

# NAGPUR POWER AND 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 |

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Dated: October 14, 2016.

To,  
Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai:-400001.

Dear Sir/Madam,

Sub: Annual Report for the Financial Year 2015-2016

Ref: Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

SCRIP CODE: - 532362

In compliance with Regulation 34 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosed please find the Annual Report of the Company for the Financial Year 2015-2016.

Kindly take the same on your records.

Thanking You,  
Yours faithfully,  
For Nagpur Power And Industries Limited

  
Nidhi Salampuria  
Director & Company Secretary  
& Compliance Officer  
Membership No. : A28712



Encl: A/a

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**20<sup>th</sup> ANNUAL REPORT 2015- 2016**

| <b>Contents</b>  | <b>Page No.</b> |
|--|-----------------|
| Company Information .....  | 2               |
| Location Map .....   | 3               |
| Notice .....   | 4               |
| Directors' Report, Management Discussion & Analysis Report ..... | 12              |
| Secretarial Audit Report - Annexure I .....                      | 21              |
| Extract of Annual Return - Annexure II .....                     | 24              |
| Report on Corporate Governance - Annexure III .....              | 31              |
| Auditors' Report .....   | 41              |
| Balance Sheet .....  | 49              |
| Profit & Loss Statement .....                                    | 50              |
| Notes on Financial Statements .....                              | 51              |
| Cash Flow Statement .....  | 72              |
| Consolidated Statements .....                                    | 73              |

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

**BOARD OF DIRECTORS**

|                          |                         |
|--------------------------|-------------------------|
| Mr. Gautam P. Khandelwal | Executive Chairman      |
| Mr. Girish Bakre         | Independent Director    |
| Mr. Nimis Sheth          | Independent Director    |
| Ms. Nidhi Salampuria     | Non- Executive Director |

**CHIEF FINANCIAL OFFICER**

Mr. Santosh Khandelwal

**COMPANY SECRETARY AND COMPLIANCE OFFICER**

Ms. Nidhi Salampuria

**AUDITORS**

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

**SECRETARIAL AUDITOR**

M/s. DSM & Associates, Company Secretaries

**INTERNAL AUDITOR**

M/s. Parekh Sharma & Associates Chartered Accountants, Mumbai

**BANKERS**

State Bank of India

**LISTED AT**

Bombay Stock Exchange Limited  
ISIN : INE123E01016  
CIN L40100MH1996PLC104361

**REGISTERED OFFICE**

Nirmal, 20th Floor, Nariman Point,  
Mumbai-400021.  
Tel No. : 022-22023055/66  
Fax No.: 022-22043162  
Email id: npil\_investor@khandelwalindia.com  
Website : www.nagpurpowerind.com

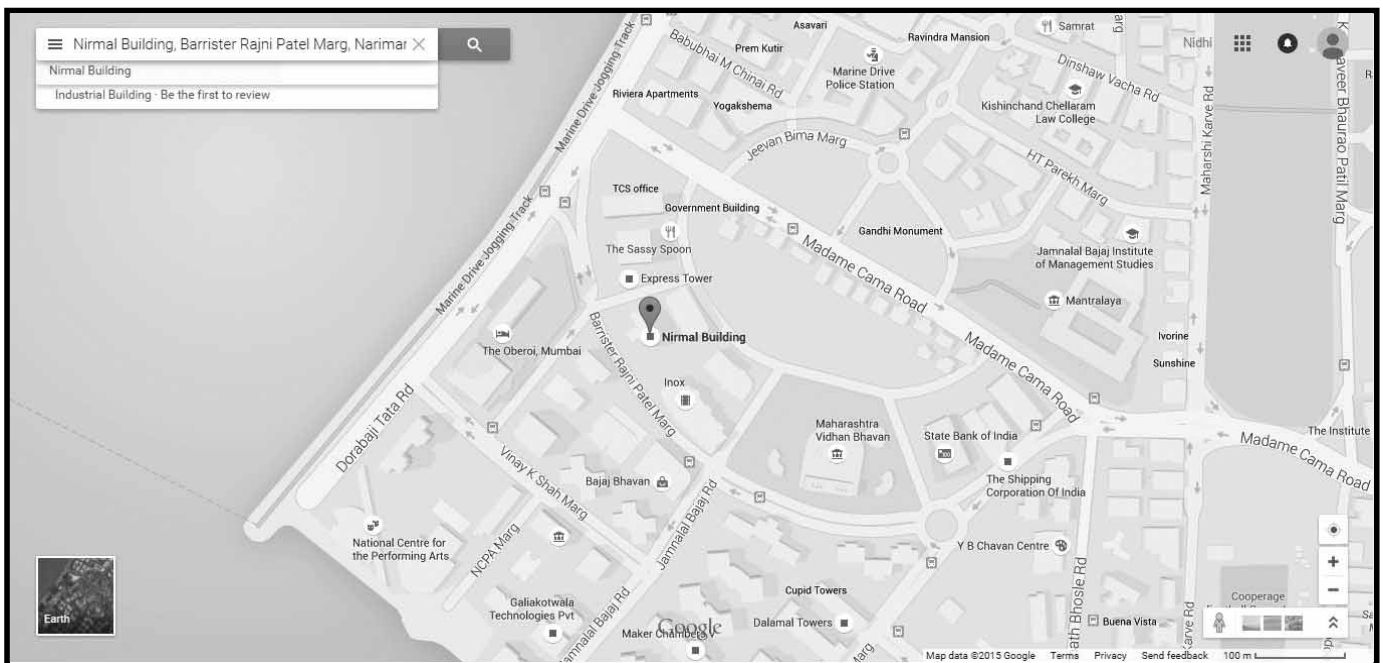
**WORKS**

Khandelwal Nagar, Dist. Nagpur – 441402

**REGISTRAR & SHARE TRANSFER AGENTS**

Link Intime India Private LimitedC-13,  
Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W),  
Mumbai- 400 078  
Tel No. : 022-25963838  
Email id: tanushree.rauth@linkintime.co.in

### ROUTE MAP TO THE VENUE OF THE AGM



## NOTICE

**NOTICE** is hereby given that the Twentieth Annual General Meeting of the Members of Nagpur Power And Industries Limited will be held **on Tuesday, September 27, 2016 at 10:30 AM** at the Registered Office Address of the Company at 20<sup>th</sup> Floor, Nirmal Building, Nariman Point, Mumbai – 21 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended March 31, 2016 together with the Directors Report and Auditor's Report thereon; and the audited consolidated financial statement of the Company for the financial year ended March 31, 2016.
2. To appoint a Director in place of Ms. Nidhi Salampuria (DIN 07138654), who retires by rotation and, being eligible, offers herself for re-appointment.
3. To ratify the appointment of auditors of the Company, and to fix their remuneration.

To consider and, if thought fit to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 139, 142 and any other applicable provisions of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, including any statutory amendment(s) or re-enactment(s) thereof and as recommended by the Audit Committee, the appointment of M/s. M. V. Ghelani & Co., Chartered Accountants, (Firm Registration No. 119077W) as the Statutory Auditors, to hold office from the conclusion of the Twentieth Annual General Meeting till the conclusion of the Twenty-First Annual General Meeting be and is hereby ratified at such remuneration plus taxes, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

### SPECIAL BUSINESS:

#### 4. APPROVAL FOR RELATED PARTY TRANSACTIONS

To consider and, if thought fit to pass the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to Section 188 and other applicable provisions of the Companies Act, 2013 read with the Companies (Meeting of Board and its Power) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendment(s), modification(s) or re-enactment(s) thereof), consent of the members of the Company be and is hereby accorded for the transactions hitherto entered or to be entered into by the Company in the ordinary course of business and at arm's length price with the following related parties up to the maximum amount as mentioned herein below for the financial year 2016-2017 and for every financial year thereafter on such terms and conditions as may be mutually agreed between the Company and the related parties:

| Sr. No. | Name of the related party                         | Relationship With the related party | Transactions                             | Maximum Value of the Transaction(s) per annum(` In cr) |
|---------|---|-------------------------------------|--|--|
| 1.      | The Motwane Manufacturing Company Private Limited | Subsidiary Company                  | Loan                                     | 5.00   |
| 2.      | The Motwane Manufacturing Company Private Limited | Subsidiary Company                  | Corporate Guarantee issued/ to be issued | 25.00  |
| 3.      | Informed Technologies India Limited               | Same Promoter Group                 | Re-imbusement of expenses                | 0.50   |

“RESOLVED FURTHER THAT Board of Directors be and is hereby authorized to do all acts, deeds, matters and things as may be considered necessary, proper or desirable to give effect to this resolution.”

**5. CHANGE IN PLACE OF KEEPING AND INSPECTION OF REGISTER AND INDEX OF MEMBERS, RETURNS, ETC.**

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

“RESOLVED THAT pursuant to Section 94 of the Companies Act, 2013 (hereinafter called ‘the Act’) and in supersession of any other earlier resolution passed in this regard, the Company hereby approves that the Register of Members, Indices of Members, copies of all Annual Returns prepared by the Company under Section 88(1) of the Act together with copies of Certificates and Documents required to be annexed thereto and other related books have, with effect from June 16, 2016, been kept and maintained at the office of the new Registrars & Share Transfer Agents, M/s. Link Intime India Private Limited, at C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078 instead of at the office of the erstwhile Registrars & Share Transfer Agents, M/s. Sharepro Services (India) Private Limited, at 13AB, Samhita Warehousing Complex, Second Floor, Sakinaka Telephone Exchange Lane, Off. Andheri Kurla Road, Andheri (East), Mumbai 400 072.

“RESOLVED FURTHER THAT the Registers, Indices, Returns, Books, Certificates and Documents of the Company required to be maintained and kept open for inspection by the Members and/or any person entitled thereto under the Act, be kept open for inspection, at the place where they are kept, to the extent, in the manner and on payment of the fees, if any, specified in the Act between the hours of 11:00 AM and 1:00 PM on any working day (excluding Saturday) and except when the registers and books are closed under the provisions of the Act or the Articles of Association of the Company.”

By Order of the Board of Directors

**Gautam Khandelwal**

Chairman

DIN (00270717)

Place: Mumbai

Date: August 10, 2016

**Registered Office :**

“Nirmal” 20 Floor, Nariman Point, Mumbai 400021

CIN: L40100MH1996PLC104361

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

**NOTES**

1. 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.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The proxies to be effective should be deposited at the Registered Office of the Company **not less than 48 (Forty Eight) hours before the commencement of the meeting.** Members are requested to note that a person can act as a proxy on behalf of members not exceeding 50 (fifty) 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. A proxy form for the AGM is enclosed.

3. Corporate Members/Societies etc. intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution / Authority Letter etc. as applicable, authorizing their representatives to attend and vote at the AGM.
4. The Register of Members and Share Transfer Books of the Company will remain closed from **Wednesday, September 21, 2016 to Tuesday, September 27, 2016** (both days inclusive).
5. 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 2016-17.
6. **In terms of Section 72 of the Companies Act, 2013, and Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, every share holder of the Company may, at any time, nominate, in the prescribed manner, a person to whom his/her shares in the Company shall vest in the event of his/her death. Members, who wish to avail this facility, may fill the prescribed Form No. SH-13 (which will be made available on request) and forward the same to the Registrar and Transfer Agent, M/s. Link Intime India Private Limited.**
7. Members seeking any information as regards the Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.
8. For the convenience of the Members, attendance slip is enclosed 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.
9. The Directors' Report, Auditors' Report and Audited Financial Statements (Standalone and Consolidated) as at March 31, 2016 are enclosed.
10. 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.
11. In accordance with the Companies Act, 2013 read with the rules, the Annual Reports are sent by electronic mode to those members whose email ids are registered with the Company/Depositories, unless any member has requested for a physical copy for the same. For members who have not registered their email ID, physical copies are being sent by the permitted mode.
12. The members are requested to intimate any change in their address with PIN Code, immediately and quote Folio Number in all correspondence. They are also requested to bring their copy of Annual Report while coming to the meeting.
13. Members who hold shares in dematerialized form are requested to bring their client ID and DP ID Numbers for easy identification of attendance at the meeting.
14. ***The Company appointed Link Intime India Private Limited Ltd in place of Sharepro Services (India) Private Limited as its Registrar and Transfer Agent with effect from June 16, 2016. The Members are requested to take note and deal with the aforesaid agency whenever necessary.***
15. 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. Link Intime India Private Limited for assistance in this regard.
16. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form are required to submit their PAN details to the Link Intime India Private Limited, Registrar and Share Transfer Agents, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai – 400 078, Maharashtra.



17. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with M/s. Link Intime India Private Limited /Depositories.

**18. Process and manner for members opting for Remote 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.

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

- (i) The remote e-voting period begins on Saturday, September 24, 2016 (9:00 AM) and ends on Monday, September 26, 2016 (5:00 PM). During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of Tuesday, September 20, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (iv) Click on "Shareholders" tab.
- (v) Now, select the "NAGPUR POWER AND INDUSTRIES LIMITED" from the drop down menu and click on "SUBMIT"
- (vi) Now Enter your User ID  
For CDSL: 16 digits beneficiary ID,  
For NSDL: 8 Character DP ID followed by 8 Digits Client ID,  
Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vii) Next enter the Image Verification as displayed and Click on Login.
- (viii) 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.
- (ix) If Demat account holder has forgotten his/her existing password then enter the User ID and the image verification code and click on 'Forgot Password' and enter the details as prompted by the system.
- (x) 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> <p>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.</p> <p>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 letter eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</p> |
| 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 both the details are not recorded with the depository or Company please enter <b>the member id/ folio no.</b> in the <b>Dividend Bank details field as mentioned in instruction vi.</b></li> </ul> |
|------------------------|--|

- (xi) After entering these details appropriately, click on "SUBMIT" tab.
- (xii) 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.
- (xiii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xiv) Click on the EVSN for the relevant <NAGPUR POWER AND INDUSTRIES LIMITED> on which you choose to vote.
- (xv) 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.
- (xvi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xvii) 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.
- (xviii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xix) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xx) 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.
- (xxi) Note for Non-individual Shareholders & Custodians:
- Corporate / Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate and Custodians respectively.
  - 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.
- (xxii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xxiii) 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).

- B. The voting rights of the members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of Tuesday, September 20, 2016.
- C. Mr. Sanam Umbargikar, Partner of M/S DSM and Associates, Practising Company Secretary (Membership No. 26141, COP Number 9394), has been appointed as Scrutinizer for scrutinizing the remote e-voting procedure in a fair and transparent manner.
- D. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- E. 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 Exchange where the Company's shares are listed.
- F. The Facility for voting through poll shall be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their voting right at the meeting.
- G. The members who have casted their votes by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

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

|  |  |
|--|--|
| Name of the Director                       | <b>Ms. Nidhi Salampuria (DIN 07138654)</b>   |
| Date of Birth                              | 24.12.1986   |
| Nationality                                | India  |
| Date of Appointment                        | 01.04.2015   |
| Brief Resume                               | Ms. Nidhi Salampuria is the Whole Time Company Secretary of the Company. She along with the Secretarial duties also handles the Legal function and business affairs of the Company. She also has rich experience in the streams of Law like Litigation, Contract Negotiations, and Corporate Governance. She holds a Bachelor of Law (LLB) degree from the University of Mumbai and is also a member of the Institute of Company Secretaries of India. |
| Expertise in specific functional areas     | She is working with the Company from 2011 as a Company Secretary and Compliance officer. She is handling legal and compliance related matter of the Company and have vast experience for the same.   |
| Directorships held in other companies      | NIL  |
| Committee position held in other companies | Nil  |
| No. of shares held in the Company          | 50/-   |
| Inter-se relationship between Directors    | -  |

**EXPLANATORY STATEMENT****(PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013)****Item No. 3**

This Statement is provided though strictly not required as per Section 102 of the Act.

**RATIFICATION OF APPOINTMENT OF STATUTORY AUDITOR**

M. V. Ghelani & Co., Chartered Accountants (Firm Registration No. 119077W) was appointed as the statutory auditor of the Company at the Annual General Meeting (AGM) of the Company held on September 15, 2014, for a period of three years from the conclusion of the 18th AGM till the conclusion of the third consecutive AGM of the Company to be held in the year 2017, subject to ratification of their appointment at every AGM.

Accordingly, ratification of the Members is being sought for the proposal contained in the Resolution set out at Item No. 3 of the accompanying Notice.

None of the Directors and Key Managerial Personnel's of the Company or their relatives is interested in or concerned with the said Resolution. The Board recommends the resolution set forth in Item No. 3 for the approval of the Members as an Ordinary Resolution.

**Item No. 4****APPROVAL FOR RELATED PARTY TRANSACTIONS**

The SEBI (Listing obligations and Disclosure Requirements), Regulations 2015, effective from December 01, 2015, require approval of shareholders for material related party transactions. There is no exemption there under even if such transaction is in the ordinary course of business of the entity and on arm's length basis. A transaction with a related party shall be considered material under Regulation 23 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.

Further, as per Section 188 of the Companies Act, 2013 if the transaction / transactions in a contract to be entered into individually or taken together with previous transactions during a financial year is a material related party transaction then shareholder approval is required. It is further provided that nothing in this sub-section shall apply to any transaction entered into by the Company which are entered in its ordinary course of business and are at arm's length.

Prior approval of shareholders is required for the transactions that are not in the ordinary course of business and not at an arm's length basis. Though your Company always seeks to enter into transactions with related parties in the ordinary course of business and/or at arm's length basis, still as a better corporate governance measure, it is considered desirable to have the consent of the Members in respect of related party transactions.

The approval of the Shareholders for the transactions entered into and carried out with the Related Parties, from time to time, in the ordinary course of business and at arm's length price, during the Financial year 2016-17 and for every financial year thereafter, is being sought by way of abundant caution and as a proactive measure.

Pursuant to rule 15(3) of Companies (Meetings of Board and its Powers) Rules, 2014, the nature of transactions with the related parties is provided in the said resolution.

The transactions entered with the Related Parties, were placed before the Audit Committee. The said transactions were approved and recommended to the Board.

The members are further informed that no member(s) of the Company being a related party or having any interest in the resolution as set out at item No. 4 shall be entitled to vote on this Ordinary Resolution.

None of the Directors other than those representing the related parties, Key Managerial Personnel's of the Company or their relative(s) are interested and/or concerned with the said Resolution. The Board recommends the resolution set forth in Item No. 4 for the approval of the Members as an Ordinary Resolution.

**Item No. 5****CHANGE IN PLACE OF KEEPING AND INSPECTION OF REGISTER AND INDEX OF MEMBERS, RETURNS, ETC.**

This resolution is in supersession to any Special Resolution passed earlier with reference to keeping of the Register of Members, Indices of Members, copies of Annual Returns prepared by the Company under Section 159 of the Companies Act, 1956 together with copies of Certificates and Documents required to be annexed thereto and other related books at the offices of the then Registrars & Share Transfer Agents, M/s. Sharepro Services (India) Private Limited at 912, Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai 400 021 and or at 13 AB, Samhita Warehousing Complex, Second Floor, Sakinaka Telephone Exchange Lane, Off Andheri-Kurla Road, Sakinaka, Andheri (East), Mumbai 400 072.

Effective June 16, 2016 the Company has appointed M/s. Link Intime India Private Limited as the Registrars & Share Transfer Agents of the Company in place of M/s. Sharepro Services (India) Private Limited who shall maintain the Registers of Members, Indices of Members, copies of all Annual Returns prepared by the Company under Section 88(1) of the Companies Act, 2013 ("the Act") together with copies of Certificates and Documents required to be annexed or any one or more of them and other related books at the office of M/s. Link Intime India Private Limited at C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078.

The approval of shareholders by a Special Resolution is sought to the above arrangement under Section 94 of the Act. The Special Resolution also specifies the time of inspection of the books and documents of the Company by its Members, namely, between the hours 11:00 AM and 1:00 PM on any working day (excluding Saturday) and except when the registers and the books are closed under the provisions of the Act or Articles of Association of the Company.

None of the Directors and Key Managerial Personnel's of the Company or their relatives is interested in or concerned with the said Resolution. The Board recommends the resolution set forth in Item No. 5 for the approval of the Members as a Special Resolution.

By Order of the Board of Directors

**Gautam Khandelwal**

Chairman

DIN (00270717)

Place: Mumbai

Date: August 10, 2016

**Registered Office :**

"Nirmal" 20 Floor, Nariman Point, Mumbai 400021

CIN: L40100MH1996PLC104361

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

## Directors' Report, Management Discussion and Analysis Report

To,

The Members,

Your Directors have pleasure in presenting the Twentieth Annual Report together with the Audited Statements of Accounts of the Company for the Financial Year ended March 31, 2016. The Management Discussion and Analysis is also included in this Report.

### Financial Highlights

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

(Rs. in Lakhs)

| Particulars                                       | 2015-2016 | 2014-2015 |
|---|-----------|-----------|
| Sales & Other Income (Net of Excise Duty)         | 319.06    | 270.21    |
| Profit/(Loss) before Interest, Depreciation & Tax | (47.69)   | (85.89)   |
| Less: Interest                                    | 2.44      | 2.47      |
| Profit before Depreciation & Tax                  | (50.13)   | (88.36)   |
| Less: Depreciation                                | 37.91     | 39.62     |
| Profit/ (Loss) before Taxation                    | (88.04)   | (127.98)  |
| Less: Provision for Current Tax / (MAT)           | -         | -         |
| Deferred Tax and adjustments prior year           | -         | (0.12)    |
| Less MAT Credit                                   | -         | -         |
| Profit/ (Loss) after tax for the year             | (88.04)   | (128.10)  |

### Dividend and Reserves

In view of losses suffered by the Company, your Directors do not recommend any dividend for the financial year ended March 31, 2016. During the year under review, no amount was required to be transferred to General Reserve.

### Share Capital

During the year, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. There was no provision made of the money by the Company for purchase of its own shares by employee or by trustee. As on March 31, 2016, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

During the year, there was no change in the Share Capital of the Company.

As on March 31, 2016, the issued, subscribed and paid up share capital of your Company stood at Rs. 130,955,070/-, comprising 13,095,507 Equity shares of Rs.10/- each.

### Directors and Key Managerial Personnel

During the year, the Company appointed Ms. Nidhi Salampuria as Director of the Company with effect from April 01, 2015.

In accordance with the provisions of Section 152 of the Companies Act, 2013, Ms. Nidhi Salampuria, Director retires by rotation

at the ensuing Annual General Meeting and, being eligible, offers herself for re-appointment. The board recommends her re-appointment for the consideration of the Members of the Company at the ensuing Annual General Meeting.

**The Company has following persons as Key Managerial personnel (KMP):**

| Sr. No. | Name of the person     | Designation             | Date of Appointment |
|---------|------------------------|-------------------------|---------------------|
| 1.      | Mr. Gautam Khandelwal  | Executive Chairman      | 15.09.2014          |
| 2.      | Mr. Santosh Khandelwal | Chief Financial Officer | 30.09.2014          |
| 3.      | Ms. Nidhi Salampuria   | Company Secretary       | 30.09.2014          |

**Details of Board meetings**

During the year, the Board of Directors met 4 times, details of which are provided in the Corporate Governance report.

**Committees of the Board**

The details of the various committees of the board and their composition as on March 31, 2016 are as under:

| Name of Director(s)      | Audit Committee | Stakeholder Relationship Committee | Nomination & Remuneration Committee | Risk Management Committee |
|--------------------------|-----------------|------------------------------------|-------------------------------------|---------------------------|
| Mr. Nimis Savailal Seth  | Chairman        | Chairman                           | Chairman                            | Chairman                  |
| Mr. Gautam P. Khandelwal | Member          | Member                             | Member                              | Member                    |
| Mr. Girish Bakre         | Member          | Member                             | Member                              | —                         |
| Ms. Nidhi Salampuria     | —               | —                                  | —                                   | —                         |

**Declaration by Independent Directors (IDs)**

Mr. Nimis Sheth and Mr. Girish Bakre are Independent Directors of the Company. The Company has received declaration from them confirming that they meet the criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013.

During the year, the Independent Director meeting was held on November 04, 2015.

**Nomination and Remuneration Policy**

The policy of the Company on directors' appointment and remuneration, including criteria for determining qualifications, positive attributes and independence of a director and other matters provided under sub-section (3) of Section 178 of the Companies Act, 2013 is adopted by the Board and may be accessed on the Company's website at the link: <http://www.nagpurpowerind.com/investors/corporate-governance/>. We affirm that the remuneration paid to the directors is as per the terms laid out in the nomination and remuneration policy of the Company.

**Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a structured questionnaire was prepared as per the requirement of the act which included various aspects of Boards and Committees functioning, Composition of the Board and its Committees, functioning of the Individual directors. The aspects covered in the evaluation included the contribution to and monitoring of corporate governance practices and the fulfillment of Directors' obligations and fiduciary responsibilities, including but not limited to, active participation at the Board and Committee meetings.

Further, the Independent Directors at their meeting, reviewed the performance of Board, Chairman of the Board and of Non - Executive Directors.

The Board expressed their satisfaction with the evaluation process.

**Significant and Material Orders Passed by the Regulators or Courts or Tribunals**

There are no significant and material orders passed by the Regulators or Courts or Tribunals which may impact the going concern status and Company's operations.

**Internal Financial Controls**

The details in respect of internal financial control and their advocacy are included in the management discussion and analysis which forms part of this Annual Report

**Deposits**

During the year, your Company has not accepted any deposits under the provisions of Chapter V of the Companies Act, 2013 and the rules made there under.

**Joint Ventures/Associate Companies:**

The Company does not have Joint Ventures/Associate Companies.

**Loans, Guarantees or Investments**

Details of Loans, Guarantees and Investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in this Annual Report.

**Management Discussion and Analysis****a) Economy review:**

The long-term growth perspective of the Indian economy is changing due to good governance, stable policies and good initiatives like smart cities. Your Company (through its Subsidiary) is in the business of manufacturing electrical equipment, a significant portion of which is supplied to the power sector which has continued to be affected by the political & economic situation. We hope to see a gradual recovery.

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

The Company mainly operated on Metal Recovery Plant and produces Low Ferro Manganese (Slag) through its profitable slag recovery process. There has been a significant decline in the volume due to depletion of slag dumps. The management of the company has foreseen this & thus entered another segment of business couple of years earlier via a majority stake in "The Motwane Manufacturing Company Private Limited", now a 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 another business through its subsidiary company "The Motwane Manufacturing Company Private Limited" and is looking to develop it. The Company has formed a Risk 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 with reference to the financial statements. The Audit Committee of the Board periodically reviews the internal control systems with the management, Internal Auditors and Statutory Auditors and the adequacy of internal audit function, significant internal audit findings and follow-ups thereon.

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

During the year under review, the revenue from operation of the Company decreased to Rs. 26.96 Lakhs from Rs. 48.37 Lakhs in the previous year. This decrease is mainly attributable to decline in volume of slag dumps as Company mainly operates on Metal Recovery plant and the profit margins have decreased due to lower realizations of Ferro Manganese slags in 2015-2016.

**f) Subsidiary Company and Consolidated Statements**

Your Company has one subsidiary i.e 'The Motwane Manufacturing Company Private Limited' (MMCPL). During the year, revenue of the MMCPL has increased to Rs. 2152.37 Lakhs from Rs. 1743.29 in previous year and it has also reduced its net loss in this financial year to Rs. 99.26 Lakhs against a loss of Rs. 143.43 Lakhs in the previous financial year.

The Consolidated Financial Statement of your Company for the financial year 2015-16, are prepared in compliance with applicable provisions of the Companies Act, 2013, Accounting Standard and Listing Agreement as prescribed by the Securities and Exchange Board of India (SEBI). The Consolidated Financial Statements have been prepared on the basis of audited financial statements of the Company, its subsidiary, as approved by their respective Board of Directors.

Pursuant to sub-section (3) of section 129 of the Act, the statement containing the salient features of the financial statement of Company's subsidiary is given as AOC -1. Brief particulars about the business of each of the Subsidiary are given hereunder:-

The MMCPL is an R & D based company and has developed various high technology test and Measurement products which 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 expects gradual pick up in its order book due to growth and reform in the distribution sector in which the company operates.

**g) Material developments in human resources / industrial relations, including number of people employed**

The human resource plays a vital role in the growth and success of an organization. The Company has maintained cordial and harmonious relations with employees.

During the year under review, various training and development workshops were conducted to improve the competency level of employee with an objective to improve the operational performance of individuals. The Company has built a competent team to handle challenging assignments and projects.

The Company has 30 permanent employees as on March 31, 2016.

**Risk Management**

In terms of the requirement of the Act, the Company has developed and implemented the Risk Management system whereby a Risk Management Committee has been constituted to manage, monitor and report on the principal risks and uncertainties that can impact the ability to achieve the Company's strategic objectives. The Committee periodically submits its Report to the Board on various issues along with its recommendations and comments for Board's review and necessary action.

**Statutory Auditors, their Report and Notes to Financial Statements**

M/s. M.V. Ghelani & Co., Chartered Accountants (ICAI Registration No. 119077W) were re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of the 18th Annual General Meeting (AGM) held on September 15, 2014 until the conclusion of the third consecutive AGM of the Company to be held in the year 2017 (subject to ratification of their appointment by the Members at every AGM held after the AGM held on September 15, 2014).

As required under the provisions of section 139(1) of the Companies Act, 2013, the Company has received a written consent from M/s. M.V. Ghelani & Co., Chartered Accountants in respect to their appointment and a Certificate, to the effect that their appointment, if made, would be in accordance with the Companies Act, 2013 and the Rules framed thereunder and that they satisfy the criteria provided in section 141 of the Companies Act, 2013.

The Board has recommended ratifying the appointment of M/s. M.V. Ghelani & Co., Chartered Accountants, Mumbai, as the Auditors to hold office from the conclusion of the ensuing 20th Annual General Meeting (AGM) till the conclusion of the next AGM.

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.

**Secretarial Auditor**

In terms of Section 204 of the Companies Act, 2013 and the rules made there under, M/s. DSM & Associates, Practicing Company Secretary (Certificate of Practice Number : 9394) have been appointed Secretarial Auditors of the Company. The report of the Secretarial Auditor is enclosed as **Annexure I** to this report. The report is self-explanatory and do not call for any further comments.

**Related Party Transactions**

There have been no materially significant related party transactions between the Company and the Directors, the management, the key managerial personnel, the subsidiaries or the relatives except for those disclosed in the financial statements.

Accordingly, particulars of contracts or arrangements with related parties referred to in Section 188(1) along with the justification for entering into such contract or arrangement in Form AOC-2 does not form part of the report.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website and can be accessed at the Web link: <http://www.nagpurpowerind.com/investors/corporate-governance/>

**Extract of the Annual Return**

Pursuant to the provisions of section 92(3) of Companies Act, 2013, the extract of the annual return in Form No. MGT- 9 is enclosed with the report as **Annexure II**.

**Disclosures pursuant to The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

A) Details of the ratio of the remuneration of each director to the median employee's remuneration and other details as required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

| Sr. No. | Name of Director/ KMP and Designation                             | Remuneration of Director/KMP for financial year 2015-16 (Rs. in Lacs) | % increase in Remuneration in the financial year 2015-16 | Ratio of remuneration of each Director/ to median remuneration of employees | Comparison of the Remuneration of the KMP against the performance of the Company |
|---------|---|---|--|---|--|
| 1.      | Mr. Gautam Khandelwal*<br>Executive Chairman                      | 60.00   | NIL  | 40:01   | Loss decrease by 31.27% in FY 2015-16  |
| 2.      | Mr. Nimis Sheth<br>Independend Director                           | NIL   | Not Applicable   | Not Applicable  | Not Applicable   |
| 3.      | Mr. Girish M. Bakre<br>Independend Director                       | NIL   | Not Applicable   | Not Applicable  | Not Applicable   |
| 4.      | Ms. Nidhi N. Salampuria<br>Non-Executive Director                 | NIL   | Not Applicable   | Not Applicable  | Not Applicable   |
| 5.      | Mr. Santosh Khandelwal<br>Chief Financial Officer                 | 7.54  | 30.50%   | Not Applicable  | Loss decrease by 31.27% in FY 2015-16  |
| 6.      | Ms. Nidhi Salampuria<br>Company Secretary &<br>Compliance Officer | 8.74  | 30.03%   | Not Applicable  |  |

\* The Salary is same as approved in AGM dated September 15, 2014.

\*\* The Company has not paid any sitting fees to any directors during the year.

\*\* Ms. Nidhi Salampuria is paid salary in the capacity of a Company Secretary & Compliance Officer.

**Notes:-**

- Median remuneration of employees of the Company during the financial year 2015-2016 was Rs.1,49,473/-.
- Median remuneration of employees of the Company during the financial year 2014-2015 was Rs.1,40,698/-. In the financial year, there was a Increase of 6.24% in the median remuneration of employees.
- There were 30 confirmed employees on the rolls of the Company as on March 31, 2016.
- Relationship between average increase in remuneration and Company performance - average pay increase to Rs. 7.49% whereas, loss decreased by 31.27% in FY 2015-2016.
- Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:- As per table given above.

- vi) a) Variation in the market capitalization of the Company: The market capitalization as on March 31, 2016 was Rs.37.45 Crores (Rs. 35.23 Crores as on March 31, 2015).
- b) Price Earnings Ratio of the Company was (0.67) as at March 31, 2016 (and (0.98) as at March 31, 2015).
- c) Percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer: Not Applicable
- vii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out of there are any exceptional circumstances for increase in the managerial remuneration: As per table given above.
- viii) The key parameters of the variable component of remuneration availed by the directors- Not Applicable
- ix) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: Not Applicable
- x) Affirmation that the remuneration is as per remuneration policy of the company- Yes
- B) Details of every employee of the Company as required pursuant to rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

During the year under consideration, none of the employees of the Company were in receipt of remuneration in excess of limits prescribed under clause 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 hence particulars as required under 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not given.

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

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, are given 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:

| <b>Particulars</b>                  | <b>Financial Year 2015-16</b> | <b>Financial Year 2014-15</b> |
|-------------------------------------|-------------------------------|-------------------------------|
| Electricity purchased:-             |                               |                               |
| Units (KWH)-                        | 118,226                       | 128,680                       |
| Total Amount (Rs in lakhs)          | 23.14                         | 24.16                         |
| - Rate / KWH (Rs.)                  | 19.58                         | 18.78                         |
| Consumption per unit of Production: |                               |                               |
| Ferro Manganese Slag ( Low MnO)     |                               |                               |
| - Units in KWH                      | 151.57                        | 43.11                         |

**(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, the foreign Exchange outgo was Rs 1.62 lakhs (Previous year – Rs. 0.49 lakhs). The foreign exchange earning was Nil (Previous year – Nil).

**Corporate Social Responsibility (CSR)**

Since the CSR norms are not applicable to the Company hence, the disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is not required to be made.

**Vigil Mechanism and Whistle Blower Policy**

The Company has adopted a Vigil Mechanism and Whistle Blower Policy to report genuine concerns about any unethical behavior, actual or suspected fraud or violations of the Company's code of conduct. The provisions of this policy are in line with the provisions of Section 177 (9) of the Act. The policy can be accessed on the Company's website at following link <http://www.nagpurpowerind.com/investors/corporate-governance/>

**Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of Sexual Harassment Complaints received and disposed off during the year 2015-2016.

| Sr. No. | No. of Complaint received | No. of Complaints disposed off |
|---------|---------------------------|--------------------------------|
| 1       | Nil                       | N.A.                           |

**Material Changes**

There were no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year of the Company to which this report relates and the date of the report except as otherwise mentioned in this director report, if any.

There had been no changes in the nature of Company's business. To the best of information and assessment there has been no material changes occurred during the financial year generally in the classes of business in which the Company has an interest except as otherwise mentioned in this director report, if any.

**Directors' Responsibility Statement**

Pursuant to Section 134 (3) (c) and 134 (5) of the Companies Act, 2013 (the Act), the Board of Directors, to the best of their knowledge and ability, confirm that:

- i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed and that there are no material departures;
- ii) they 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 and of the loss of the Company for that year;
- iii) they 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 Act 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;
- v) they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively; and
- vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**Corporate Governance**

The Company adheres to the requirements set out by the Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Corporate Governance practices and have implemented all the stipulations prescribed. The Company has implemented several best corporate governance practices.

The Corporate Governance which form an integral part of this Report, are set out as Annexure III, together with the Certificate from the Auditors of the Company regarding compliance with the requirements of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Acknowledgements**

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

**For and on behalf of the Board**

**Place: Mumbai**

**Date: May 27, 2016**

**Gautam Khandelwal**

Chairman

**DIN 00270717**

**Annexure I**  
**SECRETARIAL AUDIT REPORT**

**For the Financial Year ended 31<sup>st</sup> March, 2016**

*[Pursuant to section 204(1) of the Companies Act, 2013 and the Rule No. 9 of the Companies (Appointment And Remuneration of Managerial Personnel) Rules, 2014]*

**To,**

**The Members of**

**Nagpur Power and Industries Limited**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Nagpur Power and Industries Limited** (hereinafter called "The Company"). We have conducted Secretarial Audit in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the **Nagpur Power and Industries Limited**'s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extend, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the **Nagpur Power and Industries Limited** (the Company) for the financial year ended on 31<sup>st</sup> March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made there under;
- (iii) The Depositories Act, 1996 and the regulations and bye laws framed there under;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act);
  - a) SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) SEBI (Prohibition of Insider Trading) Regulations, 2015;
  - c) SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (vi) Other specifically applicable laws to the Company during the period under review;
  - (i) Income Tax Act, 1961;
  - (ii) Chapter V of the Finance Act, 1994 (Service Tax);

- (iii) Public Liability Insurance Act, 1991;
- (iv) Registration Act, 1908;
- (v) Indian Stamp Act, 1899;
- (vi) Indian Contract Act, 1872;
- (vii) Negotiable Instrument Act, 1881;
- (viii) Information Technology Act, 2000;
- (ix) Prevention of Money Laundering Act, 2002;
- (x) Consumer Protection Act, 1986;

We have also examined compliance with the applicable clause of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) The Listing Agreement entered into by the Company with The Bombay Stock Exchange or Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions are carried through while the dissenting members' views were captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

***For DSM & Associates,  
Company Secretaries***

***CS Sanam Umbargikar  
Partner***

***M.No.26141.  
COP No.9394.***

Date: 27<sup>th</sup> May, 2016.

Place: Mumbai.



*To,  
The Board of Directors,  
Nagpur Power and Industries Limited  
Dear Sirs,*

**Subject: Secretarial Audit Report for financial year ended 31<sup>st</sup> March, 2016.**

Our report of even date is to be read along with this letter:

1. Maintenance of Secretarial Records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test check basis to ensure that correct facts are reflected in Secretarial Records. We believe that the processes and practices followed provide a reasonable basis for our opinion.
3. We have not verified the correctness, appropriateness of financial records and books of accounts of the Company.
4. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test check basis.
5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

*For DSM & Associates,  
Company Secretaries*

*CS Sanam Umbargikar  
Partner  
M.No.26141.  
COP No.9394.*

Date: 27<sup>th</sup> May, 2016.

Place: Mumbai.

**Annexure - II**  
**FORM NO. MGT 9**

**EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(Management & Administration) Rules, 2014

**I. REGISTRATION & OTHER DETAILS:**

|    |  |   |
|----|--|---|
| 1. | CIN  | L40100MH1996PLC104361   |
| 2. | Registration Date  | 06.12.1996  |
| 3. | Name of the Company  | Nagpur Power And Industries Limited   |
| 4. | Category/Sub-category of the Company                                       | Company Limited by Shares/ Indian Non-Government Company  |
| 5. | Address of the Registered office & contact details                         | Nirmal, 20 <sup>th</sup> Floor, Nariman Point, Mumbai – 400021<br>Tel: 91-22-22023055, Fax: 91-22-22043162<br>Email: nidhi@khandelwalindia.com  |
| 6. | Whether listed company   | Listed on BSE Ltd. (BSE)  |
| 7. | Name, Address & contact details of the Registrar & Transfer Agent, if any. | Sharepro Services (India) Pvt. Ltd<br>13AB, Samhita Warehousing Complex, Second Floor, Sakinaka, Telephone Exchange Lane, Off. Andheri Kurla Road, Andheri (East), Mumbai – 400072<br>Tel No. 91-22-677200300/400<br>Email: sharepro@shareproservices.com |

\* Please note the Company has changed its RTA to Link Intime India Pvt. Ltd. W.e.f June 16, 2016.

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

| Sr. No. | Name and Description of main Products / Services | NIC Code of the Product / Service | % to total turnover of the Company |
|---------|--|-----------------------------------|------------------------------------|
| 1       | Low ferro Manganese                              | 24104                             | 8.45%                              |

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

| Sr. No. | Name and Address of The company                   | CIN/GLN               | HOLDING/<br>SUBSIDIARY/<br>ASSOCIATE | % of shares held | Applicable Section |
|---------|---|-----------------------|--------------------------------------|------------------|--------------------|
| 1.      | The Motwane Manufacturing Company Private Limited | U32109MH1960PTC011827 | Subsidiary                           | 70.64%           | 2(87)              |

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i) Category-wise Share Holding :**

| Category of Shareholders           | No. of Shares held at the beginning of the year<br>[As on 31-March-2015] |              |                |                   | No. of Shares held at the end of the year<br>[As on 31-March-2016] |              |                |                   | % Change during the year |
|------------------------------------|--|--------------|----------------|-------------------|--|--------------|----------------|-------------------|--------------------------|
|                                    | Demat  | Physical     | Total          | % of Total Shares | Demat  | Physical     | Total          | % of Total Shares |                          |
| <b>A. Promoter's</b>               |  |              |                |                   |  |              |                |                   |                          |
| (1) <b>Indian</b>                  |  |              |                |                   |  |              |                |                   |                          |
| a) Individual/ HUF                 | 1876900  | 45500        | 1922400        | 14.68             | 1876900  | 45500        | 1922400        | 14.68             | 0                        |
| b) Central Govt                    | 0  | 0            | 0              | 0                 | 0  | 0            | 0              | 0                 | -                        |
| c) State Govt(s)                   | 0  | 0            | 0              | 0                 | 0  | 0            | 0              | 0                 | -                        |
| d) Bodies Corp.                    | 338432   | 0            | 338432         | 2.58              | 338432   | 0            | 338432         | 2.58              | 0                        |
| e) Banks / FI                      | 0  | 0            | 0              | 0                 | 0  | 0            | 0              | 0                 | -                        |
| f) Any other                       | 0  | 0            | 0              | 0                 | 0  | 0            | 0              | 0                 | -                        |
| <b>Sub-total (A) (1)</b>           | <b>2215332</b>   | <b>45500</b> | <b>2260832</b> | <b>17.26</b>      | <b>2215332</b>   | <b>45500</b> | <b>2260832</b> | <b>17.26</b>      | <b>0</b>                 |
| (2) <b>Foreign</b>                 |  |              |                |                   |  |              |                |                   |                          |
| a) NRI/ Individuals                | 0  | 0            | 0              | 0                 | 0  | 0            | 0              | 0                 | -                        |
| b) Other – Individuals             | 0  | 0            | 0              | 0                 | 0  | 0            | 0              | 0                 | -                        |
| c) Bodies Corporate                | 5641100  | 0            | 5641100        | 43.08             | 5641100  | 0            | 5641100        | 43.08             | 0                        |
| d) Banks / FI                      | 0  | 0            | 0              | 0                 | 0  | 0            | 0              | 0                 | -                        |
| e) Any Other                       | 0  | 0            | 0              | 0                 | 0  | 0            | 0              | 0                 | -                        |
| <b>Sub-total (A) (2)</b>           | <b>5641100</b>   | <b>0</b>     | <b>5641100</b> | <b>43.08</b>      | <b>5641100</b>   | <b>0</b>     | <b>5641100</b> | <b>43.08</b>      | <b>0</b>                 |
| <b>Total Promoter Shareholding</b> |  |              |                |                   |  |              |                |                   |                          |
| <b>(A) = (A) (1) + (A) (2)</b>     | <b>7856432</b>   | <b>45500</b> | <b>7901932</b> | <b>60.34</b>      | <b>7856432</b>   | <b>45500</b> | <b>7901932</b> | <b>60.34</b>      | <b>0</b>                 |
| <b>B. Public Shareholding</b>      |  |              |                |                   |  |              |                |                   |                          |
| <b>1. Institutions</b>             |  |              |                |                   |  |              |                |                   |                          |
| a) Mutual Funds                    | 0  | 0            | 0              | 0                 | 0  | 0            | 0              | 0                 | -                        |
| b) Banks / FI                      | 7750   | 3900         | 11650          | 0.09              | 7750   | 3900         | 11650          | 0.09              | 0                        |
| c) Central Govt                    | 0  | 0            | 0              | 0                 | 0  | 0            | 0              | 0                 | -                        |
| d) State Govt(s)                   | 0  | 0            | 0              | 0                 | 0  | 0            | 0              | 0                 | -                        |
| e) Venture Capital Funds           | 0  | 0            | 0              | 0                 | 0  | 0            | 0              | 0                 | -                        |
| f) Insurance Companies             | 1585094  | 0            | 1585094        | 12.10             | 1585094  | 0            | 1585094        | 12.10             | 0                        |
| g) FIs                             | 0  | 0            | 0              | 0                 | 0  | 0            | 0              | 0                 | -                        |
| h) Foreign Venture Capital Funds   | 0  | 0            | 0              | 0                 | 0  | 0            | 0              | 0                 | -                        |
| i) Others (specify)                | 0  | 0            | 0              | 0                 | 0  | 0            | 0              | 0                 | -                        |
| <b>Sub-total (B)(1):-</b>          | <b>1592844</b>   | <b>3900</b>  | <b>1596744</b> | <b>12.19</b>      | <b>1592844</b>   | <b>3900</b>  | <b>1596744</b> | <b>12.19</b>      | <b>0</b>                 |
| <b>2. Non-Institutions</b>         |  |              |                |                   |  |              |                |                   |                          |
| a) Bodies Corp.                    |  |              |                |                   |  |              |                |                   |                          |
| i) Indian                          | 188914   | 17650        | 206564         | 1.58              | 134034   | 17650        | 151684         | 1.16              | (0.42)                   |
| ii) Overseas                       | 0  | 0            | 0              | 0                 | 0  | 0            | 0              | 0                 | 0                        |

| Category of Shareholders   | No. of Shares held at the beginning of the year<br>[As on 31-March-2015] |                |                 |                   | No. of Shares held at the end of the year<br>[As on 31-March-2016] |                |                 |                   | % Change during the year |
|--|--|----------------|-----------------|-------------------|--|----------------|-----------------|-------------------|--------------------------|
|  | Demat  | Physical       | Total           | % of Total Shares | Demat  | Physical       | Total           | % of Total Shares |                          |
| b) Individuals   |  |                |                 |                   |  |                |                 |                   |                          |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh         | 1010480  | 1187182        | 2197662         | 16.78             | 953948   | 1170232        | 2124180         | 16.22             | (0.56)                   |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 1013867  | 161850         | 1175717         | 8.98              | 1142169  | 161850         | 1304019         | 9.96              | 0.98                     |
| c) Others (specify)  |  |                |                 |                   |  |                |                 |                   |                          |
| NRI (Rep)  | 3035   | 1500           | 4535            | 0.03              | 3795   | 1500           | 5295            | 0.04              | 0.01                     |
| NRI (Non-Rep)  | 4453   | 7400           | 11853           | 0.09              | 3753   | 7400           | 11153           | 0.09              | 0                        |
| Trust  | 500  | 0              | 500             | 0                 | 500  | 0              | 500             | 0                 | 0                        |
| <b>Sub-total (B) (2)</b>   | <b>2221249</b>   | <b>1375582</b> | <b>3596831</b>  | <b>27.47</b>      | <b>2238199</b>   | <b>1358632</b> | <b>3596831</b>  | <b>27.47</b>      | <b>0</b>                 |
| <b>Total Public Share holdings (B) = (B) (1) + (B) (2)</b>                       | <b>3814093</b>   | <b>1379482</b> | <b>5193575</b>  | <b>39.66</b>      | <b>3831043</b>   | <b>1362532</b> | <b>5193575</b>  | <b>39.66</b>      | <b>0</b>                 |
| <b>C. Shares held by Custodian for GDRs &amp; ADRs</b>                           | <b>0</b>   | <b>0</b>       | <b>0</b>        | <b>0</b>          | <b>0</b>   | <b>0</b>       | <b>0</b>        | <b>0</b>          | <b>0</b>                 |
| <b>Grand Total (A+B+C)</b>   | <b>11670525</b>  | <b>1424982</b> | <b>13095507</b> | <b>100.00</b>     | <b>11687475</b>  | <b>1408032</b> | <b>13095507</b> | <b>100.00</b>     | <b>0</b>                 |

**ii) Shareholding of Promoter:**

| Sr. No. | Shareholder's Name                   | Shareholding at the beginning of the year |                                  |  | Shareholding at the end of the year |                                  |  | % Change in shareholding during the year |
|---------|--------------------------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|--|
|         |                                      | No. of Shares                             | % of total shares of the Company | % of shares Pledged / encumbered to total shares | No. of shares                       | % of total shares of the Company | % of shares Pledged / encumbered to total shares |  |
| 1       | Gautam P Khandelwal                  | 491100                                    | 3.75                             | 0  | 491100                              | 3.75                             | 0  | 0  |
| 2       | Suelve G Khandelwal                  | 207150                                    | 1.58                             | 0  | 207150                              | 1.58                             | 0  | 0  |
| 3       | Geeta P Khandelwal                   | 575200                                    | 4.39                             | 0  | 575200                              | 4.39                             | 0  | 0  |
| 4       | Premnath Khandelwal                  | 45500                                     | 0.35                             |  | 45500                               | 0.35                             |  | 0  |
| 4       | Sia G Khandelwal                     | 201250                                    | 1.54                             | 0  | 201250                              | 1.54                             | 0  | 0  |
| 5       | Tara G Khandelwal                    | 200950                                    | 1.53                             | 0  | 200950                              | 1.53                             | 0  | 0  |
| 6       | Uday Siddharth Khandelwal            | 201250                                    | 1.54                             | 0  | 201250                              | 1.54                             | 0  | 0  |
| 7       | Khandelwals Limited                  | 5641100                                   | 43.08                            | 0  | 5641100                             | 43.08                            | 0  | 0  |
| 8       | Informed Technologies India Limited  | 254232                                    | 1.94                             | 0  | 254232                              | 1.94                             | 0  | 0  |
| 9       | Zeppelin Investments Private Limited | 84200                                     | 0.64                             | 0  | 84200                               | 0.64                             | 0  | 0  |
|         | <b>Total</b>                         | <b>7901932</b>                            | <b>60.34</b>                     | <b>0</b>   | <b>7901932</b>                      | <b>60.34</b>                     | <b>0</b>   | <b>0</b>                                 |

**iii) Change in Promoters' Shareholding :** (please specify, if there is no change)

| Particulars   | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|---|---|----------------------------------|---|----------------------------------|
|   | No. of Shares                             | % of total shares of the Company | No. of Shares                           | % of total shares of the Company |
| At the beginning of the year  | 7901932                                   | 60.34                            | 7901932                                 | 60.34                            |
| Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.): | #   |                                  | #                                       |                                  |
| At the end of the year  | 7901932                                   | 60.34                            | 7901932                                 | 60.34                            |

# There is no change in the total shareholding of promoters between 01.04.2015 to 31.03.2016.

**iv) Shareholding Pattern of top ten Shareholders:** (Other than Directors, Promoters and Holders of GDRs and ADRs):

| Sr. No. | For Each of the Top 10 Shareholders *         | Shareholding at the beginning of the year (01.04.2015) |                                  | Shareholding at the end of the year (31.03.2016) |                                  |
|---------|---|--|----------------------------------|--|----------------------------------|
|         |   | No. of Shares  | % of total shares of the Company | No. of Shares                                    | % of total shares of the Company |
| 1       | Life Insurance Corporation Of India           | 1585094  | 12.10                            | 1585094  | 12.10                            |
| 2       | Bharat Jayantilal Patel                       | 420139   | 3.21                             | 420139   | 3.21                             |
| 3       | Bhagwat Devidayal                             | 100000   | 0.76                             | 100000   | 0.76                             |
| 4       | Uday Acharya                                  | 52750  | 0.40                             | 52750  | 0.40                             |
| 5       | Ghanshyam Sadhana Mundra Huf                  | 50000  | 0.38                             | 50000  | 0.38                             |
| 6       | Gira Shah                                     | 49683  | 0.38                             | 43683  | 0.33                             |
| 7       | Goldenlife Financial Services Private Limited | 37716  | 0.29                             | 37716  | 0.29                             |
| 8       | Aditya Sadhana (Huf) .                        | 36858  | 0.28                             | 36858  | 0.28                             |
| 9       | Devendra Khanduri                             | 32750  | 0.25                             | 32750  | 0.25                             |
| 10      | Imran S Contractor                            | 33277  | 0.25                             | 33277  | 0.25                             |
| 11      | Vipul Kumar Rasiklal Shah                     | 0  | 0.00                             | 34450  | 0.2631                           |
| 10      | Adity Mundra                                  | 22301  | 0.17                             | 34135  | 0.2607                           |

\* The shares of the Company are traded on a daily basis and hence the date wise increase / decrease in Shareholding is not indicated.

**v) Shareholding of Directors and Key Managerial Personnel:**

| Sr. No.  | Particulars                     | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|----------|---------------------------------|---|----------------------------------|---|----------------------------------|
|          |                                 | No. of Shares                             | % of total shares of the Company | No. of Shares                           | % of total shares of the Company |
| <b>A</b> | <b>DIRECTORS</b>                |   |                                  |   |                                  |
|          | Gautam P Khandelwal             | 491100                                    | 3.75                             | 491100                                  | 3.75                             |
|          | Girish Bakre                    | 0   | 0                                | 0                                       | 0                                |
|          | Nimis Sheth                     | 4500                                      | 0.03                             | 4500                                    | 0.03                             |
|          | Nidhi Salampuria                | 50  | 0.00                             | 50                                      | 0.00                             |
| <b>B</b> | <b>KEY MANAGERIAL PERSONNEL</b> |   |                                  |   |                                  |
|          | Gautam P Khandelwal             | 491100                                    | 3.75                             | 491100                                  | 3.75                             |
|          | Santosh Khandelwal              | 100                                       | 0.00                             | 100                                     | 0.00                             |
|          | Nidhi Salampuria                | 50  | 0.00                             | 50                                      | 0.00                             |

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

|  | Secured Loans excluding deposits | Unsecured Loans | Deposits   | Total Indebtedness |
|--|----------------------------------|-----------------|------------|--------------------|
| <b>Indebtedness at the beginning of the financial year</b> |                                  |                 |            |                    |
| i) Principal Amount  | 28,55,974                        | NIL             | NIL        | 28,55,974          |
| ii) Interest due but not paid                              | NIL                              | NIL             | NIL        | NIL                |
| iii) Interest accrued but not due                          | NIL                              | NIL             | NIL        | NIL                |
| <b>Total (i+ii+iii)</b>                                    | <b>28,55,974</b>                 | <b>NIL</b>      | <b>NIL</b> | <b>28,55,974</b>   |
| <b>Change in Indebtedness during the financial year</b>    |                                  |                 |            |                    |
| * Addition   | NIL                              | NIL             | NIL        | NIL                |
| * Reduction  | 13,23,183                        | NIL             | NIL        | 13,23,183          |
| <b>Net Change</b>  | <b>13,23,183</b>                 | <b>NIL</b>      | <b>NIL</b> | <b>13,23,183</b>   |
| <b>Indebtedness at the end of the financial year</b>       |                                  |                 |            |                    |
| i) Principal Amount  | 15,32,791                        | NIL             | NIL        | 15,32,791          |
| ii) Interest due but not paid                              | NIL                              | NIL             | NIL        | NIL                |
| iii) Interest accrued but not due                          | NIL                              | NIL             | NIL        | NIL                |
| <b>Total (i+ii+iii)</b>                                    | <b>15,32,791</b>                 | <b>NIL</b>      | <b>NIL</b> | <b>15,32,791</b>   |

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**
**Rs. In Lacs**

| SN. | Particulars of Remuneration   | Name of MD/WTD/ Manager   | Total Amount |
|-----|---|---|--------------|
|     |   | Gautam P Khandelwal<br>(Executive Chairman)   |              |
| 1   | Gross salary  |   |              |
|     | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 59.68   | 59.68        |
|     | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | 0.32  | 0.32         |
|     | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961             | NIL   | NIL          |
| 2   | Stock Option  | NIL   | NIL          |
| 3   | Sweat Equity  | NIL   | NIL          |
| 4   | Commission - as % of profit others, specify...                                      | NIL   | NIL          |
| 5   | Others, please specify  | NIL   | NIL          |
|     | Total (A)   | 60.00   | 60.00        |
|     | Ceiling as per the Act  | As per Sec II of Part II of Schedule V to the Co. Act, 2013 is Rs. 60.00 lacs (with Special Resolution) |              |

**B. Remuneration to other directors**

| SN. | Particulars of Remuneration                | Name of Directors |   |   |   | Total Amount |
|-----|--|-------------------|---|---|---|--------------|
| 1   | Independent Directors                      | -                 | - | - | - | -            |
|     | Fee for attending board committee meetings | -                 | - | - | - | -            |
|     | Commission                                 | -                 | - | - | - | -            |
|     | Others, please specify                     | -                 | - | - | - | -            |
|     | Total (1)                                  | -                 | - | - | - | -            |
| 2   | Other Non-Executive Directors              | -                 | - | - | - | -            |
|     | Fee for attending board committee meetings | -                 | - | - | - | -            |
|     | Commission                                 | -                 | - | - | - | -            |
|     | Others, please specify                     | -                 | - | - | - | -            |
|     | Total (2)                                  | -                 | - | - | - | -            |
|     | Total (B)=(1+2)                            | -                 | - | - | - | -            |
|     | Total Managerial Remuneration              | -                 | - | - | - | -            |
|     | Overall Ceiling as per the Act             | -                 | - | - | - | -            |

Note: No Remuneration was paid to any director other than Whole Time Director of the Company during the FY 2015-16.

**C. Remuneration to Key Managerial Personal Other than MD/MANAGER/WTD**
**Rs. In Lacs**

| SN | Particulars of Remuneration  | Key Managerial Personnel |                           |              |
|----|--|--------------------------|---------------------------|--------------|
|    |  | Nidhi Salampuria<br>CS   | Santosh Khandelwal<br>CFO | Total        |
| 1  | Gross salary<br>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961<br>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961<br>(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | 8.74                     | 7.54                      | 16.28        |
| 2  | Stock Option   |                          |                           |              |
| 3  | Sweat Equity   |                          |                           |              |
| 4  | Commission<br>- as % of profit<br>others, specify...   |                          |                           |              |
| 5  | Others, please specify   |                          |                           |              |
|    | <b>Total</b>   | <b>8.74</b>              | <b>7.54</b>               | <b>16.28</b> |

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

| Type                                | Section of the Companies Act | Brief Description | Details of Penalty / Punishment / Compounding fees imposed | Authority [RD / NCLT / COURT] | Appeal made, if any (give details) |
|-------------------------------------|------------------------------|-------------------|--|-------------------------------|------------------------------------|
| <b>A. COMPANY</b>                   |                              |                   |  |                               |                                    |
| Penalty                             | -                            | -                 | -  | -                             | -                                  |
| Punishment                          | -                            | -                 | -  | -                             | -                                  |
| Compounding                         | -                            | -                 | -  | -                             | -                                  |
| <b>B. DIRECTORS</b>                 |                              |                   |  |                               |                                    |
| Penalty                             | -                            | -                 | -  | -                             | -                                  |
| Punishment                          | -                            | -                 | -  | -                             | -                                  |
| Compounding                         | -                            | -                 | -  | -                             | -                                  |
| <b>C. OTHER OFFICERS IN DEFAULT</b> |                              |                   |  |                               |                                    |
| Penalty                             | -                            | -                 | -  | -                             | -                                  |
| Punishment                          | -                            | -                 | -  | -                             | -                                  |
| Compounding                         | -                            | -                 | -  | -                             | -                                  |



**Annexure - III**  
**REPORT ON CORPORATE GOVERNANCE**

**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.

**BOARD OF DIRECTORS****a) Composition of Board & Category of Directors**

The Board consists of 4 (four) Directors, of these 2 (two) Directors are Independent Directors. The Chairman of the Board is Promoter and Executive Director.

Details of the Composition of Board of Directors is as follows:

| Sr. No. | Name of Director         | Executive/ Non-Executive/<br>Independent/ Chairman/ Promoter | Shares held        |                                  |
|---------|--------------------------|--|--------------------|----------------------------------|
|         |                          |  | No. of shares held | % of total shares of the Company |
| 1       | Mr. Gautam P. Khandelwal | Executive Chairman and Promoter                              | 491100             | 3.75%                            |
| 2       | Mr. Girish M. Bakre      | Independent  | 0                  | 0%                               |
| 3       | Mr. Nimis Sheth          | Independent  | 4500               | 0.03%                            |
| 4       | Nidhi Salampuria         | Non – Executive  | 50                 | 0.00%                            |

Notes: 1) Ms. Nidhi Salampuria is also Company Secretary and Compliance Officer of the Company

2) None of the Directors are Inter-se related to each others.

**b) Attendance of each Director at the Board Meeting and the last Annual General Meeting (AGM):**

The meetings of the Board of Directors are held at least once in each quarter, scheduled well in advance and generally held at the Company's registered office in Mumbai. During the Financial Year 2015-16, 4 (Four) board meetings were held. The board meetings were held on May 28, 2015; August 07, 2015; November 04, 2015; and February 12, 2016. Further, the AGM of the Company was held on September 24, 2015 at the registered office of the Company.

Details of the Attendance of each Director at the Board Meeting and the last AGM is as follow:

| Sr. No. | Name of Directors        | Attendance details |          |            |
|---------|--------------------------|--------------------|----------|------------|
|         |                          | Board Meeting      |          | Last A.G.M |
|         |                          | Held               | Attended |            |
| 1       | Mr. Gautam P. Khandelwal | 4                  | 3        | Yes        |
| 2       | Mr. Girish M. Bakre      | 4                  | 3        | No         |
| 3       | Mr. Nimis Sheth          | 4                  | 4        | Yes        |
| 4       | Ms. Nidhi Salampuria     | 4                  | 4        | Yes        |

**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/<br>Non-Executive/<br>Independent | No. of Directorship<br>Held in Other Indian<br>Public Ltd Companies (1) | Outside Committee<br>Positions Held(2) |        |
|---------|--------------------------|---|---|--|--------|
|         |                          |   |   | Chairman                               | Member |
| 1       | Mr. Gautam P. Khandelwal | Executive                                   | Two   | One                                    | Three  |
| 2       | Mr. Girish M. Bakre      | Independent                                 | One   | Nil                                    | Nil    |
| 3       | Mr. Nimis Sheth          | Independent                                 | One   | Two                                    | Nil    |
| 4       | Nidhi Salampurua         | Non – Executive                             | Nil   | Nil                                    | Nil    |

**Notes:**

1. Directorship excludes Private Limited Companies, Foreign Companies, Section 8 Companies and Alternate Directorships.
2. Chairmanship /Membership only include Audit Committee and Stakeholders Relationship Committee.

**d) Familiarization of Independent Directors**

Your Company has in place a structured induction and familiarization programme for all its Directors including the Independent Directors. Your Company through such programmes familiarizes not only the Independent Directors but any new appointee on the Board with a brief background of your Company, their roles, rights, responsibilities, nature of the industry in which it operates, business model operations, ongoing events, etc. They are updated on all business related issues and new initiatives. They are also informed of the important policies of your Company including the Code of Conduct for Directors and Senior Management Personnel and the Code of Conduct for Prevention of Insider Trading.

Further, terms and conditions for appointment of Independent Director is been provided to them, same can be accessed from website of the Company at [www.nagpurpowerind.com](http://www.nagpurpowerind.com)

Brief details of the familiarization programme are uploaded on the website of your Company <http://www.nagpurpowerind.com/investors/corporate-governance/>

**e) Meeting of Independent Directors**

In accordance with the provisions of Schedule IV (Code for Independent Directors) of the Companies Act, 2013, a separate meeting of the Independent Directors of the Company was held on November 04, 2015, without the attendance of Non-Independent Directors and members of the management.

**f) Detail of Directors being appointed and re-appointed**

The details of the Directors retiring by rotation, and being eligible and who offers themselves for re-appointment at the ensuing Annual General Meeting, are mentioned below as per requirement:

Ms. Nidhi Salampurua is the Whole Time Company Secretary of the Company. She along with the secretarial duties also handles the legal function and business affairs of the company. She also has rich experience in the streams of Law like Litigation, Contract Negotiations, and Corporate Governance. She holds a Bachelor of Law (LLB) degree from the University of Mumbai and is also a member of the Institute of Company Secretaries of India.

**g) Code of Conduct**

The Company has laid down code of conduct applicable to all Board of Directors, Senior Management and Key Managerial Personnel of the Company and all have confirmed compliance of the code of conduct. A declaration to this effect duly signed by the Chairman is annexed hereto.

**h) Subsidiary Company**

Under SEBI (LODR) Regulations, 2015, an Independent Director of the Company is required to be appointed as Director on the Board of the material Indian subsidiaries.

Mr. Nimis Sheth, Independent director of the Company has been appointed as the nominee director of "The Motwane Manufacturing Company Private Limited" w.e.f. September 30, 2014.

The Audit Committee of the Company reviews the financial statements, including the investments made, of its subsidiary. The Minutes of the meetings of the Board of Directors of the subsidiary company are regularly placed before the Board of Directors of the Company. A statement containing the significant transactions and arrangements entered into by the subsidiary are periodically placed before the Board of Directors of the Company.

The Company has formulated a Policy for determining material subsidiaries. The policy is available on the website of the company at <http://www.nagpurpowerind.com/investors/corporate-governance/>

**BOARD COMMITTEES****1. Audit Committee**

The composition of the Audit Committee is in alignment with provisions of Section 177 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The Audit Committee comprise of Mr. Nimis Sheth (Chairman), Mr. Girish Bakre (Member) and Mr. Gautam Khandelwal (Member) as on this date. The members of the Committee have the relevant experience in the field of finance, banking and accounting. Statutory Auditor of the Company and Internal Auditor are invitees to the Audit Committee Meeting.

The scope and terms of reference and working of the Audit Committee are constantly reviewed and appropriate changes are made from time to time for greater effectiveness of the Committee. The Audit Committee inter alia performs the functions of review of financial reporting system, internal controls system, discussion on financial results, interaction with Statutory and Internal Auditors, one-on-one meeting with Statutory and Internal Auditors, recommendation for the appointment of Statutory and their remuneration, recommendation for the appointment and remuneration of Internal Auditors, Management Discussions and Analysis, Review of Internal Audit Reports, significant related party transactions etc. As on March 31, 2016, these confirm to the requirements of Section 177 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

The Company Secretary acts as the Secretary of the Committee. The Committee met 4 (four) times during the year under review. The meetings were held on May 25, 2015; August 06, 2015; November 04, 2015 and February 12, 2016.

| Sr. No. | Name of Director           | No. of Meetings |          |
|---------|----------------------------|-----------------|----------|
|         |                            | Held            | Attended |
| 1       | Mr. Nimis Sheth - Chairman | 4               | 4        |
| 2       | Mr. Girish Bakre           | 4               | 4        |
| 3       | Mr. Gautam P. Khandelwal   | 4               | 4        |

**2. Nomination and Remuneration Committee**

The Nomination and Remuneration Committee comprise of Mr. Nimis Sheth (Chairman), Mr. Girish Bakre (Member) and Mr. Gautam Khandelwal (Member) as on this date. The Committee met 2 (Two) times during the year under review. The meetings were held on May 25, 2015 and February 12, 2016.

| Sr. No. | Name of Director           | No. of Meetings |          |
|---------|----------------------------|-----------------|----------|
|         |                            | Held            | Attended |
| 1       | Mr. Nimis Sheth - Chairman | 2               | 2        |
| 2       | Mr. Girish Bakre           | 2               | 2        |
| 3       | Mr. Gautam P. Khandelwal   | 2               | 2        |

The purpose of the Committee is to oversee the Company's nomination process for the senior management and specifically to identify, screen and review individuals qualified to serve as EDs, NEDs and IDs consistent with criteria approved by the Board and to recommend, for approval by the Board, nominees for election at the AGM of the shareholders.

The Committee also discharges the Board's responsibilities relating to compensation of the Company's EDs and senior management. The Committee has the overall responsibility of approving and evaluating the compensation plans, policies and programmes for EDs and the senior management. The Committee reviews and recommends to the Board, to approve for the EDs, the base salary, incentives/commission, other benefits, compensation or arrangements and executive employment agreements.

The Committee further coordinates and oversees the annual self-evaluation of the performance of the Board, Committees' and of individual Directors. The details is given in the directors report.

The Nomination and Remuneration Policy of the Company's can be accessed at the Website at <http://www.nagpurpowerind.com/investors/corporate-governance/>

**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 | 60,00,000                  | -                | -                  | 60,00,000   |
| Mr. Nimis Sheth       | Nil                        | Nil              | Nil                | Nil         |
| Mr. Girish Bakre      | Nil                        | Nil              | Nil                | Nil         |
| Ms. Nidhi Salampuria  | Nil                        | Nil              | Nil                | Nil         |

- *None of the director has been paid any sitting fees during the year.*
- *No Commission or salary was paid to any director other than Mr. Gautam Khandelwal during the year.*
- *Ms. Nidhi Salampuria, Director of the Company who is also Company Secretary and Compliance Officer of the Company is been paid Salary in the capacity of a Company Secretary and Compliance Officer.*
- *Your Company has not granted any stock options to any of its Directors.*

**3. Stakeholders Relationship Committee**

The Stakeholders Relationship Committee comprise of Mr. Nimis Sheth (Chairman), Mr. Girish Bakre (Member) and Mr. Gautam Khandelwal (Member) as on this date. During the year, the Committee met time to time to approve/take note of transfers, transmission of shares, issue duplicate/rematerialized shares and consolidation and splitting of share certificates, to review shareholders correspondence including complaints received from various stakeholders and its redressal.

The purpose of the committee is to consider and resolve the grievances of the security holders of the Company, including complaints relating to transfer and transmission of securities, non-receipt of dividends, and such other grievances as may be raised by the security holders from time to time.

Name and designation of Compliance Officer: Ms. Nidhi Salampuria- Company Secretary

**Details of Shareholders' Complaints:**

| <b>Shareholders / Investors Complaints</b>                | <b>Complaint Nos.</b> |
|---|-----------------------|
| Complaints as on April 1, 2015                            | Nil                   |
| Complaints received during 2015-16                        | 1                     |
| Complaints not solved to the satisfaction of shareholders | Nil                   |
| Complaints pending as on March 31, 2016                   | Nil                   |

The Company attends to investors & shareholders grievances within 15 days from the date of receipt of the same.

#### 4. Risk Management Committee

The Company has constituted a Risk Management Committee for framing, implementing and monitoring the risk management policy of the Company.

The role of the committee is to monitor and review the risk assessment, mitigation and risk management plan for the company from time to time.

The Risk Management Committee comprise of Mr. Nimis Sheth (Chairman) and Mr. Gautam Khandelwal (member) as on this date.

#### 5. ANNUAL GENERAL MEETINGS

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

| Financial Year | Date, Time and Venue   | Special Resolutions passed                                     |
|----------------|--|--|
| 2012-2013      | September 26, 2013 at 10:00 AM<br>Orchid & Tulip, World Trade Centre, Centre One,<br>1st Floor, Cuffe Parade, Mumbai-400005. | No special Resolution was passed                               |
| 2013-2014      | September 15, 2014 at 10:00 AM<br>Orchid & Tulip, World Trade Centre, Centre One,<br>1st Floor, Cuffe Parade, Mumbai-400005. | 1 Special Resolution was passed<br>through e-voting and ballot |
| 2014-2015      | September 24, 2015 at 9:30 AM<br>20 <sup>th</sup> Floor, Nirmal Building, Nariman Point,<br>Mumbai 400021                    | 3 Special Resolution was passed<br>through e-voting and ballot |

#### Postal Ballot

During the financial year 2015-16, no special resolutions were passed through postal ballot. No special resolution requiring a Postal Ballot is being proposed at the ensuing AGM.

#### 6. 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, 2016. The Audit Committee has reviewed these transactions in compliance with Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The related party policy can be accessed from the following link : <http://www.nagpurpowerind.com/investors/corporate-governance/>
- 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 has constituted Vigil Mechanism/ Whistle Blower Policy, the details of the same is given in the Directors report.

- The Company has adopted a Code of Conduct for prevention of Insider Trading with a view to regulate trading in securities by the Directors, Senior Management & Key Managerial Personnel and other designated employees of the company.
- The Company has complied with mandatory requirements of the listing agreement and SEBI and Companies Act 2013.
- As regards discretionary requirement specified in part E of Schedule II of SEBI (LODR) Regulations, 2015 the Company has complied with item E.

#### 7. Means of communication

- The quarterly un-audited results were published in Financial Express and Mahanayak or Mumbai Lakshadeep, in accordance with the requirement of the Listing Agreement and SEBI (LODR) Regulations, 2015.
- Annual audited financial results were published in Financial Express 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 at <http://www.nagpurpowerind.com/>

#### 8. General Shareholders Information

##### (a) Annual General Meeting For the Financial Year 2015-16:

|                |   |   |
|----------------|---|---|
| Date           | : | September 27, 2016 - Tuesday  |
| Time           | : | 10:30 AM  |
| Venue          | : | 20 <sup>th</sup> Floor, Nirmal Building, Nariman Point, Mumbai - 21 |
| Financial Year | : | April 01, 2015 to March 31, 2016                                    |

##### (b) Financial Calendar (April 1, 2016 to March 31, 2017):

|                                   |   |                                |
|-----------------------------------|---|--------------------------------|
| Adoption of Quarterly results for |   | <b>(Tentative)</b>             |
| First quarter results             | : | On or before August 14, 2016   |
| Second quarter results            | : | On or before November 14, 2016 |
| Third quarter results             | : | On or before February 14, 2017 |
| Fourth quarter and Annual results | : | On or before May 30, 2017      |

(c) **Date of Book closure** : Saturday, September 17, 2016 to Tuesday, September 27, 2016  
(both days inclusive).

##### Listing details:

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

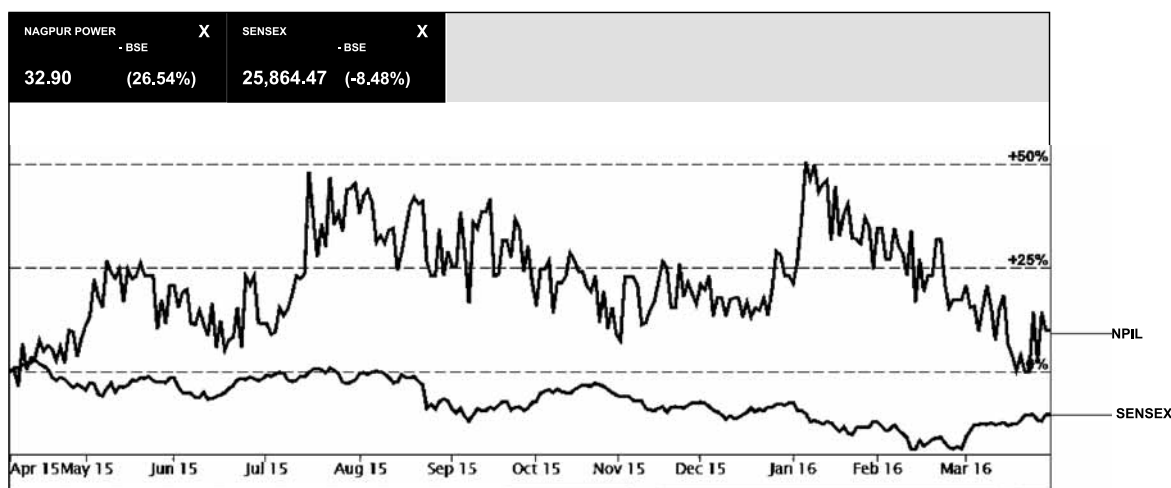
**Listing fee has been paid for the financial year 2016-17.**

**(e) Market Price Data:**

High/Low price and volume of the Company's shares at BSE during each month in Financial Year 2015-16 is as follows:

| Month  | High (₹) | Low (₹) | Volume (shares) |
|--------|----------|---------|-----------------|
| Apr-15 | 31.00    | 24.05   | 17,286          |
| May-15 | 35.10    | 26.20   | 32,198          |
| Jun-15 | 34.95    | 25.20   | 49,160          |
| Jul-15 | 43.00    | 28.35   | 45,324          |
| Aug-15 | 40.10    | 31.00   | 23,285          |
| Sep-15 | 38.00    | 29.35   | 7,534           |
| Oct-15 | 36.00    | 26.25   | 23,936          |
| Nov-15 | 35.00    | 27.90   | 7,855           |
| Dec-15 | 35.50    | 27.40   | 28,542          |
| Jan-16 | 39.90    | 30.05   | 48,674          |
| Feb-16 | 38.15    | 26.15   | 23,255          |
| Mar-16 | 34.95    | 26.00   | 13,545          |

**(f) Performance in comparison to broad-based indices such as BSE Sensex.**



**(g) Registrar and Transfer Agent:**

Link Intime India Private Limited (w.e.f. June 16, 2016)  
 C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai- 400 078  
 Tel No.: 022-25963838  
 Email-id: tanushree.rauth@linkintime.co.in

**(h) Share Transfer System:**

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

**(i) Distribution of Shareholding as on March 31, 2016 is as under:**

| No. of shares   | No. of Shareholders | %          | No. of Shares     | %          |
|-----------------|---------------------|------------|-------------------|------------|
| Upto 500        | 2918                | 74.33      | 696,182           | 5.32       |
| 501-1000        | 390                 | 9.93       | 290,113           | 2.21       |
| 1001-2000       | 359                 | 9.14       | 458,720           | 3.50       |
| 2001-3000       | 109                 | 2.78       | 259,911           | 1.99       |
| 3001-4000       | 28                  | 0.71       | 97,065            | 0.74       |
| 4001-5000       | 34                  | 0.87       | 156,842           | 1.20       |
| 5001-10000      | 39                  | 0.99       | 272,347           | 2.08       |
| 10001 and above | 49                  | 1.25       | 10,864,327        | 82.96      |
| <b>Total</b>    | <b>3926</b>         | <b>100</b> | <b>13,095,507</b> | <b>100</b> |

**(j) Shareholding Pattern as on March 31, 2016 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                  | 0.000             |
| 4       | Financial Institutions/Banks | 11,650             | 0.09              |
| 5       | Insurance Companies          | 1,585,094          | 12.10             |
| 6       | Private Bodies Corporate     | 151,684            | 1.16              |
| 7       | Indian Pubic                 | 3,428,199          | 26.18             |
| 8       | NRI/OCBs                     | 16,448             | 0.13              |
| 9       | Trusts                       | 500                | 0.000             |
|         | <b>TOTAL</b>                 | <b>13,095,507</b>  | <b>100.000</b>    |

**(k) Dematerialization of shares as on March 31, 2016 is as under:**

| Particulars                            | No. of shares | % to Issued Capital |
|--|---------------|---------------------|
| Dematted                               |               |                     |
| National Securities Depository Limited | 9445604       | 72.13               |
| Central Depository Securities Limited  | 2241871       | 17.12               |
| Physical                               | 1408032       | 10.75               |
| Total                                  | 13,095,507    | 100.00              |



**(l) 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.

**(m) Plant Location:**

Khandelwal Nagar, Dist. Nagpur-441402, Maharashtra.

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

**(p) Auditors Certificate on Corporate governance:**

The Auditors Certificate on Compliance of Listing Regulations relating to Corporate Governance is given as an annexure to this report.

**(q) CEO and CFO certification:**

As required by SEBI (LODR) Regulations, 2015 the CEO and CFO have given appropriate certifications to the Board of Directors.

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**Annexure****Declaration on compliance with Code of Conduct**

It is hereby affirmed that, the Board of Directors and Senior Management/ Key Managerial Personnel have complied with the Code of Conduct framed by the Company and a confirmation to that effect has been obtained from the Directors and Senior Management/ Key Managerial Personnel in respect of Financial Year 2015-2016.

**For Nagpur Power And Industries Limited**

Place: Mumbai

Date: May 27, 2016

Gautam Khandelwal

Executive Chairman

DIN (00270717)

**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 (the Company), for the year ended 31st March 2016, as stipulated in Clause 49 of the listing agreement of the Company with stock exchange for the period 1st April 2015 to 30th November 2015 and as per Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 for the period 1st December 2015 to 31st March 2016.

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 with the conditions of corporate governance as stipulated in Clause 49 of the listing agreement and Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, as applicable.

We further state that such compliance is neither an assurance as to the future viability of the Company nor 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 : 27th May 2016

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 Standalone Financial Statements**

1. We have audited the accompanying standalone financial statements of NAGPUR POWER AND INDUSTRIES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Profit and Loss Statement and Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information, which we have signed under reference to this report.

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

2. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 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 financial control relevant to the Company's preparation of the 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 the Company's Directors, 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 on the standalone financial statements.

#### **Basis for Qualified Opinion**

4. ***Attention is invited to Note 14.1 viz company's Ferro Alloys unit at Khandelwal Nagar, Kanhan, Nagpur generated waste during the process of manufacture, which has accumulated over the years in and around the main plant. The waste is reuseable for extracting metal content therein. The Company has not accounted for Stock of balance of such accumulated waste over the years at its unit as the technical consultants have advised the company that its quality, metal content and the realizable value cannot be reasonably ascertained. Our audit report for the previous year was also similarly qualified.***

#### **Qualified Opinion**

5. 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 aforesaid standalone 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 of the state of the affairs of the Company as at March 31, 2016, and its loss and its cash flows for the year ended on that date.

#### **Report On Other Legal and Regulatory Requirements**

6. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
7. As required by section 143 (3) of the Act, we report that:
- We have sought and, except for the matters described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, 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;
  - 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.
  - Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have adverse effect on the functioning of the Company.

- f. On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164(2) of the Act.
- g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B" and
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed the impact of pending litigation on its financial position in its standalone financial statements – Refer Note 25 to the financial statements;
  - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Date: May 27, 2016  
Place: Mumbai

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

**ANNEXURE A TO THE AUDITOR'S REPORT ON THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016.**

Annexure referred to in paragraph 6 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of Nagpur Power and Industries Limited on the audit of the standalone financial statements for the year ended 31<sup>st</sup> March 2016.

- (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. The discrepancies noticed on verification between the physical fixed assets and the book records were not material having regard to nature and size of the operations of the Company and the same have been properly dealt with in books of account.
- (c) According to information and explanations given to us and on the basis of documents and records produced before us, the title deeds of immovable properties are held in the current or former name of the company.
- (ii) As explained to us, the inventories have been physically verified during the year by the management at reasonable intervals. In our opinion and according to information and explanation given to us, **except in respect of stock of accumulated waste referred to in the Basis for Qualified Opinion Paragraph 4 of our report, and Note 14.1 of the accompanying 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) The Company has granted loans to one party covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act):
- (a) The above loan has been given to an entity at an interest rate of 10% p.a. wherein the company has also made a strategic investment in its Equity and is without any stipulation as regards to its repayment. In view of the controlling interest and long strategies of the management the terms and conditions of this loan are not, prima facie, prejudicial to the interest of the company.
- (b) In view of what is stated at (a) above, there is no schedule of repayment of principal and payment of interest and there is no repayment or receipt during the year.
- (c) In view of what is stated at (a) above, the amount overdue cannot be determined and therefore the question of company taking reasonable steps for recovery of principal amount and interest cannot be commented upon.
- (iv) In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of section 185 and 186 of the Act in respect of loans, making investments and providing guarantees and securities, as applicable.
- (v) 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 73 to 76 or any other relevant provisions of the Companies Act and the rules framed thereunder.
- (vi) According to the information and explanations given to us, the maintenance of cost records was not prescribed by the Central Government under section 148(1) of the Act, for any of the activities of the Company.

- (vii) (a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues, applicable to it, with appropriate authorities.

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, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues, applicable to it, were in arrears, as at 31<sup>st</sup> March, 2016 for a period of more than six months from the date they become payable.

- (b) According to the information and explanations given to us, there are no dues of sales tax, income tax, custom duty, service tax, excise duty or cess which have not been deposited on account of any dispute, except as stated below:

| Name of the Statute  | Nature of dues   | Amount (Rs. in lacs) | Forum where dispute is pending   |
|--|--|----------------------|--|
| West Bengal Sales tax Act, 1957<br>- Sales tax Case at Calcutta. | Sales tax demand of three Asst. Years                          | 2.43                 | Commissioner of Sales Tax (Appeal) Calcutta.                                   |
| Uttar Pradesh Sales Tax Act, 1957- Sales tax case at Kanpur.     | Sales tax demand for the Asst. Year 1980-81                    | 3.33                 | Commissioner of Sales Tax (Appeal) Kanpur.                                     |
| B.S.T Act, 1959  | B.S.T & C.S.T  | 195.45               | JT. Commissioner of sales tax (Appeals), Nagpur                                |
| Central Excise Act, 1944, Customs Act, 1962 & Finance Act, 1994. | Excise Duty Case at Nagpur                                     | 26.58                | Commissioner of Customs & Central Exice (Appeals), Nagpur.                     |
| Customs Act, 1962  | Customs and Advalorem Duty                                     | 117.43               | Commissioner of Customs (E.P.) and Directorate General of Foreign Trade (DGFT) |
| The Bombay Stamp Act, 1958                                       | Stamp duty   | 45.83                | Supreme Court of India   |
| Other statutory dues   | Entry tax  | 4.58                 | Tahsildar  |
| The Income Tax Act, 1961   | Income tax demand under section 156 for the Asst. Year 2010-11 | 16.72                | Income Tax Appellat (Tribunal).  |
| Income Tax Act, 1961   | Income Tax demand  | 0.13                 | Commissioner of Income Tax (Appeal) Mumbai                                     |
| <b>TOTAL</b>   |  | <b>412.48</b>        |  |

- (viii) 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.
- (ix) According to the information and explanations given to us the Company has not raised money by way of initial public offer or further public and raised the term loans (being car loan) was applied for the purpose for which the loan was obtained.
- (x) Based on the audit procedures performed by us, to the best of our knowledge and belief and according to the information and explanations given to us by the Management, no fraud by the Company or fraud on the Company by its officers or employee has been noticed or reported during the year.

- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with section 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on the documents and records produced before us, the company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) According to the information and explanation given to us and based on the documents and records produced before us and relying on an expert advice, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Date: May 27, 2016  
Place: Mumbai

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



**ANNEXURE B TO THE AUDITOR'S REPORT ON THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the Act)**

- 1 We have audited the internal financial controls over financial reporting of NAGPUR POWER AND INDUSTRIES LIMITED ("the Company") as of 31<sup>st</sup> March 2016 in conjunction with our audit of the financial statements of the company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

- 2 The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that operate effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

- 3 Our responsibility is to express an opinion on the Company's Internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls, both issued by the ICAI. Those standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

- 4 A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes

those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

- 5 Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

- 6 In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2016, based on the internal financial controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

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

Date: May 27, 2016  
Place: Mumbai

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

## BALANCE SHEET AS AT 31ST MARCH, 2016

(In `)

| Particulars                             | Note No | As at<br>31st March, 2016 | As at<br>31st March, 2015 |
|---|---------|---------------------------|---------------------------|
| <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       | 493,925,100               | 502,729,378               |
|   |         | <b>624,880,170</b>        | <b>633,684,448</b>        |
| <b>(2) Non-Current Liabilities</b>      |         |                           |                           |
| (a) Long-term borrowings                | 4       | -                         | 130,805                   |
| (b) Long-term provisions                | 5       | 278,178                   | 738,144                   |
|   |         | <b>278,178</b>            | <b>868,949</b>            |
| <b>(3) Current Liabilities</b>          |         |                           |                           |
| (a) Short-term borrowings               | 6       | 1,401,986                 | 2,483,286                 |
| (b) Trade Payables                      | 7       |                           |                           |
| (i) Dues to Micro and Small Enterprises |         | -                         | -                         |
| (ii) Dues to Others                     |         | 2,094,935                 | 1,878,227                 |
| (c) Other current liabilities           | 8       | 963,322                   | 2,321,482                 |
| (d) Short-term provisions               | 9       | 797,031                   | 2,234,850                 |
|   |         | <b>5,257,274</b>          | <b>8,917,845</b>          |
| <b>Total</b>                            |         | <b>630,415,622</b>        | <b>643,471,242</b>        |
| <b>II. ASSETS</b>                       |         |                           |                           |
| <b>(1) Non-current assets</b>           |         |                           |                           |
| (a) Fixed assets                        | 10      |                           |                           |
| (i) Tangible assets                     |         | 205,189,957               | 208,863,190               |
| (ii) Intangible assets                  |         | 12,081                    | 17,781                    |
| (b) Non-current Investments             | 11      | 187,672,871               | 188,441,945               |
| (c) Long term loans and advances        | 12      | 10,457,820                | 10,143,336                |
|   |         | <b>403,332,729</b>        | <b>407,466,252</b>        |
| <b>(2) Current assets</b>               |         |                           |                           |
| (a) Current investments                 | 13      | 171,874,165               | 198,429,841               |
| (b) Inventories                         | 14      | 308,268                   | 3,278,120                 |
| (c) Cash and Bank Balances              | 15      | 5,534,526                 | 5,412,652                 |
| (d) Short-term loans and advances       | 16      | 49,365,934                | 28,884,377                |
|   |         | <b>227,082,893</b>        | <b>236,004,990</b>        |
| <b>Total</b>                            |         | <b>630,415,622</b>        | <b>643,471,242</b>        |

Significant Accounting Policies

1

Other Notes on Financial Statements

24 to 41

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 and on behalf of the Board

For M.V.Ghelani &amp; Co.

Chartered Accountants  
Firm Regn. No. 119077WGautam P.Khandelwal  
Executive Chairman  
(DIN: 00270717)Nimis Sheth  
Director  
(DIN: 00482739)M.V.Ghelani  
ProprietorNidhi Salampuria  
Director &  
Company Secretary  
(DIN: 07138654)  
(ACS 28712)Santosh Khandelwal  
Chief Financial Officer

Mumbai : 27th May, 2016

Mumbai : 27th May, 2016

## Profit and Loss statement for the year ended 31st March, 2016

(In `)

| Particulars  | Note No | For The Year Ended<br>31st March, 2016 | For The Year Ended<br>31st March, 2015 |
|--|---------|--|--|
| <b>I Revenue from operations</b>   | 17      | 3,033,160                              | 5,431,821                              |
| <b>Less : Excise duty</b>  |         | (337,023)                              | (595,323)                              |
|  |         | 2,696,137                              | 4,836,498                              |
| <b>II Other Income</b>   | 18      | 29,209,636                             | 22,184,468                             |
| <b>III Total Revenue (I +II)</b>   |         | <b>31,905,773</b>                      | <b>27,020,966</b>                      |
| <b>IV Expenses:</b>  |         |  |  |
| Cost of materials consumed   | 19      | 160,000                                | 705,000                                |
| Changes in inventories of finished goods,<br>work-in-progress and Stock-in-Trade | 20      | 2,706,433                              | (3,277,882)                            |
| Employee benefits expense  | 21      | 14,092,176                             | 13,935,849                             |
| Finance costs  | 22      | 243,660                                | 246,647                                |
| Depreciation and amortization expense  | 10      | 3,790,501                              | 3,961,747                              |
| Other expenses   | 23      | 19,717,282                             | 24,247,646                             |
| <b>Total Expenses</b>  |         | <b>40,710,051</b>                      | <b>39,819,007</b>                      |
| <b>V Profit before tax (III - IV)</b>  |         | <b>(8,804,278)</b>                     | <b>(12,798,041)</b>                    |
| <b>VI Tax expense:</b>   |         |  |  |
| (a) Current tax  |         |  | -                                      |
| (b) Deferred tax   |         | -                                      | -                                      |
| (c) Tax in respect of earlier years  |         | -                                      | (12,180)                               |
| Less : MAT Credit Entitlement  |         | -                                      | -                                      |
| <b>VII Profit(Loss) for the year (V-VI)</b>                                      |         | <b>(8,804,278)</b>                     | <b>(12,810,221)</b>                    |
| <b>VIII Earnings per equity share:</b>   |         |  |  |
| (a) Basic  |         | (0.67)                                 | (0.98)                                 |
| (b) Diluted  |         | (0.67)                                 | (0.98)                                 |

Significant Accounting Policies

1

Other Notes on Financial Statements

24 to 41

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.

As per our report of even date attached

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

**M.V.Ghelani**  
Proprietor

Mumbai : 27th May, 2016

For and on behalf of the Board

**Gautam P.Khandelwal**  
Executive Chairman  
(DIN: 00270717)

**Nidhi Salampuria**  
Director &  
Company Secretary  
(DIN: 07138654)  
(ACS 28712)

Mumbai : 27th May, 2016

**Nimis Sheth**  
Director  
(DIN: 00482739)

**Santosh Khandelwal**  
Chief Financial Officer

**Notes on Financial Statements for the Year ended 31st March 2016****Note 1: SIGNIFICANT ACCOUNTING POLICIES****1.1 Basis for preparation of Financial Statements:**

The financial statements are prepared under the historical cost convention on an accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

**1.2 Use of Estimates**

The preparation of financial statements in conformity with Indian GAAP requires judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent 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 estimates are recognised in the period in which the results are known / materialised.

**1.3 Fixed Assets And Depreciation:****1.3.1 Tangible Assets**

Fixed assets are stated at Cost of acquisition, less accumulated depreciation and accumulated impairment losses, if any. Cost of Tangible assets comprises purchase price, borrowing costs, and any attributable cost of bringing the asset to its working condition for the intended use. Borrowing costs relating to the acquisition of fixed assets that takes a substantial period of time to get ready for its intended use are also included in cost to the extent they relate to the period till such assets are put to use. Assets purchases for less than ₹ 5,000/- are not capitalised.

Depreciation on tangible assets is provided on Straight Line Method and based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013, except in respect of the following assets, where useful life is exceeding those prescribed in Schedule II based on the Chartered Engineer's Valuation Certificate namely:

|                   |            |
|-------------------|------------|
| Building          | 3-10 years |
| Plant & Machinery | 7-10 years |
| Heavy Vehicle     | 2 years    |
| Office Equipment  | 3-4 years  |
| Railway Siding    | 7 years    |

Depreciation on assets purchased / sold during the period is proportionately charged.

**1.3.2 Intangible Assets**

Intangible assets are stated at cost of acquisition, less accumulated amortization/ depletion and accumulated impairment losses, if any, are amortized over a period of 3 years.

**1.4 Investments:**

Investments are classified into non-current investments and current investments. Non-current investments are stated at cost and diminution in value is provided for, where the management is of the opinion that the diminution in value is other than temporary. Current investments are stated at lower of cost and market value.

Investments that are readily realizable and are intended to be held for not more one year from the date on which such investments are made, are classified as "Current investments". All other investments are classified as "Non-current investments".

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 except current investment held by portfolio manager which is determined on the basis of First In First Out method.

**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 Trade Receivables and Loans and Advances:**

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

**1.7 Revenue Recognition:**

Revenue is recognised when no significant uncertainty as to determination or realisation exists. Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable.

**1.8 Retirement and other employee benefits:**

- i) The Company contributes towards Provident Fund & Family Pension Fund which are defined contribution schemes. The Company's contribution is recognised as an expense in the Profit and Loss Statement during the period in which the employee renders the related service. 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.
- iii) Actuarial gains and losses in respect of post-employment and other long term benefits are charged to the Profit and Loss Statement.

**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 and deferred tax. The deferred tax charge or credit is recognised using current tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date. Where there is an unabsorbed depreciation or carry forward loss, deferred tax assets are recognised only if there is virtual certainty that sufficient future taxable income will be available to realise the same. Other deferred tax assets are recognised only to the extent there is reasonable certainty that sufficient future income will be available to realise the same. 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 Provision, Contingent Liabilities and Contingent Assets:**

Provision is recognised in the accounts when there is a present obligation as a result of past events(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Contingent liabilities are usually not provided for unless it is probable that the future outcome may be materially detrimental to the Company and are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

**1.12 Segment Reporting:**

The Company is principally engaged in manufacturing of "High/, Medium/Low Carbon Ferro Manganese and Silico Manganese Slag" which is the only reportable segment as per Accounting Standard 17 issued by the Institute of Chartered Accountants of India on "Segment Reporting".

## Notes on financial statements for the year ended 31st March 2016

| Particulars  | As at<br>31st March, 2016     | As at<br>31st March, 2015     |
|--|-------------------------------|-------------------------------|
| <b>2 SHARE CAPITAL</b>   |                               |                               |
| <b>Authorised share capital</b>  |                               |                               |
| 2,00,00,000 Equity Shares of ` 10 each<br>(Previous Year 2,00,00,000 Shares of ` 10 each)  | 200,000,000                   | 200,000,000                   |
| 50,00,000 Unclassified Shares of ` 10 each<br>(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.<br>(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, 2013. |                               |                               |
| <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>As at 31st March, 2016</b> | <b>As at 31st March, 2015</b> |
|  | <b>No. of Shares</b>          | <b>No. of Shares</b>          |
|  | <b>% held</b>                 | <b>% held</b>                 |
| i) Khandelwals Limited   | 5,641,100                     | 5,641,100                     |
| ii) Life Insurance Corporation of India Ltd.   | 1,585,094                     | 1,585,094                     |
| <b>2.5</b> Disclosures pursuant to Note no. 6(A)(h,i,j,k,l) of Part I of Schedule III to the Companies Act, 2013 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   | -                             | -                             |
| Less : Adjusted for Depreciation Reserve   | -                             | -                             |
| Closing Balance  | <b>488,044,364</b>            | <b>488,044,364</b>            |
| Total (a)  |                               |                               |
| <b>(b) Surplus i.e. Profit and Loss Account</b>  |                               |                               |
| Balance as per last Balance Sheet  | 14,685,014                    | 32,064,664                    |
| Add: Profit/(Loss) for the year  | (8,804,278)                   | (12,810,221)                  |
| Less: Appropriations   | -                             | (4,569,429)                   |
| Closing Balance  | <b>5,880,736</b>              | <b>14,685,014</b>             |
| Total (b)  |                               |                               |
| <b>Reserves and Surplus (a)+(b)</b>  | <b>493,925,100</b>            | <b>502,729,378</b>            |

## Notes on financial statements for the year ended 31st March 2016

| Particulars  | As at            |                | As at            |                |
|--|------------------|----------------|------------------|----------------|
|  | 31st March, 2016 |                | 31st March, 2015 |                |
|  | Non-Current      | Current        | Non-Current      | Current        |
| <b>4 LONG TERM BORROWINGS</b>  |                  |                |                  |                |
| <b>Secured Loan</b>  |                  |                |                  |                |
| <b>Term Loan</b>   |                  |                |                  |                |
| <b>From Other Parties</b>  |                  |                |                  |                |
| <b>Kotak Mahindra Prime Ltd. - Car Loan</b>  | -                | 130,805        | 130,805          | 241,883        |
| - 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 principal amount of 12 EMI totalling to ` 130,805/- are current maturities (Refer Note 8) |                  |                |                  |                |
| <b>Total</b>   | <b>-</b>         | <b>130,805</b> | <b>130,805</b>   | <b>241,883</b> |

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

**5 LONG TERM PROVISIONS**

|  | Non-Current    | Current       | Non-Current    | Current        |
|--|----------------|---------------|----------------|----------------|
| <b>Provision for employee benefits</b>         | 278,178        | 92,726        | 738,144        | 246,048        |
| (Refer Note 9 for current Liability/Provision) |                |               |                |                |
| <b>Total</b>                                   | <b>278,178</b> | <b>92,726</b> | <b>738,144</b> | <b>246,048</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**

| Particulars   | (In `)           |                  |
|---|------------------|------------------|
|   | As at            | As at            |
|   | 31st March 2016  | 31st March 2015  |
| <b>Secured</b>                                      |                  |                  |
| <b>Loan Repayable on Demand for Working Capital</b> |                  |                  |
| <b>From Banks</b>                                   | 1,401,986        | 2,483,286        |
| - Interest @ 8.25 % p.a.                            |                  |                  |
| - Secured against term deposit receipt of the bank  |                  |                  |
| <b>Total</b>  | <b>1,401,986</b> | <b>2,483,286</b> |

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 2016

| Particulars  | As at<br>31st March, 2016 | As at<br>31st March, 2015 |
|--|---------------------------|---------------------------|
| <b>7 TRADE PAYABLES</b>  |                           |                           |
| <b>(i) To Micro and Small Enterprises</b>  |                           |                           |
| (a) Principal and interest amount remaining unpaid   | -                         | -                         |
| (b) Interest due thereon remaining unpaid  | -                         | -                         |
| (c) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day                                 | -                         | -                         |
| (d) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Act, 2006 | -                         | -                         |
| (e) Interest Accrued and remaining unpaid  | -                         | -                         |
| (f) Interest remaining due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises   | -                         | -                         |
| <b>Total (i)</b>   | <u>-</u>                  | <u>-</u>                  |
| <b>(ii) To Others</b>  | 2,094,935                 | 1,878,227                 |
| <b>Total (ii)</b>  | <u>2,094,935</u>          | <u>1,878,227</u>          |
| <b>Total (i) + (ii)</b>  | <u>2,094,935</u>          | <u>1,878,227</u>          |

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

130,805

241,883

**(b) Other Payables**

-Statutory dues

625,123

387,136

-Security deposits

10,000

256,196

-Advances from customers

197,394

1,436,267

**Total**963,3222,321,482

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

402,636

461,229

(ii) Others

84,733

262,275

**(b) Provision for expenses**

309,662

1,511,346

**Total**797,0312,234,850

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 2015

## Note 10: FIXED ASSETS

| Particulars                 | Gross Block        |           |                            | Depreciation / Amortisation |                 |                                      | Net Block          |                    |
|-----------------------------|--------------------|-----------|----------------------------|-----------------------------|-----------------|--------------------------------------|--------------------|--------------------|
|                             | Asat<br>01.04.2015 | Additions | Deductions/<br>Adjustments | Asat<br>31.03.2016          | For the<br>year | Adjusted/With<br>Retained<br>Earning | Asat<br>31.03.2016 | Asat<br>31.03.2015 |
| <b>1. Tangible Assets</b>   |                    |           |                            |                             |                 |                                      |                    |                    |
| <b>(A) OWN ASSETS</b>       |                    |           |                            |                             |                 |                                      |                    |                    |
| Freehold Land               | 181,251,700        | -         | -                          | 181,251,700                 | -               | -                                    | 181,251,700        | 181,251,700        |
| Buildings                   | 36,891,875         | -         | -                          | 36,891,875                  | 1,923,997.21    | -                                    | 14,575,002         | 16,498,999         |
| Plant and Equipment         | 25,496,511         | -         | -                          | 25,496,511                  | 928,864.82      | -                                    | 5,949,965          | 6,878,830          |
| Furniture and Fixtures      | 705,673            | -         | -                          | 705,673                     | 64,071.56       | -                                    | 231,622            | 295,693            |
| Vehicles                    | 3,834,458          | -         | -                          | 3,834,458                   | 253,897.78      | -                                    | 1,019,481          | 1,273,379          |
| Office Equipment            | 2,052,277          | 69,978.00 | -                          | 2,122,255                   | 389,654.80      | -                                    | 842,129            | 1,161,806          |
| Computers                   | 1,195,825          | 41,589    | -                          | 1,237,414                   | 34,682.64       | -                                    | 103,007            | 96,100             |
| Railway Siding              | 5,377,766          | -         | -                          | 5,377,766                   | 189,632.50      | -                                    | 1,217,051          | 1,406,683          |
| <b>(B) LEASED ASSETS</b>    |                    |           |                            |                             |                 |                                      |                    |                    |
| Total(A+B)                  | 256,806,085        | 111,567   | -                          | 256,917,652                 | 3,784,801       | -                                    | 51,727,693         | 208,863,190        |
| <b>2. Intangible Assets</b> |                    |           |                            |                             |                 |                                      |                    |                    |
| Computer Software           | 18,000             | -         | -                          | 18,000                      | 5,700.00        | -                                    | 12,081             | 17,781             |
| Grand Total (1+2)           | 256,824,085        | 111,567   | -                          | 256,935,652                 | 3,790,501       | -                                    | 51,733,612         | 208,880,971        |
| Previous Year               | 257,036,022        | 584,792   | 796,729                    | 256,824,085                 | 3,961,747       | 4,569,429                            | 208,880,971        | -                  |

**NOTE:**

10.1 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.

10.2 Pursuant to the enactment of Companies Act, 2013, the company has applied the estimated useful lives as specified in Schedule II, except in respect of certain assets as disclosed in Accounting Policy on Fixed Assets and Depreciation. Accordingly the unamortised/amortised value is being depreciated/amortised over the revised / remaining useful lives. The Written down value ₹ 45.69 Lakhs of Fixed Assets having NIL balance useful life as at 1st April 2014 has been adjusted net of tax, in the opening balance of retained earnings as on 1st April, 2014.

## Notes on financial statements for the year ended 31st March 2016

| Particulars  | As at<br>31st March, 2016 | As at<br>31st March, 2015 |
|--|---------------------------|---------------------------|
| <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 Private Ltd  | 151,986,590               | 151,986,590               |
| [2,47,245 Equity Shares (Previous Year : 2,47,245) of ` 100 each]                          |                           |                           |
| <b>Total trade investment (a)</b>  | <b>151,986,590</b>        | <b>151,986,590</b>        |
| <b>OTHER INVESTMENTS</b>   |                           |                           |
| <b>Investment in Equity Instruments</b>  |                           |                           |
| <b>Quoted, Fully paid up</b>   |                           |                           |
| <b>ABB India Ltd</b>   | -                         | 105,773                   |
| (formerly known as ABB Ltd)  |                           |                           |
| [Current Year : Nil (Previous Year : 200 of ` 2 each)]                                     |                           |                           |
| <b>Ashok Leyland Ltd</b>   | 559,065                   | -                         |
| [8000 Equity Shares (Previous Year : Nil) of ` 1 each]                                     |                           |                           |
| <b>ACC Ltd</b>   | 505,458                   | 505,458                   |
| [700 Equity Shares (Previous Year : 700) of ` 10 each]                                     |                           |                           |
| <b>Astrazenca Pharma India Ltd</b>   | -                         | 517,567                   |
| [Current Year : Nil (Previous Year : 450 of ` 2 each)]                                     |                           |                           |
| <b>Axis Bank Ltd</b>   | 832,242                   | 537,199                   |
| [7200 Equity Shares (Previous Year : 6500) of ` 2 each]                                    |                           |                           |
| <b>Ballarpur Industries Ltd</b>  | 691,153                   | 691,153                   |
| [57,500 Equity Shares (Previous Year : 57,500) of ` 2 each]                                |                           |                           |
| <b>BASF India Ltd</b>  | 991,538                   | 991,538                   |
| [800 Equity Shares (Previous Year : 800) of ` 10 each]                                     |                           |                           |
| <b>BF Utilities Ltd</b>  | -                         | 499,310                   |
| [Current Year : Nil (Previous Year : 800 of ` 5 each)]                                     |                           |                           |
| <b>Cairn India Ltd</b>   | 1,685,772                 | 1,685,772                 |
| [4,500 Equity Shares (Previous Year : 4500) of ` 10 each]                                  |                           |                           |
| <b>Crompton Greaves Ltd</b>  | 1,203,682                 | 1,203,682                 |
| [6000 Equity Shares (Previous Year : 6000) of ` 2 each]                                    |                           |                           |
| <b>Crompton Greaves Consumers Elelectricals Ltd</b>  | -                         | -                         |
| [6000 Equity Shares (Previous Year : Nil) of ` 2 each]                                     |                           |                           |
| (Received at NIL cost of acquisition under the scheme of demerger of Crompton Greaves Ltd) | -                         | -                         |
| <b>Dish TV India Ltd</b>   | 523,913                   | -                         |
| [ 5000 Equity Shares (Previous Year : Nil) of ` 1 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>   | -                         | 89,106                    |
| [Current Year : Nil (Previous Year :200 of ` 10 each)]                                     |                           |                           |

## Notes on financial statements for the year ended 31st March 2016

| Particulars   | As at<br>31st March, 2016 | As at<br>31st March, 2015 |
|---|---------------------------|---------------------------|
| <b>HDFC Bank Ltd</b>  | 280,152                   | 280,152                   |
| [1500 Equity Shares (Previous Year : 1500) of ` 2 each]   |                           |                           |
| <b>HDFC Ltd</b>   | 1,822,425                 | 1,822,425                 |
| [3200 Equity Shares (Previous Year :3200) of ` 2 each]  |                           |                           |
| <b>Hindalco Industries Ltd</b>  | 772,453                   | 772,453                   |
| [8500 Equity Shares (Previous Year : 8500) of ` 1 each]   |                           |                           |
| <b>IDFC Ltd</b>   | 934,824                   | 1,543,122                 |
| [11000 Equity Shares (Previous Year : 11000) of ` 10 each]  |                           |                           |
| <b>IDFC Bank Ltd</b>  | 608,299                   | -                         |
| [11000 Equity Shares (Previous Year : Nil) of ` 10 each]<br>(Received under the scheme of demerger of IDFC Ltd) |                           |                           |
| <b>Indian Hotel Company Ltd</b>   | 1,103,993                 | 1,103,993                 |
| [19,240 Equity Shares (Previous Year : 19,240) of ` 1 each]   |                           |                           |
| <b>ITC Ltd</b>  | 644,435                   | 644,435                   |
| [5000 Equity Shares (Previous Year : 5000) of ` 1 each]   |                           |                           |
| <b>Jamna Auto Industries Ltd</b>  | 799,624                   | -                         |
| [5500 Equity Shares (Previous Year : Nil) of ` 5 each]  |                           |                           |
| <b>Kotak Mahindra Bank Ltd</b>  | 1,226,849                 | 697,928                   |
| [8000 Equity Shares (Previous Year :3600 ) of ` 5 each]<br>( Including 3600 bonus Shares )                      | -                         | -                         |
| <b>Larsen &amp; Toubro Ltd</b>  | 2,874,994                 | 2,450,123                 |
| [3,300 Equity Shares (Previous Year : 3,000) of ` 2 each]   |                           |                           |
| <b>Mahindra &amp; Mahindra Financial Services Ltd</b>   | 471,562                   | 471,562                   |
| [4165 Equity Shares (Previous Year : 4165) of ` 2 each]   |                           |                           |
| <b>Mahindra &amp; Mahindra Ltd</b>  | 3,041,759                 | 2,548,493                 |
| [7525 Equity Shares (Previous Year : 7125) of ` 5 each]   |                           |                           |
| <b>Mahindra Holidays &amp; Resorts India Ltd</b>  | 631,071                   | 631,071                   |
| [2000 Equity Shares (Previous Year : 2000) of ` 10 each]  |                           |                           |
| <b>Mahindra Lifespace Developers Ltd</b>  | -                         | 188,471                   |
| [Current Year : Nil (Previous Year : 600 of ` 10 each)]   |                           |                           |
| <b>Marico Ltd</b>   | 164,565                   | 164,565                   |
| [7,000 Equity Shares (Previous Year : 3,500) of ` 1 each]<br>( Including 3500 bonus Shares )                    |                           |                           |
| <b>Marico Kaya Enterprises Ltd</b>  | -                         | 28,882                    |
| (Current Year : NIL (Previous Year : 70 of ` 10 each)]<br>(Received under the scheme of demerger of Marico Ltd) |                           |                           |
| <b>Nitco Industries Ltd</b>   | 476,988                   | -                         |
| [10,000 Equity Shares (Previous Year : Nil) of ` 10 each]   |                           |                           |
| <b>Petronet LNG Ltd</b>   | 281,512                   | 281,512                   |
| [7,000 Equity Shares (Previous Year : 7,000) of ` 10 each]  |                           |                           |
| <b>Pidilite Industries Ltd</b>  | 191,884                   | 191,884                   |
| [4,000 Equity Shares (Previous Year : 4,000) of ` 1 each]   |                           |                           |
| <b>Powergrid Corporation of India Ltd</b>   | 2,646,459                 | 2,646,459                 |
| [22,773 Equity Shares (Previous Year : 22,773) of ` 10 each]  |                           |                           |

## Notes on financial statements for the year ended 31st March 2016

| Particulars  | As at<br>31st March, 2016 | As at<br>31st March, 2015 |
|--|---------------------------|---------------------------|
| <b>State Bank of India Ltd</b>                                       | 2,317,517                 | 2,317,517                 |
| [15000 Equity Shares (Previous Year : 15000) of ` 1 each]            |                           |                           |
| <b>Sesa Sterlite Ltd</b>   | -                         | 991,265                   |
| (formerly known as Sesa Goa Ltd.)                                    |                           |                           |
| [Current Year : Nil (Previous Year :6,000 of ` 1 each)]              |                           |                           |
| <b>Siemens Ltd</b>   | -                         | 1,010,495                 |
| [Current Year : Nil (Previous Year : 1100 of ` 2 each)]              |                           |                           |
| <b>Sintex Industries Ltd</b>   | -                         | 1,080,813                 |
| [Current Year : NIL (Previous Year : 11,000 of ` 1 each)]            |                           |                           |
| <b>Tata Consultancy Services Ltd</b>                                 | 1,200,423                 | 697,480                   |
| [2,400 Equity Shares (Previous Year : 2,200) of ` 1 each]            |                           |                           |
| <b>Tata Motors Ltd</b>   | -                         | 491,933                   |
| [Current Year : NIL (Previous Year : 1100 of ` 2 each)]              |                           |                           |
| <b>Tata Power Company Ltd</b>  | -                         | 826,760                   |
| [Current Year : Nil (Previous Year : 9332 of ` 1 each)]              |                           |                           |
| <b>Tech Mahindra Ltd</b>   | 1,289,604                 | 497,046                   |
| [4,788 Equity Shares (Previous Year : 847 of ` 10 each) of ` 5 each] |                           |                           |
| <b>Timken India Ltd</b>  | -                         | 890,242                   |
| [Current Year : NIL (Previous Year : 2500 of ` 10 each)]             |                           |                           |
| <b>Torrent Power Ltd</b>   | 505,517                   | 505,517                   |
| [3,000 Equity Shares (Previous Year : 3000) of ` 10 each]            |                           |                           |
| <b>Ultratech Cement Ltd</b>  | 117,015                   | 117,015                   |
| [114 Equity Shares (Previous Year :114) of ` 10 each]                |                           |                           |
| <b>VA Tech Wabag Ltd</b>   | 442,454                   | 442,454                   |
| [598 Equity Shares (Previous Year : 598) of ` 2 each]                |                           |                           |
| <b>Voltas Ltd</b>  | 792,730                   | 792,730                   |
| [3,000 Equity Shares (Previous Year : 3000) of ` 1 each]             |                           |                           |
| <b>Yes Bank Ltd</b>  | 554,351                   | -                         |
| [800 Equity Shares (Previous Year :Nil ) of ` 10 each]               |                           |                           |
| <b>Total Other Investments - Quoted (b) (i)</b>                      | <u>35,686,281</u>         | <u>36,455,355</u>         |
| <b>Investment in Equity Instruments - Unquoted, Fully paid up</b>    | <u>-</u>                  | <u>-</u>                  |
| <b>Total Other Investments - Uquoted (b) (ii)</b>                    | <u>-</u>                  | <u>-</u>                  |
| <b>Total Other investments (b) (i+ii)</b>                            | <u>35,686,281</u>         | <u>36,455,355</u>         |
| <b>Total Non Current Investments (a+b)</b>                           | <u>187,672,871</u>        | <u>188,441,945</u>        |
| 11.1 Aggregate amount of quoted investents                           | 35,686,281                | 36,455,355                |
| 11.2 Market value of quoted investents                               | 64,637,495                | 73,040,140                |
| 11.3 Aggregate amount of unquoted investments                        | 151,986,590               | 151,986,590               |
| 11.4 Aggregate provision for diminution in value of investments      | -                         | -                         |

## Notes on financial statements for the year ended 31st March 2016

| Particulars  | As at<br>31st March, 2016 | As at<br>31st March, 2015 |
|--|---------------------------|---------------------------|
| <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) | 167,540                   | 167,541                   |
| <b>(b) MAT Credit Entitlement</b>                      | 9,000,000                 | 9,000,000                 |
| <b>(c) Other Loans &amp; Advances</b>                  | 314,485                   | -                         |
| <b>Total</b>   | <b>10,457,820</b>         | <b>10,143,336</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>Aarti Industries Ltd</b>                               | -         | 129,259   |
| [Current Year : Nil (Previous Year : 437 of ` 5 each)]    |           |           |
| <b>Astral Poly Technik Ltd</b>                            | -         | 61,663    |
| [Current Year : Nil (Previous Year : 1659 of ` 1 each)]   |           |           |
| <b>Balkrishna Industries Ltd</b>                          | -         | 320,875   |
| [Current Year : Nil (Previous Year : 497 of ` 2 each)]    |           |           |
| <b>City Union Bank Ltd</b>                                | 1,439,873 | 1,259,510 |
| [24392 Equity Shares (Previous Year : 24579) of ` 1 each] |           |           |
| <b>Dynamatic Technologies Ltd</b>                         | 592,855   |           |
| [257 Equity Shares (Previous Year : Nil) of ` 10 each]    |           |           |
| <b>Greenply Industries Ltd</b>                            | -         | 107,999   |
| [Current Year : Nil (Previous Year : 817 of ` 5 each)]    |           |           |
| <b>Greenlam Industries Ltd</b>                            | -         | 101,321   |
| [Current Year : NIL (Previous Year : 1441 of ` 5 each)]   |           |           |
| <b>HDFC Bank Ltd (Current)</b>                            | 975,703   |           |
| [934 Equity Shares (Previous Year : Nil) of ` 2 each]     |           |           |
| <b>Igarashi Motors India Ltd</b>                          | -         | 543,616   |
| [Current Year : NIL (Previous Year : 1896 of ` 10 each)]  |           |           |
| <b>ICICI Bank Ltd</b>                                     | 573,351   | -         |
| [2863 Equity Share : (Previous Year : Nil) of ` 2 each]   |           |           |
| <b>IIFL Ltd</b>   | 213,064   | -         |
| [1043 Equity Share : (Previous Year : Nil) of ` 2 each]   |           |           |
| <b>IndusInd Bank Ltd</b>                                  | -         | 421,845   |
| [Current Year : Nil (Previous Year : 1081 of ` 10 each)]  |           |           |
| <b>Jubilant Life Sciences Ltd</b>                         | 615,163   |           |
| [1466 Equity Share : (Previous Year : Nil) of ` 1 each]   |           |           |

## Notes on financial statements for the year ended 31st March 2016

| Particulars  | As at<br>31st March, 2016 | As at<br>31st March, 2015 |
|--|---------------------------|---------------------------|
| <b>Karur Vysya Bank Ltd</b>                                    | -                         | 513,717                   |
| [Current Year : Nil (Previous Year : 112 of ` 10 each)]        |                           |                           |
| <b>KPIT Technologies Ltd</b>                                   | -                         | 530,227                   |
| [Current Year : Nil (Previous Year : 4156 of ` 2 each)]        |                           |                           |
| <b>Lumax Auto Technologies Ltd</b>                             | -                         | 770,782                   |
| [Current Year : NIL (Previous Year : 4917 of ` 10 each)]       |                           |                           |
| <b>Manglam Cement Ltd</b>                                      | 481,580                   | -                         |
| [1788 Equity Shares (Previous Year : Nil) of ` 10 each]        |                           |                           |
| <b>Net4 India Ltd</b>  | 241,270                   | 241,270                   |
| [3985 Equity Shares (Previous Year : 3985) of ` 10 each]       |                           |                           |
| <b>Orient Cement Ltd</b>                                       | -                         | 169,553                   |
| [Current Year : Nil (Previous Year : 2194 of ` 1 each)]        |                           |                           |
| <b>Oriental Carbon and Chemical Ltd</b>                        | 847,422                   | -                         |
| [1602 Equity Shares (Previous Year : Nil) of ` 10 each]        |                           |                           |
| <b>Rain Industries Ltd</b>                                     | 265,683                   | -                         |
| [6553 Equity Shares (Previous Year : Nil) of ` 2 each]         |                           |                           |
| <b>Sanghvi Movers Ltd</b>                                      | 975,138                   | 533,625                   |
| [4394 Equity Shares (Previous Year : 3150) of ` 2 each]        |                           |                           |
| <b>Shriram City Union Finance Ltd</b>                          | -                         | 1,048,237                 |
| [Current Year : NIL (Previous Year : 1008 of ` 10 each)]       |                           |                           |
| <b>Shriram Transport Fin. Co. Ltd</b>                          | -                         | 302,842                   |
| [Current Year : Nil (Previous Year : 554 of ` 10 each)]        |                           |                           |
| <b>South Indian Bank Ltd</b>                                   | -                         | 606,316                   |
| [Current Year : Nil (Previous Year : 21964 of ` 1 each)]       |                           |                           |
| <b>SJVN Ltd</b>  | 1,019,508                 | -                         |
| [32612 Equity Shares (Previous Year : Nil) of ` 10 each]       |                           |                           |
| <b>The Ramco Cement Ltd</b>                                    | -                         | 331,487                   |
| [Current Year : Nil (Previous Year : 1267 of ` 2 each)]        |                           |                           |
| <b>Vst Industries Ltd</b>                                      | 567,791                   | -                         |
| [349 Equity Shares (Previous Year : Nil) of ` 10 each]         |                           |                           |
| <b>Total Quoted investments</b>                                | <b>8,808,402</b>          | <b>7,994,144</b>          |
| Less: Provision for Diminution in value of current Investments | (663,986)                 | (278,950)                 |
| <b>Total Quoted investments (A)</b>                            | <b>8,144,416</b>          | <b>7,715,194</b>          |
| <b>Investment in Mutual Funds</b>                              |                           |                           |
| <b>Unquoted</b>  |                           |                           |
| <b>In Units of SBI Mutual Fund</b>                             |                           |                           |
| SBI Premier Liquid Fund-Institutional Growth                   | -                         | 13,320,619                |
| [Current Year : Nil Units (Previous Year : 10,256.810 Units)]  |                           |                           |
| <b>In Units of HDFC Mutual Fund</b>                            |                           |                           |
| HDFC Liquid Fund - Growth                                      | -                         | 4,091,365                 |
| [Current Year : NIL Units (Previous Year : 162,808.559 Units)] |                           |                           |

## Notes on financial statements for the year ended 31st March 2016

| Particulars  | As at<br>31st March, 2016 | As at<br>31st March, 2015 |
|--|---------------------------|---------------------------|
| <b>In Units of HDFC Liquid Fund - Direct Plan - Growth</b><br>[3027.744 Units of Rs. 1000/- each (Previous Year : 64,662.490 Units of ` 10 each)]<br>(HDFC Mutual fund changed the face value per unit from ` 10 to ` 1000 of units offered under the option of regular and direct plan of HDFC Liquid Fund) | 8,685,313                 | 1,756,500                 |
| <b>In Units of ICICI Prudential Corporate Bond Fund-Regular Plan Growth</b><br>[1,140,415.0730 Units (Previous Year : 1,140,415.0730 Units)]   | 20,000,000                | 20,000,000                |
| <b>In Units of ICICI Prudential Income Regular Plan Growth</b><br>[144,351.2560 Units (Previous Year : 144,351.2560 Units)]  | 5,148,200                 | 5,148,200                 |
| <b>In Units of BNP Paribas Bond Fund - Growth</b><br>[903,505.6000 Units (Previous Year : 903,505.6000 Units)]   | 10,000,000                | 10,000,000                |
| <b>In Units of Birla Sun Life Dynamic Bond Fund-Retail-Growth-Regular Plan</b><br>[707,578.1610 Units (Previous Year : 707,578.1610 Units)]  | 14,000,000                | 14,000,000                |
| <b>In Units of Canara Robeco Dynamic Bond Fund Regular Growth</b><br>[1,084,834.021 Units (Previous Year : 1,084,834.021 Units)]   | 14,000,000                | 14,000,000                |
| <b>In Units of Canara Robeco - Income Regular Growth Fund</b><br>[878,977.626 Units (Previous Year : 878,977.626 Units)]   | 20,000,000                | 20,000,000                |
| <b>In Units of Kotak Bond Scheme Plan A - Growth</b><br>[735,197.172 Units (Previous Year : 735,197.172 Units)]  | 23,397,963                | 23,397,963                |
| <b>In Units of Franklin India Corporate Bond Opportunities Fund-Growth</b><br>[893,152.20 Units (Previous Year : 893,152.20 Units)]  | 10,000,000                | 10,000,000                |
| <b>In Units of Franklin India Income Builder Account-Plan A - Growth</b><br>[522,856.68 Units (Previous Year : 522,856.68 Units)]  | 20,000,000                | 20,000,000                |
| <b>In Units of Franklin India Income Builder Account-Plan B - Growth</b><br>[148,220.61 Units (Previous Year : 148,220.61 Units)]  | 5,000,000                 | 5,000,000                 |
| <b>In Units of Franklin India Income Opportunities Fund - Growth</b><br>[1,070,234.412 Units (Previous Year : 1,982,201.325 Units)]  | 13,498,273                | 25,000,000                |
| <b>In Units of Franklin India Short Term Income Retail Plan - Growth</b><br>[Current Year : Nil Units (Previous Year : 2,468.55 Units)]  | -                         | 5,000,000                 |
| <b>Total Unquoted investments (B)</b>  | <b>163,729,750</b>        | <b>190,714,647</b>        |
| <b>Total Current investments (A+B)</b>   | <b>171,874,165</b>        | <b>198,429,841</b>        |
| 13.1 Aggregate amount of quoted investents   | 8,808,402                 | 7,994,144                 |
| 13.2 Market value of quoted investents   | 94,350,670                | 14,283,119                |
| 13.3 Aggregate amount of unquoted investments  | 163,729,750               | 190,714,647               |
| 13.4 Aggregate provision for diminution in value of investments  | 663,986                   | 278,950                   |

13.5 Investments in mutual fund includes investments amounting to ` 8,685,313/- (Previous Year : ` 17,56,500) held in the name of portfolio manager under portfolio management service agreement which is based on statement from the portfolio manager and duly certified by their auditors.



## Notes on financial statements for the year ended 31st March 2016

| Particulars   | As at<br>31st March, 2016 | As at<br>31st March, 2015 |
|---|---------------------------|---------------------------|
| <b>14 INVENTORIES</b>   |                           |                           |
| <b><u>Inventories</u></b>   |                           |                           |
| (As taken, valued and certified by management)  |                           |                           |
| (a) Raw Materials   | 189,456                   | 189,456                   |
| (b) Finished goods  | 5,400                     | 5,400                     |
| (c) Stores and spares   | 108,948                   | 212,367                   |
| (d) By Products / Waste Products  | 4,464                     | 2,870,897                 |
| <b>Total</b>  | <b>308,268</b>            | <b>3,278,120</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 ` 160,000 (Previous Year ` 705,000/-) 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  | 49,725                    | 70,706                    |
| Cash on hand  | 266,786                   | 123,931                   |
| <b>Other Bank Balances</b>  |                           |                           |
| Term Deposit with State Bank Of India<br>(Less than 12 months maturity)<br>(Held by State Bank of India as security against demand loan for working capital)  | 5,218,015                 | 5,218,015                 |
| <b>Total</b>  | <b>5,534,526</b>          | <b>5,412,652</b>          |
| <b>16 SHORT-TERM LOANS AND ADVANCES</b>   |                           |                           |
| <b>(a) Loans and advances to related parties</b>  | 38,918,200                | 18,918,200                |
| (Unsecured, considered good)  |                           |                           |
| <b>b) Others</b>  |                           |                           |
| <b>(Unsecured, considered good)</b>   |                           |                           |
| (i) Advance payment of taxes  | 2,789,617                 | 2,450,086                 |
| (ii) Others advances  | 3,892,250                 | 2,546,037                 |
| (iii) Advances recoverable in cash or in kind or for value to be received   | 3,765,867                 | 4,970,054                 |
| <b>Total</b>  | <b>49,365,934</b>         | <b>28,884,377</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 2016

| Particulars  | For the year ended<br>31st March, 2016 | For the year ended<br>31st March, 2015 |
|--|--|--|
| <b>17 REVENUE FROM OPERATIONS</b>  |  |  |
| Sale of products   | 1,755,430                              | 4,550,603                              |
| Other Operating Revenue  | 1,277,730                              | 881,218                                |
|  | <u>3,033,160</u>                       | <u>5,431,821</u>                       |
| Less :- Excise Duty  | <u>(337,023)</u>                       | <u>(595,323)</u>                       |
| <b>Total</b>   | <b><u>2,696,137</u></b>                | <b><u>4,836,498</u></b>                |
| <b>18 OTHER INCOME</b>   |  |  |
| Interest income  | 3,231,946                              | 5,028,989                              |
| Dividend Income  | 841,484                                | 939,543                                |
| Net gain / (loss) on sale/redemption of investments                                      | 23,521,201                             | 15,985,985                             |
| Other non-operating income   | 1,615,006                              | 229,952                                |
| <b>Total</b>   | <b><u>29,209,636</u></b>               | <b><u>22,184,468</u></b>               |
| <b>19 COST OF MATERIALS CONSUMED</b>   |  |  |
| Slag RM  | 160,000                                | 705,000                                |
| <b>Total</b>   | <b><u>160,000</u></b>                  | <b><u>705,000</u></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   | 5,400                                  | 5,393                                  |
| By Products/WastProducts   | 2,870,897                              | 2,876,297                              |
| <b>Total (a)</b>   | <b><u>2,876,297</u></b>                | <b><u>303,415</u></b>                  |
| <b>(b) Stock ascertained and accounted during the year</b>                               | 160,000                                | 705,000                                |
| <b>(c) Closing stocks :</b>  |  |  |
| Work in process  | -                                      | -                                      |
| Finished Goods   | 5,400                                  | 5,400                                  |
| By Product/WastProduct   | 4,464                                  | 9,864                                  |
| <b>Total (c')</b>  | <b><u>9,864</u></b>                    | <b><u>2,876,297</u></b>                |
| <b>Total d (b+c)</b>   | <b><u>169,864</u></b>                  | <b><u>3,581,297</u></b>                |
| <b>Changes In Inventories Total (a-d)</b>  | <b><u>2,706,433</u></b>                | <b><u>(3,277,882)</u></b>              |

## Notes on financial statements for the year ended 31st March 2016

| Particulars   | For the year ended<br>31st March, 2016 | For the year ended<br>31st March, 2015 |
|---|--|--|
| <b>21 EMPLOYEE BENEFITS EXPENSE</b>   |  |  |
| (a) Salaries and Wages  | 12,732,714                             | 12,620,921                             |
| (b) Contribution to Provident and other funds   | 984,414                                | 1,046,069                              |
| (c) Staff Welfare Expenses  | 375,048                                | 268,859                                |
| <b>Total</b>  | <b>14,092,176</b>                      | <b>13,935,849</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 September 15,2014. |  |  |
| <b>22 FINANCIAL COST</b>  |  |  |
| Interest Expenses   | 243,660                                | 246,647                                |
| <b>Total</b>  | <b>243,660</b>                         | <b>246,647</b>                         |
| <b>23 OTHER EXPENSE</b>   |  |  |
| Power and Fuel  | 2,314,451.61                           | 2,430,691                              |
| Rent  | 209,827.00                             | 237,486                                |
| Repairs to buildings  | 471,272.00                             | 645,258                                |
| Repairs to Machinery  | 184,271.00                             | 148,068                                |
| Repairs to Others   | 363,896.00                             | 69,849                                 |
| Insurance   | 62,181.00                              | 94,885                                 |
| Rates and taxes,excluding taxes on income   | 2,383,177.32                           | 2,603,365                              |
| Light and Water   | 463,671.00                             | 573,032                                |
| Fright and Handling   | 3,362,932.00                           | 3,666,570                              |
| Travelling Expenses [Includes Director's ' 19,84,898/-<br>(Previous Year ' 21,32,203) ]   | 2,500,064.04                           | 3,186,166                              |
| Payments to the auditor   | 373,719.00                             | 309,047                                |
| Advances Written off  | 23,574.00                              | 24,000                                 |
| Business Promotion Expenses   | -                                      | 25,000                                 |
| Bad & Doubtful Debts  | -                                      | 15,700                                 |
| Postage Telegram & Telephone  | 522,969.35                             | 1,122,405                              |
| Printing & Stationery   | 179,570.00                             | 199,186                                |
| Legal & Consulancy Charges  | 2,734,352.00                           | 4,252,997                              |
| Recruitment Expenses  | -                                      | 5,618                                  |
| Security Expenses   | 639,859.00                             | 301,889                                |
| Service charges   | -                                      | 284,800                                |
| Upkeep of Heavy Vehicles  | 21,817.00                              | 54,345                                 |
| Upkeep of Motor Car   | 338,674.00                             | 480,796                                |
| Unusable/Non-usable stores written off  | 103,419.00                             | 763,680                                |
| Service charges of Surface Vehicles   | 153,900.00                             | 578,680                                |
| Office Expenses   | 263,550.00                             | -                                      |
| Provision for Diminution in value of Current Investments  | 385,036.00                             | -                                      |
| Membership Fees   | 99,385.85                              | 254,602                                |
| Entertainment Expenses  | 283,738.39                             | 229,876                                |
| Plantation Expenses   | 42,105.00                              | 87,628                                 |
| Miscellaneous Expenditures  | 1,235,869.98                           | 1,602,028                              |
| <b>TOTAL</b>  | <b>19,717,281.54</b>                   | <b>24,247,646</b>                      |

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

As per Actuarial valuation as on 31<sup>st</sup> March, 2016 and recognized in the financial statements in respect of Employee Benefit schemes:

**24.1 Components of Employer Expenses:**

|   | Gratuity<br>(In `) | Leave Encashment<br>(In `) |
|---|--------------------|----------------------------|
| a) Interest Cost from 01.04.15 to 31.03.16  | 341,651            | 78,735                     |
| b) Service Cost from 01.04.15 to 31.03.16   | 357,831            | 95,778                     |
| c) Actual return on Plan Assets   | 241,313            | NIL                        |
| d) Actuarial (Gain) / Loss  | (303,267)          | (404,493)                  |
| e) Net (Gain) / Loss provided as expense / (income)<br>in Statement of Profit & Loss. | 154,902            | (229,980)                  |

**24.2 Net Asset / (Liability) recognised in Balance Sheet as at 31<sup>st</sup> March, 2016**

|   |           |         |
|---|-----------|---------|
| a) Present value of Obligation as at 31.03.16                         | 3,818,431 | 370,904 |
| b) Fair value of Plan Assets as at 31.03.16                           | 3,663,529 | NIL     |
| c) Un-funded/(Over -funded) liability recognized in the Balance Sheet | 154,902   | 370,904 |

**24.3 Changes in benefit obligation during the year ended 31<sup>st</sup> March, 2016**

|  |           |           |
|--|-----------|-----------|
| a) Actuarial value of Projected Benefit Obligations (PBO) as at 31.03.15 | 4,270,634 | 984,192   |
| b) Service Cost from 01.04.2015 to 31.03.2016                            | 357,831   | 95,778    |
| c) Interest Cost from 01.04.2015 to 31.03.2016                           | 341,651   | 78,735    |
| d) Actuarial (Gain) / Loss on obligations                                | (303,267) | (404,493) |
| e) Benefits Paid from 01.04.2015 to 31.03.2016                           | 848,418   | 383,308   |
| f) PBO as at 31.03.16  | 3,818,431 | 370,904   |

**24.4 Change in the fair value of Plan Assets**

|   |           |      |
|---|-----------|------|
| a) Fair value of Plan Assets as at 01.04.15 | 41,00,596 | N.A. |
| b) Actual return on Plan Assets             | 241,313   | NIL  |
| d) Actual Company Contribution              | 170,038   | NIL  |
| e) Benefits Paid                            | 848,418   | NIL  |
| f) Plan Assets as at 31.03.16               | 3,663,529 | N.A. |

**24.5 Actuarial Assumptions:**

|  |       |       |
|--|-------|-------|
| 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.)          | 7.04% | 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.

| 25 CONTINGENT LIABILITIES AND COMMITMENTS:(To the extent not provided for)   | (In `)                  |                         |
|--|-------------------------|-------------------------|
| Particulars  | <u>As at 31-03-2016</u> | <u>As at 31-03-2015</u> |
| <b>(a) Contingent Liability</b>  |                         |                         |
| <b>i) Claims made against the Company / disputed liabilities not acknowledged as debts :</b>                         |                         |                         |
| - Sales Tax Matters(Of which documents relating to claim of ` 6,27,736 are currently not available with the Company) | 1,95,45,803             | 2,01,73,539             |
| - Excise Duty / Customs Duty Matters   | 1,44,00,298             | 1,44,00,298             |
| - Other Matters (Of which documents relating to claim of ` 30,61,664 are currently not available with the Company)   | 1,13,92,113             | 1,11,49,913             |
| - Income Tax Matters   | 24,14,048               | 21,36,798               |
| <b>ii) Guarantees</b>  |                         |                         |
| Guarantees to Banks and Financial Institutions against credit facilities extended to third parties                   |                         |                         |
| - In respect of Subsidiary   | 13,71,75,000            | 13,71,75,000            |
| <b>iii) Other money for which the Company is contingently liable</b>   | -                       | -                       |
| <b>(b) Commitments</b>   | -                       | -                       |
| <b>Total Contingent Liabilities and Commitments</b>  | <b>18,49,27,262</b>     | <b>18,50,35,548</b>     |

Note: In respect of item 25(a)(i) the Company has been advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary. 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 ` 15,76,141/- 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) Khandelwals Ltd.                          |  |
| vi) The Motwane Manufacturing Company Pvt. Ltd | Subsidiary Company   |

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

(In `)

**I Subsidiary Company**

The Motwane Manufacturing Company Private Limited

|   |  |
|---|--|
| i) Inter corporate deposit given / Repayment Received or Adjusted   | 20,000,000 / Nil<br>(51,500,000 /32,581,800) |
| ii) Interest received   | 2,631,672<br>(4,278,063)                     |
| iii) Purchase of equity shares of subsidiary company in right issue | Nil<br>(3,25,81,800)                         |

(In `)

**II Key Management Personnel**

**Remuneration**

|                             |             |
|-----------------------------|-------------|
| i) Mr. Gautam P. Khandelwal | 6,000,000/- |
| ii) Mr. S. B. Kanbargi      | 847,320/-   |
| iii) Miss. Nidhi Salampuria | 874,200/-   |
| iv) Mr.Santosh Khandelwal   | 754,246/-   |

**(c) Balances Outstanding as at 31<sup>st</sup> March, 2016**

(In `)

| Particulars  | Maximum outstanding during the year (Rs.) | Receivables (Rs.)          | Payables (Rs.) |
|--|---|----------------------------|----------------|
| <b>i) Related parties where control exists</b>     |   |                            |                |
| Informed Technologies India Limited                | Nil<br>(Nil)                              | Nil<br>(Nil)               | Nil<br>(Nil)   |
| The Motwane Manufacturing Company Private Limited  | 38,918,200<br>(51,500,000)                | 38,918,200<br>(18,918,200) | Nil<br>(Nil)   |
| <b>ii) Key Management Personnel</b>                |   |                            |                |
| Mr. Gautam Khandelwal                              | 223,652<br>(7,83,443)                     | Nil<br>(Nil)               | Nil<br>(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.

**30 Earnings Per Share:**

| Particulars                         |       | For the year ended<br>31 <sup>st</sup> Mar, 2016 | For the year ended<br>31 <sup>st</sup> Mar, 2015 |
|-------------------------------------|-------|--|--|
| Profit (Loss) for the year (In `)   | (A)   | (8,804,278)                                      | ( 1,28,10,222)                                   |
| Number of Equity Shares Outstanding | (B)   | 1,30,95,507                                      | 1,30,95,507                                      |
| Earnings per share of ` 10 each     | (A/B) | (0.67)   | (0.98)   |

**31 Payments to Auditor (Including service tax)**

(In `)

| Particulars                              | For the year ended<br>31 <sup>st</sup> Mar, 2016 | For the year ended<br>31 <sup>st</sup> Mar, 2015 |
|--|--|--|
| Audit Fees                               | 1,94,904   | 189,046  |
| For taxation matters including tax audit | 85,012   | 87,922   |
| For other services                       | 69,700   | 10,112   |
| For Reimbursement of Expenses            | 24,103   | 21,967   |
| <b>Total</b>                             | <b>373,719</b>                                   | <b>309,047</b>                                   |

**32 Sales**

| Particulars                     | For the year ended<br>31 <sup>st</sup> Mar, 2016 |                  | For the year ended<br>31 <sup>st</sup> Mar, 2015 |                  |
|---------------------------------|--|------------------|--|------------------|
|                                 | Quantity<br>(MT)                                 | Value<br>(In `)  | Quantity<br>(MT)                                 | Value<br>(In `)  |
| Ferro Manganese Slag (Low MnO)  | 780.490  | 1,755,430        | 817.51   | 4,530,603        |
| Ferro Manganese Slag (High MnO) | -  | -                | -  | -                |
| Others                          | -  | 1,277,730        | -  | 901,218          |
| <b>Total</b>                    | <b>780.490</b>                                   | <b>3,033,160</b> | <b>817.51</b>                                    | <b>5,431,821</b> |

**33 Opening Stock**

| Particulars                     | For the year ended<br>31 <sup>st</sup> Mar, 2016 |                  | For the year ended<br>31 <sup>st</sup> Mar, 2015 |                 |
|---------------------------------|--|------------------|--|-----------------|
|                                 | Quantity<br>(MT)                                 | Value<br>(In `)  | Quantity<br>(MT)                                 | Value<br>(In `) |
| Silico Manganese                | 0.24   | 5,400            | 0.24   | 5,400           |
| Ferro Manganese Slag (High MnO) | -  | -                | -  | -               |
| Ferro Manganese Slag (Low MnO)  | 510.324  | 2,870,572        | 92.83  | 297,697         |
| Silico Manganese Slag           | 3.48   | 325              | 3.48   | 325             |
| <b>Total</b>                    |  | <b>2,876,297</b> |  | <b>303,422</b>  |

**34 Closing Stock**

| Particulars                    | For the year ended<br>31 <sup>st</sup> Mar, 2016 |                 | For the year ended<br>31 <sup>st</sup> Mar, 2015 |                  |
|--------------------------------|--|-----------------|--|------------------|
|                                | Quantity<br>(MT)                                 | Value<br>(In `) | Quantity<br>(MT)                                 | Value<br>(In `)  |
| Silico Manganese               | 0.24   | 5,400           | 0.24   | 5,400            |
| Ferro Manganese Slag (Low MnO) | 1.840  | 4,139           | 510.32   | 2,870,572        |
| Silico Manganese Slag          | 3.48   | 325             | 3.48   | 325              |
| <b>Total</b>                   |  | <b>9,864</b>    |  | <b>2,876,297</b> |

**35 Cost of material Consumed**

| Particulars  | For the year ended<br>31 <sup>st</sup> Mar, 2016 |                 | For the year ended<br>31 <sup>st</sup> Mar, 2015 |                 |
|--------------|--|-----------------|--|-----------------|
|              | Quantity<br>(MT)                                 | Value<br>(In `) | Quantity<br>(MT)                                 | Value<br>(In `) |
| Slag RM      | 320  | 160,000         | 1410   | 705,000         |
| <b>Total</b> |  | <b>160,000</b>  |  | <b>705,000</b>  |

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

| Particulars     | For the year ended<br>31 <sup>st</sup> Mar, 2016 |            | For the year ended<br>31 <sup>st</sup> Mar, 2015 |            |
|-----------------|--|------------|--|------------|
|                 | (In `)   | %          | (In `)   | %          |
| Raw Materials : |  |            |  |            |
| Indigenous      | 160,000  | 100        | 705,000  | 100        |
| Imported        | -  | -          | -  | -          |
| <b>Total</b>    | <b>160,000</b>                                   | <b>100</b> | <b>705,000</b>                                   | <b>100</b> |

**37 Value of all Imports calculated on CIF basis:**

(In `)

| Particulars | For the year ended<br>31 <sup>st</sup> Mar, 2016 |  | For the year ended<br>31 <sup>st</sup> Mar, 2015 |  |
|-------------|--|--|--|--|
|             | Nil  |  | Nil  |  |
|             | Nil  |  | Nil  |  |

**38 Expenditure in Foreign Currency:**

(In `)

| Particulars        | For the year ended<br>31 <sup>st</sup> Mar, 2016 |                | For the year ended<br>31 <sup>st</sup> Mar, 2015 |               |
|--------------------|--|----------------|--|---------------|
|                    | Professional and Consultation fees               |                | -  |               |
| Traveling expenses |  | 162,408        |  | 49,239        |
| <b>Total</b>       |  | <b>162,408</b> |  | <b>49,239</b> |



**39 Earnings in Foreign Exchange: (In `)**

| Particulars | For the year ended<br>31 <sup>st</sup> Mar, 2016 | For the year ended<br>31 <sup>st</sup> Mar, 2015 |
|-------------|--|--|
|             | —————Nil—————                                    | —————Nil—————                                    |

**40** The Principal business of the Company is manufacturing of High/Medium/Low Carbon Ferro Manganese and Silico Manganese Slag which is facing challenges. Company is considering various projects in the manufacturing sector, including therein power generation and distribution. In the mean time the company has on temporary basis parked investible surplus in Fixed Deposit, Open-ended Mutual Funds and other investments. Considering the long term business plan of the Company and the nature of the investments that the Company has made, the Company has been advised that the provisions of Non Banking Finance Company Regulation do not apply to it. Based on these, in the opinion of the Board, the Company is not a Non Banking Finance Company defined in Section 45 I(f) of the Reserve Bank of India Act, 1934 (2 of 1934). The auditor have relied upon this expert advice and the decision of the board of the Board of Directors in this regard.

**41** 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 41 form an integral part of the financial statements.

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

**M.V.Ghelani**  
Proprietor

Mumbai, 27th May 2016

**For and on behalf of the Board**

**Gautam P.Khandelwal**  
Executive Chairman  
(DIN: 00270717)

**Nidhi Salampuria**  
Director &  
Company Secretary  
(DIN: 07138654)  
(ACS 28712)

Mumbai, 27th May 2016

**Nimis Sheth**  
Director  
(DIN: 00482739)

**Santosh Khandelwal**  
Chief Financial Officer

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2016

| PARTICULARS   | Amount in Rupees                         |  |                     |
|---|--|--|---------------------|
|   | FOR THE YEAR ENDED<br>ON 31st MARCH 2016 | FOR THE YEAR ENDED<br>ON 31st MARCH 2015 |                     |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                              |  |  |                     |
| Net Profit /(loss) before tax paid, prior period items & extra ord. Items | (8,804,278)                              | (12,798,041)                             |                     |
| <b>Adjustment for :</b>   |  |  |                     |
| Depreciation and amortisation expense                                     | 3,790,501                                | 3,961,746                                |                     |
| loss on sale / written off of Fixed Assets                                | -  | 170,152                                  |                     |
| Loss on written off of Non-Usable Store                                   | 103,419                                  | 763,680                                  |                     |
| Provision for diminution in value of current investment                   | 385,036                                  | -  |                     |
| Provision for doubtful Deposit  | -  | 15,700                                   |                     |
| Advances written off  | 23,574                                   | 24,000                                   |                     |
| Interest Expenses   | 243,660                                  | 246,647                                  |                     |
| Profit on sale of Investment  | (23,521,201)                             | (15,985,985)                             |                     |
| Dividend Received   | (841,484)                                | (939,543)                                |                     |
| Interest Income   | (3,231,946)                              | (5,028,989)                              |                     |
| Sundry Balance Written Back   | (1,216,824)                              | (123,247)                                |                     |
| Provision no longer required written back                                 | (363,304)                                | (33,000)                                 |                     |
| Rent Received   | (2,450)                                  | (2,930)                                  |                     |
|   | <u>(24,631,019)</u>                      | <u>(16,931,769)</u>                      |                     |
| <b>Operating profit / (loss) before working capital change</b>            | <b>(33,435,297)</b>                      | <b>(29,729,810)</b>                      |                     |
| <b>Adjustment for :</b>   |  |  |                     |
| Inventories   | 2,866,433                                | (2,572,881)                              |                     |
| Long/Short Term Loans & Advances and other current assets                 | (20,505,131)                             | 10,438,113                               |                     |
| Trade Payables, Other Current Liabilities and Provisions                  | (1,348,031)                              | 1,700,613                                |                     |
| Cash Flow before prior period adjustments & extraordinary items           | <u>(52,422,026)</u>                      | <u>(20,163,965)</u>                      |                     |
| Prior Period adjustments  | -  | -  |                     |
| Income tax paid   | (314,485)                                | (515,277)                                |                     |
| <b>Net cash flows from Operating Activities</b>                           | <b>"A"</b>                               | <b>(52,736,511)</b>                      | <b>(20,679,242)</b> |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                                |  |  |                     |
| Purchase of Fixed Assets  | (111,567)                                | (584,792)                                |                     |
| Proceeds from sale of Fixed Assets  | -  | 11,000                                   |                     |
| Proceeds from Investment in Mutual Fund / Shares (incl. Gain & Loss)      | 50,460,915                               | 15,407,750                               |                     |
| Dividend Received   | 841,484                                  | 939,543                                  |                     |
| Rent Received   | 2,450                                    | 2,930                                    |                     |
| Interest Income   | 3,231,946                                | 5,028,989                                |                     |
| <b>Net cash from Investing Activities</b>                                 | <b>"B"</b>                               | <b>54,425,228</b>                        | <b>20,805,420</b>   |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                                |  |  |                     |
| Proceeds From Short Term Borrowing  | -  | 197,083                                  |                     |
| Repayment of Long Term / Short Term Loan (Net)                            | (1,323,183)                              | (217,771)                                |                     |
| Interest expense  | (243,660)                                | (246,647)                                |                     |
| <b>Net Cash provided by / (used in) Financing Activities</b>              | <b>"C"</b>                               | <b>(1,566,843)</b>                       | <b>(267,335)</b>    |
| <b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>       | <b>121,874</b>                           | <b>(141,156)</b>                         |                     |
| <b>Cash and Cash Equivalent at the beginning of the period</b>            | <b>194,637</b>                           | <b>335,793</b>                           |                     |
| <b>Cash and Cash Equivalent at the end of the period</b>                  | <b>316,511</b>                           | <b>194,637</b>                           |                     |

As per our report of even date attached

For M.V.Ghelani & Co.  
Chartered AccountantsM.V.Ghelani  
Proprietor

Mumbai : 27th May 2016

For and on behalf of the Board

Gautam P.Khandelwal  
Executive Chairman  
(DIN: 00270717)Nidhi Salampuria  
Director & Company Secretary  
(DIN: 07138654)  
(ACS 28712)

Mumbai : 27th May 2016

Nimis Sheth  
Director  
(DIN: 00482739)Santosh Khandelwal  
Chief Financial Officer

**INDEPENDENT AUDITOR'S REPORT**

TO THE MEMBERS OF

**NAGPUR POWER AND INDUSTRIES LIMITED**

**Report on the Consolidated Financial Statements**

1. We have audited the accompanying consolidated financial statements of NAGPUR POWER AND INDUSTRIES LIMITED ("the Holding Company"), and its subsidiary, The Motwane Manufacturing Company Pvt. Ltd. (the holding company and its subsidiary together referred to as the "Group"), which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March 2016, the Consolidated Profit and Loss Statement and Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information ("the consolidated financial statements") which we have signed under reference to this report.

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

2. The Holding Company's Board of Directors is responsible for the preparation of these Consolidated financial statement in the terms of Section 134(5) of the Companies Act 2013 ("the Act") 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, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.

The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the Consolidated financial statements by the Directors of the Holding Company, as aforesaid.

**Auditor's Responsibility**

3. Our responsibility is to express an opinion on these Consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated financial statements are free from material misstatement.

4. 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 financial control relevant to the Company's preparation 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 the Holding Company's Board of Directors, as well as evaluating the overall presentation of the financial statements.

5. We believe that the audit evidence we have obtained by us and the audit evidence obtained by the other auditor in terms of their reports referred to in sub-paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

#### **Basis for Qualified Opinion**

6. ***Attention is invited to Note 16.1 viz company's Ferro Alloys unit at Khandelwal Nagar, Kanhan, Nagpur generated waste during the process of manufacture, which has accumulated over the years in and around the main plant. The waste is reuseable for extracting metal content therein. The Company has not accounted for Stock of balance of such accumulated waste over the years at its unit as the technical consultants have advised the company that its quality, metal content and the realizable value cannot be 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 aforesaid Consolidated 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 of the consolidated state of the affairs of the Group as at 31<sup>st</sup> March 2016, and its consolidated loss and its consolidated cash flows for the year ended on that date.

#### **Other Matter**

8. 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 ` 2206.47 Lacs as at 31st March 2016, total revenues of ` 2152.37 Lacs, net loss of ` 99.47 Lacs and net cash inflow amounting to ` 5.97 Lacs for the year ended on that date, as considered in the Consolidated financial statements. These financial statements and other information have been audited by other auditor whose report has been furnished to us by the management, and our opinion on the Consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary; and our report in terms of sub- sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.

#### **Report On Other Legal and Regulatory Requirements**

9. As required by section 143 (3) of the Act, based on our audit and on the consideration of the report of the other auditor on the separate financial statements of subsidiary, as noted in Other Matter paragraph above, we report, to the extent applicable that:
  - a. We have sought and, except for the matters described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

- b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and the reports of the other auditor, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014; Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above,
- e. On the basis of written representations received from the directors of the Holding Company as on 31<sup>st</sup> March 2016, and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company, none of the directors of the Group companies is disqualified as on 31<sup>st</sup> March 2016, from being appointed as a director in terms of section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Group Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A" and
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Consolidated financial statements disclose the impact of pending litigation on the consolidated financial position of the Group – Refer Note 28 to the consolidated financial statements;
- (ii) The Group, its subsidiary did not have any material foreseeable losses on long-term contracts including derivative contracts.
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company.

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

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

Place : Mumbai

Date : May 27, 2016

**ANNEXURE A TO THE AUDITOR'S REPORT ON THE ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2016**

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section in our report of even date to the members of the company on the financial statements for the year ended 31st March, 2016)

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the Act)**

- 1 In conjunction with our audit of the consolidated financial statements of the Group as of and for the year ended 31st March, 2016, We have audited the internal financial controls over financial reporting of NAGPURPOWER AND INDUSTRIES LIMITED (hereinafter referred to as "the Holding Company") and in respect of its subsidiary company wherein such audit of the internal financial controls over financial reporting was carried out by other Auditor whose reports have been forwarded to us and have been appropriately dealt with by us in making this report as of that date.

**Management's Responsibility for Internal Financial Controls**

- 2 The respective Board of Directors of the Holding Company and its subsidiary Company which is incorporated in India is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company and its subsidiary company incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

- 3 Our responsibility is to express an opinion on the Holding Company's and its subsidiary Company's incorporated in India, Internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained and audit evidence obtained by other auditor in the terms of their report referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's and its subsidiary Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

- 4 A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

- 5 Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

- 6 In our opinion, to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary company incorporated in India the Company, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2016, based on the internal financial controls over financial reporting criteria established by the Holding Company and its subsidiary company incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

**Other Matter**

- 7 Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over the financial reporting in so far as it relates to a subsidiary company incorporated in India, is based on the corresponding report of the auditor of such company.

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

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

Place : Mumbai

Date : May 27, 2016

## Consolidated Balance Sheet as at 31st March, 2016

(In `)

| Particulars  | Note No  | As at<br>31st March, 2016 | As at<br>31st March, 2015 |
|--|----------|---------------------------|---------------------------|
| <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        | 528,514,675               | 544,330,818               |
|  |          | <b>659,469,745</b>        | <b>675,285,888</b>        |
| <b>(2) MINORITY INTEREST</b>   |          |                           |                           |
|  |          | <b>7,158,395</b>          | <b>10,072,726</b>         |
| <b>(3) Non-Current Liabilities</b>   |          |                           |                           |
| (a) Long-Term borrowings   | 5        | 1,112,000                 | 1,242,805                 |
| (b) Other Long Term Liabilities  | 6        | 760,000                   | 1,010,000                 |
| (c) Long-Term Provision  | 7        | 1,985,489                 | 2,305,598                 |
|  |          | <b>3,857,489</b>          | <b>4,558,403</b>          |
| <b>(4) Current Liabilities</b>   |          |                           |                           |
| (a) Short-Term Borrowings  | 8        | 58,494,150                | 62,763,880                |
| (b) Trade Payables   | 9        |                           |                           |
| (i) Dues to Micro and Small Enterprises                                    |          | -                         | -                         |
| (ii) Dues to Others  |          | 31,110,216                | 16,827,923                |
| (c) Other Current Liabilities  | 10       | 12,209,416                | 15,250,429                |
| (d) Short-Term Provisions  | 11       | 14,638,890                | 12,076,912                |
|  |          | <b>116,452,672</b>        | <b>106,919,144</b>        |
| <b>Total</b>   |          | <b>786,938,301</b>        | <b>796,836,160</b>        |
| <b>II. ASSETS</b>  |          |                           |                           |
| <b>(1) Non-Current Assets</b>  |          |                           |                           |
| (a) Fixed Assets   |          |                           |                           |
| (i) Tangible Assets  | 12       | 231,365,446               | 238,870,812               |
| (ii) Intangible Assets   |          | 154,862,494               | 154,956,257               |
| (b) Non-Current Investments  | 13       | 35,686,281                | 36,455,355                |
| (c) Long Term Loans and Advances   | 14       | 16,910,108                | 15,529,918                |
|  |          | <b>438,824,329</b>        | <b>445,812,342</b>        |
| <b>(2) Current Assets</b>  |          |                           |                           |
| (a) Current Investments  | 15       | 171,874,165               | 198,429,841               |
| (b) Inventories  | 16       | 77,319,190                | 67,294,352                |
| (c) Trade Receivables  | 17       | 72,016,698                | 59,129,588                |
| (d) Cash and Bank Balances   | 18       | 15,258,265                | 14,539,496                |
| (e) Short-Term Loans and Advances  | 19       | 11,645,654                | 11,630,541                |
|  |          | <b>348,113,972</b>        | <b>351,023,818</b>        |
| <b>Total</b>   |          | <b>786,938,301</b>        | <b>796,836,160</b>        |
| <b>Significant Accounting Policies</b>                                     | 1 & 2    |                           |                           |
| <b>Other Notes on Financial Statements</b>                                 | 28 to 34 |                           |                           |
| <b>Notes referred to above form an integral part of the Balance Sheet.</b> |          |                           |                           |
| <b>This is the Balance Sheet referred to in our report of even date.</b>   |          |                           |                           |

As per our report of even date attached

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

M.V.Ghelani  
Proprietor

Mumbai : 27th May, 2016

For and on behalf of the Board

Gautam P.Khandelwal  
Executive Chairman  
(DIN: 00270717)

Nidhi Salampuria  
Director &  
Company Secretary  
(DIN: 07138654)  
(ACS 28712)

Mumbai : 27th May, 2016

Nimis Sheth  
Director  
(DIN: 00482739)

Santosh Khandelwal  
Chief Financial Officer



## Consolidated Profit and Loss statement for the year ended 31st March, 2016

(In `)

| Particulars   | Note No | For The Year Ended<br>31st March, 2016 | For The Year Ended<br>31st March, 2015 |
|---|---------|--|--|
| <b>I Revenue from operations</b>  | 20      | 228,862,992                            | 192,048,114                            |
| <b>Less: Excise duty / Service tax recovered</b>  |         | (11,785,877)                           | (13,279,561)                           |
|   |         | 217,077,115                            | 178,768,553                            |
| <b>II Other Income</b>  | 21      | 27,434,370                             | 18,304,151                             |
| <b>III Total Revenue (I +II)</b>  |         | <b>244,511,485</b>                     | <b>197,072,704</b>                     |
| <b>IV Expenses:</b>   |         |  |  |
| Cost of materials consumed  | 22      | 27,676,991                             | 31,526,103                             |
| Purchases of Stock-in-Trade   | 23      | 83,825,163                             | 37,991,259                             |
| Changes in inventories of finished goods,<br>work-in-progress and Stock-in-Trade          | 24      | (12,006,202)                           | (5,053,390)                            |
| Employee benefits expense   | 25      | 75,197,281                             | 66,528,637                             |
| Finance costs   | 26      | 8,658,728                              | 8,978,186                              |
| Depreciation and amortization expense   | 12      | 20,659,373                             | 21,167,094                             |
| Other expenses  | 27      | 59,251,146                             | 63,075,450                             |
| <b>Total Expenses</b>   |         | <b>263,262,479</b>                     | <b>224,213,339</b>                     |
| <b>V Profit before tax (III - IV)</b>   |         | (18,750,994)                           | (27,140,635)                           |
| <b>VI Tax expense:</b>  |         |  |  |
| (a) Current tax   |         | -                                      | -                                      |
| (b) Deferred tax  |         | -                                      | -                                      |
| (c) Tax in respect of earlier years   |         | -                                      | (12,180)                               |
| (d) Current Tax ( MAT)  |         | -                                      | -                                      |
| Less : Mat Credit Entitlement   |         | (20,520)                               | -                                      |
| <b>VII Profit(Loss) for the year<br/>(before adjustment for Minority Interest) (V-VI)</b> |         | <b>(18,730,474)</b>                    | <b>(27,152,815)</b>                    |
| Less: Share of Profit /(loss) transferred to Minority                                     |         | (2,914,331)                            | (4,210,780)                            |
| Less: Share of Pre Acquisition Profit transferred to<br>goodwill on consolidation.        |         | -                                      | (509,443)                              |
| <b>Profit(Loss) for the year (after adjustment for Minority Interest)</b>                 |         | <b>(15,816,143)</b>                    | <b>(22,432,592)</b>                    |
| <b>VIII Earnings per equity share:</b>  |         |  |  |
| (a) Basic   |         | (1.21)                                 | (1.71)                                 |
| (b) Diluted   |         | (1.21)                                 | (1.71)                                 |

Significant Accounting Policies

1 &amp; 2

Other Notes on Financial Statements

28 to 34

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

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

As per our report of even date attached

For and on behalf of the Board

For M.V.Ghelani &amp; Co.

Chartered Accountants  
Firm Regn. No. 119077WM.V.Ghelani  
ProprietorGautam P.Khandelwal  
Executive Chairman  
(DIN: 00270717)Nidhi Salampuria  
Director &  
Company Secretary  
(DIN: 07138654)  
(ACS 28712)

Mumbai : 27th May, 2016

Nimis Sheth  
Director  
(DIN: 00482739)Santosh Khandelwal  
Chief Financial Officer

Mumbai : 27th May, 2016

**Notes on Consolidated financial statements for the year ended 31<sup>ST</sup>March 2016**

**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 have 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, 2015.
- 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 | 70.64%                |

**2. SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Basis for preparation of Financial Statements:**

The financial statements are prepared under the historical cost convention on an accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

**2.2 Use of Estimates**

The preparation of financial statements in conformity with Indian GAAP requires judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent 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 estimates are recognised in the period in which the results are known/materialised.

### 2.3 Fixed Assets And Depreciation:

#### Holding Company:

##### **Tangible Assets**

Fixed assets are stated at Cost of acquisition, less accumulated depreciation and accumulated impairment losses, if any. Cost of Tangible assets comprises purchase price, borrowing costs, and any attributable cost of bringing the asset to its working condition for the intended use. Borrowing costs relating to the acquisition of fixed assets that takes a substantial period of time to get ready for its intended use are also included in cost to the extent they relate to the period till such assets are put to use. Assets purchases for less than ` 5,000/- are not capitalised.

Depreciation on tangible assets is provided on Straight Line Method and based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013, except in respect of the following assets, where useful life is exceeding those prescribed in Schedule II based on the Chartered Engineer's Valuation Certificate namely:

|                   |            |
|-------------------|------------|
| Building          | 3-10 years |
| Plant & Machinery | 7-10 years |
| Heavy Vehicle     | 2 years    |
| Office Equipment  | 3-4 years  |
| Railway Siding    | 7 years    |

Depreciation on assets purchased / sold during the period is proportionately charged.

#### • **Intangible Assets**

Intangible assets are stated at cost of acquisition, less accumulated amortization/ depletion and accumulated impairment losses, if any, are amortized over a period of 3 years.

#### 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 on Tangible Assets:

From the accounting period commencing from April 1, 2014, for the purpose of depreciation the company has adopted the useful life of Tangible Fixed Assets as mentioned in Schedule II to the companies Act, 2013, except in the case of major Plant & Machinery and Dies & Moulds. Based on the internal reassessment/ condition of the machinery and past experience, company has considered useful life of such plant & Machinery as 20 years instead of 15 years and useful life of Dies & Moulds as 20 years instead of 8 years.

Depreciation is provided on WDV method considering the useful life as mentioned in Schedule II to the companies Act, 2013.

- c) Depreciation on Intangible assets:

- i. Depreciation is provided on Computer Software under Intangible Assets on WDV method considering the useful life of 10 years in accordance with AS-26.

- ii. Technical Know-How is amortized over period of five years from the year of commercial production.
- iii. Research & Development Expenses are amortized over a period of five years.

#### 2.4 Investments:

Investments are classified into non-current investments and current investments. Non-current investments are stated at cost and diminution in value is provided for, where the management is of the opinion that the diminution in value is other than temporary. Current investments are stated at lower of cost and market value.

Investments that are readily realizable and are intended to be held for not more one year from the date on which such investments are made, are classified as "Current investments". All other investments are classified as "Non-current investments".

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 except current investment held by portfolio manager which is determined on the basis of First In First Out method.

#### 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 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.

#### 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 recognised when no significant uncertainty as to determination or realisation exists. Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable.

#### 2.8 Retirement and Other Employee Benefit:

##### Holding Company :

- i) The Company contributes towards Provident Fund & Family Pension Fund which are defined contribution schemes. The Company's contribution is recognised as an expense in the Profit and Loss Statement during the period in which the employee renders the related service. 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.
- iii) Actuarial gains and losses in respect of post-employment and other long term benefits are charged to the Profit and Loss Statement.

**Subsidiary Company:**

- a. The Company has established an irrevocable trust to administer gratuity. The Trust has taken a policy under the Group Gratuity Cum Life Insurance Scheme from the LIC of India covering all the eligible employees. The Company makes payment of annual premium and contribution to the Trust as demanded by LIC of India. The annual premium contribution is debited to P & L Account. It is informed that the annual premium contribution calculation is done by LIC considering guidelines given in Accounting Standard on Employee Benefits (Revised) AS-15.
- b. Provident Fund/ESIC remittances to the Government are charged against revenue each year on accrual basis.
- c. Leave Encashment is accounted on the basis of actuarial valuation considering guideline given in Accounting Standard on Employee Benefits (Revised) AS-15.
- d. 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 and deferred tax. The deferred tax charge or credit is recognised using current tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date. Where there is an unabsorbed depreciation or carry forward loss, deferred tax assets are recognised only if there is virtual certainty that sufficient future taxable income will be available to realise the same. Other deferred tax assets are recognised only to the extent there is reasonable certainty that sufficient future income will be available to realise the same. 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 Provision, Contingent Liabilities and Contingent Assets:**

Provision is recognised in the accounts when there is a present obligation as a result of past events(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Contingent liabilities are usually not provided for unless it is probable that the future outcome may be materially detrimental to the Company and are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

## Notes on Consolidated financial statements for the year ended 31st March 2016

| Particulars  | As at<br>31st March, 2016 | As at<br>31st March, 2015 |                         |               |
|--|---------------------------|---------------------------|-------------------------|---------------|
| <b>3 SHARE CAPITAL</b>   |                           |                           |                         |               |
| <b>Authorised share capital</b>  |                           |                           |                         |               |
| 2,00,00,000 Equity Shares of ₹ 10 each<br>(Previous Year 2,00,00,000 Shares of ₹ 10 each)  | 200,000,000               | 200,000,000               |                         |               |
| 50,00,000 Unclassified Shares of ₹ 10 each<br>(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.<br>(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>3.1 The reconciliation of the number of shares outstanding is set out below:</b>  |                           |                           |                         |               |
| <b>Particulars</b>   | <b>As at 31/03/2016</b>   | <b>As at 31/03/2015</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, 2013. |                           |                           |                         |               |
| <b>3.3</b> The company has no holding Company. The subsidiary company does not hold any shares in the company.                                 |                           |                           |                         |               |
| <b>3.4 List of share holders holding more than 5% shares</b>   |                           |                           |                         |               |
| <b>Name of the shareholder</b>   | <b>As at 31/03/2016</b>   |                           | <b>As at 31/03/2015</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 III to the Companies Act, 2013 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  | <b>489,447,497</b>        |                           | <b>489,447,497</b>      |               |
| <b>(b) Share Premium Account</b>   |                           |                           |                         |               |
| Balance as per last Balance Sheet  | 100,408,732               |                           | 73,257,232              |               |
| Add: Addition during the year  | -                         |                           | 27,151,500              |               |
| Closing Balance  | <b>100,408,732</b>        |                           | <b>100,408,732</b>      |               |
| <b>(c) Surplus i.e. Profit and Loss Account</b>  |                           |                           |                         |               |
| Balance as per last Balance Sheet  | (45,525,411)              |                           | (17,564,329)            |               |
| Add: Profit/(Loss) for the year  | (15,816,143)              |                           | (22,432,592)            |               |
| Less: Appropriations   | -                         |                           | -                       |               |
| Less: Adjustment relating to Fixed Assets (Refer Note No. 12.c)  | -                         |                           | (5,528,490)             |               |
| Closing Balance  | <b>(61,341,554)</b>       |                           | <b>(45,525,411)</b>     |               |
| <b>Net Reserves and Surplus (a)+(b)+(c)</b>  | <b>528,514,675</b>        |                           | <b>544,330,818</b>      |               |

## Notes on Consolidated financial statements for the year ended 31st March 2016

| Particulars   | As at            |         | As at            |           |
|---|------------------|---------|------------------|-----------|
|   | 31st March, 2016 |         | 31st March, 2015 |           |
|   | Non Current      | Current | Non Current      | Current   |
| <b>5 Long-term borrowings</b>   |                  |         |                  |           |
| <b>Particulars</b>  |                  |         |                  |           |
| <b>I Secured Loan</b>   |                  |         |                  |           |
| <b>Term Loans</b>   |                  |         |                  |           |
| <b>From banks</b>   | -                | -       | -                | 831,064   |
| Interest @ 13.65 % p.a.   |                  |         |                  |           |
| Secured against equitable mortgage of factory land & building and hypothecation of plant & machinery of the subsidiary company at Nashik (Refer note 10)                  |                  |         |                  |           |
| Total borrowing from banks (a)  | -                | -       | -                | 831,064   |
| <b>From Other Parties</b>   |                  |         |                  |           |
| <b>a) Kotak Mahindra Prime Ltd.- 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 ₹ 130,805/- are current maturities.    | -                | 130,805 | 130,805          | 241,883   |
| - Fixed Interest @ 10.55% p.a.  |                  |         |                  |           |
| ii) Repayable in 48 equated monthly installments (EMI) of ₹ 36,350 each till August 2015, of which principal sum therein totaling to ₹ 1,76,280/- are current maturities. | -                | -       | -                | 176,280   |
| - Fixed Interest @ 12.31% p.a.  |                  |         |                  |           |
| Total borrowing from other parties (b)  | -                | 130,805 | 130,805          | 418,163   |
| <b>Total Secured Loan (I) (a+b)</b>   | -                | 130,805 | 130,805          | 1,249,227 |
| <b>II Unsecured Loan from related party</b>   |                  |         |                  |           |
| From a Director   | 1,112,000        | -       | 1,112,000        | -         |
| <b>Total Unsecured Loan (II)</b>  | 1,112,000        | -       | 1,112,000        | -         |
| <b>Total (I+II)</b>   | 1,112,000        | 130,805 | 1,242,805        | 1,249,227 |

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 2016

| Particulars  | As at<br>31st March, 2016 | As at<br>31st March, 2015 |
|--|---------------------------|---------------------------|
| <b>6 OTHER LONG TERM LIABILITIES</b>   |                           |                           |
| <b>Other Payables</b>  |                           |                           |
| Trade/Security Deposit Received from Dealers   | 760,000                   | 1,010,000                 |
| <b>Total</b>   | <b>760,000</b>            | <b>1,010,000</b>          |
| <b>7 LONG -TERM PROVISIONS</b>   |                           |                           |
| <b>Provision for employee benefits</b>   |                           |                           |
| Provision for Leave encashment   | 1,985,489                 | 2,305,598                 |
| <b>Total</b>   | <b>1,985,489</b>          | <b>2,305,598</b>          |
| <b>8 SHORT TERM BORROWINGS</b>   |                           |                           |
| <b><u>Loan Repayable on Demand</u></b>   |                           |                           |
| <b><u>From banks</u></b>   |                           |                           |
| <b>Secured</b>   |                           |                           |
| Working Capital Advance  | 1,401,986                 | 2,483,286                 |
| Secured against term deposit receipt of the bank   |                           |                           |
| Cash Credit Limit  | 57,092,164                | 60,280,594                |
| 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>Unsecured</b>   |                           |                           |
| Inter Corporate Deposit from Nagpur Power & Industries Limited   | -                         | -                         |
| <b>Total</b>   | <b>58,494,150</b>         | <b>62,763,880</b>         |
| 8.1 There has been no default in repayment of principal and interest on the loan.  |                           |                           |
| <b>9 TRADE PAYABLES</b>  |                           |                           |
| <b>(i) <u>To Micro, Small and Medium Enterprises</u></b>   |                           |                           |
| (a) Principal and interest amount remaining unpaid   | -                         | -                         |
| (b) Interest due thereon remaining unpaid  | -                         | -                         |
| (c) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day                                 | -                         | -                         |
| (d) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Act, 2006 | -                         | -                         |
| (e) Interest Accrued and remaining unpaid  | -                         | -                         |
| (f) Interest remaining due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises   | -                         | -                         |
| <b>Total (i)</b>   | -                         | -                         |
| <b>(ii) To Others</b>  | 31,110,216                | 16,827,923                |
| <b>Total (ii)</b>  | <b>31,110,216</b>         | <b>16,827,923</b>         |
| <b>Total (i) + (ii)</b>  | <b>31,110,216</b>         | <b>16,827,923</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 confirmation.



## Notes on Consolidated financial statements for the year ended 31st March 2016

| Particulars  | As at<br>31st March, 2016 | As at<br>31st March, 2015 |
|--|---------------------------|---------------------------|
| <b>10 OTHER CURRENT LIABILITIES</b>  |                           |                           |
| <b>(a) Current maturities of long-term debt</b>                                      |                           |                           |
| (Refer Note no. 5)   |                           |                           |
| <u>Term Loan</u>   |                           |                           |
| - from Bank  | -                         | 831,064                   |
| - from Others- Car Loans   | 130,805                   | 418,163                   |
| <b>(b) Application money received for allotment of securities and due for refund</b> | 2,824                     | 11,865                    |
| <b>(c) Other Payables</b>  |                           |                           |
| -Statutory dues  | 2,597,740                 | 2,554,498                 |
| -Security deposits   | 10,000                    | 256,196                   |
| -Advances from customers   | 2,131,369                 | 4,949,622                 |
| -Other liability for expenses  | 7,251,467                 | 6,161,293                 |
| -Sundry creditors for capital goods  | 85,211                    | 67,728                    |
| <b>Total</b>   | <b>12,209,416</b>         | <b>15,250,429</b>         |

10.1 The balances of Advance from customers are subject to confirmation.

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

|   |           |           |
|---|-----------|-----------|
| (i) Provision for Gratuity, Leave encashment/ Bonus | 2,221,198 | 1,486,925 |
| (ii) Others   | 1,850,740 | 1,363,791 |

**(b) Provision for Expenses**

|              |                   |                   |
|--------------|-------------------|-------------------|
|              | 10,566,952        | 9,226,196         |
| <b>Total</b> | <b>14,638,890</b> | <b>12,076,912</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 on Consolidated financial statements for the year ended 31st March 2016

## Note 12: FIXED ASSETS

| Particulars                  | Gross Block         |                   |                            | Depreciation        |                     |                   | Net Block                   |                                      |                     |                     |
|------------------------------|---------------------|-------------------|----------------------------|---------------------|---------------------|-------------------|-----------------------------|--------------------------------------|---------------------|---------------------|
|                              | As at<br>01.04.2015 | Additions         | Deductions/<br>Adjustments | As at<br>31.03.2016 | As at<br>01.04.2015 | For the<br>year   | Deductions /<br>Adjustments | Adjusted With<br>Retained<br>Earning | As at<br>31.03.2016 | As at<br>31.03.2016 |
| <b>(A) TANGIBLE ASSETS</b>   |                     |                   |                            |                     |                     |                   |                             |                                      |                     |                     |
| Freehold Land                | 186,846,260         | -                 | -                          | 186,846,260         | -                   | -                 | -                           | -                                    | -                   | 186,846,260         |
| Buildings                    | 41,602,916          | -                 | -                          | 41,602,916          | 22,166,167          | 2,210,158         | -                           | -                                    | 24,376,325          | 17,226,591          |
| Plant and Equipment          | 77,537,702          | 817,047           | -                          | 78,354,749          | 56,505,934          | 3,111,915         | -                           | -                                    | 59,617,849          | 18,736,900          |
| Furniture and Fixtures       | 14,292,744          | -                 | -                          | 14,292,745          | 9,651,106           | 1,338,871         | -                           | -                                    | 10,989,977          | 3,302,766           |
| Vehicles                     | 10,604,727          | -                 | -                          | 10,604,727          | 7,874,122           | 775,779           | -                           | -                                    | 8,649,901           | 1,954,825           |
| Office Equipment             | 4,425,466           | 181,137           | -                          | 4,606,603           | 2,835,617           | 635,778           | -                           | -                                    | 3,471,395           | 1,135,208           |
| Computers                    | 1,195,825           | 41,589            | -                          | 1,237,414           | 1,099,725           | 34,683            | -                           | -                                    | 1,134,408           | 103,006             |
| Railway Siding               | 5,377,766           | -                 | -                          | 5,377,766           | 3,971,083           | 189,632           | -                           | -                                    | 4,160,715           | 1,217,052           |
| Electrical Installation      | 2,425,543           | -                 | -                          | 2,425,543           | 1,636,808           | 243,392           | -                           | -                                    | 1,880,200           | 545,344             |
| R & D Equipments             | 1,909,511           | 55,530            | -                          | 1,965,041           | 1,607,085           | 60,460            | -                           | -                                    | 1,667,545           | 297,496             |
| <b>Total (A)</b>             | <b>346,218,460</b>  | <b>1,095,303</b>  | <b>-</b>                   | <b>347,313,763</b>  | <b>107,347,647</b>  | <b>8,600,669</b>  | <b>-</b>                    | <b>-</b>                             | <b>115,948,316</b>  | <b>231,365,446</b>  |
| <b>(B) INTANGIBLE ASSETS</b> |                     |                   |                            |                     |                     |                   |                             |                                      |                     |                     |
| Goodwill on consolidation    | 129,498,797         | -                 | -                          | 129,498,797         | -                   | -                 | -                           | -                                    | -                   | 129,498,797         |
| Computer Software            | 4,320,806           | 62,284            | -                          | 4,383,090           | 2,605,914           | 417,632           | -                           | -                                    | 3,023,546           | 1,359,544           |
| Technical Know-how           | 4,056,430           | -                 | -                          | 4,056,430           | 1,654,636           | 811,288           | -                           | -                                    | 2,465,924           | 1,590,506           |
| R & D Amortisation           | 42,246,269          | 11,902,657        | 10,039,071                 | 44,109,855          | 20,905,495          | 10,829,786        | 10,039,071                  | -                                    | 21,696,210          | 22,413,645          |
| <b>Total (B)</b>             | <b>180,122,302</b>  | <b>11,964,941</b> | <b>10,039,071</b>          | <b>182,048,172</b>  | <b>25,166,045</b>   | <b>12,058,706</b> | <b>10,039,071</b>           | <b>-</b>                             | <b>27,185,680</b>   | <b>154,862,494</b>  |
| <b>Current year (A+B)</b>    | <b>526,340,762</b>  | <b>13,060,244</b> | <b>10,039,071</b>          | <b>529,361,935</b>  | <b>132,513,692</b>  | <b>20,659,375</b> | <b>10,039,071</b>           | <b>-</b>                             | <b>143,133,996</b>  | <b>386,227,940</b>  |
| <b>Previous year</b>         | <b>393,086,876</b>  | <b>13,634,790</b> | <b>9,879,703</b>           | <b>396,841,965</b>  | <b>115,516,660</b>  | <b>21,167,092</b> | <b>9,698,552</b>            | <b>5,528,490</b>                     | <b>132,513,690</b>  | <b>264,328,274</b>  |

**NOTE:**

- 12.a) 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.
- 12.b) As regards the accounting for fixed assets & depreciation please refer to note 2.3
- 12.c) Pursuant to the enactment of Companies Act, 2013, the company has applied the estimated useful lives as specified in Schedule II, except in respect of certain assets as disclosed in Accounting Policy on Fixed Assets and Depreciation. Accordingly the unamortised carrying value is being depreciated/amortised over the revised/ remaining useful lives. The written down value ₹ 55.28 Lakhs of Fixed Assets having Nil balance useful life as at 1st April 2014 has been adjusted net of tax, in the opening balance of retained earnings as on 1st April 2014
- 12.d) Freehold land at S.No.252/6 at village parthardi, Nashik purchased during the F.Y. 2011-12 is held in the name of relative of the Director of the company.

## Notes on Consolidated financial statements for the year ended 31st March 2016

| Particulars  | As at<br>31st March, 2016 | As at<br>31st March, 2015 |
|--|---------------------------|---------------------------|
| <b>13 NON-CURRENT INVESTMENTS</b>  |                           |                           |
| (At Cost Less permanent diminution in value (if any))                                      |                           |                           |
| <b>TRADE INVESTMENT</b>  |                           |                           |
| <b>Investment in Equity Instruments</b>  |                           |                           |
| <b>Unquoted, Fully paid up</b>   |                           |                           |
| <b>In Subsidiary</b>   |                           |                           |
| The Motwane Manufacturing Company Private Ltd  | -                         | -                         |
| [2,47,245 Equity Shares (Previous Year : 2,47,245) of ` 100 each]                          | -                         | -                         |
| <b>Total trade investment (a)</b>  | -                         | -                         |
| <b>OTHER INVESTMENTS</b>   |                           |                           |
| <b>Investment in Equity Instruments</b>  |                           |                           |
| <b>Quoted, Fully paid up</b>   |                           |                           |
| <b>ABB India Ltd</b>   | -                         | 105,773                   |
| (formerly known as ABB Ltd)  |                           |                           |
| [Current Year : Nil (Previous Year : 200 of ` 2 each)]                                     |                           |                           |
| <b>Ashok Leyland Ltd</b>   | 559,065                   | -                         |
| [8000 Equity Shares (Previous Year : Nil) of ` 1 each]                                     |                           |                           |
| <b>ACC Ltd</b>   | 505,458                   | 505,458                   |
| [700 Equity Shares (Previous Year : 700) of ` 10 each]                                     |                           |                           |
| <b>Astrazenca Pharma India Ltd</b>   | -                         | 517,567                   |
| [Current Year : Nil (Previous Year : 450 of ` 2 each)]                                     |                           |                           |
| <b>Axis Bank Ltd</b>   | 832,242                   | 537,199                   |
| [7200 Equity Shares (Previous Year : 6500) of ` 2 each]                                    |                           |                           |
| <b>Ballarpur Industries Ltd</b>  | 691,153                   | 691,153                   |
| [57,500 Equity Shares (Previous Year : 57,500) of ` 2 each]                                |                           |                           |
| <b>BASF India Ltd</b>  | 991,538                   | 991,538                   |
| [800 Equity Shares (Previous Year : 800) of ` 10 each]                                     |                           |                           |
| <b>BF Utilities Ltd</b>  | -                         | 499,310                   |
| [Current Year : Nil (Previous Year : 800 of ` 5 each)]                                     |                           |                           |
| <b>Cairn India Ltd</b>   | 1,685,772                 | 1,685,772                 |
| [4,500 Equity Shares (Previous Year : 4500) of ` 10 each]                                  |                           |                           |
| <b>Crompton Greaves Ltd</b>  | 1,203,682                 | 1,203,682                 |
| [6000 Equity Shares (Previous Year : 6000) of ` 2 each]                                    |                           |                           |
| <b>Crompton Greaves Consumers Elelectricals Ltd</b>  | -                         | -                         |
| [6000 Equity Shares (Previous Year : Nil) of ` 2 each]                                     |                           |                           |
| (Received at NIL cost of acquisition under the scheme of demerger of Crompton Greaves Ltd) |                           |                           |
| <b>Dish TV India Ltd</b>   | 523,913                   | -                         |
| [ 5000 Equity Shares (Previous Year : Nil) of ` 1 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>   | -                         | 89,106                    |
| [Current Year : Nil (Previous Year :200 of ` 10 each)]                                     |                           |                           |

## Notes on Consolidated financial statements for the year ended 31st March 2016

| Particulars   | As at<br>31st March, 2016 | As at<br>31st March, 2015 |
|---|---------------------------|---------------------------|
| <b>HDFC Bank Ltd</b>  | 280,152                   | 280,152                   |
| [1500 Equity Shares (Previous Year : 1500) of ` 2 each]   |                           |                           |
| <b>HDFC Ltd</b>   | 1,822,425                 | 1,822,425                 |
| [3200 Equity Shares (Previous Year :3200) of ` 2 each]  |                           |                           |
| <b>Hindalco Industries Ltd</b>  | 772,453                   | 772,453                   |
| [8500 Equity Shares (Previous Year : 8500) of ` 1 each]   |                           |                           |
| <b>IDFC Ltd</b>   | 934,824                   | 1,543,122                 |
| [11000 Equity Shares (Previous Year : 11000) of ` 10 each]  |                           |                           |
| <b>IDFC Bank Ltd</b>  | 608,299                   | -                         |
| [11000 Equity Shares (Previous Year : Nil) of ` 10 each]<br>(Received under the scheme of demerger of IDFC Ltd) |                           |                           |
| <b>Indian Hotel Company Ltd</b>   | 1,103,993                 | 1,103,993                 |
| [19,240 Equity Shares (Previous Year : 19,240) of ` 1 each]   |                           |                           |
| <b>ITC Ltd</b>  | 644,435                   | 644,435                   |
| [5000 Equity Shares (Previous Year : 5000) of ` 1 each]   |                           |                           |
| <b>Jamna Auto Industries Ltd</b>  | 799,624                   | -                         |
| [5500 Equity Shares (Previous Year : Nil) of ` 5 each]  |                           |                           |
| <b>Kotak Mahindra Bank Ltd</b>  | 1,226,849                 | 697,928                   |
| [8000 Equity Shares (Previous Year :3600 ) of ` 5 each]<br>( Including 3600 bonus Shares )                      |                           |                           |
| <b>Larsen &amp; Toubro Ltd</b>  | 2,874,994                 | 2,450,123                 |
| [3,300 Equity Shares (Previous Year : 3,000) of ` 2 each]   |                           |                           |
| <b>Mahindra &amp; Mahindra Financial Services Ltd</b>   | 471,562                   | 471,562                   |
| [4165 Equity Shares (Previous Year : 4165) of ` 2 each]   |                           |                           |
| <b>Mahindra &amp; Mahindra Ltd</b>  | 3,041,759                 | 2,548,493                 |
| [7525 Equity Shares (Previous Year : 7125) of ` 5 each]   |                           |                           |
| <b>Mahindra Holidays &amp; Resorts India Ltd</b>  | 631,071                   | 631,071                   |
| [2000 Equity Shares (Previous Year : 2000) of ` 10 each]  |                           |                           |
| <b>Mahindra Lifespace Developers Ltd</b>  | -                         | 188,471                   |
| [Current Year : Nil (Previous Year : 600 of ` 10 each)]   |                           |                           |
| <b>Marico Ltd</b>   | 164,565                   | 164,565                   |
| [7,000 Equity Shares (Previous Year : 3,500) of ` 1 each]<br>( Including 3500 bonus Shares )                    |                           |                           |
| <b>Marico Kaya Enterprises Ltd</b>  | -                         | 28,882                    |
| (Current Year : NIL (Previous Year : 70 of ` 10 each))<br>(Received under the scheme of demerger of Marico Ltd) |                           |                           |
| <b>Nitco Industries Ltd</b>   | 476,988                   | -                         |
| [10,000 Equity Shares (Previous Year : Nil) of ` 10 each]   |                           |                           |
| <b>Petronet LNG Ltd</b>   | 281,512                   | 281,512                   |
| [7,000 Equity Shares (Previous Year : 7,000) of ` 10 each]  |                           |                           |
| <b>Pidilite Industries Ltd</b>  | 191,884                   | 191,884                   |
| [4,000 Equity Shares (Previous Year : 4,000) of ` 1 each]   |                           |                           |
| <b>Powergrid Corporation of India Ltd</b>   | 2,646,459                 | 2,646,459                 |
| [22,773 Equity Shares (Previous Year : 22,773) of ` 10 each]  |                           |                           |

## Notes on Consolidated financial statements for the year ended 31st March 2016

| Particulars  | As at<br>31st March, 2016 | As at<br>31st March, 2015 |
|--|---------------------------|---------------------------|
| <b>State Bank of India Ltd</b>   | 2,317,517                 | 2,317,517                 |
| [15000 Equity Shares (Previous Year : 15000) of ` 1 each]              |                           |                           |
| <b>Sesa Sterlite Ltd</b>   | -                         | 991,265                   |
| (formerly known as Sesa Goa Ltd.)                                      |                           |                           |
| [Current Year : Nil (Previous Year :6,000 of ` 1 each)]                |                           |                           |
| <b>Siemens Ltd</b>   | -                         | 1,010,495                 |
| [Current Year : Nil (Previous Year : 1100 of ` 2 each)]                |                           |                           |
| <b>Sintex Industries Ltd</b>   | -                         | 1,080,813                 |
| [Current Year : NIL (Previous Year : 11,000 of ` 1 each)]              |                           |                           |
| <b>Tata Consultancy Services Ltd</b>                                   | 1,200,423                 | 697,480                   |
| [2,400 Equity Shares (Previous Year : 2,200) of ` 1 each]              |                           |                           |
| <b>Tata Motors Ltd</b>   | -                         | 491,933                   |
| [Current Year : NIL (Previous Year : 1100 of ` 2 each)]                |                           |                           |
| <b>Tata Power Company Ltd</b>  | -                         | 826,760                   |
| [Current Year : Nil (Previous Year : 9332 of ` 1 each)]                |                           |                           |
| <b>Tech Mahindra Ltd</b>   | 1,289,604                 | 497,046                   |
| [4788 Equity Shares (Previous Year : 3388) of Rs. 5 each]              |                           |                           |
| <b>Timken India Ltd</b>  | -                         | 890,242                   |
| [Current Year : NIL (Previous Year : 2500 of ` 10 each)]               |                           |                           |
| <b>Torrent Power Ltd</b>   | 505,517                   | 505,517                   |
| [3,000 Equity Shares (Previous Year : 3000) of ` 10 each]              |                           |                           |
| <b>Ultratech Cement Ltd</b>  | 117,015                   | 117,015                   |
| [114 Equity Shares (Previous Year :114) of ` 10 each]                  |                           |                           |
| <b>VA Tech Wabag Ltd</b>   | 442,454                   | 442,454                   |
| [598 Equity Shares (Previous Year : 598) of ` 2 each]                  |                           |                           |
| <b>Voltas Ltd</b>  | 792,730                   | 792,730                   |
| [3,000 Equity Shares (Previous Year : 3000) of ` 1 each]               |                           |                           |
| <b>Yes Bank Ltd</b>  | 554,351                   | -                         |
| [800 Equity Shares (Previous Year :Nil ) of ` 10 each]                 |                           |                           |
| <b>Total Other Investments - Quoted (b) (i)</b>                        | <u>35,686,281</u>         | <u>36,455,355</u>         |
| <b>Investment in Equity Instruments - Unquoted, Fully paid up</b>      | -                         | -                         |
| <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 - Uquoted (b) (ii)</b>                      | <u>-</u>                  | <u>-</u>                  |
| <b>Total Other investments (b) (i+ii)</b>                              | <u>35,686,281</u>         | <u>36,455,355</u>         |
| <b>Total Non Current Investments (a+b)</b>                             | <u>35,686,281</u>         | <u>36,455,355</u>         |
| <b>13.1 Aggregate amount of quoted investents</b>                      | <b>35,686,281</b>         | <b>36,455,355</b>         |
| <b>13.2 Market value of quoted investents</b>                          | <b>64,637,495</b>         | <b>73,040,140</b>         |
| <b>13.3 Aggregate amount of unquoted investments</b>                   | <b>150,000</b>            | <b>150,000</b>            |
| <b>13.4 Aggregate provision for diminution in value of investments</b> | <b>150,000</b>            | <b>150,000</b>            |

## Notes on Consolidated financial statements for the year ended 31st March 2016

| Particulars  | As at<br>31st March, 2016 | As at<br>31st March, 2015 |
|--|---------------------------|---------------------------|
| <b>14 LONG TERM LOANS AND ADVANCES</b>                 |                           |                           |
| <b>(a) Capital Advance</b>                             |                           |                           |
| Unsecured, considered good                             | 6,896                     | 102,893                   |
| <b>(b) Security Deposit</b>                            |                           |                           |
| (i) Unsecured, considered good                         | 7,033,606                 | 5,738,239                 |
| (ii) Unsecured, considered doubtful (Net of Provision) | 167,540                   | 167,541                   |
| <b>(c) Other Loans &amp; Advances</b>                  |                           |                           |
| Unsecured, considered good                             |                           |                           |
| (i) Income Tax /FBT Advances ( Net of Provision)       | 514,820                   | 361,245                   |
| (ii) MAT Credit Entitlement AY 2013-14                 | 9,187,246                 | 9,160,000                 |
| <b>Total</b>   | <b>16,910,108</b>         | <b>15,529,918</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)**

**Investment in Equity Instruments- quoted, fully paid up**

**Quoted**

|   |           |           |
|---|-----------|-----------|
| <b>Aarti Industries Ltd</b>                               | -         | 129,259   |
| [Current Year : Nil (Previous Year : 437 of ` 5 each)]    |           |           |
| <b>Astral Poly Technik Ltd</b>                            | -         | 61,663    |
| [Current Year : Nil (Previous Year : 1659 of ` 1 each)]   |           |           |
| <b>Balkrishna Industries Ltd</b>                          | -         | 320,875   |
| [Current Year : Nil (Previous Year : 497 of ` 2 each)]    |           |           |
| <b>City Union Bank Ltd</b>                                | 1,439,873 | 1,259,510 |
| [24392 Equity Shares (Previous Year : 24579) of ` 1 each] |           |           |
| <b>Dynamatic Technologies Ltd</b>                         | 592,855   | -         |
| [257 Equity Shares (Previous Year : Nil) of ` 10 each]    |           |           |
| <b>Greenply Industries Ltd</b>                            | -         | 107,999   |
| [Current Year : Nil (Previous Year : 817 of ` 5 each)]    |           |           |
| <b>Greenlam Industries Ltd</b>                            | -         | 101,321   |
| [Current Year : NIL (Previous Year : 1441 of ` 5 each)]   |           |           |
| <b>HDFC Bank Ltd (Current)</b>                            | 975,703   | -         |
| [934 Equity Shares (Previous Year : Nil) of ` 2 each]     |           |           |
| <b>Igarashi Motors India Ltd</b>                          | -         | 543,616   |
| [Current Year : NIL (Previous Year : 1896 of ` 10 each)]  |           |           |

## Notes on Consolidated financial statements for the year ended 31st March 2016

| Particulars  | As at<br>31st March, 2016 | As at<br>31st March, 2015 |
|--|---------------------------|---------------------------|
| <b>ICICI Bank Ltd</b>                                    | 573,351                   | -                         |
| [2863 Equity Share : (Previous Year : Nil ) of ` 2 each] |                           |                           |
| <b>IIFL Ltd</b>  | 213,064                   | -                         |
| [1043 Equity Share : (Previous Year : Nil ) of ` 2 each] |                           |                           |
| <b>IndusInd Bank Ltd</b>                                 | -                         | 421,845                   |
| [Current Year : Nil (Previous Year : 1081 of ` 10 each)] |                           |                           |
| <b>Jubilant Life Sciences Ltd</b>                        | 615,163                   | -                         |
| [1466 Equity Share : (Previous Year : Nil ) of ` 1 each] |                           |                           |
| <b>Karur Vysya Bank Ltd</b>                              | -                         | 513,717                   |
| [Current Year : Nil (Previous Year : 1112 of ` 10 each)] |                           |                           |
| <b>KPIT Technologies Ltd</b>                             | -                         | 530,227                   |
| [Current Year : Nil (Previous Year : 4156 of ` 2 each)]  |                           |                           |
| <b>Lumax Auto Technologies Ltd</b>                       | -                         | 770,782                   |
| [Current Year : NIL (Previous Year : 4917 of ` 10 each)] |                           |                           |
| <b>Manglam Cement Ltd</b>                                | 481,580                   | -                         |
| [1788 Equity Shares (Previous Year : Nil) of ` 10 each]  |                           |                           |
| <b>Net4 India Ltd</b>                                    | 241,270                   | 241,270                   |
| [3985 Equity Shares (Previous Year : 3985) of ` 10 each] |                           |                           |
| <b>Orient Cement Ltd</b>                                 | -                         | 169,553                   |
| [Current Year : Nil (Previous Year : 2194 of ` 1 each)]  |                           |                           |
| <b>Oriental Carbon and Chemical Ltd</b>                  | 847,422                   | -                         |
| [1602 Equity Shares (Previous Year : Nil) of ` 10 each]  |                           |                           |
| <b>Rain Industries Ltd</b>                               | 265,683                   | -                         |
| [6553 Equity Shares (Previous Year : Nil) of ` 2 each]   |                           |                           |
| <b>Sanghvi Movers Ltd</b>                                | 975,138                   | 533,625                   |
| [4394 Equity Shares (Previous Year : 3150) of ` 2 each]  |                           |                           |
| <b>Shriram City Union Finance Ltd</b>                    | -                         | 1,048,237                 |
| [Current Year : NIL (Previous Year : 1008 of ` 10 each)] |                           |                           |
| <b>Shriram Transport Fin. Co. Ltd</b>                    | -                         | 302,842                   |
| [Current Year : Nil (Previous Year : 554 of ` 10 each)]  |                           |                           |
| <b>South Indian Bank Ltd</b>                             | -                         | 606,316                   |
| [Current Year : Nil (Previous Year : 21964 of ` 1 each)] |                           |                           |
| <b>SJVN Ltd</b>  | 1,019,508                 | -                         |
| [32612 Equity Shares (Previous Year : Nil) of ` 10 each] |                           |                           |
| <b>The Ramco Cement Ltd</b>                              | -                         | 331,487                   |
| [Current Year : Nil (Previous Year : 1267 of ` 2 each)]  |                           |                           |

## Notes on Consolidated financial statements for the year ended 31st March 2016

| Particulars   | As at<br>31st March, 2016 | As at<br>31st March, 2015 |
|---|---------------------------|---------------------------|
| <b>Vst Industries Ltd</b>   | 567,791                   | -                         |
| [349 Equity Shares (Previous Year : Nil) of ` 10 each]  |                           |                           |
| <b>Total quoted investments</b>   | <b>8,808,402</b>          | <b>7,994,144</b>          |
| Less: Provision for Diminution in value of current Investments  | (663,986)                 | (278,950)                 |
| <b>Total quoted investments (A)</b>   | <b>8,144,416</b>          | <b>7,715,194</b>          |
| <b>Investment in Mutual Funds- unquoted</b>   |                           |                           |
| <b>Unquoted</b>   |                           |                           |
| <b>In Units of SBI Mutual Fund</b>  |                           |                           |
| SBI Premier Liquid Fund-Institutional Growth  | -                         | 13,320,619                |
| [Current Year : Nil Units (Previous Year : 10,256.810 Units)]   |                           |                           |
| <b>HDFC Mutual Fund</b>   |                           |                           |
| HDFC Liquid Fund - Growth   | -                         | 4,091,364.7               |
| [Current Year : NIL Units (Previous Year : 162,808.559 Units)]  |                           |                           |
| <b>HDFC Liquid Fund - Direct Plan - Growth</b>  | 8,685,313                 | 1,756,500                 |
| [3027.744 Units of ` 1000/- each (Previous Year : 64,662.490 Units of ` 10 each)]   |                           |                           |
| (HDFC Mutual fund changed the face value per unit from ` 10 to ` 1000 of units offered under the option of regular and direct plan of HDFC Liquid Fund) |                           |                           |
| <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 Income Regular Plan Growth</b>  | 5,148,200                 | 5,148,200                 |
| [144,351.2560 Units (Previous Year : 144,351.2560 Units)]   |                           |                           |
| <b>BNP Paribas Bond Fund - Growth</b>   | 10,000,000                | 10,000,000                |
| [903,505.6000 Units (Previous Year : 903,505.6000 Units)]   |                           |                           |
| <b>Birla Sun Life Dynamic Bond Fund-Retail-Growth-Regular Plan</b>  | 14,000,000                | 14,000,000                |
| [707,578.1610 Units (Previous Year : 707,578.1610 Units)]   |                           |                           |
| <b>Canara Robeco Dynamic Bond Fund Regular Growth</b>   | 14,000,000                | 14,000,000                |
| [1,084,834.021 Units (Previous Year : 1,084,834.021 Units)]   |                           |                           |
| <b>Canara Robeco - Income Regular Growth Fund</b>   | 20,000,000                | 20,000,000                |
| [878,977.626 Units (Previous Year : 878,977.626 Units)]   |                           |                           |
| <b>Kotak Bond Scheme Plan A - Growth</b>  | 23,397,963                | 23,397,963                |
| [735,197.172 Units (Previous Year : 735,197.172 Units)]   |                           |                           |
| <b>Franklin India Corporate Bond Opportunities Fund-Growth</b>  | 10,000,000                | 10,000,000                |
| [893,152.20 Units (Previous Year : 893,152.20 Units)]   |                           |                           |
| <b>Franklin India Income Builder Account-Plan A - Growth</b>  | 20,000,000                | 20,000,000                |
| [522,856.68 Units (Previous Year : 522,856.68 Units)]   |                           |                           |



## Notes on Consolidated financial statements for the year ended 31st March 2016

| Particulars  | As at<br>31st March, 2016 | As at<br>31st March, 2015 |
|--|---------------------------|---------------------------|
| <b>Franklin India Income Builder Account-Plan B - Growth</b><br>[148,220.61 Units (Previous Year : 148,220.61 Units)]  | 5,000,000                 | 5,000,000                 |
| <b>Franklin India Income Opportunities Fund - Growth</b><br>[1,070,234.412 Units (Previous Year : 1,982,201.325 Units)]  | 13,498,273                | 25,000,000                |
| <b>Franklin India Short Term Income Retail Plan - Growth</b><br>[Current Year : Nil Units (Previous Year : 2,468.55 Units)]  | -                         | 5,000,000                 |
| <b>Total unquoted investments (B)</b>  | <b>163,729,750</b>        | <b>190,714,647</b>        |
| <b>Total current investments (A+B)</b>   | <b>171,874,165</b>        | <b>198,429,841</b>        |
| <b>15.1 Aggregate amount of quoted investents</b>  | 8,808,402                 | 7,994,144                 |
| <b>15.2 Market value of quoted investents</b>  | 9,435,070                 | 14,283,119                |
| <b>15.3 Aggregate amount of unquoted investments</b>   | 163,729,750               | 190,714,647               |
| <b>15.4 Aggregate provision for diminution in value of investments</b>   | 663,986                   | 278,950                   |
| <b>15.5</b> Investments in mutual fund includes investments amounting to ` 8,685,313/- (Previous Year : ` 17,56,500) held in the name of portfolio manager under portfolio management service agreement which is based on statement from the portfolio manager and duly certified by their auditors  |                           |                           |
| <b>16 INVENTORIES</b>  |                           |                           |
| <b><u>Inventories</u></b><br>(As taken, valued and certified by management)  |                           |                           |
| (a) Raw Materials  | 24,870,421                | 26,480,220                |
| (b) Work-in-Progress   | 7,882,651                 | 6,161,237                 |
| (c) Finished goods   | 27,143,085                | 22,412,765                |
| (d) Stock in Trade   | 17,049,013                | 8,788,112                 |
| (e) Stores and spares  | 369,556                   | 581,121                   |
| (f) By Products / Waste Products   | 4,464                     | 2,870,897                 |
| <b>Total</b>   | <b>77,319,190</b>         | <b>67,294,352</b>         |
| <b>16.1</b> <i>Company's Ferro Alloys unit generated waste during the process of manufacture, which has accumulated over the years in and around the main plant. The waste is reusable for extracting metal content therein. Company has set up a Metal Recovery Plant for the purpose. During the year, company has accounted for stock of unextracted metal contents valuing ` 160,000 (Previous Year ` 705,000/-) out of this accumulated waste based on the finding &amp; valuation report of the Consultant Metallurgist obtained during the year. The technical consultants have advised the Company that the balance of this accumulated waste in terms of its quality, metal content and realizable value cannot be yet reasonably ascertained. Company has therefore not been in a position to account for stock of such balance accumulated waste.</i> |                           |                           |
| <b>17 TRADE RECEIVABLE</b>   |                           |                           |
| <b>Unsecured, considered good</b>  |                           |                           |
| Debts outstanding for a period exceeding six months  | 20,294,874                | 12,453,150                |
| Other Debts  | 51,721,824                | 46,676,438                |
| <b>Total</b>   | <b>72,016,698</b>         | <b>59,129,588</b>         |

## Notes on Consolidated financial statements for the year ended 31st March 2016

| Particulars   | As at<br>31st March, 2016 | As at<br>31st March, 2015 |
|---|---------------------------|---------------------------|
| <b>18 CASH AND BANK BALANCES</b>  |                           |                           |
| <b>(a) Cash and cash equivalents</b>  |                           |                           |
| (I) Balances with Banks   | 5,107,998                 | 6,014,191                 |
| (II) Cash on hand   | 452,252                   | 335,942                   |
| (III) Others  |                           |                           |
| Term Deposits (Less than 3 months maturity)   | 500,000                   | 300,000                   |
| <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)<br>(Held by State Bank of India as security against demand<br>loan for working capital) | 5,218,015                 | 5,218,015                 |
| <b>Margin Money against Bank Guarantee and letter of credit<br/>    facilities to subsidiary co.</b>                                    |                           |                           |
| (ii) Term Deposits (More than 3 Months but less than 12 months maturity)  | 3,980,000                 | 2,671,348                 |
| (iii) Term Deposits (More than 12 months maturity)  | -                         | -                         |
| <b>Total</b>  | <b>15,258,265</b>         | <b>14,539,496</b>         |
| <b>19 SHORT-TERM LOANS AND ADVANCES</b>   |                           |                           |
| <b>Others</b>   |                           |                           |
| <b>(a) Loans and advances to related parties</b>  | -                         | -                         |
| <b>(Unsecured, considered good)</b>   |                           |                           |
| Inter Corporate Deposit to subsidiary company   |                           |                           |
| <b>Others</b>   |                           |                           |
| <b>(Unsecured, considered good)</b>   |                           |                           |
| (i) Advance payment of tax/taxes (Net of Provision)   | 3,117,351                 | 3,082,094                 |
| (ii) Other advances   | 7,460,810                 | 7,332,314                 |
| (iii) Advances recoverable in cash or in kind<br>or for value to be received  | 1,067,493                 | 1,216,133                 |
| <b>Total</b>  | <b>11,645,654</b>         | <b>11,630,541</b>         |

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 2016

| Particulars                               |                | For the year ended<br>31st March, 2016 | For the year ended<br>31st March, 2015 |
|---|----------------|--|--|
| <b>20 REVENUE FROM OPERATIONS</b>         |                |  |  |
| Sale of products                          |                | 216,910,310                            | 172,561,374                            |
| Sale of Services                          |                | 4,060,778                              | 3,891,581                              |
| Other Operating Revenue                   |                | 7,891,904                              | 15,595,159                             |
| <b>Total</b>                              | <b>(a)</b>     | <u>228,862,992</u>                     | <u>192,048,114</u>                     |
| Less : Excise duty                        |                | (10,457,104)                           | (11,348,004)                           |
| Less : Service Tax                        |                | (1,328,773)                            | (1,931,557)                            |
| <b>Total</b>                              | <b>(b)</b>     | <u>11,785,877</u>                      | <u>(13,279,561)</u>                    |
| <b>Total</b>                              | <b>(a + b)</b> | <u><u>217,077,115</u></u>              | <u><u>178,768,553</u></u>              |
| <b>21 OTHER INCOME</b>                    |                |  |  |
| Interest income                           |                | 911,447                                | 1,075,472                              |
| Dividend Income                           |                | 841,484                                | 939,543                                |
| Net gain / loss on sale of investments    |                | 23,521,201                             | 15,985,985                             |
| Exchange Gain / (Loss)                    |                | 291,333                                | 16,606                                 |
| Other non-operating income                |                | 1,868,906                              | 286,545                                |
| <b>Total</b>                              |                | <u><u>27,434,370</u></u>               | <u><u>18,304,151</u></u>               |
| <b>22 COST OF MATERIALS CONSUMED</b>      |                |  |  |
| <b>Manufacturing</b>                      |                |  |  |
| Indigeneous                               |                | 20,671,494                             | 24,986,180                             |
| Imported                                  |                | 7,005,497                              | 6,539,923                              |
| <b>Total</b>                              |                | <u><u>27,676,991</u></u>               | <u><u>31,526,103</u></u>               |
| <b>23 PURCHASES OF STOCK - IN - TRADE</b> |                |  |  |
| <b>Trading Goods</b>                      |                |  |  |
| Indigeneous                               |                | 14,835,445                             | 5,038,434                              |
| Imported                                  |                | 68,989,718                             | 32,952,825                             |
| <b>Total</b>                              |                | <u><u>83,825,163</u></u>               | <u><u>37,991,259</u></u>               |

## Notes on Consolidated financial statements for the year ended 31st March 2016

| Particulars   | For the year ended<br>31st March, 2016 | For the year ended<br>31st March, 2015 |
|---|--|--|
| <b>24 CHANGES IN INVENTORIES OF FINISHED GOODS,<br/>WORK-IN-PROGRESS AND STOCK-IN-TRADE</b>   |  |  |
| <b>(a) Opening stocks :</b>   |  |  |
| Finished Goods  | 22,412,765                             | 20,141,140                             |
| Work in progress  | 6,161,237                              | 6,366,724                              |
| Stock-in-Trade  | 8,788,112                              | 9,078,735                              |
| By Product/Waste Product  | 2,870,897                              | 298,022                                |
| <b>Total (a)</b>  | <u>40,233,011</u>                      | <u>35,884,621</u>                      |
| <b>(b) Stock ascertained and accounted during the year</b><br>(Refer Note 16.1)   | 160,000                                | 705,000                                |
| <b>(c) Closing stocks :</b>   |  |  |
| Finished Goods  | 27,143,085                             | 22,412,765                             |
| Work in progress  | 7,882,651                              | 6,161,237                              |
| Stock-in-Trade  | 17,049,013                             | 8,788,112                              |
| By Product/Waste Product  | 4,464                                  | 2,870,897                              |
| <b>Total (c)</b>  | <u>52,079,213</u>                      | <u>40,233,011</u>                      |
| <b>(d) Total (b+c)</b>  | <u>52,239,213</u>                      | <u>40,938,011</u>                      |
| <b>(e) (Increase)/Decrease</b>  | <u>(12,006,202)</u>                    | <u>(5,053,390)</u>                     |
| <b>Total (a)-(d)</b>  |  |  |
| <b>25 EMPLOYEE BENEFITS EXPENSE</b>   |  |  |
| (a) Salaries and Wages  | 69,689,959                             | 60,684,211                             |
| (b) Contribution to Provident and other funds   | 4,490,971                              | 4,866,405                              |
| (c) Staff Welfare Expenses  | 1,016,351                              | 978,021                                |
| <b>Total</b>  | <u>75,197,281</u>                      | <u>66,528,637</u>                      |
| 25.1 The employee benefits expense includes the Whole Time Director's remuneration as approved by share holders at Annual General Meeting held on September 15, 2014. |  |  |
| <b>26 FINANCIAL COST</b>  |  |  |
| Interest Expenses   | 7,759,222                              | 7,826,912                              |
| Bank Charges & Commission   | 899,506                                | 1,151,274                              |
| <b>Total</b>  | <u>8,658,728</u>                       | <u>8,978,186</u>                       |

## Notes on Consolidated financial statements for the year ended 31st March 2016

| Particulars                                    | For the year ended<br>31st March, 2016 | For the year ended<br>31st March, 2015 |
|--|--|--|
| <b>27 OTHER EXPENSES</b>                       |  |  |
| Power and Fuel                                 | 3,747,073                              | 3,732,892                              |
| Rent   | 786,643                                | 897,669                                |
| Repairs to buildings                           | 2,755,576                              | 2,458,847                              |
| Repairs to Machinery                           | 1,018,291                              | 861,911                                |
| Repairs to Others                              | 2,958,303                              | 2,510,415                              |
| Insurance                                      | 493,621                                | 411,712                                |
| Rates and taxes,excluding taxes on income      | 2,838,829                              | 3,495,684                              |
| Light and Water                                | 580,551                                | 704,955                                |
| Freight and Handling                           | 4,878,474                              | 4,889,774                              |
| Conveyance                                     | 1,862,453                              | 1,874,020                              |
| Travelling Expenses                            | 11,765,996                             | 12,335,303                             |
| Payments to the auditor                        | 573,719                                | 509,046                                |
| Advances written off                           | 23,574                                 | 24,000                                 |
| Postage Telegram & Telephone                   | 2,194,395                              | 2,814,444                              |
| Printing & Stationery                          | 949,568                                | 886,281                                |
| Legal & Consulatancy Charges                   | 4,155,484                              | 6,510,033                              |
| Security Expenses                              | 1,798,145                              | 1,406,506                              |
| Service charges                                | -                                      | 284,800                                |
| Share Custody Charges                          | 45,872                                 | 124,838                                |
| Excise Duty paid / Increase/(Decrease) on FG   | 3,166,242                              | 666,903                                |
| Consumption of Stores and Spare Parts          | 495,568                                | 346,919                                |
| Commission on Sales                            | 1,874,967                              | 1,723,609                              |
| Advertisement and Publicity                    | 3,283,006                              | 2,947,405                              |
| Sales Promotion                                | 460,262                                | 521,144                                |
| Listing Fees                                   | 237,531                                | 112,360                                |
| General Charges                                | 148,778                                | 250,777                                |
| Recruitment Expenses                           | 662,309                                | 1,690,419                              |
| Upkeep of Motor Car                            | 1,429,831                              | 1,963,355                              |
| Unusable/non-usable stores written off         | 103,419                                | 763,680                                |
| Service charges of Surface Vehicles            | 153,900                                | 578,680                                |
| Provision for diminution of current investment | 385,036                                | -                                      |
| Loss on fixed assets written off               | -                                      | 118,254                                |
| Membership fees                                | 99,386                                 | 254,602                                |
| Entertainment Expenses                         | 283,738                                | 229,876                                |
| Conference/Seminar Exp.                        | 454,586                                | 1,726,743                              |
| Miscellaneous Expenditures                     | 2,586,021                              | 2,447,594                              |
| <b>TOTAL</b>                                   | <b>59,251,146</b>                      | <b>63,075,450</b>                      |

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

Additional Information

| 28 CONTINGENT LIABILITIES AND COMMITMENTS:(to the extent not provided for)   |                          | (In `)                   |  |
|--|--------------------------|--------------------------|--|
| Particulars  | As at 31.03.2016         | As at 31.03.2015         |  |
| <b>(i) Contingent Liabilities</b>  |                          |                          |  |
| <b>a) Claims made against the Company not acknowledged as debt :</b>   |                          |                          |  |
| - Sales Tax Matters (Of which documents relating to claim of<br>` 6,27,736 are currently not available with the Company) | 19,545,803               | 20,173,539               |  |
| - Excise Duty / Customs Duty Matters   | 14,400,298               | 14,400,298               |  |
| - Other Matters (of which documents related to claim of<br>` 30,61,664 /- are currently not available with the company)  | 11,392,113               | 11,149,913               |  |
| - Income Tax Matters   | 2,414,048                | 2,136,798                |  |
| <b>b) Guarantees</b>   | -                        | -                        |  |
| <b>c) Other money for which the company is contingently liable</b>   |                          |                          |  |
| <b>(ii) Commitments</b>  | -                        | -                        |  |
| <b>Total Contingent Liabilities and Commitments</b>  | <u><u>47,752,262</u></u> | <u><u>47,860,548</u></u> |  |

Note: i) In respect of item 28(i)(a) the Company has been advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary. Future cash outflow on (i) and (ii) above is determinable only on the receipt of judgment / decision 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 III of the companies Act, 2013.

**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." andManufacture of "Electronics & Electrical Products, Energy Meters & others."

| c) Primary Segment Information :                      |  | (In `)              |                     |
|---|--|---------------------|---------------------|
| Particulars   |  | For the year ended  |                     |
|   |  | 31st March, 2016    | 31st March, 2015    |
| <b>I Segment Revenue:</b>                             |  |                     |                     |
| A. Sale of Products                                   |  |                     |                     |
| 1.  | High/ Medium/ Low Carbon Ferro Manganese and Silico Manganese Slag | 1,755,430           | 4,550,603           |
| 2.  | Electronics & Electrical Products, Energy Meters & others          | (A) 215,154,880     | 168,010,771         |
|   |  | <b>216,910,310</b>  | <b>172,561,374</b>  |
| B. Sale of Services                                   |  |                     |                     |
|   |  | (B) 4,060,778       | 3,891,581           |
| C. Other Operating Revenue                            |  |                     |                     |
| 1   | High/ Medium/ Low Carbon Ferro Manganese and Silico Manganese Slag | 1,277,730           | 881,218             |
| 2   | Electronics & Electrical Products, Energy Meters & others          | 6,614,174           | 14,713,941          |
|   |  | (C) 7,891,904       | 15,595,159          |
|   | <b>Gross Revenue (A+B+C)</b>                                       | <b>228,862,992</b>  | <b>192,048,114</b>  |
|   | <b>Less : Inter Segment Revenue</b>                                | -                   | -                   |
|   | <b>Net Revenue</b>   | <b>228,862,992</b>  | <b>192,048,114</b>  |
| <b>II 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 | (11,192,290)        | (16,841,637)        |
|   | Electronics & Electrical Products, Energy Meters & others          | 1,100,024           | (1,332,991)         |
|   | <b>Total Profit/(Loss) before Interest &amp; Tax</b>               | (10,092,266)        | (18,174,628)        |
|   | Less : Interest  | (8,658,728)         | (8,978,186)         |
|   | <b>Profit/(Loss) before Tax</b>                                    | <b>(18,730,474)</b> | <b>(27,152,814)</b> |
| <b>III Other Information</b>                          |  |                     |                     |
| <b>Segment Assets</b>                                 |  |                     |                     |
|   | High/ Medium/ Low Carbon Ferro Manganese and Silico Manganese Slag | 63,04,15,622        | 643,471,242         |
|   | Electronics & Electrical Products, Energy Meters & others          | 220,647,430         | 198,621,165         |
|   | <b>Total Segment Assets</b>  | <b>851,063,052</b>  | <b>842,092,407</b>  |
| <b>Segment Liability</b>                              |  |                     |                     |
|   | High/ Medium/ Low Carbon Ferro Manganese and Silico Manganese Slag | 5,535,452           | 9,840,957           |
|   | Electronics & Electrical Products, Energy Meters & others          | 1,56,411,667        | 12,44,59,207        |
|   | <b>Total Segment Liability</b>                                     | <b>161,947,119</b>  | <b>134,300,164</b>  |
| <b>Capital Expenditure</b>                            |  |                     |                     |
|   | High/ Medium/ Low Carbon Ferro Manganese and Silico Manganese Slag | 111,567             | 584,792             |
|   | Electronics & Electrical Products, Energy Meters & others          | 12,948,677          | 13,049,998          |
|   | <b>Total</b>   | <b>13,060,244</b>   | <b>13,634,790</b>   |

**Depreciation**

|   |                   |                   |
|---|-------------------|-------------------|
| High/ Medium/ Low Carbon Ferro Manganese<br>and Silico Manganese Slag | 3,790,501         | 3,961,747         |
| Electronics & Electrical Products, Energy Meters & others             | 16,868,872        | 17,205,345        |
| <b>Total</b>  | <b>20,659,373</b> | <b>21,167,092</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 Limited<br>c) Khandelwals Ltd. |   |
| d) The Motwane Manufacturing<br>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:**

(In `)

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

|  |            |
|--|------------|
| a) Informed Technologies India Limited | Nil/ (Nil) |
| Advance Received/Advance Repaid        | Nil/ (Nil) |
| H. V. M. Estate Rent paid              | Nil/ (Nil) |

**2 Key Management Personnel**

**Remuneration**

|                             |                         |
|-----------------------------|-------------------------|
| a) Mr. Gautam P. Khandelwal | 6,000,000 / (5,250,000) |
| b) Mr. S. B. Kanbargi       | 847,320 / (862,230)     |
| c) Mrs. H.H.Motwane         | Nil / (713,883)         |
| d) Miss. Nidhi Salampuria   | 874,200/(715,200)       |
| e) Mr. Santosh Khandelwal   | 754,246/(268,200)       |
| f) Mr A.S.Parundekar        | 3,277,198 / (3,044,640) |
| g) Mr. Jitendra Agrawal     | 3,093,349 / (2,968,508) |

**Rent**

|                    |                   |
|--------------------|-------------------|
| a) Mr. P.H.Motwane | 96,000 / (96,007) |
|--------------------|-------------------|

**Interest**

|                     |                     |
|---------------------|---------------------|
| a) Mrs. H.H.Motwane | 133,440 / (133,440) |
|---------------------|---------------------|

**Consultancy Charges**

|                  |                    |
|------------------|--------------------|
| Mrs. H.H.Motwane | 480,000 /(210,322) |
|------------------|--------------------|



(III) Balances Outstanding as at 31<sup>st</sup> March, 2016

| Particulars                                    | Maximum<br>balance during<br>the year  | (In `)                     |  |
|--|--|----------------------------|--|
|  |  | Receivable                 | Payable                                |
| <b>1) Related parties where control exists</b> |  |                            |  |
| a) Informed Technologies India Ltd             | Nil<br>(Nil)                           | NIL<br>(Nil)               | NIL<br>(Nil)                           |
| <b>2) Key Management Personnel</b>             |  |                            |  |
| a) Mr. Gautam Khandelwal                       | 2,23,652<br>(783,443)                  | NIL<br>(NIL)               | NIL<br>(NIL)                           |
| b) Mrs. H. H. Motwane                          | <b>11,12,000</b><br><b>(11,12,000)</b> | <b>NIL</b><br><b>(NIL)</b> | <b>11,12,000</b><br><b>(11,12,000)</b> |
| <b>3</b> Relatives of Key Management Personnel |  | <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.

(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                         |       | For the year ended           | For the year ended           |
|-------------------------------------|-------|------------------------------|------------------------------|
|                                     |       | 31 <sup>st</sup> March, 2016 | 31 <sup>st</sup> March, 2015 |
| Profit (Loss) for the year (Rs)     | (A)   | (1,58,16,143)                | (224,32,952)                 |
| Number of Equity Shares Outstanding | (B)   | 1,30,95,507                  | 130,95,507                   |
| Earnings per share of Rs 10 each    | (A/B) | (1.21)                       | (1.71)                       |

33 The Principal business of the Company is manufacturing of High/Medium/Low Carbon Ferro Manganese and Silico Manganese Slag which is facing challenges. Company is considering various projects in the manufacturing sector, including therein power generation and distribution. In the mean time the company has on temporary basis parked investible surplus in Fixed Deposit, Open-ended Mutual Funds and other investments. Considering the long term business plan of the Company and the nature of the investments that the Company has made, the Company has been advised that the provisions of Non Banking Finance Company Regulation do not apply to it. Based on these, in the opinion of the Board, the Company is not a Non Banking Finance Company defined in Section 45 I(f) of the Reserve Bank of India Act, 1934 (2 of 1934). The auditor have relied upon this expert advice and the decision of the board of the Board of Directors in this regard.

34 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 34 which form an integral part of the Consolidated financial statements.

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

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

**M.V.Ghelani**  
Proprietor

Mumbai, 27th May 2016

**For and on behalf of the Board**

**Gautam P.Khandelwal**  
Executive Chairman  
(DIN: 00270717)

**Nidhi Salampuria**  
Director &  
Company Secretary  
(DIN: 07138654)  
(ACS 28712)

Mumbai, 27th May 2016

**Nimis Sheth**  
Director  
(DIN: 00482739)

**Santosh Khandelwal**  
Chief Financial Officer

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2016

| PARTICULARS  | Amount in Rupees                      |                                       |
|--|---------------------------------------|---------------------------------------|
|  | FOR THE YEAR ENDED<br>31st MARCH 2016 | FOR THE YEAR ENDED<br>31st MARCH 2015 |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                               |                                       |                                       |
| Net Profit (loss) before tax paid, prior period items & extra ord. Items   | (18,750,994)                          | (27,140,635)                          |
| <b>Adjustment for :</b>  |                                       |                                       |
| Depreciation and amortisation expense                                      | 20,659,373                            | 21,167,094                            |
| Loss on Sale/ Written off of Fixed Assets                                  | -                                     | 170,152                               |
| Loss on written of non-usable stores                                       | 103,419                               | 763,680                               |
| Provision for diminution in value of current investment                    | 385,036                               | -                                     |
| Provision for doubtful deposit   | -                                     | 15,700                                |
| Advances written off   | 23,574                                | 24,000                                |
| Interest Expenses  | 8,658,728                             | 8,978,186                             |
| Profit on sale of Investment   | (23,521,201)                          | (15,838,081)                          |
| Dividend Income  | (841,484)                             | (939,543)                             |
| Rent Received  | (2,450)                               | (2,930)                               |
| Sundry balane written off  | (1,216,824)                           | (156,247)                             |
| Interest Income  | (911,447)                             | (1,075,472)                           |
| Provision no longer required written back                                  | (363,304)                             | -                                     |
| Reversal of provision for diminution of current Investment                 | -                                     | (147,904)                             |
|  | 2,973,420                             | 12,958,636                            |
| <b>Operating profit / (Loss) before working capital change</b>             | <b>(15,777,574)</b>                   | <b>(14,182,000)</b>                   |
| <b>Adjustment for :</b>  |                                       |                                       |
| Inventories  | (10,128,257)                          | (7,313,252)                           |
| Trade Receivables  | (12,887,110)                          | (15,350,658)                          |
| Other Cash Balance   | (1,308,652)                           | 62,342                                |
| Long /Short Term Loans & Advances and other current assets                 | (904,058)                             | (309,860)                             |
| Trade Payables, Other Current Liabilities and Provisions                   | 15,931,701                            | 2,272,419                             |
| <b>Cash Flow before prior period adjustments &amp; extraordinary items</b> | <b>(25,073,950)</b>                   | <b>(34,821,008)</b>                   |
| Prior Perid adjustments / Earlier Year Tax                                 | 20,520                                | -                                     |
| Income tax paid  | (514,820)                             | (748,524)                             |
| <b>Net Cash Flow from Operating Activities "A"</b>                         | <b>(25,568,250)</b>                   | <b>(35,569,532)</b>                   |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                                 |                                       |                                       |
| Purchase of Fixed Assets   | (13,060,244)                          | (13,634,790)                          |
| Proceeds from sale of Fixed Assets (Including Profit)                      | -                                     | 11,000                                |
| Proceeds from Investment in Mutual Fund / Shares ( incl. gain or loss)     | 50,460,915                            | 47,989,551                            |
| Rent Received  | 2,450                                 | 2,930                                 |
| Dividend Income  | 841,484                               | 939,543                               |
| Interest Income  | 911,447                               | 1,075,472                             |
| <b>Net Cash Flow From Investing Activities "B"</b>                         | <b>39,156,052</b>                     | <b>36,383,706</b>                     |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                                 |                                       |                                       |
| Proceeds from issue of Equity Shares to Minority Interest by Subsidiary.   | -                                     | 4,814,400                             |
| Proceeds from long term / short term borrowings                            | -                                     | 9,602,327                             |
| Repayment of long term / short term borrowings                             | (5,518,957)                           | (2,936,231)                           |
| Interest expense   | (8,658,728)                           | (8,978,186)                           |
| <b>Net Cash Provided By / (used in) Financing Activities "C"</b>           | <b>(14,177,685)</b>                   | <b>2,502,310</b>                      |
| <b>NET INCREASE/ DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>         | <b>(589,883)</b>                      | <b>3,316,483</b>                      |
| <b>Cash and Cash Equivalent at the beginning of the period</b>             | <b>6,650,133</b>                      | <b>3,333,650</b>                      |
| <b>Cash and Cash Equivalent at the end of the period</b>                   | <b>6,060,250</b>                      | <b>6,650,133</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 : 27th May 2016

For and on behalf of the Board

Gautam P.Khandelwal  
Executive Chairman  
(DIN: 00270717)

Nidhi Salampuriah  
Director & Company Secretary  
(DIN: 07138654)  
(ACS 28712)

Mumbai : 27th May 2016

Nimis Sheth  
Director  
(DIN: 00482739)

Santosh Khandelwal  
Chief Financial Officer

## Financial Year ended 31st March, 2016

## FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

## Part "A": Subsidiaries

(In `)

| Sr No | Name of the Subsidiary Company   | The Motwane Manufacturing Company Private Limited |
|-------|--|---|
| 1     | Reporting period for the subsidiary concerned, if different from the holding company's reporting period                      | N.A   |
| 2     | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the each of foreign subsidiaries. | N.A   |
| 3     | Share Capital  | 3,50,00,000                                       |
| 4     | Reserve & surplus  | 2,92,35,762                                       |
| 5     | Total Assets   | 22,06,47,430                                      |
| 6     | Total Liabilities  | 15,64,11,668                                      |
| 7     | Investments  | -   |
| 8     | Turnover   | 21,43,80,978                                      |
| 9     | Profit / (Loss) before taxation  | (99,46,716)                                       |
| 10    | Provision for taxation / Income Tax refund of earlier year   | 20520   |
| 11    | Profit after taxation  | (99,26,196)                                       |
| 12    | Proposed dividend  | -   |
| 13    | Percentage of share holding  | 70.64%  |

**Notes:**

Names of subsidiaries which are yet to commence operations :- **NIL**

Names of subsidiaries which have been liquidated or sold during the year:- **NIL**

## Part "B": Associates and Joint Ventures

Statement pursuant to first proviso to sub-section(3) of section 129 of the companies Act 2013, read with rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC-1 related to Associate Companies and Joint Ventures is **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 : 27th May 2016

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

Executive Chairman  
(DIN: 00270717)

**Nidhi Salampuria**

Director &  
Company Secretary  
(DIN: 07138654)  
(ACS 28712)

Mumbai : 27th May 2016

**Nimis Sheth**

Director  
(DIN: 00482739)

**Santosh Khandelwal**

Chief Financial Officer

## 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

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I hereby record my presence at the 20<sup>th</sup> Annual General Meeting of the Company to be held on **Tuesday, September 27, 2016** at the Registered Office Address of the Company at 20<sup>th</sup> Floor, Nirmal Building, Nariman Point, Mumbai – 400 021.

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**(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]

CIN : L40100MH1996PLC104361  
Name of the Company : Nagpur Power And 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

- Name: ..... Address: .....  
E-mail Id: ..... Signature: ..... or failing him
- Name: ..... Address: .....  
E-mail Id: ..... Signature: ..... or failing him
- 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 20<sup>th</sup> Annual General Meeting of the Company, to be held on **Tuesday, September 27, 2016** at 10:30 A.M. at the Registered Office Address of the Company at 20th Floor, Nirmal Building, Nariman Point, Mumbai – 400 021.and at any adjournment thereof in respect of such resolutions as are indicated below:

### Ordinary Business

- To receive, consider and adopt the Audited Financial Statements for the financial year ended March 31, 2016 together with the Directors Report and Auditor's Report thereon; and the audited consolidated financial statement of the Company for the financial year ended March 31, 2016.
- To appoint a Director in place of Ms. Nidhi Salampuria (DIN 07138654), who retires by rotation and, being eligible, offers herself for re- appointment.
- Ratification of appointment of M/s M.V. Ghelani & Co., Chartered Accountant as Auditors and fixing their remuneration

### Special Business

- Approval For Related Party Transactions
- Change In Place Of Keeping And Inspection Of Register And Index of Members, Returns, etc.

Signed this..... day of .....2016.

Signature of the Shareholder

Signature of the Proxy holder(s)

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**Notes:**

- 1. 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.**
- 2. A proxy need not be a member of the Company.**
3. 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.
4. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
5. 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 AND INDUSTRIES LIMITED

CIN L40100MH1996PLC104361

| Regd. Office: 'Nirmal', 20th 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

### FORM NO. MGT-12

(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 the First Named Shareholder (In block letter) \_\_\_\_\_

(2) Postal address \_\_\_\_\_

(3) Registered folio No/ DP Id No / Client ID : \_\_\_\_\_

(4) Number of Shares held : \_\_\_\_\_

I/we hereby exercise my/our vote in respect of the Ordinary/ Special resolution enumerated below by recording my/our ascent or dissent to the said resolutions by placing the tick (✓) mark at the appropriate box below:

| Resolution No. | Description   | I/we assent to the resolution<br>(FOR) | I/we dissent to the resolution<br>(AGAINST) |
|----------------|---|--|---|
|                | <b>ORDINARY BUSINESS</b>  |  |   |
| 1              | To receive, consider and adopt the Audited Financial Statements for the financial year ended March 31, 2016 together with the Directors Report and Auditor's Report thereon; and the audited consolidated financial statement of the Company for the financial year ended March 31, 2016. |  |   |
| 2              | To appoint a Director in place of Ms. Nidhi Salampuria (DIN 07138654), who retires by rotation and, being eligible, offers herself for re- appointment.   |  |   |
| 3              | Ratification of appointment of M/s M.V. Ghelani & Co., Chartered Accountant as Auditors and fixing their remuneration   |  |   |
|                | <b>SPECIAL BUSINESS</b>   |  |   |
| 4              | Approval For Related Party Transactions   |  |   |
| 5              | Change In Place Of Keeping And Inspection Of Register And Index of Members, Returns, etc.   |  |   |

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 Ballot Form : September 26, 2016

(iii) Please read the instructions printed overleaf carefully before exercising your vote

**INSTRUCTIONS:**

1. Members may fill up the Ballot Form printed overleaf and submit the same in a sealed envelope to the Scrutinizer, Mr. Sanam Umbargikar, Practicing Company Secretary at C-502, Raylon Arcade, Ram Krishna Mandir Road, Next to Pidilite Industries, Kondivita, Andheri East, Mumbai -59 as to reach by 5:00 PM on Monday, September 26, 2016. Ballot Form received thereafter will strictly be treated as if not received.
2. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.
3. In case the member casts his votes through both the processes i.e., E-voting and Physical Ballot Form, the votes in the electronic system would be considered and the Ballot Form would be ignored.
4. The right of voting by Ballot Form shall not be exercised by a proxy.
5. To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the share transfer agent of the Company i.e., M/s. Link Intime India Private Limited. Members are requested to keep the same updated.
6. There will be only one Ballot Form for every Folio / DP ID & Client ID irrespective of the number of joint members.
7. In case of joint holders, the Ballot Form should be signed by the first named shareholder and in his / her absence by the next named shareholders. Ballot form signed by a joint holder shall be treated valid if signed as per records available with the Company and the Company shall not entertain any objection on such Ballot Form signed by other joint holders.
8. Where the Ballot Form has been signed by an authorized representative of the body corporate/Trust/Society etc., a certified copy of the relevant authorization / Board Resolution to vote should accompany the Ballot Form.
9. Instructions for e-Voting procedure are available in the Notice of the Annual General Meeting.

**Please follow the steps for e-Voting procedure as given in the Notice of AGM or as available on [www.evotingindia.com](http://www.evotingindia.com). In case you have any feedback, queries or issue regarding e voting, please contact [helpdesk.voting@cdslindia.com](mailto:helpdesk.voting@cdslindia.com)**