

# NAGPUR POWER & INDUSTRIES LIMITED

CIN L40100MH1996PLC104361

| Regd. Office: 'Nirmal', 20<sup>th</sup> Floor, Nariman Point, Mumbai-400021|

| Tel# +91 22 2202 3055/66 | Fax# +91 22 2204 3162 |

| Email: npil\_investor@khandelwalindia.com | Website: www.nagpurpowerind.com |

## Form B

(Pursuant to Clause 31(a) of the Listing Agreement)

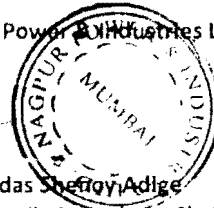
1	Name of the Company:	Nagpur Power & Industries Limited Regd Address- 20, Nirmal Nariman Point, Mumbai 21
2	Annual financial statements for the year ended	March 31, 2014
3	Type of Audit qualification	Qualified Audit Report
4	Frequency of qualification	Repetitive
5	Attention to relevant notes in the annual financial statements and management response to the qualification in the director report:	Attention is invited to Note 14.1 in the financial statements for the year ended 31 <sup>st</sup> March, 2014.
6	Additional comments from the board/ audit committee chair:	<b>Board's Response:</b> The observations made in the Auditor's Report are self-explanatory and do not call for any further comments. The company has appointed consultant metallurgist to identify, test and advice ascertaining the balance of slag that can be used for recovery.

For Nagpur Power & Industries Limited



Mr. Gautam Khandelwal  
Executive Chairman

For Nagpur Power & Industries Limited



Mr. Mohandas Shetye Adige  
Director & Audit Committee Chairman

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

A handwritten signature in black ink.

M.V. Ghelani  
Proprietor



**NAGPUR POWER & INDUSTRIES LIMITED**

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**18<sup>th</sup> ANNUAL REPORT 2013- 2014**

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

**BOARD OF DIRECTORS**

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

Executive Chairman  
Independent Director  
Independent Director  
Independent Director

**COMPANY SECRETARY**

Ms. Nidhi Salampuria

**AUDITORS**

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

**BANKERS**

State Bank of India

**LISTED AT**

Bombay Stock Exchange Limited

**REGISTERED OFFICE**

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

Cin: L40100MH1996PLC104361

Tel.: 022 - 22023055/66

Fax : 022 - 22043162

Email :npil\_investor@khandelwalindia.com

Website : nagpurpowerind.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 (Direct)

022-37720300/400 (Board)

Email ID: sharepro@shareproservices.com

**NOTICE**

**NOTICE** is hereby given that the Eighteenth Annual General Meeting of the Members of Nagpur Power And Industries Limited will be held on **Monday, September 15, 2014** at 10:00 AM at Orchid & Tulip, MVIRDC World Trade Centre, Centre One, 1st Floor, Cuffe Parade, Mumbai- 400005 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2014 and the Profit & Loss Statement for the financial year ended on that date together with the Director's Report and Auditor's Report thereon.
2. To appoint a Director in place of Mr. Arnold John Allen (DIN 01043112), who retires by rotation and being eligible, offers himself for re- appointment.
3. To re-appoint the auditors of the company to hold office from the conclusion of this annual general meeting until the conclusion of the third consecutive annual general meeting and to fix their remuneration and to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, and pursuant to the recommendation of Audit Committee of Board of Directors M. V. Ghelani & Co., Chartered Accountants, (Firm Registration No. 119077W), be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the third consecutive Annual General Meeting of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM) at such remuneration plus service tax, out of pocket, traveling and living expenses, etc as shall be fixed by the Board of Directors of the Company."

**SPECIAL BUSINESS:**

4. **Appointment of Mr. Girish Bakre (DIN: 00010760) as an Independent Director**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Girish Bakre (DIN: 00010760), Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an independent director of the company to hold office for a period of five years with effect from September 15, 2014 upto September 14, 2019 and shall not be liable to retire by rotation."

5. **Appointment of Mr. Nimis Savailal Sheth (DIN: 00482739) as an Independent Director**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. Nimis Savailal Sheth (DIN: 00482739), who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an independent director of the company to hold office for a period of five years with effect from September 15, 2014 upto September 14, 2019 and shall not be liable to retire by rotation."

**6. Re-appointment of Mr. Gautam Premnath Khandelwal (DIN: 00270717) As Executive Chairman Of The Company**

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

**“RESOLVED THAT** in accordance with the provisions of Sections 196, 197, 198 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Members of the Company be and is hereby accorded to the re-appointment of **Mr. Gautam Premnath Khandelwal (DIN: 00270717)** as Whole Time Director of the Company designated as “Executive Chairman” for a period of 3 (Three) years with effect from July 01, 2014, on the terms and conditions of re-appointment including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. Gautam Premnath Khandelwal (DIN: 00270717), subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

By Order of the Board of Directors

Nidhi Salampuria  
Company Secretary & Compliance Officer

Place: Mumbai

Date: August 12, 2014

**Registered Office:**

“Nirmal” 20 Floor, Nariman Point

Mumbai 400021.

Cin: L40100MH1996PLC104361

Website: [www.nagpurpowerind.com](http://www.nagpurpowerind.com)

**NOTES**

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company. The proxies to be effective should be deposited at the Registered Office of the Company not less than 48 (forty eight) hours before the commencement of the meeting. Members are requested to note that a person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
2. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, September 09, 2014 to Monday, September 15, 2014 (both days inclusive) for determining of members eligible for dividend, if declared.
4. The Company's equity shares are listed at Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001 and the Company has paid the Annual Listing Fees to the Stock Exchanges for the year 2014-15.

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 the Annual General Meeting.
6. 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 or M/s. Sharepro Services (India) Private Limited for assistance in this regard.
7. Consequent upon the introduction of Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their request in Form 2B (which will be made available on request) to the Registrar and Transfer Agent, Sharepro Services (India) Private Limited.
8. Members desiring any information as regards the Accounts are requested to write to the Company at least one week before the meeting so as to enable the Management to keep the information ready at the meeting.
9. For the convenience of the Members, attendance slip is enclosed elsewhere in the Annual Report. Members/Proxy Holders/Authorized Representatives are requested to fill in and affix their signatures at the space provided therein and surrender the same at the venue of the AGM. Proxy/Authorized Representatives of a member should state on the attendance slip as 'Proxy or Authorized Representative' as the case may be.
10. The Directors' Report, Auditors' Report and Audited Balance Sheet as at March 31, 2014 and the Profit and Loss Statement for the financial year ended on that date are enclosed.
11. Inspection of Documents - Copies of the Memorandum and Articles of Association of the Company and all other documents relevant for the resolution contained in the notice will be available for inspection at the Registered Office of the Company from 11.00 AM to 1.00 PM on all working days up to the date of the Annual General Meeting.
12. In accordance with the Companies Act, 2013 read with the Rules, the Annual Reports are sent by electronic mode to those members whose shareholding is in dematerialized format and whose email ids are registered with the Depository for communication purposes. The members holding shares in physical form and who have not registered their email ID are requested to register their email ID addresses with Sharepro Services (India) Private Limited., Registrars and Transfer Agents.
13. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with Sharepro Services (India) Private Limited/Depositories.
14. **Process and manner for members opting for e-voting are as under:**

In terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company has engaged the services of CDSL to provide the facility of electronic voting ('e-voting') in respect of the Resolutions proposed at this AGM.

**The instructions for members for voting electronically are as under:-**

**I. In case of members receiving e-mail:**

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "NAGPUR POWER AND INDUSTRIES LIMITED" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

**For Members holding shares in Demat Form and Physical Form**

PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.</li> <li>• In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</li> </ul>
DOB#	<p>Enter the #Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details#	<p>Enter the #Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter <b>the number of shares held by you as on the cut off date</b> in the <b>Dividend Bank details field</b>.</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <NAGPUR POWER AND INDUSTRIES LIMITED> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.



- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Corporate / Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

## II. In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xviii) above to cast vote.

## III. General Information

- (a) Every Client ID No. / Folio No. shall have one e-vote, irrespective of the number of joint holders.
- (b) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Member as on August 9, 2014.
- (c) E-voting right cannot be exercised by a proxy.
- (d) **The voting period begins on Monday, September 08, 2014 (9.00 a.m. IST) and ends on Wednesday, September 10, 2014 (6.00 P.M. IST).** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 09, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (e) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- (f) Mrs. Amisha Jain, Practising Company Secretary has been appointed as Scrutinizer for scrutinizing the e-voting procedure in a fair and transparent manner.
- (g) The Scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour of or against, if any, forthwith to the Chairman of the Company.
- (h) **The Results of the e-voting will be declared on or after the date of the AGM i.e. Monday, September 15, 2014.** The declared Results, alongwith the Scrutinizer's Report, will be available on the Company's corporate website [www.nagpurpowerind.com](http://www.nagpurpowerind.com) under the section 'Investor' and on the website of CDSL; such Results will also be forwarded to the Stock Exchanges where the Company's shares are listed.

**Details of the Directors seeking appointment / re-appointment in the forthcoming Annual General Meeting**

[In pursuance of Clause 49 of the Listing Agreement]

Name of the Director	<b>Mr. Arnold Allen</b>	<b>Mr. Girish Bakre</b>	<b>Mr. Nimis Sheth</b>	<b>Mr. Gautam Premnath Khandelwal</b>
Date of Birth	05.07.1940	06.09.1960	01.04.1963	01.04.1962
Nationality	UK	Indian	Indian	Indian
Date of Appointment	30.10.2006	30.08.2000	Proposed candidate	06.12.1996
Qualifications	Qualified English Chartered Accountant	Commerce Graduate from Mumbai University and a Chartered Accountant	B.E. (Hons) Electrical & Electronic Engg, M.E. Mfg. Engineering, degree from Boston University, Boston, M.A. USA., MBA, Finance & Small Business Mgmt, Boston University, Boston, M.A. USA	He holds a BA (Economics) from the University of Mumbai and studied Economics from London School of Economics.
Expertise in specific functional areas	He was partner in Shipley Blackburn, Chartered Accountant, U.K (the firm which has now become Shipleys LLP). His guidance and expertise of international business is beneficial to the Company.	He has wide experience in Manufacturing Industry, Power Sector, Insurance Sector, Finance Sector both in management and commercial aspects. He is currently holding the position of Executive Director in Bharat Serums and Vaccines Ltd.	He has vast experience of 26 years of which over 23 years is as an equity analyst in the stock market in various positions - analyst, head of research, stock broker, portfolio advisor for an offshore fund and most recently as a portfolio manager.	He is having about 25 years of business experience across various industries.
Directorships held in other companies	Informed Technologies India Limited	1. Pioneer Insurance & Reinsurance Brokers Pvt. Ltd. 2. Praxis Advisors Pvt. Ltd. 3. Tower Corporate Financials Pvt. Ltd. 4. Panache Real Estate Pvt. Ltd. 5. Zydus BSV Pharma Pvt. Ltd. 6. Kasiak Research Private Limited 7. Bharat Serums and Vaccines Ltd. 8. Eurolife Regen Pvt. Ltd.	Nil	1. Informed Technologies India Limited 2. Punjab National Bank 3. Globus Spirits Limited 4. Khandelwal Remedies P Ltd 5. The Motwane Manufacturing Company Pvt. Ltd. 6. Amigo Sport Pvt. Ltd. 7. Varroc Polymers Pvt. Ltd. 8. Varroc Engineering Pvt. Ltd. 9. Gras Education & Training Services Pvt. Ltd. 10. Zeppelin Investments Pvt. Ltd.
Committee position held in other companies	<b>Audit Committee</b> Informed Technologies India Limited	Nil	Nil	<b>Audit Committee</b> Informed Technologies India Limited <b>Share Holder Grievance Committee</b> Informed Technologies India Limited
No. of shares held in the company	Nil	Nil	1,000	491,100

**A STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013, RELATING TO THE SPECIAL BUSINESS UNDER ITEM NOS. 4 TO 6 OF THE ACCOMPANYING NOTICE DATED AUGUST 12, 2014****Item No. 4 and 5**

As per the provisions of Section 149(4) which has come into force with effect from April 01, 2014, every listed company is required to have at least one-third of the total number of Directors as Independent Directors. Further, Section 149(10) of the Act provides that an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation pursuant to Section 149(13) read with Section 152 of the Act.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement which would be effective from October 01, 2014 inter alia stipulates the conditions for the appointment of Independent Directors by a listed company.

The Nomination & Remuneration Committee has recommended the appointments of Mr. Girish Bakre and Mr. Nimis Sheth as Independent Directors from September 15, 2014 up to September 14, 2019.

The Company has received a notice in writing from a member of the Company proposing the candidature of Mr. Girish Bakre and Mr. Nimis Sheth as per the provisions of Section 152 of the Companies Act, 2013.

The above Independent Directors have given a declaration to the Board that they meet the criteria of independence as provided under Section 149 (6) of the Act. In the opinion of the Board, the above Independent Directors fulfill the conditions specified in the Act and the Rules made thereunder for appointment as Independent Directors and they are independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of the above Directors as Independent Directors is now being placed before the Members in General Meeting for their approval.

The terms and conditions of appointment of Independent Directors shall be open for inspection by the Members at the Registered Office of the Company on all working days, during business hours up to the date of the Meeting.

The brief profile of the Independent Directors to be appointed is given below:

**Mr. Girish Bakre**

He has wide experience in Manufacturing Industry, Power Sector, Insurance Sector, Finance Sector both in management and commercial aspects. He has been on the Company's Board since August 30, 2000 and is an Independent Director. He is currently holding the position of Executive Director in Bharat Serums and Vaccines Ltd.

**Mr. Nimis Sheth**

He has vast experience of 26 years of which over 23 years is as an equity analyst in the stock market in various positions - analyst, head of research, stock broker, portfolio advisor for an offshore fund and most recently as a portfolio manager.

The Board recommends the Ordinary Resolutions set out at Item No. 4 and 5 of the Notice for approval by the Members.

The above Independent Directors are interested in the Resolutions mentioned at Item No. 4 and 5 of the Notice with regard to their respective appointments. Other than the above Independent Directors, no other Director, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolutions mentioned at Item No. 4 and 5 of the Notice.

**Item No. 6**

Mr. Gautam Khandelwal has been the Chairman and Executive Director of the Company since July 01, 2004. The present tenure of Mr. Gautam Khandelwal as an Executive Director ends on June 30, 2014.

The Board of Directors of the Company (the 'Board'), at its meeting held on May 28, 2014 has, subject to the approval of members, re-appointed Mr. Gautam Premnath Khandelwal as Whole Time Director of the Company designated as "Executive Chairman" for a period of 3 (three) years from the expiry of his present term, which expired on June 30, 2014, at a remuneration recommended by the Nomination and Remuneration Committee of the Board and approved by the Board.

It is proposed to seek the members' approval for the re-appointment of and remuneration payable to Mr. Gautam Premnath Khandelwal as Whole Time Director of the Company, in terms of the applicable provisions of the Act.

The material terms of appointment and remuneration as contained in the draft Agreement are given below: -

i) Remuneration:

(a) Basic Salary: Rs. 2,50,000 per month;

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

**Minimum Remuneration:**

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure as a Whole Time Director, the Company has no profits or its profits are inadequate, the Company may subject to requisite approvals, pay remuneration by way of basic salary, benefits, perquisites and allowances as specified above, and within the limits laid down under Section II of Part II of Schedule V to the Companies Act, 2013.

ii) Commission in any year not exceeding 3% of the net profit of the Company computed in the manner referred under Section 197(1) of the Companies Act, 2013 or any statutory modification(s) or any re-enactment thereof.

iii) Provision of car use, telephone, audio and video conference facilities at residence, Internet and other communication facilities at residence, on Company's business, would not be considered as perquisites.

iv) Other Terms:

The period of office of Mr. Khandelwal shall be liable to determination by retirement of directors by rotation. If Mr. Khandelwal is re-appointed as a director, immediately on retirement by rotation he shall continue to hold office of Whole-time Director designated as "Executive Chairman" and such re-appointment as director shall not be deemed to constitute break in his appointment as a Whole-time Director designated as "Executive Chairman".

Copy of the Draft Agreement referred to in the Resolution and the Register maintained in pursuance of erstwhile Section 190 of the Companies Act, 2013 referred below, would be available for inspection by the members at the Registered Office of the Company during normal business hours on any working day, upto and including the date of the Annual General Meeting.

The Board recommends the Special Resolution set out at Item No. 6 of the Notice for approval by the Members.

Mr. Khandelwal is interested in the Resolution mentioned at Item No. 6 of the Notice with regard to his respective appointment. Other than him no other Directors, Key Managerial Personnel's or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 6 of the Notice.

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

Statement as per Section II, Part II of Schedule V of the Companies Act, 2013:

**I. GENERAL INFORMATION:**

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

**II. INFORMATION OF APPOINTEE: MR. GAUTAM PREMNATH KHANDLWAL**

1	Background details	He holds a BA (Economics) from the University of Mumbai and studied Economics from London School of Economics. He is having about 25 years of business experience across various industries.
2	Past remuneration	Rs. 30,00,000/- per annum including benefits, perquisites and (including Children education allowances of Rs. 20,000/- per month per child)
3	Recognition or awards	N.A.
4	Job Profile and her suitability	Total Management of the Company with respect to Administration and Technology.
5	Remuneration proposed	Rs. 60,00,000/- per annum w.e.f July 01, 2014
6	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	The proposed remuneration is in line with the trends in the industry and is befitting Mr. Gautam Premnath Khandelwal's educational background, experience and competence.
7	Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any.	Promoter Director associated with the company since 1996 and managing the company since July 01, 2004

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**III. OTHER INFORMATION**

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

**IV. DISCLOSURES**

1	Other Disclosure	The details of remuneration payable/paid to Mr. Gautam Premnath Khandelwal have been disclosed above. The Company does not have any scheme for grant of stock options.
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By Order of the Board of Directors

Nidhi Salampuria  
Company Secretary & Compliance Officer

Place: Mumbai

Date: August 12, 2014

**Registered Office:**

"Nirmal" 20 Floor, Nariman Point

Mumbai 400021.

Cin: L40100MH1996PLC104361

Website: www.nagpurpowerind.com

## Directors' Report, Management Discussion and Analysis Report

To,

The Members,

Your Directors presents the Eighteenth Annual Report together with the Audited Statements of Accounts of the Company for the financial year ended March 31, 2014.

### Financial Highlights

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

	(Rs. in Lakhs)	
<b>Particulars</b>	<b>2013-14</b>	<b>2012-13</b>
Sales & Other Income (Net of Excise Duty)	301.18	847.77
Profit/(Loss) before Interest, Depreciation & Tax	(51.80)	462.67
Less: Interest	2.90	2.04
Profit before Depreciation & Tax	(54.70)	460.63
Less: Depreciation	29.40	28.94
Profit/ (Loss) before Taxation	(84.10)	431.69
Less: Provision for Current Tax / (MAT)	-	90.00
Deferred Tax and adjustments prior year	-	-
Less MAT Credit	-	(90.00)
Profit/ (Loss) after tax for the year	(84.10)	431.69

### Dividend

In view of loss suffered by the Company, your Directors do not recommend any dividend for the financial year 2013-14.

### Directors

During the year under review, Mr. Ajit Parundekar resigned from the Directorship of the Company with effect from September 26, 2013. During his tenure as an Additional Director, he has greatly contributed to the performance of the Company by his vast knowledge and experience.

Mr. Arnold John Allen, Director retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. The Board recommends to the Members his appointment as a Director.

As per the provision of Section 149 and other applicable provisions, if any, of the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. Girish Bakre and Mr. Nimis Sheth are proposed to be appointed as Independent Directors of the Company for a period of five years commencing from September 15, 2014.

Your approval for their appointments as Directors has been sought in the Notice convening the Annual General Meeting of the Company.

### 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:**

The overall global business scenario is not favorable and there has been a downturn in all sectors in the Indian economy with the GDP dropping below 5%. Uncertainties continue to affect the global economic landscape.

The company's subsidiary manufactures electrical equipment, a significant portion of which is supplied to the power sector which has been adversely affected by the political & economic situation. We hope to see a gradual recovery this year.

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

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

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

Depletion of slag dumps poses a major problem for the Company in the years to come. In order to counter this, the Company entered into new business through its subsidiary company "The Motwane Manufacturing Company Private Limited" and is looking to develop it. The Company has formed a Core Management Committee, which meets frequently to take the stock of all the impending and immediate threats to the business and takes necessary steps for positioning of the Company to meet same in time. Any major threats affecting the Company in general and business environment indirectly affecting the functioning of the Company are discussed with the Board from time to time.

**d) Internal Control Systems:**

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

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

During the year under review, the total income of the Company decreased to Rs. 301.18 Lakhs from Rs. 847.77 in the previous year. This decrease is mainly attributable to decline in volume of slag dumps as Company mainly operates on Metal Recovery plant and the profit margins have decreased due to lower realizations of Low Ferro Manganese slags in 2013 - 2014.

**Subsidiary Company and Consolidated Statements**

Your Company has one subsidiary i.e 'The Motwane Manufacturing Company Private Limited' (MMCPL or The Company). During the year, revenue of the MMCPL has marginally decreased to Rs. 1148.01 Lakhs from 1499.00 Lakhs in previous year and the company has incurred a loss of Rs. 472.31 Lakhs (Previous year - Net loss of Rs. 332.71 Lakhs).

The MMCPL is an R & D based company and has developed various high technology test and Measurement products which would have applicability in the domestic and international markets. The company's products are sold primarily to the power sector and energy intensive industries.

The company's sales were affected due to the cyclical downturn in the power sector, in particular the project sales & sales to the DISCOM's. The company has now de-risked itself by developing a range of industrial products & strategically re-oriented its operations into two divisions namely Retail Business Group & High Voltage Business Group. The new strategy is beginning to show some signs of results and the company expects a better performance in the current year.

The MMCPL is now officially representing the HAEFELY HIPOTRONICS High Voltage and Tettex brand, the EMC brand in the Indian market. This partnership will help the company to sustainably grow the business in India.



The company had modernized its manufacturing facilities in anticipation of good performance in the power sector. We expect the underutilized capacity to be utilized as the performance of the sector improves, and as industrial products absorbs some of the capacity.

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 the ensuing Annual General Meeting and are eligible for re-appointment. Pursuant to provisions of Section 139 of the Companies Act, 2013 and rules framed thereunder, it is proposed to appoint M/s. M. V. Ghelani & Co., as statutory auditors of the Company from the conclusion of the ensuing AGM till the conclusion of the third consecutive AGM to be held in the year 2017, subject to annual ratification by members at Annual General Meeting.

The observations made in the Auditor's Report are self-explanatory and do not call for any further comments. The company has appointed consultant metallurgist to identify, test and advice ascertaining the balance of slag that can be used for recovery.

**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	F.Y. 2013-14	F.Y. 2012-13
Electricity purchased :		
- Units (KWH)	1,55,248	196,287
- Total Amount (Rs in lakhs )	21.91	25.69
- Rate / KWH (Rs.)	14.12	13.09
Consumption per unit of Production :		
Ferro Manganese Slag ( Low MnO )		
- Units in KWH	52.01	46.74

**(B) Technology Absorption:**

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

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

## b. Technology Absorption, Adaptation and Innovation:

The Company has not imported any technology during the year.

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

During the year under review, the foreign Exchange outgo was Rs 4.91 lakhs (Previous year – Rs 6.71 lakhs). The foreign exchange earning was Nil (Previous year – Nil).

**Directors' Responsibility Statement**

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

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended March 31, 2014 and of the profit / loss of the Company for that year;
- iii) the Directors have taken proper and sufficient care to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the annual accounts have been prepared on a going concern basis.

**Corporate Governance**

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

**Acknowledgements**

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

By order of the Board of Directors

Place: Mumbai

Gautam Khandelwal

Date: May 28, 2014

Chairman

## Report on Corporate Governance

### 1. Company's philosophy on the Corporate Governance

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

### 2. Board of Directors

#### a) Composition

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

#### b) Meetings of the Board

The meetings of the Board of Directors are held atleast once in quarter, scheduled well in advance and are held at the Company's registered office in Mumbai. During the Financial Year 2013-14, 5 (five) board meetings were held. The meetings were held on May 16, 2013, May 24, 2013; August 13, 2013; November 15, 2013 and February 12, 2014.

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

Sr. No.	Name of Directors	Attendance details		
		Board Meeting		Last A.G.M
		Held	Attended	
1	Mr. Gautam P. Khandelwal	5	5	Yes
2	Mr. Mohan S. Adige	5	4	Yes
3	Mr. Girish M. Bakre	5	4	Yes
4	Mr. Arnold Allen	5	1	No
5	Mr. Ajit Suresh Parundekar (Resigned wef 26.09.2013)	2	2	No

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

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

Sr. No.	Name of Director	Executive / Non-Executive / Independent <sup>1</sup>	No. of outside Directorship Held		Outside Committee Positions Held <sup>2</sup>	
			Public	Private	Chairman	Member
1	Mr. Gautam P. Khandelwal	Executive	Three	Seven	One	One
2	Mr. Mohan S. Adige	Independent	Seven	Five	Nil	Nil
3	Mr. Girish M. Bakre	Independent	One	Seven	Nil	Nil
4	Mr. Arnold Allen	Independent	One	Nil	Nil	One
5	Mr. Ajit Suresh Parundekar (Resigned wef 26.09.2013)	Non-Executive	Nil	One	Nil	Nil

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.

Mr. Girish M. Bakre is a Commerce Graduate from Mumbai University and a Chartered Accountant. He has wide experience in Manufacturing Industry, Power Sector, Insurance Sector, Finance Sector both in management and commercial aspects. He is also on the Board of Directors of various other companies as mentioned in the annexure to the notice. He is currently holding the position of Executive Director in Bharat Serums and Vaccines Ltd.

Mr. Nimis Sheth is a B.E. (Hons) Electrical & Electronic Engg, M.E. Mfg. Engineering, degree from Boston University, Boston, M.A. USA., MBA, Finance & Small Business Mgmt, Boston University, Boston, M.A. USA. He has vast experience of 26 years of which over 23 years is as an equity analyst in the stock market in various positions - analyst, head of research, stock broker, portfolio advisor for an offshore fund and most recently as a portfolio manager. He is also on Board of various other companies as mentioned in the annexure to the notice.

Mr. Gautam Khandelwal holding a Bachelor's Degree from the University of Mumbai and studied Economics from London School of Economics. He is having around 25 years of business experience across various industries. He is also on Board of various other companies as mentioned in the annexure to the notice.

**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 Executive Chairman of the Company has given the certificate as annexed to this report as per the requirement of Clause 49 of the Listing Agreement.

**3. Audit Committee**

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

**Terms of reference**

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

The Committee met 4 (four) times during the year under review. The meetings were held on May 24, 2013; August 13, 2013; November 15, 2013 and February 12, 2014.

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

**4. Remuneration Committee**

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

A monthly remuneration is paid to Executive Director while other directors are eligible only for sitting fees. All the directors of the company have waived the 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	3,000,000/-	Nil	Nil	3,000,000/-

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

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

**6. Annual General Meetings:**

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

Financial Year	Date, Time and Venue	Special Resolutions passed
2010-2011	September 20, 2011 at 10.00 A.M Sunflower II, World Trade Centre, Centre One, 30th Floor, Cuffe Parade, Mumbai-400005.	No special Resolution was passed
2011-2012	August 30, 2012 at 11:00 AM Orchid & Tulip, World Trade Centre, Centre One, 1st Floor, Cuffe Parade, Mumbai-400005.	2 Special Resolution were passed unanimously by show of hands
2012-2013	September 26, 2013 at 10:00 AM Orchid & Tulip, World Trade Centre, Centre One, 1st Floor, Cuffe Parade, Mumbai-400005.	No special Resolution was passed

Further, during the financial year 2013-14, no special resolutions were passed through postal ballot. No special resolution requiring a Postal Ballot is being proposed at the ensuing AGM.

**7. Disclosures**

- The disclosures with regard to transactions with related parties are given in the Note 29 of the audited financial statements for the year ended March 31, 2014. 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 complied with Non-Mandatory requirement of setting up Remuneration Committee to determine the remuneration payable to the Whole Time Director of the Company.

**8. Means of communication**

- The quarterly un-audited results were published in Business Standard and Mahanayak, in accordance with the requirement of the Listing Agreement.
- Annual audited financial results were published in Business Standard and Mahanayak. These are not sent individually to the shareholders. No presentations were made to institutional investors or to the analysts.
- Also published on the Company's Website

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

Date	:	September 15, 2014 (Monday)
Time	:	10:00 AM
Venue	:	Orchid & Tulip, MVIRDC World Trade Centre, Centre One, 1st Floor, Cuffe Parade, Mumbai- 400005

**(b) Financial Calendar (April 1, 2014 to March 31, 2015):**

Adoption of Quarterly results for		<b>(Tentative)</b>
First quarter results	:	On or before August 14, 2014
Second quarter results	:	On or before November 14, 2014
Third quarter results	:	On or before February 14, 2015
Fourth quarter and Annual results	:	On or before May 28, 2015

**(c) Date of Book closure** : September 09, 2014 to September 15, 2014 (both days inclusive)

**(d) Listing details:**

Stock Exchange	:	Bombay Stock Exchange Limited, Phiroze Jeejeebhoy, Dalal Street, Mumbai - 400001.
Scrip Code	:	532362
ISIN Number	:	INE099E01016 - NSDL & CDSL

**(e) Market Price Data:**

High/Low price and volume of the Company's shares at BSE during each month in Financial Year 2013-14 is as follows:

Month	High (Rs.)	Low (Rs.)	Volume (shares)
Apr-13	50.25	40.00	7,855
May-13	48.90	38.00	1,416
Jun-13	38.85	35.15	169
Jul-13	33.40	23.80	1,979
Aug-13	34.35	28.35	77
Sep-13	30.00	24.50	987
Oct-13	28.00	23.05	4,450
Nov-13	32.00	23.15	5,845
Dec-13	41.75	30.55	514
Jan-14	39.45	32.00	1,094
Feb-14	34.00	24.45	6,007
Mar-14	29.40	23.80	47,852

**(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](mailto:sharepro@shareproservices.com)

**(g) Share Transfer System:**

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

**(h) Distribution of Shareholding as on March 31, 2014 is as under:**

No. of shares	No. of Shareholders	%	No. of Shares	%
Upto 500	3,095	74.80%	742,412	5.67%
501-1000	417	10.08%	313,004	2.40%
1001-2000	366	8.84%	465,432	3.55%
2001-3000	108	2.61%	257,238	1.96%
3001-4000	30	0.72%	104,897	0.80%
4001-5000	37	0.89%	169,838	1.30%
5001-10000	35	0.85%	240,955	1.84%
10001 and above	50	1.21%	10,801,731	82.48%
<b>Total</b>	<b>4,138</b>	<b>100.00%</b>	<b>13,095,507</b>	<b>100.00%</b>

**(i) Shareholding Pattern as on March 31, 2014 is as under:**

Sr. No.	Category	No. of Shares held	% of Shareholding
1	Indian Promoters	2,260,832	17.26%
2	Foreign Promoters	5,641,100	43.08%
3	Mutual Funds/UTI	0	0.00%
4	Financial Institutions/Banks	11,650	0.09%
5	Insurance Companies	1,585,094	12.10%
6	Private Bodies Corporate	176,318	1.35%
7	Indian Public	3,364,201	25.69%
8	NRI/OCBs	19,704	0.15%
9	Trusts	36,608	0.28%
	<b>TOTAL</b>	<b>13,095,507</b>	<b>100.00%</b>

**(j) Dematerialization of shares as on March 31, 2014 is as under:**

Particulars	No. of shares	% to Issued Capital
Dematted		
National Securities Depository Limited	9,481,665	72.40%
Central Depository Securities Limited	2,170,710	16.58%
Physical	1,443,132	11.02%
<b>Total</b>	<b>13,095,507</b>	<b>100.00%</b>

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

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

**(l) Plant Location:**

Khandelwal Nagar, Dist. Nagpur-441402, Maharashtra.

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

**(n) Address for correspondence:**

The Company Secretary  
Nagpur Power And Industries Limited  
Nirmal, 20th Floor, Nariman Point, Mumbai-400021  
Tel # +91-22-22023055/66 , Fax # +91 22-22043162  
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.

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**Declaration**

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board of Directors and Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics in respect of Financial Year 2013-14.

**For Nagpur Power And Industries Limited**

Date: May 28, 2014  
Place: Mumbai

Gautam P. Khandelwal  
Executive Chairman

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

To,  
**The Members of  
Nagpur Power And Industries Limited**

We have examined the compliance of conditions of Corporate Governance by Nagpur Power And Industries Limited, for the year ended March 31, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange, (hereinafter referred to as clause 49).

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

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

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

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

Date: May 28, 2014  
Place: Mumbai

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



**INDEPENDENT AUDITOR'S REPORT**

TO THE MEMBERS OF

**NAGPUR POWER AND INDUSTRIES LIMITED****Report on the Financial Statements**

1. We have audited the accompanying financial statements of NAGPUR POWER AND INDUSTRIES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

**Management's Responsibility for the Financial Statements**

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

**Basis for Qualified Opinion**

6. ***Attention is invited to Note 14.1 viz 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 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 can not be yet reasonably ascertained. Our audit report for the previous year was also similarly qualified.***

**Qualified Opinion**

7. In our opinion and to the best of our information and according to the explanations given to us, **except for the consequential effect of the matter described in the Basis for Qualified Opinion paragraph above which is not quantifiable**, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
  - (b) in the case of the Statement of Profit and Loss, of the Loss of the Company for the year ended on that date; and
  - (c) in the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

**Report On Other Legal and Regulatory Requirements**

8. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
9. As required by section 227(3) of the Act, we report that:
- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of Companies Act, 2013.
  - e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

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

Place : Mumbai

Date: May 28, 2014

**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014**

Annexure referred to in paragraph 8 under the heading "Report on Legal and Regulatory Requirements" of our report of even date to the members of Nagpur Power And Industries Limited on the financial statements for the year ended 31<sup>st</sup> March, 2014.

- i. (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.
- ii. (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 **and respect of stock of accumulated waste referred to in the Basis for Qualified Opinion of this report, Note 14.1 of the financial statement, 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.
- iii. 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 two parties covered in the register maintained under section 301 of the Companies Act, 1956, the maximum amount involved during the year was ₹ 31,820,258/- and their outstanding at the year end is ₹ 31,500,000/-
  - (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of the loans given by the Company, 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.
- iv. 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.
- v. (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 Rupees Five lacs in respect of any party during the year have been made at prices which appear reasonable having regard to the prevailing market prices at the relevant time as per information available with the company.

- vi. 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.
- vii. **The Company does not have an Internal Audit System commensurate with the size of the Company & nature of its business.**
- viii. 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.
- ix. (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, Service Tax, Excise Duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, sales Tax, Wealth Tax, Custom Duty, Excise Duty, cess and other statutory dues were in arrears, as at 31<sup>st</sup> March, 2014 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, excise duty, have not been deposited with the appropriate authorities on account of disputes;

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	2.43	Commissioner of Sales Tax (Appeal) Calcutta.
Uttar Pradesh Sales Tax Act, 1957- Sales tax case at Kanpur.	Sales tax	3.33	Commissioner of Sales Tax (Appeal) Kanpur.
B.S.T Act, 1959	Sales Tax & Central Sales Tax	195.45	JT. Commissioner of sales tax (Appeals), Nagpur
Central Excise Act, 1944, Customs Act, 1962 & Finance Act, 1994 Duty case at Nagpur.	Excise Duty	26.58	Commissioner of Customs & Central Exice (Appeals), Nagpur.
Customs Act, 1962	Customs and Advalorem Duty	117.43	Commissioner of Customs (E.P.) and Directorate General of Foreign Trade (DGFT)
The Bombay Stamp Act, 1958	Stamp duty	45.83	Supreme Court of India
The Income Tax Act, 1961	Income tax demand under section 156 for the Asst. Year 2010-11	36.32	Commissioner of Income Tax (Appeal) Mumbai.
Other statutory dues	Entry tax	4.58	Tahsildar
<b>TOTAL</b>		<b>431.95</b>	

- x. The Company does not have accumulated losses at the end of the financial year, it has incurred cash loss of ₹ 5,234,769/- during the financial year covered by our audit. The Company had not incurred cash loss during the immediately preceding financial year.
- xi. 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.
- xii. 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

- xii. 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.
- xiv. 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
- xv. 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.
- xvi. According to the information and explanations given to us and the records made available to us, the Company has applied the term loans for the purpose for which they were obtained during the period covered by our audit report.
- xvii. 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.
- xviii. 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.
- xix. 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.
- xx. 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.
- xxi. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by Company has been noticed or reported during the course of our audit.

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

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

**Place : Mumbai**

**Date: May 28, 2014**

**BALANCE SHEET AS AT 31ST MARCH, 2014**

(In ₹)

Particulars	Note No	As at 31st March, 2014	As at 31st March, 2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's funds</b>			
(a) Share Capital	2	130,955,070	130,955,070
(b) Reserves And Surplus	3	520,109,027	528,519,328
		<b>651,064,097</b>	<b>659,474,398</b>
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	4	372,688	-
(b) Long-term provisions	5	427,091	273,244
		<b>799,779</b>	<b>273,244</b>
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	6	2,286,203	-
(b) Trade Payables	7	2,004,539	2,012,780
(c) Other current liabilities	8	2,777,299	5,769,682
(d) Short-term provisions	9	732,646	1,677,605
		<b>7,800,687</b>	<b>9,460,067</b>
<b>Total</b>		<b>659,664,563</b>	<b>669,207,709</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	10	217,008,508	218,651,630
(b) Non-current Investments	11	141,111,925	147,082,824
(c) Long term loans and advances	12	10,317,123	10,160,236
		<b>368,437,556</b>	<b>375,894,690</b>
<b>(2) Current assets</b>			
(a) Current investments	13	245,181,626	286,028,089
(b) Inventories	14	1,468,919	1,792,786
(c) Cash and Bank Balances	15	5,553,808	7,910,114
(d) Short-term loans and advances	16	39,022,654	(2,417,970)
		<b>291,227,007</b>	<b>293,313,019</b>
<b>Total</b>		<b>659,664,563</b>	<b>669,207,709</b>

Summary of Significant Accounting Policies

1

Other Notes on Financial Statements

24 to 40

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

As per our report of even date attached

For M.V.Ghelani &amp; Co.

Chartered Accountants

Firm Regn. No. 119077W

M.V.Ghelani

Proprietor

Mumbai : May 28, 2014

For and on behalf of the Board

Gautam P. Khandelwal

Chairman &amp; Executive Director

Girish Bakre

Director

Nidhi Salampuria - Company Secretary

Mumbai : May 28, 2014

## Profit and Loss statement for the year ended 31st March, 2014

(In ₹)

Particulars	Note No	Year Ended 31st March, 2014	Year Ended 31st March, 2013
<b>I Revenue from operations</b>	17	17,306,241	18,052,785
<b>Less : Excise duty</b>		(1,899,176)	(1,980,107)
		15,407,065	16,072,678
<b>II Other Income</b>	18	14,711,328	68,704,553
<b>III Total Revenue (I +II)</b>		<b>30,118,393</b>	<b>84,777,231</b>
<b>IV Expenses:</b>			
Cost of materials consumed	19	1,525,000	1,875,000
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	20	(1,507,772)	(1,544,385)
Employee benefits expense	21	10,910,288	12,346,470
Finance costs	22	289,909	204,531
Depreciation and amortization expense	9	2,939,631	2,894,378
Other expenses	23	24,371,637	25,832,233
<b>Total Expenses</b>		<b>38,528,693</b>	<b>41,608,228</b>
<b>V Profit before tax (III - IV)</b>		<b>(8,410,300)</b>	<b>43,169,004</b>
<b>VI Tax expense:</b>			
(a) Current tax		-	9,000,000
(b) Deferred tax		-	-
(c) Short/(excess) provision for earlier years		-	-
Less : MAT Credit Entitlement		-	(9,000,000)
<b>VII Profit(Loss) for the year (V-VI)</b>		<b>(8,410,300)</b>	<b>43,169,004</b>
<b>VIII Earnings per equity share:</b>			
(a) Basic		(0.64)	3.30
(b) Diluted		(0.64)	3.30
<b>Summary of Significant Accounting Policies</b>	1		
<b>Other Notes on Financial Statements</b>	24 to 40		
<b>Notes referred to above form an integral part of the Profit &amp; Loss Account. This is the Statement of Profit &amp; Loss referred to in our report of even date.</b>			

As per our report of even date attached

For M.V.Ghelani &amp; Co.

Chartered Accountants

Firm Regn. No. 119077W

M.V.Ghelani

Proprietor

Mumbai : May 28, 2014

For and on behalf of the Board

Gautam P. Khandelwal

Chairman &amp; Executive Director

Girish Bakre

Director

Nidhi Salampuria - Company Secretary

Mumbai : May 28, 2014

**Notes on Financial Statements for the Year ended 31st March, 2014****Note 1: SIGNIFICANT ACCOUNTING POLICIES****1.1 Basis for preparation of Financial Statements:**

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

**1.2 Use of Estimates**

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

**1.3 Fixed Assets and Depreciation:**

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

**1.4 Investments:**

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

**1.5 Inventories:**

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

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

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



**Notes on Financial Statements for the Year ended 31st March, 2014****1.7 Revenue Recognition:**

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

**1.8 Retirement and other employee benefits:**

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

**1.9 Foreign Exchange Transactions:**

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

**1.10 Taxation:**

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

**1.11 Contingent Liability:**

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

## Notes on financial statements for the year ended 31st March, 2014

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹		
<b>2 SHARE CAPITAL</b>				
<b>Authorised share capital</b>				
2,00,00,000 Equity Shares of ₹10 each (Previous Year 2,00,00,000 Shares of ₹10 each)	200,000,000	200,000,000		
50,00,000 Unclassified Shares of ₹10 each (Previous Year 50,00,000 Shares of ₹10 each)	50,000,000	50,000,000		
<b>Total</b>	<b>250,000,000</b>	<b>250,000,000</b>		
<b>Issued, Subscribed &amp; Paid-up</b>				
1,30,95,507 Equity Shares of ₹10 each fully paid up. (Previous Year 1,30,95,507 Shares of ₹10 each)	130,955,070	130,955,070		
<b>Total</b>	<b>130,955,070</b>	<b>130,955,070</b>		
<b>2.1 The reconciliation of the number of shares outstanding is set out below:</b>				
Equity shares at the beginning of the year	13,095,507	13,095,507		
Add: Shares issued during the year	-	-		
Less: Shares cancelled/bought back during the year	-	-		
Equity shares at the end of the year	<b>13,095,507</b>	<b>13,095,507</b>		
<b>2.2</b> The Equity Shares of the Company have voting rights and are subject to the restriction as prescribed under the Companies Act, 1956.				
<b>2.3</b> The company has no holding Company. The subsidiary company does not hold any shares in the company.				
<b>2.4 List of share holders holding more than 5% shares</b>				
<b>Name of the shareholder</b>	<b>No. of Shares</b>	<b>% held</b>	<b>No. of Shares</b>	<b>% held</b>
i) Khandelwals Limited	5,641,100	43.08	5,641,100	43.08
ii) Life Insurance Corporation of India Ltd.	1,585,094	12.10	1,585,094	12.10
<b>2.5</b> Disclosures pursuant to Note no. 6(A)(h,i,j,k,l) of Part I of Schedule VI to the Companies Act, 1956 is NIL.				
<b>3 RESERVES AND SURPLUS</b>				
<b>(a) General Reserve</b>				
Balance as per last Balance Sheet	488,044,364		488,044,364	
Add: Transfer from Profit & Loss Account	-		-	
Closing Balance	488,044,364		488,044,364	
Total (a)				
<b>(b) Surplus i.e. Profit and Loss Account</b>				
Balance as per last Balance Sheet	40,474,964		(2,694,040)	
Add: Profit/(Loss) for the year	(8,410,300)		43,169,004	
Less: Appropriations	-		-	
Closing Balance	32,064,664		40,474,964	
Total (b)				
<b>Reserves and Surplus (a)+(b)</b>	<b>520,109,027</b>		<b>528,519,328</b>	

## Notes on financial statements for the year ended 31st March, 2014

Particulars	As at		As at	
	31st March, 2014		31st March, 2013	
	₹		₹	
<b>4 LONG TERM BORROWINGS</b>	<b>Non-Current</b>	<b>Current</b>	<b>Non-Current</b>	<b>Current</b>
<b>Secured Loan</b>				
<b>Term Loan</b>				
<b>From Other Parties</b>				
<b>Car Loan</b>	372,688	217,771	-	-
- Fixed interest @ 10.55% p.a.				
- Secured by hypothecation of motor car purchased under the loan				
- Repayment in 36 equated monthly instalments (EMI) of ₹ 22,477/- each till Sept 2016 of which 12 EMI totalling to ₹ 217,771/- are current maturities (Refer Note 8)				
<b>Total</b>	<b>372,688</b>	<b>217,771</b>	<b>-</b>	<b>-</b>

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

**5 LONG TERM PROVISIONS**

	<b>Non-Current</b>	<b>Current</b>	<b>Non-Current</b>	<b>Current</b>
<b>Provision for employee benefits</b>	427,091	142,364	273,244	91,082
(Refer Note 9)				
<b>Total</b>	<b>427,091</b>	<b>142,364</b>	<b>273,244</b>	<b>91,082</b>

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

**6 SHORT TERM BORROWINGS****Secured****Loan Repayable on Demand for Working Capital****From Banks**

- Interest @ 9.5% p.a.
- Secured against term deposit receipt of the bank

**Total**

2,286,203

2,286,203

-

-

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

## Notes on financial statements for the year ended 31st March, 2014

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
<b>7 TRADE PAYABLES</b>		
(a) To Micro, Small and Medium Enterprises	-	-
(b) To Others	2,004,539	2,012,780
<b>Total</b>	<b>2,004,539</b>	<b>2,012,780</b>

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

7.2 The balances of Trade Payables are subject to confirmation.

**8 OTHER CURRENT LIABILITIES****(a) Current maturities of long-term debt****(Refer Note 4)**

Car Loan

217,771

-

**(b) Other Payables**

- Statutory dues

562,622

601,903

- Security deposits

256,196

261,435

- Advances from customers

1,740,710

4,892,424

- Other liabilities

-

13,920

**Total****2,777,299****5,769,682**

8.1 The balances of Security Deposits and Advances from customers are subject to confirmation.

**9 SHORT-TERM PROVISIONS****(a) Provision for employee benefits**

(i) Provision for Gratuity/ Leave encashment/ Bonus

191,630

972,762

(ii) Others

117,336

99,498

**(b) Provision for expenses**

423,680

605,345

**Total****732,646****1,677,605**

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

## Notes on Financial Statements for the Year ended 31st March 2014

## Note 10: FIXED ASSETS

Fixed Assets Particulars	GROSS BLOCK			DEPRECIATION / AMMORTISATION			IMPAIRMENT			Net Block	
	Opening as on 01.04.2013	Additions	Disposals/ Write-off	Closing as on 31.03.2014	Opening as on 01.04.2013	for the year	Deductions/ Adjustments during the year	Closing as on 31.03.2014	Reversed during the year	Opening as on 01.04.2013	Closing as on 31.03.2014
<b>1. Tangible Assets</b>											
<b>(A) OWN ASSETS</b>											
Freehold Land	181,251,700	-	-	181,251,700	-	-	-	-	-	-	181,251,700
Buildings	36,892,145	-	-	36,892,145	13,014,211	932,096	-	13,946,307	-	-	22,945,838
Plant and Equipment	25,496,511	-	-	25,496,511	16,477,732	1,211,084	-	17,688,816	-	-	7,807,695
Furniture and Fixtures	785,673	-	-	785,673	291,630	46,655	-	338,285	-	-	447,388
Vehicles	2,836,958	997,500	-	3,834,458	1,889,942	317,571	-	2,207,513	-	-	1,626,945
Office Equipment	1,561,198	286,840	-	1,848,039	594,712	109,392	-	704,103	-	-	1,143,936
Computers	1,607,533	36,428	94,231	1,549,730	1,363,620	67,390	69,971	1,361,038	-	-	188,692
Railway Siding	5,377,766	-	-	5,377,766	3,526,006	255,444	-	3,781,450	-	-	1,596,316
<b>(B) LEASED ASSETS</b>											
Total(A+B)	255,809,484	1,320,768	94,231	257,036,022	37,157,853	2,939,631	69,971	40,027,513	-	-	217,008,508
2. Intangible Assets	-	-	-	-	-	-	-	-	-	-	-
Grand Total (1+2)	255,809,484	1,320,768	94,231	257,036,022	37,157,853	2,939,631	69,971	40,027,513	-	-	217,008,508
Previous Year	256,704,403	1,731,129	2,626,049	255,809,483	36,283,963	2,894,378	2,020,488	37,157,853	604,815	604,185	218,651,630

## NOTE :

- Vehicles include certain vehicles Gross Block ₹ 9,744 (Previous Year ₹ 9,744) which are transferred to the company pursuant to the Scheme of Arrangement and yet in the process of registration in company's name.
- Depreciation for the year, has been provided on Gross Block net of accumulated depreciation and Impairment losses. Refer note no. 1.3
- In accordance with the Accounting Standard on "Impairment of Assets" AS-28, the Company has recognised impairment losses as at 1st April, 2004 on certain assets of the company at Nagpur by a corresponding adjustment to general reserve during the year ended 31st March, 2005 pursuant to the transitional provisions of the said Standard. After deductions / adjustment of impairment during the subsequent periods, the balance is ₹ NIL (Previous Year ₹ 604,815/-) during the current year.

## Notes on financial statements for the year ended 31st March, 2014

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
<b>11 NON-CURRENT INVESTMENTS</b>		
<b>(At Cost Less permanent diminution in value (if any))</b>		
<b>TRADE INVESTMENT</b>		
<b>Investment in Equity Instruments</b>		
<b>Unquoted, Fully paid up</b>		
<b>In Subsidiary</b>		
The Motwane Manufacturing Company Pvt.Ltd.	119,404,790	117,991,780
[192,942 Equity Shares (Previous Year : 190,590) of ₹ 100 each]		
<b>Total trade investment (a)</b>	<b>119,404,790</b>	<b>117,991,780</b>
<b>OTHER INVESTMENTS</b>		
<b>Investment in Equity Instruments</b>		
<b>Quoted, Fully paid up</b>		
<b>ABB India Limited</b>	105,773	105,773
(formerly known as ABB Ltd)		
[200 Equity Shares (Previous Year : 200) of ₹ 2 each]		
<b>ACC Limited</b>	505,458	505,458
[700 Equity Shares (Previous Year : 700) of ₹ 10 each]		
<b>Aditya Birla Nuvo Limited</b>	1,010,198	1,010,198
[1300 Equity Shares (Previous Year : 1300) of ₹ 10 each]		
<b>Axis Bank Ltd.</b>	537,199	537,199
[1300 Equity Shares (Previous Year :1300) of ₹ 10 each]		
<b>Ballarpur Industries Limited</b>	691,153	-
[57,500 Equity Shares (Previous Year : Nil ) of ₹ 2 each]		
<b>Bank of Baroda</b>	-	465,781
[Current year : Nil (Previous Year :500 of ₹ 10 each)]		
<b>Bharti Airtel Ltd.</b>	-	230,765
[Current year : Nil (Previous Year : 700 of ₹ 5 each)]		
<b>Biocon Limited</b>	-	758,503
[Current year : Nil (Previous Year : 2500 of ₹5 each)]		
<b>Coal India Limited</b>	110,250	110,250
[450 Equity Shares (Previous Year :450) of ₹10 each]		
<b>Crompton Greaves Ltd.</b>	-	1,116,612
[Current year : Nil (Previous Year : 5375 of ₹ 2 each)]		
<b>Globus Spirits Ltd.</b>	2,500,000	2,500,000
[25,000 Equity Shares (Previous Year : 25,000) of ₹ 10 each]		
<b>Grasim Industries Ltd.</b>	206,121	206,121
[200 Equity Shares (Previous Year :200) of ₹ 10 each]		
<b>HDFC Ltd.</b>	640,576	640,576
[2,000 Equity Shares(Previous Year :2000) of ₹2 each]		

## Notes on financial statements for the year ended 31st March, 2014

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
<b>HDFC Bank Ltd.</b> [1500 Equity Shares (Previous Year : 1500) of ₹2 each]	280,152	280,152
<b>Hindalco Industries Ltd.</b> [5500 Equity Shares (Previous Year : 5500) of ₹ 1 each]	266,200	266,200
<b>Hindustan Const Co. Ltd.</b> [Current Year : Nil (Previous Year : 7000 of ₹ 1 each)]	-	485,412
<b>Indian Hotel Co. Ltd.</b> [19240 Equity Shares (Previous Year : 21940) of ₹ 1 each]	1,103,993	1,258,919
<b>ITC Limited</b> [5000 Equity Shares (Previous Year : 5000) of ₹ 1 each]	644,435	644,435
<b>Josts Engg. Co. Ltd.</b> [50 Equity Shares (Previous Year : 50) of ₹ 10 each]	14,704	14,704
<b>Kotak Mahindra Bank Ltd.</b> [3600 Equity Shares(PreviousYear :3600 ) of ₹5 each]	697,928	697,928
<b>Larsen &amp; Toubro Ltd.</b> [3000 Equity Shares (Previous Year : 1800) of ₹ 2 each]	2,450,123	2,177,445
<b>Mahindra &amp; Mahindra Ltd.</b> [6625 Equity Shares (Previous Year : 6625) of ₹ 5 each]	1,926,304	1,926,304
<b>Mahindra &amp; Mahindra Financial Services Ltd.</b> [4165 Equity Shares (Previous Year : 4165) of ₹ 2 each]	471,562	471,562
<b>Mahindra Lifespace Developers Ltd.</b> [600 Equity Shares (Previous Year : 600) of ₹10 each]	188,471	188,471
<b>Marico Limited</b> [3500 Equity Shares (Previous Year : 3500) of ₹ 1 each]	164,565	193,447
<b>MOIL Limited</b> [19 Equity Shares (Previous Year : 19) of ₹ 10 each]	7,125	7,125
<b>NTPC Limited</b> [Current Year : Nil (Previous Year : 1700 of ₹ 10 each)]	-	300,045
<b>Petronet LNG Ltd.</b> [7000 Equity Shares (Previous Year : 7000) of ₹ 10 each]	281,512	281,512
<b>Pidilite Industries Ltd.</b> [4000 Equity Shares (Previous Year : 4000) of ₹ 1 each]	191,884	191,884
<b>Power Grid Corp. of India Ltd.</b> [11273 Equity Shares (Previous Year : 11273) of ₹ 10 each]	1,064,200	1,064,200
<b>Reliance Communications Ltd.</b> [Current year : Nil (Previous Year : 850) of ₹ 5 each)]	-	307,543
<b>The Sandur Mang. &amp; Iron Ores Ltd.</b> [ 275 Equity Shares (Previous Year : 275) of ₹ 10 each]	203,160	203,160
<b>Sesa Sterlite Ltd.</b> (formerly known as Sesa Goa Ltd.) [6000 Equity Shares (Previous Year :6000) of ₹ 1 each]	991,265	991,265

## Notes on financial statements for the year ended 31st March, 2014

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
<b>Satyam Computer</b>	-	497,046
[Current Year Nil (Previous Year : 7200 of ₹ 2 each) since exchanged with 847 equity shares of Tech Mahindra Ltd in terms of Scheme of Amalgamation and Arrangement approved by Hon'ble High Court]		
<b>State Bank of India</b>	2,317,517	2,317,517
[1500 Equity Shares (Previous Year : 1500) of ₹ 10 each]		
<b>Tata Chemicals Ltd.</b>	-	1,233,650
[Current Year : Nil (Previous Year : 4250 of ₹ 10 each)]		
<b>Tata Consultancy Services Ltd.</b>	697,480	697,480
[2200 Equity Shares (Previous Year : 2200) of ₹ 1 each]		
<b>Tata Power Co. Ltd.</b>	169,076	169,076
[2000 Equity Shares (Previous Year : 2000) of ₹1each]		
<b>Tata Steel Ltd.</b>	-	1,079,153
[Current Year : Nil (Previous Year : 3750 of ₹ 10 each)]		
<b>Torrent Power Ltd.</b>	-	930,878
[Current Year : Nil (Previous Year : 3000 of ₹ 10 each)]		
<b>Tech Mahindra Ltd.</b>	497,046	-
[847 Equity Shares (Previous Year : Nil) of ₹ 10 each]		
<b>Unitech Ltd.</b>	327,045	327,045
[4800 Equity Shares (Previous Year : 4800) of ₹ 2 each]		
<b>UPL Ltd (United Phosphorous Ltd.)</b>	415,780	415,780
[3500 Equity Shares (Previous Year : 3500) of ₹ 2 each]		
<b>Yes Bank Ltd.</b>	-	1,284,470
[Current Year : Nil (Previous Year : 4500 of ₹ 10 each)]		
<b>Ultratech Cement Ltd</b>	-	-
[114 Equity Shares (Previous Year : 114) of ₹ 10 each]		
<b>Total Other Investments - Quoted b (i)</b>	<b>21,678,253</b>	<b>29,091,044</b>
<b>Investment in Equity Instruments - Unquoted, Fully paid up</b>		
<b>Marico Kaya Enterprises Limited</b>	28,882	-
(70 Equity Shares (Previous Year : Nil) of ₹ 10 each) Received under the scheme of demerger of Marico Limited		
<b>Total Other Investments - Uquoted b (ii)</b>	<b>28,882</b>	<b>-</b>
<b>Total Other Investments (b) (i+ii)</b>	<b>21,707,135</b>	<b>29,091,044</b>
<b>Total Non Current Investments (a+b)</b>	<b>141,111,925</b>	<b>147,082,824</b>
11.1 Aggregate amount of quoted investents	21,678,253	29,091,044
11.2 Market value of quoted investents	44,700,736	44,714,329
11.3 Aggregate amount of unquoted investments	119,433,672	117,991,780
11.4 Aggregate provision for diminution in value of investments	-	-



## Notes on financial statements for the year ended 31st March, 2014

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
<b>12 LONG TERM LOANS AND ADVANCES</b>		
<b>(a) Security Deposit</b>		
(i) Unsecured, considered good	975,795	975,795
(ii) Unsecured, considered doubtful (Net of Provision)	184,441	184,441
<b>(b) MAT Credit Entitlement</b>	9,000,000	9,000,000
<b>(c) Other Loans &amp; Advances</b>	156,887	-
<b>Total</b>	<b>10,317,123</b>	<b>10,160,236</b>

12.1 The balances of Security Deposits are subject to confirmation.

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

**13 CURRENT INVESTMENTS**

**(At Lower of Cost or Market Value)**

**Investment in Equity Instruments**

**Quoted**

<b>Astral Poly Technik Ltd.</b>	112,658	445,311
[1517 Equity Shares (Previous Year : 2365 of ₹ 5 each) of ₹ 2 each]		
<b>Balkrishna Industries Ltd.</b>	-	868,126
[Current Year : Nil (Previous Year : 4556 of ₹ 2 each)]		
<b>City Union Bank Ltd.</b>	1,259,510	489,227
[24579 Equity Shares (Previous Year : 8447) of ₹ 1 each]		
<b>Dhanuka Agritech Ld.</b>	-	454,832
[Current Year : Nil (Previous Year : 4596 of ₹ 2 each)]		
<b>Greenply Industries Ltd.</b>	638,450	1,152,175
[3346 Equity Shares (Previous Year : 6017) of ₹ 5 each]		
<b>Hindustan Media Ventures Ltd.</b>	237,876	534,412
[1759 Equity Shares (Previous Year : 4149) of ₹ 10 each]		
<b>HSIL Limited</b>	-	476,131
[Current Year : Nil (Previous Year : 3662 of ₹ 2 each)]		
<b>IndusInd Bank Ltd.</b>	421,845	-
[1081 Equity Shares (Previous Year : Nil) of ₹ 10 each]		
<b>KPIT Technologies Ltd.</b>	693,783	453,646
[5766 Equity Shares (Previous Year : 4097) of ₹ 2 each]		
<b>Lumax Auto Technologies Ltd.</b>	770,782	770,423
[4917 Equity Shares (Previous Year : 4914) of ₹ 10 each]		
<b>Motherson Sumi System Ltd.</b>	-	188,703
[Current Year : Nil (Previous Year : 2157 of ₹ 1 each)]		
<b>Nava Bharat Ventures Ltd.</b>	-	429,620
[Current Year : Nil (Previous Year : 2238 of ₹ 2 each)]		

## Notes on financial statements for the year ended 31st March, 2014

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
<b>Net4 India Ltd.</b>	241,270	284,111
[3985 Equity Shares (Previous Year : 4773) of ₹ 10 each]		
<b>Setco Automotive Ltd.</b>	-	212,775
[Current Year : Nil (Previous Year : 2660 of ₹ 10 each)]		
<b>Shriram Transport Fin. Co. Ltd.</b>	302,842	557,705
[554 Equity Shares (Previous Year : 1045) of ₹ 10 each]		
<b>Shriram City Union Finance Ltd.</b>	1,048,237	565,629
[1008 Equity Shares (Previous Year : 534) of ₹ 10 each]		
<b>Sundram Fasteners Ltd.</b>	-	421,887
[Current Year : Nil (Previous Year : 8239 of ₹ 1 each)]		
<b>Supreme Industries Ltd.</b>	255,391	492,545
[1300 Equity Shares (Previous Year : 2496) of ₹ 2 each]		
<b>TD Power System Ltd.</b>	-	391,616
[Current Year : Nil (Previous Year : 1583 of ₹ 10 each)]		
<b>Total (i)</b>	<b>5,982,646</b>	<b>9,188,874</b>
<b>In Partly Paid-up Equity Shares</b>		
<b>City Union Bank Ltd.</b>		
[Current Year : Nil (Previous Year : 1853 of ₹ 1 each of which ₹ 0.50 partly paid)]	-	18,530
<b>Total (ii)</b>	-	<b>18,530</b>
<b>Total Quoted investments (i) + (ii)</b>	<b>5,982,646</b>	<b>9,207,404</b>
Less: Provision for Diminution in value of current Investments	(426,854)	(449,119)
<b>Total Quoted investments (A)</b>	<b>5,555,792</b>	<b>8,758,285</b>
<b>Investment in Mutual Funds</b>		
<b>Unquoted</b>		
<b>In units of SBI Mutual Fund</b>		
Units of SBI Premier Liquid Fund-Institutional Growth	25,182,002	38,184,572
[19,390.016 Units (Previous Year : 29,401.930 Units)]		
<b>In Units of HDFC Mutual Fund</b>		
Units of HDFC Liquid Fund - Growth	6,443,833	213,900
(2,68,519.061 Units (Previous Year : 9323.16))		
<b>In Units of HDFC Mutual Fund</b>	-	871,331
Units of HDFC Cash Mgmt. Treasury Advantage- Retail Plant Growth		
(Nil Units (Previous Year : 35,185.357 Units))		
<b>ICICI Prudential Corporate Bond Fund-Regular Plan Growth</b>	20,000,000	20,000,000
[11,40,415.073 Units (Previous Year : 11,40,415.073)]		
<b>ICICI Prudential Institutional Income Plan Growth</b>	-	10,000,000
[Nil Units (Previous Year : 2,82,934.26 Units)]		
<b>ICICI Prudential Income Regular Plan Growth</b>	20,000,000	20,000,000
[5,60,783.302 Units (Previous Year : 5,60,783.302)]		

## Notes on financial statements for the year ended 31st March, 2014

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
<b>Axis Constant Maturity 10 Year Fund - Growth Plan</b>	-	10,000,000
[Nil Units (Previous Year :9,94,203,.79 Units)]		
<b>BNP Paribas Bond Fund - Inst. Growth</b>	10,000,000	10,000,000
[9,03,505.60 Units (Previous Year : 903,505.60 Units)		
<b>Birla Sun Life Dynamic Bond Fund-Retail-Growth-Regular Plan</b>	14,000,000	14,000,000
[7,07,578.161 Units (Previous Year : 707,578.161 Units)]		
<b>Canara Robeco Dynamic Bond Fund Regular Growth</b>	14,000,000	14,000,000
[10,84,834.021 Units (Previous Year : 10,84,834.021 Units)]		
<b>Canara Robeco - Income Regular Growth Fund</b>	20,000,000	20,000,000
[8,78,977.626 Units (Previous Year :8,78,977.626 Units)		
<b>Kotak Bond (Short Term) - Growth</b>	15,000,000	15,000,000
[7,28,710.85 Units (Previous Year : 7,28,710.85)		
<b>Kotak Bond Scheme Plan A - Growth</b>	30,000,000	30,000,000
[9,42,642.524 Units (Previous Year : 9,42,642.524 Units)		
<b>Kotak FMP Series 76 - Growth</b>	-	10,000,000
[Nil Units (Previous Year : 10,00,000 Units)		
<b>Templeton India Corporate Bond Opportunities Fund-Growth</b>	10,000,000	10,000,000
[8,93,152.20 Units (Previous Year : 8,93,152.20 Units)		
<b>Templeton India Income Builder Account-Plan A - Growth</b>	20,000,000	20,000,000
[5,22,856.68 Units (Previous Year : 5,22,856.68)		
<b>Templeton India Income Builder Account-Plan B - Growth</b>	5,000,000	5,000,000
[1,48,220.61 Units (Previous Year : 1,48,220.61 Units)]		
<b>Templeton India Income Opportunities Fund - Growth</b>	25,000,000	25,000,000
[19,82,201.325 Units (Previous Year : 19,82,201.325 Units)]		
<b>Templeton India Short Term Income Retail Plan - Growth</b>	5,000,000	5,000,000
[2,468.55 Units (Previous Year : 2,468.55 Units)]		
<b>Total Unquoted investments (B)</b>	<b>239,625,835</b>	<b>277,269,803</b>
<b>Total Current investments (A+B)</b>	<b>245,181,626</b>	<b>286,028,089</b>
13.1 Aggregate amount of quoted investents	5,982,646	9,207,404
13.2 Market value of quoted investents	7,743,981	11,665,335
13.3 Aggregate amount of unquoted investments	239,625,835	277,269,803
13.4 Aggregate provision for diminution in value of investments	426,854	449,119
13.5 Investments in mutual fund includes investments amounting to ₹ 64,43,833 (Previous Year : ₹ 10,85,231) held in the name of portfolio manager under portfolio management service agreement		

## Notes on financial statements for the year ended 31st March, 2014

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
<b>14 INVENTORIES</b>		
<b>Inventories</b>		
(As taken, valued and certified by management)		
(a) Raw Materials	189,456	189,456
(b) Finished goods	5,393	5,393
(c) Stores and spares	976,048	1,282,687
(d) By Products / Waste Products	298,022	315,250
<b>Total</b>	<b>1,468,919</b>	<b>1,792,786</b>
<b>14.1 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 ₹ 15,25,000/- (Previous Year ₹ 18,75,000/-) out of this accumulated waste based on the finding &amp; valuation report of the Consultant Metallurgist obtained during the year. The technical consultants have advised the Company that the balance of this accumulated waste in terms of its quality, metal content and realizable value cannot be yet reasonably ascertained. Company has therefore not been in a position to account for stock of such balance accumulated waste.</b>		
<b>15 CASH AND BANK BALANCES</b>		
<b>Cash &amp; Cash Equivalents</b>		
Balances with Bank	36,940	2,601,777
Cash on hand	298,853	90,322
<b>Other Bank Balances</b>		
Term Deposit with State Bank Of India (Less than 12 months maturity) (Held by State Bank of India as security against demand loan for working capital)	5,218,015	5,218,015
<b>Total</b>	<b>5,553,808</b>	<b>7,910,114</b>
<b>16 SHORT-TERM LOANS AND ADVANCES</b>		
<b>(a) Loans and advances to related parties</b>	31,500,000	-
(Unsecured, considered good)		
<b>b) Others</b>		
<b>(Unsecured, considered good)</b>		
(i) Advance payment of tax/taxes (Net of provision)	1,789,725	(7,258,761)
(ii) Others advances	2,915,590	3,052,118
(iii) Advance recoverable in cash or in kind or for value to be received	2,817,340	1,788,673
<b>Total</b>	<b>39,022,654</b>	<b>(2,417,970)</b>

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

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

## Notes on financial statements for the year ended 31st March, 2014

Particulars	For the year ended 31st March, 2014 ₹	For the year ended 31st March, 2013 ₹
<b>17 REVENUE FROM OPERATIONS</b>		
Sale of products	16,625,667	18,052,785
Other Operating Revenue	680,574	-
	17,306,241	18,052,785
Less :- Excise Duty	(1,899,176)	(1,980,107)
<b>Total</b>	<b>15,407,065</b>	<b>16,072,678</b>
<b>18 OTHER INCOME</b>		
Interest income	1,656,445	904,867
Dividend Income	815,390	883,365
Net gain / (loss) on sale/redemption of investments	12,126,163	65,486,226
Other non-operating income	113,330	1,430,095
<b>Total</b>	<b>14,711,328</b>	<b>68,704,553</b>
<b>19 COST OF MATERIALS CONSUMED</b>		
Slag RM	1,525,000	1,875,000
<b>Total</b>	<b>1,525,000</b>	<b>1,875,000</b>
<b>20 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
<b>(a) Opening stocks :</b>		
Work in process	-	-
Finished Goods	5,393	5,393
By Products/WastProducts	315,250	645,865
<b>Total (a)</b>	<b>320,643</b>	<b>651,258</b>
<b>(b) Stock ascertained and accounted during the year</b>	<b>1,525,000</b>	<b>1,875,000</b>
<b>(c) Closing stocks :</b>		
Work in process	-	-
Finished Goods	5,393	5,393
By Product/Waste Product	298,022	315,250
<b>Total (c')</b>	<b>303,415</b>	<b>320,643</b>
<b>Total d (b+c)</b>	<b>1,828,415</b>	<b>2,195,643</b>
<b>Changes In Inventories Total (a-d)</b>	<b>(1,507,772)</b>	<b>(1,544,385)</b>

## Notes on financial statements for the year ended 31st March, 2014

Particulars	For the year ended 31st March, 2014 ₹	For the year ended 31st March, 2013 ₹
<b>21 EMPLOYEE BENEFITS EXPENSE</b>		
(a) Salaries and Wages	9,823,722	10,537,818
(b) Contribution to Provident and other funds	832,813	1,623,432
(c) Staff Welfare Expenses	253,753	185,220
<b>Total</b>	<b>10,910,288</b>	<b>12,346,470</b>
21.1 The employee benefit expense includes the Whole Time Director's remuneration as approved by share holders at Annual General Meeting held on August 30, 2012.		
<b>22 FINANCIAL COST</b>		
Interest Expenses	289,909	204,531
<b>Total</b>	<b>289,909</b>	<b>204,531</b>
<b>23 OTHER EXPENSE</b>		
Power and Fuel	2,191,328	2,568,748
Rent	247,392	241,491
Repairs to buildings	760,709	639,606
Repairs to Machinery	144,300	193,893
Repairs to Others	468,039	465,147
Insurance	95,649	68,606
Rates and taxes,excluding taxes on income	2,891,099	1,906,693
Light and Water	429,036	393,049
Fright and Handling	3,758,753	4,062,009
Travelling Expenses [Includes Director's ₹ 32,97,302 (Previous Year ₹ 23,82,001) ]	4,397,152	2,764,162
Payments to the auditor	335,788	271,665
Advances Written off	194,875	673,300
Postage Telegram & Telephone	1,140,910	850,905
Printing & Stationery	173,221	164,893
Legal & Consulancy Charges	2,659,704	5,682,925
Recruitment Expenses	-	262,923
Security Expenses	192,069	286,898
Service charges	323,200	765,700
Upkeep of Heavy Vehicles	105,353	197,796
Upkeep of Motor Car	677,168	867,751
Service charges of Surface Vehicles	338,105	227,526
Diminution in value of Current Investments	-	449,119
Membership Fees	478,331	620,955
Entertainment Expenses	268,480	230,421
Plantation Expenses	91,766	118,149
Miscellaneous Expenditures	2,009,210	857,904
<b>TOTAL</b>	<b>24,371,637</b>	<b>25,832,233</b>

## Notes on financial statements for the year ended 31st March, 2014

**ADDITIONAL INFORMATION****24 DEFINED BENEFIT PLANS:**

As per Actuarial valuation as on 31<sup>st</sup> March, 2014 and recognised in the financial statements in respect of Employee Benefit schemes:

## 24.1 Components of Employer Expenses:

	Gratuity (In ₹)	Leave Encashment (In ₹)
a) Interest Cost from 01.04.13 to 31.03.14	383,814	29,146
b) Service Cost from 01.04.13 to 31.03.14	260,894	219,009
c) Actual return on Plan Assets	439,264	NIL
d) Curtailment Cost / Credit	-	-
e) Settlement Cost / Credit	-	-
f) Past Service Cost	-	-
g) Actuarial (Gain) / Loss	-	-
h) (Gain) / Loss recognised upto 31.03.14	(274,850)	63,010
i) Net (Gain) / Loss provided as expense / (income) in Statement of Profit & Loss.	(31,906)	311,165
<b>24.2 Net Asset / (Liability) recognised in Balance Sheet as at 31<sup>st</sup> March 2014</b>		
a) Present value of Obligation as at 31.03.14	4,951,873	569,455
b) Fair value of Plan Assets as at 31.03.14	4,983,779	NIL
c) Un-funded/(Over -funded) liability recognized in the Balance Sheet	(31,906)	569,455
<b>24.3 Changes in benefit obligation during the year ended 31<sup>st</sup> March 2014</b>		
a) Actuarial value of Projected Benefit Obligations (PBO) as at 31.03.13	4,797,669	364,326
b) Service Cost from 01.04.2013 to 31.03.2014	260,894	219,009
c) Interest Cost from 01.04.2013 to 31.03.2014	383,814	29,146
d) Curtailment Cost / (Credit)	-	-
e) Settlement Cost / (Credit)	-	-
f) Plan Amendments	-	-
g) Acquisitions	-	-
h) Actuarial (Gain) / Loss on obligations	(274,850)	63,010
l) Benefits Paid from 01.04.2013 to 31.03.2014	215,654	106,036
j) PBO as at 31.03.14	4,951,873	569,455
<b>24.4 Change in the fair value of Plan Assets</b>		
a) Fair value of Plan Assets as at 01.04.13	4,061,929	N.A.
b) Actual return on Plan Assets	439,264	NIL
c) Actuarial (Gain) / Loss	(274,850)	63,010
d) Actual Company Contribution	735,740	NIL
e) Benefits Paid	215,654	NIL
f) Plan Assets as at 31.03.14	4,983,779	N.A.
<b>24.5 Actuarial Assumptions:</b>		
a) Rate of Discounting (p.a.)	8.00%	8.00%
b) Rate of Increase in Compensation level (p.a.)	5.00%	5.00%
c) Rate of Return on Plan Assets (p.a.)	8.81%	N.A.

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

**Notes on financial statements for the year ended 31st March, 2014****25 CONTINGENT LIABILITIES AND COMMITMENTS:(To the extent not provided for)**

(In ₹)

Particulars	As at 31-03-2014	As at 31-03-2013
<b>(a) Contingent Liability</b>		
<b>i) Claims made against the Company / disputed liabilities not acknowledged as debts :</b>		
- Sales Tax Demand not provided for pending outcome of appeal (Of which documents relating to claim of ₹ 6,27,736 are currently not available with the Company)	20,173,539	20,173,539
- Excise Duty Demand not provided for pending outcome of appeal	2,657,798	2,657,798
- Customs duty Demand not provided for pending outcome of appeal	11,742,500	11,742,500
- Other Matters (Of which documents relating to claim of ₹ 29,63,312 are currently not available with the Company)	11,100,737	11,051,561
- Balance of Income Tax Demand u/s 156 of the Income Tax Act, 1961 in respect of A.Y. 2010-11. not provided for pending outcome of appeal.	3,631,578	3,631,578
- Income Tax Demand u/s 156 of the Income Tax Act,1961, in respect of A.Y.2011-12 not provide for pending outcome of appeal.	1,036,460	-
<b>ii) Guarantees</b>	-	-
<b>iii) Other money for which the Company is contingently liable</b>		
- Investment in partly paid up shares (to the extent of un-called portion)	-	927
<b>(b) Commitments</b>	-	-
<b>Total Contingent Liabilities and Commitments</b>	<b>50,342,612</b>	<b>49,257,903</b>

Note: Future cash outflow on (a) and (b) above is determinable only on the receipt of judgment / decision pending with respective Hon'ble Court / authorities / departments and or completion of negotiations / settlement.

26 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.

27 The Company has only one reportable segment of activity namely manufacture of "High/ Medium/ Low Carbon Ferro Manganese and Silico Manganese Slag."

28 Deferred tax assets of ₹ 8,85,309/- has not been recognized on prudent basis.

**29 Related Party disclosures as required under Accounting Standard – AS-18 issued by the Institute of Chartered Accountants of India, are given below:**

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

Name of the Related Party	Nature of Relationship
i) Informed Technologies India Limited	Enterprise that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the reporting enterprise.
ii) Zeppelin Investments Private Ltd.	
iii) Khandelwal Remedies Private Ltd.	
iv) Meteor Metals & Ores Ltd.	
v) Khandelwals Ltd.	
vi) The Motwane Manufacturing Company Pvt. Ltd	Subsidiary Company



## Notes on financial statements for the year ended 31st March, 2014

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

	(In ₹)
<b>I Enterprises owned or significantly influenced by any management personnel or their relatives</b>	
Informed Technologies India Limited	814,413 / 814,413
Advance Given/ Repayment Received	(3,492,213 / 3,492,213)
	(In ₹)
<b>II Subsidiary Company</b>	
The Motwane Manufacturing Company Private Limited	
i) Inter corporate deposit given / Repayment Received	31,500,000 / Nil (10,000,000 / 10,000,000)
ii) Interest received	1,038,494 (393,149)
iii) Purchase of equity shares of subsidiary company in right issue	Nil (43,099,200)
	(In ₹)
<b>III Key Management Personnel</b>	<b>Remuneration</b>
i) Mr. Gautam P. Khandelwal	3,000,000
ii) Mr. S. B. Kanbargi	821,869/-

- (c) Balances Outstanding as at 31<sup>st</sup> March, 2014 (In ₹)

Particulars	Maximum outstanding Balance during the year	Receivables	Payables
<b>1 Related parties where control exists</b>			
Informed Technologies India Limited	320,258 (1,471,894)	Nil (Nil)	Nil (Nil)
The Motwane Manufacturing Company Private Limited	31,500,000 (10,000,000)	31,500,000 (Nil)	Nil (Nil)
<b>ii) Key Management Personnel</b>			
Mr. Gautam Khandelwal	312,799 (125,000)	Nil (Nil)	Nil (Nil)
<b>iii) Relatives of Key Management Personnel*</b>	<b>*See Note</b>		

Figures in brackets are related to previous year \*

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

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

## Notes on financial statements for the year ended 31st March, 2014

Particulars	For the year ended 31st March, 2014		For the year ended 31st March, 2013	
	₹		₹	
<b>30 Earnings Per Share:</b>				
Profit (Loss) for the year (In ₹) (A)	( 8,410,300)		43,169,004	
Number of Equity Shares Outstanding (B)	13,095,507		13,095,507	
Earnings per share of ₹10 each (A/B)	(0.64)		3.30	
<b>31 Payments to Auditor</b> (Including service tax)				
Audit Fees	193,821		193,821	
For taxation matters including tax audit	29,775		-	
For other services	92,810		58,462	
For Reimbursement of Expenses	19,382		19,382	
<b>Total</b>	<b>335,788</b>		<b>271,665</b>	
<b>32 Sales</b>				
	Quantity	Value	Quantity	Value
	(MT)	(In ₹)	(MT)	(In ₹)
Ferro Manganese Slag (Low MnO)	2922.20	15,048,420	3871	18,000,285
Ferro Manganese Slag (High MnO)	290.81	1,535,747	-	-
Others	-	722,074	-	52,500
<b>Total</b>	<b>3213.01</b>	<b>17,306,241</b>	<b>3871</b>	<b>18,052,785</b>
<b>33 Opening Stock</b>				
	Quantity	Value	Quantity	Value
	(MT)	(In ₹)	(MT)	(In ₹)
Silico Manganese	0.24	5,393	0.24	5,393
Ferro Manganese Slag (High MnO)	261.26	130,007	261.26	130,007
Ferro Manganese Slag (Low MnO)	60.03	184,918	181	515,533
Silico Manganese Slag	3.48	325	3.48	325
<b>Total</b>		<b>3,20,643</b>		<b>6,51,258</b>
<b>34 Closing Stock</b>				
	Quantity	Value	Quantity	Value
	(MT)	(In ₹)	(MT)	(In ₹)
<b>Silico Manganese</b>	<b>0.24</b>	<b>5,393</b>	<b>0.24</b>	<b>5,393</b>
Ferro Manganese Slag (High MnO)	-	-	261.26	130,007
Ferro Manganese Slag (Low MnO)	92.83	297,697	60.03	184,918
Silico Manganese Slag	3.48	325	3.48	325
<b>Total</b>	<b>303,415</b>		<b>320,643</b>	

## Notes on financial statements for the year ended 31st March, 2014

Particulars	For the year ended 31st March, 2014		For the year ended 31st March, 2013	
	₹		₹	
<b>35 Cost of material Consumed</b>				
	Quantity (MT)	Value (In ₹)	Quantity (MT)	Value (In ₹)
Slag RM	3050	1,525,000	3750	1,875,000
<b>Total</b>	<b>1,525,000</b>		<b>1,875,000</b>	
<b>36 Value of all Imported and Indigenous Raw Materials, Stores, Spare Parts and Components Consumed:</b>				
	(In ₹)	%	(In ₹)	%
Raw Materials :				
Indigenous	1,525,000	100	1,875,000	100
Imported	-	-	-	-
<b>Total</b>	<b>1,525,000</b>	<b>100</b>	<b>1,875,000</b>	<b>100</b>
<b>37 Value of all Imports calculated on CIF basis:</b>	————— Nil —————			
<b>38 Expenditure in Foreign Currency:</b>				
Professional and Consultation fees		-		524,918
Traveling expenses		490,661		147,060
<b>Total</b>		<b>490,661</b>		<b>671,978</b>
<b>39 Earnings in Foreign Exchange:</b>	————— Nil —————			
<b>40</b>	Previous year figures have been regrouped / reclassified / rearranged wherever necessary to make them comparable with the current year figures.			

Signature to the Notes 1 to 40 forms an integral part of the accounts.

**As per our report of even date attached****For M.V.Ghelani & Co.**

Chartered Accountants  
Firm Regn. No. 119077W

**M.V.Ghelani**

Proprietor  
Mumbai : May 28,2014

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

Chairman & Executive Director

**Girish Bakre**

Director

**Nidhi Salampuria - Company Secretary**

Mumbai : May 28,2014

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

PARTICULARS	Amount in Rupees		
	FOR THE YEAR ENDED ON 31st MARCH, 2014	FOR THE YEAR ENDED ON 31st MARCH, 2013	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net Profit /(loss) before tax paid, prior period items & extra ord. Items	(8,410,300)	43,169,004	
<b>Adjustment for :</b>			
Depreciation - Current Year	2,939,631	2,894,378	
Provision for diminution value of current investment	-	449,119	
Loss / (Profit) on sale of Fixed Assets	18,760	746	
Interest Expenses	289,909	204,531	
Profit on sale of Investment	(12,126,163)	(65,486,226)	
Dividend Received	(815,390)	(883,365)	
Proceeds from sale of Fixed Assets	-	(17,000)	
Loss / (Gain) on Sale of Investment (Net)	1,002,337	-	
Interest Income	(1,656,445)	(904,867)	
Sundry Balance Written Back	(55,382)	(656,357)	
Rent Received	(3,240)	(3,455)	
	<u>(10,405,984)</u>	<u>(64,402,496)</u>	
<b>Operating profit / (loss) before working capital change</b>	<b>(18,816,284)</b>	<b>(21,233,492)</b>	
<b>Adjustment for :</b>			
Inventories	323,867	179,974	
Long/Short Term Loans & Advances and other current assets	(32,391,862)	(8,599,013)	
Trade Payables, Other Current Liabilities and Provisions	<u>(3,954,125)</u>	<u>9,453,056</u>	
Cash Flow before prior period adjustments & extraordinary items	<b>(54,838,404)</b>	<b>(20,199,475)</b>	
Prior Period adjustments	-	-	
Income tax paid	(9,205,649)	(2,174,595)	
<b>Net cash flows from Operating Activities</b>	<b>"A"</b>	<b>(64,044,053)</b>	<b>(22,374,070)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Fixed Assets	(1,320,768)	(1,731,129)	
Proceeds from sale of Fixed Assets	5,500	17,000	
Proceeds from Investment in Mutual Fund / Shares (incl. Gain & Loss)	57,941,188	25,082,615	
Dividend Received	815,390	883,365	
Rent Received	3,240	3,455	
Interest Income	1,656,445	904,867	
<b>Net cash from Investing Activities</b>	<b>"B"</b>	<b>59,100,994</b>	<b>25,160,173</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds From Secured Loan	2,986,203	-	
Repayment of Long Term / Short Term Loan (Net)	(109,541)	(1,258,235)	
Interest expense	(289,909)	(204,531)	
<b>Net Cash provided by / (used in) Financing Activities</b>	<b>"C"</b>	<b>2,586,753</b>	<b>(1,462,766)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(2,356,306)</b>	<b>1,323,337</b>	
<b>Cash and Cash Equivalent at the beginning of the period</b>	<b>2,692,099</b>	<b>1,368,762</b>	
<b>Cash and Cash Equivalent at the end of the period</b>	<b>335,793</b>	<b>2,692,099</b>	

As per our report of even date attached

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

M.V.Ghelani  
Proprietor  
Mumbai : May 28, 2014

For and on behalf of the Board

Gautam P. Khandelwal  
Chairman & Executive Director

Girish Bakre  
Director

Nidhi Salampuria - Company Secretary  
Mumbai : May 28, 2014

## 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 And Industries Limited for the year ended 31st March, 2014. The statement has been prepared by the company in accordance with the requirements of Clause 32 of listing agreement with Stock Exchange and is based on and is derived from and is in agreement with the corresponding Profit & Loss Account and Balance sheet of the Company covered by our report of even date to the members of the Company.

For M.V.Ghelani & Co.  
Chartered Accountants  
Firm Regn.No,119077W  
M.V.Ghelani  
Proprietor  
Mumbai : May 28, 2014

## INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS

**NAGPUR POWER AND INDUSTRIES LIMITED**

**Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of NAGPUR POWER AND INDUSTRIES LIMITED ("the Company") and its subsidiary, The Motwane Manufacturing Company Pvt. Ltd; (Collectively referred to as the "Group"), which comprise the consolidated Balance Sheet as at March 31, 2014, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information which we have signed under reference to this report.

**Management's Responsibility for the Consolidated Financial Statements**

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

**Basis for Qualified Opinion**

**Attention is invited to Note 16.1 viz 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 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. Our audit report for the previous year was also similarly qualified.**

**Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the report of the other auditor on the individual audited financial statements of the subsidiary, **except for the consequential effect of the matter described in the Basis for Qualified Opinion paragraph above**, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
- (b) in the case of the consolidated statement of Profit and Loss, of the loss of the Group for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

**Other Matter**

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. 1789.32 Lacs as at 31<sup>st</sup> March 2014, total revenues of Rs. 1148.00 Lacs, net loss of Rs. 472.31 Lacs and net cash inflow amounting to Rs 194.19 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 the auditor whose report has been furnished to us, and our opinion is based solely on the report of other auditor.

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

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

Place : Mumbai  
Date: May 28, 2014

## Consolidated Balance Sheet as at 31st March, 2014

(In ₹)

Particulars	Note No	As at 31st March, 2014	As at 31st March, 2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	3	130,955,070	130,955,070
(b) Reserves and Surplus	4	545,140,400	584,957,900
		<u>676,095,470</u>	<u>715,912,970</u>
<b>(2) Share Application Money</b>		<b>2,824</b>	<b>2,824</b>
<b>(3) MINORITY INTEREST</b>		<b>9,469,106</b>	<b>25,257,384</b>
<b>(4) Non-Current Liabilities</b>			
(a) Long-Term borrowings	5	2,480,081	4,801,445
(b) Other Long Term Liabilities	6	1,060,000	1,035,000
(c) Long-Term Provision	7	4,518,514	5,481,786
		<u>8,058,595</u>	<u>11,318,231</u>
<b>(5) Current Liabilities</b>			
(a) Short-Term Borrowings	8	53,161,553	43,864,017
(b) Trade Payables	9	15,922,812	15,178,735
(c) Other Current Liabilities	10	14,232,573	16,585,679
(d) Short-Term Provisions	11	11,654,272	12,186,805
		<u>94,971,210</u>	<u>87,815,236</u>
<b>Total</b>		<b><u>788,597,205</u></b>	<b><u>840,306,645</u></b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	12	252,387,704	259,366,596
(ii) Intangible Assets		127,020,372	124,269,818
(b) Non-Current Investments	13	21,707,135	29,091,044
(c) Long Term Loans and Advances	14	15,413,378	15,685,600
		<u>416,528,588</u>	<u>428,413,058</u>
<b>(2) Current Assets</b>			
(a) Current Investments	15	245,181,626	286,028,089
(b) Inventories	16	60,744,780	57,285,218
(c) Trade Receivables	17	43,778,930	49,546,351
(d) Cash and Bank Balances	18	11,285,354	13,453,411
(e) Short-Term Loans and Advances	19	11,077,927	5,580,518
		<u>372,068,617</u>	<u>411,893,587</u>
<b>Total</b>		<b><u>788,597,205</u></b>	<b><u>840,306,645</u></b>

Summary of Significant Accounting Policies

1 &amp; 2

Other Notes on Financial Statements

28 to 33

Notes referred to above form an integral part of the Balance Sheet.

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

As per our report of even date attached

For M.V.Ghelani &amp; Co.

Chartered Accountants

Firm Regn. No. 119077W

M.V.Ghelani

Proprietor

Mumbai : May 28, 2014

For and on behalf of the Board

Gautam P. Khandelwal

Chairman &amp; Executive Director

Girish Bakre

Director

Nidhi Salampuria - Company Secretary

Mumbai : May 28, 2014

## Consolidated Profit and Loss Statement for the year ended 31st March, 2014

(In ₹)

Particulars	Note No	Year Ended 31st March, 2014	Year Ended 31st March, 2013
<b>I Revenue from operations</b>	20	140,478,690	180,147,830
<b>Less: Excise duty / Service tax recovered</b>		(10,478,900)	(14,602,749)
		<u>129,999,790</u>	<u>165,545,081</u>
<b>II Other Income</b>	21	13,880,660	69,127,414
<b>III Total Revenue (I +II)</b>		<u>143,880,450</u>	<u>234,672,495</u>
<b>IV Expenses:</b>			
Cost of materials consumed	22	25,661,527	36,094,341
Purchases of Stock-in-Trade	23	26,810,130	24,727,689
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	24	(5,608,052)	(7,597,739)
Employee benefits expense	25	63,537,211	74,541,395
Finance costs	26	9,901,638	10,372,148
Depreciation and amortization expense	12	20,138,088	19,967,473
Other expenses	27	59,080,795	66,592,817
<b>Total Expenses</b>		<u>199,521,337</u>	<u>224,698,124</u>
<b>V Profit before tax (III - IV)</b>		<u>(55,640,887)</u>	<u>9,974,371</u>
<b>VI Tax expense:</b>			
(a) Current tax		-	-
(b) Deferred tax		-	-
(c) Short/(excess) provision for earlier years		-	76,992
(d) Current Tax ( MAT)		-	9,000,000
Less : Mat Credit Entitlement		-	(9,000,000)
<b>VII Profit(Loss) for the year (before adjustment for Minority Interest) (V-VI)</b>		<u>(55,640,887)</u>	<u>9,897,379</u>
Less: Share of Profit /(loss) transferred to Minority		(15,553,078)	(11,228,406)
Less: Share of Pre Acquisition Profit transferred to goodwill on consolidation.		(270,308)	(2,962,890)
<b>Profit(Loss) for the year (after adjustment for Minority Interest)</b>		<u>(39,817,500)</u>	<u>24,088,674</u>
<b>VIII Earnings per equity share:</b>			
(a) Basic		(3.04)	1.84
(b) Diluted		(3.04)	1.84

**Summary of Significant Accounting Policies** 1 & 2

**Other Notes on Financial Statements** 28 to 33

Notes referred to above form an integral part of the Profit & Loss Statement.

This is the Profit & Loss Statement referred to in our report of even date.

As per our report of even date attached

For M.V.Ghelani & Co.

Chartered Accountants

Firm Regn. No. 119077W

M.V.Ghelani

Proprietor

Mumbai : May 28, 2014

For and on behalf of the Board

Gautam P. Khandelwal

Chairman & Executive Director

Girish Bakre

Director

Nidhi Salampuria - Company Secretary

Mumbai : May 28, 2014

**Notes on Consolidated financial statements for the year ended 31<sup>ST</sup> March 2014****1 Basis of Consolidation:**

- (a) The Consolidated Financial Statements relate to Nagpur Power and Industries Ltd ('the Company or Parent company or Holding company') and its subsidiary company The Motwane Manufacturing Company Private Limited ('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 has been combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after eliminating intra group balances, intra group transactions and unrealized profits or losses as per Accounting Standard 21 'Consolidated Financial Statements' as notified by the Companies (Accounting Standards) Rules, 2006.
  - ii) The financial statements of Subsidiary used in the consolidation are drawn up to the same reporting date as that of the Company.
  - iii) The excess of cost to the Company, of its investments in the Subsidiary over the Company's portion of equity as at the date of making the investment is recognized 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 amortized. 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 Company holding in the Subsidiary is as under;

Name of the Subsidiary	Percentage of Holding
The Motwane Manufacturing Company Private Limited	67.07%

**2. Significant Accounting Policies**

- 2.1 **Basis of Preparation of financial statements:** The financial statements are prepared under the historical cost convention on the accrual basis of accounting and in accordance with the accounting principles generally accepted in India and the provisions of the Companies Act, 1956 as adopted consistently by the Company.
- 2.2 **Use of estimates:** The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimate are recognized in the period in which the results are known / materialized.



### 2.3 Fixed Assets and Depreciation:

#### Holding Company :

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

#### Subsidiary Company :

The subsidiary company provides depreciation as under :

- a) Fixed Assets (Tangible) are stated at their original cost.  
(Net of Cenvat/Vat Credit wherever availed)
- b) Depreciation is provided on Tangible Assets and on Computer Software under Intangible Assets on WDV basis at rate prescribed in Schedule XIV to the Companies Act 1956.
- c) Intangible Assets:
  - (i) Technical Know-How is amortized over a period of five years from the year of commercial production.
  - (ii) Research & Development expenses are amortized over a period of five years.

### 2.4 Investment:

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

### 2.5 Inventories:

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

### 2.6 Trade Receivables and Loans and Advances:

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

### 2.7 Revenue Recognition:

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

## 2.8 Retirement and Other Employee Benefit:

### **Holding Company :**

The Company contributes towards Provident Fund & Family Pension Fund which are defined contribution schemes. Liability in respect thereof is determined on the basis of contribution as required under the statute/rules. The Company contributes to defined benefit schemes for Gratuity, which is administered through duly constituted and approved independent trust. The liability for Gratuity and leave encashment is determined on the basis of actuarial valuations made at the year end.

### **Subsidiary Company :**

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

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

Leave Encashment is accounted for on accrual basis which consider the sum that would have been payable to the eligible employees on the last day of the financial year.

Provision for Bonus is made on accrual basis.

## 2.9 Foreign Exchange Transactions:

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

## 2.10 Taxation:

### **Holding Company :**

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

### **Subsidiary Company :**

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

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

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

## Notes on Consolidated financial statements for the year ended 31st March, 2014

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹		
<b>3 SHARE CAPITAL</b>				
<b>Authorised share capital</b>				
2,00,00,000 Equity Shares of ₹10 each (Previous Year 2,00,00,000 Shares of ₹10 each)	200,000,000	200,000,000		
50,00,000 Unclassified Shares of ₹10 each (Previous Year 50,00,000 Shares of ₹10 each)	50,000,000	50,000,000		
<b>Total</b>	<b>250,000,000</b>	<b>250,000,000</b>		
<b>Issued, Subscribed &amp; Paid-up</b>				
1,30,95,507 Equity Shares of ₹10 each fully paid up. (Previous Year 1,30,95,507 Shares of ₹10 each)	130,955,070	130,955,070		
287,673 Equity Shares of ₹ 100 each fully paid up (Previous Year 287,673 Equity Shares of ₹ 100 each)	-	-		
<b>Total</b>	<b>130,955,070</b>	<b>130,955,070</b>		
<b>3.1 The reconciliation of the number of shares outstanding is set out below:</b>				
Equity shares at the beginning of the year	13,095,507	13,095,507		
Add: Shares issued during the year	-	-		
Less: Shares cancelled/bought back during the year	-	-		
Equity shares at the end of the year	<b>13,095,507</b>	<b>13,095,507</b>		
<b>3.2</b> The Equity Shares of the Company have voting rights and are subject to the restriction as prescribed under the Companies Act, 1956.				
<b>3.3</b> The company has no holding Company. The subsidiary company does not hold any shares in the company.				
<b>3.4 List of share holders holding more than 5% shares</b>				
<b>Name of the shareholder</b>	<b>No. of Shares</b>	<b>% held</b>	<b>No. of Shares</b>	<b>% held</b>
i) Khandelwals Limited	56,41,100	43.08	56,41,100	43.08
ii) Life Insurance Corporation of India Ltd.	15,85,094	12.10	1,585,094	12.10
<b>3.5</b> Disclosures pursuant to Note no. 6(A)(h,i,j,k,l) of Part I of Schedule VI to the Companies Act, 1956 is NIL.				
<b>4 RESERVES AND SURPLUS</b>				
<b>(a) General Reserve</b>				
Balance as per last Balance Sheet	489,447,497		489,447,497	
Add: Transfer from Profit & Loss Account	-		-	
Closing Balance	489,447,497		489,447,497	
Total (a)	489,447,497		489,447,497	
<b>(b) Share Premium Account</b>	73,257,232		73,257,232	
Total (b)	73,257,232		73,257,232	
<b>(c) Surplus i.e. Profit and Loss Account</b>				
Balance as per last Balance Sheet	22,253,171		(1,835,503)	
Add: Profit/(Loss) for the year	(39,817,500)		24,088,674	
Less: Appropriations	-		-	
Closing Balance	(17,564,329)		22,253,171	
Total (c)	(17,564,329)		22,253,171	
<b>Net Reserves and Surplus (a)+(b)+(c)</b>	<b>545,140,400</b>		<b>584,957,900</b>	

## Notes on Consolidated financial statements for the year ended 31st March, 2014

Particulars	As at		As at	
	31st March, 2014		31st March, 2013	
	₹		₹	
<b>5 LONG TERM BORROWING</b>				
<b>I Secured Loan</b>	<b>Non Current</b>		<b>Current</b>	
<b>Non Current</b>	<b>Current</b>			
<b>Term Loans</b>				
<b>From banks</b>	819,105	1,898,759	2,681,505	1,923,404
Fixed Interest @ 17% p.a. Secured against equitable mortgage of factory land & building and hypothecation of plant & machinery of the subsidiary company at Nashik Term Loan-III, Repayable in 60 equated monthly installments (EMI) of ₹ 155,200 each till Sept. 2015, of which principal sum therein totalling to ₹ 1,898,759/- are current maturities. (Refer note 10)				
Total borrowing from banks (a)	819,105	1,898,759	2,681,505	1,923,404
<b>From Other Parties</b>				
<b>Car Loans</b>				
Secured by hypothecation of motor cars purchased under the loan				
i) Repayable in 36 equated monthly instalments (EMI) of ₹ 22,477/- each till Sept 2016 of which principal sum therein totalling to ₹ 217,771/- are current maturities.	372,688	217,771	-	-
- Fixed Interest @ 12.31% p.a.				
ii) Repayable in 48 equated monthly installments (EMI) of ₹.36,350 each till August 2015, of which principal sum therein totaling to ₹ 388,126/- are current maturities.	176,288	388,126	564,414	343,386
- Fixed Interest @ 12.45% p.a.				
iii) Repayable in 36 equated monthly installments (EMI) of ₹ 39,500 each till March 2015, of which principal sum therein totaling to ₹ 443,526/- are current maturities. (Refer note 10)	-	443,526	443,526	391,850
Total borrowing from other parties (b)	548,976	1,049,423	1,007,940	735,236
<b>Total Secured Loan (I) (a+b)</b>	<b>1,368,081</b>	<b>2,948,182</b>	<b>3,689,445</b>	<b>2,658,640</b>
<b>II Unsecured Loan from related party</b>				
From a Director	1,112,000	-	1,112,000	-
<b>Total Unsecured Loan (II)</b>	<b>1,112,000</b>	<b>-</b>	<b>1,112,000</b>	<b>-</b>
<b>Total (I+II)</b>	<b>2,480,081</b>	<b>2,948,182</b>	<b>4,801,445</b>	<b>2,658,640</b>

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

## Notes on Consolidated financial statements for the year ended 31st March, 2014

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
<b>6 OTHER LONG TERM LIABILITIES</b>		
<b>Other Payables</b>		
Trade/Security Deposit Received from Dealers	1,060,000	1,035,000
<b>Total</b>	<b>1,060,000</b>	<b>1,035,000</b>
<b>7 LONG -TERM PROVISIONS</b>		
<b>Provision for employee benefits</b>		
Provision for Leave encashment	4,518,514	5,481,786
<b>Total</b>	<b>4,518,514</b>	<b>5,481,786</b>
<b>8 SHORT TERM BORROWINGS</b>		
<b>Loan Repayable on Demand</b>		
<b>From banks</b>		
<b>Secured</b>		-
Working Capital Advance	2,286,203	
Secured against term deposit receipt of the bank		
Cash Credit Limit	50,875,350	43,864,017
Secured against equitable mortgage of factory land & building situated at Nashik and hypothecation of plant & machinery, stocks and book debts/receivables and other current assets of the subsidiary company		
<b>Total</b>	<b>53,161,553</b>	<b>43,864,017</b>
8.1 There has been no default in repayment of principal and interest on the loan.		
<b>9 TRADE PAYABLES</b>		
(a) To Micro, Small and Medium Enterprises (Refer Note 9.1)	-	-
(b) To Others	15,922,812	15,178,735
<b>Total</b>	<b>15,922,812</b>	<b>15,178,735</b>
9.1 In the absence of information with the Company, the names of Micro, Small and Medium Enterprises to whom the Company owes any sum together with interest outstanding for more than 30 days have not been given. The Auditors have relied upon this management representation.		
9.2 The balances of Trade Payables are subject to cofirmation.		
<b>10 OTHER CURRENT LIABILITIES</b>		
<b>(a) Current maturities of long-term debt</b>		
(Refer Note no. 5)		
<b>Term Loan</b>		
- from Bank	1,898,759	1,923,404
- from Others- Car Loans	1,049,423	735,236
<b>(b) Other Payables</b>		
- Statutory dues	1,931,207	1,761,854
- Security deposits	256,196	261,435
- Advances from customers	3,484,625	6,498,591
- Other liability for expenses	5,081,062	4,940,504
- Sundry creditors for capital goods	531,301	464,655
<b>Total</b>	<b>14,232,573</b>	<b>16,585,679</b>
10.1 The balances of Advance from customers are subject to confirmation.		

## Notes on Consolidated financial statements for the year ended 31st March, 2014

Particulars	As at 31st March, 2014 Rupees	As at 31st March, 2013 Rupees
<b>11 SHORT-TERM PROVISIONS</b>		
<b>(a) Provision for employee benefits</b>		
(i) Provision for Gratuity, Leave encashment/ Bonus	1,329,719	2,129,743
(ii) Others	1,199,182	2,051,436
<b>(b) Provision for Income Tax (Net of Advance Tax)</b>	-	-
<b>(c) Provision for Expenses</b>	9,125,371	8,005,626
<b>Total</b>	<b>11,654,272</b>	<b>12,186,805</b>

11.1 The Holding 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.

## Notes 12: FIXED ASSETS

Fixed Assets	GROSS BLOCK				DEPRECIATION				IMPAIRMENT				Net Block as on 31.03.2014
	Opening as on 01.04.2013	Additions	Deductions/ W/off	Closing as on 31.03.2014	Opening as on 01.04.2013	for the year	For the year Deletions	Closing as on 31.03.2014	Opening as on 01.04.2013	For the year	Reversed during the year	Closing as on 31.03.2014	
<b>(A) TANGIBLE ASSETS</b>													
Freehold Land	186,846,260	-	-	186,846,260	-	-	-	-	-	-	-	-	186,846,260
Buildings	41,603,186	-	-	41,603,186	14,285,124	1,256,423	-	15,541,548	-	-	-	-	26,061,639
Plant and Equipment	75,505,820	844,380	-	76,350,200	47,329,027	4,989,025	-	52,318,052	-	-	-	-	24,032,148
Furniture and Fixtures (see note 'c')	13,912,122	165,198	-	14,077,320	6,471,219	1,316,935	-	7,788,154	-	-	-	-	6,289,167
Vehicles	9,607,227	997,500	-	10,604,727	5,577,810	1,115,605	-	6,693,415	-	-	-	-	3,911,312
Office Equipment	3,470,216	487,505	-	3,957,721	1,818,927	231,640	-	2,050,567	-	-	-	-	1,907,155
Computers	1,607,533	36,428	94,231	1,549,730	1,363,621	67,390	69,971	1,361,038	-	-	-	-	188,692
Railway Siding	5,377,766	-	-	5,377,766	3,526,007	255,444	-	3,781,451	-	-	-	-	1,596,316
Electrical Installation	2,396,508	29,035	-	2,425,543	1,024,623	193,277	-	1,217,900	-	-	-	-	1,207,642
R & D Equipments	1,892,816	-	-	1,892,816	1,456,502	88,940	-	1,545,443	-	-	-	-	347,373
<b>Total (A)</b>	<b>342,219,454</b>	<b>2,560,046</b>	<b>94,231</b>	<b>344,685,269</b>	<b>82,852,860</b>	<b>9,514,679</b>	<b>69,971</b>	<b>92,297,568</b>	-	-	-	-	<b>252,387,704</b>
<b>(B) INTANGIBLE ASSETS</b>													
Goodwill on consolidation	100,389,736	1,448,118	-	101,837,854	-	-	-	-	-	-	-	-	101,837,854
Software (SAP)	2,676,645	1,003,145	-	3,679,790	1,855,858	399,638	-	2,255,496	-	-	-	-	1,424,294
Technical Know-how	4,056,430	-	-	4,056,430	827,318	413,659	-	1,240,977	-	-	-	-	2,815,454
R & D Amortisation	38,127,866	10,922,699	8,385,176	40,665,389	18,297,683	9,810,114	8,385,176	19,722,621	-	-	-	-	20,942,770
<b>Total (B)</b>	<b>145,250,677</b>	<b>13,373,962</b>	<b>8,385,176</b>	<b>150,239,463</b>	<b>20,980,859</b>	<b>10,623,410</b>	<b>8,385,176</b>	<b>23,219,093</b>	-	-	-	-	<b>127,020,371</b>
<b>Current year (A+B)</b>	<b>487,470,131</b>	<b>15,934,008</b>	<b>8,479,407</b>	<b>494,924,732</b>	<b>103,833,719</b>	<b>20,138,089</b>	<b>8,455,147</b>	<b>115,516,661</b>	-	-	-	-	<b>379,408,076</b>
<b>Previous year</b>	<b>439,749,753</b>	<b>58,200,761</b>	<b>10,480,384</b>	<b>487,470,131</b>	<b>93,376,409</b>	<b>19,967,473</b>	<b>9,510,163</b>	<b>103,833,719</b>	<b>604,815</b>	-	<b>604,815</b>	-	<b>383,636,414</b>

## NOTE:

- Vehicles include certain vehicles Gross Block ₹ 9,744 (Previous Year ₹ 9,744) which are transferred to the company pursuant to the Scheme of Arrangement and yet in the process of registration in company's name.
- As regards the accounting for fixed assets & depreciation please refer to note 2.3
- In accordance with the Accounting Standard on "Impairment of Assets" AS-28, the Company has recognised impairment losses as at 1st April, 2004 on certain assets of the Company at Nagpur by a corresponding adjustment to General Reserve during the year ended 31st March, 2005 pursuant to transitional provisions of the said standard. After deductions / adjustments of the impairment during the subsequent periods the balance is ₹ NIL (previous year ₹ 604,815) during the current year.
- Impairment of Assets (AS:28) : The Company has identified that there is no material impairment of fixed assets and as such no provision is required as per As : 28 issued by ICAI.
- Freehold land at S.No.252/6 at village parthardi, Nashik purchased during the F.Y. 2011-12 is held in the name of Director.

## Notes on Consolidated financial statements for the year ended 31st March, 2014

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
<b>13 NON- CURRENT INVESTMENTS</b>		
(At Cost Less permanent diminution in value (if any))		
<b>OTHER INVESTMENTS</b>		
<b>Investment in Equity Instruments</b>		
<b>Quoted, Fully paid up</b>		
<b>ABB India Limited</b>	105,773	105,773
(formerly known as ABB Ltd)		
[200 Equity Shares (Previous Year : 200) of ₹ 2 each]		
<b>ACC Limited</b>	505,458	505,458
[700 Equity Shares (Previous Year : 700) of ₹ 10 each]		
<b>Aditya Birla Nuvo Limited</b>	1,010,198	1,010,198
[1300 Equity Shares (Previous Year : 1300) of ₹ 10 each]		
<b>Axis Bank Ltd.</b>	537,199	537,199
[1300 Equity Shares (Previous Year :1300) of ₹ 10 each]		
<b>Ballarpur Industries Limited</b>	691,153	-
[57,500 Equity Shares (Previous Year : Nil ) of ₹ 2 each]		
<b>Bank of Baroda</b>	-	465,781
[Current year : Nil (Previous Year :500 of ₹ 10 each)]		
<b>Bharti Airtel Ltd.</b>	-	230,765
[Current year : Nil (Previous Year : 700 of ₹ 5 each)]		
<b>Biocon Limited</b>	-	758,503
[Current year : Nil (Previous Year : 2500 of ₹ 5 each)]		
<b>Coal India Limited</b>	110,250	110,250
[450 Equity Shares (Previous Year :450) of ₹10 each]		
<b>Crompton Greaves Ltd.</b>	-	1,116,612
[Current year : Nil (Previous Year : 5375 of ₹ 2 each)]		
<b>Globus Spirits Ltd.</b>	2,500,000	2,500,000
[25000 Equity Shares (Previous Year : 25000) of ₹ 10 each]		
<b>Grasim Industries Ltd.</b>	206,121	206,121
[200 Equity Shares (Previous Year :200) of ₹ 10 each]		
<b>HDFC Ltd.</b>	640,576	640,576
[2000 Equity Shares(Previous Year :2000) of ₹ 2 each]		
<b>HDFC Bank Ltd.</b>	280,152	280,152
[1500 Equity Shares (Previous Year : 1500) of ₹ 2 each]		
<b>Hindalco Industries Ltd.</b>	266,200	266,200
[5500 Equity Shares (Previous Year : 5500) of ₹ 1 each]		
<b>Hindustan Const Co. Ltd.</b>	-	485,412
[Current Year : Nil (Previous Year : 7000 of ₹ 1 each)]		
<b>Indian Hotel Co. Ltd.</b>	1,103,993	1,258,919
[19240 Equity Shares (Previous Year : 21940) of ₹ 1 each]		

## Notes on Consolidated financial statements for the year ended 31st March, 2014

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
<b>ITC Limited</b>	644,435	644,435
[5000 Equity Shares (Previous Year : 5000) of ₹ 1 each]		
<b>Josts Engg. Co. Ltd.</b>	14,704	14,704
[50 Equity Shares (Previous Year : 50) of ₹ 10 each]		
<b>Kotak Mahindra Bank Ltd.</b>	697,928	697,928
[3600 Equity Shares(PreviousYear :3600 ) of ₹5 each]		
<b>Larsen &amp; Toubro Ltd.</b>	2,450,123	2,177,445
[3000 Equity Shares (Previous Year : 1800) of ₹ 2 each]		
<b>Mahindra &amp; Mahindra Ltd.</b>	1,926,304	1,926,304
[6625 Equity Shares (Previous Year : 6625) of ₹ 5 each]		
<b>Mahindra &amp; Mahindra Financial Services Ltd.</b>	471,562	471,562
[4165 Equity Shares (Previous Year : 4165) of ₹ 2 each]		
<b>Mahindra Lifespace Developers Ltd.</b>	188,471	188,471
[600 Equity Shares (Previous Year : 600) of ₹ 10 each]		
<b>Marico Limited</b>	164,565	193,447
[3500 Equity Shares (Previous Year : 3500) of ₹ 1 each]		
<b>MOIL Limited</b>	7,125	7,125
[19 Equity Shares (Previous Year : 19) of ₹ 10 each]		
<b>NTPC Limited</b>	-	300,045
[Current Year : Nil (Previous Year : 1700 of ₹ 10 each)]		
<b>Petronet LNG Ltd.</b>	281,512	281,512
[7000 Equity Shares (Previous Year : 7000) of ₹ 10 each]		
<b>Pidilite Industries Ltd.</b>	191,884	191,884
[4000 Equity Shares (Previous Year : 4000) of ₹ 1 each]		
<b>Power Grid Corp. of India Ltd.</b>	1,064,200	1,064,200
[11273 Equity Shares (Previous Year : 11273) of ₹ 10 each]		
<b>Reliance Communications Ltd.</b>	-	307,543
[Current year : Nil (Previous Year : 850) of ₹ 5 each]		
<b>The Sandur Mang. &amp; Iron Ores Ltd.</b>	203,160	203,160
[ 275 Equity Shares (Previous Year : 275) of ₹ 10 each]		
<b>Sesa Sterlite Ltd.</b>	991,265	991,265
(formerly known as Sesa Goa Ltd.)		
[6000 Equity Shares (Previous Year :6000) of ₹ 1 each]		
<b>Satyam Computer</b>	-	497,046
[Current Year Nil (Previous Year : 7200 of ₹ 2 each) since exchanged with 847 equity shares of Tech Mahindra Ltd in terms of Scheme of Amalgamation and Arrangement approved by Hon'ble High Court]		
<b>State Bank of India</b>	2,317,517	2,317,517
[1500 Equity Shares (Previous Year : 1500) of ₹ 10 each]		



## Notes on Consolidated financial statements for the year ended 31st March, 2014

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
<b>Tata Chemicals Ltd.</b>	-	1,233,650
[Current Year : Nil (Previous Year : 4250 of ₹ 10 each)]		
<b>Tata Consultancy Services Ltd.</b>	697,480	697,480
[2200 Equity Shares (Previous Year : 2200) of ₹ 1 each]		
<b>Tata Power Co. Ltd.</b>	169,076	169,076
[2000 Equity Shares (Previous Year : 2000) of ₹1each]		
<b>Tata Steel Ltd.</b>	-	1,079,153
[Current Year : Nil (Previous Year : 3750 of ₹ 10 each)]		
<b>Torrent Power Ltd.</b>	-	930,878
[Current Year : Nil (Previous Year : 3000 of ₹ 10 each)]		
<b>Tech Mahindra Ltd.</b>	497,046	-
[847 Equity Shares (Previous Year : Nil) of ₹ 10 each]		
<b>Unitech Ltd.</b>	327,045	327,045
[4800 Equity Shares (Previous Year : 4800) of ₹ 2 each]	-	
<b>UPL Ltd (United Phosphorous Ltd.)</b>	415,780	415,780
[3500 Equity Shares (Previous Year : 3500) of ₹ 2 each]		
<b>Yes Bank Ltd.</b>	-	1,284,470
[Current Year : Nil (Previous Year : 4500 of ₹ 10 each)]		
<b>Ultratech Cement Ltd</b>	-	-
[114 Equity Shares (Previous Year : 114) of ₹ 10 each]		
(Since received from 200 equity shares of Grasim Industries Ltd. in terms of Scheme of Amalgamation and Arrangement approved by Hon'ble High Court] )		
<b>Total Other Investments - Quoted (b) (i)</b>	<u>21,678,253</u>	<u>29,091,044</u>
<b>Unquoted, Fully paid up</b>	-	
<b>Marico Kaya Enterprises Limited</b>	28,882	-
[70 Equity Shares (Previous Year : Nil) of ₹ 10 each]	-	
Received under the scheme of demerger of Marico Limited	-	
<b>Jhulelal Nagari Sahakari Patsantha</b>	150,000	150,000
[6000 Equity Shares ( Previous year :6000) of ₹25/- each]	-	
Less: Provision for Diminution Value of Investment	(150,000)	(150,000)
<b>Total Other Investments - Unquoted (b) (ii)</b>	<u>28,882</u>	<u>-</u>
<b>Total Other Investments b (i+ii)</b>	<u>21,707,135</u>	<u>29,091,044</u>
<b>Total Non-Current Investments (a+b)</b>	<u>21,707,135</u>	<u>29,091,044</u>
<b>13.1 Aggregate amount of quoted investments</b>	21,678,253	29,091,044
<b>13.2 Market value of quoted investments</b>	44,700,736	44,714,329
<b>13.3 Aggregate amount of unquoted investments</b>	178,882	150,000
<b>13.4 Aggregate provision for diminution in value of investments</b>	150,000	150,000

## Notes on Consolidated financial statements for the year ended 31st March, 2014

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
<b>14 LONG TERM LOANS AND ADVANCES</b>		
<b>(a) Capital Advance</b>		
Unsecured, considered good	7,313	33,120
<b>(b) Security Deposit</b>		
(i) Unsecured, considered good	5,695,454	6,066,714
(ii) Unsecured, considered doubtful (Net of Provision)	184,441	184,441
<b>(c) Other Loans &amp; Advances</b>		
Unsecured, considered good		
(i) Income Tax /FBT Advances ( Net of Provision)	366,170	115,017
(ii) Vat/CST Credit Receivable	-	126,308
(iii) MAT Credit Entitlement AY 2013-14	9,160,000	9,160,000
<b>Total</b>	<b>15,413,378</b>	<b>15,685,600</b>

14.1 The balances of Security Deposits are subject to confirmation.

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

**15 CURRENT INVESTMENTS**

(At Lower of Cost or Market Value)

**(A) INVESTMENTS IN EQUITY INSTRUMENTS****Quoted****(i) In Fully Paid-up Equity Shares****Astral Poly Technik Ltd.**

112,658

445,311

[1517 Equity Shares (Previous Year : 2365 of ₹ 5 each) of ₹ 2 each]

**Balkrishna Industries Ltd.**

-

868,126

[Current Year : Nil (Previous Year : 4556 of ₹ 2 each)]

**City Union Bank Ltd.**

1,259,510

489,227

[24579 Equity Shares (Previous Year : 8447) of ₹ 1 each]

**Dhanuka Agritech Ltd.**

-

454,832

[Current Year : Nil (Previous Year : 4596 of ₹ 2 each)]

**Greenply Industries Ltd.**

638,450

1,152,175

[3346 Equity Shares (Previous Year : 6017) of ₹ 5 each]

**Hindustan Media Ventures Ltd.**

237,876

534,412

[1759 Equity Shares (Previous Year : 4149) of ₹ 10 each]

**HSIL Limited**

-

476,131

[Current Year : Nil (Previous Year : 3662 of ₹ 2 each)]

**IndusInd Bank Ltd.**

421,845

-

[1081 Equity Shares (Previous Year : Nil) of ₹ 10 each]

**KPIT Technologies Ltd.**

693,783

453,646

[5766 Equity Shares (Previous Year : 4097) of ₹ 2 each]

**Lumax Auto Technologies Ltd.**

770,782

770,423

[4917 Equity Shares (Previous Year : 4914) of ₹ 10 each]

**Motherson Sumi System Ltd.**

-

188,703

[Current Year : Nil (Previous Year : 2157 of ₹ 1 each)]

**Nava Bharat Ventures Ltd.**

-

429,620

[Current Year : Nil (Previous Year : 2238 of ₹ 2 each)]

## Notes on Consolidated financial statements for the year ended 31st March, 2014

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
<b>Net4 India Ltd.</b>	241,270	284,111
[3985 Equity Shares (Previous Year : 4773) of ₹ 10 each]		
<b>Setco Automotive Ltd.</b>	-	212,775
[Current Year : Nil (Previous Year : 2660 of ₹ 10 each)]		
<b>Shriram Transport Fin. Co. Ltd.</b>	302,842	557,705
[554 Equity Shares (Previous Year : 1045) of ₹ 10 each]		
<b>Shriram City Union Finance Ltd.</b>	1,048,237	565,629
[1008 Equity Shares (Previous Year : 534) of ₹ 10 each]		
<b>Sundram Fasteners Ltd.</b>	-	421,887
[Current Year : Nil (Previous Year : 8239 of ₹ 1 each)]		
<b>Supreme Industries Ltd.</b>	255,391	492,545
[1300 Equity Shares (Previous Year : 2496) of ₹ 2 each]		
<b>TD Power System Ltd.</b>	-	391,616
[Current Year : Nil (Previous Year : 1583 of ₹ 10 each)]		
<b>Total (i)</b>	<b>5,982,646</b>	<b>9,188,874</b>
<b>(ii) In Partly Paid-up Equity Shares</b>		
<b>City Union Bank Ltd</b>	-	18,530
[Current Year : Nil (Previous Year : 1853 of ₹ 1 each of which ₹ 0.50 partly paid)]		
<b>Total (ii)</b>	-	<b>18,530</b>
<b>Total Quoted Investments (i)+(ii)</b>	<b>5,982,646</b>	<b>9,207,404</b>
Less: Provision for Diminution in value of Current Investments	(426,854)	(449,119)
<b>Total Quoted Investments (A)</b>	<b>5,555,792</b>	<b>8,758,285</b>
<b>(B) INVESTMENTS IN MUTUAL FUND</b>		
<b>Unquoted</b>		
<b>In units of SBI Mutual Fund</b>	25,182,002	38,184,572
Units of SBI Premier Liquid Fund-Institutional Growth [19,390.016 Units (Previous Year : 29,401.930 Units)]		
<b>In Units of HDFC Mutual Fund</b>	6,443,833	213,900
Units of HDFC Liquid Fund - Growth [ 2,68,519.061 Units (Previous Year : 9323.16 Units)]		
<b>In Units of HDFC Mututal Fund</b>	-	871,331
Units of HDFC Cash Mgmt. Treasury Advantage- Retail Plan Growth [ Nil Units (Previous Year : 35,185.357 Units)]		
<b>ICICI Prudential Corporate Bond Fund-Regular Plan Growth</b>	20,000,000	20,000,000
[11,40,415.073 Units (Previous Year : 11,40,415.073 Units)]		
<b>ICICI Prudential Institutional Income Plan Growth</b>	-	10,000,000
[ Nil Units (Previous Year : 2,82,934.26 Units)]		
<b>ICICI Prudential Income Regular Plan Growth</b>	20,000,000	20,000,000
[ 5,60,783.302 Units (Previous Year : 5,60,783.302 Units)]		
<b>Axis Constant Maturity 10 Year Fund - Growth Plan</b>	-	10,000,000
[ Nil Units (Previous Year : 9,94,203.79 Units)]		
<b>BNP Paribas Bond Fund - Inst. Growth</b>	10,000,000	10,000,000
[9,03,505.60 Units (Previous Year : 9,03,505.60 Units)]		
<b>Birla Sun Life Dynamic Bond Fund-Retail-Growth-Regular Plan</b>	14,000,000	14,000,000
[7,07,578.161 Units (Previous Year : 7,07,578.161 Units)]		
<b>Canara Robeco Dynamic Bond Fund Regular Growth</b>	14,000,000	14,000,000
[10,84,834.021 Units (Previous Year : 10,84,834.021 Units)]		

## Notes on Consolidated financial statements for the year ended 31st March, 2014

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
<b>Canara Robeco - Income Regular Growth Fund</b> [ 8,78,977.626 Units (Previous Year :8,78,977.626 Units)]	20,000,000	20,000,000
<b>Kotak Bond (Short Term) - Growth</b> [ 7,28,710.85 Units (Previous Year : 7,28,710.85 Units)]	15,000,000	15,000,000
<b>Kotak Bond Scheme Plan A - Growth</b> [ 9,42,642.524 Units (Previous Year : 9,42,642.524 Units)]	30,000,000	30,000,000
<b>Kotak FMP Series 76 - Growth</b> [ Nil Units (Previous Year : 10,00,000 Units)]	-	10,000,000
<b>Templeton India Corporate Bond Opportunities Fund-Growth</b> [ 8,93,152.20 Units (Previous Year : 8,93,152.20 Units)]	10,000,000	10,000,000
<b>Templeton India Income Builder Account-Plan A - Growth</b> [ 5,22,856.68 Units (Previous Year : 5,22,856.68 Units)]	20,000,000	20,000,000
<b>Templeton India Income Builder Account-Plan B - Growth</b> [1,48,220.61 Units (Previous Year : 1,48,220.61 Units)]	5,000,000	5,000,000
<b>Templeton India Income Opportunities Fund - Growth</b> [19,82,201.325 Units (Previous Year : 19,82,201.325 Units)]	25,000,000	25,000,000
<b>Templeton India Short Term Income Retail Plan - Growth</b> [2,468.55 Units (Previous Year : 2,468.55 Units)]	5,000,000	5,000,000
<b>Total Unquoted Investments (B)</b>	<b>239,625,835</b>	<b>277,269,803</b>
<b>Total Current Investments (A+B)</b>	<b>245,181,626</b>	<b>286,028,089</b>
15.1 <b>Aggregate amount of quoted investments</b>	5,982,646	9,207,404
15.2 <b>Market value of quoted investments</b>	7,743,981	1,16,65,335
15.3 <b>Aggregate amount of unquoted investments</b>	239,625,835	277,269,803
15.4 <b>Aggregate provision for diminution in value of investments</b>	426,854	449,119
15.5 Investments in mutual fund instruments includes investments amounting to ₹ 64,43,833 (Previous Year ₹ 10,85,231) held in the name of portfolio manager under portfolio management service agreement.		

**16 INVENTORIES****Inventories**

(As taken, valued and certified by management)

(a) Raw Materials	23,503,158	23,811,775
(b) Work-in-Progress	6,366,724	4,981,431
(c) Finished goods	20,141,140	20,065,995
(d) Stock in Trade	9,078,735	6,438,893
(e) Stores and spares	1,357,001	1,671,874
(f) By Products / Waste Products	298,022	315,250
<b>Total</b>	<b>60,744,780</b>	<b>57,285,218</b>

**16.1** *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 ₹15,25,000 /- (Previous Year ₹ 18,75,000/-) 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 such balance accumulated waste.*

## Notes on Consolidated financial statements for the year ended 31st March, 2014

Particulars	As at 31st March, 2014 ₹	As at 31st March, 2013 ₹
<b>17 TRADE RECEIVABLE</b>		
<b>Unsecured, considered good</b>		
<b>Debts outstanding for a period exceeding six months</b>	7,154,580	10,641,628
<b>Other Debts</b>	36,624,350	38,904,723
<b>Total</b>	<u><u>43,778,930</u></u>	<u><u>49,546,351</u></u>
<b>18 CASH AND BANK BALANCES</b>		
<b>(a) Cash and cash equivalents</b>		
(I) Balances with Banks	2,119,034	4,791,496
(II) Cash on hand	414,616	174,027
(III) Others		
Term Deposits (Less than 3 months maturity)	800,000	204,000
<b>(b) Other Bank Balance</b>		
<b>(I) Balances with banks to the extent held as security or margin money</b>		
<b>Security against demand loan for working capital</b>		
(i) Term Deposit (Less than 12 months maturity)	5,218,015	5,218,015
(Held by State Bank of India as security against demand loan for working capital)		
<b>Margin Money against Bank Guarantee and letter of credit facilities to subsidiary co.</b>		
(ii) Term Deposits (More than 3 Months but less than 12 months maturity)	2,663,690	1,444,000
(iii) Term Deposits (More than 12 months maturity)	70,000	1,621,873
<b>Total</b>	<u><u>11,285,354</u></u>	<u><u>13,453,411</u></u>
<b>19 SHORT-TERM LOANS AND ADVANCES</b>		
<b>Others</b>		
<b>(Unsecured, considered good)</b>		
(i) Advance payment of tax/taxes (Net of Provision)	3,179,204	(4,259,609)
(ii) Other advances	5,544,671	7,014,938
(iii) Advance recoverable in cash or in kind or for value to be received	2,354,053	2,825,189
<b>Total</b>	<u><u>11,077,927</u></u>	<u><u>5,580,518</u></u>

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

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

## Notes on Consolidated financial statements for the year ended 31st March, 2014

Particulars	For the year ended 31st March, 2014 ₹	For the year ended 31st March, 2013 ₹
<b>20 REVENUE FROM OPERATIONS</b>		
Sale of products	136,657,621	177,764,174
Sale of Services	3,140,495	2,383,656
Other Operating Revenue	680,574	-
Less : Excise duty	(10,133,434)	(14,340,538)
Less : Service Tax	(345,466)	(262,211)
<b>Total</b>	<b>129,999,790</b>	<b>165,545,081</b>
<b>21 OTHER INCOME</b>		
Interest income	777,027	1,178,653
Dividend Income	815,390	883,365
Net gain / loss on sale of investments	12,126,163	65,486,226
Other non-operating income	162,080	1,579,170
<b>Total</b>	<b>13,880,660</b>	<b>69,127,414</b>
<b>22 COST OF MATERIALS CONSUMED</b>		
<b>Manufacturing</b>		
Indigeneous	18,833,460	26,402,062
Imported	6,828,067	9,692,279
<b>Total</b>	<b>25,661,527</b>	<b>36,094,341</b>
<b>23 PURCHASES OF STOCK - IN - TRADE</b>		
<b>Trading Goods</b>		
Indigeneous	3,729,768	3,750,242
Imported	23,080,362	20,977,447
<b>Total</b>	<b>26,810,130</b>	<b>24,727,689</b>
<b>24 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>		
<b>(a) Opening stocks :</b>		
Finished Goods	20,065,995	10,302,434
Work in progress	4,981,431	6,159,147
Stock-in-Trade	6,438,893	8,971,384
By Product/Waste Product	315,250	645,865
<b>Total (a)</b>	<b>31,801,569</b>	<b>26,078,830</b>
<b>(b) Stock ascertained and accounted during the year (Refer Note 16.1)</b>	<b>1,525,000</b>	<b>1,875,000</b>
<b>(c) Closing stocks :</b>		
Finished Goods	20,141,140	20,065,995
Work in progress	6,366,724	4,981,431
Stock-in-Trade	9,078,735	6,438,893
By Product/Waste Product	298,022	315,250
<b>Total (c)</b>	<b>35,884,621</b>	<b>31,801,569</b>
<b>(d) Total (b+c)</b>	<b>37,409,621</b>	<b>33,676,569</b>
<b>(e) (Increase)/Decrease</b>	<b>(5,608,052)</b>	<b>(7,597,739)</b>
<b>Total (a)-(d)</b>		

## Notes on Consolidated financial statements for the year ended 31st March, 2014

Particulars	For the year ended 31st March, 2014 ₹	For the year ended 31st March, 2013 ₹
<b>25 EMPLOYEE BENEFITS EXPENSE</b>		
(a) Salaries and Wages	57,713,462	66,917,315
(b) Contribution to Provident and other funds	5,006,454	6,809,567
(c) Staff Welfare Expenses	817,295	814,513
<b>Total</b>	<b>63,537,211</b>	<b>74,541,395</b>
25.1 The employee benefits expense includes the Whole Time Director's remuneration as approved by share holders at Annual General Meeting held on August 30,2013.		
<b>26 FINANCIAL COST</b>		
Interest Expenses	9,085,703	9,518,555
Bank Charges & Commission	815,935	853,593
<b>Total</b>	<b>9,901,638</b>	<b>10,372,148</b>
<b>27 OTHER EXPENSES</b>		
Power and Fuel	3,614,798	4,058,410
Rent	1,111,355	1,705,033
Repairs to buildings	1,988,371	1,330,860
Repairs to Machinery	989,836	1,037,232
Repairs to Others	2,174,179	1,739,494
Insurance	293,008	351,953
Rates and taxes,excluding taxes on income	3,519,670	2,014,561
Light and Water	622,704	581,649
Freight and Handling	5,043,804	5,953,630
Conveyance	1,747,368	2,469,274
Travelling Expenses [Includes Director's ₹ 37,66,069 (Previous Year ₹ 25,47,580) ]	10,841,991	10,093,059
Payments to the auditor	535,788	571,665
Advances written off	194,875	673,300

**Notes on Consolidated financial statements for the year ended 31st March, 2014**

Particulars	For the year ended 31st March, 2014 ₹	For the year ended 31st March, 2013 ₹
Postage Telegram & Telephone	2,619,754	2,633,439
Printing & Stationery	912,958	1,011,176
Legal & Consulancy Charges	5,309,771	7,134,583
Security Expenses	1,231,013	1,110,091
Service charges	323,200	765,700
Upkeep of Heavy Vehicles	105,353	197,796
Excise Duty paid / Increase/(Decrease) on FG	937,260	2,785,510
Consumption of Stores and Spare Parts	392,313	447,540
Commission on Sales	1,846,781	3,956,880
Advertisement and Publicity	4,458,296	3,750,412
Sales Promotion	419,023	3,304,533
Recruitment Expenses	1,009,804	943,849
Upkeep of Motor Car	1,978,228	1,944,659
Service charges of Surface Vehicles	338,105	227,526
Provision for diminution of current investment	-	449,119
Membership fees	478,331	620,955
Entertainment Expenses	268,480	230,421
Miscellaneous Expenditures	3,682,611	2,498,508
Plantation Expenses	91,766	-
<b>TOTAL</b>	<b>59,080,795</b>	<b>66,592,817</b>



**NOTES ON CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT**

**Additional Information**

<b>28</b>	<b>CONTINGENT LIABILITIES AND COMMITMENTS:(to the extent not provided for)</b>		<b>(In ₹)</b>
	<b>Particulars</b>	<b>As at 31st March, 2014</b>	<b>As at As at 31.03.2013</b>
<b>(i)</b>	<b>Contingent Liabilities</b>		
	<b>a) Claims made against the Company not acknowledged as debt :</b>		
	- Sales Tax Demand not provided for pending outcome of appeal (of which documents related to claim of ₹ 6,27,736 are currently not available with the company)	20,173,539	20,173,539
	- Excise Duty Demand not provided for pending outcome of appeal	2,657,798	2,657,798
	- Customs duty Demand not provided for pending outcome of appeal	11,742,500	11,742,500
	- Other Matters (of which documents related to claim of ₹ 2,963,312/- are currently not available with the company)	11,100,737	11,051,561
	- Balance of Income Tax Demand u/s 156 of the Income Tax Act, 1961 in respect of A.Y. 2010-11 not provided for pending outcome of appeal.	3,631,578	3,631,578
	- Income Tax Demand u/s 156 of the Income Tax Act, 1961, in respect of A.Y 2011-12 not provide for pending outcome of appeal.	1,036,460	-
	<b>b) Guarantees (Refer Note no.iii)</b>		
	<b>c) Other money for which the company is contingently liable</b>		
	- Investment in partly paid up shares (To the extent un-called portion)	-	927
<b>(ii)</b>	<b>Commitments</b>	-	-
	<b>Total Contingent Liabilities and Commitments</b>	<b>50,342,612</b>	<b>49,257,903</b>

Note: i) Future cash outflow on (a) and (b) above is determinable only on the on receipt of judgments /decisions pending with respective Hon'ble Court/ authorities/ departments and or completion of negotiations / settlement

ii) The Bank Guarantees and Letter of Credit issued by subsidiary's bankers, being own obligation it is not included in terms of ICAI Guidance note on Revised Schedule VI of the companies Act, 1956

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

**30 Segment Reporting :**

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

b) The reportable segments are :Manufacture of "High/ Medium/ Low Carbon Ferro Manganese and Silico Manganese Slag." and Manufacture of "Electronics & Electrical Products, Energy Meters & others."

**c) Primary Segment Information :** **(In ₹)**

	<b>Particulars</b>	<b>For the year ended</b>	
		<b>31<sup>st</sup> March, 2014</b>	<b>31<sup>st</sup> March, 2013</b>
<b>I</b>	<b>Segment Revenue:</b>		
<b>A</b>	<b>Sale of Products</b>		
	1. High/ Medium/ Low Carbon Ferro Manganese and Silico Manganese Slag	17,306,241	18,052,785
	2. Electronics & Electrical Products, Energy Meters & others	120,031,954	159,711,389
	<b>(A)</b>	<b>137,338,195</b>	<b>177,764,174</b>

**Notes on Consolidated financial statements for the year ended 31st March, 2014**

B.	Sale of Services	(B)	3,140,495	2,383,656
C.	Other Operating Revenue	(C)	680,574	-
	Gross Revenue	(A+B+C)	140,478,690	180,147,830
	Less: Inter Segment Revenue		-	-
	<b>Net Revenue</b>		<b>140,478,690</b>	<b>180,147,830</b>
<b>II</b>	<b>Segment Results before Interest &amp; Tax :</b>			
	Profit/(Loss) before Interest & Tax from each segment			
	High/ Medium/ Low Carbon Ferro Manganese and Silico Manganese Slag		(9,158,884)	43,373,535
	Electronics & Electrical Products, Energy Meters & others		( 36,680,364)	( 23,027,017)
	Total Profit before Interest & Tax		(45,839,248)	20,346,518
	Less : Interest		(9,801,638)	(10,372,148)
	<b>Profit/(Loss) before Tax</b>		<b>(55,640,886)</b>	<b>9,974,371</b>
<b>III</b>	<b>Other Information</b>			
	<b>Segment Assets</b>			
	High/ Medium/ Low Carbon Ferro Manganese and Silico Manganese Slag		659,664,563	669,207,709
	Electronics & Electrical Products, Energy Meters & others		178,931,631	188,700,978
	<b>Total Segment Assets</b>		<b>838,596,194</b>	<b>857,908,687</b>
	<b>Segment Liability</b>			
	High/ Medium/ Low Carbon Ferro Manganese and Silico Manganese Slag		8,600,466	9,733,311
	Electronics & Electrical Products, Energy Meters & others		126,864,218	89,402,979
	<b>Total Segment Liability</b>		<b>135,464,684</b>	<b>99,136,290</b>
	<b>Capital Expenditure</b>			
	High/ Medium/ Low Carbon Ferro Manganese and Silico Manganese Slag		1,320,768	1,731,129
	Electronics & Electrical Products, Energy Meters & others		13,165,122	17,590,743
	<b>Total</b>		<b>14,485,890</b>	<b>19,321,872</b>
	<b>Depreciation</b>			
	High/ Medium/ Low Carbon Ferro Manganese and Silico Manganese Slag		2,939,631	2,894,378
	Electronics & Electrical Products, Energy Meters & others		17,198,456	17,073,095
	<b>Total</b>		<b>20,138,087</b>	<b>19,967,473</b>

**31** Related Party disclosures as required under Accounting Standard -18 issued by the Institute of Chartered Accountants of India and applicable to the Holding Company are given below:

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

Name of the Related Party		Nature of Relationship
a)	Informed Technologies India Limited	Enterprise that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the reporting enterprise
b)	Zeppelin Investments Private Ltd.	
c)	Khandelwal Remedies Private Ltd.	
d)	Meteor Metals & Ores Ltd.	
e)	Khandelwals Ltd.	
f)	The Motwane Manufacturing Company Private Limited	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:**

<b>1</b>	<b>Enterprises owned or significantly influenced by any management personnel or their relatives</b>	
a)	Informed Technologies India Limited	814,413 / 814,413
	Advance Received/Advance Repaid	(3,492,213 / 3,492,213)
b)	H. V. M. Estate	70,000
	Rent paid	( 420,000)

**Notes on Consolidated financial statements for the year ended 31st March, 2014**

2	Key Management Personnel	
	<b>Remuneration</b>	
a)	Mr. Gautam P. Khandelwal	3,000,000 / (3,000,000)
b)	Mr. S. B. Kanbargi	821,869 / (727,800)
c)	Mrs. H.H.Motwane	1,414,319 / (1,403,548)
d)	Mr A.S.Parundekar	2,392,089 / (2,648,454)
e)	Mr. Jitendra Agrawal	2,211,292 / (2,501,728)
	<b>Rent</b>	
a)	Mr. P.H.Motwane	170,000 / (540,000)
	<b>Interest</b>	
a)	Mrs. H.H.Motwane	1,33,439 / (1,33,439)

**(III) Balances Outstanding as at 31<sup>st</sup> March, 2014**

**(In ₹)**

Particulars	Maximum outstanding Balance	Receivables	Payables
<b>1) Related parties where control exists</b>			
a) Informed Technologies India Limited	320,258 (1,471,894)	NIL (NIL)	NIL (NIL)
<b>2) Key Management Personnel</b>			
a) Mr. Gautam Khandelwal	<b>312,799</b> <b>( 125,000)</b>	<b>NIL</b> <b>(NIL)</b>	<b>NIL</b> <b>(NIL)</b>
b) Mrs. Hardevi H. Motwane	1,112,000 (1,112,000)	NIL (NIL)	1,112,000 (1,112,000)
<b>3 Relatives of Key Management Personnel</b>	*See Note		

*Figures in brackets are related to previous year \**

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

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

**32 Earnings Per Share:**  
**Particulars**

		<b>For the year ended 31<sup>st</sup> Mar, 2014</b>	<b>For the year ended 31<sup>st</sup> Mar, 2013</b>
Profit (Loss) for the year (₹)	(A)	(39,817,500)	24,088,674
Number of Equity Shares Outstanding	(B)	130,95,507	13,095,507
Earnings per share of ₹10 each	(A/B)	(3.04)	1.84

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

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

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

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

Chartered Accountants  
Firm Regn. No. 119077W

**M.V.Ghelani**

Proprietor  
Mumbai : May 28, 2014

**For and on behalf of the Board**

**Gautam P. Khandelwal**  
Chairman & Executive Director

**Girish Bakre**  
Director

**Nidhi Salampuria - Company Secretary**  
Mumbai : May 28, 2014

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

Particulars	Amount in Rupees		
	For The Year Ended On 31st March, 2014	For The Year Ended On 31st March, 2013	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net Profit /(loss) before tax paid, prior period items & extra ord. Items	(55,640,887)	9,974,371	
<b>Adjustment for :</b>			
Depreciation - Current Year	20,138,088	19,967,473	
Provision for diminution value of current Investment	-	449,119	
Assets Written off	-	746	
Loss/(Profit) on sale of Fixed Assets	18,760	(11,985)	
Interest Expenses	9,901,638	10,372,148	
Profit on sale of Investment	(12,126,163)	(65,486,226)	
Dividend Income	(815,390)	(883,365)	
Loss / (Profit) on sale of Investment (Net)	1,002,337	-	
Proceeds from sales of Fixed Assets	-	(17,000)	
Rent Received	(3,240)	(3,455)	
Sundry Balances written off	(55,382)	(656,357)	
Interest Income	(777,027)	(1,178,653)	
Provision no longer required written back	(22,265)	-	
	<u>17,261,355</u>	<u>(37,447,555)</u>	
<b>Operating profit before working capital change</b>	<b>(38,379,531)</b>	<b>(27,473,184)</b>	
<b>Adjustment for :</b>			
Inventories	(3,459,562)	(11,399,522)	
Trade Receivables	5,767,421	(10,387,006)	
Other Cash Balances	332,183	(2,451,561)	
Long /Short Term Loans & Advances and other current assets	(28,357,327)	(8,674,699)	
Trade Payables, Other Current Liabilities and Provisions	<u>(2,381,938)</u>	<u>13,566,856</u>	
Cash Flow before prior period adjustments & extraordinary items	<b>(66,478,755)</b>	<b>(46,819,118)</b>	
Prior Period adjustments	-	-	
Income tax paid	(9,299,915)	(2,217,497)	
<b>Net cash flow from Operating Activities</b>	<b>"A"</b>	<b>(75,778,670)</b>	<b>(49,036,615)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Fixed Assets	(14,485,890)	(19,321,871)	
Proceeds from sale of Fixed Assets( Including Profit)	5,500	393,645	
Proceeds from Investment in Mutual Fund / Shares ( incl. Gain or Loss )	57,963,453	68,181,814	
Rent Received	3,240	3,455	
Dividend Income	815,390	883,365	
Interest Income	<u>777,027</u>	<u>1,178,653</u>	
<b>Net Cash from Investing Activities</b>	<b>"B"</b>	<b>45,078,720</b>	<b>51,319,061</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of Equity Shares to Minority Interest by Subsidiary.	-	2,901,000	
Proceeds from Secured Loan	41,497,536	-	
Repayment of Long Term/ Short Term Loan	(2,731,822)	(2,626,198)	
Interest expense	<u>(9,901,638)</u>	<u>(10,372,148)</u>	
<b>Net Cash Provided By / (used in) Financing Activities</b>	<b>"C"</b>	<b>28,864,076</b>	<b>(10,097,346)</b>
<b>NET INCREASE/ DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(1,835,873)</b>	<b>(7,814,900)</b>	
<b>Cash and Cash Equivalent at the beginning of the period</b>	<b>5,169,523</b>	<b>12,984,423</b>	
<b>Cash and Cash Equivalent at the end of the period</b>	<b>3,333,650</b>	<b>5,169,523</b>	

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

As per our report of even date attached

For M.V.Ghelani & Co.

Chartered Accountants  
Firm Regn. No. 119077W

M.V.Ghelani

Proprietor  
Mumbai, May 28, 2014

For and on behalf of the Board

Gautam P. Khandelwal  
Chairman

Girish Bakre  
Director

Nidhi Salampuria - Company Secretary  
Mumbai, May 28, 2014

## 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 and Industries Limited for the year ended 31st March, 2014. The statement has been prepared by the company in accordance with the requirements of Clause 32 of listing agreement with Stock Exchange and is based on and is derived from and is in agreement with the corresponding Profit & Loss Account and Balance sheet of the Company covered by our report of even date to the members of the Company.

For M.V.Ghelani & Co.

Chartered Accountants  
Firm Regn.No.119077W  
M.V.Ghelani  
Proprietor  
Mumbai, May 28, 2014

**Notes on Consolidated financial statements for the year ended 31st March, 2014**

**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	31/3/2014	192,942	67.07%	(31,407,199)	Nil

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

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

**M.V.Ghelani**  
Proprietor  
Mumbai, May 28, 2014

**For and on behalf of the Board**

**Gautam P. Khandelwal**  
Chairman  
**Girish Bakre**  
Director

**Nidhi Salampuria** - Company Secretary  
Mumbai, May 28, 2014

# NAGPUR POWER AND INDUSTRIES LIMITED

Registered Office : 'Nirmal', 20th Floor, Nariman Point, Mumbai - 400 021.  
CIN: L40100MH1996PLC104361 Website: www.nagpurpowerind.com  
Email id: npil\_investor@khandelwalindia.com

## ATTENDANCE SLIP

(PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL)

*DP ID:	Regd. Folio No:
*Client ID:	No. of Shares Held:

NAME & ADDRESS OF THE MEMBER/PROXY

---

---

I hereby record my presence at the 18th Annual General Meeting of the Company to be held at the Orchid & Tulip, MVIRDC, World Trade Centre, Centre One, 1st Floor, Cuffe Parade, Mumbai-400005, on Monday, September 15, 2014 at 10:00 AM (I.S.T)

\* Applicable for investors holding shares in electronic form.

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

# NAGPUR POWER AND INDUSTRIES LIMITED

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

CIN: L40100MH1996PLC104361 Website: www.nagpurpowerind.com Email id: npil\_investor@khandelwalindia.com

## Proxy Form Form No. MGT-11

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies  
(Management and Administration) Rules, 2014]

CN : L40100MH1996PLC104361  
Name of the Company : Nagpur Power & Industries Limited  
Name of the Member (s) : \_\_\_\_\_  
Registered address : \_\_\_\_\_  
E-mail Id : \_\_\_\_\_  
Folio No/Client Id/DP Id : \_\_\_\_\_

I/We, being the Member(s) of \_\_\_\_\_ Shares of the above named Company, hereby appoint

- |                  |                                 |
|------------------|---------------------------------|
| 1. Name: .....   | Address: .....                  |
| E-mail Id: ..... | Signature: ..... or failing him |
| 2. Name: .....   | Address: .....                  |
| E-mail Id: ..... | Signature: ..... or failing him |
| 3. Name: .....   | Address: .....                  |
| E-mail Id: ..... | Signature: ..... or failing him |

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 18th Annual General Meeting of the Company, to be held on Monday, September 15, 2014 at 10.00 a.m. at Orchid & Tulip, MVIRDC, World Trade Centre, Centre One, 1st Floor, Cuffe Parade, Mumbai-400005 and at any adjournment thereof in respect of such resolutions as are indicated below:

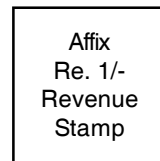
### Ordinary Resolution

- Adoption of financial Statement for the year ended March 31, 2014, and reports of the Directors and Auditors thereon
- Re-appointment of Mr. Arnold John Allen as Director, who retires by rotation
- Appointment of M/s M.V. Ghelani & Co., Chartered Accountant as Auditors and fixing their remuneration

### Special Business

- Appointment of Mr. Girish Bakre as an Independent Director
- Appointment of Mr. Nimis Sheth as an Independent Director
- Re-appointment of Mr. Gautam Premnath Khandelwal as Executive Chairman of the Company

Signed this..... day of .....2014.



Signature of the Shareholder

Signature of the Proxy holder(s)

### Notes:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company not less than 48 (forty eight) hours before the commencement of the meeting.**
- A proxy need not be a member of the Company.**
- A person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
- Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

# NAGPUR POWER & INDUSTRIES LIMITED

CIN L40100MH1996PLC104361

| Regd. Office: 'Nirmal', 20<sup>th</sup> Floor, Nariman Point, Mumbai-400021|

| Tel# +91 22 2202 3055/66 | Fax# +91 22 2204 3162 |

| Email: npil\_investor@khandelwalindia.com | Website: www.nagpurpowerind.com |

## BALLOT FORM

(Pursuant to Section 109 (5) of the Companies Act, 2013 and Rule No. 21 (1) (c) of the Companies (Management & Administration) Rules 2014

(1) Name(s) of Member(s) :  
(including joint-holders if any)

(2) Registered folio No/ DP Id No / Client ID :

(3) Number of Shares held :

I/we hereby express my/our vote in respect of the resolution through postal ballot in lieu of e-voting for the business stated in the Notice of the Company dated August 12, 2014 by conveying my/our assent or dissent to the said resolution by placing the tick (✓) mark at the appropriate box below:

Resolution No.	Description	I/we assent to the resolution (FOR)	I/we dissent to the resolution (AGAINST)
<b>ORDINARY BUSINESS</b>			
1	Adoption of the audited Financial Statements of the company for the financial year ended March 31, 2014 and the reports of the Directors and Auditors thereon		
2	Re-appointment of Mr. Arnold John Allen (DIN 01043112) as Director, who retires by rotation		
3	Re-appointment of Auditors M/s. M. V. Ghelani & Co. as Auditor and fixing their remuneration		
<b>SPECIAL BUSINESS</b>			
4	Appointment of Mr. Girish Bakre (DIN: 00010760) as an Independent Director		
5	Appointment of Mr. Nimis Savailal Sheth (DIN: 00482739) as an Independent Director		
6	Re-appointment of Mr. Gautam Premnath Khandelwal (DIN: 00270717) as Executive Chairman Of The Company		

Place:

Date:

Signature of the Shareholders/Beneficial Owner

- Note:
- (i) if you opt to cast your vote by e-voting there is no need to fill up and send this form
  - (ii) Last date for receipt of Postal Ballot Form : 10th September 2014
  - (iii) Please read the instructions printed overleaf carefully before exercising your vote



## **INSTRUCTIONS:**

### **A) Process and Manner for members opting for Physical Ballot**

1. Members have option to vote either through Postal Ballot Form or through e-voting. If a member has opted for Physical Postal Ballot then he/she should not vote by e-voting and vice versa. However, in case shareholders cast their vote through both physical postal ballot and e-voting then vote cast through e-voting shall prevail and vote cast through Physical Postal Ballot shall be considered as invalid.
2. A member desiring to exercise vote by Postal Ballot Form shall send it to the Scrutinizer in the attached self-addressed envelope. Postage will be borne and paid by the Company. However, envelope containing postal ballot, if sent by courier at the expenses of the Registered Shareholder will also be accepted.
3. The self-addressed envelope bears the address of the Scrutinizer appointed by the Board of Directors of the Company.
4. This form should be completed and signed by the shareholders. In case of joint holding, this form should be completed and signed (as per the specimen signature registered with the Company) by the first named shareholders and in his absence, by next named shareholder.
5. Incomplete, unsigned or incorrectly ticked Postal Ballot Form will be rejected.
6. Duly completed Postal Ballot Form should reach the Scrutinizer not later than the Close of working Hours on September 10, 2014. Postal Ballot Forms received after this date will be treated as if the reply from the members has not been received.
7. The postal Ballot shall not be exercised by a proxy.
8. In case of shares held by the Companies, trust, societies etc. the duly completed Postal Ballot should be accompanied by a certified true copy of Board Resolution/Authority together with the specimen signature(s) of the duly authorized signatory/ies.
9. Members are requested not to send any other paper along with the Postal Ballot Form in the enclosed self-addressed postage prepaid envelope in as much as all such envelopes will be sent to the Scrutinizer and any extraneous papers found in such envelope would be destroyed by the Scrutinizer.
10. Process and Manner for Members opting e-voting Refer to instructions appearing under the Notes of the Notice
11. In case you have any feedback, queries or issue regarding e-voting, please contact [helpdesk.voting@cdslindia.com](mailto:helpdesk.voting@cdslindia.com)
12. Kindly note that members can opt for only one mode of voting i.e. either Postal Ballot Form or e-voting.
13. A copy of this notice has been placed on the website of the company and the website of CDSL.

**Book - Post**

**To**

If undelivered please return to :

**NAGPUR POWER AND INDUSTRIES LIMITED**

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

Cin: L40100MH1996PLC104361

Tel.: 022 - 22023055/66 Fax : 022 - 22043162

Email : npil\_investor@khandelwalindia.com

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