report as per the requirement of Clause 49 of the Listing Agreement.

### 3. Audit Committee

The Audit Committee comprise of 3 members of the Board of the Company under the Chairmanship of Mr. Mohan Adige. Mr. Arnold Allen and Mr. Girish M. Bakre are other Members of the Audit Committee. The members of the Committee have the relevant experience in the field of finance, banking and accounting. The General Manager - Finance & Accounts and Asst. Company Secretary are invitees to the audit committee meeting.

#### Terms of reference

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

The Committee met 5 times during the year under review. The said meetings were held on April 3, 2008, June 27, 2008, July 29, 2008, October 24, 2008 and January 29, 2009.

Name of Director	Attendance
Mr. Mohan Adige	5
Mr. Girish Bakre	5
Mr. Arnold Allen	2

### 4. Remuneration Committee

The Company had constituted Remuneration Committee to formulate and recommend to the Board all elements of the remuneration package of the Managing Director and Executive Director. The Remuneration Committee comprise of Mr. Girish Bakre, Chairman, and Mr. Mohan Adige, Member. During the year under review, the Remuneration Committee met on June 27, 2008 and July 29, 2008.

Monthly remuneration is paid to Executive Director while other independent directors are eligible only for sitting fees. Mr. Mohan S. Adige, Mr. Girish Bakre and Mr. 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.)
Mr. Gautam Khandelwal	22,90,918	67,46,958	Nil

### 5. Share Transfer and Investor Grievances Committee

The Committee consists of 3 Members under the chairmanship of Mr. Mohan Adige. Mr. Girish Bakre and Mr. Arnold Allen are other Members of the Committee. During the year, the Committee met from time to time to approve transfers and to review the shareholders correspondence including the complaint received from the shareholders and their redressal.

### 6. Annual General Meetings:

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

Financial Year	Date, Time and Venue
2005-2006	September 29, 2006 at 9.00 A.M Seminar I & II, World Trade Centre, Centre One, 31 <sup>st</sup> Floor, Cuffe Parade, Mumbai-400005.
2006-2007	September 28, 2007 at 9.00 A.M Seminar II, World Trade Centre, Centre One, 31 <sup>st</sup> Floor, Cuffe Parade, Mumbai-400005.
2007-2008	September 25, 2008 at 9.00 A.M Sunflower II, World Trade Centre, Centre One, 30 <sup>th</sup> Floor, Cuffe Parade, Mumbai-400005.

In Annual General Meeting held on September 25, 2008, 3 Special Resolution were passed unanimously by show of hands by shareholders present at the meeting. No Special Resolution was passed through postal ballot last year.

**7. Disclosures**

- The disclosures with regard to transactions with related parties are given in the Schedule -18 Notes to Accounts under Note xii of the audited financial statements for the year ended March 31, 2009. The Audit Committee has reviewed these transactions in compliance with Clause 49 of the Listing Agreement.
- There were no instances of non-compliance, penalties, restrictions imposed on the Company by Stock Exchange, SEBI or any statutory authority on any matter related to capital markets, during the last three years.
- Company does not have Whistle Blower Policy, but however no person is denied access to Audit Committee.
- The Company has complied with mandatory requirement.
- The Company has adopted Non-Mandatory requirement of setting up Remuneration Committee.

**8. Means of communication**

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

**9 General Shareholders Information**

(a) Annual General Meeting:

Date : September 25, 2009  
 Time : 9.00 A.M  
 Venue : Sunflower II, MVIRDC World Trade Centre, Centre One, 30<sup>th</sup> Floor, Cuffe Parade, Mumbai- 400005.

(b) Financial Calendar (April 1, 2009 to March 31, 2010):

First quarter results : End July, 2009  
 Second quarter results : End October, 2009  
 Third quarter results : End January, 2010  
 Fourth quarter and Annual results : End June, 2010  
 Annual General Meeting : End September 2010

(c) Date of Book closure : September 17, 2009 to September 25, 2009 (both days inclusive)

(d) Listing on Stock Exchange and Stock Code:

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

(e) ISIN Number : INE099E01016

(f) Market Price Data :

High/Low price and volume of the Company's shares at BSE during each month in Financial Year 2008-2009 is as follows:

Month	High (Rs.)	Low(Rs.)	Volume (shares)
April-2008	54.95	38.00	90110
May-2008	55.05	41.55	112009
June-2008	48.00	36.05	67772
July-2008	51.55	30.05	112094
August-2008	72.90	56.70	404396
September-2008	61.90	39.20	77919
October-2008	44.95	26.95	50857
November-2008	28.25	18.50	74065
December-2008	27.90	18.65	51327
January-2009	30.90	20.50	60053
February-2009	21.35	15.90	94385
March-2009	20.85	13.00	68818

**(g) 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.

and

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

**(h) Share Transfer System:**

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

**(i) Distribution of Shareholding as on March 31, 2009 is as under:**

No. of shares	No. of Shareholders	%	No. of Shares	%
Upto 500	4045	76.76	951080	7.26
501-1000	526	9.98	399469	3.05
1001-2000	431	8.17	555323	4.24
2001-3000	126	2.39	298309	2.28
3001-4000	32	0.61	110821	0.85
4001-5000	37	0.70	170657	1.30
5001-10000	31	0.59	208101	1.59
10001 and above	42	0.80	10401747	79.43
TOTAL	5270	100	13095507	100.00

**(j) Shareholding Pattern:**

Shareholding pattern as on March 31, 2009

Sr. No.	Category	No. of Shares held	% of Shareholding
1	Indian Promoters	2037400	15.56
2	Foreign Promoters	5641100	43.08
3	Directors and relatives (other than in 1)	200	0.00
4	Financial Institutions i.e LIC	1924250	14.69
5	Nationalised Banks	11650	0.09
6	Private Bodies Corporate	293938	2.24
7	Indian Public	3172211	24.22
8	NRI/OCBs	14758	0.11
	TOTAL	13095507	100.00

**(k) Dematerialization of shares as on March 31, 2009**

Particulars	No. of shares	% to Capital
Dematted		
National Securities Depository Limited	9140255	69.80
Central Depository Securities Limited	2319670	17.71
Physical	1635582	12.49
Total	13095507	100

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

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

**(m) Plant Location:**

Khandelwal Nagar, Dist. Nagpur-441402, Maharashtra.

**(n) Name and Designation of Compliance Officer:**

Ms. Kalpana M. Patel  
Asst. Company Secretary

**(o) Address for correspondence:**

The Asst. Company Secretary  
The Nagpur Power & Industries Limited  
Nirmal, 20<sup>th</sup> Floor, Nariman Point, Mumbai-400021.  
Tel : 022-2202 3055 / 66  
Fax : 022-2204 3162  
Email : npil\_investor@khandelwalindia.com

**(e) 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 2008-2009.

For Nagpur Power & Industries Limited

Gautam P. Khandelwal  
Chairman

Date: June 30, 2009

Place: Mumbai

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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 31<sup>st</sup> March 2009, 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 the 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

M.V.Ghelani  
Proprietor

Date: June 30, 2009

Place: Mumbai

## AUDITORS REPORT

TO THE MEMBERS OF  
NAGPUR POWER & INDUSTRIES LIMITED

1. We have audited the attached Balance Sheet of NAGPUR POWER & INDUSTRIES LIMITED as at March 31, 2009 and the Profit and Loss account and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government vide notification No G.S.R. 480(E) dated June 12, 2003 in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the annexure referred to in paragraph 3 above, we report that:
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - (v) On the basis of written representations received from the directors of the Company, as on 31<sup>st</sup> March, 2009 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, 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - (vi) *Reference is invited to Schedule 18 note (ii) viz. the Company has not accounted for such Stocks of unextracted metal contents in the waste accumulated over the years at its unit at Khandelwal Nagar, Kanhan, Nagpur as in the opinion of the Management the metal content therein and the value thereof is not ascertainable.*
  - (vii) *And subject to the comments in Paragraph 4(vi) above the effect whereof on the accounts is not ascertainable*, In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the accounting policies and other notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
    - (a) in case of the balance sheet, of the state of affairs of the Company as at March 31, 2009
    - (b) in the case of the Profit and loss account, of the profit for the year ended on that date;
    - (c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date

For **M.V. GHELANI & CO.**  
**CHARTERED ACCOUNTANTS****(M. V. GHELANI)**  
**PROPRIETOR**Mumbai  
Date: 30<sup>th</sup> June, 2009

**ANNEXURE TO THE AUDITOR'S REPORT ON THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2009**

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 2009.

- 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) Reference is invited to schedule 4 Fixed Assets note (d) and schedule 18 note (xiv) on the sale of assets forming substantial part of the Ferro Alloys business of the company for a price of Rs. 660 lacs. According to the information and explanations given to us, we are of the opinion that the sale of the said assets 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 Schedule 18 Note (ii) the Company is maintaining proper records of inventory.*  
The discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the size of the operations of the Company and the same have been properly dealt with in books of accounts.
- 3 In respect of loans / advances, secured or unsecured granted or taken by the Company to/ from companies, firm or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:  
(a) During the year, the Company has 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. 4.99 lacs and their outstanding at the year end is Rs. NIL.  
(b) According to the information and explanations given to us, the loan/advance is interest free. In our opinion, other terms and conditions are not prima facie, prejudicial to the interest of the Company.  
(c) According to the information and explanations given to us, there is no overdue amount of loan granted to these Companies listed in the register maintained under section 301 of the companies Act, 1956.
- 4 In our opinion and according to the information and explanations given to us, prima facie there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of audit, we have not observed any weakness in internal controls.
- 5 (a) According to the information and explanations provided by the management to us, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956, have been so entered.  
(b) In our opinion and according to the information and explanations given to us, transactions made in pursuance of any contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding Rs. Five lacs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time where such market prices are available.
- 6 The Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India and the provisions of sections 58A and 58AA of the Act and the rules framed thereunder.
- 7 The Company does not have any Internal Audit System commensurate with size of the Company and nature of its business.
- 8 According to the information and explanations given to us, the maintenance of cost records was not prescribed by the Central Government under section 209(1)(d) of the Act for any of the activities of the Company.
- 9 (a) The Company is generally regular in depositing with appropriate authorities, Provident Fund, ESIC and other undisputed statutory dues including Income Tax, sales Tax, Wealth Tax, Custom Duty, Excise Duty, cess and other material statutory dues applicable to it.

- (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, 2009 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 Bengal Sales tax Act, 1957- Sales tax Case at Calcutta.	Sales tax demand for the various Asst. Years	2.43	Commissioner of Sales Tax (Appeal) Calcutta.
Uttar Pradesh Sales Tax Act, 1957- Sales tax case at Kanpur.	Sales tax demand for the Asst. Year 1980-81	3.33	Commissioner of Sales Tax (Apeal) Kanpur.
Central Excise Act, 1944, Customs Act, 1962 & Finance Act, 1994 Duty case at Nagpur.	Excise Duty	26.58	Commissioner of Customs & Central Exice (Appeals), Nagpur.
Customs Act, 1962	Customs and Advalorem Duty	58.19	Commissioner of Customs (E.P.) and Directorate General of Foreign Trade (DGFT)
	<b>TOTAL Rs.</b>	<b>90.53</b>	

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

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

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

Mumbai  
 Date: 30<sup>th</sup> June, 2009

**BALANCE SHEET AS AT 31ST MARCH, 2009**

	Schedule	Rupees	As at 31st March, 2009 Rupees	As at 31st March, 2008 Rupees
<b>SOURCES OF FUNDS</b>				
<b>Shareholder's Funds</b>				
Capital	1		130,955,070.00	130,955,070.00
Reserves and Surplus	2		388,702,145.81	252,338,212.18
<b>Loan Funds</b>				
Secured Loans	3		1,064,099.85	2,526,960.07
Deferred Tax Liability			224,776.36	125,901.36
<b>TOTAL</b>			<b><u>520,946,092.02</u></b>	<b><u>385,946,143.61</u></b>
<b>APPLICATION OF FUNDS</b>				
<b>Fixed Assets</b>				
Gross Block	4	414,252,495.24		413,623,909.24
Less: Depreciation and Impairment		<u>147,383,875.57</u>		<u>139,089,075.74</u>
		266,868,619.67		
Asset Delivered under Agreement		<u>41,122,600.00</u>		-
<b>Net Block</b>			225,746,019.67	274,534,833.50
<b>Investments</b>	5		368,871,249.41	132,074,388.52
<b>Current Assets, Loans and Advances</b>				
Inventories	6	3,431,470.21		6,484,056.80
Sundry Debtors	7	1,339,830.00		-
Cash & Bank Balances	8	11,824,739.45		22,062,677.76
Other Current Assets, Loans & Advances	9	<u>77,747,731.74</u>		<u>25,365,909.49</u>
		94,343,771.40		53,912,644.05
<b>Less : Current Liabilities &amp; Provisions</b>				
Current Liabilities	10	48,680,470.46		38,036,836.46
Provisions	11	<u>119,334,478.00</u>		<u>36,538,886.00</u>
		168,014,948.46		74,575,722.46
<b>Net Current Assets</b>			(73,671,177.06)	(20,663,078.41)
<b>TOTAL</b>			<b><u>520,946,092.02</u></b>	<b><u>385,946,143.61</u></b>
Significant Accounting Policies and Notes to Accounts	18			

The Schedules and Notes to account referred to above form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our report of even date.

**As per our report of even date annexed**

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

**M. V. Ghelani**  
Proprietor

Mumbai : 30<sup>th</sup> June, 2009

**For and on behalf of the board**

**Gautam P. Khandelwal**  
Chairman

**M. S. Adige**  
Director

Mumbai : 30<sup>th</sup> June, 2009



**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009**

	Schedule	For the Year ended 31st March, 2009 Rupees	For the Year ended 31st March, 2008 Rupees
<b>INCOME</b>			
Sales ( including excise duty)		329,043,177.00	155,063,221.00
Other Income	12	1,818,075.56	3,729,748.73
Increase / (Decrease ) in Stock	13	56,570,215.00	15,948,101.00
Provision no longer required	14	18,225.00	-
<b>TOTAL INCOME</b>	<b>A</b>	<b><u>387,449,692.56</u></b>	<b><u>174,741,070.73</u></b>
<b>EXPENDITURE</b>			
Materials Consumed		58,749,051.24	21,458,518.41
Manufacturing Expenses	15	77,169,624.75	49,362,555.38
Administrative, General and other Expenses	16	27,308,536.13	17,713,102.11
<b>TOTAL EXPENDITURE</b>	<b>B</b>	<b><u>163,227,212.12</u></b>	<b><u>88,534,175.90</u></b>
<b>Profit before Interest and Depreciation</b>	<b>A-B</b>	<b><u>224,222,480.44</u></b>	<b><u>86,206,894.83</u></b>
Interest	17	87,871.98	134,268.72
Depreciation		8,294,799.83	8,866,409.28
<b>Profit/(Loss) before taxation</b>		<b>215,839,808.63</b>	<b>77,206,216.83</b>
<b>Payment &amp; Provision for taxation</b>			
Current Tax		79,100,000.00	30,000,000.00
Fringe Benefit Tax		277,000.00	265,375.00
Deferred Tax		98,875.00	37,045.36
<b>Profit after Taxation</b>		<b><u>136,363,933.63</u></b>	<b><u>46,903,796.47</u></b>
<b>Amount available for Appropriations</b>			
<b>Appropriations :</b>			
Transfer to General Reserve		<u>136,363,933.63</u>	<u>46,903,796.47</u>
Earning Per Share( Basic & Diluted )		10.41	3.58
Significant Accounting Policies and Notes to Accounts	18		

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

**As per our report of even date annexed**

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

**M. V. Ghelani**  
Proprietor

Mumbai : 30<sup>th</sup> June, 2009

**For and on behalf of the board**

**Gautam P. Khandelwal**  
Chairman

**M. S. Adige**  
Director

Mumbai : 30<sup>th</sup> June, 2009

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009**

	As at 31st March, 2009 Rupees	As at 31st March, 2008 Rupees
<b>SCHEDULE 1 - SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
2,00,00,000 Equity Shares of Rs. 10 each	200,000,000.00	200,000,000.00
50,00,000 Unclassified Shares of Rs. 10 each	50,000,000.00	50,000,000.00
	<u>250,000,000.00</u>	<u>250,000,000.00</u>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
1,30,95,507 Equity Shares of Rs.10 each fully paid up.	130,955,070.00	130,955,070.00
<b>TOTAL</b>	<u>130,955,070.00</u>	<u>130,955,070.00</u>

**NOTE:**

Of the above share 1,30,95,500 Equity Shares of Rs. 10 each are allotted as fully paid up for consideration other than cash pursuant to the Scheme of Arrangement sanctioned on 9th July, 1998 by the Honourable High Court of Judicature at Bombay.

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

Balance as per last Balance Sheet	252,338,212.18	205,434,415.71
Add : Transfer from Profit and Loss Account	136,363,933.63	46,903,796.47
	<u>388,702,145.81</u>	<u>252,338,212.18</u>

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

Overdraft Limit	705,389.85	2,449,742.35
(Secured by Term Deposit Receipt of the bank availed this year)		

**From Others :**

(Car loan secured by hypothecation of Vehicles)

Citi Bank	-	24,134.72
ICICI Bank	-	53,083.00
Axis Bank	358,710.00	-
	<u>1,064,099.85</u>	<u>2,526,960.07</u>

## SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

## SCHEDULE - 4 FIXED ASSETS

	GROSS BLOCK				DEPRECIATION			IMPAIRMENT			NET BLOCK
	Opening as on 01.04.2008	Additions	Deduction	Closing as on 31.3.2009	Opening as on 01.04.2008	For the year	Closing as on 31.3.2009	Opening as on 01.04.2008	For the year/ Reversal	Closing as on 31.3.2009	As on 31.3.2009
Land (FreeHold)	181,251,700.00	-	-	181,251,700.00	-	-	-	-	-	-	181,251,700.00
Buildings See Note (d)	46,214,682.34	-	-	46,214,682.34	11,743,320.17	1,237,203.54	12,980,523.71	776,709.33	-	776,709.33	32,457,449.30
Plant & Machinery See Note (d)	169,305,615.48	-	-	169,305,615.48	112,374,523.47	5,903,982.52	118,278,506.00	5,718,057.46	-	5,718,057.46	45,309,052.02
Railway Siding	5,377,765.94	-	-	5,377,765.94	2,248,786.89	255,443.88	2,504,230.77	-	-	-	2,873,535.17
Furniture & Equipment	5,288,079.25	143,064.00	-	5,431,143.25	2,735,191.42	429,287.76	3,164,479.18	604,814.59	-	604,814.59	1,661,849.48
Vehicles	6,186,066.23	485,522.00	-	6,671,588.23	2,319,575.82	468,882.13	2,788,457.95	568,096.59	-	568,096.59	3,315,033.69
	413,623,909.24	628,586.00	-	414,252,495.24	131,421,397.77	8,294,799.83	139,716,197.61	7,667,677.97	-	7,667,677.97	266,868,619.66
Less: Assets Delivered under agreement See Note (d)											41,122,600.00
											<b>225,746,019.66</b>
Previous Year	413,325,178.85	1,101,127.00	802,396.61	413,623,909.24	123,006,209.29	8,866,409.30	131,523,110.13	7,667,677.97	-	7,667,677.97	274,534,833.50

- a) Vehicles include Gross Block Rs. 19,38,454 which are transferred to the company pursuant to the scheme of Arrangement and yet in the process of registration in the company's name .
- b) Refer to schedule 18 Note No.(x) on Impairment of Fixed Assets.
- c) The Depreciation for the year, has been provided on Gross Block net of Impairment losses and accumulated depreciation. Refer to Schedule 18 note (i)(b) on Fixed Assets and Depreciation.
- d) The Net Block of Buildings and Plant & Machinery as on 31st March 2009 of Rs 324.56 and Rs 453.08 lacs respectively includes net block of Rs 62.63 lacs towards Building and Rs 269.37 lacs towards Plant and Machinery which are "Assets held for Disposal " are stated at their net book value which is lower than their net realisable value. Further the dismantling and shifting of these assets is in progress and the value of such assets delivered under agreement till 31st March 2009 valued at Rs 411.22 lacs is shown as " Asset Delivered Under Agreement". Pending completion of Sale, the depreciation on assets held for disposal has been provided for the full year. (Refer also Schedule 18 (xiv)).

	As at 31st March,2009 Rupees	As at 31st March,2008 Rupees
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## SCHEDULE 5 - INVESTMENTS

## A) AT COST - TRADE

Unquoted**In fully paid up Equity Shares in Subsidiary**

Motwane Manufacturing Company Pvt.Ltd.

52,748,830.00

42,824,070.00

89233 Equity Shares (Previous Year : 78233) of Rs. 100

each Of these, 2672 equity shares are yet to be transferred  
in the name of the Company**Total (A)**52,748,830.0042,824,070.00

## B) AT COST - NON TRADE

## (i) LONG TERM

a) Quoted**In Fully Paid-up Equity Shares****ABB Limited**

105,772.81

-

[200 Equity Shares (Previous Year : Nil) of Rs. 2 each]

**ACC Limited**

505,458.13

379,709.00

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

## SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

	As at 31st March, 2009 Rupees	As at 31st March, 2008 Rupees
<b>Axis Bank Ltd.</b> [1300 Equity Shares (Previous Year : Nil) of Rs. 10 each]	537,199.03	-
<b>Bharti Airtel Ltd.</b> [350 Equity Shares (Previous Year : Nil) of Rs. 10 each]	230,765.27	-
<b>Crompton Greaves Ltd.</b> [500 Equity Shares (Previous Year : Nil) of Rs. 2 each]	73,861.90	-
<b>Grasim Industries Ltd.</b> [200 Equity Shares (Previous Year : Nil) of Rs. 10 each]	206,121.14	-
<b>HDFC</b> [400 Equity Shares (Previous Year : Nil) of Rs. 10 each]	640,575.57	-
<b>HDFC Bank Ltd.</b> [300 Equity Shares (Previous Year : Nil) of Rs. 10 each]	280,151.52	-
<b>Hindalco Industries</b> [5500 Equity Shares (Previous Year : Nil) of Re. 1 each]	266,199.51	-
<b>Indian Hotel Co. Ltd.</b> [18940 Equity Shares (Previous Year : 2700) of Re. 1 each]	991,289.76	305,756.00
<b>ITC Limited</b> [1000 Equity Shares (Previous Year : 1000) of Re. 1 each]	188,730.00	188,730.00
<b>Josts Engg.</b> [ 50 Equity Shares (Previous Year : Nil) of Rs. 10 each]	14,703.64	-
<b>Kotak Mahindra Bank Ltd.</b> [1800 Equity Shares (Previous Year : Nil) of Rs. 10 each]	697,928.38	-
<b>Larsen &amp; Toubro Ltd.</b> [800 Equity Shares (Previous Year : Nil) of Rs. 2 each]	659,134.46	-
<b>Mahindra &amp; Mahindra Ltd.</b> [2800 Equity Shares (Previous Year : 1000) of Rs. 10 each]	1,158,118.17	655,965.00
<b>Mahindra Financial Services Ltd.</b> [233 Equity Shares (Previous Year : 233) of Rs. 10 each]	46,600.00	46,600.00
<b>Marico Limited</b> [3500 Equity Shares (Previous Year : 3500) of Re. 1 each]	193,447.00	193,447.00
<b>NTPC Limited</b> [1700 Equity Shares (Previous Year : 1100) of Rs. 10 each]	300,045.22	209,530.00
<b>Petronet LNG Ltd.</b> [7000 Equity Shares (Previous Year : Nil) of Rs. 10 each]	281,512.16	-
<b>Pidilite Industries Ltd.</b> [2000 Equity Shares (Previous Year : Nil) of Re. 1 each]	191,884.41	-
<b>Power Grid Corp. Ltd.</b> [4500 Equity Shares (Previous Year : 2500) of Rs. 10 each]	351,076.36	209,832.00
<b>Reliance Communications Ltd.</b> [850 Equity Shares (Previous Year : 350) of Rs. 5 each]	307,542.59	189,205.00
<b>Reliance Ind. Ltd.</b> [550 Equity Shares (Previous Year : Nil) of Rs. 10 each]	748,474.60	-
<b>Satyam Computer</b> [1200 Equity Shares (Previous Year : Nil) of Rs. 2 each]	202,988.91	-

## SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009

	As at 31st March, 2009 Rupees	As at 31st March, 2008 Rupees
<b>State Bank of India</b> [1200 Equity Shares (Previous Year : 120) of Rs. 10 each]	1,461,534.16	241,682.00
<b>Tata Chemicals Ltd.</b> [1250 Equity Shares (Previous Year : Nil) of Rs. 10 each]	212,238.06	-
<b>Tata Consultancy Service Ltd.</b> [1100 Equity Shares (Previous Year : 500) of Re. 1 each]	697,479.75	386,521.00
<b>Tata Motors Limited</b> [3300 Equity Shares (Previous Year : 1520) of Rs. 10 each]	1,299,957.42	814,207.52
<b>Tata Power Co. Ltd.</b> [ 200 Equity Shares (Previous Year : Nil) of Rs. 10 each]	169,076.29	-
<b>Tata Steel Ltd.</b> [3750 Equity Shares (Previous Year : 600) of Rs. 10 each]	1,079,152.87	343,794.00
<b>Unitech</b> [4800 Equity Shares (Previous Year : Nil) of Rs. 2 each]	327,045.03	-
<b>United Phosphorous Ltd.</b> [1000 Equity Shares (Previous Year : Nil) of Rs. 2 each]	96,355.29	-
<b>Sub Total (B) (i) (a)</b>	<u>14,522,419.41</u>	<u>4,164,978.52</u>
<b>b) Unquoted In Mutual Funds</b>		
<b><i>In units of Reliance Mutual Fund</i></b> [5,00,000 Units (Previous Year : 5,00,000 ) of Reliance Equity Fund - Dividend Plan ]	5,000,000.00	5,000,000.00
<b>Sub Total (B) (i) (b)</b>	<u>5,000,000.00</u>	<u>5,000,000.00</u>
<b>Total (B) (i)</b>	19,522,419.41	9,164,978.52
<b>(ii) CURRENT Unquoted In Mutual Funds</b>		
<b><i>In units of SBI Mutual Fund</i></b> [2,30,15,394.56 Units (Previous Year : 66,54,955 Units) of Magnum Institutional Income Fund Saving Growth] [ Nil Units (Previous Year : 23,07,467) redeemed during the year]	296,600,000.00	80,085,340.00
<b>Sub Total (B) (ii)</b>	<u>296,600,000.00</u>	<u>80,085,340.00</u>
<b>Total (B) (i+ ii)</b>	<u>316,122,419.41</u>	<u>89,250,318.52</u>
<b>GRAND TOTAL (A+B)</b>	<u>368,871,249.41</u>	<u>132,074,388.52</u>
Aggregate Cost of Company's quoted Investments	14,522,419.41	4,164,978.52
Aggregate market value of Company's quoted Investments	12,131,940.00	4,304,002.00
Aggregate Cost of Company's unquoted Investments	354,348,830.00	127,909,410.00

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009**

	As at 31st March, 2009 Rupees	As at 31st March, 2008 Rupees
<b>SCHEDULE 6 - INVENTORIES</b>		
(As Taken, Valued and Certified by Management)		
[Refer Schedule 18 - Note (i)(d) and (ii)]		
Raw Materials	628,306.41	3,218,508.13
Finished Goods	35,227.00	513,568.00
By-Products / Waste Products	426,674.00	138,118.00
Stores & Spares	2,341,262.80	2,613,862.67
[Valued at Cost except the obsolete/non useable stores written off for obsolescence Rs.4,32,098.87 (previous year :Rs. Nil) and includes fuel oil]		
	<u>3,431,470.21</u>	<u>6,484,056.80</u>
<b>SCHEDULE 7 - SUNDRY DEBTORS</b>		
<b>Unsecured -</b>		
<b>Considered Good -</b>		
Debts outstanding for a period exceeding six months	-	-
Others	1,339,830.00	-
	<u>1,339,830.00</u>	<u>-</u>
<b>Considered doubtful</b>		
Debts outstanding for a period exceeding six months	-	-
Less : Provision for Doubtful Debts	-	-
<b>Total</b>	<u>1,339,830.00</u>	<u>-</u>
<b>SCHEDULE 8 - CASH AND BANK BALANCES</b>		
Cash and Cheques on Hand	215,215.45	195,820.85
Balances with Schedule Banks		
- In Current Accounts	6,498,723.00	16,866,856.91
- In Fixed Deposits	5,110,801.00	5,000,000.00
<b>Total</b>	<u>11,824,739.45</u>	<u>22,062,677.76</u>
<b>SCHEDULE 9 - OTHER CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>Unsecured, Considered good</b>		
Deposits	877,464.50	877,464.50
Advance Income Tax	69,960,002.00	19,758,735.00
Advance Sales Tax	0.00	10,000.00
Advances to Suppliers of goods and services	4,121,632.73	4,301,057.49
Advances recoverable in cash or in kind or for value to be received including :	2,788,632.51	418,652.50
a. Rs.14,27,577 (previous year: Rs.3,800) due from the directors of the company - maximum amount due during the year Rs. 14,27,577 (Previous year :Rs 3,800)		
b. Rs. NIL (Previous year : Rs.NIL) due from the companies under same management - maximum amount due during the year Rs.NIL (Previous year : Rs. 13,12,343) [Refer Schedule 18 - Note xi - (iii)]		
<b>Total</b>	<u>77,747,731.74</u>	<u>25,365,909.49</u>

**SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2009**

	As at 31st March, 2009 Rupees	As at 31st March, 2008 Rupees
<b>SCHEDULE 10 - LIABILITIES</b>		
<b>Sundry Creditors</b>		
(i) Dues to small scale industrial undertaking (Refer Schedule 18 Note (v))	-	-
(ii) Others	2,294,842.46	5,566,484.46
Taxes Payable	286,926.00	199,363.00
Security Deposits	268,235.00	267,535.00
Advance from customers	39,167,437.00	26,839,895.00
Others Liabilities	6,663,030.00	5,163,559.00
<b>Total Liabilities</b>	<b><u>48,680,470.46</u></b>	<b><u>38,036,836.46</u></b>
<b>SCHEDULE 11 - PROVISIONS</b>		
Provision for Income / Fringe Benefit Tax	114,069,588.00	34,692,588.00
Provision for Leave Salary and Bonus	756,823.00	659,640.00
Other Provisions	4,508,067.00	1,186,658.00
<b>Total</b>	<b><u>119,334,478.00</u></b>	<b><u>36,538,886.00</u></b>

**SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009**

	For the Year Ended 31st March, 2009 Rupees	For the Year Ended 31st March, 2008 Rupees
<b>SCHEDULE 12 - OTHER INCOME</b>		
Interest (Gross)		
[Tax deducted at source Rs 95,366 (previous year : Rs. 26,638 ) ]	557,052.00	207,092.00
Dividend Received	85,407.00	6,652.00
Profit on Sale of Mutual Fund Units	0.00	2,585,340.00
Rent Received	4,500.00	5,500.00
Sale of Scrap	0.00	910,838.00
Credit Balance written back	807,075.72	-
Miscellaneous Income	364,040.84	14,326.73
<b>Total</b>	<b><u>1,818,075.56</u></b>	<b><u>3,729,748.73</u></b>

## SCHEDULES FORMING PART OF THE PROFIT &amp; LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	For the Year Ended 31st March, 2009 Rupees	For the Year Ended 31st March, 2008 Rupees
<b>SCHEDULE 13 - INCREASE / (DECREASE) IN STOCK</b>		
<b>A. CLOSING STOCKS</b>		
FINISHED GOODS	35,227.00	513,568.00
BY PRODUCTS / WASTE PRODUCTS	426,674.00	138,118.00
<b>Sub Total ( A )</b>	<u>461,901.00</u>	<u>651,686.00</u>
<b>B. STOCKS ASCERTAINED AND AND ACCOUNTED DURING THE YEAR [Refer Schedule 18 - Note. 18(ii) ]</b>		
<b>Sub Total ( B )</b>	<u>56,760,000.00</u>	<u>17,925,000.00</u>
<b>C. Sub Total ( A+B )</b>		
	<u>57,221,901.00</u>	<u>18,576,686.00</u>
<b>D. OPENING STOCKS</b>		
Finished Goods	513,568.00	2,349,736.00
By Products / Waste Products	138,118.00	278,849.00
<b>Sub Total ( D )</b>	<u>651,686.00</u>	<u>2,628,585.00</u>
<b>INCREASE / (DECREASE) ( C - D )</b>	<u><b>56,570,215.00</b></u>	<u><b>15,948,101.00</b></u>
<b>SCHEDULE 14 - PROVISION WRITTEN BACK AS NO LONGER REQUIRED</b>		
Provision written back as no longer required	18,225.00	0.00
	<u>18,225.00</u>	<u>-</u>
<b>SCHEDULE 15 - MANUFACTURING EXPENSES</b>		
Salaries, Wages & Bonus	8,880,322.25	8,475,163.88
Contribution to Provident, ESIC, Gratuity, Pension & Other Funds	1,115,833.00	1,040,246.00
<b>Sub Total</b>	<u><b>9,996,155.25</b></u>	<u><b>9,515,409.88</b></u>
Power and Fuel	2,024,773.00	2,566,154.00
Light and Water	287,888.00	284,704.00
<b>Repairs</b>		
Plant & Machinery	754,875.00	510,013.00
Buildings	6,320,303.00	3,255,657.00
Others	1,598,757.00	1,146,777.00
<b>Sub Total</b>	<u>8,673,935.00</u>	<u>4,912,447.00</u>
Freight and Handling	12,603,595.00	9,443,135.00
<b>Taxes</b>		
Sales Tax & other taxes	2,795,198.00	1,795,690.00
Excise duty paid	40,424,949.00	20,551,495.00
<b>Sub Total</b>	<u>43,220,147.00</u>	<u>22,347,185.00</u>
<b>Rent, Rates Taxes &amp; Insurance</b>		
Rent Charges	216,024.00	202,005.75
Insurance	147,107.50	91,514.75
<b>Sub Total</b>	<u>363,131.50</u>	<u>293,520.50</u>
<b>Total</b>	<u><b>77,169,624.75</b></u>	<u><b>49,362,555.38</b></u>



## SCHEDULES FORMING PART OF THE PROFIT &amp; LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	For the Year Ended 31st March, 2009 Rupees	For the Year Ended 31st March, 2008 Rupees
<b>SCHEDULE 16 - ADMINISTRATIVE, GENERAL AND OTHER EXPENSES</b>		
Conveyance	168,474.00	151,062.00
Travelling Expenses [Includes Director's Rs. 37,00,291 (previous year Rs.20,21,000.68) ]	5,045,403.64	3,189,267.23
Directors Remuneration		
- Salaries & Commission	9,037,876.00	3,844,621.00
Auditor's Remuneration	193,511.00	172,500.00
Commission on Femn Slag	-	24,720.00
Postage Telegram & Telephone	917,428.09	877,501.82
Printing & Stationery	207,215.15	204,370.50
Legal & Consultancy Charges	5,193,685.00	4,459,559.00
Security Expenses	277,241.00	275,689.00
Service charges	726,767.00	638,808.00
Bank charges	63,474.48	100,661.86
Donation	60,000.00	-
Advertisement & Publicity	215,362.00	88,437.00
Upkeep of Heavy Vehicles	1,545,146.00	1,571,406.00
Upkeep of Motor Car	985,187.00	803,030.93
Obsolete/Non usable Stores W/off	432,098.87	-
Raw Material written off	601,150.48	-
Bad Debts written off	-	117,945.00
Advance written off	734,375.00	-
Miscellaneous Expenditures	904,141.42	1,193,522.77
<b>TOTAL OF ADMINISTRATION, GENERAL AND OTHER EXPENSES</b>	<b><u>27,308,536.13</u></b>	<b><u>17,713,102.11</u></b>
<b>SCHEDULE 17 - INTEREST CHARGES</b>		
To Bank	87,871.98	134,268.72
<b>Total</b>	<b><u>87,871.98</u></b>	<b><u>134,268.72</u></b>

**SCHEDULE 18 - Notes forming part of the Accounts**

- i) Major Accounting Policies:
- a) Basis for preparation of Financial Statements:  
The financial statements are prepared under the historical cost convention on the accrual basis of accounting and in accordance with the accounting principles generally accepted in India and the provisions of the Companies Act, 1956 as adopted consistently by the Company.
- b) Fixed Assets and Depreciation:  
Fixed assets are stated at Cost less impairment losses, accumulated depreciation except freehold land, which is stated at cost. Consequent to the recognition of impairment loss depreciation for the year on assets impaired has been provided on the basis of revised balance useful life of these assets and on the straight-line method. Depreciation is provided on Straight Line Method and at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 on all other assets except office equipments, furnaces and pollution control equipment. The 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
- c) Investments:  
Investments are classified into long term and current investments. Long Term investments are stated at cost. Current investments are stated at lower of cost or market values. When disposing of a part of the holding of an individual investment, the carrying amount of cost allocated to the part that is disposed is determined on the basis of the average carrying amount of the total holding of the investment.
- d) Inventories:  
Inventories of raw materials are stated at lower of cost or net realizable value. Work in process is stated at cost. Stores, spares & tools are stated at cost except the obsolete/non usable stores, which are written off for obsolescence. Finished goods and by-products/waste products are stated at lower of cost or net realisable value and by-products / waste products where cost cannot be determined are stated at net realisable value. The reusable waste, which is not ascertainable, is not accounted (Refer Note ii).
- e) Sundry Debtors and Loans and Advances:  
Sundry Debtors and Loans and Advances are stated after making adequate provisions for doubtful balances.
- f) Revenue Recognition:  
Revenue is recognised when no significant uncertainty as to determination or realisation exists.
- g) Retirement and other employee benefit:
- i) The Company contributes towards Provident Fund & Family Pension Fund which are defined contribution schemes. Liability in respect thereof is determined on the basis of contribution as required under the statute/rules.
- ii) The Company contributes to defined benefit schemes for Gratuity. The liability for Gratuity and leave encashment is determined on the basis of actuarial valuations made at the year end.
- h) Foreign Exchange Transactions:  
Transactions denominated in foreign currency are accounted at the exchange rates prevailing at the date of the transaction. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the Profit and Loss Account. Exchange differences relating to fixed assets are adjusted in the cost of the asset. Premium in respect of forward contracts is accounted over the period of the contract.
- i) Taxation:  
Income tax expense comprises of current tax, deferred tax charge or credit and fringe benefit tax. The deferred tax charge or credit is recognised using current tax rates. Where there is an unabsorbed depreciation or carry forward loss, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future. Deferred tax assets/liabilities are reviewed as at each Balance Sheet date based on developments during the year and available case laws, to reassess realisation/liabilities.
- j) Contingent Liability:  
Contingent liabilities are usually not provided for unless it is probable that the future outcome may be materially detrimental to the Company.
- ii) Company's Ferro Alloys unit generated waste during the process of manufacture, which has accumulated over the years in and around the main plant. The waste is reusable for extracting metal content therein. Company has

set up a Metal Recovery Plant for the purpose. During the year, company has accounted for stock of unextracted metal contents valuing Rs 5,67,60,000 (Previous Year Rs. 1,79,25,000/-) out of this accumulated waste based on the valuation report of the Consultant Metallurgist obtained during the year. The technical consultants have advised the Company that the balance of this accumulated waste in terms of its quality, metal content and realizable value cannot be yet reasonably ascertained. Company has therefore not been in a position to account for stock of this balance accumulated waste.

iii) **DEFINED BENEFIT PLANS:**

As per Actuarial valuation as on 31<sup>st</sup> March, 2009 and recognised in the financial statements in respect of Employee Benefit schemes:

	Gratuity (in Rupees)
1. Components of Employer Expenses:	
a) Interest Cost from 01.04.08 to 31.03.09	2,96,174
b) Service Cost from 01.04.08 to 31.03.09	2,72,624
c) Actual return on Plan Assets	3,79,604
d) Curtailment Cost / Credit	-
e) Settlement Cost / Credit	-
f) Past Service Cost	-
g) Actuarial (Gain) / Loss	-
h) (Gain) / Loss recognised upto 31.03.09	2,25,580
i) Net loss provided as expense in P&L Account	4,14,774
2. Net Asset / (Liability) recognised in Balance Sheet as at 31 <sup>st</sup> March 2009	
a) Present value of Obligation as at 31.03.09	46,10,396
b) Fair value of Plan Assets as at 31.03.09	39,79,762
c) Un-funded liability recognised in the Balance sheet	6,30,634
3. Changes in benefit obligation during the year ended 31 <sup>st</sup> March 2009	
a) Actuarial value of Projected Benefit Obligations (PBO) as at 31.03.08	39,48,990
b) Service Cost from 01.04.2008 to 31.03.2009	2,72,624
c) Interest Cost from 01.04.2008 to 31.03.2009	2,96,174
d) Curtailment Cost / (Credit)	-
e) Settlement Cost / (Credit)	-
f) Plan Amendments	-
g) Acquisitions	-
h) Actuarial (Gain) / Loss on obligations	2,25,580
l) Benefits Paid from 01.04.2008 to 31.03.2009	1,32,972
j) PBO as at 31.03.09	46,10,396
4. Change in the fair value of Plan Assets	
a) Fair value of plan Assets as at 01.04.08	35,22,573
b) Actual return on plan Assets	3,79,604
c) Actuarial Gain / (Loss)	-
d) Actual Company Contribution	-
e) Benefit Paid	1,32,972
f) Plan Assets as at 31.03.09	39,79,762
5. Actuarial Assumptions:	
a) Rate of Discounting (p.a.)	7.5%
b) Rate of Increase in Compensation level (p.a.)	5%
c) Rate of Return on Plan Assets (p.a.)	10.78%

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

iv) Contingent Liabilities not provided for:

	As at 31-03-2009 Rupees	As at 31-03-2008 Rupees
a) Claims against the Company not acknowledged as debts ( Documents related to claim of Rs. 1.51 lacs are currently not available with the company)	108,54,857	146,39,863

b)	Sales Tax Demand not provided for pending outcome of appeal	5,76,236	5,76,236
c)	Excise Demand not provided for pending outcome of appeal	26,57,798	26,57,798
d)	Customs duty Demand not provided for pending outcome of appeal	58,18,808	58,18,808
e)	Others (Related documents are currently not available with the company)	51,500	51,500

**Note:**

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

v) In Schedule 10 "Liabilities"

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

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

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

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

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

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

xi) Related Party disclosures as required under Accounting Standard on - AS18 issued by the Institute of Chartered Accountants of India, are given below:

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

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

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

1	Enterprises owned or significantly influenced by any management personnel or their relatives	
	Informed Technologies India Limited	
	Advance Received/Advance Repaid	Rs. 21,26,766 / 21,26,766
2	Key Management Personnel	Remuneration (in Rupees)
a)	Mr. Gautam P. Khandelwal	Rs.90,37,876
b)	Mr. S. B. Kanbargi	Rs. 5,28,600
c)	Mr. S.M. Hede	Rs.14,85,360

(III) **Balances Outstanding as at 31st March, 2009**

	Maximum outstanding Balance (Rs.)	Receivables (Rs.)	Payables (Rs.)
1	<b>Related parties where control exists</b>		
a)	Meteor Metals & Ores Limited	NIL	NIL
		(6,00,000)	(NIL)
b)	Informed Technologies India Limited	4,98,665*	NIL
		(1,48,287)	(NIL)

c)	Khandelwals Limited	NIL	NIL	NIL
	* <i>Credit Balance</i>	(5,64,056)*	(NIL)	(NIL)
2	Key Management Personnel			
	Mr. Gautam Khandelwal	14,27,577	14,27,577	NIL
		(5,40,00)	(NIL)	(NIL)

**3 Relatives of Key Management Personnel\*** \*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.

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

xii) Earnings Per Share:

		For the year ended 31 <sup>st</sup> March, 2009	For the year ended 31 <sup>st</sup> March, 2008
Profit (Loss) for the year (Rs.)	(A)	13,63,63,933	46,903,796
Number of Equity Shares Outstanding	(B)	130,95,507	130,95,507
Earnings per share of Rs 10 each	(A/B)	10.41	3.58

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

a) Managerial Remuneration:  
[To the Executive Chairman]

	For the year ended 31 <sup>st</sup> March, 2009	For the year ended 31 <sup>st</sup> March, 2008
	Rupees	Rupees
Salaries & Allowances (excluding provision for Leave Salary)	22,20,000	22,20,000
Commission	67,46,958	15,70,395
Contribution to Provident & Gratuity Fund	70,918	54,226
Perquisites Reckoned under Income Tax Rules	-	27,698
<b>Total</b>	<b>90,37,876</b>	<b>38,72,319</b>

Computation of net profits in accordance with sec. 198 Companies Act, 1956:

Profit Before Tax	215,839,809	7,72,06,217
Add: Depreciation charged in the accounts	82,94,800	88,66,409
Directors Remuneration	90,37,876	38,72,319
Loss on sale of Investments	6664	—
Less: Depreciation charged as per Section 350	82,80,623	88,39,840
Capital gain on SBI units	—	25,85,340
<b>Net Profit for Section 198</b>	<b>22,48,98,526</b>	<b>785,19,765</b>
Maximum commission payable to Executive Director (Chairman) @ 3% of Net profit under section 198 (Previous Year 2%)	67,46,958	15,70,395
Payable for the year (not exceeding the overall limit)	67,46,958	15,70,395

b) Auditor's Remuneration  
(including Service Tax)

	For the year ended 31 <sup>st</sup> March, 2009	For the year ended 31 <sup>st</sup> March, 2008
	Rupees	Rupees
Audit Fees	1,10,300	1,00,000
Taxation matters including tax audit	55,150	50,000
Certification Work	28,061	17,000
Out of Pocket expenses	-	5,500
<b>TOTAL</b>	<b>1,93,511</b>	<b>1,72,500</b>

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

Products	Unit	Installed Capacity	(All Quantity in MT)	
			Actual Production	
			For the year ended 31 <sup>st</sup> March, 2009	For the year ended 31 <sup>st</sup> March, 2008
Ferro Manganese	MT	47750	—	25
	OR			
Silico Manganese	MT	30000	17	41
Value added Ferro Alloys	MT	6000	—	—
Ferro Manganese Slag (High MnO)**	MT	N.A.**	—	—
Ferro Manganese Slag (Low MnO)**	MT	N.A.**	45500	51150

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

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

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

d) Sales:

	For the year ended 31 <sup>st</sup> March, 2009		For the year ended 31 <sup>st</sup> March, 2008	
	Quantity MT	Value Rupees	Quantity MT	Value Rupees
	Ferro Manganese	10	8,67,303	48
Silico Manganese	17	3,89,028	95	32,45,716
Ferro Manganese Slag (Low MnO)	45346	32,64,39,741	51422	14,16,28,636
Manganese Ore	—	—	846	69,39,985
Others	—	13,47,105	—	9,33,843
<b>Total</b>		<b>32,90,43,177</b>		<b>15,50,63,221</b>

e) Opening Stock

	For the year ended 31 <sup>st</sup> March, 2009		For the year ended 31 <sup>st</sup> March, 2008	
	Quantity (MT)	Value Rupees	Quantity (MT)	Value Rupees
	Ferro Manganese	11	5,05,513	33
Silico Manganese	—	8,055	54	12,65,794
Ferro Manganese Slag (High MnO)	261	1,32,391	261	1,34,589
Ferro Manganese Slag (Low MnO)	8	5,397	279	1,43,924
Silico Manganese Slag	3	330	3	336
<b>Total</b>		<b>6,51,686</b>		<b>26,28,585</b>

f) Closing Stock

	For the year ended 31 <sup>st</sup> March, 2009		For the year ended 31 <sup>st</sup> March, 2008	
	Quantity (MT)	Value	Quantity (MT)	Value
	Ferro Manganese	1	30,031	11
Silico Manganese	-	5,196	-	8,055
Ferro Manganese Slag (High MnO)	261	1,25,240	261	1,32,391
Ferro Manganese Slag (Low MnO)	162	3,01,121	8	5,397
Silico Manganese Slag	3	313	3	330
<b>Total</b>		<b>4,61,901</b>		<b>6,51,686</b>

Refer note 18 (ii)

g) Raw Material Consumed:

	For the year ended 31 <sup>st</sup> March, 2009		For the year ended 31 <sup>st</sup> March, 2008	
	Quantity (MT)	Value	Quantity (MT)	Value
Coke/Manganese Ore	199	20,74,651	846	34,40,268
Slag RM	47273	5,66,74,400	72,073	1,80,18,250
<b>Total</b>		<b>5,87,49,051</b>		<b>2,14,58,518</b>

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

	For the year ended 31 <sup>st</sup> March, 2009		For the year ended 31 <sup>st</sup> March, 2008	
	Rupees	%	Rupees	%
Raw Materials :				
Indigenous	5,93,50,201	100	2,14,58,518	100
Imported	—	—	—	—
<b>Total</b>	<b>5,93,50,201</b>	<b>100</b>	<b>2,14,58,518</b>	<b>100</b>

	For the year ended 31 <sup>st</sup> March, 2009	For the year ended 31 <sup>st</sup> March, 2008
Value of all Imports Calculated on CIF Basis:	Nil	Nil

h) Expenditure in Foreign Currency:

	For the year ended 31 <sup>st</sup> March, 2009	For the year ended 31 <sup>st</sup> March, 2008
	Rupees	Rupees
Consultation fees	20,59,785	22,88,355
Travelling	28,09,231	15,38,268
<b>Total</b>	<b>48,69,016</b>	<b>38,26,623</b>

i) Earnings in Foreign Exchange:

	For the year ended 31 <sup>st</sup> March, 2009	For the year ended 31 <sup>st</sup> March, 2008
F.O.B. Value of Goods exported	Nil	Nil

xiv) The company has entered into an Agreement for Sale of Continuous process Plant- 9 MVA Furnace (2 nos), 2 MVA Furnace (1 nos) and related pollution control equipment (1 Nos) along with Shed and Accessories forming substantial part of the Ferro Alloy business of the company for a sum of Rs 660 lacs plus duties and taxes (referred to as 'Agreement') and advance for the same has been received.

During the year, the Company has delivered certain items of Plant & Machinery and Building valuing Rs. 411.22 lacs (out of the assets held for disposal valuing Rs. 660 lacs) and these are shown separately as 'Assets Delivered Under Agreement'. The ownership of the said assets remain vested with the company until the full price is paid and the title to the said assets will pass to the Purchaser only after the payment of the price and other moneys payable hereunder to the Company in full and shifting of the assets from the factory premises of the Company. The dismantling and shifting of the balance assets will be nearly complete during the financial year 2009 -2010 (after the balance sheet date) and hence in terms of the agreement the completion of sale and the accounting thereof shall be forming part of the financial statement for the year ending 31-03-2010. These assets have not been in use for over past four years as it was found economically unviable and the company has been operating the Metal Recovery Plant. Hence the sale of these assets forming substantial part of the Ferro Alloys business has not affected continuing of the company as a going concern.

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

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

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

M. V. Ghelani  
Proprietor

Mumbai : 30<sup>th</sup> June, 2009

**For and on behalf of the Board**  
**Gautam P. Khandelwal**  
**Chairman**

M. S. Adige  
Director

Mumbai : 30<sup>th</sup> June, 2009

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

	Amount in Rupees	
	For the year ended 31st March,2009	For the year ended 31st March,2008
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net Profit (loss) before tax paid, prior period items & extra ord. Items	215,839,808.63	77,206,216.83
<b>Adjustment for :</b>		
Depreciation - Current Year	8,294,799.83	8,866,409.28
Loss on sale of Fixed Assets	0.00	161,175.81
Interest Expenses	87,871.98	134,268.72
Profit on sale of Mutual Funds	0.00	-2,585,340.00
Dividend Received	-85,407.00	-6,652.00
Loss on sale of shares	6,664.44	0.00
Sundry Balances written back	-807,075.72	0.00
Balance written off	1,767,624.35	0.00
Interest Income	-529,888.00	-207,092.00
	<u>8,734,589.88</u>	<u>6,362,769.81</u>
<b>Operating profit before working capital change</b>	<b>224,574,398.51</b>	<b>83,568,986.64</b>
<b>Adjustment for :</b>		
Inventories	2,019,337.24	5,366,695.41
Trade Receivables	-1,339,830.00	27,513.00
Other Current Assets , Loans and Advances	-2,843,466.25	-16,835,436.59
Deferred Tax Liability	98,875.00	37,045.36
Trade Payables, Other Liabilities and Provisions	14,794,561.44	36,832,660.07
<b>Net of Change in Working Capital</b>	<b>12,729,477.43</b>	<b>25,428,477.25</b>
<b>Cash generated from Operation</b>	<b>237,303,875.94</b>	<b>108,997,463.89</b>
Cash Flow before prior period adjustments & extraordinary items	237,303,875.94	108,997,463.89
Prior Period adjustment	0.00	0.00
Income tax paid	-50,272,731.00	-16,019,727.00
<b>Net cash flow from Operating Activities "A"</b>	<b>187,031,144.94</b>	<b>92,977,736.89</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	-628,586.00	-1,101,127.00
Fixed Assets Delivered under Agreement	41,122,600.00	0.00
Proceeds from sale of Fixed Assets	0.00	190,000.00
Investment in Mutual Fund / Shares ( Net )	-236,796,860.89	-73,327,788.52
Profit on sale of Mutual Funds	0.00	2,585,340.00
Dividend Received	85,407.00	6,652.00
Loss on sale of shares	-6,664.44	0.00
Interest Income	529,888.00	207,092.00
<b>Net cash from Investing Activities "B"</b>	<b>-195,694,216.33</b>	<b>-71,439,831.52</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayments of Secured Loan (Net)	-1,486,994.94	328,845.15
Interest expense	-87,871.98	-134,269.72
<b>Net Cash provided by / (used in) Financing Activities "C"</b>	<b>-1,574,866.92</b>	<b>194,575.43</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>-10,237,938.31</b>	<b>21,732,480.80</b>
<b>Cash and Cash Equivalent at the beginning of the period</b>	<b>22,062,677.76</b>	<b>330,196.96</b>
<b>Cash and Cash Equivalent at the end of the period</b>	<b>11,824,739.45</b>	<b>22,062,677.76</b>

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

**M. V. Ghelani**  
Proprietor

Mumbai : 30<sup>th</sup> June, 2009

For and on behalf of the Board  
**Gautam P. Khandelwal** Chairman

**M. S. Adige** Director

Mumbai : 30<sup>th</sup> June, 2009

## 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, 2009. 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

**M.V. Ghelani**  
Proprietor  
Mumbai : 30<sup>th</sup> June, 2009



**Balance Sheet Abstract and Company's General Business Profile**
**I Registration Details**

Registration No.	1	0	4	3	6	1
State Code					1	1
Balance Sheet Date	3	1	0	3	0	9

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

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

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

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

**IV Performance of Company (Amount in Rs.Thousands)**

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

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

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

 For **M.V. Ghelani & Co.**  
**Chartered Accountants**
**M. V. Ghelani**  
 Proprietor

 Mumbai : 30<sup>th</sup> June, 2009

**For and on behalf of the Board**  
**Gautam P. Khandelwal** Chairman

**M. S. Adige** Director

 Mumbai : 30<sup>th</sup> June, 2009

**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	31/03/2009	89233	50.41%	15,40,611	Nil

**For and on behalf of the Board**
**Gautam P. Khandelwal**  
**Chairman**

Mumbai: 30th June, 2009

**TO THE BOARD OF DIRECTORS OF  
NAGPUR POWER & INDUSTRIES LIMITED****REPORT OF THE AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS**

We have audited the attached Consolidated Balance Sheet of Nagpur Power & Industries Limited ("the Company") and its subsidiary The Motwane MFG. Co. Pvt. Ltd. (collectively referred to as "the Group"), as at 31<sup>st</sup> March, 2009 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.

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.

We did not audit financial statements of the subsidiary company, namely, The Motwane MFG. Co. Pvt. Ltd. whose financial statements reflect total assets of Rs. 1,042.09 lacs as at 31<sup>st</sup> March 2009 and total revenues of Rs. 1372.67 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.

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.

Based on our audit and on consideration of separate audit reports on 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 31<sup>st</sup> March, 2009;
- b) In the case of the Consolidated Profit and Loss Account, of the consolidated profit of the Group for the year ended on that date; and
- c) No Consolidated Cash Flow Statement of the Group has been prepared, since this is the first accounting year of presentation of consolidated accounts.

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

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

Place : Mumbai

Dated : 30<sup>th</sup> June 2009

**CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2009**

	Schedule	As at 31st March, 2009 Rupees
<b>SOURCES OF FUNDS</b>		
<b>Shareholder's Funds</b>		
Capital	1	130,955,070.00
Reserves and Surplus	2	408,392,738.70
<b>MINORITY INTEREST</b>		29,959,214.46
<b>Loan Funds</b>		
Secured Loans	3	43,194,193.85
Unsecured Loans	4	1,662,000.00
Deferred Tax Liability		224,776.36
<b>TOTAL</b>		<b><u>614,387,993.37</u></b>
<b>APPLICATION OF FUNDS</b>		
<b>Fixed Assets</b>		
Gross Block	5	526,447,323.59
Less: Depreciation and Impairment		178,894,747.57
		<u>347,552,576.02</u>
Asset Delivered under Agreement		41,122,600.00
<b>Net Block</b>		<b><u>306,429,976.02</u></b>
<b>Investments</b>	6	333,095,727.41
<b>Current Assets, Loans and Advances</b>		
Inventories	7	29,007,885.21
Sundry Debtors	8	33,036,367.00
Cash & Bank Balances	9	14,261,833.45
Other Current Assets, Loans & Advances	10	83,296,364.74
		<u>159,602,450.40</u>
<b>Less : Current Liabilities &amp; Provisions</b>		
Current Liabilities	11	60,637,693.46
Provisions	12	124,102,467.00
		<u>184,740,160.46</u>
<b>Net Current Assets</b>		<b><u>(25,137,710.06)</u></b>
<b>TOTAL</b>		<b><u>614,387,993.37</u></b>

Significant Accounting Policies and Notes to Accounts 19

The Schedules and Notes to account referred to above form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our report of even date.

As per our report of even date annexed

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

**M. V. Ghelani**  
Proprietor

Mumbai : 30<sup>th</sup> June, 2009

For and on behalf of the board

**Gautam P. Khandelwal**  
Chairman

**M. S. Adige**  
Director

Mumbai : 30<sup>th</sup> June, 2009

## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Schedule	For the Year ended 31st March, 2009 Rupees
<b>INCOME</b>		
Sales ( including excise duty)		460,640,298.10
Other Income	13	4,456,104.44
Increase / ( Decrease ) in Stock	14	59,601,593.00
Provision no longer required	15	18,225.00
<b>TOTAL INCOME</b>	<b>A</b>	<b><u>524,716,220.54</u></b>
<b>EXPENDITURE</b>		
Materials Consumed		114,962,187.24
Manufacturing Expenses	16	117,013,754.75
Administrative, General and other Expenses	17	47,330,376.13
<b>TOTAL EXPENDITURE</b>	<b>B</b>	<b><u>279,306,318.12</u></b>
<b>Profit before Interest and Depreciation</b>	<b>A-B</b>	<b><u>245,409,902.42</u></b>
Interest	18	5,154,844.98
Depreciation		17,067,089.83
<b>Profit/(Loss) before taxation</b>		<b>223,187,967.61</b>
<b>Payment &amp; Provision for taxation</b>		
Current Tax		79,857,000.00
Fringe Benefit Tax		977,000.00
Deferred Tax		98,875.00
Income Tax MAT/FBT Earlier Year		93,190.00
<b>Profit after Taxation</b>		<b><u>142,161,902.61</u></b>
<b>Less: Share of Profit transferred to Minority</b>		<b>-2,875,072.77</b>
<b>Less: Share of Pre Acquisition Profit</b>		<b>-1,382,285.23</b>
<b>Profit After Tax (After adjustment for Minority Interest)</b>		<b>137,904,544.61</b>
<b>Amount available for Appropriations</b>		
<b>Appropriations :</b>		
Transfer to General Reserve		<b><u>137,904,544.61</u></b>
Earning Per Share( Basic & Diluted )		10.53
Significant Accounting Policies and Notes to Accounts	19	

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

**As per our report of even date annexed**

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

**M. V. Ghelani**  
Proprietor

Mumbai : 30<sup>th</sup> June, 2009

**For and on behalf of the board**

**Gautam P. Khandelwal**  
Chairman

**M. S. Adige**  
Director

Mumbai : 30<sup>th</sup> June, 2009

## CONSOLIDATED SCHEDULES FORMING PART OF THE BALANCE SHEET

		As at 31st March, 2009 Rupees
<b>SCHEDULE 1 - SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
2,00,00,000	Equity Shares of Rs. 10 each	200,000,000.00
50,00,000	Unclassified Shares of Rs. 10 each	<u>50,000,000.00</u>
		<u>250,000,000.00</u>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
1,30,95,507	Equity Shares of Rs.10 each fully paid up.	130,955,070.00
<b>TOTAL</b>		<u>130,955,070.00</u>

**NOTE:**

Of the above share 1,30,95,500 Equity Shares of Rs. 10 each are allotted as fully paid up for consideration other than cash pursuant to the Scheme of Arrangement sanctioned on 9th July, 1998 by the Honourable High Court of Judicature at Bombay.

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

Balance as per last Balance Sheet	252,338,212.18
Add : Transfer from Profit and Loss Account	<u>137,904,544.61</u>
	390,242,756.79
<b>Shares Premium Account</b>	<u>18,149,981.92</u>
	<u>408,392,738.70</u>

**SCHEDULE 3 - SECURED LOANS****Overdraft Limit**

From State Bank Of India (Secured by Term Deposit Receipt of the bank)	705,389.85
---	------------

**Cash Credit Limit**

From Dena Bank (Secured by Hypothecation of Book Debts, Inventory against charge on all the assets and on Personal gurantee of Directors)	35,153,179.00
---	---------------

**Term Loan**

<b>From Others</b> (Car loan secured by hypothecation of Vehicles)	4,210,513.00
Axis Bank	358,710.00
Kotak Mahindra Prime Ltd	<u>2,766,402.00</u>
	<u>43,194,193.85</u>

**SCHEDULE 4 - UNSECURED LOANS**

<b>From Directors</b>	937,000.00
<b>From Othetrs</b>	<u>725,000.00</u>
	<u>1,662,000.00</u>

## CONSOLIDATED SCHEDULES FORMING PART OF THE BALANCE SHEET

As at  
31st March, 2009  
Rupees

## SCHEDULE 5 - FIXED ASSETS

Fixed Assets	GROSS BLOCK				DEPRECIATION					IMPAIRMENT			Net Block as on 31.03.2009
	Opening as on 01.04.2008	Additions	Deductions	Closing as on 31.03.2009	Opening as on 01.04.2008	for the year year	for Additions	for Deletions	Closing as on 31.03.2009	Opening as on 01.04.2008	Reversed during the	Closing as on 31.03.2009	
<b>TANGIBLE ASSETS</b>													
Land (FreeHold)	181,377,220.00	-	-	181,377,220.00	-	-	-	-	-	-	-	-	181,377,220.00
Buildings See Note(d)	46,845,807.34	936,823.00	-	47,782,630.34	12,353,673.17	1,271,340.54	-	-	13,625,013.71	776,709.33	-	776,709.33	33,380,907.30
Plant & Machinery See Note (e)	192,003,390.48	10,574,061.00	24,000.00	202,553,451.48	124,624,222.47	9,188,186.52	-	6,967.00	133,805,441.99	5,718,057.46	-	5,718,057.46	63,029,952.03
Electrical Installation	601,925.00	570,313.00	-	1,172,238.00	447,537.00	62,528.00	-	-	510,065.00	-	-	-	662,173.00
Railway Siding	5,377,765.94	-	-	5,377,765.94	2,248,786.89	255,443.88	-	-	2,504,230.77	-	-	-	2,873,535.17
Furniture & Equipment	10,110,066.25	4,021,017.00	-	14,131,083.25	5,417,571.42	1,359,848.46	14,682.30	-	6,792,102.18	604,814.59	-	604,814.59	6,734,166.48
Vehicles	11,795,933.23	2,618,415.00	200,725.00	14,213,623.23	4,825,951.82	1,596,626.78	33,361.35	196,599.00	6,259,340.95	568,096.59	-	568,096.59	7,386,185.69
Capital Goods WIP	934,573.00	-	934,573.00	-	-	-	-	-	-	-	-	-	-
<b>INTANGIBLE ASSETS</b>													
Goodwill on consolidation	-	41,981,871.35	-	41,981,871.35	-	-	-	-	-	-	-	-	41,981,871.35
Softwares (SAP)	683,810.00	593,885.00	-	1,277,695.00	162,059.00	359,261.00	-	-	521,320.00	-	-	-	756,375.00
Technical Know-how	-	1,950,697.00	-	1,950,697.00	-	-	-	-	-	-	-	-	1,950,697.00
Research & Development	8,850,497.00	5,778,551.00	-	14,629,048.00	4,283,744.00	2,925,812.00	-	-	7,209,556.00	-	-	-	7,419,492.00
	458,580,988.24	69,025,633.35	1,159,298.00	526,447,323.59	154,363,545.77	17,019,047.19	48,043.64	203,566.00	171,227,070.60	7,667,677.97	-	7,667,677.97	347,552,576.02
Less: Assets delivered under agreement See Note (d)													41,122,600.00
													306,429,976.02

- a) Vehicles include Gross Block Rs. 19,38,454 which are transferred to the company pursuant to the scheme of Arrangement and yet in the process of registration in the company's name .
- b) Refer to schedule 19 Note No.3(viii) on Impairment of Fixed Assets.
- c) The Depreciation for the year, has been provided on Gross Block net of Impairment losses and accumulated depreciation. Refer to Schedule 19 note (2)(b) on Fixed Assets and Depreciation.
- d) The Net Block of Buildings and Plant & Machinery as on 31st March 2009 of Rs 324.56 and Rs 453.08 lacs respectively includes net block of Rs 62.63 lacs towards Building and Rs 269.37 lacs towards Plant and Machinery which are "Assets held for Disposal " and stated at their net book value which is lower than their net realisable value. Further the dismantling and shifting of these assets is in progress and the value of such assets delivered under agreement till 31st March 2009 valued at Rs 411.22 lacs is shown as " Assets Delivered Under Agreement " . Pending completion of Sale, the depreciation on assets held for disposal has been provided for the full year.

## SCHEDULE 6 - INVESTMENTS

## AT COST - NON TRADE

## (i) LONG TERM

## (a) Quoted

## In Fully Paid-up Equity Shares

<b>ABB Limited</b>	105,772.81
[200 Equity Shares of Rs. 2 each]	
<b>ACC Limited</b>	505,458.13
[700 Equity Shares of Rs. 10 each]	
<b>Axis Bank Ltd.</b>	537,199.03
[1300 Equity Shares of Rs. 10 each]	
<b>Bharti Airtel Ltd.</b>	230,765.27
[350 Equity Shares of Rs. 10 each]	
<b>Crompton Greaves Ltd.</b>	73,861.90
[500 Equity Shares of Rs. 2 each]	

## CONSOLIDATED SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31st March, 2009 Rupees
<b>Grasim Industries Ltd.</b> [200 Equity Shares of Rs. 10 each]	206,121.14
<b>HDFC</b> [400 Equity Shares of Rs. 10 each]	640,575.57
<b>HDFC Bank Ltd.</b> [300 Equity Shares of Rs. 10 each]	280,151.52
<b>Hindalco Industries</b> [5500 Equity Shares of Re. 1 each]	266,199.51
<b>Indian Hotel Co. Ltd.</b> [18940 Equity Shares of Re. 1 each]	991,289.76
<b>ITC Limited</b> [1000 Equity Shares of Re. 1 each]	188,730.00
<b>Josts Engg.</b> [ 50 Equity Shares of Rs. 10 each]	14,703.64
<b>Kotak Mahindra Bank Ltd.</b> [1800 Equity Shares of Rs. 10 each]	697,928.38
<b>Larsen &amp; Toubro Ltd.</b> [800 Equity Shares of Rs. 2 each]	659,134.46
<b>Mahindra &amp; Mahindra Ltd.</b> [2800 Equity Shares of Rs. 10 each]	1,158,118.17
<b>Mahindra Financial Services Ltd.</b> [233 Equity Shares of Rs. 10 each]	46,600.00
<b>Marico Limited</b> [3500 Equity Shares of Re. 1 each]	193,447.00
<b>NTPC Limited</b> [1700 Equity Shares of Rs. 10 each]	300,045.22
<b>Petronet LNG Ltd.</b> [7000 Equity Shares of Rs. 10 each]	281,512.16
<b>Pidilite Industries Ltd.</b> [2000 Equity Shares of Re. 1 each]	191,884.41
<b>Power Grid Corp. Ltd.</b> [4500 Equity Shares of Rs. 10 each]	351,076.36
<b>Reliance Communications Ltd.</b> [850 Equity Shares of Rs. 5 each]	307,542.59
<b>Reliance Ind. Ltd.</b> [550 Equity Shares of Rs. 10 each]	748,474.60
<b>Satyam Computer</b> [1200 Equity Shares of Rs. 2 each]	202,988.91
<b>State Bank of India</b> [1200 Equity Shares of Rs. 10 each]	1,461,534.16

## CONSOLIDATED SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31st March,2009 Rupees
<b>Tata Chemicals Ltd.</b> [1250 Equity Shares of Rs. 10 each]	212,238.06
<b>Tata Consultancy Service Ltd.</b> [1100 Equity Shares of Re. 1 each]	697,479.75
<b>Tata Motors Limited</b> [3300 Equity Shares of Rs. 10 each]	1,299,957.42
<b>Tata Power Co. Ltd.</b> [ 200 Equity Shares of Rs. 10 each]	169,076.29
<b>Tata Steel Ltd.</b> [3750 Equity Shares of Rs. 10 each]	1,079,152.87
<b>Unitech</b> [4800 Equity Shares of Rs. 2 each]	327,045.03
<b>United Phosphorous Ltd.</b> [1000 Equity Shares of Rs. 2 each]	96,355.29
<b>Sub Total (i) (a)</b>	<u>14,522,419.41</u>
<b>(b) Unquoted</b>	
<b>In Mutual Funds</b>	
<b><i>In units of Reliance Mutual Fund</i></b> [5,00,000 Units of Reliance Equity Fund - Dividend Plan ]	5,000,000.00
<b><i>In units of HDFC Mutual Fund</i></b> (16,78,575 units of Cash Management Fund- Treasury Adv.Plan) National Savings Certificates (Lodged with Sales Tax Authorities)	16,820,608.00
6000 shares of Rs 25/- each of JhulelaL Nagari Sahakari Patsantha	2,700.00 150,000.00
<b>Sub Total (i) (b)</b>	<u>21,973,308.00</u>
<b>(ii) CURRENT</b>	
<b>Unquoted</b>	
<b>In Mutual Funds</b>	
<b><i>In units of SBI Mutual Fund</i></b> [2,30,15,394.56 Units of Magnum Institutional Income Fund Saving Growth]	296,600,000.00
<b>Sub Total (ii)</b>	<u>296,600,000.00</u>
<b>GRAND TOTAL</b>	<u>333,095,727.41</u>
Aggregate Cost of Company's quoted Investments	14,522,419.41
Aggregate market value of Company's quoted Investments	12,131,940.00
Aggregate Cost of Company's unquoted Investments	318,573,308.00



## CONSOLIDATED SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31st March, 2009 Rupees
<b>SCHEDULE 7 - INVENTORIES</b>	
(As Taken, Valued and Certified by Management)	
[Refer Schedule 19 - Note (2)(d) and 3 (i)]	
Raw Materials	11,432,872.41
Trading Goods	6,702,851.00
Finished Goods	6,538,387.00
By-Products / Waste Products/WIP	1,876,196.00
Stores & Spares	2,457,578.80
[Valued at Cost except the obsolete/non useable stores written off for obsolescence Rs.4,32,098.87 (previous year :Rs. Nil) and includes fuel oil]	
	<u>29,007,885.21</u>
<b>SCHEDULE 8 - SUNDRY DEBTORS</b>	
<b>Unsecured -</b>	
<b>Considered Good</b>	
Debts outstanding for a period exceeding six months	2,862,952.00
Others	30,173,415.00
	<u>33,036,367.00</u>
<b>Total</b>	<b><u>33,036,367.00</u></b>
<b>SCHEDULE 9 - CASH AND BANK BALANCES</b>	
Cash and Cheques on Hand	350,531.45
Balances with Schedule Banks	
- In Current Accounts	8,750,629.00
- In Fixed Deposits	5,110,801.00
Interest Accrued on Bank Deposits	49,872.00
<b>Total</b>	<u>14,261,833.45</u>
<b>SCHEDULE 10 - OTHER CURRENT ASSETS, LOANS AND ADVANCES</b>	
<b>Unsecured, Considered good</b>	
Deposits	3,205,691.50
Advance Income Tax	70,109,107.00
Advances to Suppliers of goods and services	5,455,638.73
Advances recoverable in cash or in kind or for value to be received including :	4,525,927.51
a. Rs.14,27,577 (previous year : 3,800) due from the directors of the company - maximum amount due during the year Rs. 14,27,577 (Previous year :3,800)	
b. Rs. NIL (Previous year : Rs.NIL) due from the companies under same management - maximum amount due during the year Rs.NIL (Previous year : Rs. 13,12,343) [Refer Schedule 19 - Note x - (iii)]	
<b>Total</b>	<u>83,296,364.74</u>

**CONSOLIDATED SCHEDULES FORMING PART OF THE BALANCE SHEET**

	As at 31st March, 2009 Rupees
<b>SCHEDULE 11 - LIABILITIES</b>	
<b>Sundry Creditors</b>	
(i) Dues to small scale industrial undertaking (Refer Schedule 18 Note (v)(a))	-
(ii) Others	8,339,133.46
Taxes Payable	286,926.00
Security Deposits	268,235.00
Advance from customers	39,167,437.00
Others Liabilities	12,575,962.00
<b>Total Liabilities</b>	<b><u>60,637,693.46</u></b>

**SCHEDULE 12 - PROVISIONS**

Provision for Income / Fringe Benefit Tax	114,826,588.00
Provision for Leave Salary and Bonus	4,767,812.00
Other Provisions	4,508,067.00
<b>Total</b>	<b><u>124,102,467.00</u></b>

**CONSOLIDATED SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT**

	For the Year Ended 31st March, 2009 Rupees
<b>SCHEDULE 13 - OTHER INCOME</b>	
Interest (Gross)	626,438.00
Dividend Received	1,148,230.00
Profit on Sale of Mutual Fund Units	278.00
Rent Received	4,500.00
Repair Charges	1,490,575.00
Sale of Scrap	-
Credit Balance written back	807,075.72
Miscellaneous Income	379,007.84
<b>Total</b>	<b><u>4,456,104.44</u></b>

## CONSOLIDATED SCHEDULES FORMING PART OF THE PROFIT &amp; LOSS ACCOUNT

For the Year Ended  
31st March, 2009  
Rupees

**SCHEDULE 14 - INCREASE / (DECREASE) IN STOCK****A. CLOSING STOCKS**

Finished Goods	6,538,387.00
By Products / Waste Products	426,674.00
Work in Process	1,449,522.00
<b>Sub Total ( A )</b>	<b>8,414,583.00</b>

**B. STOCKS ASCERTAINED AND AND ACCOUNTED DURING THE YEAR**

<b>[Refer Schedule 19 - Note. 3 (i) ]</b>	
<b>Sub Total ( B )</b>	<b>56,760,000.00</b>

**C. Sub Total ( A+B )**

	<b>65,174,583.00</b>
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**D. OPENING STOCKS**

Finished Goods	3,170,619.00
By Products / Waste Products	138,118.00
Work in Process	2,264,253.00
<b>Sub Total ( D )</b>	<b>5,572,990.00</b>

<b>INCREASE / (DECREASE) ( C - D )</b>	<b>59,601,593.00</b>
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**SCHEDULE 15 - PROVISION WRITTEN BACK AS NO LONGER REQUIRED**

Provision written back as no longer required	18,225.00
	<b>18,225.00</b>

**SCHEDULE 16 - MANUFACTURING EXPENSES**

Salaries, Wages & Bonus	32,288,597.25	
Contribution to Provident, ESIC, Gratuity, Pension & Other Funds	2,781,391.00	
<b>Sub Total</b>		<b>35,069,988.25</b>
Power and Fuel		2,024,773.00
Light and Water		529,615.00
<b>Repairs</b>		
Plant & Machinery	754,875.00	
Buildings	6,320,303.00	
others	3,630,991.00	
<b>Sub Total</b>		<b>10,706,169.00</b>
Freight and Handling		14,241,412.00
<b>Taxes</b>		
Sales Tax & other taxes	2,848,446.00	
Excise duty paid	48,811,564.00	
<b>Sub Total</b>		<b>51,660,010.00</b>
<b>Rent, Rates Taxes &amp; Insurance</b>		
Rent Charges	1,889,438.00	
Insurance	892,351.50	
<b>Sub Total</b>		<b>2,781,789.50</b>
<b>Total</b>		<b>117,013,754.75</b>

**CONSOLIDATED SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT**

For the Year Ended  
31st March, 2009  
Rupees

**SCHEDULE 17 - ADMINISTRATIVE, GENERAL AND OTHER EXPENSES**

Conveyance	1,627,398.00
Travelling Expenses	8,530,364.64
Directors Remuneration	
- Salaries & Commission	11,244,237.00
Auditor's Remuneration	276,236.00
Commission on Sales	1,573,691.00
Postage Telegram & Telephone	2,052,343.09
Printing & Stationery	708,811.15
Legal & Consulancy Charges	5,793,156.00
Security Expenses	851,979.00
Service charges	726,767.00
Bank charges	63,474.48
Donation	60,000.00
Advertisement & Publicity	3,030,647.00
Upkeep of Heavy Vehicles	1,545,146.00
Upkeep of Motor Car	1,732,773.00
Raw Material written off	601,150.48
Obsolete/Non usable Stores W/off	432,098.87
Advance written off	734,375.00
Miscellaneous Expenditures	5,745,728.42
<b>TOTAL OF ADMINISTRATION, GENERAL AND OTHER EXPENSES</b>	<b><u>47,330,376.13</u></b>

**SCHEDULE 18 - INTEREST CHARGES**

To Bank	4,701,729.98
To Others	453,115.00
<b>Total</b>	<b><u>5,154,844.98</u></b>

**SCHEDULE 19****NOTES ON CONSOLIDATED BALANCESHEET AND PROFIT AND LOSS ACCOUNT****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 upto 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 recognised 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.
- (b) The Subsidiary company which is included in consolidation and the Parent Company's holdings therein is as under:

Name of the Company	Percentage of Holding
The Motwane Manufacturing Company Pvt. Ltd	50.41%

- (c) Since this is a first year of Consolidation, previous year's consolidated figures are not provided.

**2. Significant Accounting Policies**

- (a) 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.

- (b) 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 these 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 on Tangible Assets and on Computer software's under Intangible

Asset on WDV basis at rate prescribed in Schedule XIV to the Company's Act.

Intangible Asset Technical Know-How is amortised over a period of five years from the year of commercial production.

Intangible Asset Research & Development are amortised over a period of five years.

Of total depreciation Rs 1,70,67,090, depreciation Rs.82,94,800 related to Holding company and Rs. 87,72,290 related to the subsidiary company.

(c) **Investment:**

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

(d) **Inventories:**

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

(e) **Sundry Debtors and Loans and Advances:**

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

(f) **Revenue Recognition:**

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

(g) **Retirement and other employee benefit:**

**Holding Company :**

The 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 The Company contributes to defined benefit schemes for Gratuity. The liability for Gratuity and leave encashment is determined on the basis of actuarial valuations made at the year end.

**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 Rs 47,67,812, provision Rs.7,56,823 related to Holding company and Rs. 40,10,989 related to the subsidiary company.

(h) **Foreign Exchange Transactions:**

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

(i) **Taxation:****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 unabsorbed business loss and unabsorbed depreciation available for set-off against the future profits under the Income Tax Act, 1961. Considering this, deferred tax asset / liability at the year –end has not been recognized in these accounts.

Provision for Fringe Benefit Tax is based on the liability estimated by the company under the act.

Of total provision Rs 11,48,26,588, provision Rs.11,40,69,588 related to Holding company and Rs. 7,57,000 related to the subsidiary company.

(j) **Contingent Liability:**

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

**3. Notes to Accounts:**

- 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 5,67,60,000 (Previous Year Rs. 1,79,25,000/-) out of this accumulated waste based on the valuation report of the Consultant Metallurgist obtained during the year. The technical consultants have advised the Company that the balance of this accumulated waste in terms of its quality, metal content and realizable value cannot be yet reasonably ascertained. Company has therefore not been in a position to account for stock of this balance accumulated waste.

- ii) Contingent Liabilities not provided for:

As at 31-03-2009  
Rupees

a) Claims against the Company not acknowledged as debts ( Papers related to claim of Rs. 1.51 lacs are not available with the company)	108,54,857
b) Sales Tax Demand not provided for pending outcome of appeal	5,76,236
c) Excise Demand not provided for pending outcome of appeal	26,57,798
d) Customs duty Demand not provided for pending outcome of appeal	58,18,808
e) Others (Related papers are not available with the company)	51,500
f) Bank guarantee issued to customers	23,38,773
g) Balance with Jhulelal Nagari Patsanstha	25,168

- iii) In Schedule 11 "Liabilities"

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

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

- v) The Company has only one reportable segment of activity namely manufacture of “High Carbon Ferro Manganese, High Carbon Silico Manganese and Medium Carbon Ferro Manganese.”
- vi) The balance of Sundry Debtors, Deposits, Advances and Sundry Creditors are subject to confirmation.
- vii) In the opinion of the Board, current assets, loans and advances have value on realisation in the ordinary course of business atleast equal to the amount at which they are stated.
- viii) In accordance with the Accounting Standard on “Impairment of Assets” AS-28, the Company has recognised impairment losses as at 1<sup>st</sup> April, 2004 amounting to Rs.76,67,677/- on certain assets of the company at Nagpur by a corresponding adjustment to general reserve during the previous year, pursuant to the transitional provisions of the said Standard. No impairment is recognised during the current year

ix) **Segment Reporting :**

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.

**PARTICULARS**

For the year ended 31<sup>st</sup> March, 2009

1 <b>Segment Revenue:</b>	Rs.
a) Low MnO Ferro Manganese Slag	32,90,43,177
b) Electronics & Electrical Products	<u>13,15,97,121</u>
Total	46,06,40,298
Less: Inter Segment Revenue	-
Total Revenue	<u><u>46,06,40,298</u></u>
<b>2. Segment results :</b>	
Profit/(Loss) before tax and interest from each segment	
a) Low MnO Ferro Manganese Slag	22,42,22,480
b) Electronics & Electrical Products	<u>2,11,87,422</u>
Total	24,54,09,902
Less: Interest & Other Exp	<u>2,22,21,935</u>
Profit before Tax	<u><u>22,31,87,967</u></u>

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

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

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

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

1	Enterprises owned or significantly influenced by any management personnel or their relatives Informed Technologies India Limited	
	Advance Received/Advance Repaid	Rs. 21,26,766 / 21,26,766
2	Key Management Personnel	Remuneration (in Rupees)
a)	Mr. Gautam P. Khandelwal	Rs.90,37,876
b)	Mr. S. B. Kanbargi	Rs. 5,28,600
c)	Mr. S.M. Hede	Rs.14,85,360



## (III) Balances Outstanding as at 31st March, 2009

	Maximum outstanding Balance (Rs.)	Receivables (Rs.)	Payable (Rs.)
<b>1 Related parties where control exists</b>			
a) Meteor Metals & Ores Limited	NIL (6,00,000)	NIL (NIL)	NIL (NIL)
b) Informed Technologies India Limited	4,98,665* (1,48,287)	NIL (NIL)	NIL (NIL)
c) Khandelwals Limited	NIL	NIL	NIL
* Credit Balance	(5,64,056)*	(NIL)	(NIL)
<b>2 Key Management Personnel</b>			
Mr. Gautam Khandelwal	14,27,577 (5,40,00)	14,27,577 (NIL)	NIL (NIL)
<b>3 Relatives of Key Management Personnel*</b>		NIL	

*Figures in brackets are related to previous year*

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

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

xi) Earnings Per Share:

		For the year ended 31 <sup>st</sup> March, 2009
Profit (Loss) for the year (Rs.)	(A)	137,904,544.61
Number of Equity Shares Outstanding	(B)	130,95,507
Earnings per share of Rs 10 each	(A/B)	10.53

xii) As this is the first year of consolidation, previous year figures for consolidation is not available.

xiii) 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 Schedule 1 to 19 which form an integrated part of the accounts.

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

**M. V. Ghelani**  
Proprietor  
Mumbai : 30<sup>th</sup> June, 2009

**For and on behalf of the Board**  
**Gautam P. Khandelwal**  
Chairman

**M. S. Adige**  
Director  
Mumbai : 30<sup>th</sup> June, 2009

**DIRECTORS REPORT TO THE MEMBERS**

TO,  
The Members of  
The Motwane Mfg.Co.Pvt.Ltd.

The Directors have pleasure in presenting herewith the 49<sup>th</sup> Annual Report together with the Audited Statement of Account for the year ended on 31<sup>st</sup> March, 2009.

**1. FINANCIAL RESULTS :**

The results of operations during the year ended March 31, 2009, were as follows:

<b>PARTICULARS</b>	<b>2008-2009 (RS.)</b>	<b>2007-2008 (RS.)</b>
Profit before Interest and Depreciation	2,11,87,422	1,16,15,181
Less : Interest	50,66,973	19,47,582
Depreciation and R&D Amortization	87,72,290	43,08,621
Profit/Loss before Tax	73,48,159	53,58,978
Provision for FBT, MAT and earlier years Taxes	15,50,190	8,16,980
Profit/Loss after Tax and carried to balance sheet	57,97,969	45,41,998

**2. DIVIDEND:**

In view of the operating loss/accumulated losses, your Directors are not recommending any dividend.

**3. CURRENT OPERATION AND FUTURE OUTLOOK :**

During the period under review the turnover of the Company including Repairs was Rs.1330.88 and increased by Rs.492.52 i.e. 58.76%. During the year Profit before Interest and Depreciation increased by Rs. 95.72 Lakhs and Profit increased by Rs. 19.89 Lakhs after Interest and Depreciation and due to this profit comes to Rs. 73.48 Lakhs after Interest and Depreciation. During the current year Profit appears Rs. 73.48 Lakhs.

Your Directors wish to inform you that the Company has achieved Turnover of Rs. 135 Lakhs upto May'09. This year order position is good and Company is going to achieve Sales Turnover of Rs. 2175.00 Lakhs. This is expected to pick up in second half year considering past trends. There are many major Tenders on the verge of finalization. The Company is also executing last years pending orders during current year.

**4. DIRECTORS' RESPONSIBILITY STATEMENT :**

Pursuant to the requirement under section 217 (2AA) of the Companies Act, 1956, with respect to Director's Responsibility Statement, it is hereby confirmed :

- (i) That in the preparation of the accounts for the financial year ended 31<sup>st</sup> March, 2009 the applicable accounting standards have been followed along with proper explanation relating to material departures;(ii)That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 and of the profit or loss of the company for the year under review ;(iii) That the Directors have taken proper and sufficient care 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; and (iv)That the Directors have prepared the account for the financial year ended 31<sup>st</sup> March, 2009 on a 'going concern' basis.

**5. CAPITAL EXPENDITURE :**

Capital expenditure incurred during the year 2008-09 amounted to Rs. 2,64,15,176/- the details are as follows :

- (i) Plant and Machinery ;Rs. 99,48,257/-, (ii) Office Equipment: Rs. 85,859/-, (iii) Computer Department:Rs. 6,25,804/-, (iv) Technical Know-How :Rs. 19,50,697/-, (v) Buildings: Rs. 9,36,823/-, (vi)Furniture and Fixtures :Rs.36, 95,247/-, (vii) Computer Software's:Rs.5,93,885/-, (viii) Vehicle :Rs. 21,32,893/-,(ix) R&D Capital Equipment:Rs. 96,847/-, (x) Electrical Installation :Rs. 5,70,313/-, (xi) Research & Development : Rs. 57,78,551/-

**6. LOANS :**

Dena Bank's existing various Credit Facilities is Rs.911.52(Lakhs) During the year it has to be renewed. The company has a balance of Rs. 351.53 Lakhs being Loan from Dena Bank in form of Cash Credit as on March 31, 2009 and Term loan balance is Rs.42.10 Lakhs.

**7. DEPOSITS :**

Your Directors given information under Clause 8 Part II of the Notification No. DNBC 2/ED (s) 66 of 29<sup>th</sup> October, 1966, of

the Reserve Bank of India, Department of Non-banking Companies, that the company did not hold any deposit whatsoever within the meaning of the said notification as of March 31, 2009.

**8. INSURANCE :**

The Company's properties are adequately insured.

**9. PARTICULARS OF EMPLOYEES UNDER THE PROVISIONS OF SECTION 217 (2A) :**

In accordance to the provisions of section 217 (2A) of the companies Act,1956, read with the companies (Particulars of Employees) Rules 1975 the names and particulars of the Employees who were in receipt of remuneration of not less than Rs. 24.00 Lakhs during the Financial Year under review or Rs. 2.00 Lakhs per month. There are no employee who were drawing salary of Rs. 2.00 Lakhs and above p.m. or Rs. 24.00 Lakhs and above per annum.

**10. A. CONSERVATION OF ENERGY :**

(a) ENERGY CONSERVATION MEASURES TAKEN :

Capacitors are installed to improve the electric power utilization factor, Air Compressor usage controlled, Air conditioning usage controlled, (b) Additional investment and proposals if any, being implemented for reduction of consumption of energy. The measures listed above are part of continuing efforts of the company to conserve energy, (c) Impact of the measures at (a) and (b) for reduction of energy consumption and consequent impact on the cost of production of goods. The measures taken by the company will reduce consumption of electricity, and (d) Total energy consumption and energy consumption per unit production as per prescribed form 'A' not given as the company is not covered under the list of specified industries.

**B. TECHNOLOGY ABSORPTION :**

**Research and Development :**

1. Specified areas in which R&D carried out by the company : Development and Introduction of new products :- a) Motor Winding Resistance Meter, b) Transformer Winding Resistance Meter, and c) Automatic Capacitance & Tan Delta.
2. Benefits derived as a result of the above R & D :- a) Addition of New Product Digital Earth Tester DET-20 and b) Improving Reliability and Manufacturability of existing products.
3. Future Plan of Action : Development of : a) New Range of Digital Multimeter, b) New Range of Insulation Tester, c) Transformer Turns Ratio Meter and d) Clamp on Meters
4. Expenditure on R&D: Recurring: Rs. 29,25,812/-, Total R&D expenditure as a percentage 2.20 % of sales turnover against last year 2.11%.

**Technology absorption, adoption and innovation:**

1. New Technology in Form of ASIC and Modern generation Micro-controllers was absorbed and implemented in new products. Also the modern method of SMT manufacturing will be employed.
2. The company has one of the best Research and Development Facilities in the Electronics Industry. This R&D is engaged in product development and improvement. The existing technology being used by the Company has been developed at the R&D through a process of assimilation, adoption and absorption of the latest technology.
3. Benefits derived as a result of the above efforts: (a) Reliability Improvement and (b) Mass Production capability.
4. Future Plan of Action: Development of (a) New Range of Digital Multimeter, (b) New Range of Insulation Tester, (c) Transformer Turns Ratio Meter and (d) Clamp on Meters

**11. FOREIGN EXCHANGE EARNINGS AND OUTGO :**

- a. Imports : Raw Material, Trading Goods and components (CIF Value) : Rs. 2,56,90,465/-, Capital Equipment (CIF Value) : Rs.42,64,922/-, Overseas Traveling :Rs.1,31,388/- and Technical Know-How: Rs.11,41,750/-
- b. Exports: Rs. 3,91,443/-

**12. AUDITORS :**

You are requested to appoint auditors for the Financial Year 2009-2010 and fix their remuneration. Mr. S.M.Daga, Chartered Accountant, who is retiring at the conclusion of the ensuing Annual General Meeting, being eligible offers himself for re-appointment.

**13. FUTURE OUTLOOK :**

Your Directors are confident of a bright future in the coming year with an increase in production and sales of existing products; Enhancement of sales network, increasing distribution channels, and addition of new product lines.

**14. ACKNOWLEDGEMENT :**

The Board wishes to place on record its appreciation of the valuable co-operation extended to the Company by the Employees of the Company, Government Departments, Bankers, Suppliers and Customers for the smooth operation of the Company.

FOR & ON BEHALF OF THE BOARD OF DIRECTORS

PLACE : NASHIK

DATE : June 15, 2009

CHAIRPERSON

**REPORT OF THE AUDITOR TO THE MEMBERS**

I have audited the attached Balance Sheet of THE MOTWANE MANUFACTURING COMPANY PRIVATE LIMITED., NASHIK ROAD, as at 31<sup>st</sup> March, 2009 and the Profit and Loss Account for the period ended on that date annexed thereto. These financial statements are the responsibility of the company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I have conducted my audit in accordance with auditing standards generally accepted in India. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

1. As required by the Companies (Auditors Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order 2004 issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, I enclose in the annexure, a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to my comments in the annexure referred to in paragraph 1 above, I state that :
  - A. I have obtained all the information and explanations, which to the best of my knowledge and belief, were necessary for the purpose of my audit.
  - B. In my opinion proper books of accounts as required by law have been kept by the company so far as appears from my examinations of the books.
  - C. The Balance-Sheet and the Profit and Loss Account referred to in this report are in agreement with the books of accounts.
  - D. In my opinion the Profit and Loss Account and Balance Sheet referred to in this report subject to notes thereon comply with the Accounting Standards referred to in Sub-Section 3 ( c ) of Section 211 of the Companies Act, 1956.
3. On the basis of the information and explanations given to me and information obtained by the company, there are no directors of the company who, as at 31<sup>st</sup> March, 2009, are disqualified under Section 274(1)(g) of the Companies Act, 1956 from being appointed as directors.
4. In my opinion and to the best of my information and according to the explanations given to me, the said Balance-Sheet and the Profit and Loss Account subject to notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true fair view in conformity with the accounting principles generally accepted in India:
  - (I) In the case of the Balance-Sheet of the state of affairs of the company as at 31<sup>st</sup> March 2009.
  - AND (II) In the case of the Profit and Loss Account, of the Profit of the company for the year ended on that date.

**S.M.DAGA.****PLACE : NASHIK  
DATE : June 15, 2009****CHARTERED ACCOUNTANT  
MEMBERSHIP NO.8643****ANNEXURE : Referred to in paragraph 1 of my report of even date**

1.
  - a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b. As explained to me, all the assets have been physically verified by the management at the end of the year. According to the information and explanations given to me no discrepancies have been noticed on such physical verification as compared with the book records.
  - c. Fixed assets disposed-off during the year were not substantial to affect the going concern assumption.
2.
  - a. The inventory has been physically verified by the management during the year. In case of stock lying with third parties, certificates confirming the stock held have been received. In my opinion, the frequency of such verification is reasonable.
  - b. The procedures of physical verification of inventory followed by the management are, in my opinion, reasonable and adequate in relation to the size of the company and the nature of its business.
  - c. The company has maintained proper records of inventory. No material discrepancies were noticed on physical verification of inventory.
3.
  - a. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act.
  - b. The company has taken unsecured loans from Directors / Shareholders / Relatives as per details as below from the parties which are covered in the register maintained under section 301 of the Act.

SN	Name of the Party	Relationship	Opening Balance (In Rs.)	Amount accepted (In Rs.)	Amount Repaid (In Rs.)	Year End Balance (In Rs.)
1	Mrs.Hardevi Harnam Motwane	Chairperson	8,52,000/-	1,50,000/-	90,000/-	9,12,000/-
2	Mrs. Hardevi Harnam Motwane Executor - HVM Estate	-	25,000/-	-	-	25,000/-
3	Deepika Harnam Motwane	Daughter of Chairperson	8,25,000/-	2,75,000/-	3,75,000/-	7,25,000/-
			<b>17,02,000/-</b>	<b>4,25,000/-</b>	<b>4,65,000/-</b>	<b>16,62,000/-</b>

- c. The rate of interest and other terms and conditions of loans taken by the company are prima-facie not prejudicial to the interest of the company.
- d. Payment of principal and interest is also regular. Principal is repaid on demand.
4. In my opinion and according to the information and explanations given to me, there is an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and service. To the best of my knowledge, there is no major weaknesses observed in the internal control procedures.
5. a. Based on the information and explanation given to me, the transactions pertaining to contracts and arrangements that need to be entered in pursuance to Section 301 of the Companies Act, 1956, have been so entered.  
b. In respect of transactions made in pursuance of contracts or arrangements exceeding value of Rupees Five Lacs entered into during the financial year , as per information and explanations given the same have been made at prevailing market prices at the relevant time.
6. The company has not accepted any deposits from the public under the provisions of section 58A and section 58AA of the Act.
7. The Internal Audit System, in my opinion, is commensurate with the size of the company and the nature of its business.
8. I am informed that the Central Government has not prescribed maintenance of Cost Records under Section 209(1)(d) of the Company's Act. 1956, for any of the products manufactured by the company.
9. a. According to the information and explanations given to me and the books and records examined by me, the company is generally regular in depositing undisputed statutory dues including Provident Fund , Employees State Insurance , Income-Tax, Sales Tax / VAT, Service Tax, Customs Duty, Excise Duty , Cess and other statutory dues with the appropriate authorities. It is informed that there are no any such dues as at 31<sup>st</sup> March 2009 outstanding for a period exceeding six months from the date they became payable.  
b. According to information and explanations given to me there are no disputed amounts outstanding in respect of Sales Tax / VAT, Income Tax, Service Tax, Customs Duty, Excise Duty & Cess as at the last day of financial year.  
c. I am informed that Investor Education and Protection Fund and Wealth Tax are not applicable to the Company.
10. The accumulated losses of the company at the end of the financial year were not in excess of 50% of the company's net worth. The company has not incurred cash loss in the current financial year and in the immediately preceding financial year.
11. Based on my audit procedures and the information and explanations given by the management, I am of the opinion that the company has not defaulted in repayment of dues to financial institution/bank during the year.
12. According to the information and explanations given to me, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The company is not a chit fund / nidhi / mutual benefit fund / society.
14. The company is not dealing or trading in shares, securities, debentures and other investments.
15. According to the information and explanation provided to me the company has not given any guarantees for others .
16. The company has applied the Term Loans taken during the year for the purpose for which they were obtained.
17. According to information and explanations given to me and on an overall examination of the Balance-Sheet of the company, I report that funds raised on short term basis to the extent of Rs. 78.82 Lacs have been used for long term investments.
18. The company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956, during the year.
19. The company has not raised money by way of issue of debentures. Accordingly, no security or charge has been created.
20. The company has not raised any money by way of public issues during the year.
21. According to the information and explanations provided to me, no fraud on or by the company has been noticed or reported during the year.

**S.M.DAGA.**

**PLACE : NASHIK  
DATE : June 15, 2009**

**CHARTERED ACCOUNTANT  
MEMBERSHIP NO.8643**

**BALANCE SHEET AS ON 31ST MARCH, 2009**

	31st MARCH 2009 (RS.)	31st MARCH 2008 (RS.)
<b>SOURCES OF FUNDS</b>		
<b>SHAREHOLDER'S FUNDS</b>		
Share Capital	17,700,600	17,700,600
Reserves & Surplus	42,716,167	36,918,198
<b>LOAN FUNDS</b>		
Secured Loans	42,130,094	16,543,263
Unsecured Loans	1,662,000	1,702,000
<b>T O T A L</b>	<b><u>104,208,860</u></b>	<b><u>72,864,061</u></b>
<b>APPLICATION OF FUNDS</b>		
<b>FIXED ASSETS</b>		
Gross Block	70,212,957	44,957,079
Less : Depreciation / Amortisation	<u>31,510,872</u>	<u>22,942,148</u>
Net Block	38,702,085	22,014,931
<b>INVESTMENTS</b>	16,973,308	16,110,207
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>		
Inventories	25,576,415	18,562,468
Sundry Debtors	31,696,537	20,221,634
Cash & Bank Balances	2,387,222	1,191,919
Other Current Assets	49,872	38,206
Loans, Advances & Deposits	<u>5,548,633</u>	<u>8,847,568</u>
	65,258,679	48,861,795
<b>LESS : Current Liabilities and Provisions</b>	16,725,212	14,122,872
<b>Net Current Assets</b>	<u>48,533,467</u>	<u>34,738,923</u>
<b>T O T A L</b>	<b><u>104,208,860</u></b>	<b><u>72,864,061</u></b>

As per our report of even date  
**S.M.DAGA**  
Chartered Accountants

Nashik : June 15, 2009

For and on behalf of the board  
**Mrs.H.H.Motwane**  
Chairperson & Managing Director

**Mr.A.S.Parundekar**  
Executive Director

Nashik : June 15, 2009

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009**

	31st MARCH 2009 (RS.)	31st MARCH 2008 (RS.)
<b>INCOME</b>		
Gross Sales	131,597,121	83,193,559
Other Income	2,638,029	3,296,079
Increase/(Decrease) in FG/WIP	3,031,378	(1,429,117)
	<u>137,266,528</u>	<u>85,060,521</u>
<b>EXPENDITURE</b>		
Consumption of Materials & Trading Goods	56,213,136	33,908,628
Manufacturing & Other Exps.	59,865,970	39,536,712
Interest & Bank Charges	5,066,973	1,947,582
Depreciation / Amortisation	8,772,290	4,308,621
	<u>129,918,369</u>	<u>79,701,543</u>
<b>OPERATING PROFIT</b>	<u>7,348,159</u>	<u>5,358,978</u>
<b>PROFIT BEFORE TAXATION</b>	7,348,159	5,358,978
Less Provision for Taxation		
A. Fringe Benefit Tax-Current Year	700,000	310,000
B. Income Tax (MAT)-Current Year	757,000	505,000
C. Income Tax MAT/ F.B.T Earlier Year	93,190	1,980
<b>PROFIT AFTER TAXATION</b>	<u>5,797,969</u>	<u>4,541,998</u>
<b>Loss brought forward from last year</b>	<u>(9,418,954)</u>	<u>(13,960,952)</u>
<b>Loss carried forward to next year</b>	<u>(3,620,985)</u>	<u>(9,418,954)</u>
<b>BALANCE CARRIED TO BAL.-SHEET</b>	<u><u>(3,620,985)</u></u>	<u><u>(9,418,954)</u></u>
<b>Earning Per Share</b>	<u>32.76</u>	<u>29.49</u>

As per our report of even date  
S.M.DAGA  
Chartered Accountants

Nashik : June 15, 2009

For and on behalf of the board  
Mrs.H.H.Motwane  
Chairperson & Managing Director

Mr.A.S.Parundekar  
Executive Director

Nashik : June 15, 2009

**NOTES TO THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT**

**1 MAJOR ACCOUNTING POLICIES**

- A. The company follows Mercantile System of Accounting and recognizes Income and Expenditure on accrual basis.
- B. Financial Statements are prepared on assumption of organization as a going concern.
- C. a. Sales are accounted including Excise Duty and Net of Sales Tax. Sales include Trading Sales. b.  
Consumption of material stated is Net of Excise Modvat Credit / Sales Tax Set-off.
- D. Fixed Assets & Depreciation :  
a. Fixed Assets ( Tangible ) are stated at their original cost. (Net of Cenvat/Vat Credit wherever availed). b.  
Depreciation is provided on Tangible Assets and on Computer software's under Intangible Asset on WDV basis at rate prescribed in Schedule XIV to the Companies Act. c. Intangible Asset - Technical Know-How is amortised over a period of five years from the year of commercial production. d. Intangible Asset -Research & Development are amortised over a period of five years.
- E. Inventories :  
a. Inventory of Raw Material & Components, Trading Goods and Finished Goods are valued at cost or net realizable value which ever is less. W.I.P and Stores & Spares are valued at cost. b. Finished Goods are valued including excise duty (on products manufactured). c. Excise Duty on manufactured goods as at the year end is provided for in the accounts and corresponding amount is included in the valuation of finished goods.
- F. Employee Benefits :  
a. 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.  
b. Provident Fund/ESIC remittances to the Government are charged against revenue each year on accrual basis. c. 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. d. Provision for Bonus is made on accrual basis.
- G. Taxation :  
a. Provision for Current Tax Liability , if any is computed on the basis of "Total Income / MAT" as returnable under the Income Tax Act, 1961. b. The company has unabsorbed business loss and unabsorbed depreciation available for set-off against the future profits under the Income Tax Act, 1961. Considering this, deferred tax asset /liability at the year –end has not been recognized in these accounts. c. Provision for Fringe Benefit Tax is based on the liability estimated by the company under the act.
- H. Foreign Exchange Transactions :  
Transactions denominated in foreign currency are accounted at the exchange rates prevailing at the date of the transaction. Gains and losses resulting from the settlement of such transactions are recognized in the Profit & Loss Account. Exchange differences relating to fixed assets are adjusted in the cost of asset.
- I. Contingent Liabilities :  
Contingent liabilities are usually not provided for unless it is probable that the future outcome may be materially detrimental to the company.
2. a. Contingent Liabilities:
- |   |           |           |
|---|-----------|-----------|
|   | 31.03.09  | 31.03.08  |
|   | Rupees    | Rupees    |
| Bank Guarantees issued to Customers -   | 23,38,773 | 22,19,631 |
| b. Bank Balance includes balance with Jhulelal Nagari Patsanstha. (Co-Op. Credit Society) | 25,168    | 25,168    |
3. a. It is informed that Income Tax Assessments have been completed upto AY 2006-07. There are no any issues in appeal. b. Modvat credit availed during the year is for Rs.25,25,123/- (Rupees Twenty five lakhs twenty five thousand one hundred twenty three only) against Excise Duty paid/payable Rs.83,86,615/- (Rupees Eighty three Lakhs eighty six thousand six hundred fifteen only). Modvat credit is reduced from the consumption of material / cost of capital goods. c. Impairment of Assets (AS : 28) : The Company has identified that there is no material impairment of fixed assets and as such no provision is required as per AS : 28 issued by ICAI. d. The company has not received any intimation from its supplier regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end as required under the said Act have not been furnished. e. Previous years figures have been regrouped/re-cast wherever necessary.

**As per our report of even date**  
**S.M.DAGA**  
**Chartered Accountants**

**For and on behalf of the board**  
**Mrs.H.H.Motwane**  
Chairperson & Managing Director  
**Mr.A.S.Parundekar**  
Executive Director  
**Nashik : June 15, 2009**

**Nashik : June 15, 2009**



# 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 Thirteenth Annual General Meeting of the Company to be held at the Sunflower II, MVIRDC, World Trade Centre, Centre One, 30<sup>th</sup> Floor, Cuffe Parade, Mumbai-400005, on Friday, September 25, 2009 at 9.00 A.M. (I.S.T)

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

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

# NAGPUR POWER & INDUSTRIES LIMITED

Registered Office : 'Nirmal', 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 Informed Technologies India 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 Thirteenth Annual General Meeting of the Company to be held at Sunflower II, MVIRDC, World Trade Centre, Centre One, 30<sup>th</sup> Floor, Cuffe Parade, Mumbai-400005, on Friday, September 25, 2009 at 9.00 A.M. (I.S.T) and at any adjournment thereof.

As Witness my/our hand(s) this \_\_\_\_\_ day of \_\_\_\_\_ 2009

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 in order 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.

**Book - Post**

**To**

If undelivered please return to :

**NAGPUR POWER & INDUSTRIES LIMITED**  
NIRMAL, 20TH FLOOR,  
NARIMAN POINT,  
MUMBAI - 400 021.

***DAS PRINTING : 4002 6615/16***

**NAGPUR POWER & INDUSTRIES LIMITED**

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**13<sup>th</sup> ANNUAL REPORT 2008- 2009**