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

BOARD OF DIRECTORS

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

Asst. COMPANY SECRETARY

Ms. Kalpana Patel
ACS, L.L.B

AUDITORS

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

BANKERS

State Bank of India

LISTED AT

Bombay Stock Exchange Limited

REGISTERED OFFICE

Nirmal, 20th Floor, Nariman Point,
Mumbai-400021.
Tel.: 022 - 22023055/66
Fax : 022 - 22043162
Email : npil_investor@khandelwalindia.com

WORKS

Khandelwal Nagar, Dist. Nagpur – 441402.

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

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

NOTICE

NOTICE is hereby given that the Fifteenth Annual General Meeting of the Members of Nagpur Power & Industries Limited will be held on Tuesday, September 20, 2011 at 10.00 A.M at Sunflower II, MVIRDC World Trade Centre, Centre One, 30th Floor, Cuffe Parade, Mumbai- 400005 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2011, Profit & Loss Account for the year ended on that date and Report of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Arnold Allen, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. M. V. Ghelani & Co., Chartered Accountants, as Statutory Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

By order of the Board of Directors

Kalpana Patel
Asst. Company Secretary

Place: Mumbai
Date: May 27, 2011

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.
The Proxy form, in order to be effective, must be deposited at the Registered Office of the Company not less than 48 (forty-eight) hours before the time fixed for holding the meeting.
2. Register of Members and Share Transfer Books of the Company will remain closed from September 14, 2011 to September 20, 2011 (both days inclusive).
3. The Company's equity shares are listed at Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001 and the Company has paid the Annual Listing Fees to the Stock Exchange for the year 2011-12.
4. Members requiring any information on accounts are requested to write to the Company at least one week before the meeting so as to enable Management to keep information ready, replies will be provided only at the meeting.
5. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at an Annual General Meeting.
6. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name and e-mail address, etc., to their Depository Participant only and not to the Company's Registrar and Transfer Agents, Sharepro Services (India) Private Limited. Changes intimated to the Depository Participant will then be automatically reflected in the Company's record which will help the company and Sharepro Services (India) Private Limited to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Sharepro Services (India) Private Limited.
7. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease in portfolio management. Members can contact the Company and Sharepro Services (India) Private Limited, for assistance in this regard.
8. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering/updating their e-mail addresses, in respect of shares held in dematerialised form with their respective Depository Participants and in respect of shares held in physical form with the Company's Registrar & Transfer Agent, Sharepro Services (India) Private Limited.
9. Consequent upon introduction of Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their request in Form 2B (which will be made available on request) to the Registrar and Transfer Agent, Sharepro Services (India) Private Limited.

By order of the Board of Directors

Kalpana Patel
Asst. Company Secretary

Place: Mumbai
Date: May 27, 2011

Directors' Report, Management Discussion and Analysis Report

To,

The Members,

Your Directors presents the Fifteenth Annual Report together with the Audited Statements of Accounts of the Company for the financial year ended March 31, 2011.

Financial Highlights

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

	(Rs. in Lakhs)	
Particulars	2010-11	2009-10
Sales & Other Income	1245.96	1351.28
Profit/(Loss) before Interest, Depreciation & Tax	713.68	801.08
Less: Interest	2.64	0.49
Profit before Depreciation	711.04	800.59
Less: Depreciation	30.83	35.93
Profit before Taxation and Exceptional Items	680.21	764.66
Add:Exceptional Items	0	273.67
Profit before Taxation but after Exceptional Items	680.21	1038.33
- Provision for Current Tax	242.00	485.00
- Deferred Tax and adjustments prior year	-0.76	-2.25
Profit after Taxation	438.97	555.58
Less:Prior period items/Extra-ordinary items	0	1.13
Profit for the year	438.97	554.45

Dividend

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

Directors

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

Management Discussion and Analysis

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

a) **Economy review:**

During the year though the global outlook has improved after the financial crisis of 2008, much of the developed world especially the US, Euro zone still continues to witness negative or very low GDP growth . Uncertainties continue to haunt the global economic landscape. Business sentiments, while better than before, still remain muted. However, Indian economy has shown resilience and has managed to register growth in GDP at 8.50 % for the year 2010-11 and expected to grow at reduced rate of 8 % in current year due to concerns of rising global oil and commodity prices that will fuel inflation.

b) Business and Industrial review and future outlook:

Ferro alloys business continues to be volatile during the year. The Company mainly operates on Metal Recovery Plant and produces Low Ferro Manganese (Slag) through its profitable slag recovery process. There has been decline in volume due to depletion of slag dumps. The Company is preparing itself to meet the challenges by considering alternative business opportunities / diversifications in the near future including developing its surplus infrastructure at Nagpur.

c) Risks, Concerns & Threats:

Depletion of slag dumps poses a major problem for the Company in the years to come. In order to counter this, Company is looking for new business and/or develop its surplus infrastructure. The Company has Core Management Committee, which meets frequently to take the stock of all the impending and immediate threats to the business and takes necessary steps for positioning of the Company to meet same in time. Any major threats affecting the Company in general and business environment indirectly affecting the functioning of the Company are discussed with the Board from time to time.

d) Internal Control Systems

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

e) Financial Performance / Overview of Operations:

During the year under review, the total income of the Company decreased marginally to Rs. 1245.96 Lakhs from Rs. 1351.28 Lakhs in the previous year. This decrease is mainly attributable to decline in volume of slag dumps as Company mainly operates on Metal Recovery plant and also reduction in Other Income. However the profit margins have improved due to higher prices of Ferro Manganese slags in 2010 -2011.

Subsidiary Company and Consolidated Statements

The Company has one subsidiary i.e 'The Motwane Manufacturing Company Private Limited'. During the year, revenue of the Company has marginally increased to Rs. 1464 Lakhs from Rs. 1370 Lakhs and the Company has occurred a Net loss of Rs. 33 Lakhs. The loss was mainly due to delay in launch of new High Voltage products and also due the increased spend on Sales & Marketing expenses in anticipation of Launch. The company is now ready and slated to launch new High Voltage products for power & utility sector, new products for retail segment and geographical expansion in Indian market by August / September 2011. The Company is therefore expected to deliver much better performance in near future. The company is also focusing on in house R & D and has various products lined up at R & D stage.

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

Auditors

M/s. M. V. Ghelani & Co., Chartered Accountants, Mumbai, the Statutory Auditors of the Company hold office until the conclusion of ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if reappointed as Statutory Auditors for the Financial Year 2011-12.

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

Employees

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

The Company has no employees of the specified categories under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended upto date.

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

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

- (A) Conservation of Energy: The Company continues to take appropriate measures with regard to conservation of energy: Total Energy consumption and energy consumption per unit of production is as follows:

Particulars	Financial Year 2010-11	Financial Year 2009-10
Electricity purchased:		
- Units (KWH)	241,200	347,245
- Total Amount (Rs in lakhs)	21.21	22.77
- Rate / KWH (Rs)	8.79	6.55
Consumption per unit of Production:		
Ferro Manganese Slag (Low MnO)		
- Units in KWH	3.98	4.34

- (B) Technology Absorption:

- Research and Development (R & D): The Company has not undertaken any R&D activity in the current year.
- Technology Absorption, Adaptation and Innovation: The Company has not imported any technology during the year.

- (C) Foreign Exchange earnings and outgo: During the year under review, the foreign Exchange outgo was Rs 8.62 lakhs (Previous year – Rs 18.27 lakhs). The foreign exchange earning was Nil (Previous year – Nil).

Directors' Responsibility Statement

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

- in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended March 31, 2011 and of the profit of the Company for that year;
- the Directors have taken proper and sufficient care to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared on a going concern basis.

Corporate Governance

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

Acknowledgements

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

For and on behalf of the Board of Directors

Gautam P. Khandelwal
Chairman

Place : Mumbai
Date : May 27, 2011

Report on Corporate Governance

1. Company's philosophy on the Corporate Governance:

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

2. Board of Directors:

a) Composition:

The Board of the Company comprises of 4 (Four) Directors. Of these 3 (Three) Directors are independent Directors. The Chairman of the Board is an Executive Director.

b) Meetings of the Board

The meetings of the Board of Directors are held atleast once in quarter, scheduled well in advance and generally held at the Company's Registered office in Mumbai. During the Financial Year 2010-11, Six Board meetings were held. The Board meetings were held on April 27, 2010, May 28, 2010, July 30, 2010, September 13, 2010, October 29, 2010 and January 28, 2011.

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

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

c) Directorship of Directors in other Companies

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

Name of Director	Executive / Non-Executive / Independent ¹	No. of outside Directorship Held		Outside Committee Positions Held ²	
		Public	Private	Chairman	Member
Mr. Gautam Khandelwal	Executive	Two	Seven	One	One
Mr. Mohan Adige	Independent	Seven	One	Nil	Five
Mr. Girish Bakre	Independent	Nil	Two	Nil	Nil
Mr. Arnold Allen	Independent	One	Nil	Nil	One

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

d) Detail of Directors being appointed and re-appointed

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

Mr. Arnold Allen is a qualified English Chartered Accountant. He was partner in Shipley Blackburn, Chartered Accountant, U.K (the firm which has now become Shipleys LLP). His guidance and expertise in Corporate Finance and international business is beneficial to the Company.

e) Code of Conduct:

The Company has laid down code of conduct applicable to all Board Members and Senior Executives of the Company. All Board members and Senior Executives have confirmed compliance of the code of conduct. The Chairman of the Company has given the certificate as annexed to this report as per the requirement of Clause 49 of the Listing Agreement.

3. Audit Committee

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

Terms of reference

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

The Committee met 5 times during the year under review. The said meetings were held on April 27, 2010, May 28, 2010, July 30, 2010, October 29, 2010, and January 28, 2011

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

4. Remuneration Committee

The Company had constituted Remuneration Committee to formulate and recommend to the Board all elements of the remuneration package of the Managing Director and Executive Director. The Remuneration Committee comprise of Mr. Girish Bakre, Chairman, and Mr. Mohan Adige, Member. During the year under review, no meeting of Committee was held.

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

Details of remuneration paid to Directors for the year:

Name of the Director	Salary & Perquisites (Rs.)	Commission (Rs.)	Sitting Fees (Rs.)	Total(Rs.)
Mr. Gautam Khandelwal	2,830,803	586,179	Nil	3,416,982

5. Share Transfer and Investor Grievances Committee

The Committee consists of 3 Members under the chairman ship of Mr. Mohan Adige. Mr. Girish Bakre and Mr. Arnold Allen are other Members of the Committee. During the year, the Committee met from time to time to approve transfers, transmission of shares, issue of duplicate/rematerialized shares and consolidated and splitting of share certificates etc, and to review shareholders correspondence including complaints received from shareholders and its redressal.

6. Annual General Meetings:

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

Financial Year	Date, Time and Venue	Special Resolutions passed
2007-2008	September 25, 2008 at 9.00 A.M Sunflower II, World Trade Centre, Centre One, 30 th Floor, Cuffe Parade, Mumbai-400005.	3 special Resolution were passed unanimously by show of hands
2008-2009	September 25, 2009 at 9.00 A.M Sunflower II, World Trade Centre, Centre One, 30 th Floor, Cuffe Parade, Mumbai-400005.	1 special Resolution was passed unanimously by show of hands
2009-2010	September 17, 2010 at 10.00 A.M Sunflower II, World Trade Centre, Centre One, 30 th Floor, Cuffe Parade, Mumbai-400005.	No special Resolution was passed

Further, during the financial year 2010-11, no special resolution was passed through postal ballot. No special resolution requiring a Postal Ballot is being proposed at the ensuing AGM.

7. Disclosures

- The disclosures with regard to transactions with related parties are given in the Schedule 19- Notes to Accounts under Note xii of the audited financial statements for the year ended March 31, 2011. The Audit Committee has reviewed these transactions in compliance with Clause 49 of the Listing Agreement.
- There were no instances of non-compliance, penalties, restrictions imposed on the Company by Stock Exchange, SEBI or any statutory authority on any matter related to capital markets, during the last three years.
- The Company does not have Whistle Blower Policy, but however no person is denied access to Audit Committee.
- The Company has complied with mandatory requirement.
- The Company has adopted Non-mandatory requirement of setting up Remuneration Committee.

8. Means of communication

- The quarterly un-audited results were published in Free Press Journal and Navshakti, in accordance with the requirement of the Listing Agreement.
- Annual audited financial results were published in Free Press Journal and Navshakti. These are not sent individually to the shareholders. No presentations were made to institutional investors or to the analysts.

9. General Shareholders Information

(a) Annual General Meeting:

Date	:	September 20, 2011
Time	:	10.00 A.M
Venue	:	Sunflower II, MVIRDC World Trade Centre, Centre One, 30 th Floor, Cuffe Parade, Mumbai- 400005.

(b) Financial Calendar (April 1, 2011 to March 31, 2012):

First quarter results	:	End July, 2011
Second quarter results	:	End October, 2011
Third quarter results	:	End January, 2012
Fourth quarter and Annual results	:	End May 2012
Annual General Meeting	:	September 2012

(c) Date of Book closure : September 14, 2011 to September 20, 2011 (both days inclusive)

(d) Listing on Stock Exchange, Stock Code & ISIN Code:

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

(e) Market Price Data:

High/Low price and volume of the Company's shares at BSE during each month in Financial Year 2010-11 is as follows:

Month	High (Rs.)	Low (Rs.)	Volume (shares)
April-2010	58.00	37.20	1,036,995
May-2010	52.55	36.10	154,196
June-2010	47.50	37.30	210,377
July-2010	55.00	42.20	237,127
August-2010	55.90	43.00	293,906
September-2010	52.95	39.60	471,956
October-2010	47.85	41.20	191,291
November-2010	45.40	35.00	81,063
December-2010	39.40	30.05	89,337
January-2011	35.90	28.30	45,824
February-2011	59.85	25.50	394,733
March-2011	56.00	45.50	119,144

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

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

Tel No.: 022-67720334/37(Direct)

022-37720300/400(Board)

Email-id: sharepro@shareproservices.com

(g) Share Transfer System:

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

(h) Distribution of Shareholding as on March 31, 2011 is as under:

No. of shares	No. of Shareholders	%	No. of Shares	%
Upto 500	3465	75.54	816,190	6.23
501-1000	464	10.12	350,120	2.67
1001-2000	385	8.39	496,581	3.79
2001-3000	119	2.59	282,263	2.16
3001-4000	30	0.65	103,470	0.79
4001-5000	42	0.92	192,549	1.47
5001-10000	34	0.74	230,618	1.76
10001 and above	48	1.05	10,623,716	81.12
TOTAL	4587	100	13,095,507	100.00

(i) Shareholding Pattern as on March 31, 2011 is as under:

Sr. No.	Category	No. of Shares held	% of Shareholding
1	Indian Promoters	2,088,494	15.95
2	Foreign Promoters	5,641,100	43.08
3	Directors and relatives (other than in 1)	200	0.00
4	Financial Institutions i.e LIC	1,719,297	13.13
5	Nationalised Banks	11,650	0.09
6	Private Bodies Corporate	256,113	1.96
7	Indian Public	3,366,349	25.71
8	NRI/OCBs	12,304	0.09
	TOTAL	13,095,507	100.00

(j) Dematerialization of shares as on March 31, 2011

Particulars	No. of shares	% to Capital
Dematted		
National Securities Depository Limited	9,381,051	71.64
Central Depository Securities Limited	2,152,624	16.43
Physical	1,561,832	11.93
Total	13,095,507	100

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

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

(l) Plant Location:

Khandelwal Nagar, Dist. Nagpur-441402, Maharashtra.

(m) Name and Designation of Compliance Officer:

Ms. Kalpana M. Patel
Asst. Company Secretary

(n) Address for correspondence:

The Asst. Company Secretary
The Nagpur Power & Industries Limited
Nirmal, 20th Floor, Nariman Point, Mumbai-400021.
Tel No. : 022-22023055/66
Fax No.: 022-22043162
Email id: npil_investor@khandelwalindia.com

(o) Auditors Certificate on Corporate governance:

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

Declaration

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board of Directors and Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics in respect of Financial Year 2010-11.

For Nagpur Power & Industries Limited
Gautam P. Khandelwal
Chairman

Date: May 27, 2011

Place: Mumbai

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

To,

The Members of

Nagpur Power & Industries Limited

We have examined the compliance of conditions of Corporate Governance by Nagpur Power & Industries Limited, for the year ended 31st March 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange, (hereinafter referred to as clause 49).

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

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

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

For M.V.Ghelani & Co.
Chartered Accountants

M.V.Ghelani
Proprietor

Date: May 27, 2011

Place: Mumbai

AUDITORS REPORT

TO THE MEMBERS OF
NAGPUR POWER & INDUSTRIES LIMITED

1. We have audited the attached Balance Sheet of NAGPUR POWER & INDUSTRIES LIMITED as at 31st March 2011 and the Profit and Loss account and the Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government vide notification No G.S.R. 480(E) dated 12th June 2003 in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the annexure referred to in paragraph 3 above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (v) On the basis of written representations received from the directors of the Company, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (vi) *Reference is invited to Schedule 19 note (ii) viz. the Company has not accounted for Stock of balance of accumulated waste over the years at its unit at Khandelwal Nagar, Kanhan, Nagpur as in the opinion of the company its quality, metal content and the realizable value cannot be yet reasonably ascertained.*
 - (vii) *And subject to our comments in Paragraph 4(vi) above the effect whereof on the accounts is not ascertainable, In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the accounting policies and other notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;*
 - (a) in case of the balance sheet, of the state of affairs of the Company as at 31st March 2011
 - (b) in the case of the Profit and loss account, of the profit for the year ended on that date;
 - (c) in the case of Cash Flow Statement, of the cash flow for the year ended on that date

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

(M. V. GHELANI)
PROPRIETOR

Membership No.: 031105

Place : Mumbai
Date : 27th May, 2011

ANNEXURE TO THE AUDITOR'S REPORT ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2011

Annexure referred to in paragraph 3 of our report of even date to the members of Nagpur Power & Industries Limited on the financial statements for the year ended 31st March 2011.

- 1 (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) As explained to us, the fixed assets have been physically verified by the management during the year in accordance with a phased programme of verification which, in our opinion, is reasonable having regard to the size of the company and nature of its fixed assets. No material discrepancies were noticed on such verification.
(c) During the year, the company has disposed off certain assets. It has not affected the going concern status of the company.
- 2 (a) The inventory has been physically verified by the management during the year and in our opinion, the frequency of such verification is reasonable.
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
(c) In our opinion and according to the information and explanation given to us, except *in respect of stock of accumulated waste referred to in Schedule 19 Note (ii) the Company is maintaining proper records of inventory.*
The discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the size of the operations of the Company and the same have been properly dealt with in books of accounts.
- 3 In respect of loans / advances, secured or unsecured granted or taken by the Company to/ from companies, firm or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
(a) During the year, the Company has not taken loan/advances from any party listed in the register maintained under section 301 of the Companies Act, 1956.
During the year, the Company has granted loan/advance to one party covered in the register maintained under section 301 of the Companies Act, 1956, the maximum amount involved during the year was Rs. 93,510 and their outstanding at the year end is Rs. NIL.
(b) According to the information and explanations given to us, the loan/advance is interest free. In our opinion, other terms and conditions are not prima facie, prejudicial to the interest of the Company.
(c) According to the information and explanations given to us, there is no overdue amount of loan granted to these Companies listed in the register maintained under section 301 of the companies Act, 1956.
- 4 In our opinion and according to the information and explanations given to us, prima facie there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of audit, we have not observed any weakness in internal controls.
- 5 (a) According to the information and explanations provided by the management to us, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956, have been so entered.
(b) In our opinion and according to the information and explanations given to us, transactions made in pursuance of any contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding Rs. Five lacs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time where such market prices are available.
6. The Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India and the provisions of sections 58A and 58AA of the Act and the rules framed thereunder.
- 7 *The Company does not have any Internal Audit System commensurate with size of the Company and nature of its business.*
- 8 According to the information and explanations given to us, the maintenance of cost records was not prescribed by the Central Government under section 209(1)(d) of the Act for any of the activities of the Company.
- 9 (a) The Company is generally regular in depositing with appropriate authorities, Provident Fund, ESIC and other undisputed statutory dues including Income Tax, sales Tax, Wealth Tax, Custom Duty, Excise Duty, cess and other material statutory dues applicable to it.
(b) According to the information and explanations given to us no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, sales Tax, Wealth Tax, Custom Duty, Excise Duty, cess and other

statutory dues were in arrears, as at 31st March, 2011 for a period of more than six months from the date they become payable.

- (c) According to the information and explanations given to us, the following dues of sales tax, customs duty and excise duty have not been deposited with the appropriate authorities on account of dispute;

Name of the Statute	Nature of dues	Amount (Rs. in lacs)	Forum where dispute is pending
West Bangal Sales tax Act, 1957- Sales tax Case at Calcutta.	Sales tax demand for the various Asst. Years	2.43	Commissioner of Sales Tax (Appeal) Calcutta.
Uttar Pradesh Sales Tax Act, 1957- Sales tax case at Kanpur.	Sales tax demand for the Asst. Year 1980-81	3.33	Commissioner of Sales Tax (Apeal) Kanpur.
Central Excise Act, 1944, Customs Act, 1962 & Finance Act, 1994 Duty case at Nagpur.	Excise Duty	26.58	Commissioner of Customs & Central Exice (Appeals), Nagpur.
Customs Act, 1962	Customs and Advalorem Duty	58.19	Commissioner of Customs (E.P.) and Directorate General of Foreign Trade (DGFT)
B.S.T Act, 1959	B.S.T & C.S.T	195.45	JT. Commissioner of sales tax (Appeals), Nagpur
	TOTAL Rs.	285.98	

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

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

(M. V. GHELANI)
PROPRIETOR

Membership No.: 031105

Place : Mumbai
Date : 27th May, 2011

BALANCE SHEET AS AT 31ST MARCH, 2011

	Schedule	Rupees	As at 31st March, 2011 Rupees	As at 31st March, 2010 Rupees
SOURCES OF FUNDS				
Shareholder's Funds				
Capital	1		130,955,070.00	130,955,070.00
Reserves and Surplus	2		488,044,363.50	444,147,533.83
Loan Funds				
Secured Loans	3		154,295.00	2,876,615.01
Deferred Tax Liability			-	-
TOTAL			<u>619,153,728.50</u>	<u>577,979,218.84</u>
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block	4	257,973,665.26		258,275,538.50
Less: Depreciation and Impairment		<u>34,636,022.07</u>		<u>31,936,410.42</u>
Net Block			223,337,643.19	226,339,128.08
Investments	5		394,955,359.84	388,398,737.36
Current Assets, Loans and Advances				
Inventories	6	2,182,891.01		2,461,241.21
Sundry Debtors	7	-		-
Cash & Bank Balances	8	9,291,125.31		11,525,985.71
Other Current Assets, Loans & Advances	9	<u>152,689,397.55</u>		<u>132,325,729.55</u>
		<u>164,163,413.87</u>		<u>146,312,956.47</u>
Less : Current Liabilities & Provisions				
Current Liabilities	10	8,815,432.40		18,872,860.85
Provisions	11	<u>154,487,256.00</u>		<u>164,198,742.22</u>
		<u>163,302,688.40</u>		<u>183,071,603.07</u>
Net Current Assets			860,725.47	(36,758,646.60)
TOTAL			<u>619,153,728.50</u>	<u>577,979,218.84</u>

Significant Accounting Policies and Notes to Accounts 19

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

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

As per our report of even date annexed

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

M. V. Ghelani
Proprietor

Mumbai : 27th May, 2011

For and on behalf of the board

Gautam P. Khandelwal
Chairman

M. S. Adige
Director

Mumbai : 27th May, 2011

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedule	For the Year ended 31st March 2011 Rupees	For the Year ended 31st March 2010 Rupees
INCOME			
Sales (including excise duty)		120,066,593.00	126,029,802.00
Other Income	12	4,529,318.29	9,097,901.61
Increase / (Decrease) in Stock	13	21,561,703.00	22,691,308.00
Provision no longer required	14	1,225,492.00	-
TOTAL INCOME	A	147,383,106.29	157,819,011.61
EXPENDITURE			
Materials Consumed		21,688,101.20	22,592,910.00
Manufacturing Expenses	15	36,257,668.00	36,032,558.13
Administrative, General and other Expenses	16	18,069,707.63	19,085,129.50
TOTAL EXPENDITURE	B	76,015,476.83	77,710,597.63
PROFIT BEFORE INTEREST AND DEPRECIATION	A-B	71,367,629.46	80,108,413.98
Interest	17	263,973.26	48,765.73
Depreciation		3,082,791.53	3,593,498.26
PROFIT BEFORE TAXATION AND EXCEPTIONAL/PRIOR PERIOD ITEMS		68,020,864.67	76,466,149.99
Add : Exceptional items	18	-	27,367,501.67
Less: Prior period item		-	113,040.00
PROFIT BEFORE TAXATION		68,020,864.67	103,720,611.66
Payment & Provision for taxation			
Current Tax		24,200,000.00	48,500,000.00
Prior Year Tax Adjustment		(75,965.00)	-
Deferred Tax/(Deferred Tax liability no longer required)		-	(224,776.36)
Profit after Taxation		43,896,829.67	55,445,388.02
AMOUNT AVAILABLE FOR APPROPRIATION		43,896,829.67	55,445,388.02
Appropriations :			
Transfer to General Reserve		43,896,829.67	55,445,388.02
Earning Per Share(Basic & Diluted)		3.35	4.23
Significant Accounting Policies and Notes to Accounts	19		

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

As per our report of even date annexed

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

M. V. Ghelani
Proprietor

Mumbai : 27th May, 2011

For and on behalf of the board

Gautam P. Khandelwal
Chairman

M. S. Adige
Director

Mumbai : 27th May, 2011

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31st March, 2011 Rupees	As at 31st March, 2010 Rupees
SCHEDULE 1 - SHARE CAPITAL		
AUTHORISED		
20,000,000 Equity Shares of Rs. 10 each	200,000,000.00	200,000,000.00
5,000,000 Unclassified Shares of Rs. 10 each	50,000,000.00	50,000,000.00
	<u>250,000,000.00</u>	<u>250,000,000.00</u>
ISSUED, SUBSCRIBED AND PAID UP		
13,095,507 Equity Shares of Rs.10 each fully paid up.	130,955,070.00	130,955,070.00
TOTAL	<u>130,955,070.00</u>	<u>130,955,070.00</u>

NOTE:

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

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

Balance as per last Balance Sheet	444,147,533.83	388,702,145.81
Add : Transfer from Profit and Loss Account	43,896,829.67	55,445,388.02
	<u>488,044,363.50</u>	<u>444,147,533.83</u>

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

Overdraft Limit (Secured by Term Deposit Receipt of the bank)	-	2,614,140.01
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From Axis Bank

Car Loan (Secured by hypothecation of car purchased under the loan)	154,295.00	262,475.00
	<u>154,295.00</u>	<u>2,876,615.01</u>

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE - 4 FIXED ASSETS

Fixed Assets	GROSS BLOCK				DEPRECIATION				IMPAIRMENT		Net Block as on 31.03.2011
	Opening as on 01.04.2010	Additions	Deductions/ W/off	Closing as on 31.03.2011	Opening as on 01.04.2010	for the year	Deductions	Closing as on 31.03.2011	Opening as on 01.04.2010	Reversed during the year 31.03.2011	
Land (FreeHold)	181,251,700.00	-	-	181,251,700.00	-	-	-	-	-	-	181,251,700.00
Buildings	35,552,114.81	-	-	35,552,114.81	10,268,446.40	910,253.49	-	11,178,699.89	-	-	24,373,414.92
Plant & Machinery	25,496,511.23	-	-	25,496,511.23	12,844,479.73	1,211,084.28	-	14,055,564.01	-	-	11,440,947.22
Railway Siding	5,377,765.94	-	-	5,377,765.94	2,759,674.65	255,443.88	-	3,015,118.53	-	-	2,362,647.41
Furniture & Equipment (see note 'c')	6,052,930.25	98,674.00	-	6,151,604.25	3,522,384.23	303,863.48	-	3,826,247.71	604,814.59	-	1,720,541.95
Vehicles	4,544,516.27	2,800.00	403,347.23	4,143,969.04	1,936,610.81	402,146.40	383,179.88	1,955,577.33	-	-	2,188,391.71
Current Year	258,275,538.50	101,474.00	403,347.23	257,973,665.26	31,331,595.82	3,082,791.53	383,179.88	34,031,207.47	604,814.59	-	223,337,643.19
Previous Year	414,252,495.24	808,805.00	156,785,761.74	258,275,538.50	139,716,197.61	3,593,498.26	111,978,100.06	31,331,595.82	7,667,677.97	7,062,863.38	226,339,128.09

Note :

a) Vehicles include certain vehicles Gross Block Rs. 1,938,454 which are transferred to the Company pursuant to the Scheme to Arrangement and yet in the process of registration in company's name.

b) Refer to schedule 19 Note No. (x) on Impairment of Fixed Assets.

c) The Depreciation for the year, has been provided on Gross Block net of accumulated depreciation and Impairment losses. Refer to Schedule 19 note (i)(b) on Fixed Assets and Depreciation.

As at
31st March, 2011
Rupees

As at
31st March, 2010
Rupees

SCHEDULE 5 - INVESTMENTS

(A) LONG TERM

AT COST - TRADE

(i) Unquoted**In fully paid up Equity Shares in Subsidiary**

The Motwane Manufacturing Company Pvt. Ltd.

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

Sub Total A (i)

52,748,830.00

52,748,830.00

52,748,830.0052,748,830.00

AT COST - NON TRADE

(ii) Quoted**In Fully Paid-up Equity Shares**

ABB Limited

105,772.81

105,772.81

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

ACC Limited

505,458.13

505,458.13

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

Aditya Birla Nuvo Lim

1,010,198.19

-

[1300 Equity Shares (Previous Year : Nil) of Rs. 10 each]

Axis Bank Ltd.

537,199.03

537,199.03

[1300 Equity Shares (Previous Year :1300) of Rs. 10 each]

Bank of Baroda

465,780.84

-

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

Bharti Airtel Ltd.

230,765.27

230,765.27

[700 Equity Shares (Previous Year : 700) of Rs. 5 each]

Biocon Limited

758,503.49

-

[2500 Equity Shares (Previous Year : Nil) of Rs. 5 each]

Coal India Limited

110,250.00

-

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

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31st March, 2011 Rupees	As at 31st March, 2010 Rupees
Crompton Greaves Ltd. [3875 Equity Shares (Previous Year : 875) of Rs. 2 each]	841,615.06	73,861.90
Globus Spirits Ltd. [25000 Equity Shares (Previous Year : 25000) of Rs. 10 each]	2,500,000.00	2,500,000.00
Grasim Industries Ltd. [200 Equity Shares (Previous Year :200) of Rs. 10 each]	206,121.14	206,121.14
HDFC [2000 Equity Shares(Previous Year :400 of Rs 10 each)of Rs.2 each]	640,575.57	640,575.57
HDFC Bank Ltd. [300 Equity Shares (Previous Year : 300) of Rs. 10 each]	280,151.52	280,151.52
Hindalco Industries [5500 Equity Shares (Previous Year : 5500) of Re. 1 each]	266,199.51	266,199.51
Hindustan Const [7000 Equity Shares (Previous Year : Nil) of Rs. 1 each]	485,411.69	-
Indian Hotel Co. Ltd. [21940 Equity Shares (Previous Year : 18940) of Re. 1 each]	1,258,918.87	991,289.76
ITC Limited [5000 Equity Shares (Previous Year : 1000) of Re. 1 each]	644,434.61	188,730.00
Joists Engg. [50 Equity Shares (Previous Year : 50) of Rs. 10 each]	14,703.64	14,703.64
Kotak Mahindra Bank Ltd. [3600Equity Shares(PreviousYear :1800 of Rs10 each) of Rs.5each]	697,928.38	697,928.38
Larsen & Toubro Ltd. [1800 Equity Shares (Previous Year : 900) of Rs. 2 each]	2,177,444.68	800,294.66
Mahindra & Mahindra Ltd. [5600 Equity Shares (Previous Year : 5600) of Rs. 5 each]	1,158,118.17	1,158,118.17
Mahindra Financial Services Ltd. [233 Equity Shares (Previous Year : 233) of Rs. 10 each]	46,600.00	46,600.00
Marico Limited [3500 Equity Shares (Previous Year : 3500) of Re. 1 each]	193,447.00	193,447.00
MOIL Limited [19 Equity Shares (Previous Year : Nil) of Rs. 10 each]	7,125.00	-
NTPC Limited [1700 Equity Shares (Previous Year : 1700) of Rs. 10 each]	300,045.22	300,045.22
Petronet LNG Ltd. [7000 Equity Shares (Previous Year : 7000) of Rs. 10 each]	281,512.16	281,512.16
Pidilite Industries Ltd. [4000 Equity Shares (Previous Year : 4000) of Re. 1 each]	191,884.41	191,884.41
Power Grid Corp. Ltd. [9773 Equity Shares (Previous Year : 4500) of Rs. 10 each]	907,675.21	351,076.36
Reliance Communications Ltd. [850 Equity Shares (Previous Year : 850) of Rs. 5 each]	307,542.59	307,542.59

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31st March, 2011 Rupees	As at 31st March, 2010 Rupees
Reliance Ind. Ltd.	1,259,976.55	748,474.60
[1600 Equity Shares (Previous Year : 1100) of Rs. 10 each]		
Sandur Mang.	203,159.82	-
[275 Equity Shares (Previous Year : Nil) of Rs. 10 each]		
Satyam Computer	497,045.66	497,045.66
[7200 Equity Shares (Previous Year : 7200) of Rs. 2 each]		
State Bank of India	2,317,517.06	1,461,534.16
[1500 Equity Shares (Previous Year : 1200) of Rs. 10 each]		
Tata Chemicals Ltd.	1,233,649.83	212,238.06
[4250 Equity Shares (Previous Year : 1250) of Rs. 10 each]		
Tata Consultancy Service Ltd.	697,479.75	697,479.75
[2200 Equity Shares (Previous Year : 2200) of Re. 1 each]		
Tata Motors Limited	1,299,957.42	1,299,957.42
[3300 Equity Shares (Previous Year : 3300) of Rs. 10 each]		
Tata Power Co. Ltd.	169,076.29	169,076.29
[200 Equity Shares (Previous Year : 200) of Rs. 10 each]		
Tata Steel Ltd.	1,079,152.87	1,079,152.87
[3750 Equity Shares (Previous Year : 3750) of Rs. 10 each]		
Tornt Power	930,878.30	-
[3000 Equity Shares (Previous Year : Nil) of Rs. 10 each]		
Unitech	327,045.03	327,045.03
[4800 Equity Shares (Previous Year : 4800) of Rs. 2 each]		
United Phosphorous Ltd.	415,779.64	96,355.29
[3500 Equity Shares (Previous Year : 1000) of Rs. 2 each]		
Yes Bank Ltd.	1,284,470.48	-
[4500 Equity Shares (Previous Year : Nil) of Rs. 10 each]		
Ultratech cement Ltd.	-	-
[114 Equity Shares (Previous Year : Nil) of Rs. 2 each]		
Sub Total A (ii)	<u>28,846,570.89</u>	<u>17,457,636.36</u>
Total A (i)+(ii)	<u>81,595,400.89</u>	<u>70,206,466.36</u>

(B) CURRENT**At Lower of Cost or Market Value - Non Trade****(i) Quoted****In Fully Paid-up Equity Shares**

AIA Engineering Ltd.	199,835.47	-
[491 Equity Shares (Previous Year : Nil) of Rs. 2 each]		
Balkrishna Industries Ltd.	516,574.32	-
[3829 Equity Shares (Previous Year : Nil) of Rs. 2 each]		
Blue Star Limited	110,944.86	-
[276 Equity Shares (Previous Year : Nil) of Rs. 2 each]		
Dhanuka Agritech Ltd.	243,592.56	-
[3207 Equity Shares (Previous Year : Nil) of Rs. 2 each]		
Exide Industries	100,033.18	-
[644 Equity Shares (Previous Year : Nil) of Rs. 1 each]		

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31st March, 2011 Rupees	As at 31st March, 2010 Rupees
Greenply Industries Ltd. [4389 Equity Shares (Previous Year : Nil) of Rs. 5 each]	826,530.32	-
ICRA Limited [165 Equity Shares (Previous Year : Nil) of Rs. 10 each]	203,729.95	-
India Bulls Real Estate Ltd. [2271 Equity Shares (Previous Year : Nil) of Rs. 2 each]	352,631.40	-
Jagran Prakashan Ltd. [3505 Equity Shares (Previous Year : Nil) of Rs. 2 each]	427,802.69	-
Monnet Ispat & Energy Ltd. [1249 Equity Shares (Previous Year : Nil) of Rs. 10 each]	551,268.35	-
Phonix Mills Ltd. [1147 Equity Shares (Previous Year : Nil) of Rs. 2 each]	259,464.74	-
Redington India Ltd. [6043 Equity Shares (Previous Year : Nil) of Rs. 2 each]	482,541.90	-
Shriram Trans Fin. Co. Ltd. [127 Equity Shares (Previous Year : Nil) of Rs. 10 each]	99,940.23	-
Voltamp Transformer Ltd. [351 Equity Shares (Previous Year : Nil) of Rs. 10 each]	253,401.20	-
Sub Total B (i)	<u>4,628,291.17</u>	<u>-</u>
(ii) Unquoted In Mutual Funds		
In units of SBI Mutual Fund		
Units of Magnum Institutional Income Fund Saving Growth [19,460,056.79 Units (Previous Year: 20,587,358.09) 1,127,301 Units redeemed during the year]	251,143,767.87	265,692,271.00
Units of SBI SHF Ultra Short Term Fund [4,468,299.971 Units (Previous Year: 3,627,954)]	52,500,000.00	42,500,000.00
In units of HDFC Mutual Fund	2,670,540.32	10,000,000.00
Units of HDFC Cash Mgmt. Treasury Advantage- Wholesale Plan Growth [131,847.27 Units (Previous Year : 495,972)]		
In Units of ICICI Prud. Banking Psu Debt Fund Premium Plus Growth	2,417,359.59	-
[232,288.78 Units (Previous Year : Nil)]		
Sub Total B (ii)	<u>308,731,667.78</u>	<u>318,192,271.00</u>
Total B (i)+ (ii)	<u>313,359,958.95</u>	<u>318,192,271.00</u>
GRAND TOTAL (A+B)	<u>394,955,359.84</u>	<u>388,398,737.36</u>
Aggregate Cost of Company's quoted Investments	33,474,862.06	17,457,636.36
Aggregate market value of Company's quoted Investments	54,072,847.00	31,937,933.00
Aggregate Cost of Company's unquoted Investments	361,480,497.78	370,941,101.00

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31st March, 2011 Rupees	As at 31st March, 2010 Rupees
SCHEDULE 6 - INVENTORIES		
(As Taken, Valued and Certified by Management)		
[Refer Schedule 19 - Note (i)(d) and (ii)]		
Raw Materials	347,295.21	435,396.41
Finished Goods	8,540.00	8,540.00
By-Products / Waste Products	706,372.00	744,669.00
Stores & Spares	1,120,683.80	1,272,635.80
[Valued at Cost except the obsolete/non useable stores written off for obsolescence. Current Rs. Nil (previous year : Rs. Nil) and includes fuel oil]		
	<u>2,182,891.01</u>	<u>2,461,241.21</u>
SCHEDULE 7 - SUNDRY DEBTORS		
Unsecured -		
Considered Good / Doubtful -		
Debts outstanding for a period exceeding six months	-	-
others	-	-
	<u>-</u>	<u>-</u>
SCHEDULE 8 - CASH AND BANK BALANCES		
Cash and Cheques on Hand	155,347.00	151,029.00
Balance with Scheduled Banks		
- In Current Accounts	3,917,763.31	6,156,941.71
- In Fixed Deposits	5,218,015.00	5,218,015.00
Total	<u>9,291,125.31</u>	<u>11,525,985.71</u>
SCHEDULE 9 - OTHER CURRENT ASSETS, LOANS AND ADVANCES		
Unsecured, Considered good		
Deposits	1,251,664.50	907,464.50
Advance Income Tax	134,150,636.00	125,088,546.00
Advance Sales Tax	200,000.00	200,000.00
Advances to Suppliers of goods and services	3,043,108.45	4,621,355.87
Shares Application Money Paid	12,848,250.00	-
Advances recoverable in cash or in kind or for value to be received :	1,195,738.60	1,508,363.18
[Includes Rs.3894 (Previous year Rs. 14,285) due from the directors of the company - maximum amount due during the year Rs. 784,914 (Previous year : Rs. 1,427,577)]		
Total	<u>152,689,397.55</u>	<u>132,325,729.55</u>

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31st March, 2011 Rupees	As at 31st March, 2010 Rupees
SCHEDULE 10 - LIABILITIES		
Sundry Creditors		
(i) Dues to small scale industrial undertaking (Refer Schedule 19 Note (v))	-	-
(ii) Others	1,785,340.40	2,974,002.85
Taxes Payable	78,517.00	145,451.00
Security Deposits	261,435.00	266,435.00
Advance from customers	3,268,318.00	10,033,250.00
Others Liabilities	3,421,822.00	5,453,722.00
Total Liabilities	<u>8,815,432.40</u>	<u>18,872,860.85</u>
SCHEDULE 11 - PROVISIONS		
Provision for Income / Fringe Benefit Tax	153,269,588.00	162,569,588.00
Provision for Leave Salary and Bonus	753,402.00	636,133.00
Other Provisions	464,266.00	993,021.22
Total	<u>154,487,256.00</u>	<u>164,198,742.22</u>

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

	For the year ended 31st March-2011 Rupees	For the year ended 31st March 2010 Rupees
SCHEDULE 12 - OTHER INCOME		
Foreign Exchange Fluctuation	21,463.00	9,975.00
Interest (Gross)		
[Tax deducted at source Rs.45,935 (previous year : Rs. 70, 277)]	398,151.75	509,062.38
Dividend Received	479,458.46	321,938.00
Profit on Sale of Current Investments (Mutual Fund)	3,168,016.57	4,092,271.00
Profit on Sale of Long Term Investments (Mutual Fund)	-	2,441,724.00
Profit on Sale of Long Term Investments (Equity Shares)	-	1,668,342.23
Profit on Sale of Fixed Assets	19,832.64	-
Rent Received	3,820.00	4,980.00
Sundry Balance written back	81,442.67	24,179.00
Miscellaneous Income	357,133.20	25,430.00
Total	<u>4,529,318.29</u>	<u>9,097,901.61</u>

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

	For the year ended 31st March-2011 Rupees	For the year ended 31st March 2010 Rupees
SCHEDULE 13 - INCREASE / (DECREASE) IN STOCK		
A. CLOSING STOCKS		
FINISHED GOODS	8,540.00	8,540.00
BY PRODUCTS / WASTE PRODUCTS	706,372.00	744,669.00
Sub Total (A)	<u>714,912.00</u>	<u>753,209.00</u>
B. STOCKS ASCERTAINED AND AND ACCOUNTED DURING THE YEAR [Refer Schedule 19 -(ii)]	21,600,000.00	22,400,000.00
Sub Total (B)	<u>21,600,000.00</u>	<u>22,400,000.00</u>
C. Sub Total (A+B)	<u>22,314,912.00</u>	<u>23,153,209.00</u>
D. OPENING STOCKS		
Finished Goods	8,540.00	35,227.00
By Products / Waste Products	744,669.00	426,674.00
Sub Total (D)	<u>753,209.00</u>	<u>461,901.00</u>
INCREASE / (DECREASE) (C - D)	<u>21,561,703.00</u>	<u>22,691,308.00</u>
SCHEDULE 14 - PROVISION NO LONGER REQUIRED		
Provision no longer required now written back	1,225,492.00	-
	<u>1,225,492.00</u>	<u>-</u>
SCHEDULE 15 - MANUFACTURING EXPENSES		
Salaries, Wages & Bonus	8,783,893.00	8,779,699.13
Contribution to Provident, ESIC, Gratuity, Pension & Other Funds	1,191,654.00	1,363,455.00
Power and Fuel (Includes prior period charges Rs Nil (Previous year Rs 1,098,236))	2,121,287.00	3,191,866.00
Light and Water	326,962.00	344,851.00
Repairs		
Plant & Machinery	208,308.00	344,539.00
Buildings	794,567.00	900,992.00
Others	1,104,209.00	1,554,449.00
Sub Total	<u>2,107,084.00</u>	<u>2,799,980.00</u>
Freight and Handling	7,569,976.00	7,535,740.00
Taxes		
Sales Tax & other taxes	2,213,116.00	1,975,556.00
Excise duty paid	11,579,768.00	9,675,967.00
Sub Total	<u>13,792,884.00</u>	<u>11,651,523.00</u>
Rent, Rates Taxes & Insurance		
Rent Charges	230,822.00	228,526.00
Insurance	133,106.00	136,918.00
Sub Total	<u>363,928.00</u>	<u>365,444.00</u>
Total	<u>36,257,668.00</u>	<u>36,032,558.13</u>

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

	For the year ended 31st March-2011 Rupees	For the year ended 31st March 2010 Rupees
SCHEDULE 16 - ADMINISTRATIVE, GENERAL AND OTHER EXPENSES		
Conveyance	86,754.00	128,246.00
Travelling Expenses [Includes Director's Rs.2,398,376 (previous year Rs.2,878,333)]	2,701,354.58	3,195,456.84
Directors Remuneration		
- Salaries & Commission	3,416,981.82	3,593,811.00
Auditor's Remuneration	209,594.00	203,531.00
Postage Telegram & Telephone	796,941.35	1,091,112.39
Printing & Stationery	165,235.00	179,334.75
Legal & Consultancy Charges	2,551,315.00	2,628,250.00
Security Expenses	558,146.00	433,294.00
Service charges	694,848.00	621,448.00
Bank charges	9,761.00	33,832.15
Donation	2,000,000.00	2,002,000.00
Advertisement & Publicity	55,161.00	40,877.00
Upkeep of Heavy Vehicles	932,543.00	1,700,119.00
Upkeep of Motor Car	1,077,959.00	884,116.23
Provision for Doubtful Debts	563,000.00	-
Share Custody charges	121,213.87	-
Advances written off	2,136.99	60,708.13
Miscellaneous Expenditures	2,126,763.02	2,288,993.01
TOTAL OF ADMINISTRATIVE, GENERAL AND OTHER EXPENSES	<u>18,069,707.63</u>	<u>19,085,129.50</u>
 SCHEDULE 17 - INTEREST		
To Bank	28,267.26	48,765.73
To Others	235,706.00	
Total	<u>263,973.26</u>	<u>48,765.73</u>
 SCHEDULE 18 - EXCEPTIONAL ITEMS		
Profit on sale of fixed assets (Current year, amount shown under Schedule 12 - Other Income, since arisen in regular course of business)	*	27,524,005.88
Loss on sale of fixed assets	-	(156,504.21)
Total	<u>-</u>	<u>27,367,501.67</u>

SCHEDULE 19 - Notes forming part of the Accounts

- i) Major Accounting Policies:
- a) Basis for preparation of Financial Statements:
The financial statements are prepared under the historical cost convention on the accrual basis of accounting and in accordance with the accounting principles generally accepted in India and the provisions of the Companies Act, 1956 as adopted consistently by the Company.
- b) Fixed Assets and Depreciation:
Fixed assets are stated at Cost less impairment losses, accumulated depreciation except freehold land, which is stated at cost. Consequent to the recognition of impairment loss depreciation for the year on assets impaired has been provided on the basis of revised balance useful life of those assets and on the straight-line method. Depreciation is provided on Straight Line Method and at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 on all other assets except office equipments, furnaces and pollution control equipment. The depreciation on furnaces and pollution control equipments has been provided on Written Down Value Method and at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 and the office equipments are depreciated at 6.33% on Straight Line Method
- c) Investments:
Investments are classified into long term and current investments. Long Term investments are stated at cost. Current investments are stated at lower of cost or market values on overall basis. When disposing of a part of the holding of an individual investment, the carrying amount of cost allocated to the part that is disposed is determined on the basis of the average carrying amount of the total holding of the investment.
- d) Inventories:
Inventories of raw materials are stated at lower of cost or net realizable value. Work in process is stated at cost. Stores, spares & tools are stated at cost except the obsolete/non usable stores, which are written off for obsolescence. Finished goods and by-products/waste products are stated at lower of cost or net realisable value and by-products / waste products where cost cannot be determined are stated at net realisable value. The reusable waste, which is not ascertainable, is not accounted (Refer Note ii).
- e) Sundry Debtors and Loans and Advances:
Sundry Debtors and Loans and Advances are stated after making adequate provisions for doubtful balances.
- f) Revenue Recognition:
Revenue is recognised when no significant uncertainty as to determination or realisation exists.
- g) Retirement and other employee benefit:
- i) The Company contributes towards Provident Fund & Family Pension Fund which are defined contribution schemes. Liability in respect thereof is determined on the basis of contribution as required under the statute/rules.
- ii) The Company contributes to defined benefit schemes for Gratuity. Which is administered through duly constituted and approved independent trust. The liability for Gratuity and leave encashment is determined on the basis of actuarial valuations made at the year end.
- h) Foreign Exchange Transactions:
Transactions denominated in foreign currency are accounted at the exchange rates prevailing on the date of the transaction. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the Profit and Loss Account. Exchange differences relating to fixed assets are adjusted in the cost of the asset. Premium in respect of forward contracts is accounted over the period of the contract.
- i) Taxation:
Income tax expense comprises of current tax, deferred tax charge or credit and fringe benefit tax. The deferred tax charge or credit is recognised using current tax rates. Where there is an unabsorbed depreciation or carry forward loss, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future. Deferred tax assets/liabilities are reviewed as at each Balance Sheet date based on developments during the year and available case laws, to reassess realisation/liabilities.
- j) Contingent Liability:
Contingent liabilities are usually not provided for unless it is probable that the future out come may be materially detrimental to the Company.

- ii) Company's Ferro Alloys unit generated waste during the process of manufacture, which has accumulated over the years in and around the main plant. The waste is reusable for extracting metal content therein. Company has set up a Metal Recovery Plant for the purpose. During the year, company has accounted for stock of unextracted metal contents valuing Rs 21,600,000 (Previous Year Rs. 22,400,000/-) out of this accumulated waste based on the finding & valuation report of the Consultant Metallurgist obtained during the year. The technical consultants have advised the Company that the balance of this accumulated waste in terms of its quality, metal content and realizable value cannot be yet reasonably ascertained. Company has therefore not been in a position to account for stock of this balance accumulated waste.
- iii) **DEFINED BENEFIT PLANS:**
As per Actuarial valuation as on 31st March, 2011 and recognised in the financial statements in respect of Employee Benefit schemes:

	Gratuity (in Rupees)
1. Components of Employer Expenses:	
a) Interest Cost from 01.04.10 to 31.03.11	407,752
b) Service Cost from 01.04.10 to 31.03.11	267,520
c) Actual return on Plan Assets	404,307
d) Curtailment Cost / Credit	-
e) Settlement Cost / Credit	-
f) Past Service Cost	-
g) Actuarial (Gain) / Loss	-
h) (Gain) / Loss recognised upto 31.03.11	173,722
i) Net loss provided as expense in P&L Account	444,687
2. Net Asset / (Liability) recognised in Balance Sheet as at 31 st March 2011	
a) Present value of Obligation as at 31.03.11	5,378,631
b) Fair value of Plan Assets as at 31.03.11	4,933,944
c) Un-funded liability recognised in the Balance sheet	444,687
3. Changes in benefit obligation during the year ended 31 st March 2011	
a) Actuarial value of Projected Benefit Obligations (PBO) as at 31.03.10	5,436,692
b) Service Cost from 01.04.2010 to 31.03.2011	267,520
c) Interest Cost from 01.04.2010 to 31.03.2011	407,752
d) Curtailment Cost / (Credit)	-
e) Settlement Cost / (Credit)	-
f) Plan Amendments	-
g) Acquisitions	-
h) Actuarial (Gain) / Loss on obligations	173,722
l) Benefits Paid from 01.04.2010 to 31.03.2011	907,055
j) PBO as at 31.03.11	5,378,631
4. Change in the fair value of Plan Assets	
a) Fair value of plan Assets as at 01.04.10	4,784,694
b) Actual return on plan Assets	404,307
c) Actuarial Gain / (Loss)	
d) Actual Company Contribution	
e) Benefit Paid	907,055
f) Plan Assets as at 31.03.11	4,933,944
5. Actuarial Assumptions:	
a) Rate of Discounting (p.a.)	7.50%
b) Rate of Increase in Compensation level (p.a.)	5.00%
c) Rate of Return on Plan Assets (p.a.)	7.62%

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

iv) Contingent Liabilities not provided for:

	As at 31-03-2011 Rupees	As at 31-03-2010 Rupees
Claims made against the Company not acknowledged as debts :		
a) Sales Tax Demand not provided for pending outcome of appeal (Documents related to claim of Rs. 51,500 are currently not available with the company)	20,173,539	20,173,539
b) Excise Duty Demand not provided for pending outcome of appeal	2,657,798	2,657,798
c) Customs duty Demand not provided for pending outcome of appeal	5,818,808	5,818,808
d) Other Matters (Documents related to claim of Rs.151,943 are currently not available with the company)	6,369,783	6,320,607

Note:

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

v) In Schedule 10 "Liabilities"

In the absence of information with the company, the names of small scale industrial undertakings to whom the company owes any sum together with interest outstanding for more than 30 days have not been given. The Auditors have relied upon this management representation.

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

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

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

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

x) In accordance with the Accounting Standard on "Impairment of Assets" AS-28, the Company has recognised impairment losses as at 1st April, 2004 amounting to Rs.7,667,677/- on certain assets of the company at Nagpur by a corresponding adjustment to general reserve during the year ended 31st March, 2005 pursuant to the transitional provisions of the said Standard. On completion of sale of some of these impaired assets during the previous year, the reversal of impairment losses thereon amounting to Rs.7,062,863 had been recognized during the previous year. No Impairment is recognized during the current year.

xi) Deferred tax assets of Rs. 377,318/- has not been provided prudent basis.

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

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

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

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

1	Enterprises owned or significantly influenced by any management personnel or their relatives	
a)	Informed Technologies India Limited	
	Advance Received/Advance Repaid	Rs. 581,948 / 581,948
2	Key Management Personnel	Remuneration (in Rupees)
a)	Mr. Gautam P. Khandelwal	Rs.3,416,982/-
b)	Mr. S. B. Kanbargi	Rs. 730,287/-
c)	Mr. S.M. Hede	Rs.1,840,000/-

(III) Balances Outstanding as at 31st March, 2011

	Maximum outstanding Balance (Rs.)	Receivables (Rs.)	Payables (Rs.)
1 Related parties where control exists			
a) Informed Technologies India Limited	93,510 (92,483)	Nil (Nil)	Nil (Nil)
2 Key Management Personnel			
Mr. Gautam Khandelwal	784,914 (14,285)	3,894 (14,285)	Nil (Nil)
3 Relatives of Key Management Personnel*		*See Note	

Figures in brackets are related to previous year

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

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

xiii) Earnings Per Share:

		For the year ended 31 st Mar, 2011	For the year ended 31 st Mar, 2010
Profit (Loss) for the year (Rs.)	(A)	43,896,830	55,445,388
Number of Equity Shares Outstanding	(B)	13,095,507	13,095,507
Earnings per share of Rs 10 each	(A/B)	3.35	4.23

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

a) Managerial Remuneration:

[To the Executive Chairman]	For the year ended 31 st Mar, 2011 Rupees	For the year ended 31 st Mar, 2010 Rupees
Salaries & Allowances (excluding provision for Leave Salary)	2,701,735	2,220,000
Commission	586,179	1,219,877
Contribution to Provident & Gratuity Fund	63,663	61,282
Perquisites Reckoned under Income Tax Rules	65,405	92,652
Total	3,416,982	3,593,811

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

Profit Before Tax	68,020,865	103,833,652
Add: Depreciation charged in the accounts	3,082,792	3,593,498
Directors Remuneration	3,416,982	3,593,811
Loss on sale of Investments	69,673	-
Less: Depreciation charged as per Section 350	3,062,824	3,574,895
Profit from sale of Fixed Assets & Investments	3,187,850	35,569,839
Net Profit for Section 198	68,339,638	71,876,227
Maximum commission payable to Executive Director (Chairman) @ 3% of Net profit under section 198 (Previous Year 3%)	2,050,189	2,156,287
Overall limit of managerial remuneration @ 5 % of Net profit under section 198	3,416,982	3,593,811
Commission payable for the year (not exceeding the overall remuneration @ 5% of Net profit under section 198)	586,179	1,219,877

b) Auditor's Remuneration

(including Service Tax)	For the year ended 31 st Mar, 2011 Rupees	For the year ended 31 st Mar, 2010 Rupees
Audit Fees	110,300	110,300
Taxation matters including tax audit	55,150	55,150
Certification Work	30,908	24,845
Out of Pocket expenses	13,236	13,236
TOTAL	209,594	203,531

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

Products	Unit	Installed Capacity	(All Quantity in MT)	
			Actual Production For the year ended 31 st March, 2011	For the year ended 31 st March, 2010
Ferro Manganese OR Silico Manganese	MT	Nil*	Nil	1.40
Value added Ferro Alloys	MT	Nil*	Nil	Nil
Ferro Manganese Slag (High MnO)**	MT	N.A.**	Nil	Nil
Ferro Manganese Slag (Low MnO)**	MT	N.A.**	19,250	38,050

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

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

*(3) Since the assets forming substantial part of the Ferro Alloys business has been sold in the previous year.

** (4) Since its a By-Product / Waste product from recovery of metal content out of accumulated waste generated from the main plant and not ascertainable.

d) Sales:	For the year ended 31 st March, 2011		For the year ended 31 st March, 2010	
	Quantity MT	Value Rupees	Quantity MT	Value Rupees
Ferro Manganese	-	-	2	90,922
Silico Manganese	-	-	-	-
Ferro Manganese Slag (Low MnO)	19,568	119,748,549	37,595	125,590,225
Manganese Ore	-	-	-	-
Others	-	318,044	-	348,655
Total		120,066,593		126,029,802

e) Opening Stock	For the year ended 31 st March, 2011		For the year ended 31 st March, 2010	
	Quantity MT	Value Rupees	Quantity MT	Value Rupees
Ferro Manganese	0.07	3,246	1	30,031
Silico Manganese	0.24	5,294	-	5,196
Ferro Manganese Slag (High MnO)	261	127,624	261	125,240
Ferro Manganese Slag (Low MnO)	617	616,726	162	301,121
Silico Manganese Slag	3	319	3	313
		753,209		461,901

f) Closing Stock	For the Year ended 31 st March, 2011		For the year ended 31 st March, 2010	
	Quantity MT	Value Rupees	Quantity MT	Value Rupees
Ferro Manganese	0.07	3,246	0.07	3,246
Silico Manganese	0.24	5,294	0.24	5,294
Ferro Manganese Slag (High MnO)	261	127,624	261	127,624
Ferro Manganese Slag (Low MnO)	299	578,430	617	616,726
Silico Manganese Slag	3	318	3	319
Total		714,912		753,209

g) Raw Material Consumed	For the Year ended 31 st March, 2011		For the year ended 31 st March, 2010	
	Quantity MT	Value Rupees	Quantity MT	Value Rupees
Coke/Manganese Ore/Dolomite	663	168,101	56	167,310
Slag RM	21,594	215,20,000	44,735	22,425,600
Total		21,688,101		22,592,910

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

	For the year ended 31 st March, 2011		For the year ended 31 st March, 2010	
	Rupees	%	Rupees	%
Raw Materials :				
Indigenous	21,688,101	100	22,592,910	100
Imported -	-	-	-	-
	21,688,101	100	22,592,910	100

	For the year ended 31 st March, 2011	For the year ended 31 st March, 2010
Value of all Imports Calculated on CIF Basis:	Nil	Nil

h) Expenditure in Foreign Currency:	For the year ended 31 st March, 2011		For the year ended 31 st March, 2010	
	Rupees		Rupees	
Consultation fees	353,331		380,050	
Traveling	508,619		1,447,050	
	861,950		1,827,100	

i) Earnings in Foreign Exchange:	For the year ended 31 st March, 2011		For the year ended 31 st March, 2010	
	Rupees		Rupees	
F.O.B. Value of Goods exported	Nil		Nil	

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

Signature to the Schedule 1 to 19 forms an integral part of the accounts.

For M. V. Ghelani & Co.
Chartered Accountants

For and on behalf of the Board.

M. V. Ghelani
Proprietor

Gautam P. Khandelwal
Chairman

M. S. Adige
Director

Place : Mumbai
Date : 27th May, 2011

Place : Mumbai
Date : 27th May, 2011

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2011

PARTICULARS	FOR THE YEAR ENDED ON 31st MARCH 2011	Amount in Rupees FOR THE YEAR ENDED ON 31st MARCH 2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit (loss) before tax paid, prior period items & extra ord. Items	68,020,864.67	76,466,149.99
Adjustment for :		
Depreciation - Current Year	3,082,791.53	3,593,498.26
Profit on sale of Fixed Assets	(19,832.64)	-
Interest Expenses	263,973.26	48,765.73
Profit on sale of Investment	(3,098,343.96)	(8,202,337.23)
Dividend Received	(479,458.46)	(321,938.00)
Interest Income	(398,151.75)	(509,062.38)
	<u>(649,022.02)</u>	<u>(5,391,073.62)</u>
Operating profit before working capital change	67,371,842.65	71,075,076.37
Adjustment for :		
Inventories	278,350.20	970,229.00
Trade Receivables	-	1,339,830.00
Other Current Assets , Loans and Advances	22,136,332.00	371,636.19
Deferred Tax Liability	-	(224,776.36)
Trade Payables, Other Liabilities and Provisions	<u>(43,892,949.67)</u>	<u>(33,218,569.03)</u>
Cash generated from Operations	45,893,575.18	40,313,426.17
Cash Flow before prior period adjustments & extraordinary items	45,893,575.18	40,313,426.17
Prior Period adjustments	-	(113,040.00)
Income tax paid	<u>(42,500,000.00)</u>	<u>(54,949,634.00)</u>
Net cash flow from Operating Activities	“A”	3,393,575.18
		(14,749,247.83)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(101,474.00)	(808,805.00)
Proceeds from sale of Fixed Assets	40,000.00	23,989,700.00
Investment in Mutual Fund / Shares (Net)	(3,458,278.52)	(11,325,150.72)
Dividend Received	479,458.46	321,938.00
Interest Income	398,151.75	509,062.38
Net cash from Investing Activities	“B”	(2,642,142.31)
		12,686,744.66
CASH FLOW FROM FINANCING ACTIVITIES		
Repayments of Secured Loan (Net)	(2,722,320.01)	1,812,515.16
Interest expense	(263,973.26)	(48,765.73)
Net Cash provided by / (used in) Financing Activities	“C”	(2,986,293.27)
		1,763,749.43
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(2,234,860.40)	(298,753.74)
Cash and Cash Equivalent at the beginning of the period	11,525,985.71	11,824,739.45
Cash and Cash Equivalent at the end of the period	9,291,125.31	11,525,985.71
For M.V. Ghelani & Co. Chartered Accountants		For and on behalf of the Board Gautam P. Khandelwal Chairman
M. V. Ghelani Proprietor		M. S. Adige Director
Date : 27th May, 2011		Date :27th May,2011

AUDITOR'S CERTIFICATE

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

We have examined the attached Cash Flow Statement of Nagpur Power & Industries Limited for the year ended 31st March, 2011. The statement has been prepared by the company in accordance with the requirements of Clause 32 of listing agreement with Stock Exchange and is based on and is derived from and is in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of even date to the members of the Company.

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

M.V. Ghelani
Proprietor
Mumbai : 27th May, 2011

Balance Sheet Abstract and Company's General Business Profile

I Registration Details

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

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

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

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

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

IV Performance of Company (Amount in Rs.Thousands)

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

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

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

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

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

M. V. Ghelani
Proprietor

M. S. Adige
Director

Date : 27th May, 2011

Date :27th May,2011

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

Name of the Subsidiary Company	Financial year ending of the Subsidiary	Number of Shares held	Extent of holding	For Financial Year of the Subsidiary	
				Profit/(Losses) so far it concerns the members of the Holding Company and not dealt within the books of Account of the Holding Company (Except to the extent dealt with col.6)	Profit/(Losses) so far it concerns the members of the Holding Company and dealt within the books of Account of the Holding Company
(1)	(2)	(3)	(4)	(5)	(6)
THE MOTWANE MANUFACTURING COMPANY PVT. LTD	31/03/2011	89233	50.41%	(1,646,110)	Nil

For and on behalf of the Board

Gautam P. Khandelwal
Chairman

Mumbai, 27th May, 2011

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

We have audited the attached Consolidated Balance Sheet of Nagpur Power & Industries Limited ("the Company") and its subsidiary The Motwane Manufacturing Company Pvt. Ltd. (collectively referred to as "the Group"), as at 31st March, 2011 and also the Consolidated Profit and Loss account for the year ended on that date, annexed thereto. These financial statements are the responsibility of Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of the subsidiary company, namely, The Motwane Manufacturing Company Pvt. Ltd. whose financial statements reflect total assets of Rs. 1301.78 lacs as at 31st March 2011 and total revenues of Rs. 1531.09 lacs for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements and other information have been audited by other auditor whose report has been furnished to us, and our opinion is based solely on the report of other auditor.

We report that the Consolidated Financial Statements have been prepared by the Company's management in accordance with the requirements of the Accounting Standard (AS) -21 "Consolidated Financial Statements" and Accounting Standard (AS) 23 "Accounting for investments in Associates in the Consolidated Financial Statement", issued by the Institute of Chartered Accountants of India.

Based on our audit as aforesaid, and on consideration of report of other auditors on the individual audited financial statements and on the other financial information of the components, and to the best of the information and according to the explanations given to us, we are of the opinion that the attached Consolidated Financial Statements give a true and fair view in conformity with accounting principles generally accepted in India:

- a) In the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Group as at 31st March, 2011;
- b) In the case of the Consolidated Profit and Loss Account, of the consolidated profit of the Group for the year ended on that date; and
- c) In the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

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

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

Place : Mumbai
Dated: 27th May, 2011

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2011

	Schedule	As at 31st March, 2011 Rupees	As at 31st March, 2010 Rupees
SOURCES OF FUNDS			
Shareholder's Funds			
Capital	1	130,955,070.00	130,955,070.00
Reserves and Surplus	2	507,597,479.13	465,346,758.58
MINORITY INTEREST		36,507,987.05	31,443,162.60
Loan Funds			
Secured Loans	3	49,543,767.00	37,634,349.01
Unsecured Loans	4	1,112,000.00	1,137,000.00
Deferred Tax Liability		-	-
TOTAL		<u>725,716,303.18</u>	<u>666,516,340.20</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	398,014,077.30	385,484,574.85
Less: Depreciation and Impairment		<u>87,016,028.07</u>	<u>74,036,069.42</u>
		310,998,049.23	311,448,505.43
Add : Capital Goods WIP		-	129,438.00
Net Block		<u>310,998,049.23</u>	<u>311,577,943.43</u>
Investments	6	342,359,229.84	335,802,607.36
Current Assets, Loans and Advances			
Inventories	7	43,588,646.09	28,565,857.21
Sundry Debtors	8	36,726,536.00	38,133,845.00
Cash & Bank Balances	9	31,479,848.31	13,467,159.71
Other Current Assets, Loans & Advances	10	152,710,733.62	140,639,562.55
		<u>264,505,764.02</u>	<u>220,806,424.47</u>
Less : Current Liabilities & Provisions			
Current Liabilities	11	32,595,078.40	32,067,969.85
Provisions	12	159,551,661.00	169,602,665.22
		<u>192,146,739.40</u>	<u>201,670,635.07</u>
Net Current Assets		<u>72,359,024.62</u>	<u>19,135,789.40</u>
TOTAL		<u>725,716,303.18</u>	<u>666,516,340.20</u>

Significant Accounting Policies and Notes to Accounts 19

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

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

As per our report of even date annexed

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

M. V. Ghelani
Proprietor

Mumbai : 27th May, 2011

For and on behalf of the board

Gautam P. Khandelwal
Chairman

M. S. Adige
Director

Mumbai : 27th May, 2011

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

	Schedule	For the Year ended 31st March 2011 Rupees	For the Year ended 31st March 2010 Rupees
INCOME			
Sales (including excise duty)		266,487,316.83	263,036,266.00
Other Income	13	6,718,184.29	11,734,544.61
Increase / (Decrease) in Stock	14	26,060,977.00	26,218,721.00
Provision no longer required	15	1,225,492.00	-
Total Income	A	300,491,970.12	300,989,531.61
EXPENDITURE			
Materials Consumed		73,519,548.20	71,242,814.00
Manufacturing Expenses	16	92,656,526.00	85,668,767.13
Administrative, General and other Expenses	17	48,229,751.63	43,915,166.50
Total Expenditure	B	214,405,825.83	200,279,458.63
PROFIT BEFORE INTEREST AND DEPRECIATION	A-B	86,086,144.29	100,710,072.98
Interest	18	6,931,404.26	5,956,215.73
Depreciation		14,499,033.53	14,276,708.26
PROFIT BEFORE TAXATION AND EXCEPTIONAL/ PRIOR PERIOD ITEMS		64,655,706.50	79,929,859.99
Add : Exceptional items		-	27,367,501.67
Less : Prior period item		-	113,040.00
PROFIT BEFORE TAXATION		64,655,706.50	107,184,321.66
Payment & Provision for taxation			
Current Tax		24,200,000.00	49,050,000.00
Prior year Tax Adjustment		(175,838.00)	(78,870.00)
Deferred Tax/(Deferred tax liability no longer required)		-	(224,776.36)
PROFIT AFTER TAXATION		40,631,544.50	58,437,968.02
Less: Share of Profit/(loss) transferred to Minority		(1,619,176.05)	(1,483,948.14)
Profit After Tax (After adjustment for Minority Interest)		42,250,720.55	56,954,019.88
Loss brought forward from last year		(316,794.64)	(1,825,426.00)
AMOUNT AVAILABLE FOR APPROPRIATION		41,933,925.90	55,128,593.88
Appropriation :			
Transfer to General Reserve / Balance in Profit & loss A/c		41,933,925.90	55,128,593.88
Earnings Per Share(Basic & Diluted)		3.23	4.35
Significant Accounting Policies and Notes to Accounts	19		

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

As per our report of even date annexed

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

M. V. Ghelani
Proprietor

Mumbai : 27th May, 2011

For and on behalf of the board

Gautam P. Khandelwal
Chairman

M. S. Adige
Director

Mumbai : 27th May, 2011

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

	As at 31st March, 2011 Rupees	As at 31st March, 2010 Rupees
SCHEDULE 1 - SHARE CAPITAL		
AUTHORISED		
2,00,00,000	Equity Shares of Rs. 10 each	200,000,000.00
50,00,000	Unclassified Shares of Rs. 10 each	50,000,000.00
		250,000,000.00
ISSUED, SUBSCRIBED AND PAID UP		
1,30,95,507	Equity Shares of Rs.10 each fully paid up.	130,955,070.00
TOTAL		130,955,070.00

NOTE:

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

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

Balance as per last Balance Sheet	447,513,571.31	392,068,183.29
Add : Transfer from Profit and Loss Account	43,896,829.67	55,445,388.02
	491,410,400.98	447,513,571.31
Share Premium Account	18,149,981.92	18,149,981.92
Profit and Loss Account	(1,962,903.77)	(316,794.64)
	507,597,479.13	465,346,758.58

SCHEDULE 3 - SECURED LOANS**Overdraft Limit**

From State Bank Of India (Secured by Term Deposit Receipt of the bank)	-	2,614,140.01
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Cash Credit Limit

From Dena Bank (Secured by Hypothecation of Book Debts, Inventory against charge on all the assets and on Personal gurantee of Directors)	41,195,781.00	29,792,104.00
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Term Loan

From Dena Bank (Secured against machinery)	7,359,058.00	3,107,771.00
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Car loan

From Axis Bank	154,295.00	262,475.00
From Kotak Mahindra Prime Ltd (Secured by hypothecation of Vehicles)	834,633.00	1,857,859.00
	49,543,767.00	37,634,349.01

SCHEDULE 4 - UNSECURED LOANS

From Directors	1,112,000.00	1,137,000.00
From Others	-	-
	1,112,000.00	1,137,000.00

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

As at
31st March, 2011
Rupees

As at
31st March, 2010
Rupees

SCHEDULE 5 - FIXED ASSETS

Fixed Assets	GROSS BLOCK				DEPRECIATION				IMPAIRMENT		Net Block as on 31.03.2011	
	Opening as on 01.04.2010	Additions	Deductions/ W/off	Closing as on 31.03.2011	Opening as on 01.04.2010	for the year	Deductions	Closing as on 31.03.2011	Opening as on 01.04.2010	Reversed during the year 31.03.2011		
TANGIBLE ASSETS												
Land (FreeHold)	181,377,220.00	-	-	181,377,220.00	-	-	-	-	-	-	-	181,377,220.00
Buildings	37,120,062.81	-	-	37,120,062.81	10,981,113.40	972,821.49	-	11,953,934.89	-	-	-	25,166,127.92
Plant & Machinery	61,633,201.23	4,178,366.91	-	65,811,568.14	32,039,554.73	4,875,182.28	-	36,914,737.01	-	-	-	28,896,831.13
Electrical Installation	1,189,143.00	-	-	1,189,143.00	603,735.00	81,430.00	-	685,165.00	-	-	-	503,978.00
Railway Siding	5,377,765.94	-	-	5,377,765.94	2,759,674.65	255,443.88	-	3,015,118.53	-	-	-	2,362,647.41
Furniture & Equipment (see note 'c')	16,165,284.25	364,672.22	-	16,529,956.47	8,237,835.23	1,364,618.48	-	9,602,453.72	604,814.59	-	604,814.59	6,322,688.16
Vehicles	12,086,551.27	2,800.00	1,651,414.23	10,437,937.04	6,461,514.81	1,177,285.40	1,519,073.88	6,119,726.33	-	-	-	4,318,210.71
INTANGIBLE ASSETS												
Goodwill on consolidation	41,981,871.35	-	-	41,981,871.35	-	-	-	-	-	-	-	41,981,871.35
Software (SAP)	1,486,177.00	548,747.55	-	2,034,924.55	869,859.00	313,325.00	-	1,183,184.00	-	-	-	851,740.55
Technical Know-how	4,053,073.00	3,357.00	-	4,056,430.00	-	-	-	-	-	-	-	4,056,430.00
Research & Development	23,014,224.00	9,082,974.00	-	32,097,198.00	11,477,967.00	5,458,927.00	-	16,936,894.00	-	-	-	15,160,304.00
	385,484,573.85	14,180,917.68	1,651,414.23	398,014,077.30	73,431,253.82	14,499,033.53	1,519,073.88	86,411,213.48	604,814.59	-	604,814.59	310,998,049.23
Capital Goods WIP	129,438.00	-	129,438.00	-	-	-	-	-	-	-	-	-
Current year	385,614,011.85	14,180,917.68	1,780,852.23	398,014,077.30	73,431,253.82	14,499,033.53	1,519,073.88	86,411,213.48	604,814.59	-	604,814.59	310,998,049.23
Previous year	526,447,323.59	15,987,130.00	156,949,878.74	385,484,574.85	171,227,069.62	14,276,708.25	112,072,523.06	73,431,254.83	7,667,677.97	7,062,863.38	604,814.59	311,577,943.43

NOTE:

- Vehicles include certain vehicles Gross Block Rs. 1,938,454 which are transferred to the company pursuant to the scheme of Arrangement and yet in the process of registration in the company's name .
- Refer to Schedule 19 Note No. 3(vii)
- The Depreciation for the year, has been provided on Gross Block net of Impairment losses and accumulated depreciation. Refer to Schedule 19 note 2 (b) on Fixed Assets and Depreciation.

SCHEDULE 6 - INVESTMENTS

(A) LONG TERM

AT COST - NON TRADE

Quoted

In Fully Paid-up Equity Shares

ABB Limited	105,772.81	105,772.81
[200 Equity Shares (Previous Year : 200) of Rs. 2 each]		
ACC Limited	505,458.13	505,458.13
[700 Equity Shares (Previous Year : 700) of Rs. 10 each]		
Aditya Birla Nuvo Lim	1,010,198.19	-
[1300 Equity Shares (Previous Year : Nil) of Rs. 10 each]		
Axis Bank Ltd.	537,199.03	537,199.03
[1300 Equity Shares (Previous Year :1300) of Rs. 10 each]		
Bank of Baroda	465,780.84	-
[500 Equity Shares (Previous Year :Nil) of Rs. 10 each]		
Bharti Airtel Ltd.	230,765.27	230,765.27
[700 Equity Shares (Previous Year : 700) of Rs. 5 each]		
Biocon Limited	758,503.49	-
[2500 Equity Shares (Previous Year : Nil) of Rs. 5 each]		
Coal India Limited	110,250.00	-

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

	As at 31st March, 2011 Rupees	As at 31st March, 2010 Rupees
[450 Equity Shares (Previous Year : Nil) of Rs.10 each] Crompton Greaves Ltd.	841,615.06	73,861.90
[3875 Equity Shares (Previous Year : 875) of Rs. 2 each] Globus Spirits Ltd.	2,500,000.00	2,500,000.00
[25000 Equity Shares (Previous Year : 25000) of Rs. 10 each] Grasim Industries Ltd.	206,121.14	206,121.14
[200 Equity Shares (Previous Year :200) of Rs. 10 each] HDFC	640,575.57	640,575.57
[2000 Equity Shares(Previous Year :400 of Rs 10 each)of Rs.2 each] HDFC Bank Ltd.	280,151.52	280,151.52
[300 Equity Shares (Previous Year : 300) of Rs. 10 each] Hindalco Industries	266,199.51	266,199.51
[5500 Equity Shares (Previous Year : 5500) of Re. 1 each] Hindustan Const	485,411.69	-
[7000 Equity Shares (Previous Year : Nil) of Rs. 1 each] Indian Hotel Co. Ltd.	1,258,918.87	991,289.76
[21940 Equity Shares (Previous Year : 18940) of Re. 1 each] ITC Limited	644,434.61	188,730.00
[5000 Equity Shares (Previous Year : 1000) of Re. 1 each] Josts Engg.	14,703.64	14,703.64
[50 Equity Shares (Previous Year : 50) of Rs. 10 each] Kotak Mahindra Bank Ltd.	697,928.38	697,928.38
[3600Equity Shares(PreviousYear :1800 of Rs10 each) of Rs.5each] Larsen & Toubro Ltd.	2,177,444.68	800,294.66
[1800 Equity Shares (Previous Year : 900) of Rs. 2 each] Mahindra & Mahindra Ltd.	1,158,118.17	1,158,118.17
[5600 Equity Shares (Previous Year : 5600) of Rs. 5 each] Mahindra Financial Services Ltd.	46,600.00	46,600.00
[233 Equity Shares (Previous Year : 233) of Rs. 10 each] Marico Limited	193,447.00	193,447.00
[3500 Equity Shares (Previous Year : 3500) of Re. 1 each] MOIL Limited	7,125.00	-
[19 Equity Shares (Previous Year : Nil) of Rs. 10 each] NTPC Limited	300,045.22	300,045.22
[1700 Equity Shares (Previous Year : 1700) of Rs. 10 each] Petronet LNG Ltd.	281,512.16	281,512.16
[7000 Equity Shares (Previous Year : 7000) of Rs. 10 each] Pidilite Industries Ltd.	191,884.41	191,884.41
[4000 Equity Shares (Previous Year : 4000) of Re. 1 each] Power Grid Corp. Ltd.	907,675.21	351,076.36
[9773 Equity Shares (Previous Year : 4500) of Rs. 10 each] Reliance Communications Ltd.	307,542.59	307,542.59
[850 Equity Shares (Previous Year : 850) of Rs. 5 each] Reliance Ind. Ltd.	1,259,976.55	748,474.60

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

	As at 31st March, 2011 Rupees	As at 31st March, 2010 Rupees
[1600 Equity Shares (Previous Year : 1100) of Rs. 10 each] Sandur Mang.	203,159.82	-
[275 Equity Shares (Previous Year : Nil) of Rs. 10 each] Satyam Computer	497,045.66	497,045.66
[7200 Equity Shares (Previous Year : 7200) of Rs. 2 each] State Bank of India	2,317,517.06	1,461,534.16
[1500 Equity Shares (Previous Year : 1200) of Rs. 10 each] Tata Chemicals Ltd.	1,233,649.83	212,238.06
[4250 Equity Shares (Previous Year : 1250) of Rs. 10 each] Tata Consultancy Service Ltd.	697,479.75	697,479.75
[2200 Equity Shares (Previous Year : 2200) of Re. 1 each] Tata Motors Limited	1,299,957.42	1,299,957.42
[3300 Equity Shares (Previous Year : 3300) of Rs. 10 each] Tata Power Co. Ltd.	169,076.29	169,076.29
[200 Equity Shares (Previous Year : 200) of Rs. 10 each] Tata Steel Ltd.	1,079,152.87	1,079,152.87
[3750 Equity Shares (Previous Year : 3750) of Rs. 10 each] Tornt Power	930,878.30	-
[3000 Equity Shares (Previous Year : Nil) of Rs. 10 each] Unitech	327,045.03	327,045.03
[4800 Equity Shares (Previous Year : 4800) of Rs. 2 each] United Phosphorous Ltd.	415,779.64	96,355.29
[3500 Equity Shares (Previous Year : 1000) of Rs. 2 each] Yes Bank Ltd.	1,284,470.48	-
[4500 Equity Shares (Previous Year : Nil) of Rs. 10 each] Ultratech cement Ltd.	-	-
[114 Equity Shares (Previous Year : Nil) of Rs. 2 each] Total A	28,846,570.89	17,457,636.36

(B) CURRENT**At Lower of Cost or Market Value - Non Trade****(i) Quoted****In Fully Paid-up Equity Shares**

AIA Engineering Ltd.	199,835.47	-
[491 Equity Shares (Previous Year : Nil) of Rs. 2 each] Balkrishna Industries Ltd.	516,574.32	-
[3829 Equity Shares (Previous Year : Nil) of Rs. 2 each] Blue Star Limited	110,944.86	-
[276 Equity Shares (Previous Year : Nil) of Rs. 2 each] Dhanuka Agritech Ld.	243,592.56	-
[3207 Equity Shares (Previous Year : Nil) of Rs. 2 each] Exide Industries	100,033.18	-
[644 Equity Shares (Previous Year : Nil) of Rs. 1 each] Greenply Industries Ltd.	826,530.32	-

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

	As at 31st March, 2011 Rupees	As at 31st March, 2010 Rupees
[4389 Equity Shares (Previous Year : Nil) of Rs. 5 each] ICRA Limited	203,729.95	-
[165 Equity Shares (Previous Year : Nil) of Rs. 10 each] India Bulls Real Estate Ltd.	352,631.40	-
[2271 Equity Shares (Previous Year : Nil) of Rs. 2 each] Jagran Prakashan Ltd.	427,802.69	-
[3505 Equity Shares (Previous Year : Nil) of Rs. 2 each] Monnet Ispat & Energy Ltd.	551,268.35	-
[1249 Equity Shares (Previous Year : Nil) of Rs. 10 each] Phonix Mills Ltd.	259,464.74	-
[1147 Equity Shares (Previous Year : Nil) of Rs. 2 each] Redington India Ltd.	482,541.90	-
[6043 Equity Shares (Previous Year : Nil) of Rs. 2 each] Shriram Trans Fin. Co. Ltd.	99,940.23	-
[127 Equity Shares (Previous Year : Nil) of Rs. 10 each] Voltamp Transformer Ltd.	253,401.20	-
[351 Equity Shares (Previous Year : Nil) of Rs. 10 each] Sub Total B (i)	4,628,291.17	-
(ii) Unquoted		
In Mutual Funds		
In units of SBI Mutual Fund	251,143,767.87	265,692,271.00
Units of Magnum Institutional Income Fund Saving Growth [19,460,056.79 Units (Previous Year: 20,587,358.09) 1,127,301 Units redeemed during the year]	-	-
Units of SBI SHF Ultra Short Term Funds [4,468,299.971 Units (Previous Year: 3,627,954)]	52,500,000.00	42,500,000.00
In units of HDFC Mutual Fund Units of HDFC Cash Mgmt. Treasury Advantage- Wholesale Plan Growth [131,847.27 Units (Previous Year : 495,972)]	2,670,540.32	10,000,000.00
Units of ICICI Prud. Banking Psu Debt, Fund premium plus growth [232,288.78 Units (Previous Year : Nil)]	2,417,359.59	-
National Savings Certificates (Lodged with Sales Tax Authorities)	2,700.00	2,700.00
In Shares of Jhulelal Nagari Sahakari Patsantha 6000 Shares of Rs. 25/- each (previous year : 6000)	150,000.00	150,000.00
Sub Total (B) (ii)	308,884,367.78	318,344,971.00
Total (B) (i+ ii)	342,359,229.84	335,802,607.36
GRAND TOTAL (A+B)	342,359,229.84	335,802,607.36
Aggregate Cost of Company's quoted Investments	33,474,862.06	17,457,636.36
Aggregate market value of Company's quoted Investments	54,072,847.00	31,937,933.00
Aggregate Cost of Company's unquoted Investments	308,884,367.78	318,344,971.00

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

	As at 31st March, 2011 Rupees	As at 31st March, 2010 Rupees
SCHEDULE 7 - INVENTORIES		
(As Taken, Valued and Certified by Management)		
[Refer Schedule 19 - Note (2)(d) and 3 (i)]		
Raw Materials	16,508,803.21	9,507,576.41
Trading Goods	8,992,265.00	5,440,359.00
Finished Goods	12,444,685.00	9,719,884.00
WIP	4,249,596.00	2,513,420.00
Stores & Spares	1,393,296.88	1,384,617.80
[Valued at Cost except the obsolete/non useable stores written off for obsolescence Rs. Nil (previous year :Nil) and includes fuel oil]	<u>43,588,646.09</u>	<u>28,565,857.21</u>
SCHEDULE 8 - SUNDRY DEBTORS		
Unsecured -		
Considered Good		
Debts outstanding for a period exceeding six months	5,677,770.00	4,971,119.00
Others	31,048,766.00	33,162,726.00
Total	<u>36,726,536.00</u>	<u>38,133,845.00</u>
SCHEDULE 9 - CASH AND BANK BALANCES		
Cash and Cheques on Hand	307,092.00	238,230.00
Balances with Scheduled Banks		
- In Current Accounts	5,954,741.31	8,010,914.71
- In Fixed Deposits	25,218,015.00	5,218,015.00
Total	<u>31,479,848.31</u>	<u>13,467,159.71</u>
SCHEDULE 10 - OTHER CURRENT ASSETS, LOANS AND ADVANCES		
Unsecured, Considered good		
Deposits	6,418,323.50	2,938,338.50
Advance Income Tax	134,409,812.00	125,465,941.00
Advance Sales Tax	200,000.00	200,000.00
Advances to Suppliers of goods and services	5,049,469.45	6,386,960.87
Share Application Money	-	-
Advances recoverable in cash or in kind or for value to be received including :	6,633,128.67	5,648,322.18
[Includes Rs. 2,203,894 (Previous year Rs. 2,514,285) due from the directors of the company - maximum amount due during the year Rs. 3,284,914 (Previous year : Rs. 3,927,577)]		
Total	<u>152,710,733.62</u>	<u>140,639,562.55</u>

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

	As at 31st March, 2011 Rupees	As at 31st March, 2010 Rupees
SCHEDULE 11 - LIABILITIES		
Sundry Creditors		
(i) Dues to small scale industrial undertaking [Refer Schedule 19 Note 3 (iii)]	-	-
(ii) Others	14,238,459.40	7,570,254.85
Taxes Payable	4,583,620.00	4,118,888.00
Security Deposits	906,435.00	311,435.00
Advance from customers	3,268,318.00	10,033,250.00
Others Liabilities	9,598,246.00	10,034,142.00
Total Liabilities	32,595,078.40	32,067,969.85
SCHEDULE 12 - PROVISIONS		
Provision for Income / Fringe Benefit Tax	153,269,588.00	163,157,668.00
Provision for Leave Salary and Bonus	5,817,807.00	5,451,976.00
Other Provisions	464,266.00	993,021.22
Total	159,551,661.00	169,602,665.22

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

	For the year ended 31st March-2011 Rupees	For the year ended 31st March 2010 Rupees
SCHEDULE 13 - OTHER INCOME		
Foreign Exchange Fluctuation	21,463.00	9,975.00
Interest (Gross)	495,999.75	651,661.38
Dividend	797,694.46	707,196.00
Profit on Sale of Current Investments	3,168,714.57	4,101,695.00
Profit on Sale of Long Term Investments (Mutual Fund)	-	2,441,724.00
Profit on Sale of Long Term Investments (Equity Shares)	-	1,668,342.23
Profit on Sale of Fixed Assets	56,965.64	-
Rent	3,820.00	4,980.00
Sundry balances written back	81,442.67	24,179.00
Miscellaneous Income	2,092,084.20	2,124,792.00
Total	6,718,184.29	11,734,544.61

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

	For the year ended 31st March-2011 Rupees	For the year ended 31st March 2010 Rupees
SCHEDULE 14 - INCREASE / (DECREASE) IN STOCK		
A. CLOSING STOCK		
Finished Goods	11,738,313.00	8,975,215.00
By Products / Waste Products	706,372.00	744,669.00
Work in Process	4,249,596.00	2,513,420.00
Sub Total (A)	<u>16,694,281.00</u>	<u>12,233,304.00</u>
B. STOCKS ASCERTAINED AND AND ACCOUNTED DURING THE YEAR [Refer Schedule 19 - Note. 3 (i)]	21,600,000.00	22,400,000.00
Sub Total (B)	<u>21,600,000.00</u>	<u>22,400,000.00</u>
C. Sub Total (A+B)	<u>38,294,281.00</u>	<u>34,633,304.00</u>
D. OPENING STOCK		
Finished Goods	8,975,215.00	6,538,387.00
By Products / Waste Products	744,669.00	426,674.00
Work in Process	2,513,420.00	1,449,522.00
Sub Total (D)	<u>12,233,304.00</u>	<u>8,414,583.00</u>
INCREASE / (DECREASE) (C - D)	<u><u>26,060,977.00</u></u>	<u><u>26,218,721.00</u></u>
SCHEDULE 15 - PROVISION NO LONGER REQUIRED		
Provision written back as no longer required	1,225,492.00	-
	<u>1,225,492.00</u>	<u>-</u>
SCHEDULE 16 - MANUFACTURING EXPENSES		
Salaries, Wages & Bonus	8,783,893.00	45,526,243.00
Contribution to Provident, ESIC, Gratuity, Pension & Other Funds	1,191,654.00	3,809,221.00
Sub Total	<u>49,335,464.00</u>	<u>44,900,001.13</u>
Power and Fuel (Includes Prior Period Charges of Rs.Ni(Previous year Rs 10,98,236))	3,371,271.00	4,265,863.00
Light and Water	513,335.00	559,110.00
Stores Consumed	205,429.00	326,094.00
Repairs		
Plant & Machinery	208,308.00	208,308.00
Buildings	794,567.00	794,567.00
others	1,104,209.00	3,861,442.00
Sub Total	<u>4,864,317.00</u>	<u>4,666,738.00</u>

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

	For the year ended 31st March-2011 Rupees		For the year ended 31st March 2010 Rupees	
Freight and Handling		10,143,736.00		9,082,536.00
Taxes				
Sales Tax & other taxes	2,213,116.00	2,351,933.00		1,961,866.00
Excise duty paid	11,579,768.00	<u>20,052,459.00</u>		<u>18,352,862.00</u>
Sub Total		<u>22,404,392.00</u>		<u>20,314,728.00</u>
Rent, Rates Taxes & Insurance				
Rent Charges	230,822.00	1,406,310.00		1,396,212.00
Insurance	133,106.00	<u>412,272.00</u>		<u>483,579.00</u>
Sub Total		<u>1,818,582.00</u>		<u>2,953,788.00</u>
Total		<u><u>92,656,526.00</u></u>		<u><u>85,668,767.13</u></u>

SCHEDULE 17 - ADMINISTRATIVE, GENERAL AND OTHER EXPENSES

Conveyance		1,850,738.00		1,581,003.00
Travelling Expenses [Includes Director's Rs.28,00,276 (previous year Rs.30,32,830)]		8,965,995.58		8,327,031.84
Directors Remuneration				
-Salaries & Commission		6,861,993.82		6,655,503.00
Auditor's Remuneration		309,594.00		303,531.00
Commission on Sales		4,622,890.00		2,672,112.00
Postage Telegram & Telephone		2,468,991.35		2,559,710.39
Printing & Stationery		789,688.00		804,020.75
Legal & Consulancy Charges		3,797,902.00		3,747,104.00
Security Expenses		1,319,074.00		1,055,846.00
Service charges		694,848.00		621,448.00
Bank charges		839,730.00		581,121.15
Donation		2,000,000.00		2,003,101.00
Advertisement & Publicity		1,939,827.00		2,082,039.00
Upkeep of Heavy Vehicles		932,543.00		1,700,119.00
Upkeep of Motor Car		2,038,999.00		1,783,607.23
Raw Material written off		-		-
Obsolete/Non usable Stores W/off		-		-
Provisions for Bad & Doubtful Debts		563,000.00		-
Share Custody charges		121,213.87		-
Advance written off		46,211.99		373,035.13
Miscellaneous Expenditures		<u>8,066,512.02</u>		<u>7,064,834.01</u>
TOTAL OF ADMINISTRATION, GENERAL AND OTHER EXPENSES		<u><u>48,229,751.63</u></u>		<u><u>43,915,166.50</u></u>

SCHEDULE 18 - INTEREST CHARGES

To Bank		6,389,814.26		5,793,066.73
To Others		<u>541,590.00</u>		<u>163,149.00</u>
Total		<u><u>6,931,404.26</u></u>		<u><u>5,956,215.73</u></u>

SCHEDULE 19**NOTES ON CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT****1. Basis of Consolidation:**

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

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

2. Significant Accounting Policies

- (a) Basis of Preparation of financial statements The financial statements are prepared under the historical cost convention on the accrual basis of accounting and in accordance with the accounting principles generally accepted in India and the provisions of the Companies Act, 1956 as adopted consistently by the Company.
- (b) Fixed Assets and Depreciation:

Holding Company :

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

Subsidiary Company :

The subsidiary company provides depreciation as under :

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

- (a) Technical Know-How is amortized over a period of five years from the year of commercial production.
- (b) Research & Development are amortized over a period of five years.
Of total depreciation Rs 14,499,033 depreciation Rs.3,082,791 related to Holding company and Rs. 11,416,242 related to the subsidiary company.
- (c) **Investment:**
Investments are classified into long term and current investments. Long Term investments are stated at cost. Current investments are stated at lower of cost or market values on overall basis. When disposing of a part of the holding of an individual investment, the carrying amount of cost allocated to the part that is disposed is determined on the basis of the average carrying amount of the total holding of the investment.
- (d) **Inventories:**
Inventories of raw materials are stated at lower of cost or net realizable value. Work in process is stated at cost. Stores, Spares & tools are stated at cost except the obsolete/non usable stores, which are written off for obsolescence. Finished goods, Trading goods and by-products/waste products are stated at lower of cost or net realisable value and by-products / waste products where cost cannot be determined are stated at net realisable value. The reusable waste, which is not ascertainable, is not accounted.
- (e) **Sundry Debtors and Loans and Advances:**
Sundry Debtors and Loans and Advances are stated after making adequate provision for doubtful balances.
- (f) **Revenue Recognition:**
Revenue is recognized when no significant uncertainty as to determination or realization exists.
- (g) **Retirement and other employee benefit:**
Holding Company :
The Company contributes towards Provident Fund & Family Pension Fund which are defined contribution schemes. Liability in respect thereof is determined on the basis of contribution as required under the statute/ rules.
The Company contributes to defined benefit schemes for Gratuity, which is administered through duly constituted and approved independent trust. The liability for Gratuity and leave encashment is determined on the basis of actuarial valuations made at the year end.
Subsidiary Company :
The company has established an irrevocable trust to administer gratuity. The Trust has taken a policy under the Group Gratuity Cum Life Insurance Scheme from the LIC of India covering all the eligible employees. The company makes payment of annual premium and contribution to the Trust as demanded by LIC of India. The annual premium contribution is debited to P & L Account. It is informed that the annual premium contribution calculation is done by LIC after considering AS-15 guidelines.
Provident Fund/ESIC remittances to the Government are charged against revenue each year on accrual basis. Leave Encashment was accounted for on Cash basis up to 31.3.2007. From the financial year 2007-08 the company has started accounting for the same on accrual basis which considers the sum that would have been payable to the eligible employees as on the last day of the financial year.
Provision for Bonus is made on accrual basis.
Of total provision Rs 5,817,807 provision Rs.753,402 related to Holding company and Rs. 5,064,405 related to the subsidiary company.
- (h) **Foreign Exchange Transactions:**
Transactions denominated in foreign currency are accounted at the exchange rates prevailing on the date of the transaction. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the Profit and Loss Account. Exchange differences relating to fixed assets are adjusted in the cost of the asset. Premium in respect of forward contracts is accounted over the period of the contract.
- (i) **Taxation:**
Holding Company :
Income tax expense comprises of current tax, deferred tax charge or credit and fringe benefit tax. The deferred tax charge or credit is recognised using current tax rates. Where there is an unabsorbed depreciation or carry

forward loss, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future. Deferred tax assets/liabilities are reviewed as at each Balance Sheet date based on developments during the year and available case laws, to reassess realisation/liabilities.

Subsidiary Company :

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

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

Of total provision Rs. 24,200,000 provision of Rs.24,200,000 related to Holding company and Rs. Nil related to the subsidiary company.

(j) **Contingent Liability:**

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

3. Notes to Accounts:

- i) The holding Company's Ferro Alloys unit generated waste during the process of manufacture, which has accumulated over the years in and around the main plant. The waste is reusable for extracting metal content therein. Company has set up a Metal Recovery Plant for the purpose. During the year, company has accounted for stock of unextracted metal contents valuing Rs. 21,600,000 (Previous Year Rs. 22,400,000) out of this accumulated waste based on the valuation report of the Consultant Metallurgist obtained during the year. The technical consultants have advised the Company that the balance of this accumulated waste in terms of its quality, metal content and realizable value cannot be yet reasonably ascertained. Company has therefore not been in a position to account for stock of this balance accumulated waste.

- ii) Contingent Liabilities not provided for:

	As at 31-03-2011 Rupees	As at 31-03-2010 Rupees
Claims made against the Company not acknowledged as debts :		
a) Sales Tax Demand not provided for pending outcome of appeal (Documents related to claim of Rs. 51,500 are currently not available with the company)	20,173,539	20,173,539
b) Excise Duty Demand not provided for pending outcome of appeal	2,657,798	2,657,798
c) Customs duty Demand not provided for pending outcome of appeal	5,818,808	5,818,808
d) Other Matters (Documents related to claim of Rs.151,943 are currently not available with the company)	6,369,783	6,320,607
e) Bank Gaurantee	4,809,602	3,773,586

- iii) In Schedule 11 "Liabilities"

In the absence of information with the company, the names of small scale industrial undertakings to whom the company owes any sum together with interest outstanding for more than 30 days have not been given. The Auditors have relied upon this management representation.

- iv) The declaration filed under the Urban Land (Ceiling and Regulation) Act, 1976 in respect of the Company's holdings in excess of the ceiling prescribed under the Act and the application for exemption filed under Section 20 of the Act, to retain these lands are under consideration of the concerned authorities.
- v) The balance of Sundry Debtors, Deposits, Advances, Stores & Spares and Sundry Creditors are subject to confirmation.
- vi) In the opinion of the Board, current assets, loans and advances have value on realisation in the ordinary course of business atleast equal to the amount at which they are stated.
- vii) In accordance with the Accounting Standard on "Impairment of Assets" AS-28, the Company has recognised impairment losses as at 1st April, 2004 amounting to Rs.7,667,677/- on certain assets of the company at Nagpur by a corresponding adjustment to general reserve during the year ended 31st March, 2005 pursuant to

the transitional provisions of the said Standard. On completion of sale of some of these impaired assets during the previous year, the reversal of impairment losses thereon amounting to Rs.7,062,863 had been recognized during the previous year. No Impairment is recognized during the current year.

The Subsidiary Company has identified that there is no material impairment of fixed assets and as such no provision is required as per AS: 28 issued by ICAI.

viii) **Segment Reporting :**

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

b) The reportable segments are :

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

c) **Primary Segment Information :**

Particulars	31 st Mar, 2011	For the year ended 31 st Mar, 2010
	Rs.	Rs.
I Segment Revenue:		
- High Carbon Ferro Manganese, Low MnO Ferro Manganese Slag & others	120,066,593	126,029,802
- Electronics & Electrical Products, Energy Meters & others	146,420,723	137,006,464
Gross Revenue	<u>266,487,316</u>	<u>263,036,266</u>
Less: Inter Segment Revenue	-	-
Total Revenue	266,487,316	263,036,266
II Segment Results before Interest & Tax :		
Profit/(Loss) before Interest & Tax from each segment		
- High Carbon Ferro Manganese, Low MnO Ferro Manganese Slag & others	68,284,838	76,514,916
- Electronics & Electrical Products, Energy Meters & others	4,132,241	9,918,448
Total Profit before Interest & Tax	72,417,079	86,433,364
Less : Interest	6,931,404	6,503,505
Add : Exceptional items	-	27,367,502
Less : Prior period item	-	113,040
Profit before Tax	<u>65,485,675</u>	<u>107,184,321</u>
III Other Information		
Segment Assets	917,863,043	868,186,975
Segment Liability	242,802,506	240,441,984
Capital Expenditure	14,180,918	15,987,130
Depreciation	14,499,033	14,276,708

ix) Related Party disclosures as required under Accounting Standard -18 issued by the Institute of Chartered Accountants of India and applicable to the holding company are given below:

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

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

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

1 Enterprises owned or significantly influenced by any management personnel or their relatives

a) Informed Technologies India Limited

Advance Received/Advance Repaid

Rs. 581,948 / 581,948

2 Key Management Personnel

Remuneration (in Rupees)

a) Mr. Gautam P. Khandelwal

Rs.3,416,982

b) Mr. S. B. Kanbargi

Rs. 730,287

c) Mr. S.M. Hede

Rs.1,840,000

d) Mrs. H.H.Motwane

Rs.1,240,701

e) Mr. P.H.Motwane

Rs. 449,476

f) Mr A.S.Parundekar

Rs. 1,754,835

(III) **Balances Outstanding as at 31st March, 2011**

	Maximum outstanding Balance (Rs.)	Receivables (Rs.)	Payable (Rs.)
1 Related parties where control exists			
a) Informed Technologies India Limited	93,510 (92,483)	NIL (NIL)	NIL (NIL)
2 Key Management Personnel			
a) Mr. Gautam Khandelwal	784,914 (14,285)	3,894 (14,285)	NIL (NIL)
b) Mrs. Hardevi H. Motwane	1,112,000 (1,112,000)	NIL (NIL)	1,112,000 (1,112,000)

3 Relatives of Key Management Personnel

*See Note

Figures in brackets are related to previous year

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

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

x) Earnings Per Share:

		For the year ended 31 st Mar, 2011
Profit (Loss) for the year (Rs.)	(A)	42,250,720
Number of Equity Shares Outstanding	(B)	13,095,507
Earnings per share of Rs 10 each	(A/B)	3.23

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

Signature to the Schedule 1 to 19 forms an integratal part of the accounts.

For M. V. Ghelani & Co.
Chartered Accountants

For and on behalf of the Board.

M. V. Ghelani
Proprietor

Gautam P. Khandelwal
Chairman

M. S. Adige
Director

Place : Mumbai
Date : 27th May, 2011

Place : Mumbai
Date :27th May,2011

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2011

Particulars	Amount in Rupees		
	For The Year Ended On 31st March 2011	For The Year Ended On 31st March 2010	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Profit (loss) before tax paid, prior period items & extra ord. Items	64,655,706.50	79,929,859.99	
	64,655,706.50	79,929,859.99	
Adjustment for :			
Depreciation - Current Year	14,499,033.53	14,276,708.26	
Profit on sale of Fixed Assets	(56,965.64)	-	
Interest Expenses	6,931,404.26	5,956,215.73	
Profit on sale of Investments	(3,099,041.96)	(8,211,761.23)	
Dividend	(797,694.46)	(707,196.00)	
Interest Income	(495,999.75)	(651,661.38)	
	<u>16,980,735.98</u>	<u>10,662,305.38</u>	
Operating profit before working capital change	81,636,442.48	90,592,165.37	
Adjustment for :			
Inventories	(15,022,788.88)	442,028.00	
Trade Receivables	1,407,309.00	(5,097,478.00)	
Other Current Assets , Loans and Advances	37,112,828.93	(1,636,563.80)	
Deferred Tax Liability	-	(224,776.36)	
Trade Payables, Other Liabilities and Provisions	(33,548,057.67)	(31,815,879.03)	
Cash generated from Operation	71,585,733.86	52,259,496.18	
Prior Period adjustment	-	(113,040.00)	
Income tax paid	(42,500,000.00)	(55,706,634.00)	
Net cash flow from Operating Activities	“A”	29,085,733.86	-3,560,177.82
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets	(14,180,917.64)	(16,116,567.96)	
Proceeds from sale of Fixed Assets	318,743.99	24,059,393.97	
Investment in Mutual Fund / Shares (Net)	(3,457,580.52)	5,504,881.28	
Profit on sale of Mutual Funds	-	-	
Loss on sale of Shares	-	-	
Dividend	797,694.46	707,196.00	
Interest Income	495,999.75	651,661.38	
Net cash from Investing Activities	“B”	-16,026,059.96	14,806,564.67
CASH FLOW FROM FINANCING ACTIVITIES			
Repayments of Secured Loan & Unsecured Loan (Net)	11,884,417.99	(6,084,844.84)	
Interest expense	(6,931,404.26)	(5,956,215.73)	
Net Cash provided by / (used in) Financing Activities	“C”	4,953,013.73	-12,041,060.57
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	18,012,687.63	-794,673.72	-794,673.72
Cash and Cash Equivalent at the beginning of the period	13,467,159.71	13,467,159.71	14,261,833.45
Cash and Cash Equivalent at the end of the period	31,479,848.31	13,467,159.71	13,467,159.71

As per our report of even date annexed

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

M. V. Ghelani
Proprietor

Mumbai : 27th May, 2011

For and on behalf of the board

Gautam P. Khandelwal
Chairman

M. S. Adige
Director

Mumbai : 27th May, 2011

Information on Subsidiary Company

(As directed by Central Government Order under Section 212 (8) of the Companies Act,1956.)

(Rs In Lac)

Sr No	Name of the Subsidiary Company	Reporting Currency	Exchange Rate	Capital	Total Assets	Total Liabilities	Turnover	Profit (Loss) before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	Country
1	The Motwane Manufacturing Company Pvt Ltd	INR	1	177.01	1,302	1,302	1,464	(34)	(1)	(33)	-	India

NAGPUR POWER & INDUSTRIES LIMITED

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

ATTENDANCE SLIP

(PLEASE PRESENT THIS SLIP AT THE ENTRANCE)

Regd. Folio No.:

*DP ID :

No. of Shares Held:

*Client ID :

NAME & ADDRESS OF THE MEMBER / PROXY _____

I hereby record my presence at the Fifteenth Annual General Meeting of the Company to be held at the Sunflower II, MVIRDC, World Trade Centre, Centre One, 30th Floor, Cuffe Parade, Mumbai-400005, on Tuesday, September 20, 2011 at 10.00 A.M. (I.S.T)

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

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

NAGPUR POWER & INDUSTRIES LIMITED

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

PROXY FORM

Regd. Folio No.:

*DP ID :

No. of Shares Held:

*Client ID :

I/We _____ of _____

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

_____ of _____ or failing him/her

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

and on my/our behalf at the Fifteenth Annual General Meeting of the Company to be held at Sunflower II, MVIRDC, World Trade Centre, Centre One, 30th Floor, Cuffe Parade, Mumbai-400005, on Tuesday, September 20, 2011 at 10.00 A.M. (I.S.T) and at any adjournment thereof.

As Witness my/our hand(s) this _____ day of _____ 2011

Affix
Re. 1/-
Revenue
Stamp

Signed by the said

NOTES :

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

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

Book - Post

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NIRMAL, 20TH FLOOR,
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MUMBAI - 400 021.

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NAGPUR POWER & INDUSTRIES LIMITED

15th ANNUAL REPORT 2010- 2011