16th Annual Report 2010 - 11




NITIN FIRE PROTECTION INDUSTRIES LIMITED

VISION

Nitin Group of Companies shall be a market leader and growing engineering organization dedicated to excellence through quality, creating value for customers, through innovation technology and operational expertise. We are technology driven company at our core with an overriding commitment to quality and our primary measures of success are customer's satisfaction and shareholders value. It is our strategic vision to conduct business with highest standard of ethics as we always believe " Honesty and Integrity are milestones of Nitin Culture".

MISSION

- ★ *Customer satisfaction is the highest priority. The company will make every effort to deliver the highest quality products and services in business.*
- ★ *The Company has developed new strategies and plans based on customers driven philosophy for gaining competitive advantage, needed to meet the business objectives.*
- ★ *Customers and employees input is actively sought and strategically used for continuous improvement of quality and to fulfill ongoing customer needs.*
- ★ *Strive to deal with our customers in an open and transparent manner.*
- ★ *Continual improvement of " Processes, Products, Services and People" shall be the norm in our business.*
- ★ *Provide employees an environment, opportunity for growth and a safe healthy work environment that is conducive to consistent peak performance.*
- ★ *Encourage employees to pursue training and development opportunity.*
- ★ *Implement several environmental sensitive technologies to reduce pollution and restore ecological balance around us.*
- ★ *Strive to provide top of the time national & international certified product range.*

CHAIRMAN AND MANAGING DIRECTOR
NITIN GROUP OF COMPANIES

MR. NITIN M. SHAH
CHAIRMAN & MANAGING DIRECTOR

Dear Shareholders,

It gives me great pleasure to inform you that our Company "Nitin Fire Protection Industries Limited" continued to see strong and profitable growth across all markets driven by good performance covering all business segments during the Financial Year 2010-11 and we look forward to better growth potential.

The groups consolidated revenues have grown by 43.33% to ₹ 45,330.91 million and the consolidated net profits have grown by 27.25% to ₹ 533.60 million. The Board of Directors has recommended a final dividend of (50%) ₹ 1/- per share which is subject to the approval of the shareholders'.

Your Company is a leading fire protection equipment manufacturing/installation company in India, and continues to retain its leadership position among the Indian companies in similar line of business. It has continued to win new customers and grow existing relationships in the traditional area of development, manufacturing and distribution of fire protection and electronic security systems, CNG cascades, commissioning and installation of safety and security solutions and execution of annual maintenance contracts for fire protection systems. It provides automated water and gas based fire suppression systems along with fire detection and security systems on turnkey basis. The broad range of products and services enables the Company to provide "end to-end" services to its customers, combined with its specific industry focus and its geographical spread, the Company is able to provide comprehensive and high value added services to its customers. Being a service provider, we have to provide after sales service and quick and appropriate response to any problems /crises that customers require.

With technological growth, advances and long experience in the business field, we provide our customers best solutions to their problems keeping in view their requirements.

We provide turnkey solutions and there fore every customer is unique and their requirements are unique. We have therefore custom built and tailor made solutions and systems for each customer. Our ability to do so has been the reason for our sustained growth and success.

I am happy to report that we have been successful in providing the support to our customers which has resulted in repeat orders from our satisfied customers.

We are proud to inform that your Company has won Forbes Asia Best Under a Billion award which pertains to the Regions Top 200 Small and Midsize Companies on November 23, 2010. This is the second consecutive award won by your Company.

During the year the Company has sub-divided its shares from ₹ 10/- each to ₹ 2/- each. Nitin Ventures FZE, UAE a foreign subsidiary of the Company increased its ownership interest in New Age Co. LLC (New Age) resulting in New Age becoming a step down subsidiary and also obtained its management control. The Company has sold its part stake in Nitin Cylinders Limited which changed its name to Worthington Nitin Cylinders Limited (WNCL) which has now become an associate of the Company.

We wish to Sincerely thanks our investors, clients, vendor-partners, bankers, financial institutions for their support. We also thank the Government of India, the state governments, and other agencies for their support, and look forward to their continuous support in future. The Directors also place on record their deep appreciation of the contribution made by employees and their extended families at all levels. The consistent growth of the Company was made possible by their hard work, loyalty, dedication, co-ordination and support.

Nitin M. Shah
Chairman & Managing Director

Nitin Fire Protection Industries Limited

501, Delta Technology Street, Hiranandani Gardens, Powai, Mumbai - 400 076, India.

Dear Shareholder,

RE: Green Initiative in Corporate Governance: Go Paperless

The Ministry of Corporate Affairs ("Ministry") has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by Companies through electronic mode. In accordance with the recent circular bearing No. 17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 issued by the Ministry of Corporate Affairs, Companies can now send various Notices/Documents (including notice calling Annual General Meeting, Audited Financial Statements, Directors' Report, Auditors' Report etc.) to their Shareholders through electronic mode, to the registered email addresses of the shareholder.

It is a welcome move for the society at large, as this will reduce paper consumption to a great extent and allow public at large to contribute towards a greener environment.

This is also a golden opportunity for every shareholder to contribute to the Corporate Social Responsibility initiative of the Company. All you have to do is to register your e-mail id with the Company to receive communication through electronic mode.

ADVANTAGES OF REGISTERING FOR E-COMMUNICATION:

- Receive communication promptly
- Reduce paper consumption and save trees
- Eliminate wastage of paper
- Avoid loss of documents/notices in postal transit
- Save costs on paper and on postage

The Board of Directors of your Company discussed this at its Board Meeting held on July 8, 2011 and decided that from next financial year i.e. from 2011-2012 onwards, your Company will also start sending all the above mentioned correspondence through e-mail.

In this regard, we request you to please update your e-mail id to be registered, OR if you have not provided please register the same with your respective DPs, please do the same so that you will start getting the same promptly.

Please note that as a shareholder, you are entitled to receive all documents free of cost upon receipt of a requisition from you, so if you still wish to get a physical copy of the communications, the Company undertakes to provide the same at no extra cost to you on request.

Let's be part of this 'Green Initiative'.

Best Regards,
For Nitin Fire Protection Industries Limited

Nitin M. Shah
Chairman & Managing Director

Milestones

1995

Incorporated

Received 2 major orders aggregating to ₹ 190 million from ONGC for replacement of ozone depletion systems at their offshore platforms.

2004

Successfully bid & awarded NELP VI block at Rajasthan

Nitin Cylinders Limited (NCL) started its commercial production of CNG Cylinders

2007

Received ISO 9001:2000 certification

2008

Successfully listed on BSE & NSE and expansion in the Middle East

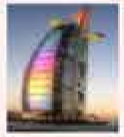
Acquisition of 40% stake in New Age Co. LLC, UAE

2009

Received LPCB approval for a range of fire fighting products

2010

Forbes Award – Listed on Forbes Asia for best under a billion for the year 2009



Further acquired additional stake in New Age Co. LLC, UAE

2011

Listed once again on Forbes Asia for best under a billion for the year 2010

NCL Entered into a JV for existing Cylinder manufacturing business with Worthington Industries Inc. now know as WNCL

Certificate to act as licensing agency by the Maharastra State Government.

For a fast-growing company, it is imperative to be well served by not just a proven team of Directors at the helm, but also a highly competent line of Management.

Brief profile of our Directors
Mr. Nitin M. Shah
Chairman and Managing Director

The founder and driving force behind the Company, he holds a Diploma in Mechanical Engineering. After completing his education in 1975, he joined his family business namely, Zenith Fire Services which was into manufacturing of fire extinguishers. Subsequently, he underwent training at BRK Electronics, U.S.A., which is one of the largest manufacturers of smoke detectors in the world. He incorporated Nitin Fire Protection Industries Limited in 1995 and has more than 3 decades of experience in fire fighting equipment business. With a hands-on managerial style, he is the guiding force for the Company.

Mr. Rahul N. Shah
Executive Director

He is a commerce graduate and holds a Diploma in Business Management. He gained experience in commissioning and installation of fire detection and alarm systems as well as gas suppression systems. In 1998, he underwent training of HFC 227EA gas suppression systems at Fike South-east Asia Pte Singapore and in 1999 of addressable fire alarm systems from Apollo Fire Detectors Ltd. in U.K, to improve the quality of fire alarm systems.

Mr. Kailat H. Vaidyananthan
Non-Executive Director

He is a graduate in Mechanical Engineering with post graduate studies in Industrial Engineering. He has more than 39 years of experience in various engineering fields including about 26 years in the area of high pressure seamless cylinders and allied equipments. He has handled many projects and his latest assignment being working with Everest Kanto Cylinders Limited. He has been instrumental in implementing the project of WNCL and all matters related to cylinder applications. He is responsible for all technical negotiations with cylinder suppliers as well as the customers for cylinders and allied items.

Dr. Surendra Dave
Independent Director

He is a Ph.D. in Economics and has a total experience of 49 years in finance, banking and securities law. Currently, he is on board of various companies and has got work exposure with RBI, Industrial Development Bank of India, SEBI and Unit Trust of India. He was a founder chairman of SEBI and also the chairman of Unit Trust of India from where he retired in 1996. Dr. Dave has been associated with various committees of the Government of India dealing with reforms in the capital market, mutual funds/insurance sector and pension funds.

Mr. Krishna Kant Jha
Independent Director

He is a Mechanical Engineer and a member of the Fellow of Institution of Engineers (FIE), India. Previously, he was an Executive Director (Health, Safety & Environment) of Gas Authority of India Limited (GAIL) and has a total experience of 41 years in the areas of project management, operations and maintenance, administration and health, safety and environment related activities.

Mr. Ramakant M. Nayak
Independent Director

He has degrees in science and law and a Diploma in Marketing and Advertising. He is also a certified associate member of the Indian Institute of Banking. He has an experience of 44 years in the area of investment advisory and commercial banking industry. Mr. Nayak has been associated as a chairman with various banking and advisory companies such as Sun Global Investments Limited, London, Sun Capital Advisory, Lord Krishna Bank (Now merged with HDFC Bank Limited) and Lakshmi Vilas Bank through which he contributed in the areas of banking, finance, economy, human resources, business strategy and risk management.

Mr. Kunal N. Shah
Non-Executive Director

He is a Bachelor of Engineering in Electronics and Tele Communications and has experience in assembling, testing, and functioning of CNG dispensers for CNG fuel vehicles.

Corporate Social Responsibility

Corporate Social Responsibility (CSR) is a form of corporate self-regulation integrated into a business model. **Nitin Fire's** CSR policy functions as a built-in, self-regulating mechanism whereby business monitors and ensures its active compliance with the spirit of the law, ethical standards, and international norms. The goal of **Nitin Fire's** CSR is to embrace responsibility for the Company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere. **Nitin Fire** has a rich history of CSR, which has grown and evolved to meet the complexities of today's business world and the challenges of a social society. It means investing in and enriching our communities.

As a member of today's rapidly changing global community, we are striving to adapt to the evolving needs of society and contribute to the overall health and wellness of our society. **Nitin Fire** has retained a collective focus on various areas of corporate responsibility that impact people, the environment and society at large. Founded on the philanthropic philosophy, the Company, across its various operations, is committed to making a positive contribution in a meaningful/tangible manner.

The product range of the **Nitin Fire's** business model itself relates to the safety and welfare of the society at large, However the Company believes that good corporate concern for CSR and good business performance go hand in hand and always nurture each other.

The policy of inclusive development is not just a policy on paper, but a value ingrained in the system through years of amalgamating social changes with industrial changes and the same has been proved and validated by a series of awards in both business and community service activities.

The idea of inclusive development continues to drive the Company's CSR activities in education, health, environment and other social spheres.

Education

Nitin Fire believes that education is a basic human right that must be provided to all. The Company's social outreach program in education field is not confined to the children of the Company employees but also covers children of villages in and around the project sites by way periodic financial contribution.

Health

With emphasis on improving the health and welfare of employees and local communities, the Company is contributing financially to hospitals. The health centres have good infrastructure to provide medical care to the workers, their families and also to the people of surrounding area. The Company also conducts medical camps for health screening of employees, their families and also to the people of areas near the project sites. Such camps create awareness on lifestyle diseases among the participants.

Health, Safety and Environment (HSE)

Nitin Fire is committed to ensuring minimum, preferably zero harm to its employees, contractors and communities in which it operates. This is integral to the Company's business process and is laid down in Company's health, safety and environment policies. HSE is a key performance indicator and a major driver of the Company's corporate vision for CSR.

The Company has been taking significant measures to minimize pollution to avoid adverse impact on the environment. A HSE committee comprising senior executives and non-executives is constituted to carry out detailed periodical reviews.

Sports

Nitin Fire believes that sports is an ideal platform for engaging youth and a good training tool to develop a team building capability for harmony in work place and society at large. It is one of the key factors in producing well-rounded leaders in the industry and society. With this viewpoint, the Company intends to support a wide range of sporting activities as a part of its CSR policy.

The Company's commitment, efforts and concern for good business practices and CSR activities have been recognized and has received the following awards:

Corporate Awards

National Udyog Ratna Award

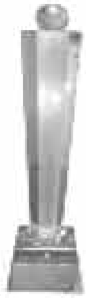
Award By Council for Fair Business Practices in the year 2006

Life Time Udyog Excellence Award

Awards for Excellence in CSR

EDUCATION

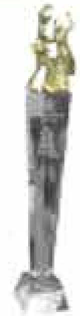
Shiksha Jagruti Abhiyan



Shiksha Jagruti Abhiyan

Jain Jagruti Center-Higher Education Project 2010

SOCIAL



NITIE Dandiya Raas

SPORTS

NITIE Cricket Cup 2010

JJC Cricket Tournament

Achievements and Honours

2009

2010

Forbes Asia best under a Billion Award, Consecutive Calender Years 2009 and 2010

EUROCNG successful Listing

International Fire Expo - Honoured by Apollo

Life Time Udyog Excellency Award

COMPANY INFORMATION

BOARD OF DIRECTORS
(As of July 8, 2011)

Mr. Nitin M. Shah	-	Chairman & Managing Director
Mr. Rahul N. Shah	-	Executive Director
Mr. Kailat H. Vaidyanathan	-	Non Executive Director
Mr. Kunal N. Shah	-	Non Executive Director (from May 29, 2011)
Mr. Krishna Kant Jha	-	Independent Director
Dr. Surendra A. Dave	-	Independent Director
Mr. Ramakant M. Nayak	-	Independent Director

REGISTERED OFFICE
501, Delta, Technology Street,
Hiranandani Gardens,
Powai, Mumbai - 400 076.
Maharashtra, India.
Tel.: +91 22 4045 7000
Fax: +91 22 2570 1110
Website: www.nitinfire.com

AUDITORS
Haribhakti & Co.
Chartered Accountants

COMPANY SECRETARY
Abhishek Shrivastava

REGISTRAR & SHARE TRANSFER AGENTS
Bigshare Services Private Limited
E-2, Ansa Industrial Estate,
Sakivihar Road, Saki Naka,
Andheri (E), Mumbai - 400 076.
Maharashtra, India.
Tel.: +91 22 4043 0200
Fax: +91 22 2847 5207
Website: www.bigshareonline.com

PLANT LOCATIONS

A-117, TTC Industrial Area,
Pawana Village,
Navi Mumbai-400 705.
Maharashtra, India.

Shed-6, Phase-1,
Duvvada VSEZ,
Vishakhapatnam,
Andhra Pradesh, India.

BANKERS
IDBI Bank Limited
Axis Bank Limited

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 16th Annual General Meeting of the Members of the Company will be held on **Thursday, August 11, 2011, at 12.30 p.m**. at Kamalnayan Bajaj Hall, Bajaj Bhavan, Ground Floor, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai-400 021to transact the following business:

Ordinary Business:

1. To receive, consider and adopt Audited Balance Sheet as at March, 31 2011 and Profit & Loss Account for the year ended on that date, together with the Reports of the Directors and the Auditors thereon.
2. To declare a dividend for the Financial Year ended March 31, 2011.
3. To appoint a director in place of Dr. Surendra A. Dave, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "**RESOLVED** that Haribhakti & Co., Chartered Accountants, Mumbai (Firm Registration Number: 103523W), be and is hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors."

Special Business:

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

   To appoint Mr. Kunal N. Shah as a director of the Company and liable to retire by rotation.

   Mr. Kunal N. Shah was appointed by the Board as an Additional Director of the Company. He is eligible for reappointment. The Company has received a notice in writing from a member signifying his intention to propose the candidature of Mr. Kunal N. Shah as a director of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

   "**RESOLVED** that in accordance with the provisions of Section 257 and other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, Mr. Kunal N. Shah who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956, be and is hereby appointed as a director of the Company and liable to retire by rotation."
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

   To consider the issue of further shares by the Company

   "**RESOLVED** that in accordance with Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956, as amended and also provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "SEBI Regulations"), as amended, the provisions of the Foreign Exchange Management Act, 1999, as amended, and rules and regulations made hereunder, including the Foreign Exchange Management (Transfer and Issue of Securities by a Person Resident Outside India) Regulations, 2000, as amended, if applicable, any other applicable law or laws, rules and regulations (including any amendment thereto or reenactment thereto or re-enactment thereof for the time being in force) and enabling provisions in the Memorandum and Articles of Associations of the Company and the Listing Agreement, entered into by the Company with the Stock Exchanges where the shares of the Company are listed and subject to the approval of, if applicable, Government of India, Reserve Bank of India, Securities and Exchange Board of India and/or all other authorities, institutions or bodies, within or outside India, and subject to such conditions as may be prescribed by any of them while granting such approval, the Board of Directors (hereinafter referred to as "Board" which include any committee thereof, whether constituted or to be constituted) of the Company are hereby authorized to create, offer, issue and allot in one or more tranche(s), in the course of domestic and/or international offerings and/or Qualified Institutional Placements ("QIP"), with or without an over allotment/green shoe issue option, in one or more foreign markets or domestic markets, to domestic institutions, foreign institutions, non-resident Indians, Indian public, companies, corporate bodies, mutual funds, banks, insurance companies, pension funds, individuals, qualified institutional buyers or other persons or entities, whether shareholders of the Company or not, through a public issue and/or on a private placement basis and/or qualified institutional placement within the meaning of the SEBI Regulations and /or preferential issue and/or other kind of public issue and /or private placement or through a combination of the foregoing as may be permitted under applicable law from time to time, with or without an over allotment/ green shoe option, equity share, secured or unsecured debentures, bonds or any other securities whether convertible into equity share or not, including, but not limited to, Foreign Currency Convertible Bonds ("FCCBs"), Optionally Convertible Debentures ("OCD"), Bonds with share warrants attached, Global Depository Receipts ("GDRs"), American Depository Receipts ("ADRs"), Rights Issue, Issue of Warrants or any other equity related instruments of the Company or a combination of the foregoing including but not limited to a combination of equity shares with bonds and/or any other securities whether convertible into equity shares or not (hereinafter referred to as "securities") for a value upto USD 100 Million (United States Dollars Fifty Million Only) or its Indian Rupee equivalent, inclusive of such premium, as may be finalized by the Board, whether to be listed on any stock exchanges inside India or any international stock exchanges outside India, through an offer document and/or prospectus and/or offer letter, and/or offering circular, and/or on public and/or private or preferential basis, whether rupee denominated in foreign currency at such time or times, at such price or prices in such manner and on such terms and conditions including security, rate of interest etc, as may be decided by and deemed appropriate by the board as per applicable law, including the discretion to determine the categories of investors to whom the offer, issue and allotment shall be made, considering, the prevailing market conditions and other relevant factors wherever necessary in consultation with its advisors, as the Board in its absolute discretion may deem fit and appropriate.

RESOLVED FURTHER that in addition to all applicable Indian laws, the securities issued in pursuance of this resolution shall also be governed by all applicable laws and regulations of any jurisdiction outside India where they are listed or that may in any other manner apply to such securities or provided in the terms of their issue.

RESOLVED FURTHER that the unsubscribed securities may be disposed off by the Board in its absolute discretion in such manner, as the Board may deem fit and as permissible by the law.

RESOLVED FURTHER that in case of a QIP/Rights Issue/Preferential Allotment pursuant to the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, the allotment of securities and the relevant date for the determination of the price of the equity shares to be issued, shall be the date on which the board decides to open the issue of securities or such other time as may be allowed by SEBI Regulations from time to time.

RESOLVED FURTHER that in case of an issuance of FCCBs/ADRs/GDRs, the relevant date for the determination of the issue price of the securities offered, shall be determined in accordance with the Issue of Foreign Currency Convertible Bonds and Ordinary shares (through Depository Receipt Mechanism) Scheme, 1993 as may be amended from time to time.

RESOLVED FURTHER that the issue of securities shall be subject to the following terms and conditions:

a) The securities shall be subject to the provisions of Memorandum and Articles of Associations of the Company and in accordance with the terms of the issue; and

b) The number and/or price of the securities shall be appropriately adjusted for corporate actions such as bonus issue, rights issue, stock split, merger, demerger, transfer of undertaking, sale of division or any such capital or corporate restructuring.

RESOLVED FURTHER that the Common Seal of the Company, if required to be affixed in India and/or outside India on any agreement, undertaking, deed or other document, the same be affixed in the presence of any one of the Directors of the Company or any one of the officers of the Company in accordance with the Articles of Association of the Company.

RESOLVED FURTHER that subject to the applicable laws, the Board and/or the Committee authorised by the Board be and is hereby authorized to do such acts, deeds and things as the Board in its absolute discretion deems necessary or desirable in connection with the issue of the securities, including, without limitation of the following;

a) Decide the date for the opening of the issue of securities;

b) Decide the price band for the issue;

c) Finalization of the issue price;

d) Finalization of the allotment of the securities on the basis of the subscriptions received;

e) Finalization of, signing of and arrangement for the submission of the preliminary and final offering circulars/prospectus(es)/offer document(s), and any amendments and supplements thereto, along with supporting papers needed to be filed for seeking listing approval with any applicable government and regulatory authorities, institutions or bodies as may be required;

f) Deciding the pricing and terms of the securities, and all other related matters, including taking any action on two-way fungibility for conversion of underlying equity shares into FCCBs/ GDRs/ ADRs, as per applicable laws, regulations or guidelines;

g) Appoint, in its absolute discretion, managers (including lead manager), investment bankers, merchant bankers, underwriters, guarantors, financial and /or legal advisors, depositories, custodians, principal paying/transfer/conversion agents, listing agents, registrars, trustees and all other agencies, whether in India or abroad, entering into or execution of all such agreements/arrangements/MoUs/documents with any such agencies, in connection with the proposed offering of the securities;

h) Approval of the Deposit Agreements(s), the Purchase/Underwriting Agreement(s), the Trust Deed(s), the Indenture(s), the Master/Global GDRs/ADRs/FCCBS/Other Securities, Letters of Allotment, Listing Application, Engagement Letter(s), Memoranda of Understanding and any other agreements of documents, as may be necessary in connection with the issue/offering (including amending, varying or modifying the same, as may be considered desirable or expedient), in accordance with all applicable laws, rules, regulations and guidelines;

i) Settle all questions, difficulties or doubts that may arise in regards to the issue, offer or allotment of securities and utilization of the proceeds of the issue in such a manner and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit.

RESOLVED FURTHER that the Board and/or the Committee authorized by the Board be and is hereby authorized to accept any modifications in the proposals as may be required by the authorities involved in such issues but subject to such conditions as the SEBI/GoI/RBI or such other appropriate authorities may impose at the time of their approval and as agreed to by the Board;

RESOLVED FURTHER that without prejudice to the generality of the foregoing, issue of the securities may be done upon all or any terms or combination of terms in accordance with international practices relating to the payment of interest, additional interest, premium on redemption, prepayment or any other debt service payments and all such terms as are provided customarily in an issue of securities of this nature.

RESOLVED FURTHUR that the Company may enter into any arrangement with any agency or body authorized by the Company for the issue of depository receipts representing the underlying equity shares issued by the Company in registered or bearer form with such features and attributes as are prevalent in international capital markets for instruments of this nature and to provide for the tradability of free transferability thereof as per international practices and regulations (including listing on one or more stock exchange(s) inside or outside India) and under the forms and practices prevalent in the international markets."

For and on behalf of the Board

Mumbai
July 8, 2011

Sd/-
Abhishek Shrivastava
Company Secretary

Notes:

a. A member entitled to attend and vote at the Annual General Meeting (the "Meeting") and is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxies in order to be effective must be received at the Company's registered office not less than forty-eight hours before the commencement of the Meeting.

b. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

c. The relevant explanatory statement pursuant to Section 173 of the Companies Act, 1956, is annexed thereto.

d. Members are requested to bring their attendance slip along with their copy of the Annual Report to the Meeting.

e. In case of joint holders attending the Meeting, only such joint holder which is higher in the order of names will be entitled to vote.

f. Documents relating to any of the items mentioned in the Notice and the Explanatory Statement thereto are open for inspection at the Registered Office of the Company on working days during business hours up to the date of the Meeting.

g. The dividend on equity shares, if declared, will be payable within five days from the date of Annual General Meeting on or after August 11, 2011, to those members whose names stand on the Register of Members of the Company.

h. The Register of Members and Transfer Book of the Company will remain close from Saturday, August 6, 2011 to Thursday, August 11, 2011 (both days inclusive).

i. Members are requested to intimate to the Company, queries, if any, regarding the accounts/notices at least seven days before the Annual General Meeting to enable the management to keep the information ready at the meeting.

j. Members are requested to notify immediately of any change in their address to the Company. Members holding shares in electronic form are advised to notify any change in their address to the concerned depository participants.

k. Pursuant to Section 205 A of the Companies Act, 1956, the Company is not having any unclaimed or unpaid dividends liable to be transferred to the Investors Education and Protection Fund.

l. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

m. Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 109 A of the Companies Act, 1956 are requested to submit the prescribed Form 2B duly completed to the Registrar and Share Transfer Agents of the Company.

n. As per Clause 49 of the Listing Agreement with the stock exchanges the following particulars of Directors who are appointed /re-appointed is being provided as below;

   Dr. Surendra A. Dave is Ph.D. in Economics and has a total experience of 48 years in finance, banking and securities law. Currently, he is on board of various companies and has got work exposure with RBI, Industrial Development Bank of India, SEBI and Unit Trust of India. He was a founder chairman of SEBI and also the chairman of Unit Trust of India from where he retired in 1996. Dr. Dave has been associated with various committees of Government of India dealing with reforms in the capital market, mutual funds/insurance sector and pensions.

   Mr. Kunal N. Shah, 26 years is a Bachelor of Engineering in Electronics and Tele Communications. He has experience in assembling, testing, and functioning of CNG dispensers for CNG fuel vehicles.

o. Members / proxies should bring the attendance slips filled in for attending the Meeting.

Annexure to the Notice

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956.

Item No. 5

Mr. Kunal N. Shah was appointed as an Additional Director of the Company at the Board meeting held on May 29, 2011. He holds the office until the conclusion of this meeting. The Company had received a Notice under the provisions of Section 257 of the Companies Act, 1956 with requisite fees signifying the intention for appointment of Mr. Kunal N. Shah as a Director of the Company. Mr. Kunal N. Shah being eligible, offers himself for appointment.

The Directors of the Company recommend the passing of the Ordinary Resolution at Item No. 5 of the Notice. None of the Board of Directors except Mr. Kunal N. Shah, Mr. Nitin M. Shah and Mr. Rahul N. Shah are interested in the resolution.

Item No. 6

To consider issue of further share capital by the Company

The Company proposes to raise funds upto USD 100 Million (United States Dollars Fifty Million Only) or its Indian Rupee equivalent, inclusive of such premium, as may be finalized by the Board in one or more trenches through public issues and/or on a private placement basis and/or QIP within the meaning of the SEBI Regulations and/or preferential issue and/or any other kind of public issue and/or private placement as may be permitted under applicable law form time to time. The resolution contained in the business of the Notice related to a proposal by the Company to create, offer, issue and allot equity shares and/or such other securities as stated in the Special Resolution (the "Securities") which seeks to empower the Board of Directors (hereinafter referred to as "Board" which include any Committee thereof, whether constituted or to be constituted) to undertake such issue or offer of securities.

1. **Objects of the issue**
   - To acquire or establish company/companies in India and/or abroad,
   - To repay its debt obligations and strengthen the capital base of the Company,
   - For green field projects,
   - For new products development, and
   - General corporate purposes.

2. **Pricing**

   In case of an issue of Securities to Qualified Institutional Buyers/Preferential Allotment, pursuant to the SEBI Regulations, the issue price of Securities shall be at a price, being not less than the price calculated in accordance with the SEBI Regulations as may be amended from time to time and the Relevant Date in this regard shall be the date on which the Board decides to open the issue of securities or such other time as may be allowed by SEBI Regulations from time to time.

   In case of a QIP pursuant to Chapter VIII of SEBI (ICDR) Regulations, 2009, the allotment of Securities shall be completed within twelve months from the date of passing of this shareholders resolution.

   In case of issue of ADRs/GDRs the issue price shall be at a price, being not less than the price calculated in accordance with applicable law including the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, as may be amended from time to time.

3. **Instruments and other terms and conditions**

   The detailed terms and conditions for the offer will be determined by the Board in consultation with Advisors, Lead Manager(s)/Book Runners, Underwriters and such other authority or authorities as may be required to be consulted by the Company considering the prevailing market conditions and other relevant factors.

   The issue/ allotment/ conversion would be subject to the availability of regulatory approvals, if any. The conversion of Securities, held by foreign investors, into shares would be subject to the applicable foreign investment limits.

   The Special Resolution seeks to give the Board and/or Committee authorized by the Board powers to issue Securities in one or more tranche or tranches, at such time/times, and to such person(s) including institutions, incorporated bodies and/or individuals or otherwise as the Board may in its absolute discretion deem fit.

   The consent of the shareholders is being sought pursuant to the provisions of Section 81(1A) and other applicable provisions of the Companies Act, 1956 and in terms of the provisions of the Listing Agreement executed by the Company with Stock Exchanges where the Equity Shares of the Company are listed.

   Section 81(1A) of the Companies Act, 1956 and the relevant clause of the Listing Agreement with the Stock Exchanges where the Equity Shares of the Company are listed provides, inter alia, that when it is proposed to increase the issued capital of a company by allotment of further shares, such further shares shall be offered to the existing shareholders of such company in the manner laid down in Section 81 unless the shareholders in a general meeting decide otherwise. Since the Special Resolution proposed in the business of the Notice results in the issue of shares of the Company otherwise than to the members of the Company, consent of the shareholders is being sought pursuant to the provisions of Section 81(1A) and other applicable provisions of the Companies Act, 1956 and the Listing Agreement.

The Special Resolution, if passed, will have the effect of allowing the Board and/or the Committee authorized by the Board to issue and allot Securities to the investors who may or may not be the existing shareholders of the Company and the Board and/or the Committee authorized by the Board will have the power to decide the date of opening of the issue.

For reasons aforesaid, an enabling resolution is proposed for consideration of the shareholders to give adequate flexibility and discretion to the Board to finalize the terms of the issue of Specified Securities.

The Board believes that the issue of Specified Securities to investors who are not shareholders of the Company is in the interest of the Company and therefore recommends the resolution for your approval.

None of the directors of the Company are concerned or interested in the resolution except to the extent of their shareholding is affected.

The Directors recommend the special resolution for your approval.

For and on Behalf of the Board

Mumbai
July 8, 2011

Sd/-
Abhishek Shrivastava
Company Secretary

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the Sixteenth Annual Report together with the Audited Statement of Accounts for the year ended March 31, 2011.

FINANCIAL RESULTS

Accounting Policy

The Company follows the Generally Accepted Accounting Principles (GAAP) in India, applicable accounting standards/provisions of the Companies Act, 1956 for the preparation of its financial statements. The Company also follows accrual basis of accounting except in cases of revaluation of assets and impairment losses, if any.

Summarised Profit and Loss Statement (₹ in lacs)

Particulars	Standalone		Consolidated	
	For the year 2010-11	For the year 2009-10	For the year 2010-11	For the year 2009-10
Sales & other income	16,226.99	9,425.05	45,330.91	31,625.94
Profit before depreciation/amortisation & tax	2,855.33	1,489.79	6,822.36	4,999.92
Depreciation/amortisation	28.33	48.36	534.30	415.21
Profit before tax	2,827.00	1,441.43	6,288.06	4,584.71
Provision for income tax including deferred tax	349.20	207.26	375.62	808.71
Provision for wealth tax	0.07	0.15	0.82	1.25
Tax adjustments of earlier years (net)	105.91	58.92	110.39	75.73
Profit after tax	2,371.82	1,175.10	5,801.23	3,699.02
Less: Share of minority interest in income	-	-	122.85	-
Add: Share of (loss)/profit in an associate	-	-	(342.36)	481.46
Add: Prior period adjustments	-	-	-	12.80
Profit brought forward from previous year	2,362.28	1,863.26	9,538.48	6,021.28
Profit available for appropriation	4,734.10	3,038.36	14,874.50	10,214.56
APPROPRIATIONS				
Transferred to General Reserve	237.50	160.00	280.00	160.00
Proposed dividend	630.15	441.11	630.15	441.11
Corporate dividend tax on proposed dividend	44.10	74.97	102.23	74.97
Surplus carried forward to Balance Sheet	3,822.35	2,362.28	13,862.12	9,538.48

DIVIDEND

The Board of Directors encouraged with the above financial performance of the Company, recommends dividend of ₹1/- per share on 6,30,15,705 Equity Shares of ₹2/- each (Previous year ₹3.50 per share on 1,26,03,141Equity Shares of ₹10/- each)

SHARE CAPITAL

During the year, the Company has sub-divided (split) its shares from ₹ 10/- each to ₹ **2/-** each. There was no change in the paid up share capital of the Company during the year.

TRANSFER TO RESERVES

The Company proposes to transfer ₹ 237.5 lacs to the General Reserve out of the amount available for appropriations and an amount of ₹ 3,822.35 lacs is proposed to be retained in the Profit and Loss Account

RESERVE AND SURPLUS

Reserves and Surplus stood at to ₹ 11,380.32 lacs as at March 31, 2011 compared to ₹ 9,693.60 lacs as at March 31, 2010. The increase was due to retained earnings.

OPERATION RESULTS AND BUSINESS

The Company continued to see strong and profitable growth during the Financial Year 2010-11 across all markets driven by good performance across all business segments.

The performance of your Company during the year under report has registered an improvement over the previous year. Total income during the year ended March 31, 2011 stood at ₹ 16,226.99 lacs registering an increase of 72% as compared to the previous year. As per the Consolidated Financial Statements, total income was ₹ 45,330.91 lacs registering an increase of 43.33% as compared to the previous year. The working of the Company is considered satisfactory. Barring unforeseen circumstances, the Board of Directors are hopeful of better performance of the Company during the current year.

The Company is among the leading fire fighting equipment manufacturing companies in India, and continues to retain its leadership position among the Indian companies. It has continued to win new engagements and grow existing relationships in the traditional area of development, manufacturing and distribution of fire protection and electronic security systems, CNG cascades, commissioning and installation of safety and security solutions and execution of annual maintenance contracts for fire protection systems. It provides automated water and gas based fire suppression systems along with fire detection and security systems on turnkey basis. The broad range of products and services enables the Company to provide "end to-end" services to its customers, combined with its industry focus and its geographical spread, the Company is able to provide comprehensive and high value added services to its customers. Considering the need to deepen relationships with customers in the industry, to acquire new customers in the markets where your Company is already a significant force and to expand in emerging markets.

SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

Your Company has six subsidiaries, namely' Alert Fire Protection Systems Private Limited, India Eurotech Cylinders Private Limited, India, Logicon Building Systems Private Limited, India, Nitin Venture FZE, UAE, New Age Company LLC, UAE and Nitin Global Pte Limited, Singapore. One domestic subsidiary i.e. Nitin Cylinders Limited has become associate of the Company which has changed its name to Worthington Nitin Cylinders Limited. A Foreign associate Company i.e. New Age LLC, UAE, has become a step down subsidiary with the holding being through a foreign subsidiary.

We believe that the presentation of the Consolidated Financial Statements presents a more comprehensive picture rather than the Standalone Financial Statements of the Company and each of its subsidiaries. As per terms of general exemption, a summary of financial information of each subsidiary regarding Capital, Reserves, Total Assets, Total Liabilities, Details of Investment, Turnover, Profit before Taxation, Provision for Taxation, Profit after Tax and Proposed Dividend have been separately furnished forming part of this Annual Report.

Alert Fire Protection Systems Private Limited, India (Alert)

Alert is in the business of purchase and supply of fire alarm and detection equipments, control panels and related components/spare parts which are mainly sourced from a U.K. based Company viz. Apollo Fire Detectors and Fire Fighting Enterprise.

Eurotech Cylinders Private Limited, India (ECPL)

ECPL is in the business of purchase and supply of high pressure seamless and valves. The Company's products are sold under the brand name 'EURO' and basically cater to domestic markets. ECPL supplies the above products to dealers of industrial/medical gases, fire fighting equipments.

Logicon Building Systems Private Limited, India (Logicon)

Logicon is in the business of setting up of turnkey contracts for intelligent building management systems, clean agent and fire detection alarm systems including water based hydrant systems, CCTV and security systems including designing, integration, installation of such systems and maintenance services. Such systems are used for security and building automation of all kinds of buildings, be it I.T. complexes, shopping malls, industrial plant buildings, hospitals, hotels, banks, data centers etc.

Nitin Venture FZE, UAE (NV)

NV is set up in the free trade zone at Jebel Ali, Dubai to meet the demands of international customers and provides simple, standalone conventional to intelligent, integrated fire protection solutions backed by a product portfolio consisting of complete spectrum of fire and safety products with international approvals. NV is strategically placed to be an international one stop source to discerning customers for conventional to intelligent standalone/integrated fire detection systems, water and gas based fire extinguishing systems, gas detection systems, CCTV, access control & intrusion detection systems, high pressure storage cylinders & accessories and integrated building management systems.

New Age Company LLC, UAE (NA)

NA was established in 1976 at UAE. NA has got offices and representations in Abu Dhabi, Dubai, and Sharjah with experience in installation in all the seven emirates.

NA is professional fire protection engineering company providing equipments, fire protection system, fire detection system, emergency lighting system and water mist fire protection systems.

NA has taken several projects for Municipality, Airport Development Board, Port Authority, Industrial Warehouses, Commercial Warehouses, Electricity Board etc and also other government bodies.

Nitin Global Pte Limited, Singapore (NGPL)

NGPL was incorporated in July 2009 to meet the demands of South-East Asian markets and for providing simple, standalone conventional to intelligent, integrated fire protection solutions backed by a product portfolio consisting of complete spectrum of fire and safety products with international approvals. NGPL is strategically placed to be an international one stop source to discerning customers for conventional to intelligent standalone / integrated fire detection systems, water and gas based fire extinguishing systems, gas detection systems, CCTV, access control & intrusion detection systems, high pressure storage cylinders & accessories and integrated building management systems.

There has been no other material change in the nature of the business of the subsidiaries. A statement containing brief financial details of the subsidiaries is included in the Annual Report

PROPOSED AMALGAMATION OF SUBSIDIARY COMPANIES WITH THE COMPANY

The Board of Directors of the Company in its board meeting held on February 11, 2011 has approved the amalgamation with itself of Alert Fire Protection Systems Private Limited and Logicon Building Systems Private Limited with April 1, 2010 being the appointed date. In this regard, your Company has received an in principle approval from both the stock exchanges. Your Company has since filed a joint petition before the Hon'ble High Court of Bombay for the sanction of the scheme and approval is awaited.

ANNUAL REPORT OF SUBSIDIARY COMPANIES

In terms of general exemption given by the Ministry of Corporate Affairs, Government of India, vide General Circular No. 2/2011 dated February 8, 2011 under section 212(8) of the Companies Act, 1956, a copy of Balance Sheet, Profit and Loss Account, Report of the Board of Directors and the Auditors of the above mentioned six subsidiary companies for the year ended March 31, 2011 have not been attached with the Annual Report of the Company. We believe that the presentation of the Audited Consolidated Financials present a true and fair picture of the state of affairs and the financial conditions.

The Company has also annexed a statement at the end of this Annual Report pursuant to general exemption granted given by the Ministry of Corporate Affairs, Government of India under section 212(8) of the Companies Act, 1956, related to its subsidiary companies for the year ended March 31, 2011.

The Company shall make available these documents/details upon request by any shareholder of the Company interested in obtaining the same. The annual accounts of the Company and its subsidiary companies are also available for inspection by the shareholders during business hours at the registered office of the Company.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Financial Statements have been prepared in accordance with the Accounting Standard 21 'Consolidated Financial Statements', Accounting Standard 23 'Accounting for Investments in Associates in Consolidated Financial Statements' and Accounting Standard 27 'Financial Reporting of Interest in Joint Ventures'. Your Directors have pleasure in attaching the Consolidated Financial Statements which form part of the Annual Report.

FIXED DEPOSITS

The Company has not invited/accepted any public deposits and, as such, no amount on account of principal or interest on public deposits was outstanding on the date of the Balance Sheet.

DIRECTORS

Dr. Surendra A. Dave, shall retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offers himself for reappointment.

Mr. Kunal N. Shah was appointed as an Additional Director of the Company at meeting of the Board held on May 29, 2011. Mr. Kunal N. Shah is holding office of Director until the date of the ensuing Annual General Meeting. The Company had received Notice and requisite fee from a shareholder for proposing appointment of Mr. Kunal N. Shah in the Board.

Brief particulars and expertise of these Directors have been given in the Report on the Corporate Governance and in the Notice of the ensuing Annual General Meeting.

Insurance

The properties of the Company viz. building, plant and machinery and stocks have been adequately insured.

EMPLOYEES

None of the employees of the Company has received remuneration exceeding the limits prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

Employee's relations remained cordial during the year under review.

INTERNAL CONTROL SYSTEMS AND ITS ADEQUACY

The Company has adequate internal control systems and procedures in place for effective and smooth conduct of business and to meet exigencies of operation and growth. The key business processes have been documented. The transactions are recorded and reported in conformity with generally accepted accounting practices. The Company has an in house internal audit system and procedures to ensure reliability of financial reporting, compliance with the Company's policies and practices, governmental regulations and statutes.

RISK AND CONCERNS

Indian Economy has been on a growth track again. The growth is expected to accelerate during the current year. However, excess liquidity and inflation induced by supply constraints and anxiety about the eventual withdrawal of stimulus continue to cause concern. The Company had reported good growth in the Financial Year's 2009-10 and 2010-11.

The Management continues to monitor the risks concerning the Company and take actions as appropriate to the situation.

CONSERVATION OF ENERGY

The Company is not required to furnish the prescribed information under Section 217(I) (e) of the Companies Act, 1956 relating to conservation of energy, as the Company does not fall under the industries included in the Schedule to relevant rules. However, your Directors report that operations of the Company do not involve much use of energy. The Company makes every possible effort to conserve energy at all levels of its operations. Statement of particulars of the conservation of energy forms part of this Report

TECHNOLOGY ABSORPTION

The Company is presently carrying its business with in-house Indian technology. Statement of particulars of the technology absorption forms part of this Report

FOREIGN EXCHANGE EARNINGS AND OUTGO

Statement of particulars of the foreign exchange earnings and outgo forms part of this Report

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to the Directors' Responsibility Statement, the Directors confirm that:

i. In the preparation of the annual accounts for the Financial Year ended March 31, 2011, the applicable accounting standards have been followed and no material departures have been made from the same,

ii. Appropriate accounting policies have been selected and applied consistently, and have 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 as at March 31, 2011 and of the Profit & Loss Account for the year than ended.

iii. Proper and sufficient care has been taken 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. The annual accounts have been prepared on a going concern basis.

AUDITORS

The Auditors of the Company, Haribhakti & Co, Chartered Accountants retire at the conclusion of ensuing Annual General meeting of the Company and being eligible offer themselves for re-appointment as statutory auditors for the Financial Year 2011-2012.

The Company has received a letter from Haribhakti & Co, Chartered Accountants to the effect that their appointment if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified within the meaning of Section 226 of the said Act.

Members are requested to consider their appointment, on a remuneration to be decided by the Board of Directors thereof for the ensuing Financial Year i.e. 2011-2012.

The Notes to the Financial Statements referred to in the Auditor's Report are self-explanatory and therefore do not call for any further comments.

AUDITOR'S REPORT

The Board has duly examined the statutory Auditor's Report to the financial statements and clarifications, wherever necessary, have been included in the Notes to the Financial Statements section of the Annual Report.

EXPLANATION TO AUDITORS OBSERVATIONS:

Reply to qualifications given by the auditors in the Auditors Report:

Auditors Qualification: Para 5(a) of the Auditors Report: The Company executes composite contracts with its customers for the supply and installation of fire protection system. Based on the nature of the activity, execution of work and the contracts entered into by the company, the contract revenue and contract costs need to be accounted by adopting the percentage of completion method as prescribed under AS - 7 “Construction Contracts”. However, the Company has accounted revenue as per AS - 9 “Revenue Recognition” based on dispatch of material and on completion of installation work. The impact due to above is presently not ascertainable.

Managements Reply: The Company is under the process of implementing an ERP system and accordingly will ensure compliance with Accounting Standard-7 “Construction Contracts” in the subsequent financial years.

Auditors Qualification: Para 5(b) of the Auditors Report: As stated in note 21 of the Schedule O, the Company is in dispute with a bank for a claim made by the bank for ₹ 50,133,481 excluding interest on a derivative contract entered into by its erstwhile subsidiary, the liability for which has been taken over by the Company. The erstwhile subsidiary is now an associate based on a sale of its 40% share and increase in paid up capital of the associate. The Company has not determined the quantum of mark to market losses as of the balance sheet date on the above contract and have relied on a legal opinion in the matter mentioning that no liability is expected. Pending final settlement of the matter, we are unable to quantify the extent of provision required, if any in this regard.

Managements Reply: Consequent to part sale of equity stake in Worthington Nitin Cylinders Limited in December 2010, the Company has taken over the outstanding claim of a derivative contract amounting to ₹ 50,133,481 (excluding interest). The Company has obtained a legal opinion mentioning that the said contract is in violation of the RBI regulations and hence, no liability is expected. Further, the Company has filed a petition in the Hon'ble High Court of Bombay challenging the legality of the contract. Pending decision, no provision is made in the books of account.

Auditors Qualification: Para 5(c) of the Auditors Report: As stated in note 6 of the Schedule O, the Company is in process of obtaining details regarding identification of creditors registered under the Micro, Small and Medium Enterprise Development Act, 2006.

Managements Reply: The Company is in the process of obtaining necessary information relating to the registration status of suppliers under the Micro, Small and Medium Enterprises Development Act, 2006. Hence, the information required under the said Act, could not be compiled and disclosed. However, the Company since obtained few confirmations to this effect.

MANAGEMENT DISCUSSION AND ANALYSIS

A Report on Management Discussion and Analysis is annexed and same forms part of this Report.

CORPORATE GOVERNANCE REPORT

The Company has adopted the best possible Corporate Governance norms and it has been our endeavor to comply and upgrade to the changing norms.

A separate section on corporate governance and a certificate from the Practicing Company Secretary regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the stock exchanges form part of this Report.

In terms of sub-clause (v) of the Clause 49 of the Listing Agreement, a certificate of the Managing Director *inter alia*, confirming the correctness of the financial statements, adequacy of the internal control measures and reporting to matters to the Audit Committee in terms of the said Clause, is also enclosed as a part of this Report.

ACKNOWLEDGEMENTS

The Board acknowledges with appreciation the efforts put in by its employees during the year under review. The Company is grateful to its customers, shareholders, suppliers, financial institutions, bankers, Central and State Governments for their constant support to the Company The Directors also place on record their deep appreciation of the contribution made by employees at all levels. The consistent growth of the Company was made possible by their hard work loyalty, dedication, co-ordination and support.

For and on behalf of the Board

Mumbai
July 8, 2011

Sd/-
Nitin M Shah
Chairman & Managing Director

ANNEXURE TO DIRECTORS' REPORT

INFORMATION UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN REPORT OF THE BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2011

A. CONSERVATION OF ENERGY:

Energy conservation measures taken;

- The Company has been taking from time to time such measures as deemed necessary and advisable for conservation of power.
- Impact of above measures: This enables the Company to reduce energy consumption, which intern helps to reduce the production costs.
- Total energy consumption per unit of production in prescribed Form - A

Form A

Sr. No.	Particulars	For the year 2010-11	For the year 2009-10
[A]	Power and fuel consumption		
	1. Electricity		
	a) Purchased units	9,933	12,207
	Amount (₹)	46,180	53,540
	Rate/Unit (₹)	4.65	4.39
	b) Own Generation	Nil	Nil
	2. Coal	Nil	Nil
	3. Fuel Furnace Oil + Light Diesel	Nil	Nil
	4. Other/Internal Generations	Nil	Nil
[B]	Consumption per unit	N.A.	N.A.
	Electricity per Unit	N.A.	N.A.

B. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

1. Research & Development (R&D):
   - Improvement / modification of processes and technology
   - Reduction in consumption of material
   - Development of new products
2. Benefits derived as a result of above R&D:
   - Cost reduction
   - Technology up gradation
3. Future plan of action & expenditure on R&D:
   - The development process is a part of operations
   - Expenditure on R&D is not specifically identifiable
4. Technology Adaptation and Innovation:
   - The technology has been developed by the Company itself
   - There has been no purchase or import of technology

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

a. Initiatives taken to increase exports and exports plans

Your Company has been in constant touch with various customers around the world. We do hope that our regular follow up will result in increase business from other countries.

b. Development of new export markets

Your Company is consistently exploring possibilities of exporting its products to new markets. This is an on going process.

c. Total Foreign Exchange Earnings and Outgo : (₹ in lacs)

Particulars	For the year 2010-11	For the year 2009-10
Earnings	8,849.63	4,519.09
Outgo	8,324.72	1,450.57
Expenditure in foreign currency	53.33	67.99

REPORT ON CORPORATE GOVERNANCE

(Annexure to the Sixteenth Directors' Report for the Financial Year 2010-11)

1. PHILOSOPHY ON CORPORATE GOVERNANCE

Strong corporate governance standards are vital not only for the healthy and dynamic Corporate Sector growth, but also for inclusive growth of the economy. Good corporate governance practices enhance Company's value and stakeholders' trust resulting into strong and healthy development of the economy.

The Company is committed towards implementing best corporate governance practices, wherever possible. The Company's philosophy on Corporate Governance is to create value for its shareholders and to conduct its affairs in a manner which is transparent, clear and evident to those who deal with and have a stake in the Company viz. lenders, creditors, employees and shareholders. The commitment to good corporate governance practices reflects in the Company's value statement comprising of the following:

- Right and equitable treatment of shareholders;
- Protection of interest of other stakeholders;
- Integrity and ethical behavior;
- Timely disclosures and transparency;
- Best sustainable profit performance;
- Safety, health and environmental responsibility ; and
- Integrity

The Company's philosophy on Corporate Governance is thus concerned with the ethics, values and morals of the Company and its Directors, who are expected to act in the best interest of the Company and remain accountable to shareholders and other beneficiaries for their action.

2. BOARD OF DIRECTORS

(i) Composition

The Board of Directors (the 'Board') of the Company represents an optimum mix of persons with experience and expertise in their respective fields. As at March 31, 2011, the Board of the Company consisted of six Directors, of which two are Executive Directors one Non-Executive Director and three are Non-Executive Independent Directors. Further, the Company has appointed one more Non-Executive Director on the Board on May 29, 2011, and now the Board of the Company consists of seven Directors, of which two are Executive Directors, two Non-Executive Director and three are Non-Executive Independent Directors. None of the Directors of the Company is a member of the Board of more than 15 companies, in terms of section 275 of the Companies Act, 1956, and a member of more than 10 Committees or Chairman of more than 5 Committees (as specified in Clause 49 of the Listing Agreement). The Board is primarily responsible for the overall management of the Company's business. The composition of the Board is as under:

Sr. No.	Name of the Director	Nature of Directorship	Number of Directorship's of other public companies	Membership in other Board Committees	Chairmanship in other Board Committees
1.	Mr. Nitin M. Shah	Chairman and Managing Director	1	Nil	Nil
2.	Mr. Rahul N. Shah	Executive Director	Nil	Nil	Nil
3.	Mr. Kailat H. Vaidyanathan	Non-Executive Director	Nil	Nil	Nil
4.	Dr. Surendra A. Dave	Independent Non-Executive Director	9	11	1
5.	Mr. Krishna Kant Jha	Independent Non-Executive Director	1	Nil	Nil
6.	Mr. Ramayana M. Nayak	Independent Non-Executive Director	10	8	2

(ii) Brief Resume of Directors seeking appointments/reappointments

Dr. Surendra A. Dave is Ph.D. in Economics and has a total experience of 48 years in finance, banking and securities law. Currently, he is on board of various companies and has got work exposure with RBI, Industrial Development Bank of India, SEBI and Unit Trust of India. He was a founder chairman of SEBI and also the chairman of Unit Trust of India from where he retired in 1996. Dr. Dave has been associated with various committees of Government of India dealing with reforms in the capital market, mutual funds/insurance sector and pension funds.

Mr. Kunal N. Shah, is a Bachelor of Engineering in Electronics and Tele Communications and has experience in assembling, testing, and functioning of CNG dispensers for CNG fuel vehicles.

(iii) Board Meetings:

The Company prepares the schedule of the Board Meetings in advance to assist the Directors in scheduling their program. The agenda of the meeting is circulated to the members of the Board well in advance along with necessary papers, reports, recommendations and supporting documents, so that each Board member can actively participate on agenda items during the meeting. Details of meetings held and attended by the respective board members are as under:

Sr. No.	Name of the Director	No. of meetings held	No. of meetings attended	Last AGM attended
1.	Mr. Nitin M. Shah	8	7	Yes
2.	Mr. Rahul N. Shah	8	7	Yes
3.	Mr. Krishna Kant Jha	8	2	Yes
4.	Dr. Surendra A. Dave	8	6	Yes
5.	Mr. Kailat H. Vaidyanathan	8	8	Yes
6.	Mr Ramakant M. Nayak	8	6	Yes

During the Financial Year 2010-11, eight Board Meetings were held on April 12, 2010, July 10, 2010, August 13, 2010, August 17, 2010, October 19, 2010, November3, 2010, December 16, 2010 and February 11, 2011 respectively. The interval between two meetings was less than four months.

(iv) Information supplies to the Board

The Board has complete access to any information within the Company. At Board Meetings employees who can provide additional insights into the items being discussed are invited:

- Quarterly results for the Company, its subsidiary companies, its associate and an unincorporated joint venture;
- Minutes of meeting of the Board, Committees, resolutions passed by circulations and minutes of the meeting of the Board of the subsidiary companies;
- Quarterly compliance certificates with the exception reports which includes non-compliance, if any, of any regulatory, statutory nature or listing requirements and shareholders service;
- Disclosures received from the Directors;
- Related party transactions;
- Regular business updates;
- Report on action taken on the previous Board Meeting decisions;
- Other information as mentioned in Annexure 1A to Clause 49 of the Listing Agreement;

3. BOARD COMMITTEES

For effective and efficient functioning of the Company, the Board has formed the following Committees:

- Audit Committee
- Shareholders/Investors' Grievance Committee
- Remuneration Committee

AUDIT COMMITTEE

The Audit Committee consists of two Independent and one Executive Director. Mr Krishana Kant Jha, Chairman of the committee, having knowledge of Accounts, Finance and Company Law. At present, the committee comprises of the following Directors:

1.	Mr. Krishna Kant Jha	-	Chairman, Independent Non executive Director
2.	Mr. Ramakant M. Nayak	-	Member, Independent Non Executive Director
3.	Mr. Rahul N. Shah	-	Member, Executive Director

During the year under review, the committee met five times on April 12, 2010, August 13, 2010, August 17, 2010, November 3, 2010, and February 11, 2011 respectively.

The role and terms of reference of the Audit Committee covers the following areas mentioned under Clause 49 of the Listing Agreement:

a) Discussion with the auditors periodically of internal control systems, scope of audit, observations of auditors and review of quarterly, half yearly and annual financial statements;

b) Review of the Company's financial reporting process and disclosure of its financial information.

c) Reviewing with management the annual financial statements before submission to the Board;

d) Review the adequacy of internal control systems with the management, statutory and internal auditors, and structure & staffing of internal audit system;

e) Discussion and reviewing of any significant finding of any internal investigations by the in house internal control system into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board and follow up thereon;

f) Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussions to ascertain any areas of concern;

g) Review the Company's financial and risk management policies;

h) Recommending the appointment and removal of statutory auditors, fixation of audit fees and also approve payment for any other services, if any;

i) Investigate into any matters as specified in Section 292A of the Companies Act, 1956 or any matter referred to it by the Board;

j) Other functions as mentioned in Clause 49(II) (D) of the Listing Agreement.

SHAREHOLDER'S/INVESTOR'S GRIEVANCE COMMITTEE:

The Shareholder's/Investors' Grievance Committee consists of two Independent and one Executive Director. The committee comprises of the following Directors:

1.	Dr. Surendra A. Dave	-	Chairman, Independent Non Executive Director
2.	Mr. Krishna Kant Jha	-	Member, Independent Non Executive Director
3.	Mr. Rahul N. Shah	-	Member, Executive Director

The Committee looks into the redressing of shareholders and investor complaints like transfer of shares, non-receipt of annual report/dividend etc.

During the year under review, the committee met regularly to monitor and resolve grievances of the shareholders and met four times on April 12, 2010, August 13, 2010, November 3, 2010, and February 11, 2011 respectively.

REMUNERATION COMMITTEE

The Remuneration Committee consists of three Independent Directors. The Committee comprises of the following Directors:

1.	Mr. Krishna Kant Jha	-	Chairman, Independent Non Executive Director
2.	Dr. Surendra A. Dave	-	Member, Independent Non Executive Director
3.	Mr. Ramakant M. Nayak	-	Member, Independent Non Executive Director

The Remuneration Committee is primarily responsible for implementing the remuneration policy of the Company.

The remuneration policy of the Company for managerial personnel is primarily based on the following:-

- To address the policy on remuneration packages for Executive Directors and their service contracts;
- To prepare performance link remuneration package and other benefits;
- To formalize guidelines for out sourcing skills and capabilities for new opportunities from the external competitive environment.

The Board of Directors will decide remuneration to Non Executive Directors. The Company is not paying any commission to its Non-Executive Directors.

4. DIRECTOR'S REMUNERATION & SITTING FEES

a) The details of remuneration paid to the Managing Director during the Financial Year 2010-11 as approved by the Board was as under:

(₹)

Particulars	Salary & bonus	Contribution to provident fund	Commission	Total
Mr. Nitin M. Shah	3,511,779	259,200	1,800,306	5,571,285

Note:

The employee wise break up of liability on account of gratuity, based on estimation is not ascertainable and hence not considered above.

b) Details of payment for sitting fees:

Sr. No.	Particulars	Sitting fees (₹)
1.	Mr. Krishna Kant Jha	22,000
2.	Dr. Surendra A. Dave	66,000
3.	Mr. Krishna Kant Jha	66,000
	Total	**154,000**

5. DISCLOSURES

Related Party Transactions

Details of material significant related party transactions i.e. transactions of the Company of material nature with its promoters, the Directors, its subsidiaries, relatives of the Director, etc. are presented under Note 14 (b) in Schedule O to the Financial Statements. All details on the financial and commercial transactions which may have a potential interest are provided to the Board. The interested directors neither participate in the discussion, nor vote on such matters.

Accounting treatment in preparation of financial statements

The accompanying financial statements have been prepared and presented in accordance with the Indian Generally Accepted Accounting Principles (GAAP), under the historical cost convention (except for revaluation of certain fixed assets) and on accrual basis of accounting. GAAP comprises mandatory accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) issued by the Central Government in exercise of the power conferred under sub-section (I) (a) of section 642, the relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India. GAAP also includes other relevant pronouncements of the Institute of Chartered Accountants of India (ICAI).

Compliances by the Company

The equity shares of the Company were listed on National Stock Exchange of India Limited, Mumbai and Bombay Stock Exchange Limited, Mumbai, for the entire year and there were no penalties or restrictions imposed on the Company by Stock Exchanges or SEBI for any matter.

6. MEANS OF COMMUNICATION

- **Website:** The Company's website www.nitinfire.com contains a separate dedicated section as "Investors Area" where shareholders information is available. Full Annual Report is also available on the website in a user friendly and downloadable form. Apart from this, official news releases, presentations etc. are also displayed on the Company's website.
- **Financial Results:** The quarterly, half yearly and annual results are regularly uploaded by the Company on its website. These are also submitted to the stock exchanges in accordance with the Listing Agreement and published in English and Marathi news papers.
- **Annual Report:** Annual Report containing *inter alia* Audited Annual Accounts, Directors' Report, Auditors Report and other important information is circulated to the Members and others entitled thereto. The Management's Discussion and Analysis (MD&A) Report forms part of the Annual Report.
- **Corporate Filing:** Announcements, quarterly results, shareholding pattern etc. of the Company are regularly filed by the Company, also available on the website of the National Stock Exchange of India Limited www.nseindia.com, Bombay Stock Exchange Limited-www.bseindia.com, and Corporate Filling & Dissemination Systems website www.corpfiling.co.in.

7. **SHAREHOLDER'S MEETINGS**

Details of the location of the previous three AGMs, and the details of the resolutions passed or to be passed by postal ballot are as under:

a. Particulars of previous three Annual General Meetings:

Meeting	Year	Venue	Date	Time
AGM	2010	Mini Theatre, P.L. Deshpande Maharashtra Kala Academy, Sayani Road, Prabha Devi, Mumbai 400 025	September 21, 2010	3.30 p.m.
AGM	2009	Centre for Excellence in Telecom Technology and Management Hall, Technology Street, Hiranandani Gardens, Powai, Mumbai 400 076	July 16, 2009	4.30 p.m.
AGM	2008	Centre for Excellence in Telecom Technology and Management Hall, Technology Street, Hiranandani Gardens, Powai, Mumbai 400 076	August 22, 2008	3.00 p.m.

b. No resolution requiring Postal Ballot as recommended under Clause 49 of the Listing Agreement has been placed for shareholders' approval at the above meetings.

8. **GENERAL SHAREHOLDER INFORMATION**

- **Annual General Meeting**

Day and date	Thursday, August 11, 2011
Time	12.30 p.m.
Venue	Kamalnayan Bajaj Hall, Bajaj Bhavan, Ground Floor, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai-400 021
Book closure	Satuday, August 6, 2011 to Thursday, August 11, 2011 (both days inclusive)

- **Financial Calendar(tentative and subject to change)**

Financial year	:	April 1, 2011 to March 31, 2012 for the Financial Year 2011-2012, quarterly un-audited/annual audited results will be announced by:
First quarter	:	Second week of August 2011
Second quarter	:	Last week of October 2011
Third quarter	:	Last week of January 2012
Fourth quarter	:	Mid of May 2012
Annual Audited	:	August 2012

- **Listing on Stock Exchanges:**

The Equity Shares of the Company are listed with National Stock Exchange of India Limited, (NSE) and the Bombay Stock Exchange Limited (BSE)..

Exchange	Code/trading symbol	ISIN
NSE	**NITINFIRE**	**INE489H01012**
BSE	**532854 NITINFIRE**	

- **Payment of Listing Fee:**

Listing Fees for the Financial Year 2011-12 has been paid, to the above stock exchanges where the Company's equity shares are listed.

- **CEO/CFO Certification:**

The Chairman and Managing Director and the Vice President - Finance of the Company have given the annual certification of financial reporting and internal controls to the Board in terms of Clause 49 (V) of the Listing Agreement.

- **Certificate of Corporate Governance**

A certificate from Bharat V. Pathak & Co. Company Secretaries, confirming compliance with the conditions of Corporate Governance in terms of Clause 49 of the Listing Agreement forms part of this Report.

- **Code of Conduct**

  The Code of Conduct for Directors and Management Personnel ('the Code'), adopted by the Board, is a comprehensive Code applicable to all Directors and management personnel.

  A copy of Code of Conduct has been put on the Company's website.

  The Code of Conduct has been circulated to all the members of the Board and management personnel and the compliance of the same is confirmed by them annually.

  A declaration signed by the Chairman and Managing Director of the Company forms part of this Report.

- **Share Transfer System**

  A shareholder's request is normally attended and a reply is sent within 10-20 days time. The certificates after the transfer of shares are returned within a period of one month except in the cases which face problems due to technical reasons. Shares are being transferred and demat option letter in this respect are dispatched within 15 days from the date of receipt, as long as the documents are clear in all respects.

  The Board of Directors has delegated the power of share transfer to the Registrar and Share Transfer Agents (RTA) viz Bigshare Services Private Limited, Mumbai, who attends to the same once in a fortnight.

- **Investor Service and Grievance Handling Mechanism**

  All share related transactions viz. transfer, transmission, transposition, nomination, dividend, change of name/address/signature, registration of mandate/power of attorney, replacement/split/ consolidation of share certificates/demat/remat of shares, issue of duplicate share certificates etc. are being handled by the RTA which performs its functions effectively, efficiently and expeditiously.

  Investors are requested to correspond directly on all share related matters with Bigshare Services Private Limited at E-2, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai 400 076, and for any other query to the Company Secretary & Compliance Officer at the Registered Office of the Company at 501 Delta, Technology Street, Hiranandani Gardens, Powai, Mumbai 400076, and for prompt response, shareholders/investors may send correspondences which do not require signature verification for processing, through e-mail at cs@nitinfire.com.

  The Board of Directors of the Company has constituted a Shareholders'/Investors Grievance Committee comprising of Dr. Surendra A. Dave, Mr. Krishana Kant Jha and Mr. Rahul N. Shah directors which *inter alia* approves issue of duplicate certificates and oversees and reviews all matters connected with securities transfers and other processes. The Committee also reviews the redressal of shareholders' complaints related to transfer of shares, non receipt of Annual Report, non-receipt of dividends etc. The Committee overseas performance of the RTA and recommends measures for overall improvement in the quality of investor services. A summary of investor related transactions and details are also considered by the Board of Directors of the Company.

- **Investor Relations**

  There were only 4 complaints received during the year and all were attended by the Company. Therefore no complaints were pending as at March 31, 2011.

- **PAN Requirement for Transmission of Shares in Physical Form**

  Vide SEBI Circular (MRD/DOP/Cir-05/2009 dated May 20, 2009), it shall be mandatory to furnish a copy of the PAN card to the Company/RTA's in the following cases:

  1) Deletion of the name of the deceased shareholder(s), where the shares are held in the name of two or more shareholders,
  2) Transmission of shares to the legal heir(s), where deceased shareholder was the sole holder of shares, and
  3) Transposition of shares when there is a change in the order of names in which physical shares are held jointly in the names of two or more shareholders.

  In case of mismatch in PAN card details as well as differences in maiden name and current name (in case of women) of the investors, the RTAs can collect the PAN card as submitted by the transferee(s). However, this would be subject to RTAs verifying the veracity of the claim of such transferee(s).

- **Change of Address**

  1) Shareholders are required to inform the Company in writing of any change in their address, quoting their folio number for shares in physical form, if any
  2) Change of address is effected only when the signature of the first registered holder on the request letter matches with the specimen signature recorded with the Company.
  3) Change of address for shares held in demat form should be notified only to the concerned Depository Participant (DP).
  4) Requests for change of address should be accompanied by any address proof like electricity bill, telephone bill, bank

statement, driving license, voter ID card etc.

5) There can be only one registered address for one folio.

- **Status of unclaimed and unpaid dividend**

(₹ in lacs)

Year ended	Amount of dividend	Unclaimed and unpaid dividend as at March 31, 2011	% of unclaimed and unpaid dividend
March 31, 2008	252.06	0.45	0.18
March 31, 2009	378.09	0.86	0.23
March 31, 2010	441.11	0.94	0.21

Shareholders whose dividend remains unpaid are requested to claim the same before it is transferred to the Investor and Education and Protection Fund as and when due.

- **Compulsory De-materialized Trading**

As the shareholders are aware, the Securities and Exchange Board of India (SEBI), has included equity shares of the Company for compulsory dematerialised trading for all investors with effect from July 24, 2000. The Company has already entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to enable members of the Company to select the depository of their choice for holding and dealing in shares in electronic form. The shareholders may also note that 99.9998969% holding of the Company is in demat form.

- **Distribution of shareholders**

Distribution of shareholding as at March 31, 2011

Range (in ₹)	Number of shareholders	% of shareholders	Number of shares	Amount in ₹	% of paid up capital
1 - 5,000	13,105	97.6164	3,143,106	6,286,212	4.9878
5,001 -10,000	154	1.1471	603,877	1,207,754	0.9583
10,001 - 20,000	79	0.5885	575,352	1,150,704	0.913
20,001 - 30,000	22	0.1639	272,516	545,032	0.4325
30,001 - 40,000	10	0.0745	189,305	378,610	0.3004
40,001 - 50,000	3	0.0223	66,592	133,184	0.1057
50,001 -100,000	18	0.1340	657,506	1,315,012	1.0434
100,001 - 99,999,999	34	0.2533	57,507,451	115,014,902	91.2589
	13,425	**100.00**	**63,015,705**	**126,031,410**	**100.00**

Shareholding pattern as at March 31, 2011

Sr. No.	Category of shareholders	No. of shares held	% of shareholding
1	Promoters, Directors & Relatives	44,274,879	70.2601
2	Mutual Funds/ UTI	Nil	Nil
3	Foreign Institutions/ Banks	3,617,460	5.7406
4	Foreign Institutional Investors	6,595,344	10.4662
5	Bodies Corporate	2,533,775	4.0209
6	NRI/OCBs	163,871	0.26
7	Trusts	275	0.0004
8	Clearing Members	18,414	0.0292
9	Directors/Employees	25,625	0.0407
10	Public	5,786,062	9.1819
	Total	**63,015,705**	**100.00**

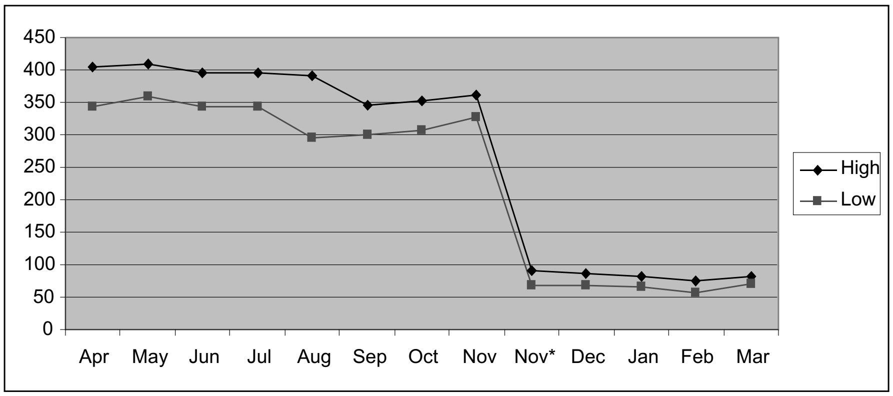
- **Price Data**

Share prices during the Financial Year 2010-11 at the NSE & the BSE for one equity share as under:

Month	Share Prices - NSE			Share Prices - BSE		
	High (₹)	Low (₹)	Volume (nos)	High (₹)	Low (₹)	Volume (nos)
Apr-10	405.00	344.15	40,81,919	413.00	343.00	33,08,326
May-10	409.30	360.00	26,99,121	408.80	360.10	19,03,026
Jun-10	396.50	343.50	13,06,310	399.00	364.00	10,63,,119
Jul-10	395.00	343.85	10,30,970	389.90	348.05	5,32,288
Aug-10	390.80	296.15	63,10,623	390.90	297.00	43,69,425
Sep-10	344.55	301.00	30,23,842	341.00	301.60	18,52,595
Oct-10	352.00	306.00	17,01,523	352.90	306.50	11,80,812
Nov-10*	362.00	326.65	7,63,585	362.00	329.70	6,94,105
	91.25	68.00	87,62,560	91.40	67.55	61,37,609
Dec-10*	86.65	67.10	1,03,78,982	86.60	66.00	62,61,926
Jan-11*	80.90	66.00	16,31,263	80.85	65.50	9,33,139
Feb-11*	75.85	57.50	13,22,259	75.80	57.20	4,86,325
Mar-11*	81.40	71.00	14,70,255	81.45	71.20	6,40,755

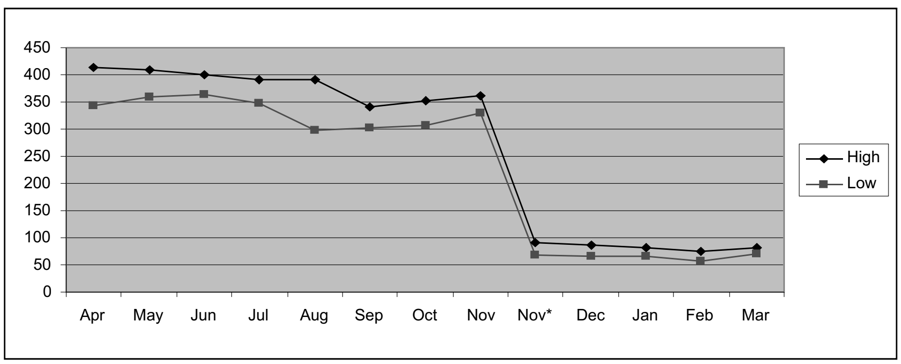
Note: *Company has sub-divided its shares from ₹ 10/- to ₹ 2/- each w.e.f November 8, 2010.

NSE



Note: *Company has sub-divided its shares from ₹ 10/- to ₹ 2/- each w.e.f November 8, 2010.

BSE



Note: *Company has sub-divided its shares from ₹ 10/- to ₹ 2/- each w.e.f November 8, 2010.

Note: *Company has sub-divided its shares from ₹ 10/- to ₹ 2/- each w.e.f November 8, 2010.

- **Liquidity:**

  Shares of the Company are actively traded on the NSE and the BSE as is evident from the volume of shares indicated in the table containing stock market data and hence ensures good liquidity for the investors.

- **Dematerialisation of shares:**

  Almost 100% of the equity shares of the Company have been de-materialised with only 15 shares being in physical form as at March 31, 2011.

- **Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion date and likely impact on equity:**

  The Company has not issued any GDRs/ADRs/Warrants or any Convertible Instruments. No amounts were outstanding on account of the same as at the date of the Balance Sheet.

- **Locations of manufacturing plants:-**

A-117, TTC Industrial Area, Pawana Village, Navi Mumbai, Mumbai, Maharashtra.	Shed -6, Phase- I, Duvada VSEZ, Vishakapatnam, Andhra Pradesh.

- **Contact Person** Mr. Abhishek Shrivastava
  Email: cs@nitinfire.com

- **Registrar & Share Transfer Agents**

  Our RTAs, viz Bigshare Services Private Limited has recently launched Gen-Next Investor Interface Module”i'Boss" the most advanced tool to interact with investors. Please login into i'Boss (www.bigshareonline.com] and help them to serve you better."

  Address: - Bigshare Services Private Limited
  E-2/3, Ansa Industrial Estate,
  Sakivihar Road, Sakinaka,
  Andheri (E),
  Mumbai - 400 072.

  Contact Person: Mr.Ansar Sheikh
  Tel No. +91 22 28470652 / 40430200
  Fax no. +91 22 28475207
  Email - investor@bigshareonline.com
  website - www.bigshareonline.com

For and on behalf of the Board

Sd/-
Nitin M. Shah
Chairman & Managing Director

Mumbai
July 8, 2011

MANAGEMENT DISCUSSION &ANALYSIS

Annexure to the Director's Report

INDUSTRY STRUCTURE & DEVELOPMENT:

Fire is the rapid oxidation of a material in the chemical process of combustion, releasing heat, light, gases and various reaction products. Fire in its most common form can result in conflagration, which has the potential to cause physical damage through burning and inhalation of harmful gases to humans and property. Fire creates highly poisonous atmosphere and longer the fire burns, higher the concentration of these gases prevails in the surroundings. The loss of life can also happen due to the inhalation of such gases. The significance of a detection system is that it raises alarm just after the outbreak of fire. Therefore, the stress is not on putting out the fire after it rages on, but to detect it and suppress it at the inception.

With rapid urbanization and industrialization, fire detection systems are being installed across the sectors and has become an integral part any new project. Improved end-user awareness about life safety, security, and asset management has helped the market grow significantly, but the Indian market is highly fragmented, unlike its counterparts in developed countries.

OPPORTUNITIES SUSTAINED ALTHOUGH AT A SLOWER PACE:

India is on growth path , and is one of the emerging economies of the world , India has made rapid strides in the field of IT , Pharmaceuticals , Manufacturing , and is considered to be a favorite business destination . The growth in the industrial activities and frenetic pace of construction of commercial units are creating a vast market for fire protection industry in India.; industrial sectors such as power generation, oil and gas, petrochemicals, metals, manufacturing (electronics and automotive); and transportation sectors such as airports, metro railway stations, and seaports present a plethora of opportunities for fire protection industry. The Government of India with its stress on industrial growth, encouragement of special economic zones and increasing investment by big foreign players in the country; the fire industry has truly great potential.

FUTURE OUTLOOK:

Growth in the Indian economy: Picking up of domestic consumption

Stringent government norms: The market will also get a leg up from regulations regarding the environment and fire safety in buildings, as well as the need for asset protection and life safety.

End-user awareness: Improved end-user awareness about life safety, security, and asset management.

Strong emergence of new/high growth verticals: Malls, multiplexes, retail chains, manufacturing plants, IT, BPOs, & Data centers.

Increased demand: Stemming from the industrial and retail segment, primarily due to growth of industrial sectors, chemical zones, IT, data centers and retail metros.

Fire Act: Being considered and to be implemented strongly across the country starting with Maharashtra.

Refurbishment of obsolete equipments: Need to upgrade to higher technology of safety & security solutions.

INTERNAL CONTROL SYSTEM:

The Company has in place a well defined organisational structure and adequate internal controls for efficient operations. The team has in place internal policies, and is cognizant of applicable laws and regulations, particularly those related to protection of property, recourses and assets and the accurate reporting of financial transactions. The Company continually upgrades these systems. The internal control is supplemented by an extensive internal audits, review by management and audit committee, documented polices, prescribed guideline, rule & procedure all activities of the Company covered by the in house internal control system, the scope of internal audit covers scrutiny of work order, purchases , sales , expenses, inventory & taxation. The internal audit system is designed specifically to cover financial & other records, financial statements and maintaining accountability of the assets.

HUMAN RESOURCES

People have always been central to organizations, but their strategic importance is growing in today's knowledge-based business world like never before. We understand that the organization's success increasingly depends on the knowledge, skills, and abilities of its employees. Particularly as they help establish a set of core competencies which distinguish one organization from its competitors.

The Company provides a stable work environment with equal opportunity for learning and personal growth. The Company communicates in a candid and fair manner with the diverse work force from which it derives its strength. The Company also offers attractive remuneration, conducive working atmosphere and profit sharing plan to its key employees. The Company is also planning to set-up staff welfare fund with major thrust on training and motivation of employee.

CAUTIONARY STATEMENT:

Certain statement as discussed and mentioned in the Management Discussion & Analysis and elsewhere, constitute forward-looking statements articulated as the management's expectations for the future business prospects of the Company. However, there are risks and uncertainties, associated due to the general economic conditions in which the Company operates. Also, the factors like foreign currency fluctuations, regulatory initiatives, tender processes in the Government, public sector and other large undertakings, competition etc. are not in the control of the Company. Such uncontrollable factors are crucial for success of the Company's business plans or predictions, which may cause the actual results to materially differ from the performance or achievements, discussed or implied by such forward looking statements.

Declaration regarding compliance by the Board Members and the Senior Management personnel with the Company's Code of Conduct

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and the Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non- Executive Directors.

I confirm that the Company has received a declaration of compliance of the Code of Conduct from the senior management team of the Company (wherever applicable) in respect of the Financial Year ended March 31, 2011. For the purpose of this declaration, senior management team means employees in the Executive Vice President cadre and above and the Company Secretary as at March 31, 2011.

Sd/-
Nitin M. Shah
Chairman & Managing Director

Mumbai
July 8, 2011

Report on Corporate Governance

(By Practicing Company Secretary)

To,

Company Reg. No.: 11-92323
Nominal Capital: Rs 600,000,000

The Members of
Nitin Fire Protection Industries Limited

We have examined the relevant records of Nitin Fire Protection Industries Limited (the 'Company') for the purpose of certifying compliance of the conditions of Corporate Governance under Clause 49 of the Listing Agreement with the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited for the financial year ended March 31, 2011. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof. This certificate is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

On the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied with all the applicable mandatory conditions of the said Clause 49 of the Listing Agreement.

For **Bharat V. Pathak & Co**
Practicing Company Secretary

Sd/-
Bharat V. Pathak
Company Secretary
CP No. : 829
FCS No.: 1234

Mumbai
July 2, 2011

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

To,

The Members
Nitin Fire Protection Industries Limited

We, the undersigned, in our respective capacities as Managing Director and Vice President **-** Finance of **NITIN FIRE PROTECTION INDUSTRIES LIMITED** ("the Company"), to the best of our knowledge and belief certify that:

a) We have reviewed the financial statements and the cash flow statement for the year ended on March 31, 2011 and based on our knowledge and belief, we state that:

   I. these statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading;

   II. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) We further state that to the best of our knowledge and belief, that there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violate the Company's Code of Conduct.

c) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design of operation of internal controls, if any, of which we are aware and the steps have been taken or propose to take to rectify these deficiencies, if any.

d) We have indicated to the Auditors and the Audit Committee that:

   I. there has not been any significant changes in internal control over financial reporting during the year under reference;

   II. there has not been any significant changes in the accounting policies during the year requiring disclosure in the notes to the financial statements; and

   III. we are not aware of any material instances during the year of significant fraud and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control systems over the financial reporting.

For Nitin Fire Protection Industries Limited

Sd/-	Sd/-
Nitin M. Shah	**Bharat K. Shah**
Chairman & Managing Director	Vice President - Finance

Mumbai
July 8, 2011

AUDITORS' REPORT

To
The Members of Nitin Fire Protection Industries Limited

1. We have audited the attached Balance Sheet of Nitin Fire Protection Industries Limited ('the Company') as at March 31, 2011, the Profit and Loss account and Cash Flow Statements 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 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. 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, (CARO), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956, we enclose 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 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 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 the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956,
   v. On the basis of the written representations received from the directors, as on March 31, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
5. *(a) The company executes composite contracts with its customers for the supply and installation of fire protection system. Based on the nature of the activity, execution of work and the contracts entered into by the company, the contract revenue and contract costs need to be accounted by adopting the percentage of completion method as prescribed under AS 7 "Construction Contracts". However, the company has accounted the revenue as per AS 9 "Revenue Recognition" based on the dispatch of material and on completion of installation work. The impact due to above is presently not ascertainable.*
   (b) As stated in note 21 of the Schedule O, the Company is in dispute with a bank for a claim made by the bank for ₹ 50,133,481 on a derivative contract entered into by its erstwhile subsidiary, the liability for which has been taken over by the Company. The erstwhile subsidiary is now an associate based on a sale of its 40% share and increase in paid up capital of the associate. The Company has not determined the quantum of mark to market losses as of the balance sheet date on the above contract and have relied on a legal opinion in the matter wherein no liability is expected. Pending the final settlement of the matter, we are unable to quantify the extent of provision required, if any in this regard.
   (c) As stated in note 6 of the Schedule O, the Company is in process of obtaining details regarding identification of creditors registered under the Micro, Small and Medium Enterprise Development Act, 2006.
6. In our opinion and to the best of our information and according to the explanations given to us, *subject to the effects of our observations given in the paragraph 5 above,* the said accounts 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 the case of the balance sheet, of the state of affairs of the Company as at March 31, 2011;
   b) in the case of the profit and loss account, of the profit for the year ended on that date; and
   c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

For **Haribhakti & Co.**
Chartered Accountants
FRN: 103523W

Sd/-
Sarah George
Partner
Membership No.: 45255

Mumbai
May 29, 2011

ANNEXURE TO AUDITORS' REPORT

[Referred to in paragraph 3 of the Auditors' Report of even date to the members of Nitin Fire Protection Industries Limited on the financial statements for the year ended March 31, 2011]

(i) (a) *The company has not maintained full particulars, including quantitative details and situation of fixed assets, and is in the process of updating its fixed assets register.*

(b) *The fixed assets are not being physically verified by the management during the year. Hence we are unable to comment on the discrepancies, if any.*

(c) There was no substantial disposal of fixed assets during the year.

(ii) (a) The inventory has been physically verified by the management at the end of the year. In our opinion, the frequency of verification is reasonable.

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.

(iii) (a) As informed, the Company has not granted or taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.

Accordingly, clauses (iii) (b), (c) and (d) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company and hence, not reported upon.

(iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the company.

(v) The Company does not have any transaction with 301 parties, hence clause (v) (a) and (b) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(vi) The company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.

(vii) *The Company has an internal audit system, the scope and coverage of which, in our opinion requires to be enlarged to be commensurate with the size and nature of its business.*

(viii) To the best of our knowledge and as explained, the Central Government of India has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 for the products of the company.

(ix) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, customs duty, excise duty, service tax, cess and any other statutory dues have generally been regularly deposited with the appropriate authorities.

Further, since the Central Government has till date not prescribed the amount of cess payable under section 441A of the Companies Act,1956, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.

(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, customs duty, excise duty, service tax, cess and any other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanation given to us, there are no dues of provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, customs duty, excise duty, service tax, cess and any other statutory dues which have not been deposited on account of any dispute.

(x) The company does not have accumulated losses at the end of the financial year and has not incurred cash losses in current and immediately preceding financial year.

(xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks.

(xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion, 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 (as amended) are not applicable to the Company.

(xiv) In our opinion, 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 (as amended) are not applicable to the Company.

(xv) According to the information and explanations given to us, the company has given guarantees for loans taken by subsidiaries from banks. The terms and conditions whereof are, not prejudicial to the interests of the Company.

(xvi) The Company did not have any term loans outstanding during the year.

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

(xviii) According to the information and explanations given to us, 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, hence, clause (xviii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 is not applicable and not reported upon.

(xix) The Company did not have any outstanding debentures during the year.

(xx) The Company has not raised any money by public issue during the year.

(xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For **Haribhakti & Co.**
Chartered Accountants
FRN: 103523W

Sd/-
Sarah George
Partner
Membership No.: 45255

Mumbai
May 29, 2011

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Balance Sheet as at March 31, 2011

	Schedule Reference	As at March 31, 2011 ₹	As at March 31, 2010 ₹
SOURCES OF FUNDS :			
Shareholders' Funds :			
Share capital	A	**126,031,410**	126,031,410
Reserves and surplus	B	**1,138,032,090**	969,360,300
		1,264,063,500	1,095,391,710
Loan Funds :			
Secured loans	C	**479,081,775**	367,370,398
Unsecured loan	D	**-**	25,000,000
		479,081,775	392,370,398
Deferred Tax Liablity		**2,053,725**	787,747
(Refer Note 8, Schedule O)			
Total Funds Employed		**1,745,199,000**	1,488,549,855
APPLICATION OF FUNDS :			
Fixed Assets :			
Tangible assets:	E-1		
Gross block		**75,152,032**	78,677,436
Less : Accumulated depreciation		**50,114,935**	48,253,339
Net block		**25,037,097**	30,424,097
Intangible assets:	E-2		
Gross block		**10,367,274**	9,126,009
Less :Accumulated amortisation		**8,617,488**	9,118,863
Net block		**1,749,786**	7,146
Investments	F	**638,392,736**	867,600,778
Current Assets, Loans and Advances:			
Current Assets :	G		
Inventories		**394,515,387**	190,568,660
Sundry debtors		**825,369,687**	520,933,601
Cash and bank balances		**46,070,381**	5,879,424
Other current assets		**-**	88,244
		1,265,955,455	717,469,929
Loans and Advances	H	**275,985,816**	183,124,018
		1,541,941,271	900,593,947
Less : Current Liabilities and Provisions :	I		
Current liabilities		**387,325,809**	258,383,266
Provisions		**74,596,081**	51,692,847
		461,921,890	310,076,113
Net Current Assets		**1,080,019,381**	590,517,834
Total Funds Utilised		**1,745,199,000**	1,488,549,855
Notes to the Financial Statements	O		

The schedules referred to above form an integral part of the financial statements.
In terms of our attached report of even date

For Haribhakti & Co.	For and on behalf of the Board of Directors		
Chartered Accountants			
Sd/-	Sd/-	Sd/-	Sd/-
Sarah George	**Nitin M. Shah**	**Rahul N. Shah**	**Abhishek Shrivastava**
Partner	Chairman & Managing Director	Wholetime Director	Company Secretary
Mumbai	Mumbai		
May 29, 2011	May 29, 2011		

Profit and Loss Account for the year ended March 31, 2011

	Schedule Reference	For the year 2010-11 ₹	For the year 2009-10 ₹
INCOME:			
Turnover		**1,465,039,949**	938,945,353
Other operating income	**J**	**11,668,797**	3,202,927
Other income	**K**	**145,989,920**	356,735
Total Income		**1,622,698,666**	942,505,015
EXPENDITURE:			
Purchase of goods for resale		**176,386,496**	440,291,231
Materials and components	**L**	**982,268,375**	220,943,829
Manufacturing, installation and other expenses	**M**	**128,079,159**	109,386,700
Interest and finance charges	**N**	**50,432,022**	22,904,698
Depreciation of tangible assets		**3,740,447**	4,654,324
Less: Charged to Revaluation Reserve		**1,085,115**	1,255,843
		2,655,332	3,398,481
Amortisation of intangible assets		**177,675**	1,437,062
		2,833,007	4,835,543
Total Expenditure		**1,339,999,059**	798,362,001
Profit Before Tax		**282,699,607**	144,143,014
Provision for Taxation			
Current (Refer Note 23, Schedule O)		**33,660,632**	21,015,000
Deferred		**1,265,978**	(274,024)
Tax adjustment of earlier years (net)		**10,590,727**	5,892,379
Profit After Tax		**237,182,270**	117,509,659
Add:Balance brought forward from prevous year		**236,228,177**	186,326,175
Amount Available for Appropriation		**473,410,447**	303,835,834
APPROPRIATIONS :			
Proposed dividend of ₹ **1.00** (₹ 3.50 of ₹ 10 each) on equity shares of ₹ 2 each		**63,015,705**	44,110,994
Corporate dividend tax on proposed dividend (Refer Note 26, Schedule O)		**4,409,660**	7,496,663
Transferred to General Reserve		**23,750,000**	16,000,000
Surplus Carried Forward to Balance Sheet		**382,235,082**	236,228,177
Basic and diluted earnings per share (Refer Note 13, Schedule O)		**3.76**	1.86
Notes to the Financial Statements	**O**		

The schedules referred to above form an integral part of the financial statements.

In terms of our attached report of even date

For Haribhakti & Co.	**For and on behalf of the Board of Directors**		
Chartered Accountants			
Sd/-	Sd/-	Sd/-	Sd/-
Sarah George	**Nitin M. Shah**	**Rahul N. Shah**	**Abhishek Shrivastava**
Partner	Chairman & Managing Director	Wholetime Director	Company Secretary
Mumbai	Mumbai		
May 29, 2011	May 29, 2011		

Cash Flow Statement for the year ended March 31, 2011

		For the year 2010-11 ₹	For the year 2009-10 ₹
A	**Cash flow from operating activities**		
	Net profit before taxation	**282,699,607**	144,143,014
	Adjustments for:		
	Depreciation* and amortisation	**2,833,007**	4,835,543
	(* Net of transfer from revaluation reserve)		
	Unrealised foreign exchange difference-net (gain)/loss	**2,472,747**	(6,878,013)
	Interest income (gross)	**(1,584,133)**	(90,225)
	Interest and finance charges	**50,432,022**	22,904,698
	Bad debts/balances written off	**11,334,328**	4,763,327
	Credit balances appropriated	**(11,588,374)**	(2,928,168)
	(Surplus) on sale of fixed assets	**(170,945)**	(266,510)
	Proceeds on sale of stake in a domestic subsidiary (net of expenses)	**(108,223,342)**	-
	Dividend income	**(35,011,500)**	-
	Miscellaneous expenditure to the extent written off	**-**	3,150,000
	Operating profit before working capital changes	**193,193,417**	169,633,666
	Adjustments for:		
	Inventories	**(203,946,727)**	(86,215,887)
	Sundry debtors	**(318,750,370)**	(385,414,975)
	Other current assets	**88,244**	731,663
	Loans and advances	**(94,759,246)**	(45,380,136)
	Current liabilities	**135,656,206**	89,667,350
	(Decrease)in working capital	**(481,711,893)**	(426,611,985)
	Cash (used in) operations	**(288,518,476)**	(256,978,319)
	Taxes paid (net of refunds, if any)	**(35,011,963)**	(24,472,816)
	Net cash (used in) operating activities	**(323,530,439)**	(281,451,135)
B	**Cash flow from investing activities**		
	Payment for purchase of fixed assets	**(2,232,818)**	(3,730,369)
	Investment in an un-incorporated joint venture	**(17,831,316)**	(15,807,724)
	Interest received	**1,304,907**	90,225
	Proceeds on maturity of margin money with banks	**242,643**	6,364,137
	Proceeds on sale of fixed assets	**2,130,000**	596,000
	Proceeds on sale of stake in a domestic subsidiary (net of expenses)	**360,068,561**	-
	Dividend income	**35,011,500**	-
	Formation of/investment in a wholly owned foreign subsidiary	**-**	(4,761,000)
	Net cash generated from/(used in) investing activities	**378,693,477**	(17,248,731)

		For the year 2010-11 ₹	For the year 2009-10 ₹
C	**Cash flow from financing activities**		
	Proceeds from secured borrowings (net)	**112,012,696**	340,174,492
	(Repayment of)/proceeds from unsecured borrowings	**(25,000,000)**	25,000,000
	Interest and finance charges paid	**(50,220,933)**	(22,904,698)
	Dividends distributed (including corporate dividend tax)	**(51,521,201)**	(39,897,877)
	Miscellaneous expenditure	**-**	(3,150,000)
	Net cash (used in)/generated from financing activities	**(14,729,438)**	299,221,917
	Net increase in cash and cash equivalents	**40,433,600**	522,051
	Cash and cash equivalents, (opening)	**4,855,384**	4,333,333
	Cash and cash equivalents,(closing)	**45,288,984**	4,855,384
	Net increase as disclosed above	**40,433,600**	522,051

Notes:

1. Brackets indicate a cash outflow or deduction.
2. Cash and cash equivalents include unclaimed/unpaid dividends amounting to ₹ **225,796** (₹ 139,340) not available for use by the Company.

		As at March 31, 2011 ₹	As at March 31, 2010 ₹
3.	Components of cash and cash equivalents (closing):		
	Cash balance on hand	**2,684,577**	743,125
	Bank balances:		
	With scheduled banks on:		
	- Current accounts	**6,658,607**	3,972,919
	- Fixed deposits (including interest accrued thereon)	**781,397**	1,024,040
	- Unclaimed and unpaid dividend accounts	**225,796**	139,340
	- EEFC current account in US dollar	**35,720,004**	-
		46,070,381	5,879,424
	Less:Fixed deposits (pledged)	**781,397**	1,024,040
		45,288,984	4,855,384

The schedules A to O form an integral part of the financial statements.

In terms of our attached report of even date

For Haribhakti & Co.	**For and on behalf of the Board of Directors**		
Chartered Accountants			
Sd/-	Sd/-	Sd/-	Sd/-
Sarah George	**Nitin M. Shah**	**Rahul N. Shah**	**Abhishek Shrivastava**
Partner	Chairman & Managing Director	Wholetime Director	Company Secretary
Mumbai	Mumbai		
May 29, 2011	May 29, 2011		

Schedules forming part of the Financial Statements for the year ended March 31, 2011

	As at March 31, 2011 ₹	As at March 31, 2010 ₹
Schedule A : Share Capital		
(Refer Note 3, Schedule O)		
Authorised :		
300,000,000 Equity shares of ₹ 2 each	**600,000,000**	600,000,000
(60,000,000 Equity shares of ₹ 10 each)		
Total	**600,000,000**	600,000,000
Issued and Subscribed:		
63,015,705 Equity shares of ₹ 2 each fully paid up	**126,031,410**	126,031,410
(12,603,141 Equity shares of ₹ 10 each fully paid up)		
Per Balance Sheet	**126,031,410**	126,031,410

Note:

Equity shares issued and subscribed includes following issues for consideration other than cash:

a. 900,000 (180,000 of ₹ 10 each) Equity shares of ₹ 2 each fully paid up were issued pursuant to a contract.

b. 5,000,000 (1,000,000 of ₹ 10 each) Equity shares of ₹ 2 each fully paid up were issued as bonus shares by capitalisation of free reserves to the shareholders in the ratio of 1:4 equity share for every share held in 2001-02.

Schedule B: Reserves and Surplus		
Asset Revaluation Reserve :		
Balance, beginning of the year	**9,078,748**	10,334,591
Less : Charged to depreciation of tangible assets	**1,085,115**	1,255,843
Balance, end of the year	**7,993,633**	9,078,748
Securities Premium Account :		
Balance, beginning of the year	**669,388,375**	669,388,375
Balance, end of the year	**669,388,375**	669,388,375
General Reserve :		
Balance, beginning of the year	**54,665,000**	38,665,000
Add:Transferred from Profit and Loss Account	**23,750,000**	16,000,000
Balance, end of the year	**78,415,000**	54,665,000
Profit and Loss Account :		
Balance carried from Profit and Loss Account	**382,235,082**	236,228,177
Per Balance Sheet	**1,138,032,090**	969,360,300
Schedule C: Secured Loans		
(Refer Note 5, Schedule O)		
From banks :		
Working capital loans	**170,854,895**	176,134,075
Foreign currency loans*	**308,226,880**	191,236,323
Per Balance Sheet	**479,081,775**	367,370,398
(*buyers line of credit availed by the Company-short term)		
Schedule D: Unsecured Loan		
Short term loan and advance:		
From the Managing Director	-	25,000,000
Per Balance Sheet	-	25,000,000

Schedules forming part of the Financial Statements for the year ended March 31, 2011

Schedule E-1 : Fixed Assets-Tangibles
(Refer Notes 2 (A), (B) (i) and (ii), Schedule O)

(₹)

Description of Assets	Cost/Valuation				Depreciation				Net Book Value	
	As at April 1, 2010	Additions	Deductions	As at March 31, 2011	Upto April 1, 2010	For the year	Deductions	Upto March 31, 2011	As at March 31, 2011	As at March 31, 2010
Leasehold land	1,620,000	-	-	**1,620,000**	266,840	**19,060**	-	**285,900**	**1,334,100**	1,353,160
Buildings	18,791,815	-	-	**18,791,815**	9,394,313	**539,316**	-	**9,933,629**	**8,858,186**	9,397,502
Plant and machinery	39,118,827	-	-	**39,118,827**	25,807,695	**1,851,578**	-	**27,659,273**	**11,459,554**	13,311,132
Furniture, fixtures and office equipments	6,364,061	**63,227**	-	**6,427,288**	4,176,375	**347,387**	-	**4,523,762**	**1,903,526**	2,187,686
Motor vehicles	6,996,327	-	**3,837,907**	**3,158,420**	3,705,884	**563,754**	**1,878,851**	**2,390,787**	**767,633**	3,290,443
Computer systems	5,786,406	**249,276**	-	**6,035,682**	4,902,232	**419,352**	-	**5,321,584**	**714,098**	884,174
Per Balance Sheet	**78,677,436**	**312,503**	**3,837,907**	**75,152,032**	**48,253,339**	**3,740,447**	**1,878,851**	**50,114,935**	**25,037,097**	30,424,097
Previous year	75,869,472	4,470,299	1,662,335	78,677,436	44,931,860	4,654,324	1,332,845	48,253,339	30,424,097	-

Schedule E-2 : Fixed Assets -Intangibles- Acquired items
(Refer Notes 2 (A), (B) (ii) and (iii), Schedule O)

(₹)

Description of Assets	Cost				Amortisation				Net Book Value	
	As at April 1, 2010	Additions	Deductions	As at March 31, 2011	Upto April 1, 2010	For the year	Deductions	Upto March 31, 2011	As at March 31, 2011	As at March 31, 2010
Computer softwares	8,446,959	**1,920,315**	-	**10,367,274**	8,439,813	**177,675**	-	**8,617,488**	**1,749,786**	7,146
Technical know how	679,050		679,050	-	679,050		679,050	-	-	-
Per Balance Sheet	**9,126,009**	**1,920,315**	**679,050**	**10,367,274**	9,118,863	**177,675**	**679,050**	**8,617,488**	**1,749,786**	7,146
Previous year	9,119,009	7,000	-	9,126,009	7,681,801	1,437,062	-	9,118,863	7,146	-

Notes:

1. Gross Block includes ₹ 31,011,721 being the amount added on revaluation of land, building & plant and machinery as at October 8, 2001 based on report issued by the valuers.
2. Buildings include a sum of ₹ **14,510,510** (₹ 14,510,510) being cost of office premises acquired on ownership basis.

Schedules forming part of the Financial Statements for the year ended March 31, 2011

	As at March 31, 2011 ₹	As at March 31, 2010 ₹
Schedule F : Investments		
(Refer Note 2 (C), Schedule O)		
1. In Subsidiaries:		
(i) Domestic :		
a. **10,000** of Alert Fire Protection Systems Private Limited (10,000)	**10,100,000**	10,100,000
b. **10,000** of Eurotech Cylinders Private Limited (10,000)	**100,000**	100,000
c. **17,500** of Logicon Building Systems Private Limited (17,500)	**350,000**	350,000
	10,550,000	10,550,000
(ii) Foreign :		
a. **1** of Nitin Ventures FZE , UAE (1) Equity Share of 1,000,000 Dhs each	**10,874,622**	10,874,622
b. **100,000** of Nitin Global Pte Limited, Singapore (100,000) Ordinary shares, with no par value in SGD	**4,761,000**	4,761,000
	15,635,622	15,635,622
2. In Equity Shares of a Company : (Quoted)		
2,300 of Andhra Bank (2,300)	**23,000**	23,000
3. In a Non-integrated Un-incorporated Joint Venture for Crude Oil Block (Investment of Rs.22,637,177 made during the year)	**151,029,333**	128,392,156
4. In an Associate		
2,336,496 of Worthington Nitin Cylinders Limited* (3,612,500) (1,276,004 sold during the year)	**461,154,781**	713,000,000
Per Balance Sheet	**638,392,736**	867,600,778

Notes :

Aggregate book value of unquoted investments	**638,369,736**	867,577,778
Aggregate book value of quoted investments	**23,000**	23,000
Aggregate market value of quoted investments	**347,185**	248,630

Notes:

1. All investments are in equity shares, fully paid up and with a face value of ₹ 10 each, unless otherwise stated.
2. All investments are long term, other than trade, stated at cost and unquoted except otherwise stated.
3. * Domestic subsidiary as at March 31, 2010 and formerly known as Nitin Cylinders Limited. (Refer Note 20 b, Schedule O)

Schedules forming part of the Financial Statements for the year ended March 31, 2011

	As at March 31, 2011 ₹	As at March 31, 2010 ₹
Schedule G : Current Assets		
Inventories:		
(Refer Note 2(D), Schedule O)		
Materials and components	**394,515,387**	190,568,660
	394,515,387	190,568,660
Sundry Debtors:		
(Unsecured and considered good)		
Debts outstanding for a period exceeding six months	**371,840,873**	48,670,247
Other debts	**453,528,814**	472,263,354
	825,369,687	520,933,601
Cash and Bank Balances:		
Cash balance on hand	**2,684,577**	743,125
Bank balances:		
With scheduled banks on:		
- Current accounts	**6,658,607**	3,972,919
- Fixed deposits (including interest accrued thereon) (Deposited with the sales tax department and also refer Note 4(i), Schedule O)	**781,397**	1,024,040
- Unclaimed and unpaid dividend accounts (As per contra- Schedule I)	**225,796**	139,340
- Exchange Earners Foreign Currency (EEFC) current account in US dollar	**35,720,004**	-
	46,070,381	5,879,424
Other Current Assets:		
(Considered good)		
DEPB Licence	**-**	88,244
	-	88,244
Per Balance Sheet	**1,265,955,455**	717,469,929

Schedule H : Loans and Advances		
(Unsecured and considered good)		
Loans to domestic subsidiaries (Refer Note 19, Schedule O)	**110,252,982**	55,000,000
Advances given to a foreign subsidiary towards equity	**91,333,503**	91,333,503
Loans to bodies corporate	**15,000,000**	-
Loans to employees	**1,840,270**	1,066,300
Advances to suppliers	**36,438,522**	13,592,668
Other advances recoverable in cash or in kind or for value to be received	**21,093,912**	20,069,883
Advance payments against taxes*	**26,627**	2,038,860
Deposit with excise authorities	**-**	22,804
Per Balance Sheet	**275,985,816**	183,124,018

(* net of provision for tax)

Schedules forming part of the Financial Statements for the year ended March 31, 2011

	As at March 31, 2011 ₹	As at March 31, 2010 ₹
Schedule I : Current Liabilities and Provisions		
Current Liabilities:		
Sundry creditors	**235,988,373**	224,370,965
(Refer Note 6, Schedule O)		
Dues to subsidiaries	**35,919,731**	19,432,440
Advances from customers	**107,178,311**	5,793,964
Investor Education and Protection Fund in respect of:*		
- Unclaimed and unpaid dividends	**225,796**	139,340
(As per contra- Schedule G)		
Other liabilities	**6,558,498**	7,607,332
Interest accrued but not due on loans	**211,089**	-
Dues to the managing director	**1,244,011**	1,039,225
	387,325,809	258,383,266
Provisions:		
For income tax**	**7,163,716**	-
For wealth tax**	**7,000**	25,000
For fringe benefit tax**	**-**	60,190
For dividend (proposed)	**63,015,705**	44,110,994
For corporate dividend tax on proposed dividend	**4,409,660**	7,496,663
	74,596,081	51,692,847
Per Balance Sheet	**461,921,890**	310,076,113

(* The figure reflects the position as of March 31, 2011. The actual amount to be transferred to the Investor Education and Protection Fund in this respect shall be determined on the due date).

(** net of payments)

Schedules forming part of the Financial Statements for the year ended March 31, 2011

	For the year 2010-11 ₹	For the year 2009-10 ₹
Schedule J: Other Operating Income		
Credit balances appropriated	**11,588,374**	2,928,168
Debts written off in earlier years, Realised	**80,423**	274,759
Per Profit & Loss Account	**11,668,797**	3,202,927
Schedule K : Other Income		
Interest received on fixed deposits and others -Gross	**1,584,133**	90,225
(TDS : ₹ **141,637**; (Rs.Nil))		
Dividends received on long term investments:*		
- From domestic subsidiaires	**35,000,000**	-
- Others	**11,500**	-
Profit on sale of stake in a domestic subsidiary (net of expenses) *	**108,223,342**	-
Gain on sale of fixed assets (net)	**170,945**	266,510
Miscellaneous receipts	**1,000,000**	-
Per Profit & Loss Account	**145,989,920**	356,735
(* other than trade)		
Schedule L : Materials and Components (Refer Note 2 (E) (v), Schedule O)		
Opening inventories	**190,568,660**	104,352,773
Add:Purchases	**1,186,215,102**	307,159,716
	1,376,783,762	411,512,489
Less:Closing inventories	**394,515,387**	190,568,660
Per Profit & Loss Account	**982,268,375**	220,943,829
Schedule M :Manufacturing, Installation and Other Expenses		
Manufacturing and Installation Expenses:		
Sub-contract charges and site expenses	**11,516,135**	7,243,508
Electricity charges	**258,900**	53,540
Water charges	**8,958**	8,491
Repairs- Factory building	**-**	7,496
- Machinery	**1,580**	9,888
	1,580	17,384
	11,785,573	7,322,923

Schedules forming part of the Financial Statements for the year ended March 31, 2011

	For the year 2010-11 ₹	For the year 2009-10 ₹
Schedule M : (Contd…)		
Operating Expenses:		
Conveyance and travelling	**11,017,580**	10,612,296
Miscellaneous expenses	**8,382,822**	6,267,523
Rent and lease rent	**2,287,730**	1,968,754
Repairs - Buildings	**-**	621,596
- Other assets	**3,150,145**	196,212
	3,150,145	817,808
Insurance premium	**546,273**	229,650
Payments to auditors	**992,700**	551,500
Legal and professional fees	**12,393,007**	12,875,441
Donations and charity	**3,209,302**	2,900,611
Vehicle expenses	**1,175,195**	1,013,748
Sitting fees to Non Executive Directors	**154,000**	99,000
Miscellaneous expenditure to the extent written off	**-**	3,150,000
	43,308,754	40,486,331
Personnel Expenses:		
Salaries, wages and bonus	**34,885,805**	28,867,076
Contribution to provident*, gratuity and other funds (*including administrative charges)	**1,172,357**	1,363,566
Employees welfare	**1,297,449**	1,515,207
Director's remuneration	**5,571,285**	4,485,275
	42,926,896	36,231,124
Sales and Distribution Expenses:		
Sales promotion and advertisement	**6,871,324**	7,312,674
Discount, commission, rebates etc.	**6,402,307**	7,999,485
Bad debts written off	**11,311,524**	4,763,327
Distribution expenses (net)	**4,110,682**	2,276,612
Rates and taxes	**1,362,099**	2,994,224
	30,057,936	25,346,322
Per Profit & Loss Account	**128,079,159**	109,386,700

	For the year 2010-11 ₹	For the year 2009-10 ₹
Schedule N-Interest and Finance Charges		
Interest:		
On cash credit facility	**19,540,857**	13,442,056
Others (including interest on buyers line of credit)	**4,494,397**	2,124,752
	24,035,254	15,566,808
Loan processing and other financial charges	**35,736,970**	16,263,338
(Gain) on foreign exchange fluctuations (net)	**(9,340,202)**	(8,925,448)
Per Profit & Loss Account	**50,432,022**	22,904,698

Schedule O
Forming part of the Financial Statements for the year ended March 31, 2011

Notes to the Financial Statements

1. (A) Background and nature of operations:

Nitin Fire Protection Industries Limited (NFPIL or the 'Company') was incorporated in Mumbai, India on September 4, 1995 as a public limited company under the 'Companies Act, 1956' (the 'Act'). The Company's business activity is that of manufacturing fire fighting equipment (gas based and water based fire extinguishers) under the brand name 'NITIE' (also certified by the Bureau of Indian Standard (BIS)), providing turnkey solutions including procurement, designing, system integration, commissioning and installation of safety and security solutions, manufacturing compressed natural gas (CNG) cascades and execution of annual maintenance contracts for fire protection systems. The Company undertakes above activities from Maharashtra, Andhra Pradesh and Himachal Pradesh and has marketing offices in Maharashtra and Tamil Nadu. As part of its business activities, the Company has formed/acquired domestic/foreign subsidiaries (including a step down foreign subsidiary), has a stake in an associate and has entered into a non-integrated un-incorporated joint venture for oil exploration block. NFPIL is a ISO 9001:2000 certified Company, is authorised to use LPCB mark for its various fire fighting systems and some of its products used in fire fighting systems are UL approved.

The Company made an initial public offer ('IPO') in May 2007 and its shares are listed on the Bombay Stock Exchange Limited and the National Stock Exchange Limited.

(B) **Basis of preparation of financial statements:**

(i) The accompanying financial statements have been prepared and presented in accordance with Indian Generally Accepted Accounting Principles (GAAP), under the historical cost convention (except for revaluation of certain fixed assets) on accrual basis of accounting. GAAP comprises mandatory accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) issued by the Central Government in exercise of the power conferred under sub-section (I) (a) of section 642, the relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India. GAAP also includes other relevant pronouncements of the Institute of Chartered Accountants of India (ICAI). Accounting policies have been consistently applied except where a newly issued accounting standard, if initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised accounting standards on an ongoing basis.

(ii) The preparation of the financial statements in conformity with GAAP requires the management make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting periods. These estimates are based upon the management's best knowledge of current events and actions. Actual results could differ from these estimates.

2. **Accounting policies:**

Significant accounting policies are summarised below:

[A] Fixed assets:

(i) Fixed assets are stated at cost of acquisition/installation or at revalued amounts, net of accumulated depreciation, amortisation and impairment losses, if any. Cost comprises the purchase price and other attributable costs of bringing the asset to their working condition for their intended use.

(ii) Machinery spares which can be used only in connection with an item of fixed asset and whose use is not of regular nature are capitalised and written off over the estimated useful life of the relevant asset. The written down value of such spares is charged to the Profit and Loss Account on issue for consumption.

[B] Depreciation, amortisation and impairment:

(i) **Depreciation-tangibles:**

Depreciation on fixed assets is provided on written down value method in accordance with the provisions of Section 205(2) (b) of the Act in the manner and at the rates specified in Schedule XIV to the Act. Depreciation on additions/deductions is calculated pro rata from/to the number of days of additions/deductions. In respect of an asset for which impairment loss is recognised, depreciation is provided on the revised carrying amount of the assets over its remaining useful life. In case of revalued assets, depreciation is computed on such revalued amounts and an appropriate amount transferred from revaluation reserve to profit and loss account. Cost of leasehold land is amortised in proportion to the period of lease. Individual assets costing less than Rs.5,000 are depreciated in full in the year of acquisition.

(ii) **Amortisation-intangibles:**

Intangible assets are initially measured at cost and amortised so as to reflect the pattern in which the asset's economic benefits are consumed.

Expenditure on computer software and technical know how fees are amortised on straight line method over a period of two years.

(iii) **Impairment of assets:**

The carrying amounts of fixed assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on internal/external factors. An impairment loss will be recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognised impairment loss is further provided or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

[C] Investments:

Trade investments are investments made to enhance the Company's business interests. Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments.

Long term investments including investments in subsidiaries (profit/loss earned or sustained by subsidiaries is not recognized in the books of account), an associate and in a non-integrated un-incorporated joint venture are carried at cost and provisions recorded to recognize any declines, other than temporary, in the carrying amount of each investment. Cost of overseas investment comprises the Indian Rupee Value of the consideration paid for the investment.

[D] Inventories:

Inventories are valued as follows:

Materials and components are valued at lower of cost, computed on FIFO basis and net realisable value. Such costs include material cost and other costs incurred in bringing the goods to their present location and condition.

Goods in transit are valued at cost, which represents the costs incurred upto the stage at which the goods are in transit.

[E] Revenue recognition:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and it can be reliably measured.

(i) Revenue from domestic sales is recognised on dispatch, which coincides with transfer of significant risks and rewards to customers and stated net of taxes and returns, as applicable. Revenue from exports is recognised on the date of bill of lading and includes foreign exchange fluctuation on exports.

(ii) Income from services rendered on project related activities is recognised on due dates of the relevant contracts and is exclusive of service tax, wherever recovered.

(iii) Liquidated damages/penalties, are provided based on management's assessment of the estimated liability, as per contractual terms and/or acceptance.

(iv) Surplus on sale of investments in subsidiaries is computed on the basis of the average carrying amount of the investment. Other income is accounted on accrual basis as and when the right to receive arises.

(v) The Company is entitled to refund of Special Additional Duty paid on imported goods traded or consumed in Company's activities within the prescribed time limit. Accordingly, refund is accrued on sale/consumption of such goods.

[F] Taxation:

(i) Tax expense comprises current tax including wealth tax and deferred tax charge or credit.

(a) Current tax including wealth tax are measured at the amounts expected to be paid to the Tax Authorities in accordance with the provisions of the Income Tax Act, 1961 prevailing for the relevant assessment year.

(b) Deferred tax charge or credit is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax charge or credit is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods in the profit and loss account and the cumulative effect thereof is reflected in the Balance Sheet. In respect of deferred tax charge or credit resulting from timing differences, which originate during the tax holiday period but is expected to reverse after such tax holiday period, is recognised in the year in which the timing differences originate using the tax rates and laws enacted or substantively enacted at the balance sheet date.

(ii) Tax on distributed profits payable is as per the provisions of Section 115O of the Income Tax Act, 1961 is in accordance with the Guidance Note on Accounting for Corporate Dividend Tax regarded as tax on distribution of profits issued by the ICAI and is not considered in determination of the profits for the year.

[G] Cash flow statement:

The cash flow statement is prepared by the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and presents the cash flows by operating, investing and financing activities of the Company. Cash and cash equivalents presented in the cash flow statement consist of cash balance on hand and balances with banks.

[H] Foreign currency transactions and balance:

(i) Initial recognition:

Transactions for import/export of goods are recorded at a rate notified by the customs authorities for invoice purposes. Other foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion:

Monetary items are translated at the closing exchange rate as on the date of the balance sheet and non-monetary items are reported using the exchange rate that existed on the date of the transaction.

(iii) Exchange Differences:

Exchange differences arising on settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the year or reported in the previous financial statements are recognised as income or expenses in the year in which they arise, taken to the relevant revenue heads in the profit and loss account and disclosed as a net amount in the Notes to the Financial Statements.

[I] Retirement benefits:

(i) Employee Benefits such as salaries, allowances, non-monetary benefits and employee benefits under defined contribution plans such as provident and other funds, which fall due for payment within a period of twelve months after rendering service, are charged as expense to the profit and loss account in the period in which the service is rendered.

(ii) Employee Benefits under defined benefit plans, gratuity which fall due for payment after a period of twelve months from rendering service or after completion of employment, are measured by the projected unit cost method, on the basis of actuarial valuations carried out by third party actuaries at each balance sheet date. The Company's obligations recognized in the balance sheet represent the present value of obligations as reduced by the fair value of plan assets, where applicable. Actuarial Gains and losses are recognised immediately in the Profit and Loss Account.

[J] Earnings per share:

The basic earnings per share is computed by dividing the net profit or loss attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) and the weighted average number of equity shares outstanding during the period are adjusted for effects of all dilutive potential equity shares, except where the results are anti-dilutive. The number of shares and potentially dilutive equity shares are adjusted for share splits.

[K] Provisions, contingent liabilities and contingent assets:

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the Notes to the Financial Statements. Contingent assets are neither recognised nor disclosed in the financial statements.

(L) Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognised as an expense in the Profit and Loss Account on a straight line basis over the lease period unless another systematic basis is more representative of the time pattern of the users benefit.

[M] Accounting for interest in a joint venture:

Interest in a non-integrated un-incorporated joint venture being in the nature of an investment, is accounted as specified in AS-13 'Accounting for Investments'.

[N] Borrowing Costs:

Borrowing cost attributable to the acquisition or construction of qualifying assets, as defined in Accounting Standard 16 on "Borrowing Costs" are capitalized as part of the cost of such assets upto the date when the asset is ready for its intended use. Other borrowing costs are expensed as incurred

[O] Proposed dividend:

Dividend proposed by the directors as appropriation of profits is provided for in the books of account, pending approval of shareholders at the annual general meeting.

(P] Miscellaneous expenditure:

Miscellaneous expenditure is charged to revenue in the year of its occurrence.

3. **Sub division of shares**

Effective November 8, 2010 the Company has subdivided the face value of equity shares from ₹ 10 each to ₹ 2 each (sub division), after obtaining shareholders' approval vide special resolution passed in the 15th Annual General Meeting of the Company held on September 21, 2010. The basic and diluted earnings per share disclosed (Refer Note 13 below) have been computed for the current year and recomputed for the previous year based on the revised face value of ₹ 2 each.

4. **Contingent liabilities not provided for in respect of:**

(Other than attributable to a joint venture (Refer Note 17, below)

Sr. No.	Particulars	As at March 31, 2011 (₹)	As at March 31, 2010 (₹)
(i)	Performance/bid-bond guarantees (fixed deposits deposited ₹ **433,915** (₹ 713,915) and mortgage of fixed assets provided).	**7,949,105**	59,034,403
(ii)	Un-expired letters of credit	**2,411,100**	Nil
(iii)	Corporate financial guarantees provided on behalf of domestic Subsidiaries - Limit - Outstanding	 **325,000,000** **189,876,359**	 1,206,000,000 662,512,542
(iv)	Standby letter of credit provided on behalf of foreign subsidiaries (including a step down subsidiary) and an associate - Limit - Outstanding	 **1,130,000,000** **1,095,417,500**	 240,000,000 232,471,000
(v)	Income tax matter disputed in an appeal	**Nil**	593,529

Note: Contingent liabilities in respect of above matters arising in the ordinary course of business, it is anticipated that no material liabilities will arise.

5. **Details of secured loans:**

Sr. no.	Name of the lender	Security created/credit facilities availed
(a)	IDBI Bank Limited	**Security created:** Primary: First charge on inventory and book debts Collateral: Second charge on: the fixed assets of the Company at its factory at A-117, TTC Industrial Area, Pawana Village, Navi Mumbai and office premises at 501/502 Delta, Technology Street, Hiranandani Gardens, Powai, Mumbai 400076, equitable mortgage (first charge) of premises belonging to a domestic subsidiary viz. Eurotech Cylinders Private Limited located at EL-29, TTC Industrial Area, Mahape, Navi Mumbai 400 701. Personal guarantees of the Managing Director and a Whole time director aggregating to ₹ **1,070,000,000** (₹ 600,000,000). **Credit facilities availed:** Working capital loan, stand by letter of credit and other non-fund based facilities.
(b)	Axis Bank Limited	**Security created:** Primary : Pari passu charge on the current assets of the Company, negative lien on the receivables of a foreign subsidiary viz. Nitin Ventures Fze, second charge on the current and fixed assets of the Company. Collateral : Pari passu charge on the fixed assets of the Company and pledge of **7,500,000** (500,000 of ₹ 10 each) shares of the Company (belonging to the promoters of the Company) and personal guarantees of the Managing Director and a Whole time director aggregating to ₹ **1,220,000,000** (₹ 340,000,000). **Credit facilities availed:** Working capital loan, stand by letter of credit and other non-fund based facilities.

(c)	Yes Bank Limited	**Security created:** First exclusive charge by way of hypothecation on the specific goods purchased and debtors arising out of sale of such goods and on the underlying debtors of post shipment in foreign currency. Personal guarantees of the Managing Director and a Whole time director aggregating to **₹ 200,000,000** (₹ Nil). **Credit facilities availed:** Letters of undertaking for buyers credit and post shipment credit in foreign currency.

6. **Disclosure under Micro, Small and Medium Enterprises Development Act, 2006**

The Company is in the process of obtaining necessary information relating to the registration status of suppliers under the Micro, Small and Medium Enterprises Development Act, 2006. Hence, the information required under the said Act, could not be compiled and disclosed.

7. **Information in terms of provisions of paragraphs 3, 4C and 4D of Part II of Schedule VI to the Act:**

(a) **Licensed and installed capacity:** Not applicable.

(b) The Ministry of Corporate Affairs, Government of India vide its General Notification No. S.O.301 (e) dated February 8, 2011 issued under section 211 (3) of the Act has exempted certain classes of companies from disclosing certain information in their profit and loss account. The Company being an export oriented unit is entitled to the exemption. Accordingly, disclosures mandated by paragraphs 3(i) (a), 3 (ii) (a), 3 (ii) b and 3 (ii) d of Part II of Schedule VI to the Act have not been disclosed.

(c) **Value of imports calculated on CIF basis:**

Particulars	**For the year 2010-11 (₹)**	For the year 2009-10 (₹)
Materials and components	**1,126,695,459**	145,057,022
Total	**1,126,695,459**	145,057,022

(d) **Expenditure in foreign currency on account of (on accrual basis):**

Sr. No.	**Particulars**	**For the year 2010-11 (₹)**	For the year 2009-10 (₹)
(i)	Travelling	**291,550**	334,800
(ii)	Financial expenses	**4,476,446**	1,868,666
(iii)	Professional/licence fees	**564,721**	4,595,835
	Total	**5,332,717**	6,799,301

(e) **Value of consumption of imported and indigenous materials and components and percentage to total consumption:**

Particulars	**For the year 2010-11**		For the year 2009-10	
	₹	%	₹	%
Materials and components				
Imoprted at landed cost	**832,472,448**	**84.75**	145,057,022	65.65
Indigenously obtained	**149,795,927**	**15.25**	75,886,807	34.35
Total	**982,268,375**	**100.00**	220,943,829	100.00

Note:

The values of materials and components consumed have been arrived on the basis of opening inventories plus purchases less closing inventories. The consumption is net of adjustments for shortages/excess, if any.

(f) **Earnings in foreign exchange (on accrual basis):**

Particulars	**For the year 2010-11 (₹)**	For the year 2009-10 (₹)
Export sales at FOB (including exchange differences)	**884,963,435**	451,908,626
Total	**884,963,435**	451,908,626

8. **Deferred taxation:**

Component	As at March 31, 2010 (₹)	Charge the year 2010-11 (₹)	As at March 31, 2011 (₹)
Depreciation and amortization	787,747	**1,265,978**	**2,053,725**
Total Deferred Tax Liability	787,747	**1,265,978**	**2,053,725**

9. **Payments to statutory auditors (including service tax):**

Particulars	For the year 2010-11 (₹)	For the year 2009-10 (₹)
Audit fees for statutory and consolidated financial statements	**992,700**	440,300
Tax audit fees	**Nil**	111,200
Total	**992,700**	551,500

10. **Segment reporting:**

As the Company publishes standalone financial statements along with the consolidated financial statements in the annual report, in terms of AS-17 'Segment Reporting', segment information has been provided in the Notes to the Consolidated Financial Statements.

11. **Managerial remuneration:**

(a)

Particulars	For the year 2010-11 (₹)	For the year 2009-10 (₹)
Managing Director		
Salaries and bonus	**3,511,779**	2,741,468
Contribution to provident and other funds	**259,200**	259,200
Commission on profits (as computed below)	**1,800,306**	1,484,607
Total	**5,571,285**	4,485,275
Non Wholetime Directors		
Sitting fees	**154,000**	99,000
Total	**154,000**	99,000

Note:

The employee wise break up of liability on account of gratuity, is not ascertainable and hence, not considered above.

(b) Computation of net profit in accordance with section 309 (5), 198 and 349 of the Act and calculation of the Managing Director's commission:

Particulars	For the year 2010-11 (₹)	For the year 2009-10 (₹)
Net profit as per profit and loss account	**282,699,607**	144,143,014
Add:		
Managerial remuneration	**5,571,285**	4,485,275
Director's sitting fees	**154,000**	99,000
Depreciation/amortisation charged in the accounts	**2,833,007**	4,835,543
	291,257,899	153,562,832
Less:		
Depreciation/amortisation as per Section 350 of the Act	**2,833,007**	4,835,543
Profit on sale of stake in a domestic subsidiary	**108,223,342**	Nil
Surplus on sale of assets	**170,945**	266,510
	111,227,294	5,102,053
Profit as per section 309 (5), 198 and 349 of the Act	**180,030,605**	148,460,779
Maximum permissible remuneration to the Managing Director @ 5% of the profits computed above	**9,001,530**	7,423,039
Commission @ 1% of net profit to the Managing Director (as per service agreement)	**1,800,306**	1,484,607

12. **Employee Benefits:**

a) **Defined Contribution Plan:**

Company's contribution to Provident Fund ₹ **886,509** (₹ 1,059,246)

b) **Defined Benefit Plans - Gratuity:**

Particulars	**For the year 2010-11 (₹)**	For the year 2009-10 (₹)
a) Liability recognized in the Balance Sheet:		
i) Present value of obligation:		
Opening balance	**1,609,049**	996,165
Service cost	**529,353**	448,616
Interest cost	**171,072**	115,582
Actuarial loss on obligation	**(138,037)**	48,686
Closing balance	**2,171,437**	1,609,049
Less:		
ii) Fair value of plan assets:		
Opening balance	**2,382,689**	1,892,409
Expected return on plan assets less loss on investments	**214,615**	190,615
Actuarial gain/(loss) on plan assets	**(214,615)**	(190,615)
Employers' contribution	**Nil**	490,280
Closing balance	**2,382,689**	2,382,689
Amount recognized in the Balance Sheet	**Nil***	Nil*
b) Expenses during the year:		
(included in Schedule M under contribution to provident and other funds)		
Service cost	**529,353**	448,616
Interest cost	**171,072**	115,582
Expected return on plan assets	**(214,615)**	(190,615)
Actuarial (gain)/loss	**76,578**	239,301
Total	**562,388**	612,884
c) Actual return on plan assets	**Nil**	NIL
d) Break up of plan assets :**		
(i) Government of India s ecurities.	**NA**	NA
(ii) Public securities	**NA**	NA
(iii) State Government securities	**NA**	NA
(iv) Private sector securities	**NA**	NA
(v) Others (LIC of India – Insurer Managed Fund)	**100%**	100%
e) Principal actuarial assumptions:		
Rate of discounting	**8.25%**	8%
Expected return on plan assets	**8.25%**	8%
Rate of increase in salaries	**5%**	5%
Attrition Rate	**2%**	2%

In assessing the Company's post retirement liabilities, the Company monitors mortality assumptions and uses up-to-date mortality tables. The base being the LIC 1994-96 ultimate tables.

Expected return on plan assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

The estimates of future salary increase, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

* The surplus of plan assets over defined benefit obligation has not been recognized as the Company believes there is no amount recoverable in cash from the LIC of India.

** The details of the composition of the plan assets, by category, from the insurers have not been received and hence the disclosures as required by Accounting Standard (AS) 15 in "Employee Benefits" have not been given.

Other disclosures:

Particulars	**As at March 31, 2011 (₹)**	As at March 31, 2010 (₹)
Defined benefit obligation	**2,171,437**	1,609,049
Plan assets	**2,382,689**	2,382,689
Surplus	**211,252**	773,640
Experience adjustments on plan liabilities – (gain) /loss	**(87,545)**	48,686
Experience adjustments on plan assets – (loss)	**(214,615)**	(190,615)

13. **Earnings per share:**

The Company has not issued any potential equity shares and accordingly, the basic and diluted earnings per share are the same. Numbers used for calculating basic and diluted earnings per share are as stated below:

Particulars	**For the year 2010-11**	For the year 2009-10
Weighted average number of equity shares outstanding (Nos.)	**63,015,705**	63,015,705
	(₹)	(₹)
Net profit after tax attributable to the equity shareholders	**237,182,270**	117,509,659
Basic and diluted earnings per share	**3.76**	1.86
Nominal value per equity share (Refer Note 3 above)	**2**	2

14. **Related party transactions:**

(a) Parties where control/significant influence exist and/or other related parties with whom transactions have taken place include:

Domestic subsidiaries
Alert Fire Protection Systems Private Limited
Eurotech Cylinders Private Limited
Logicon Building Systems Private Limited

Foreign subsidiaries (including a step down subsidiary)
Nitin Ventures FZE, UAE
Nitin Global Pte Limited, Singapore (effective July 23, 2009)
New Age Company LLC, UAE* (effective April 1, 2010)
(*Associate for the year 2009-10)

Un-incorporated Joint Venture
Oil Block (RJ-ONN-2004/1) (Ref.No.19)
(Name of the field in an un-incorporated joint venture)

Associate
Worthington Nitin Cylinders Limited (effective December 29, 2010)
(Earlier Nitin Cylinders Limited and domestic subsidiary up to December 28, 2010, including for the year 2009-10) (Refer Note 21 (b), below)

Key Management Personnel (KMP) Represented on the Board
Nitin M. Shah (Chairman and Managing Director)
Rahul N. Shah (Whole time Director)

Relatives of KMP
Saroj N. Shah (spouse of Nitin M. Shah)
Kunal N. Shah (son of Nitin M. Shah)
Nitin M. Shah (HUF)
Rahul N. Shah (HUF)
Reshma N. Shah (daughter of Nitin M. Shah)

(b) **Transactions with related parties (excluding re-imbursements):**

Sr. No.	Particulars	For the year 2010-11 (₹)	For the year 2009-10 (₹)
I	**Capital transactions**		
	Assets		
1	**Investments**		
	Sale of investments		
	Associate		
	Worthington Nitin Cylinders Limited	**365,700,000**	Nil
	(Transaction entered into when it was a wholly owned subsidiary)		
	Subscription of equity shares		
	Foreign subsidiary		
	Nitin Global Pte Limited	**Nil**	4,761,000
	Other investment		
	Un-incorporated joint venture		
	Oil block	**22,637,177**	15,807,724
	(RJ-ONN-2004/1) (Ref.No.19)		
2	**Loans given**		
	Domestic subsidiaries		
	Alert Fire Protection Systems Private Limited	**96,500,000**	Nil
	Eurotech Cylinders Private Limited	**97,000,000**	Nil
	Logicon Building Systems Private Limited	**32,461,000**	Nil
	Associate		
	Worthington Nitin Cylinders Limited	**95,568,000***	55,000,000
	(*includes ₹ 568,000 when it was a domestic subsidiary)		
3	**Loans received back**		
	Domestic subsidiaries		
	Alert Fire Protection Systems Private Limited	**46,500,000**	Nil
	Eurotech Cylinders Private Limited	**39,000,000**	Nil
	Logicon Building Systems Private Limited	**30,208,018**	21,200,000
	Associate		
	Worthington Nitin Cylinders Limited	**150,568,000***	Nil
	(*includes ₹ 55,568,000 when it was a domestic subsidiary)		
	Liabilities		
1	**Unsecured loans taken**		
	KMP's		
	Nitin M. Shah	**35,000,000**	25,000,000
	Rahul N. Shah	**15,00,000**	Nil
	Unsecured loans repaid		
	KMP's		
	Nitin M. Shah	**60,000,000**	Nil
	Rahul N. Shah	**15,00,000**	Nil

Sr. No.	Particulars	For the year 2010-11 (₹)	For the year 2009-10 (₹)
II	**Revenue transactions**		
	Income		
1	**Sale of materials and components/ trading goods**		
	Domestic subsidiaries		
	Alert Fire Protection Systems Private Limited	**26,920,283**	Nil
	Eurotech Cylinders Private Limited	**47,268,862**	65,884,400
	Logicon Building Systems Private Limited	**4,013,000**	546,430
	Associate		
	Worthington Nitin Cylinders Limited	**Nil**	347,802,810
	Foreign subsidiaries (including a step down subsidiary)		
	Nitin Ventures FZE	**Nil**	45,140
	New Age Company LLC	**Nil**	1,830,384
2	**Dividend**		
	Domestic subsidiaries		
	Alert Fire Protection Systems Private Limited	**15,000,000**	Nil
	Eurotech Cylinders Private Limited	**20,000,000**	Nil
3	**Interest and service charges**		
	Associate		
	Worthington Nitin Cylinders Limited	**1,566,781**	Nil
	Expenditure		
1	**Purchase of materials and components/DEPB License**		
	Domestic subsidiaries		
	Alert Fire Protection Systems Private Limited	**70,319,068**	22,046,132
	Eurotech Cylinders Private Limited	**38,435,673**	2,824,000
	Logicon Building Systems Private Limited	**26,117,336**	1,912,488
	Step down foreign subsidiary		
	New Age Company LLC	**90,777,464**	Nil
	Associate		
	Worthington Nitin Cylinders Limited (transaction entered into when it was a domestic subsidiary)	**33,380,000**	Nil
2	**Rent**		
	KMP		
	Nitin M. Shah	**1,058,880**	1,034,160
3	**Remuneration**		
	KMP		
	Nitin M. Shah	**5,571,285**	4,485,275
4	**Servicing charges**		
	Domestic subsidiary		
	Logicon Building Systems Private Limited	**200,000**	40,000
	Proposed Dividend		
	KMP's		
	Nitin M. Shah	**12,312,730**	8,606,500
	Rahul N. Shah	**4,035,000**	2,821,000
	Relatives of KMP		
	Saroj N. Shah	**13,130,000**	9,187,500
	Kunal N. Shah	**6,572,500**	4,593,750
	Nitin M. Shah (HUF)	**2,920,000**	2,035,744
	Rahul N. Shah (HUF)	**2,619,649**	1,820,000
	Reshma N. Shah	**2,690,000**	1,879,500

Sr. No.	Particulars	For the year 2010-11 (₹)	For the year 2009-10 (₹)
III	**Guarantees given/released**		
1	**Corporate financial guarantees**		
	Domestic subsidiaries*		
	Alert Fire Protection Systems Private Limited	**Nil**	58,500,000
	Eurotech Cylinders Private Limited	**Nil**	105,000,000
	Logicon Building Systems Private Limited	**25,000,000**	37,500,000
	(*guarantees given)		
	Associate**		
	Worthington Nitin Cylinders Limited	**906,000,000**	100,000,000
	(**guarantees released)		
2	**Personal financial guarantees obtained**		
	KMP's :		
	Jointly of Nitin M. Shah and Rahul N. Shah	**Nil**	
	(Refer Note 4 above)		580,000,000
IV	**Standby letter of credit provided**		
	Foreign subsidiaries		
	(including a step down subsidiary)		
	Nitin Ventures FZE	**140,000,000**	240,000,000
	Nitin Global Pte	**250,000,000**	NA
	Associate		
	Worthington Nitin Cylinders Limited	**160,000,000**	NA

(c) **Amounts outstanding for related parties:**

Sr. No.	Particulars	As at March 31, 2011 (₹)	As at March 31, 2010 (₹)
I	**Assets**		
1	**Investments**		
(i)	**Equity shares**		
	Domestic subsidiaries		
	Alert Fire Protection Systems Private Limited	**10,100,000**	10,100,000
	Eurotech Cylinders Private Limited	**100,000**	100,000
	Logicon Building Systems Private Limited	**350,000**	350,000
	Foreign subsidiaries		
	Nitin Ventures FZE	**10,874,622**	10,874,622
	Nitin Global Pte Limited	**4,761,000**	4,761,000
	Associate		
	Worthington Nitin Cylinders Limited	**461,154,781**	713,000,000
(ii)	**Other investment**		
	Un-incorporated Joint Venture		
	Oil Block (RJ-ONN-2004/1) (Ref.No.19)	**151,029,333**	128,392,156
2	**Loans receivable**		
	Domestic subsidiaries		
	Alert Fire Protection Systems Private Limited	**50,000,000**	Nil
	Eurotech Cylinders Private Limited	**58,000,000**	Nil
	Logicon Building Systems Private Limited	**2,252,982**	Nil
	Associate		
	Worthington Nitin Cylinders Limited	**Nil**	55,000,000
	Share application money		
	Foreign subsidiary		
	Nitin Ventures FZE	**91,333,503**	91,333,503

Sr. No.	Particulars	As at March 31, 2011 (₹)	As at March 31, 2010 (₹)
3	**Trade receivables**		
	(net of trade payables)		
	Domestic subsidiaries		
	Eurotech Cylinders Private Limited	**21,254,179**	Nil
	Logicon Building Systems Private Limited	**4,217,030**	Nil
4	**Trade receivables**		
	(net of trade payables)		
	Foreign subsidiaries		
	(including a step down subsidiary)		
	Nitin Ventures Fze	**44,650**	45,140
	New Age Company LLC	**Nil**	381,070
	Associate		
	Worthington Nitin Cylinders Limited	**23,437,455**	347,694,214
II	**Liabilities**		
1	**Unsecured loans**		
	KMP		
	Nitin M. Shah	**Nil**	25,000,000
2	**Trade payables**		
	(net of trade receivables)		
	Domestic subsidiaries		
	Alert Fire Protection Systems Private Limited	**1,225,654**	17,849,061
	Logicon Building Systems Private Limited	**Nil**	1,583,380
	Foreign subsidiaries		
	(including a step down subsidiary		
	New Age Company LLC	**23,672,510**	Nil
	Un-incorporated Joint Venture		
	Oil Block (RJ-ONN-2004/1) (Ref.No.19)	**4,805,861**	6,243,817
3	**Dues**		
	KMP		
	Nitin M. Shah	**1,244,011**	1,039,225
III	**Guarantees given/obtained**		
1	**Corporate financial guarantees**		
	Domestic subsidiaries		
	Alert Fire Protection Systems Private Limited	**66,257,090**	76,536,356
	Eurotech Cylinders Private Limited	**76,049,365**	55,907,469
	Logicon Building Systems Private Limited	**48,864,252**	36,137,859
	Associate		
	Worthington Nitin Cylinders Limited	**Nil**	493,930,858
2	**Personal financial guarantees obtained**		
	KMP's		
	Jointly of Nitin M. Shah and Rahul N. Shah	**Nil**	599,841,398
IV	**Standby letter of credit provided**		
	Foreign subsidiaries		
	(including a step down subsidiary)		
	Nitin Ventures Fze	**366,130,000**	232,471,000
	Nitin Global Pte	**238,877,500**	NA
	New Age Co. LLC	**330,410,000**	NA
	Associate		
	Worthington Nitin Cylinders Limited	**160,000,000**	NA

Notes:

(a) Related party relationships are as identified by the Company on the basis of information available and accepted by the auditors.

(b) No amount has been written off or written back in respect of debts due from or to related party.

15. **Exchange differences:**

Exchange gain included in the profit and loss account ₹ **9,124,632** (₹ 9,878,012).

16. **Operating lease**

a) In respect of a property acquired on lease, the future minimum lease rentals are as follows:

	Future minimum lease payments as at	
	March 31, 2011 (₹)	March 31, 2010 (₹)
Not later than one year	**395,448**	395,448
Later than one year and not later than five years	**1,977,060**	1,977,060
Later than five years	**1,581,792**	1,977,240
Total	**3,954,300**	4,349,748

Note:

The impact of escalation in lease payments which may arise is not considered due to its uncertainty.

b) Lease payments recognized in the Profit and Loss Account: ₹ **2,287,730** (₹ 1,968,754)

17. **Disclosures in respect of a joint venture:**

Information as required by AS27 'Financial Reporting of Interests in Joint Ventures':

(a) Name of the field in a joint venture, description of interest etc.:

Name of the field in a joint venture	Description of interest/ (Description of job)	Proportion of ownership interest	Country of	
			Incorporation	**Residence**
RJ-ONN-2004/1 Rajasthan (Ref.No.19)	Non integrated joint venture (crude oil block)	**11.11%** (11.11%)	*	**India**

(*Country of Incorporation not applicable as it is an un-incorporated joint venture)

(b) Contingent liabilities in relation to interest in a joint venture: ₹ **46,439,705** (₹ 18,020,678) and share in contingent liabilities jointly with other venturers: ₹ **Nil** (₹ Nil).

(c) Share in contingent liabilities of a joint venture itself for which the Company is contingently liable: ₹ **Nil** (₹ Nil).

(d) Contingent liabilities in respect of liabilities of other venturers of a joint venture: ₹ **Nil** (₹ Nil).

(e) Capital commitments (net of advances) in relation to interests in a joint venture and not provided for: ₹ **Nil** (₹ Nil) and its share in capital commitments (net of advances) that have been incurred jointly with other venturers and not provided for: ₹ **Nil** (₹ Nil).

(f) Company's share of capital commitments (net of advances) of the joint venturers themselves and not provided for: ₹ **Nil** (₹ Nil).

18. **Derivative instruments and unhedged foreign currency exposure**:

(a) No derivative instruments were outstanding at the close of the year.

(b) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	**Currency**	**As at March 31, 2011**		As at March 31, 2010	
		Amounts in foreign currency	**Equivalent (₹)**	Amounts in foreign currency	Equivalent (₹)
Receivables					
Investment	DHS	**1,000,000**	**10,874,622**	1,000,000	10,874,622
Investment	USD	**100,000**	**4,761,000**	100,000	4,761,000
Share application money pending allotment of equity shares	USD	**2,301,025**	**91,333,503**	2,301,025	91,333,503
Sundry debtors for exports	USD	**13,760,828**	**614,420,989**	7,843,291	354,046,133
Sundry debtors for exports	EURO	**37,725**	**2,385,729**	Nil	Nil
Advances to suppliers	USD	**Nil**	**Nil**	300,960	13,585,334
Bank balance	USD	**800,000**	**35,720,004**	Nil	Nil

Particulars	Currency	As at March 31, 2011		As at March 31, 2010	
		Amounts in foreign currency	Equivalent (₹)	Amounts in foreign currency	Equivalent (₹)
Payables					
Secured loans (buyers line of credit)	USD	**6,903,178**	**308,226,880**	4,236,515	191,236,323
Sundry creditors for imports	USD	**4,600,080**	**205,393,545**	3,707,776	167,369,021
Sundry creditors for imports	GBP	**550**	**39,561**	Nil	Nil
Sundry creditors for imports	EURO	**43,824**	**2,771,417**	85,841	5,198,510
Advance from a debtor	USD	**2,332,248**	**104,134,873**	Nil	Nil
Interest accrued but not due on secured loans	USD	**4,727**	**211,089**	Nil	Nil

The above out standings in foreign currency have been translated at the rates of exchange prevailing on the Balance Sheet date in accordance with AS-11 'The Effects of Changes in Foreign Exchange Rates (Revised 2003)'.

19. **Disclosure as per clause 32 of the Listing Agreement:**

Loans and advances in the nature of loans given to subsidiaries and an associate:

Particulars	Balance		Maximum outstanding	
	As at March 31, 2011 (₹)	As at March 31, 2010 (₹)	**For the year 2010-11 (₹)**	For the year 2009-10 (₹)
Domestic subsidiaries				
Alert Fire Protection Systems Private Limited	**50,000,000**	Nil	**50,000,000**	Nil
Eurotech Cylinders Private Limited	**58,000,000**	Nil	**75,000,000**	Nil
Logicon Building Systems Private Limited	**2,252,982**	Nil	**24,490,000**	21,200,000
Worthington Nitin Cylinders Limited	**NA**	55,000,000	**Nil**	55,000,000
Associate				
Worthington Nitin Cylinders Limited	**Nil**	NA	**95,000,000**	NA
Total	**110,252,982**	55,000,000	**-**	-

Notes:

(a) Loans and advances shown above to domestic subsidiaries fall under the category of loans and advances in the nature of loans where there is no repayment schedule, is repayable on demand and is interest free.

(b) As at the year-end, the Company has no loans and advances in the nature of loans to associates, wherein there is no repayment schedule or repayment is beyond seven years and has no loans and advances to firms/companies in which the directors are interested.

(c) The above subsidiaries/associate have not made investments in the shares of the Company.

(d) Loans to employees have been considered to be outside the purview of disclosure requirements.

(e) The above particulars do not include share application money pending allotment of equity shares.

20. a. **Associate becoming a step down subsidiary of the Company:**

Pursuant to Nitin Ventures Fze a foreign subsidiary of the Parent Company increasing its ownership interest to 49% from 40% in New Age Co. LLC (New Age), New Age has become a step down subsidiary of the Parent Company by virtue of the said subsidiary vesting management control effective April 1, 2010.

b. **Domestic subsidiary becoming an associate of the Company:**

Pursuant to sale of part stake in Worthington Nitin Cylinders Limited (WNCL) and increase in it's paid up share capital; WNCL has become an associate of the Parent Company effective December 29, 2010.

21. Consequent to dilution of equity stake in Worthington Nitin Cylinders Limited in December 2010, the Company has taken over the outstanding claim of a derivative contract amounting to ₹ 50,133,481 (excluding interest). The Company has obtained a legal opinion mentioning that the said contract is in violation of the RBI regulations and hence, no liability is expected. Further, the Company has filed a petition in the Hon'ble High Court of Bombay challenging the legality of the contract. Pending decision, no provision is made in the books of account.

22. **Financial statements of subsidiaries (including a step down subsidiary):**

The Ministry of Corporate Affairs, Government of India vide its General Circular No.2 and 3 dated February 8, 2011 and February 21, 2011 respectively has granted general exemption from compliance of section 212 of the Act, subject to fulfillment of conditions stipulated therein. The Company has satisfied the conditions stipulated therein and hence entitled to exemption. Necessary information relating to subsidiaries (including a step down subsidiary) has been included in the consolidated financial statements.

23. **Taxation:**

(a) In view of book profits being in excess of taxable profits, as per computation of income, the provision for tax has been made as per MAT under section 115 JB of the Income Tax Act, 1961. The Company is entitled to avail credit under section 115JAA (1A) which will be availed as and when due.

(b) Provision for current tax includes ₹ **7,000** (₹ 15,000) for wealth tax.

24. **Dividend in foreign currency:**

Sr. No.	**Particulars**	**For the year 2010-11**	For the year 2009-10
(a)	Year to which dividend relates	**NA**	2008-09
(b)	Number of non-resident shareholders to whom remittance was made	**NA**	1
(c)	Number of shares on which remittance was made (* ₹10 paid up)	**NA**	100*
(d)	Amount remitted (₹)	**NA**	300

25. The joint venture (referred to in note 17 above) for oil and gas producing activities is under exploratory phase. Hence, disclosures required viz. net quantities of the Company's interest in proved reserves and proved developed reserves of oil (including condensate and natural gas liquids), gas at the beginning and additions, deductions, production and closing balance of the year and the above disclosures on geographical basis required pursuant to the Guidance Note on Accounting for Oil and Gas Producing Activities issued by the ICAI are currently not applicable.

26. In terms of provision of sub section 1A of Section 115 O of the Income Tax Act, 1961, the Company has taken credit of corporate dividend tax aggregating to ₹ **5,813,063** (₹ Nil) on account of dividends received from its subsidiaries.

27. Turnover includes income from services of ₹ **15,707,439** (₹ 8,736,456)

28. The Board of Directors of the Company in its board meeting held on February 11, 2011 has approved the amalgamation with itself of Alert Fire Protection Systems Private Limited and Logicon Building Systems Private Limited with April 1, 2010 being the appointed date. In this regard, the Parent Company has received an in principle approval from both the stock exchanges. The Parent Company has since filed a joint petition before the Hon'ble High Court of Bombay for the sanction of the scheme and approval is awaited.

29. The accounts of previous year were audited by another Auditor and opening balances are as per such accounts.

30. **Previous year:**

Figures in parenthesis represent the corresponding previous year figures, which have also been regrouped/restated to conform to current year's presentation, wherever applicable and current year's figures are stated in bold prints.

For and on behalf of the Board of Directors

Sd/-	Sd/-	Sd/-
Nitin M. Shah	**Rahul N. Shah**	**Ahbishek Shrivastava**
Chairman and Managing Director	Wholetime Director	Company Secretary

Mumbai
May 29, 2011

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

CIN No.	L29193MH1995PLC092323		
Registration No.	92323	State Code	11
Balance Sheet Date	March 31, 2011		

II. Capital Raised During the Year (Amount in ₹)

Public Issue	Nil	Rights Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

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

Sources of Funds

Total Liabilities (Including Shareholders' Funds)	2,207,120,890	Total Assets	2,207,120,890
Paid - up Capital	126,031,410	Reserves & Surplus	1,138,032,090
Secured Loans	479,081,775	Unsecured Loans	Nil
Deferred Tax Liability	2,053,725		

Application of Funds

Net Fixed Assets	26,786,883	Investments	638,392,736
Net Current Assets	1,080,019,381	Miscellaneous Expenditure	Nil
Accumulated Losses	Nil		

IV. Performance of Company (Amount in ₹)

Turnover (Total Income)	1,622,698,666	Total Expenditure	1,339,999,059
Profit/(Loss) Before Tax	282,699,607	Profit/(Loss) after Tax	237,182,270
Earning Per Share*	3.76	Dividend Rate	50%

(*Based on weighted average number of equity shares- 63,015,705)

V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code No. (ITC Code)	Product Description
8424 8000	Fire Protection Systems

For and on behalf of the Board of Directors

Sd/-	Sd/-	Sd/-
Nitin M. Shah	**Rahul N. Shah**	**Abhishek Shrivastava**
Chairman & Managing Director	Wholetime Director	Company Secretary

Mumbai
May 29, 2011

Consolidated Financial Statements

Auditors' Report To The Board of Directors of Nitin Fire Protection Industries Limited on the Consolidated Financial Statements

1. We have audited the attached Consolidated Balance Sheet of Nitin Fire Protection Industries Limited ("the Company") and its Subsidiaries (collectively referred to as "the Group") as at March 31, 2011 and the consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the 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 consolidated 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. 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. We did not audit the financial statements of certain subsidiaries, which reflect total assets of ₹ 857,198,952 as at March 31, 2011, total revenue of ₹ 818,377,476 and net cash outflows amounting to ₹ 35,226,325 for the year then ended and financial statements of an associate in which the share of loss of the Group is ₹ 3,4236,567. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.

4. We have relied on the unaudited financial statements of certain subsidiaries, which reflect total assets of ₹ 3,916,484,180 as at March 31, 2011, total revenue of ₹ 2,519,314,581 and net cash inflows amounting to ₹ 286,707,651 for the year then ended. These unaudited financial statements as approved by the respective Board of Directors of these companies have been furnished to us by the Management and our report in so far as it relates to the amounts included in respect of the subsidiaries is based solely on such approved unaudited financial statements.

5. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21, Consolidated financial statements, AS 23, Accounting for Investments in Associates in Consolidated Financial Statements and AS 27, Financial Reporting of Interests in Joint Ventures, as notified by the Companies (Accounting Standards) Rules, 2006.

6. (*a*) *The company executes composite contracts with its customers for the supply and installation of fire protection system. Based on the nature of the activity, execution of work and the contracts entered into by the company, the contract revenue and contract costs need to be accounted by adopting the percentage of completion method as prescribed under AS 7 "Construction Contracts". However, the company has accounted the revenue as per AS 9 "Revenue Recognition" based on the dispatch of material and on completion of installation work. The impact due to above is presently not ascertainable.*

(b) *As stated in note 29 of the Schedule P, the Company is in dispute with a bank for a claim made by the bank for ₹50,133,481 on a derivative contract entered into by its erstwhile subsidiary (the liability for which has been taken over by the Company) and which is now an associate based on a sale of its 40% share and increase in paid up capital of the associate. The Company has not determined the quantum of mark to market losses as of the balance sheet date on the above contract and have relied on a legal opinion in the matter mentioning that no liability is expected. Pending final settlement of the matter, we are unable to quantify the extent of provision that may be required to be made in this regard.*

7. Based on our audit as aforesaid, and on consideration of reports of other auditors on the separate financial statements / consolidated financial statements and on the other financial information of the component, and to the best of our information and according to the explanations given to us, *subject to the effects of our observations given in the paragraph 6 above,* we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2011;

(b) in the case of the Consolidated Profit and Loss Account, of the Profit of the Group for the year ended on that date; and

(c) in the case of the Consolidated Cash Flow Statement, of the Cash Flows of the Group for the year ended on that date.

For **Haribhakti & Co.**
Chartered Accountant
FRN: 103523W

Sd/-
Sarah George
Partner
Membership No.: 45255

Mumbai
May 29, 2011

Consolidated Balance Sheet as at March 31, 2011

	Schedule Reference	As at March 31, 2011 ₹	As at March 31, 2010 ₹
SOURCES OF FUNDS :			
Shareholders' Funds :			
Share capital	A	**126,031,410**	126,031,410
Reserves and surplus	B	**2,175,567,484**	1,696,930,338
		2,301,598,894	1,822,961,748
Minority interest	C	**19,746,061**	-
Loan Funds :			
Secured loans	D	**733,707,465**	1,040,781,760
Unsecured loans	E	**722,051,447**	253,147,683
		1,455,758,912	1,293,929,443
Deferred Tax Liability (Refer Note 12 (ii), Schedule P)		**3,688,142**	26,459,731
Total Funds Employed		**3,780,792,009**	3,143,350,922
APPLICATION OF FUNDS :			
Fixed Assets :			
Tangible assets:	F-1		
Gross block		**296,740,666**	983,619,839
Less : Accumulated depreciation		**123,642,867**	112,140,474
Net block		**173,097,799**	871,479,365
Capital work-in-progress -at cost (advances on capital account)		**165,358,900**	76,557,734
		338,456,699	948,037,099
Intangible assets:	F-2		
Gross block		**1,067,801,326**	27,573,730
Less :Accumulated amortisation		**24,393,805**	27,287,002
Net block		**1,043,407,521**	286,728
Investments	G	**607,255,615**	394,902,491
Deferred Tax Asset (Refer Note 12 (i), Schedule P)		**142,451**	142,451
Current Assets, Loans and Advances:			
Current Assets :	H		
Inventories		**751,791,878**	896,437,983
Sundry debtors		**2,419,036,916**	1,109,439,418
Cash and bank balances		**119,769,967**	197,615,438
Other current assets		**9,455,451**	320,447
		3,300,054,212	2,203,813,286
Loans and Advances	I	**954,704,644**	432,223,622
		4,254,758,856	2,636,036,908
Less : Current Liabilities and Provisions:	J		
Current liabilities		**2,375,176,720**	782,141,592
Provisions		**88,052,413**	53,913,163
		2,463,229,133	836,054,755
Net Current Assets		**1,791,529,723**	1,799,982,153
Total Funds Utilised		**3,780,792,009**	3,143,350,922
Notes to the Consolidated Financial Statements	P		

The schedules referred to above form an integral part of the consolidated financial statements.
In terms of our attached report of even date

For Haribhakti & Co.
Chartered Accountants
Sd/-
Sarah George
Partner
Mumbai
May 29, 2011

For and on behalf of the Board of Directors

Sd/-	Sd/-	Sd/-
Nitin M. Shah	**Rahul N. Shah**	**Abhishek Shrivastava**
Chairman & Managing Director	Wholetime Director	Company Secretary

Mumbai
May 29, 2011

Consolidated Profit and Loss Account for the year ended March 31, 2011

	Schedule Reference	For the year 2010-11 ₹	For the year 2009-10 ₹
INCOME:			
Turnover		**4,378,489,947**	3,133,228,653
Other operating income	K	**25,615,315**	9,896,166
Other income	L	**128,985,526**	19,469,452
Total Income		**4,533,090,788**	3,162,594,271
EXPENDITURE:			
Cost of goods sold	M	**3,171,045,411**	2,253,414,299
Manufacturing, installation and other expenses	N	**561,760,324**	317,173,837
Interest and finance charges	O	**118,048,520**	92,013,724
Depreciation of tangible assets		**54,102,458**	37,514,712
Less: Charged to Revaluation Reserve		**1,085,115**	1,255,843
		53,017,343	36,258,869
Amortisation of intangible assets		**412,893**	5,262,003
		53,430,236	41,520,872
Total Expenditure		**3,904,284,491**	2,704,122,732
Profit before Tax and Minority Interest		**628,806,297**	458,471,539
Provision for Taxation			
Current		**63,360,371**	66,232,547
Deferred		**(25,716,552)**	14,763,914
Tax adjustment of earlier years (net)		**11,039,095**	7,573,011
Profit after Tax and before Minority Interest		**580,123,383**	369,902,067
Less:Share of minority interest in income		**12,285,011**	-
Add:Share of (loss)/profit in an associate		**(34,236,567)**	48,146,172
Add:Prior years' adjustments		**-**	1,280,419
Profit attributable to the Group		**533,601,805**	419,328,658
Add: Balance brought forward from previous year		**953,848,215**	602,127,214
Balance available for Appropriation		**1,487,450,020**	1,021,455,872
Appropriations:			
Proposed dividend of ₹ **1.00** (₹ 3.50 of ₹ 10 each) on equity shares of ₹ 2 each		**63,015,705**	44,110,994
Corporate dividend tax on proposed dividend (Refer Note 25, Schedule P)		**4,409,660**	7,496,663
Corporate dividend tax on interim dividend - Subsidiaries		**5,813,063**	-
Transferred to General Reserve		**28,000,000**	16,000,000
Surplus carried forward to Consolidated Balance Sheet		**1,386,211,592**	953,848,215
		1,487,450,020	1,021,455,872
Basic and diluted earnings per share (Refer Note 6, Schedule P)		**8.47**	6.65
Notes to the Consolidated Financial Statements	P		

The schedules referred to above form an integral part of the consolidated financial statements.

In terms of our attached report of even date

For Haribhakti & Co.	For and on behalf of the Board of Directors		
Chartered Accountants			
Sd/-	Sd/-	Sd/-	Sd/-
Sarah George	**Nitin M. Shah**	**Rahul N. Shah**	**Abhishek Shrivastava**
Partner	Chairman & Managing Director	Wholetime Director	Company Secretary
Mumbai	Mumbai		
May 29, 2011	May 29, 2011		

Consolidated Cash Flow Statement for the year ended March 31, 2011

		For the year 2010-11 ₹	For the year 2009-10 ₹
A	**Cash flow from operating activities**		
	Net profit before taxation	**628,806,297**	458,471,539
	Adjustments for:		
	Depreciation* and amortisation of intangibles	**53,430,236**	41,520,872
	(* net of transfer from Revaluation Reserve)		
	Unrealised foreign exchange difference-net (gain)/loss	**1,856,926**	(4,593,842)
	Interest income (gross)	**(3,776,570)**	(7,287,713)
	Profit on sale of current investments	**(482,609)**	(11,397,579)
	Profit on sale of stake in a subsidiary (net of expenses)	**(113,078,580)**	-
	Provision for slow/non-moving inventory	**18,810,790**	-
	Interest and finance charges	**118,048,520**	92,013,724
	Bad debts written off/provision for doubtful debts	**30,962,160**	10,341,884
	Credit balances appropriated	**(13,282,610)**	(3,381,456)
	Surplus on sale of assets	**(170,945)**	(332,368)
	Dividend from investments	**(164,646)**	(194,821)
	Provision for gratuity/retirement benefits	**11,314,285**	1,590,682
	Miscellaneous expenditure to the extent written off	**-**	3,582,014
	Operating profit before working capital changes	**732,273,254**	580,332,936
	Adjustments for:		
	Inventories	**125,835,315**	(236,245,763)
	Sundry debtors	**(1,343,562,418)**	(769,756,008)
	Other current assets	**(9,135,004)**	8,192,338
	Loans and advances	**(522,613,742)**	(263,869,978)
	Sundry creditors	**937,661,910**	581,979,112
	(Decrease) in working capital	**(811,813,939)**	(679,700,299)
	Cash (used in) operations	**(79,540,685)**	(99,367,363)
	Taxes paid (net of refunds, if any)	**(66,514,571)**	(73,685,264)
	Net cash (used in) operating activities	**(146,055,256)**	(173,052,626)
B	**Cash flow from investing activities**		
	Payment for purchase of fixed assets	**(553,783,750)**	(203,873,515)
	Purchase of investments	**(252,945,074)**	(134,745,281)
	Sale of investments	**124,722,433**	126,583,588
	Proceeds from disposal of fixed assets	**689,737,762**	1,344,132
	Dividends received from investments	**164,646**	109,821
	Proceeds on maturity of fixed deposits with banks	**1,109,105**	7,621,222
	Interest received	**3,454,435**	1,427,576
	Net cash generated from/(used in) investing activities	**12,459,557**	(201,532,456)

		For the year 2010-11 ₹	For the year 2009-10 ₹
C	**Cash flow from financing activities**		
	Proceeds from secured borrowings (net)	**(304,729,498)**	380,918,365
	Minority interest	**7,461,050**	-
	Proceeds from unsecured borrowings(net)	**468,903,764**	292,000,000
	Interest and finance charges paid	**(117,507,538)**	(91,774,799)
	Dividends distributed (including corporate dividend tax)	**(57,334,264)**	(39,897,877)
	Proceeds from issue of share capital-foreign subsidiary	**-**	4,761,000
	Miscellaneous expenditure	**-**	(3,313,507)
	Net cash (used in)/generated from financing activities	**(3,206,486)**	542,693,183
	Net (decrease)/increase in cash and cash equivalents	**(136,802,185)**	168,108,100
	Cash and cash equivalents,(opening)	**184,476,756**	16,368,656
	Add:Cash and bank balances taken over on acquisition of a step down subsidiary	**71,509,171**	-
	(Less):Cash and bank balances on desubsidarisation of a subsidiary	**(13,661,562)**	-
	Cash and cash equivalents,(closing)	**105,522,180**	184,476,756
	Net (decrease)/increase as disclosed above	**(136,802,185)**	168,108,100
	Effect of exchange rate changes - profit	-	1,000
	Cash and cash equivalents as restated	**(136,802,185)**	168,109,100

Notes:

1 Brackets indicate a cash outflow or deduction.

2 Payment for purchase of fixed assets includes:
(i) Deductions due to exchange rate variations;
(ii) Movement in capital work in progress;
(iii) Interest capitalised ₹ **Nil** (₹ 7,153,171)

3 Cash and cash equivalents include unpaid dividends amounting to ₹ **225,796** (₹ 139,340) not available for use by the Group.

		As at March 31, 2011 ₹	As at March 31, 2010 ₹
4	Components of cash and cash equivalents (closing):		
	Cash balance on hand	**3,877,554**	2,383,189
	Bank balances:		
	With scheduled banks on:		
	-Current accounts	**7,635,642**	48,685,666
	- Fixed deposit accounts (including interest accrued thereon)	**10,687,078**	13,138,682
	- Margin deposit account	**200,001**	-
	- Unclaimed and unpaid dividend accounts	**225,796**	139,340
	- EEFC current accounts in US dollar	**35,720,004**	165,175
	With others (outside India) on:		
	-Current accounts	**57,863,183**	133,103,386
	- Fixed deposit accounts (including interest accrued thereon)	**3,560,709**	-
		119,769,967	197,615,438
	Less:Fixed deposits (pledged)	**14,247,787**	13,138,682
		105,522,180	184,476,756

The schedules A to P form an integral part of the consolidated financial statements.

In terms of our attached report of even date

For Haribhakti & Co.	**For and on behalf of the Board of Directors**		
Chartered Accountants			
Sd/-	Sd/-	Sd/-	Sd/-
Sarah George	**Nitin M. Shah**	**Rahul N. Shah**	**Abhishek Shrivastava**
Partner	Chairman & Managing Director	Wholetime Director	Company Secretary
Mumbai	Mumbai		
May 29, 2011	May 29, 2011		

Schedules forming part of the Consolidated Financial Statements for the year ended March 31, 2011

	As at March 31, 2011 ₹	As at March 31, 2010 ₹
Schedule A : Share Capital		
(Refer Note 4, Schedule P)		
Authorised :		
300,000,000 Equity shares of ₹ 2 each	**600,000,000**	600,000,000
(60,000,000 Equity shares of ₹ 10 each)		
Total	**600,000,000**	600,000,000
Issued and Subscribed:		
63,015,705 Equity shares of ₹ 2 each fully called up	**126,031,410**	126,031,410
(12,603,141 Equity shares of ₹ 10 each fully paid up)		
Per Consolidated Balance Sheet	**126,031,410**	126,031,410

Note:

Equity shares issued and subscribed includes following issues for consideration other than cash:

a. 900,000 (180,000 of ₹ 10 each) Equity shares of ₹ 2 each fully paid up were issued pursuant to a contract.

b. 5,000,000 (1,000,000 of ₹ 10 each) Equity shares of ₹ 2 each fully paid up were issued as bonus shares by capitalisation of free reserves to the shareholders in the ratio of 1:4 equity share for every share held in 2001-02.

Schedule B: Reserves and Surplus		
Asset Revaluation Reserve :		
Balance, beginning of the year	**9,078,748**	10,334,591
Less : Charged to depreciation of tangible assets	**1,085,115**	1,255,843
Balance, end of the year	**7,993,633**	9,078,748
Securities Premium Account :		
Balance, beginning of the year	**669,388,375**	669,388,375
Balance, end of the year	**669,388,375**	669,388,375
General Reserve :		
Balance, beginning of the year	**64,615,000**	48,615,000
Add: Transferred from consolidated profit & loss account	**28,000,000**	16,000,000
Balance, end of the year	**92,615,000**	64,615,000
Statutory Reserve		
Balance, beginning of the year	**-**	-
Add:Acquired on acquisition of a step down subsidiary	**19,358,884**	-
Balance, end of the year	**19,358,884**	-
Profit and Loss Account :		
Balance carried from consolidated profit and loss account	**1,386,211,592**	953,848,215
Per Consolidated Balance Sheet	**2,175,567,484**	1,696,930,338

Schedules forming part of the Consolidated Financial Statements for the year ended March 31, 2011

		As at March 31, 2011 ₹	As at March 31, 2010 ₹
Schedule C :Minority Interest			
(Refer Note 3 (b) (viii), Schedule P)			
Share capital		**19,746,061**	-
	Per Consolidated Balance Sheet	**19,746,061**	-
Schedule D: Secured Loans			
(Refer Note 14, Schedule P)			
From banks :			
Working capital loans :			
Rupee loans		**270,977,840**	598,116,976
Foreign currency loans*		**459,006,655**	262,730,172
		729,984,495	860,847,148
Term loans :			
Rupee loans		**-**	18,245,034
Foreign currency loans		**-**	158,001,646
		-	176,246,680
From banks and a company:			
Vehicle loans		**3,722,970**	3,687,932
	Per Consolidated Balance Sheet	**733,707,465**	1,040,781,760
(*includes buyers line of credit availed by some of the Group components-short term)			
Schedule E: Unsecured Loans			
Short term loans and advances:			
From a bank		**722,051,447**	225,700,000
(Refer Note 21, Schedule P)			
From others			2,000,000
From the Managing Director		**-**	25,000,000
Interest accrued and due		**-**	447,683
	Per Consolidated Balance Sheet	**722,051,447**	253,147,683

Schedules forming part of the Consolidated Financial Statements for the year ended March 31, 2011

Schedule F-1 : Fixed Assets-Tangibles
(Refer Notes 3(c), (d) (i) and (iii), Schedule P)

(₹)

Description of Assets	Cost/Valuation					Depreciation					Net Book Value	
	As at April 1, 2010	Acquisitions	Additions	Deductions	As at March 31, 2011	Upto April 1, 2010	Accumulated depreciation on acquisition	For the year	Deductions	Upto March 31, 2011	As at March 31, 2011	As at March 31, 2010
Leasehold land	3,240,000	-	-	-	**3,240,000**	505,600	-	**36,120**	-	**541,720**	**2,698,280**	2,734,400
Buildings	124,840,478	-	-	-	**124,840,478**	14,558,794	-	**8,739,589**	-	**23,298,383**	**101,542,095**	110,281,684
Buildings on leasehold land	128,713,859	-	**61,233**	**128,775,092**	-	8,554,179	-	**3,204,679**	**11,758,858**	-	-	120,159,680
Plant and machinery	625,630,792	**6,980,934**	**12,566,034**	**578,263,735**	**66,914,025**	57,495,417	**2,398,392**	**26,150,425**	**50,436,669**	**35,607,565**	**31,306,460**	568,135,375
Furniture, fixtures and office equipments	10,518,702	**25,934,258**	**1,625,319**	**1,558,090**	**36,520,189**	5,384,403	**15,369,354**	**4,700,406**	**224,507**	**25,229,656**	**11,290,533**	5,134,299
Electrical installation	45,378,745	-	**96,160**	**45,474,905**	-	4,275,284	-	**1,608,298**	**5,883,582**	-	-	41,103,461
Computer systems	10,366,378	**300,855**	**948,149**	**711,900**	**10,903,482**	8,012,619	**30,085**	**1,020,413**	**167,967**	**8,895,150**	**2,008,332**	2,353,759
Motor and other vehicles	32,154,050	**20,777,662**	**6,980,407**	**5,589,627**	**54,322,492**	12,487,922	**11,610,328**	**8,307,092**	**2,334,949**	**30,070,393**	**24,252,099**	19,666,128
Gas cylinders	2,776,835	-	-	**2,776,835**	-	866,256	-	**335,436**	**1,201,692**	-	-	1,910,579
Per Consolidated Balance Sheet	983,619,839	**53,993,709**	**22,277,302**	**763,150,184**	**296,740,666**	112,140,474	**29,408,159**	**54,102,458**	**72,008,224**	**123,642,867**	**173,097,799**	871,479,365
Previous year	623,552,529	-	402,283,303	42,215,993	983,619,839	76,973,329	-	37,514,712	2,347,567	112,140,474		
Add:Capital work-in-progress (advances on capital account)											**165,358,900**	76,557,734
											338,456,699	948,037,099

Schedule F-2 : Fixed Assets-Intangibles
(Refer Notes 3(c), (d) (ii) & (e), Schedule P)

(₹)

Description of Assets	Cost					Amortisation					Net Book Value	
	As at April 1, 2010	Acquisitions	Additions	Deductions	As at March 31, 2011	Upto April 1, 2010	Accumulated amortisation on acquisition	For the year	Deductions	Upto March 31, 2011	As at March 31, 2011	As at March 31, 2010
Goodwill (arising on consolidation of subsidiaries/a step down subsidiary)	10,175,000	-	**1,040,643,220**	-	**1,050,818,220**	10,175,000	-	-	-	**10,175,000**	**1,040,643,220**	-
Computer softwares (other than internally generated)	16,719,680	-	**2,890,466**	**2,627,040**	**16,983,106**	16,432,952	-	**412,893**	**2,627,040**	**14,218,805**	**2,764,301**	286,728
Technical know how	679,050	-	-	**679,050**	-	679,050	-	-	**679,050**	-	-	-
Per Consolidated Balance Sheet	27,573,730	-	**1,043,533,686**	**3,306,090**	**1,067,801,326**	27,287,002		**412,893**	**3,306,090**	**24,393,805**	**1,043,407,521**	286,728
Previous year	27,213,081	-	360,649	-	27,573,730	22,024,999	-	5,262,003	-	27,287,002	286,728	-

Notes:

1. Addition to goodwill is pursuant to an associate becoming a step down subsidiary.(Refer Note 21(a) , Schedule P).
2. Deductions in tangible assets amounting to ₹ **759,312,277** (₹33,356,837, exchange gain) is consequent to sale of stake in Worthington Nitin Cylinders Limited (Refer Note 21 (b), Schedule P).
3. Gross block includes ₹ **31,011,721** being the amount added on revaluation of land, building & plant and machinery as at October 8, 2001 based on report issued by the valuers.
4. Buildings include a sum of ₹**118,401,056** (₹118,401,056) being cost of office premises acquired on ownership basis.

Schedules forming part of the Consolidated Financial Statements for the year ended March 31, 2011

	As at March 31, 2011 ₹	As at March 31, 2010 ₹
Schedule G : Investments		
(Refer Note 3 (f) ,Schedule P)		
1. In an Associate Company (Refer Note 16 (a), Schedule P)	**418,027,967**	228,497,000
2. In a Non-integrated Un-incorporated Joint Venture for Crude Oil Block (Investment of ₹ 22,637,177 made during the year)	**151,029,333**	128,392,156
3. In Equity Shares:		
Equity shares of ₹10 each		
2,300 of Andhra Bank (2,300)	**23,000**	23,000
5,899 of Man Infraconstruction Limited* (-)	**873,885**	-
9,899 of Valecha Engineering Limited* (-)	**1,035,480**	-
35,000 of Asian Granito Limited (35,000)	**3,550,436**	3,550,436
4,183 of Aurionpro Solutions Limited (2,681) 1,502 shares acquired during the year	**1,290,218**	775,791
10,000 of Omnitech Infosolutions Limited (5,000) 5,000 shares acquired during the year	**1,481,465**	931,395
Nil of Nagarjuna Fertilisers & Chemicals Limited (10,000)	**-**	551,870
Nil of Petronet LNG Limited (10,000)	**-**	1,114,757
Nil of UCO Bank (5,000)	**-**	306,431
Nil of Adhunik Metaliks Limited (10,000)	**-**	1,191,253
Nil of C & C Constructions Limited (2,241)	**-**	569,214
Nil of Magma Fincorp Limited (5,000)	**-**	1,436,606
Nil of Sejal Architectural Glass Limited (16,000)	**-**	1,070,653
Nil of Vipul Dye Chem Limited (1,550)	**-**	17,626
Face value of ₹1 each		
245,500 of Sujana Tower Limited* (-)	**8,372,363**	-
1,950 of Ruchi Infrastructure Limited (1,950)	**104,701**	104,701
Nil of Suven Life Sciences Limited (20,000)	**-**	1,064,459
Face value of ₹ 2 each		
Nil of Aban Offshore Limited (1,000)	**-**	1,253,375
	16,731,547	13,961,567

Schedules forming part of the Consolidated Financial Statements for the year ended March 31, 2011

		As at March 31, 2011 ₹	As at March 31, 2010 ₹
4.	**In Government Securities**		
	Six Years National Savings Certificate VIII Issue (Deposited with the sales tax department)	**5,000**	5,000
5.	**In Units of a Mutual Fund**		
	Nil units of SBI Infrastructure Fund of ₹10 each (258,500) 258,500 units redeemed during the year	**-**	2,585,000
6.	**In Fixed Income Plans (USD) :**		
	200,000 units of ICICI Bank Limited (200,000)	**8,599,170**	8,599,170
7.	**100,000** units of J.M. Morgan Chase & Company (100,000)	**4,812,375**	4,812,375
8.	**In a Fixed Income Plan (Euro)**		
	90,000 units of Db Cap Fndg XI (90,000)	**6,109,880**	6,109,880
9.	**In Ordinary shares with no par value (USD)**		
	500 shares of Research in Motion Limited (500)	**1,669,503**	1,669,503
10.	**Call deposits-(USD)**		
	200 Numbers of Call Vrn (200)	**270,840**	270,840
	Per Consolidated Balance Sheet	**607,296,248**	394,902,491
	(* acquired during the year)		

Aggregate book value of unquoted investments	**569,062,300**	356,894,156
Aggregate book value of quoted investments	**38,233,948**	35,423,335
Aggregate market value of quoted investments	**429,480,750**	33,373,936
Net asset value of units of a mutual fund	**Nil**	2,585,000

Notes:

1. All investments are other than trade and fully paid up.
2. Investments as stated in sl.nos.1, 2 and 4 above are long term and others are current.
3. Investments as stated in sl. nos.1 to 4 above are stated at cost, sl. no. 5 at NAV and others at market rate.
4. Investments as stated in sl. nos. 6,7, 8. 9 and 10 above are pledged with a bank for loans availed thereagainst.

Schedule H: Current Assets
Inventories:
(Refer Note 3 (g), Schedule P)

Stock-in-trade:		
- Trading goods	**177,540,795**	92,021,983
- Materials and components*	**574,251,083**	318,851,353
(* net of provision for slow and non-moving inventory of ₹ **21,276,378** (₹ Nil))		
- Raw materials	**-**	243,492,062
- Finished goods	**-**	81,616,927
- Steel scrap	**-**	3,126,525
Manufacturing work-in-progress	**-**	151,414,508
Stores and spares	**-**	5,914,625
	751,791,878	896,437,983

Schedules forming part of the Consolidated Financial Statements for the year ended March 31, 2011

	As at March 31, 2011 ₹	As at March 31, 2010 ₹
Schedule H: Current Assets (Contd…)		
Sundry Debtors:		
(Unsecured)		
Debts outstanding for a period exceeding six months:		
-Considered good	**1,003,023,848**	192,225,396
-Considered doubtful	**28,989,781**	-
Other debts-considered good	**1,416,013,068**	917,214,022
	2,448,026,697	1,109,439,418
Less:Provision for doubtful debts	**28,989,781**	-
	2,419,036,916	1,109,439,418
Cash and Bank Balances:		
Cash balance on hand	**3,877,554**	2,383,189
Bank balances:		
With scheduled banks on:		
- Current accounts	**7,635,642**	48,685,666
- Margin deposit account	**200,001**	-
- Fixed deposits (including interest accrued thereon)	**10,687,078**	13,138,682
(Deposited with the sales tax department and also refer Notes 5 I (a) and (c), Schedule P)		
- Unclaimed and unpaid dividend accounts (As per contra- Schedule J)	**225,796**	139,340
- Exchange Earners Foreign Currency (EEFC) current accounts in USD	**35,720,004**	165,175
With others (outside India) on:**		
- Current accounts	**57,863,183**	133,103,386
- Fixed deposits (including interest accrued thereon)	**3,560,709**	-
(**Refer Note 5 I (a) Schedule P)		
	119,769,967	197,615,438
Other Current Assets:		
(Considered good)		
DEPB Licence	**9,455,451**	320,447
	9,455,451	320,447
Per Consolidated Balance Sheet	**3,300,054,212**	2,203,813,286

Schedule I : Loans and Advances		
(Unsecured and considered good)		
Loans to bodies corporate	**96,855,138**	34,548,341
Loans to employees and others	**1,993,714**	1,925,507
Advances to suppliers	**574,838,337**	72,350,830
Other advances recoverable in cash or in kind or for value to be received	**274,240,070**	119,736,035
Advance payments against taxes*	**6,777,385**	7,024,890
Advances to an associate company		196,615,215
Deposit with excise authorities	**-**	22,804
Per Consolidated Balance Sheet	**954,704,644**	432,223,622

(* net of provision for tax)

Schedules forming part of the Consolidated Financial Statements for the year ended March 31, 2011

	As at March 31, 2011 ₹	As at March 31, 2010 ₹
Schedule J : Current Liabilities and Provisions		
Current Liabilities:		
Sundry creditors	**2,243,572,630**	754,623,181
Advances from customers	**117,860,100**	8,052,451
Creditors for capital expenditure	**-**	2,396,853
Investor Education and Protection Fund in respect of:*		
- Unclaimed and unpaid dividends	**225,796**	139,340
(As per contra- Schedule H)		
Other liabilities	**11,583,728**	15,741,069
Interest accrued but not due on loans	**690,455**	149,473
Dues to directors	**1,244,011**	1,039,225
	2,375,176,720	782,141,592
Provisions:		
For income tax**	**8,279,966**	482,547
For wealth tax**	**135,207**	158,867
For fringe benefit tax**	**-**	73,410
For gratuity	**-**	1,590,682
For dividend (proposed) on equity shares	**63,015,705**	44,110,994
For corporate dividend tax on proposed dividend	**4,409,660**	7,496,663
For retirement benefits	**12,211,875**	-
	88,052,413	53,913,163
Per Consolidated Balance Sheet	**2,463,229,133**	836,054,755

(* The figure reflects the position as of March 31, 2011. The actual amount to be transferred to the Investor Education and Protection Fund in this respect shall be determined on the due date.)

(** net of payments)

Schedules forming part of the Consolidated Financial Statements for the year ended March 31, 2011

	For the year 2010-11 ₹	For the year 2009-10 ₹
Schedule K: Other Operating Income		
Commission- (Gross)	**83,849**	498,784
Debts written off in earlier years, Realised	**7,736,044**	525,631
Credit balances appropriated	**14,180,200**	3,381,457
Miscellaneous receipts	**154,033**	60,115
Sale of scrap	**3,461,189**	5,430,179
Per Consolidated Profit and Loss Account	**25,615,315**	9,896,166
Schedule L : Other Income		
(Refer Note 3 (h) (v), Schedule P)		
Surplus on sale of investments (net)	**482,609**	11,397,579
Dividend from long term investments- Other than trade	**164,646**	194,821
Interest on fixed deposits and others- (Gross)	**3,776,570**	7,287,713
Gain on foreign exchange fluctuation on consolidation (net)	**10,312,054**	256,971
Profit on sale of stake in a domestic subsidiary	**113,078,580**	-
Surplus on disposal of fixed assets (net)	**170,945**	332,368
Miscellaneous receipts	**1,000,122**	-
Per Consolidated Profit and Loss Account	**128,985,526**	19,469,452
Schedule M : Cost of Goods Sold		
(Refer Note 3 (h) (vi), Schedule P)		
Raw Materials:		
Opening inventory	**243,492,062**	328,123,330
Add:Purchases (net)	**214,427,856**	425,839,666
	457,919,918	753,962,996
Less:Closing inventory	**320,635,918**	243,492,062
	137,284,000	510,470,934
Materials and Components:		
Opening inventory	**318,851,353**	127,238,627
Add:Inventory acquired on acquisition of a step down subsidiary	**82,717,072**	-
Purchases (net)	**2,051,705,571**	1,128,436,461
	2,453,273,996	1,255,675,088
Less:Closing inventory	**595,527,461**	318,851,353
	1,857,746,535	936,823,735
Add:Provision for slow/non-moving inventory	**18,810,790**	-
	1,876,557,325	936,823,735
Purchase of goods for resale		
Opening inventory	**92,021,983**	99,688,253
Add:Purchases (net)	**1,153,300,544**	930,676,939
	1,245,322,527	1,030,365,192
Less:Closing inventory	**177,540,795**	92,021,983
	1,067,781,732	938,343,209
Variation in inventories:		
Closing inventories:*		
Finished goods	**28,662,567**	81,616,927
Manufacturing work-in-progress	**102,345,964**	151,414,508
Steel scrap	**15,727,075**	3,126,525
	146,735,606	236,157,960
Less:		
Opening inventories:		
Finished goods	**81,616,927**	16,880,186
Manufacturing work-in-progress	**151,414,508**	87,054,195
Steel scrap	**3,126,525**	-
	236,157,960	103,934,381
(Decrease)/increase in inventories	**(89,422,354)**	132,223,579
Per Consolidated Profit and Loss Account	**3,171,045,411**	2,253,414,299

(* Not reflected as closing inventories in the balance sheet as these relate to an erstwhile subsidiary.
-Refer Notes 3 (b) (i) and 20 (b), Schedule P)

Schedules forming part of the Consolidated Financial Statements for the year ended March 31, 2011

	For the year 2010-11 ₹	For the year 2009-10 ₹
Schedule N :Manufacturing, Installation and Other Expenses		
Manufacturing and Installation Expenses:		
Consumption of stores and spares	**26,329,365**	13,746,216
Electricity charges	**15,773,421**	11,948,261
Sub-contract charges and site expenses	**23,643,081**	18,308,350
Water charges	**314,802**	370,381
Repairs to :		
- Factory buildings	**18,550**	602,304
- Machinery	**1,052,931**	1,234,003
	1,071,481	1,836,307
Other manufacturing expenses	**3,818,319**	3,779,057
	70,950,469	49,988,572
Operating Expenses:		
Conveyance and travelling	**24,798,198**	24,080,203
Miscellaneous expenses	**43,482,679**	20,933,196
Rent and lease rent	**49,438,646**	18,133,481
Repairs to :		
- Buildings	**-**	1,503,307
- Other assets	**7,268,085**	1,463,428
	7,268,085	2,966,735
Insurance premium	**3,760,462**	1,182,169
Payments to auditors	**1,944,282**	1,602,308
Legal and professional fees	**30,075,889**	20,174,598
Donations and charities	**10,634,802**	9,343,672
Vehicle expenses	**9,491,809**	2,974,011
Sitting fees to Non Executive Directors	**159,000**	99,000
Miscellaneous expenditure to the extent written off	**-**	3,582,015
	181,053,852	105,071,388
Personnel Expenses:		
Salaries, wages and bonus	**185,801,179**	82,271,436
Contribution to provident*, gratuity and other funds (*including administrative charges)	**2,681,252**	4,361,804
Employees welfare	**6,800,156**	4,133,732
Director's remuneration	**11,518,567**	10,308,399
	206,801,154	101,075,371
Sales and Distribution Expenses:		
Sales promotion and advertisement	**39,879,161**	15,393,849
Discount, commission, rebates etc.	**13,460,322**	20,950,614
Bad debts written off/provision for doubtful debts	**30,962,160**	10,341,884
Distribution expenses (net)	**16,649,940**	10,947,434
Rates and taxes	**2,003,266**	3,404,725
	102,954,849	61,038,506
Per Consolidated Profit and Loss Account	**561,760,324**	317,173,837
Schedule O : Interest and Finance Charges		
Interest:		
On fixed period loans	**5,826,741**	4,814,373
On cash credit facility	**57,716,359**	52,720,273
Others (including interest on buyers line of credit)	**16,929,593**	7,113,487
	80,472,693	64,648,133
Loan processing and other financial charges	**51,338,767**	27,388,038
(Gain) on foreign exchange fluctuations (net)	**(13,762,940)**	(22,447)
Per Consolidated Profit and Loss Account	**118,048,520**	92,013,724

Schedule P

Forming part of the Consolidated Financial Statements for the year ended March 31, 2011

Notes to the Consolidated Financial Statements

1. **Particulars of Group components consolidated in the Consolidated Financial Statements (CFS):**

Group components consolidated in the CFS along with the Parent Company, its relationship with the Parent Company, respective country of incorporation and the Parent Company's/Group's ownership interest therein are given below:

Sl. No.	Particulars	Country of incorporation	Proportion of ownership interest(%) As at March 31, 2011	Proportion of ownership interest(%) As at March 31, 2010
1	**Domestic Subsidiaries**			
(a)	Alert Fire Protection Systems Private Limited	India	**100.00**	100.00
(b)	Eurotech Cylinders Private Limited	India	**100.00**	100.00
(c)	Logicon Building Systems Private Limited	India	**100.00**	100.00
2	**Foreign Subsidiaries (including a step down subsidiary)**			
(a)	Nitin Ventures FZE	UAE	**100.00**	100.00
(b)	Nitin Global Pte. Ltd. (effective July 23, 2009)	Singapore	**100.00**	100.00
(c)	New Age Company LLC* (effective April 1, 2010)	UAE	**49.00**	40.00
3	**Associate**			
(a)	Worthington Nitin Cylinders Limited@ (effective December 29, 2010)	India	**40.00**	100.00
4	**Non-integrated un-incorporated Joint Venture**			
(a)	Oil Block - RJ-ONN-2004/1 Rajasthan (field in the non-integrated un-incorporated Joint Venture)	**	**11.11**	11.11

(*A step down subsidiary with shareholding through Nitin Ventures FZE, a foreign subsidiary and consolidated by virtue of control over ownership. Associate as at March 31, 2010) (Refer Note 20 (a), below)

(@ Wholly owned domestic subsidiary as at March 31, 2010, on which control was lost as on December 28, 2010 and earlier known as Nitin Cylinders Limited) (Refer Note 20 (b), below)

(** Country of incorporation is not applicable as it is an unincorporated Joint Venture)

2. (A) **The Group and nature of operations:**

Nitin Fire Protection Industries Limited (NFPIL or the 'Parent Company') is a public limited company and made an initial public offer ('IPO') in May 2007. NFPIL's shares are listed on the Bombay Stock Exchange Limited and the National Stock Exchange Limited and is also the flagship company of the Group, which apart from the Company itself comprises of its subsidiaries (including a step down subsidiary), its interest in a non-integrated un-incorporated joint venture and share of profits in an associate. NFPIL together with its subsidiaries (including a step down subsidiary) are principally engaged in the business of manufacturing fire fighting equipment (gas based and water based fire extinguishers), providing turnkey solutions including procurement, designing, system integration, commissioning and installation of safety and security solutions/intelligent building management systems, supply of high pressure seamless compressed natural gas (CNG) cylinders/cascades/ oilfield and natural gas equipments and its spare parts, electronic precision instruments, security control items, pumps and execution of annual maintenance contracts for fire protection/intelligent building management systems/pumps. NFPIL has also entered into a non-integrated un-incorporated joint venture for oil exploration block. The associate is in the business of manufacturing high-pressure seamless compressed natural gas (CNG) cylinders. The Group undertakes project related and manufacturing/marketing activities from Maharashtra, Andhra Pradesh, Himachal Pradesh and Tamil Nadu in India, Abu Dhabi, Dubai and Jabel Ali in United Arab Emirates (UAE) and Singapore.

(B) **Basis of preparation of consolidated financial statements:**

(i) The accompanying consolidated financial statements (CFS) have been prepared in accordance with the principles and procedures for the preparation and presentation as laid down under Accounting Standard (AS) - 21 'Consolidated Financial Statements', AS-23 'Accounting for Investments in Associates in Consolidated Financial Statements' and AS-27 'Financial Reporting of Interests in Joint Ventures' notified under the Companies (Accounting Standards) Rules, 2006 (the 'Rules') (as amended) issued by the Central Government in exercise of the power conferred under sub-section (I) (a) of section 642 of the

Companies Act, 1956 (the 'Act'), guidelines issued by the Securities and Exchange Board of India and other relevant pronouncements of the Institute of Chartered Accountants of India (ICAI). Accounting policies have been consistently applied except where a newly issued accounting standard, if initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised accounting standards on an ongoing basis. Reference in these notes to Company or Group shall mean to include any or all of its aforesaid Group components unless otherwise stated.

(ii) The Notes to the CFS are intended to serve as a means of informative disclosure and a guide for better understanding of the Group's position. Recognising this purpose, the Parent Company has disclosed only such Notes from the individual financial statements, which fairly present the needed disclosures. Practical considerations made it desirable to exclude Notes to the Financial Statements, which in the opinion of the Group's management, could be better viewed, when referred from the individual financial statements of the Group.

3. **Accounting policies:**

Significant accounting policies followed by the Group are summarised below:

(a) **Basis of accounting:**

(i) The Parent Company maintains its accounts in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention, except for revaluation of certain fixed assets, on accrual basis of accounting. GAAP comprises mandatory accounting standards under the Rules issued by the Central Government in exercise of the power conferred under sub-section (I) (a) of section 642, the relevant provisions of the Act, guidelines issued by the Securities and Exchange Board of India and other relevant pronouncements of the ICAI.

(ii) The preparation of the CFS in conformity with GAAP requires that the management of the Group make estimates and assumptions that affect the reported amounts of income and expenses of the year, the reported balances of assets and liabilities and the disclosure relating to contingent assets and liabilities as at the date of the CFS. These estimates are based upon the management of the Group's best knowledge of current events and actions. Actual results could differ from these estimates.

(iii) The accounts of all the domestic subsidiaries and an associate are prepared on the same basis as that of the Parent Company (except that no revaluation of fixed assets is carried out by any of the domestic subsidiaries and an associate) and those of the foreign subsidiaries (including a step down subsidiary), have been prepared in compliance with local laws and applicable accounting standards.

(b) **Principles of Consolidation:**

The CFS have been prepared on the following basis:

(i) The CFS of NFPIL and its subsidiaries (including a step down subsidiary), are combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and transactions and also unrealized profits resulting there from, if any, in accordance with AS-21 'Consolidated Financial Statements'. The amounts shown in respect of reserves (other than asset revaluation reserve and securities premium) comprises the amount of relevant reserves as per the balance sheet of the parent company and its share in the post acquisition increase in the relevant reserves of the subsidiaries. Subsidiaries are those in which the Parent Company directly has an interest of more than one-half of the voting power or otherwise have power to exercise control over the operations. Subsidiaries are consolidated from the date on which effective control is transferred to the Group and are no longer consolidated from the date of disposal. The difference between the proceeds from disposal of investment in a subsidiary and the carrying amount of its assets less liabilities as of the date of disposal is recognised in the consolidated profit and loss account as the profit or loss on disposal of investment in a subsidiary and the results of operations are included in the CFS up to the date of cessation of parent subsidiary relationship.

(ii) The difference between the costs of investments in subsidiaries (including a step down subsidiary) over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the CFS as 'Goodwill on Consolidation' and is included under intangibles in the schedule of fixed assets, being an asset in the CFS. The net asset value considered for the purpose of goodwill in respect of trenches of investment, is the value as at the date of the first investment for acquiring the subsidiary. Net asset value is determined on the basis of book values of assets and liabilities as per the financial statements of the subsidiaries as on the date of investment.

(iii) The Group's interest in a non-integrated un-incorporated joint venture and other investments (other than in an associate) are accounted as specified in AS-13 'Accounting for Investments'.

(iv) Investment in an associate, where the Parent Company holds more than 20% of the equity is accounted for using the equity method (in the CFS) in accordance with AS-23 'Accounting for Investments in Associates in Consolidated Financial Statements' as per which the share of loss/profit of associates has been deducted/added to the cost of investment. The excess of cost of investment over the proportionate share in equity of an associate as at the date of the acquisition of stake has been identified as goodwill and is included in the carrying amount of the investment of the associate. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the associate. The consolidated profit and loss account includes the Group's share of profit/loss of the associate. The company accounts for its share of post-acquisition changes in net assets of associates, after eliminating unrealised profits and losses resulting from transactions between the Parent Company and its associate to the extent of its share, through its profit and loss account, to the extent such change is attributable to the associates' profit and loss account. An associate is an enterprise in which the investor has significant influence and which is neither a subsidiary nor an interest in a joint venture.

(v) The financial statements of the domestic/foreign subsidiaries (other than a step down subsidiary) used in the consolidation are drawn up to the same reporting date as that of the Parent Company i.e. March 31, 2011. In respect of a step down subsidiary that follows a different accounting year, the accounts are prepared upto the reporting date of the Parent Company to facilitate consolidation. The statutory accounting year of the step down subsidiary is the calendar year. The Group's share in revenue /capital transactions for a period of nine months i.e. April to December of each year is based on audited accounts and for the balance period of three months, i.e. January to March of each year is based on un-audited accounts, which is certified by the management.

(vi) The financial statements of foreign subsidiaries (not including a step down subsidiary) whose operations are considered as integral foreign operations, are recorded in a currency other than of its incorporation as it is acceptable to local government authorities while that of a step down subsidiary whose operations are also considered integral are recorded in its local currency and then translated for incorporation in the CFS in local currency as under:

(a) Fixed assets are converted at the exchange rate prevailing on the date of purchase. Depreciation is accounted at the same exchange rate at which the assets are translated.

(b) Revenue items (except depreciation, opening/closing inventories and income tax) are converted at the simple average of monthly exchange rates prevailing during the year.

(c) Monetary items are converted at the year-end exchange rate.

(d) Non-monetary items (excluding closing inventories) are reported using the exchange rate at the date of the transaction.

(e) Contingent liabilities, if any, are translated at the year-end exchange rate.

Exchange gain or loss arising out of '(a) to (d)' above, is charged and disclosed separately as a net amount to/in the consolidated profit and loss account.

(vii) The CFS have been prepared using uniform accounting policies for all major transactions and other events in similar circumstances except as stated hereunder:

(a) Differences in accounting policies between the Parent Company and those adopted by foreign subsidiaries (including a step down subsidiary) and an associate:

(1) The Parent Company, foreign subsidiaries and an associate provide depreciation in different methods and at different rates on tangible fixed assets.

(2) Foreign subsidiaries recognize tax assets or liabilities in accordance with the applicable local legislation. Deferred tax assets or liabilities in respect of foreign subsidiaries is not recognized.

(3) The Parent Company and a foreign subsidiary follow different methods for valuation of inventories.

(4) Investments by a foreign subsidiary as at the year end are accounted at market rates, whereas the Parent Company accounts the same at cost and provision is made to recognize any declines, other than temporary, in the carrying amount of each investment.

(5) A retirement benefit in the form of gratuity is not provided in respect of a foreign subsidiary. Further, a step down subsidiary provides for gratuity in accordance with the local labour laws. Whereas, the Parent Company provides for gratuity on the basis of an actuarial valuation carried out every year.

(6) The Parent Company recognises revenues on project related activites as per AS-9, whereas a domestic/foreign subsidiary recognises the same as per percentage of completion method.

It is not practical to adopt uniform accounting policies. As certified by the management, the proportion of these items vis-à-vis results/assets of the Group is not significant and it has been relied by the auditors.

(b) Difference in accounting policy between the Parent Company and that adopted by a domestic subsidiary during the previous year ended March 31, 2010:

The Parent Company follows the written down value method for providing depreciation, whereas a domestic subsidiary which is into manufacturing of high pressure seamless compressed natural gas (CNG) cylinders follows straight line method for providing depreciation, as in the opinion of the management of the Group, this would result in a more appropriate presentation of the financial statements of the said wholly owned domestic subsidiary. Consequent to this, consolidated depreciation charge for the afore said previous year ended is lower by ₹ 34,952,056 with corresponding increase in consolidated profit before tax, consolidated reserves and surplus and consolidated net block of tangible fixed assets. The proportion of such written down value of tangible fixed assets is ₹ 702,905,451 this is 80.66% of total tangible fixed assets.

(viii) Minority interest's share of net profit for the year of a step down foreign subsidiary is identified and adjusted against the profit after tax of the group. Minority interest, consisting of equity attributable to them on the date of such investments were made by a Group component and movement in their equity since the date of parent subsidiary relationship, has been disclosed in the consolidated balance sheet separately from liability and equity of shareholders of the Parent Company.

(ix) The CFS are presented, to the extent possible, in the same format as that adopted by NFPIL for its standalone financial statements.

(x) Investments, if any, held by subsidiaries in the Parent Company is eliminated and resultant goodwill is recognised in the CFS.

(c) **Fixed assets and capital work-in-progress:**

(i) Fixed assets are stated at cost of acquisition/installation/construction or at revalued amounts, net of accumulated depreciation, amortization and impairment losses, if any. Cost comprises the purchase price and other attributable costs of bringing the asset to their working condition for their intended use. Adjustments arising from exchange rate variations attributable to the fixed assets are also capitalised.

(ii) Capital work in progress (CWIP) includes cost of fixed assets not ready to use, interest on loans attributable to the acquisition of qualifying fixed assets upto the date of their commissioning, advances paid towards acquisition of fixed assets (unsecured and considered good unless otherwise stated) and adjustments arising from exchange rate variations relating to specific borrowings attributable to the cost of fixed assets not ready to use.

(iii) Machinery spares which can be used only in connection with an item of fixed asset and whose use is not of regular nature are capitalized and depreciated over the estimated useful life of the relevant asset.

(d) **Depreciation, amortisation and impairment:**

(i) **Depreciation-tangibles:**

Depreciation on fixed assets is provided on written down value method in accordance with the provisions of Section 205(2) (b) of the Act, in the manner and at the rates specified in Schedule XIV to the Act. Depreciation on additions/deductions is calculated pro rata from/to the number of days of additions/ deductions including incremental costs arising on account of translation of foreign currency liabilities for acquisition of fixed assets. In respect of an asset for which impairment loss is recognised, depreciation is provided on the revised carrying amount of the assets over its remaining useful life except in case of revalued assets where depreciation is computed on such revalued amounts and an appropriate amount transferred from revaluation reserve to profit and loss account. Individual assets costing less than ₹ 5,000 are depreciated in full in the year of acquisition. Cost of leasehold land is amortised in proportion to the period of lease.

(ii) **Amortisation-intangibles:**

(Other than for goodwill arising on consolidation of subsidiaries, a step down subsidiary and an associate)

Intangible assets are initially measured at cost and amortised so as to reflect the pattern in which the asset's economic benefits are consumed. Expenditure on computer software and technical know how fees are amortised on straight-line method over a period of two years.

(iii) **Impairment of assets:**

The carrying amounts of fixed assets are reviewed at each balance sheet date by the Group to determine if there is any indication of impairment based on internal/external factors. An impairment loss will be recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognised impairment loss is further provided or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

(e) **Goodwill arising on consolidation:**

Goodwill arising on consolidation is in respect of acquisition of subsidiaries (including a step down subsidiary) and an associate. In respect of subsidiaries (including a step down subsidiary), goodwill is included under intangibles in the schedule of fixed assets and in respect of an associate; goodwill is included in the carrying amount of the investment of the associate in the schedule of investments. Goodwill arising on acquisition of subsidiaries is amortised over a period of five years and is stated net of amortisation but that arising on acquisition of a step down subsidiary and an associate is not amortised. However, goodwill arising on consolidation (subsidiaries, a step down subsidiary and an associate) is evaluated for impairment annually and whenever events or changes in circumstances indicate that its carrying amount may be impaired, for diminution other than temporary and is stated net of impairment losses, if any.

(f) **Investments:**

Trade investments are investments made to enhance the Group's business interests. Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments.

(i) Long term investments other than in an associate but including interest in a non-integrated un-incorporated joint venture are carried at cost and provisions recorded to recognise any declines, other than temporary, in the carrying amount of each investment. Investment in an associate is accounted for using the equity method in the CFS.

(ii) Current investments are valued at lower of cost and net realisable value. In case of investments in mutual funds, which are unquoted, net asset value is taken as the fair value.

(g) **Inventories:**

Inventories of the Group are valued as follows:

Items of inventories are valued at lower of cost, computed on FIFO basis and net realisable value. Such costs include material cost and other costs incurred in bringing the goods to their present location and condition. In case of manufactured inventories and work in progress, cost includes an appropriate share of labour and overheads. Scrap is valued at net realisable value.

Goods in transit are valued at cost, which represents the costs incurred upto the stage at which the goods are in transit.

Provision for obsolescence is made, wherever necessary.

(h) **Revenue recognition:**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and it can be reliably measured.

(i) Revenue from domestic sales (other than project related activities)is recognized on dispatch which coincides with transfer of significant risks and rewards to customers and stated net of custom duty, taxes, returns and trade discounts, as applicable. Revenue from export sales is recognised on the date of bill of lading and includes foreign exchange fluctuation on exports.

(ii) The revenues in respect of project related activities are recognized on percentage completion method as specified in AS- 7 'Construction Contracts (Revised 2002)'. Percentage of completion is determined based on surveys of work performed certified by an operating agency.

(iii) Income from services rendered on project related activities is recognised on due dates of the relevant contracts and is exclusive of service tax, wherever recovered and income from management services provided by a foreign subsidiary is accounted on accrual basis.

(iv) Liquidated damages/penalties, are provided based on management's assessment of the estimated liability, as per contractual terms and/or acceptance.

(v) Dividend income on investments is accounted for when the right to receive the payment is established. Other income is accounted on accrual basis as and when the right to receive arises.

(vi) The Group is entitled to refund of Special Additional Duty paid on imported goods traded or consumed in its activities within the prescribed time limit. Accordingly, refund is accrued on sale/consumption of such goods.

(i) **Taxation:**

1. Indian companies

(i) Tax expense comprises current tax including wealth tax and deferred tax charge or credit.

(a) Current tax including wealth tax are measured at the amounts expected to be paid to the Tax Authorities in accordance with the provisions of the Income Tax Act, 1961 prevailing for the relevant assessment years.

(b) Deferred tax charge or credit is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax charge or credit is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods in the profit and loss account and the cumulative effect thereof is reflected in the balance sheet. In respect of deferred tax charge or credit resulting from timing differences which originate during the tax holiday period but is expected to reverse after such tax holiday period, deferred tax charge or credit is recognised in the year in which the timing differences originate using the tax rates and laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities pertaining to consolidated entities are not set off against each other as the Parent Company does not have a legal right to do so.

(ii) Tax on distributed profits payable is as per the provisions of Section 115O of the Income Tax Act, 1961 is in accordance with the Guidance Note on Accounting for Corporate Dividend Tax regarded as tax on distribution of profits issued by the ICAI and is not considered in determination of the profits for the year.

2. Foreign companies

Foreign companies recognise tax expenses in accordance with the applicable local laws.

(j) **Consolidated cash flow statement:**

The consolidated cash flow statement is prepared by the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and presents the cash flows by operating, investing and financing activities of the Group. Cash and cash equivalents presented in the consolidated cash flow statement consists of cash balance on hand and balances with banks.

(k) **Foreign currency transactions and balances:**

(Other than those relating to foreign subsidiaries including a step down subsidiary)

(i) Initial recognition

Transactions for import/export of goods are recorded at a rate notified by the customs authorities for invoice purposes. Other foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion:

Monetary items are translated at the year-end exchange rate and non-monetary items are reported using the exchange rate that existed on the date of the transaction. Group's share in contingencies and capital commitments of an associate is translated at the year-end exchange rate.

(iii) Exchange differences:

Exchange differences arising on settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the year or reported in the previous financial statements are recognised as income or expenses in the year in which they arise, taken to the relevant revenue heads in the profit and loss account except in cases where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying costs of such assets and disclosed as a net amount in the CFS.

(iv) Forward exchange contracts not intended for trading or speculation purposes:

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the profit and loss account in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

(l) **Retirement benefits:**

1. Indian companies:

Employee Benefits such as salaries, allowances, non-monetary benefits and employee benefits under defined contribution plans such as provident and other funds, which fall due for payment within a period of twelve months after rendering service, are charged as expense to the profit and loss account in the period in which the service is rendered.

Employee Benefits under defined benefit plans, gratuity which fall due for payment after a period of twelve months from rendering service or after completion of employment, are measured by the projected unit cost method, on the basis of actuarial valuations carried out by third party actuaries at each balance sheet date. The Company's obligations recognized in the balance sheet represent the present value of obligations as reduced by the fair value of plan assets, where applicable. Actuarial Gains and losses are recognised immediately in the Profit and Loss Account.

2. Foreign company:

Provision is made for end-of-service gratuity payable to the employees at the reporting date in accordance with the local labour laws.

(m) **Earnings per share:**

The basic earnings per share is computed by dividing the net profit or loss attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) and the weighted average number of equity shares outstanding during the period are adjusted for effects of all dilutive potential equity shares, except where the results are anti-dilutive. The number of shares and potentially dilutive equity shares are adjusted for share splits.

(n) **Provisions, contingent liabilities and contingent assets:**

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the Notes to the CFS. Contingent assets are neither recognised nor disclosed in the CFS.

(o) **Borrowing costs:**

Borrowing costs that are attributable to the acquisition or construction of a qualifying asset are capitalised as part of cost of such asset till such time as the asset is ready for its intended use. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the year in which they are incurred.

(q) **Operating leases**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Operating lease payments are recognised as an expense in the Profit and Loss Account on a straight line basis over the lease period unless another systematic basis is more representative of the time pattern of the users benefit.

(r) **Proposed dividend:**

Dividend proposed by the directors as appropriation of profits is provided for in the books of account of the relevant Group component pending approval of shareholders at the annual general meeting.

(s) **Miscellaneous expenditure**

Miscellaneous expenditure is charged to revenue in the year of its occurrence.

4. **Sub division of shares**

Effective November 8, 2010, the Parent Company has subdivided the face value of equity shares from ₹ 10 each to ₹ 2 each (sub division), after obtaining shareholders' approval vide special resolution passed at the 15th Annual General Meeting of the Parent Company held on September 21, 2010. The basic and diluted earnings per share disclosed (Refer Note 6 below) have been computed for the current year and recomputed for the previous year based on the revised face value of ₹2 each.

5. **Contingent liabilities and capital commitments:**
(Other than attributable to a joint venture and an associate -Refer Notes 15 and 16 below)

Sr. No.	Particulars	**As at March 31, 2011 (₹)**	As at March 31, 2010 (₹)
I	**Contingent liabilities**		
a	Performance, bid bond and other bank guarantees given (fixed deposits deposited as margin money ₹ **3,994,624** (₹ 713,915) and mortgage of fixed assets belonging to the Parent Company provided)	**37,254,746**	71,176,647
b	Bond issued to the Development Commissioner, VSEZ for adherence to terms and conditions of setting up an SEZ unit.	**Nil**	162,500,000
c	Un-expired letters of credit (fixed deposits deposited as margin money ₹ **Nil** (₹ 12,114,642).	**83,471,974**	52,349,918
d	Corporate financial guarantees given by the Parent Company on behalf of its domestic subsidiary		
	- Limit	**325,000,000**	1,206,000,000
	- Outstanding	**189,876,359**	662,512,542
e	Standby letter of credit provided by the Parent Company on behalf of its foreign subsidiaries (including a step down subsidiary)		
	- Limit	**970,000,000**	240,000,000
	- Outstanding	**935,417,500**	232,471,000
f	Income tax matter dispute in appeals	**803,444**	1,396,973
II	**Capital commitments**		
a	Estimated amount of contracts remaining to be executed on capital account and not being provided for (net of advances on capital account). (Cash flow is expected on execution of such capital contracts on progressive basis).	**184,405,600**	23,250,580

Note: *Contingent liabilities in respect of matters arising in the ordinary course of business, it is anticipated that no material liabilities will arise.

6. **Earnings per share:**

The Parent Company has not issued any potential equity shares and accordingly, the basic and diluted earnings per share are the same. Numbers used for calculating basic and diluted earnings per share are as stated below:

Particulars	For the year 2010-11	For the year 2009-10
Weighted average number of equity shares outstanding (Nos.)	**63,015,705**	63,015,705
	(₹)	(₹)
Net profit after tax attributable to the equity shareholders Basic and diluted earnings per share Nominal value per equity share (Refer Note 4 above)	**533,601,807** **8.47** **2**	419,328,658 6.65 2

7. **Related party transactions:**

(a) **Parties where control (other than subsidiaries/a step down subsidiary)/significant influence exists and/or other related parties with whom transactions have taken place include:**

Associates
Worthington Nitin Cylinders Limited (effective December 29, 2010)
(Domestic subsidiary upto December 28, 2010 including for the year 2009-10)
New Age Co. LLC (up to March 31, 2010)

Un-incorporated Joint Venture
Oil Block (RJ-ONN-2004/1) (Ref.No.19)
(Name of the field in an un-incorporated joint venture)

Key Management Personnel (KMP)
Nitin M. Shah (Chairman and Managing Director)
Rahul N. Shah (Wholetime Director)

Relatives of KMP's
Saroj N. Shah (wife of Nitin M. Shah)
Kunal N. Shah (son of Nitin M. Shah)
Nitin M. Shah (HUF)
Rahul N. Shah (HUF)
Reshma N. Shah (daughter of Nitin M. Shah)

(b) **Transactions between the Group and related parties (excluding re-imbursements):**

Sr. No.	Particulars	For the year 2010-11 (₹)	For the year 2009-10 (₹)
I	**Capital transactions**		
	Assets		
(i)	Investment		
	Un-incorporated joint venture		
	Oil Block (RJ-ONN-2004/1) (Ref.No.19)	**22,637,177**	15,807,724
(ii)	Purchase of immovable property/refund received of advance given		
	KMP		
	Nitin M. Shah	**Nil**	45,100,000*
	(*purchase of immovable property)		
	Relative of KMP		
	Saroj N. Shah	**Nil**	5,100,000*
	(*refund received of advance given)		
(iii)	**Loans given**		
	Associate		
	Worthington Nitin Cylinders Limited	**95,000,000**	NA
	New Age Company LLC	**NA**	165,526,748

Sr. No.	Particulars	For the year 2010-11 (₹)	For the year 2009-10 (₹)
(iv)	**Loans received back**		
	Associate		
	Worthington Nitin Cylinders Limited	**95,000,000**	NA
(v)	Accumulated profits received		
	Associate		
	New Age Company LLC	**NA**	29,071,537
	Liabilities		
(i)	Unsecured loans		
	KMP's		
	Nitin M. Shah	**35,000,000**	25,000,000
	Rahul N. Shah	**1,500,000**	Nil
(ii)	Unsecured loans repaid		
	KMP's		
	Nitin M. Shah	**60,000,000**	Nil
	Rahul N. Shah	**1,500,000**	Nil
II	**Revenue transactions**		
	Income		
(i)	Sales of material and components/trading goods		
	Associate		
	New Age Company LLC	**NA**	5,342,260
(ii)	**Interest and service charges**		
	Associate		
	Worthington Nitin Cylinders Limited	**1,566,781**	Nil
	Expenditure		
(i)	Rent		
	KMP/Relative of KMP's		
	Nitin M. Shah	**1,058,880**	1,034,160
	Saroj N. Shah	**1,522,140**	1,522,140
(ii)	Remuneration*		
	KMP's/Relatives of KMP's		
	Nitin M. Shah	**5,571,285**	4,485,275
	Rahul N. Shah	**1,572,200**	2,834,656
	Saroj N. Shah	**1,572,200**	Nil
	Kunal N. Shah	**2,802,882**	2,988,468
III	**Proposed Dividend**		
	KMP's		
	Nitin M. Shah	**12,312,730**	8,606,500
	Rahul N. Shah	**4,035,000**	2,821,000
	Relatives of KMP's		
	Saroj N. Shah	**13,130,000**	9,187,500
	Kunal N. Shah	**6,572,500**	4,593,750
	Nitin M. Shah (HUF)	**2,920,000**	2,035,744
	Rahul N. Shah (HUF)	**2,619,649**	1,820,000
	Reshma N. Shah	**2,690,000**	1,879,500

Sr. No.	Particulars	For the year 2010-11 (₹)	For the year 2009-10 (₹)
IV	**Personal financial guarantees released**		
	Associate		
	Worthington Nitin Cylinders Limited	**906,000,000**	Nil
	KMP's and relative of a KMP		
	Jointly of Rahul N. Shah and Nitin M. Shah	**Nil**	41,500,000
	Relatives of a KMP		
	Jointly of Rahul N. Shah and Nitin M. Shah	**Nil**	45,000,000
	KMP's		
	Jointly of Nitin M. Shah and Rahul N. Shah	**Nil**	100,000,000
V	**Personal financial guarantees obtained**		
	KMP's and relatives of KMP		
	Jointly of Nitin M. Shah and Rahul N. Shah	**Nil**	580,000,000
VI	**Standby letter of credit facility provided**		
	Associate		
	Worthington Nitin Cylinders Limited	**160,000,000**	NA

(* excluding incremental liability for gratuity as employee wise break up of such liability based on estimation is not ascertainable).

(c) **Amounts outstanding for transactions between the Group and related parties:**

Sr. No.	Particulars	As at March 31, 2011 (₹)	As at March 31, 2010 (₹)
I	**Assets**		
(i)	Investments		
	Associate		
	Worthington Nitin Cylinders Limited	**418,027,967**	NA
	New Age Company LLC	**NA**	429,005,161
	(equity shares)		
	Un-incorporated joint venture		
	Oil Block (RJ-ONN-2004/1) (Ref.No.19)	**151,029,333**	128,392,156
	Trade receivable		
	(net of trade payable)		
	Worthington Nitin Cylinders Limited	**23,437,455**	NA
II	**Liabilities**		
(i)	Unsecured loan		
	KMP		
	Nitin M. Shah	**Nil**	25,000,000
(ii)	Trade payable		
	Un-incorporated joint venture		
	Oil block (RJ-ONN-2004/1)	**4,805,861**	6,243,817
(iii)	Dues		
	KMP		
	Nitin M. Shah	**1,244,011**	1,039,225
III	**Personal financial guarantees obtained**		
	KMP's and relative of KMP jointly with the Parent Company		
	Jointly of Nitin M. Shah and Rahul N. Shah	**Nil**	1,093,772,256

Sr. No.	Particulars	As at March 31, 2011 (₹)	As at March 31, 2010 (₹)
IV	**Standby letter of credit facility provided** Associate Worthington Nitin Cylinders Limited	**160,000,000**	NA

Notes:

(a) Related party relationships are as identified by the Group on the basis of information available and accepted by the auditors.

(b) No amount has been written off or written back in respect of debts due from or to related party.

8. **Effects of acquisition/disposal of subsidiaries (including a step down subsidiary) on the CFS is as under:**

Name of the company	Effect on group profit (₹)	Net assets (₹)
Acquisition: New Age Company LLC (Nitin Global Pte Limited)	**82,105,508*** (8,768,313)	**1,023,762,327*** (8,768,313)
Disposal: Worthington Nitin Cylinders Limited (NA)	**159,578,193*** (NA)	**768,675,137**** (NA)

(* increase) (** decrease)

9. **Segment reporting:**

The Group's activities involve predominantly one business segment i.e. manufacturing fire fighting equipment (gas based and water based fire extinguishers), providing turnkey solutions including procurement, designing, system integration, commissioning and installation of safety and security solutions/intelligent building management systems, manufacturing CNG cascades and execution of annual maintenance contracts for fire protection/intelligent building management systems which is considered to be within a single business segment since these are subject to similar risks and returns. Accordingly, the above business activity comprise the primary basis of segmental information as set out in these CFS, which therefore reflect the information required by AS 17 - Segment Reporting, with respect to primary segment. The auditors rely upon the above classification of primary segment.

The Group has identified India and rest of the world as geographical segments for secondary segmental reporting. Geographical sales and services are segregated based on the location of the customer who is invoiced or in relation to which the sale is otherwise recognised. Assets (in India) other than receivables used in the Group's business or liabilities contracted have not been identified to any of the reportable segments, as these are used interchangeably between segments by the Group. Assets located outside India other than receivables mentioned above, is in respect of Group's wholly owned subsidiaries located outside India and Group's share of accumulated profits in an associate. Capital expenditure (capex) by foreign subsidiaries of the Parent Company is considered as expenditure incurred towards fixed assets located outside India. Rest of the capex is in respect of assets located in India and can be used interchangeably between the segments by the Group. As the capex by the foreign subsidiaries is less than 10% of the total capex incurred by the rest of the Group components, the same is not disclosed.

Secondary segmental information:

Particulars	India For the year 2010-11 (₹)	Rest of the world For the year 2010-11 (₹)	Total For the year 2010-11 (₹)
Segment sales and services	**1,363,834,968** (1,084,883,339)	**3,014,654,979** (2,048,345,314)	**4,378,489,947** (3,133,228,653)
Segment assets	**225,904,670** (312,898,208)	**1,316,391,917** (771,555,490)	**1,542,296,587** (1,084,453,698)

Notes:

(a) As per AS 17 "Segment Reporting", the Parent Company has reported segment information on consolidated basis including businesses conducted through its subsidiaries and an associate.

(b) The investment in a non-integrated un-incorporated joint venture is less than 10% of the net assets of the Group. Hence, the same is not considered as a separate segment.

10. **Derivative instruments and unhedged foreign currency exposure**:

(a) No derivative instruments were outstanding at the close of the year.

The details of outstanding forward exchange contract entered into by the Group is as under:

	Currency	**As at March 31, 2011**		As at March 31, 2010	
		Amount outstanding in foreign currency	**Equivalent (₹)**	Amount outstanding in foreign currency	Equivalent (₹)
Hedging commitment outstanding					
Secured loans	USD	**Nil**	**Nil**	3,000,000	135,420,000
No. of contracts outstanding		**Nil**	**Nil**	1	-

(b) The year end foreign currency exposures that have not been hedged by derivative instruments or otherwise are given below:

Particulars	Currency	**As at March 31, 2011**		As at March 31, 2010	
		Amounts outstanding in foreign currencies	**Equivalent (₹)**	Amounts outstanding in foreign currencies	Equivalent (₹)
Receivables					
Sundry debtors for exports	USD	**13,759,828**	**614,376,339**	16,428,470	741,581,106
Sundry debtors for exports	EURO	**37,725**	**2,385,729**	137,487	8,326,213
Sundry debtors for exports	GBP	**Nil**	**Nil**	51,622	3,511,876
Advances to suppliers	USD	**Nil**	**Nil**	585,240	26,417,701
Advances to suppliers	GBP	**Nil**	**Nil**	50,707	3,449,581
Bank balance	USD	**800,000**	**35,720,004**	3,659	165,175
Payables					
Secured loans (including buyers line of credit)	USD	**7,976,420**	**356,147,135**	8,792,248	396,882,133
Secured loans (buyers line of credit)	GBP	**581,662**	**41,833,160**	239,126	16,638,796
Sundry creditors for imports	USD	**5,814,446**	**259,615,033**	12,572,465	567,521,126
Sundry creditors for imports	GBP	**376,086**	**27,048,107**	99,877	6,794,826
Sundry creditors for imports	EURO	**43,824**	**2,771,417**	85,841	5,198,510
Advance from a debtor	USD	**2,332,248**	**104,134,873**	Nil	Nil
Interest accrued but not due on loans	USD	**9,491**	**423,780**	2,760	124,582
Interest accrued but not due on loans	GBP	**3,262**	**234,657**	Nil	Nil

The above out standings in foreign currencies have been translated at the rates of exchange prevailing at the year-end in accordance with AS-11 'The Effects of Changes in Foreign Exchange Rates (Revised 2003)' or at forward cover rate, as applicable.

11. **Disclosures pursuant to AS-7 (Revised)**:

Sr. No.	**Particulars**	**For the year 2010-11 (₹)**	For the year 2009-10 (₹)
(a)	Contract revenue recognized	**1,718,481,453**	978,846,098
(b)	Gross amount due from customers for contract work	**981,305,234**	320,249,545
(c)	Gross amount due to customers for contract work	**Nil**	Nil
(d)	Contracts in progress	**Nil**	Nil

12. **Deferred taxation:**

Computation of deferred tax asset in respect of un-absorbed losses and unabsorbed depreciation/amortisation of a subsidiary is not made for the year under review. Further, computation of cumulative deferred tax assets or liabilities has not been made in respect of foreign subsidiaries of the Parent Company. In the opinion of the management, the impact is not material.

Component	As at March 31, 2010 (₹)	(Credit) for the year (₹)	As at March 31, 2011 (₹)
Depreciation and amortization	26,459,731	**(22,771,589)**	**3,688,142**
Total Deferred Tax Liability	26,459,731	**(22,771,589)**	**3,688,142**
Depreciation and amortization	142,451	**Nil**	**142,451**
Total Deferred Tax Assets	142,451	**Nil**	**142,451**

13. **Exchange differences:**

Exchange gain (other than gain on translation on consolidation) included in the consolidated profit and loss account: ₹ **10,174,286** (exchange loss, ₹ 24,591,318).

14. **Details of secured loans:**

(a) Loans under different categories (other than vehicle loans) are secured by way of first/second charge of the tangible assets (except in case of sl. no. (vi) below), guarantees etc. wherever applicable, details of which are as mentioned below:

(i) Entire current assets;

(ii) Tangible fixed assets viz. buildings, buildings on leasehold land, plant and machinery, electrical installation, furniture, fixtures and office equipment's;

(iii) Personal guarantees of some of the Directors of the respective Group Component;

(iv) Corporate guarantee of the Parent Company;

(v) Equity shares belonging to the promoter of the Parent Company;

(vi) Investments purchased there against.

(b) Vehicle loans from banks and a company are secured by the underlying asset.

15. **Disclosures in respect of a joint venture:**

Information as required by AS27 'Financial Reporting of Interests in Joint Ventures':

(a) Name of the field in a joint venture, description of interest etc.:

Name of the field in a joint venture	Description of interest/ (Description of job)	Proportion of ownership interest	Country of	
			Incorporation	Residence
RJ-ONN-2004/1 Rajasthan	Non integrated joint venture (Crude oil block)	**11.11%** (11.11%)	*	**India**

(*Country of incorporation not applicable as it is an unincorporated joint venture)

(b) The financial of the joint venture as of March 31, 2011 are not available and hence, other disclosures relating to the joint venture have not been given.

16. **Disclosures in respect of Associates:**

(a) Investments:

Name of the company	No. of equity shares held	Original cost of investment (₹)	Face value	Goodwill/ capital reserve (₹)	Accumulated profit/(loss) (₹)	Carrying amount of investment As at March 31, 2011(₹)
Worthington Nitin Cylinders Limited	**2,336,496** (NA)	**452,264,534** (NA)	**₹ 10**	**Nil** (NA)	**(34,236,567)** (NA)	**418,027,967** (NA)
New Age Co. LLC	**NA** (1,200)	**NA** (51,064,290)	AED 1,000	**NA** (119,000,335)	**NA** (58,432,375)	**NA** (228,497,000)

(b) Group's share in contingencies and capital commitments for which it is contingently liable: ₹ **65,504,610** (₹ 3,819,196)

(c) Group's share in contingencies for which it is severally liable : ₹ **Nil** (₹ Nil)

17. **Proposed amalgamation of wholly owned domestic subsidiaries of the Parent Company:**

The Board of Directors of the Parent Company in its board meeting held on February 11, 2011 has approved the amalgamation with itself of Alert Fire Protection Systems Private Limited and Logicon Building Systems Private Limited with April 1, 2010 being the appointed date. In this regard, the Parent Company has received an in principle approval from National Stock Exchange of India Limited and Bombay Stock Exchange Limited. The Parent Company has since filed a joint petition before the Honorable High Court of Bombay for the sanction of the scheme and which the approval is pending.

18. **Taxation:**

(a) In view of book profits being in excess of taxable profits of the Parent Company, as per computation of income, the provision for tax has been made as per MAT under section 115 JB of the Income Tax Act, 1961. The Parent Company is entitled to avail credit under section 115JAA (1A) and credit will be availed as and when due.

(b) Provision for current tax includes: ₹ **82,000** (₹ 125,000) for wealth tax.

19. **Financial information of subsidiaries (including a step down subsidiary):**

Financial information of subsidiaries (including a step down subsidiary) is as under:

Particulars	Alert Fire Protection Systems Private Liamited (₹)	Eurotech Cylinders Private Limited (₹)	Logicon Building Systems Private Limited (₹)	Nitin Ventures FZE (₹)	Nitin Global Pte Limited (₹)	New Age Company LLC (₹)
Share capital (including share application money)	**100,000**	**100,000**	**175,000**	**102,208,125**	**4,761,000**	**38,717,767**
Reserves and surplus	**116,071,069**	**241,909,799**	**15,097,770**	**441,878,084**	**23,985,167**	**164,391,404**
Total assets (Fixed assets, capital work in progress, deferred tax asset, current assets and loans and advances)	**281,949,516**	**438,879,830**	**119,656,058**	**1,180,447,935**	**576,520,149**	**1,076,562,214**
Total liabilities (Loan funds, deferred tax liability, current liabilities and provisions)	**182,486,995**	**196,870,031**	**104,388,288**	**1,695,976,653**	**569,235,751**	**873,453,044**
Investments (except in case of investment in subsidiaries and a step down subsidiary)	**16,708,548**	**Nil**	**5,000**	**Nil**	**21,461,768**	**Nil**
Turnover	**271,115,288**	**433,705,339**	**109,031,728**	**963,111,168**	**494,268,604**	**1,008,976,690**
Profit before taxation	**29,460,642**	**52,783,771**	**(5,694,567)**	**174,544,230**	**16,337,092**	**157,317,531**
Provision for taxation (including deferred tax and charge for earlier years)	**11,165,940**	**18,196,582**	**Nil**	**Nil**	**1,120,239**	**Nil**
Profit after taxation	**18,294,702**	**34,587,189**	**(5,694,567)**	**174,544,230**	**15,216,853**	**157,317,531**
Proposed dividend	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**

20. **Changes in Group components:**

a. **Associate becoming a step down subsidiary of the Parent Company:**

Pursuant to Nitin Ventures Fze a foreign subsidiary of the Parent Company increasing its ownership interest to 49% from 40% in New Age Co. LLC (New Age) New Age has become a step down subsidiary of the Parent Company effective April 1, 2010.

b. **Domestic subsidiary becoming an associate of the Parent Company:**

Pursuant to sale of part stake in Worthington Nitin Cylinders Limited (WNCL) and increase in its paid up share capital, WNCL has become an associate of the Parent Company effective December 29, 2010.

21. **Unsecured loans from banks:**

Unsecured loans from banks of ₹ **722,051,447** (₹ 225,700,000) represents amounts withdrawn by foreign subsidiaries (including a step down subsidiary) against standby letter of credit facility availed and is guaranteed by the Parent Company.

22. **Operating lease:**

a) In respect of a property acquired on lease, the future minimum lease rentals are as follows:

	Future minimum lease payments as at	
	March 31, 2011 (₹)	March 31, 2010 (₹)
Not later than one year	**395,448**	395,448
Later than one year and not later than five years	**1,977,060**	1,977,060
Later than five years	**1,581,792**	1,977,240
Total	**3,954,300**	4,349,748

Note:

The impact of escalation in lease payments which may arise is not considered due to its uncertainty.

b) Lease payments recognised in the Consolidated Profit and Loss Account: ₹ **49,438,646** (₹ 16,585,606).

23. The joint venture (referred to in Note 15 above) for oil and gas producing activities is under exploratory phase. Hence, disclosures required viz. net quantities of the Group's interest in proved reserves and proved developed reserves of oil (including condensate and natural gas liquids), gas at the beginning and additions, deductions, production and closing balance of the year and the above disclosures on geographical basis required pursuant to the Guidance Note on Accounting for Oil and Gas Producing Activities issued by the ICAI are currently not applicable.

24. The statutory auditor's of the Parent Company have not audited the financial statements of subsidiaries (including a step down foreign subsidiary), an un-incorporated joint venture and an associate.

25. In terms of provision of sub section 1A of Section 115 O of the Income Tax Act, 1961, the Parent Company has taken credit of corporate dividend tax aggregating to ₹ **5,813,063** (₹ Nil) on account of dividends received from its subsidiaries.

26. Turnover includes income from services of ₹ **19,401,408** (₹ 45,843,754).

27. Figures pertaining to subsidiaries (including a step down subsidiary) have been reclassified wherever necessary to bring them in line with the Parent Company's financial statements.

28. **Employee Benefits: (Parent Company)**

a) Defined Contribution Plan:

Company's contribution to Provident Fund ₹ **886,509** (₹ 1,059,246)

b) Defined Benefit Plans - Gratuity:

Particulars	**For the year 2010-11 (₹)**	For the year 2009-10 (₹)
a) Liability recognized in the Balance Sheet:		
i) Present value of obligation:		
Opening balance	**1,609,049**	996,165
Service cost	**529,353**	448,616
Interest cost	**171,072**	115,582
Actuarial loss on obligation	**(138,037)**	48,686
Closing balance	**2,171,437**	1,609,049
Less:		
ii) Fair value of plan assets:		
Opening balance	**2,382,689**	1,892,409
Expected return on plan assets less loss on investments	**214,615**	190,615
Actuarial gain/(loss) on plan assets	**(214,615)**	(190,615)
Employers' contribution	**Nil**	490,280
Closing balance	**2,382,689**	2,382,689
Amount recognized in the Balance Sheet	**Nil***	Nil*

Particulars	For the year 2010-11 (₹)	For the year 2009-10 (₹)
b) Expenses during the year:		
(included in Schedule N under contribution to provident and other funds)		
Service cost	**529,353**	448,616
Interest cost	**171,072**	115,582
Expected return on plan assets	**(214,615)**	(190,615)
Actuarial (gain)/loss	**76,578**	239,301
Total	**562,388**	612,884
c) Actual return on plan assets	**Nil**	Nil
d) Break up of plan assets :**		
(i) Government of India s ecurities.	**NA**	NA
(ii) Public securities	**NA**	NA
(iii) State Government securities	**NA**	NA
(iv) Private Sector securities	**NA**	NA
(v) Others (LIC of India – Insurer Managed Fund)	**100%**	100%
e) Principal actuarial assumptions:		
Rate of discounting	**8.25%**	8%
Expected return on plan assets	**8.25%**	8%
Rate of increase in salaries	**5%**	5%
Attrition Rate	**2%**	2%

In assessing the Company's Post Retirement Liabilities, the Parent Company monitors mortality assumptions and uses up-to-date mortality tables. The base being the LIC 1994-96 ultimate tables.

Expected return on plan assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

The estimates of future salary increase, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

* The surplus of plan assets over defined benefit obligation has not been recognized as the Company believes there is no amount recoverable in cash from the LIC of India.

** The details of the composition of the plan assets, by category, from the insurers have not been received and hence the disclosures as required by Accounting Standard (AS) 15 in "Employee Benefits" have not been given.

Other disclosures:

Particulars	As at March 31, 2011 (₹)	As at March 31, 2010 (₹)
Defined benefit obligation	**2,171,437**	1,609,049
Plan assets	**2,382,689**	2,382,689
Surplus/(deficit)	**211,252**	773,640
Experience adjustments on plan liabilities – (gain) /loss	**(87,545)**	48,686
Experience adjustments on plan assets – gain/(loss)	**(214,615)**	(190,615)

29. Consequent to dilution of equity stake in Worthington Nitin Cylinders Limited in December 2010, the Parent Company has taken over the outstanding claim of a derivative contract amounting to ₹ 50,133,481 (excluding interest). The Parent Company has obtained a legal opinion mentioning that the said contract is in violation of the RBI regulations and hence, no liability is expected. Further, the Parent Company has filed a petition in the Hon'ble High Court of Bombay challenging the legality of the contract. Pending decision, no provision is made in the books of account of the Parent Company.

30. The consolidated accounts of previous year were audited by another Auditor and opening balances are as per such consolidated financial statements.

31. **Previous year:**

Pursuant to disclosures made in Note 8 above, the CFS for the year ended March 31, 2011 are to that extent not comparable with the corresponding consolidated financial figures of the previous year presented. Figures in parenthesis represent the corresponding previous year figures, which have also been restated/reworked to conform to current year's presentation, wherever applicable and current year's figures are stated in bold prints.

For and on behalf of the Board of Directors

Sd/-	Sd/-	Sd/-
Nitin M. Shah	**Rahul N. Shah**	**Ahbishek Shrivastava**
Chairman and Managing Director	Wholetime Director	Company Secretary

Mumbai
May 29, 2011

Statement pursuant to Section 212 of the Companies Act, 1956, relating to subsidiary companies for the year ended March 31, 2011.

	Name of the Subsidiary Company	Alert Fire Protection Systems Private Limited, India	Eurotech Cylinders Private Limited, India	Logicon Building Systems Private Limited, India	Nitin Ventures FZE, UAE	Nitin Global Pte Limited, Singapore	New Age Co. LLC,* UAE
1	Financial year ended on	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011	December 31, 2010
2	Date from which they become subsidiary company	April 01, 2005	April 01, 2005	July 29, 2007	October 04, 2006	July 23, 2009	April 01, 2010
3a.	Number and face value of shares held by the holding company on the above date	10,000 Equity Shares of Rs. 10 each	10,000 Equity Shares of Rs. 10 each	17,500 Equity shares of Rs. 10 each	1 Equity Share of 1,000,000 UAE Dirham	100,000 Ordinary Shares with no par value	1,470 Equity Shares of 1,000 UAE Dhs each
b.	Interest(direct as well as indirect) of the holding company	100%	100%	100%	100%	100%	49%
4	The net aggregate amount of subsidiary companies profit so far as it concerns the members of the holding company						
a.	Not dealt with in the holding company						
i	For the financial year ended March 31, 2011 (₹)	18,294,702	34,587,189	(5,694,567)	174,544,230	15,216,854	145,032,519
ii	For the previous financial years of the subsidiary companies since they become the holding company's subsidiaries (₹)	111,517,680	224,444,360	20,792,337	267,333,854	8,768,313	NA
b.	Dealt with in the holding company						
i	For the financial year ended March 31, 2011 (₹)	Nil	Nil	Nil	Nil	Nil	Nil
ii	For the previous financial years of the subsidiary companies since they become the holding company's subsidiaries (₹)	Nil	Nil	Nil	Nil	Nil	NA

(*through Nitin Ventures Fze, UAE)

For and on behalf of the Board of Directors

Sd/-	Sd/-	Sd/-
Nitin M. Shah	**Rahul N. Shah**	**Abhishek Shrivastava**
Chairman and Managing Director	Wholetime Director	Company Secretary

Mumbai
May 29, 2011

Statement pursuant to exemption received u/s 212 (8) of the Companies Act, 1956 relating to subsidiary companies for the year ended March 31, 2011

(₹)

Sr. No.	Name of the Subsidiary Company	Alert Fire Protection Systems Private Limited, India	Eurotech Cylinders Private Limited, India	Logicon Building Systems Private Limited, India	Nitin Ventures FZE, UAE	Nitin Global Pte Limited, Singapore	New Age Co. LLC, UAE
1	Share capital / share application money	100,000	100,000	175,000	102,208,125 $2,575,000	4,761,000 $100,000	38,717,767 AED 3,150,000
2	Reserves & surplus	116,071,069	241,909,799	15,097,770	441,878,083 $9,875,332	23,985,167 $545,654	164,391,404 AED 11,774,870
3	Total assets (Fixed assets (including CWIP), deferred tax asset, current assets, loans and advances)	281,949,516	438,879,830	119,656,058	1,180,447,935 $26,416,814	576,520,149 $12,911,985	1,076,562,215 AED 86,767,117
4	Total liabilities (Loan funds, deferred tax liability and current liabilities)	182,486,995	196,870,031	104,388,288	1,695,976,653 $37,990,452	569,235,751 $12,748,841	873,453,044 AED 71,842,246
5	Details of investments	16,708,548	Nil	5,000	1,059,614,926 $24,023,970	21,461,768 $482,510	Nil
6	Turnover	271,115,288	433,705,339	109,031,728	963,111,168 $21,268,753	494,268,604 $11,017,015	1,008,976,690 AED 81,042,264
7	Profit/(loss) before taxation	29,460,642	52,783,771	(5,694,567)	174,544,230 $3,639,806	16,337,093 $370,835	157,317,532 AED 11,199,870
8	Provision for taxation	11,165,940	18,196,582	Nil	Nil	1,120,239 $24,899	Nil
9	Profit/(loss) after taxation	18,294,702	34,587,189	(5,694,567)	174,544,230 $3,639,806	15,216,854 $345,935	157,317,532 AED 11,199,870
10	Proposed dividend	Nil	Nil	Nil	Nil	Nil	Nil

Exchange rate as on March 31, 2011
1USD = Rs. 44.65, 1 AED = Rs. 12.15

For and on behalf of the Board of Directors

Sd/-	Sd/-	Sd/-
Nitin M. Shah	**Rahul N. Shah**	**Abhishek Shrivastava**
Chairman and Managing Director	Wholetime Director	Company Secretary

Mumbai
May 29, 2011

NITIN FIRE PROTECTION INDUSTRIES LIMITED

Regd. Office: 501 Delta, Technology Street, Hiranandani Gardens, Powai, Mumbai 400 076, India.

Please complete the attendance slip and hand it over at the entrance of the Meeting hall.
Please also bring your copy of the enclosed Annual Report.

ATTENDANCE SLIP

I hereby record my presence at the 16th Annual General Meeting of the Company held on **Thursday, August 11, 2011, at 12.30 p.m**. at Kamalnayan Bajaj Hall, Bajaj Bhavan, Ground Floor, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai-400 021, India.

Regd Folio No.: / DPID NO:_________________________

No. of shares: ____________

Name of the shareholder (in block capitals) ____

Signature of the shareholder or proxy ____

NITIN FIRE PROTECTION INDUSTRIES LIMITED

Regd. Office: 501 Delta, Technology Street, Hiranandani Gardens, Powai, Mumbai 400 076, India.

PROXY FORM

Regd Folio No. /DPID NO. ______________________No. of shares ________________

I / We____________________________________of _______________________________being a member/members of the above Company, hereby appoint Mr./Mrs.____of ____________________________or failing him/her Mr./Mrs.____of ____________________________or failing him/her Mr./Mrs.____of ____________________________or failing him/her as my /our proxy to attend and vote for me /us and on my/our behalf at the 16th Annual General Meeting of the Company to be held on Thursday, August 11, 2011 and any adjournment thereof.

AS WITNESS my / our hand at _________________on this ________day of ________ 2011.

Affix Re. 1 revenue stamp & sign across

Signature by the said _________________________

Note:
The proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.

NITIN FIRE PROTECTION INDUSTRIES LIMITED

Regd. Office: 501 Delta, Technology Street, Hiranandani Gardens, Powai, Mumbai 400 076, India.

ELECTRONIC CLEARING SERVICE (CREDIT CLEARING) MANDATE FORM FOR PAYMENT OF DIVIDEND

To,
Bigshare Services Private Limited,
E-2, Ansa Industrial Estate,
Sakivihar Road, Saki Naka,
Andheri (E), Mumbai - 400 072.

Dear Sirs,

Payment of Dividend under the Electronic Clearing System (ECS)

I/We hereby give my/our mandate to credit my/our dividend on the shares held by me/us under the Folio mentioned, directly to my/our bank account through the Electronic Clearing System (ECS). The details of the bank account are given below.

Name of the sole / first shareholder (in block letters)			
Folio No.:			
Name of the bank			
Branch address and telephone no(s) of the branch			
9 digit code number of the bank and branch as appearing on the MICR cheque issued by the bank			
Account type	Savings	Current	Cash credit
Account number as appearing on the cheque book			
Bank account ledger folio no. (if any)			

Please attach a blank cancelled cheque or a photo copy (xerox copy) of a cheque issued to you by your bank for verification of the above particulars.

I/we hereby declare that the particulars given above are correct and complete. The present mandate will supercede my/our earlier bank mandate, if any, given. If the transaction is delayed or not effected at all because of incomplete or incorrect information, I/We would not hold the Company / the user institution responsible. I / we agree to discharge the responsibilities expected of me as a participant under the scheme.

Place :

Date :

Signature of sole / first shareholder


NITIE
KEEP THIS END UP WHILE USING
DRY CHEMICAL POWDER
CAPACITY 5 KGS.
ABC
METHOD OF OPERATION
CAUTION
RECHARGE IMMEDIATELY AFTER USE
MAINTENANCE
DRY CHEMICAL POWDER
BC
CARBON DIOXIDE
"Serving people
Safety / Fire Protection
Systems & Creating
a better & Safe world
from Today"