COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Nitin M. Shah	-	Chairman & Managing Director
Mr. Rahul N. Shah	-	Executive Director
Mr. Kailat H. Vaidyanathan	-	Non Executive Director
Mr. Krishna Kant Jha	-	Independent Director
Dr. Surendra A. Dave	-	Independent Director
Mr. Ramakant M. Nayak	-	Independent Director

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

AUDITORS
Tolia & Associates
Chartered Accountants

COMPANY SECRETARY
Abhishek Shrivastava

REGISTRAR & SHARE TRANSFER AGENTS
Bigshare Services Private Limited
E-2, Ansa Industrial Estate,
Sakivihar Road, Saki Naka,
Andheri (E), Mumbai - 400 076.
Maharashtra, India.

PLANT LOCATIONS

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

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

Plot No. 4, Sector 3,
Industrial Area, Parwanoo,
Dist. Solan -173 220
Himachal Pradesh, India.

BANKERS
IDBI Bank Limited
State Bank of India

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 15th Annual General Meeting of the Members of the Company will be held on **Tuesday, September 21, 2010, at 3.30 p.m**. at Mini Theatre, P.L. Deshpande Maharashtra Kala Academy, Sayani Road, Prabha Devi, Mumbai 400 025 to transact the following business:

Ordinary Business:

1. To consider and adopt the Audited Balance Sheet as at March 31, 2010 and the Profit & Loss Account for the year ended on that date, together with the Reports of the Directors and the Auditors thereon.

2. To declare a dividend for the Financial Year ended March 31, 2010.

3. To appoint a director in place of Mr. Kailat H. Vaidyanathan, who retires by rotation and being eligible, offers himself for reappointment.

4. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

   "**RESOLVED** that Tolia & Associates, Chartered Accountants, (Firm Registration Number 111017W), be and is hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors."

Special Business:

5. To appoint Mr. Ramakant M. Nayak as an Independent Director of the Company and liable to retire by rotation. He was appointed by the Board as an Additional Director of the Company. He is eligible for appointment. The Company has received a notice in writing from a member signifying his intention to propose the candidature of Mr. Ramakant M. Nayak as an Independent Director of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

   "**RESOLVED** that in accordance with the provisions of Section 257 and other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, Mr. Ramakant M. Nayak who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956, be and is hereby appointed as an Independent Director of the Company liable to retire by rotation."

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

   To consider the issue of further equity shares by the Company

   "**RESOLVED** that in accordance with Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956, as amended and also provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "SEBI Regulations"), as amended, the provisions of the Foreign Exchange Management Act, 1999, as amended, and rules and regulations made hereunder, including the Foreign Exchange Management (Transfer and Issue of Securities by a Person Resident Outside India) Regulations, 2000, as amended, if applicable, any other applicable law or laws, rules and regulations (including any amendment thereto or re-enactment thereto or re-enactment thereof for the time being in force) and enabling provisions in the Memorandum and Articles of Associations of the Company and the Listing Agreement, entered into by the Company with the Stock Exchanges where the shares of the Company are listed and subject to the approval of, if applicable, Government of India, Reserve Bank of India, Securities and Exchange Board of India and/or all other authorities, institutions or bodies, within or outside India, and subject to such conditions as may be prescribed by any of them while granting such approval, the Board of Directors (hereinafter referred to as "Board" which term shall include any committee thereof, whether constituted or to be constituted) of the Company are hereby authorized to create, offer, issue and allot in one or more tranch(es), in the course of domestic and / or international offerings and /or Qualified Institutional Placements ("QIP"), with or without an over allotment/ green shoe issue option, in one or more foreign markets or domestic markets, to domestic institutions, foreign institutions, non-resident Indians, Indian public, companies, corporate bodies, mutual funds, banks, insurance companies, pension funds, individuals, qualified institutional buyers or other persons or entities, whether shareholders of the Company or not, through a public issue and/or on a private placement basis and/or qualified institutional placement within the meaning of the SEBI Regulations and /or preferential issue and/or other kind of public issue and /or private placement or through a combination of the foregoing as may be permitted under applicable law from time to time, with or without an over allotment/ green shoe option, equity share, secured or unsecured debentures, bonds or any other securities whether convertible into equity share or not, including, but not limited to, Foreign Currency Convertible Bonds ("FCCBs"), Optionally Convertible Debentures ("OCD"), Bonds with share warrants attached, Global Depository Receipts ("GDRs"), American Depository Receipts ("ADRs"), Rights Issue, Issue of Warrants or any other equity related instruments of the Company or a combination of the foregoing including but not limited to a combination of equity shares with bonds and/or any other securities whether convertible into equity shares or not (hereinafter referred to as "securities") for a value upto USD 50 Million (United States Dollars Fifty Million Only) or its Indian Rupee equivalent, inclusive of such premium, as may be finalized by the Board, whether to be listed on any stock exchanges inside India or any international stock exchanges outside India, through an offer document and/or prospectus and/or offer letter, and/or offering circular, and/or on public and/or private or preferential basis, whether rupee denominated in foreign currency at such time or times, at such price or prices in such manner and on such terms and conditions including security, rate of interest etc, as may be decided by and deemed appropriate by the board as per applicable law, including the discretion to determine the categories of investors to whom the offer, issue and allotment shall be made, considering, the prevailing market conditions and other relevant factors wherever necessary in consultation with its advisors, as the Board in its absolute discretion may deem fit and appropriate.

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

RESOLVED FURTHER that such of these securities as are not subscribed may be disposed off by the Board in its absolute discretion in such manner, as the Board may deem fit and as permissible by the law.

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

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

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

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

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

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

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

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

b) Decide the price band for the issue;

c) Finalization of the issue price;

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

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

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

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

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

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

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

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

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

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

Sub-division of equity share (Split)

"RESOLVED THAT-

1) pursuant to Section 94(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, and Article 8 of Articles of Association of the Company, all the 6,00,00,000 (Six Crores) Equity Shares of Rs.10(Rupees Ten) each of the Company be and the same be and are hereby sub-divided into 30,00,00,000 (Thirty Crores) equity shares of Rs.2/- (Rupees Two) each.

2) all the present shareholders holding in all issued, subscribed and fully paid equity shares of Rs.2/- (Rupees Two) each be issued, in lieu of their present shareholding, the number of fully paid consolidated equity shares of Rs. 2/- (Rupees Two) each of the aggregate value equal to the amount paid by each shareholder on his/her existing fully paid equity shares of Rs. 10/- (Rupees Ten) each;

3) the Board of Directors of the Company be and is hereby authorized to take all the necessary steps for giving effect the foregoing resolution, including recall of the existing share certificates, issues of new share certificates in lieu of the existing issued share certificates in terms of the foregoing resolutions and in accordance with the applicable provisions of the Companies Act, 1956 and those of the Companies (Issue of Share Certificates) Rules, 1960."

"RESOLVED FURTHER that as a consequence of sub division of the equity shares of the Company, clause V (share capital clause) of the Memorandum of Association of the Company be and is hereby substituted with the following:

"V. The Authorized Share Capital of the Company is Rs. 60,00,00,000(Rupees Sixty Crores Only) divided into 30,00,00,000 (Thirty Crores) equity shares of Rs. 2/- (Rupees Two Only) each"

For and on behalf of the Board of Directors

Sd/-
Abhishek Shrivastava
Company Secretary

Mumbai
August 17, 2010

Notes:

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

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

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

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

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

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

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

h. The Register of Members and Transfer Book of the Company will remain close from Thursday, September 16, 2010 to Tuesday, September 21, 2010 (both days inclusive).

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

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

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

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

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

n. As per Clause 49 of the Listing Agreement with the stock exchanges the following particulars of Directors who are appointed /re-appointed i.e. Mr. Kailat H. Vaidyanathan and Mr. Ramakant M. Nayak are being provided.

Mr. Kailat H. Vaidyananthan, aged 64 years, is a graduate in Mechanical Engineering with post graduate studies in Industrial Engineering. He has more than 38 years of experience in various engineering fields including about 25 years in the area of high pressure seamless cylinders and allied equipments. He has handled many projects and his latest assignment being working with Everest Kanto Cylinders Limited. He has been instrumental in implementing the project of Nitin Cylinders Limited and all matters related to cylinder applications. He is responsible for all technical negotiation with cylinder suppliers as well as the customers for cylinders and allied items.

Mr. Ramakant M. Nayak, aged 65 years, has degrees in science and law and a Diploma in Marketing and Advertising. He is also a certified associate of Indian Institute of Banking. He has an experience of 44 years in the area of investment advisory and banking industry. Mr. Nayak has been associated with various banking and advisory companies such as Sun Global Investments Limited, Sun Capital Advisory, Lord Krishna Bank (now HDFC Bank Limited) and Lakshmi Vilas Bank through which he contributed in the areas of banking, finance, economy, human resources, risk management and business strategy.

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

Annexure to the Notice

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

Item No. 5

Mr. Ramakant M. Nayak was appointed as an Additional Director of the Company at the Board meeting held on April 12, 2010. Under the provisions of the Companies Act, 1956, he holds the office until the conclusion of this meeting. The Company had received a Notice under the provisions of Section 257 of the Companies Act, 1956 with requisite fees signifying the intention for appointment of Mr. Ramakant M. Nayak as an Independent Director of the Company. Mr. Ramakant M. Nayak being eligible, offers himself for appointment.

The Directors of the Company recommend the passing of the Ordinary Resolution at Item No. 5 of the Notice. None of the Board of Directors except Mr. Ramakant M. Nayak is interested in the resolution.

Item No. 6

To consider issue of further equity share by the Company

The Company proposes to raise funds upto USD 50 Million (United States Dollars Fifty Million Only) or its Indian Rupee equivalent, inclusive of such premium, as may be finalized by the Board in one or more trenches through right issue, public issues and/or on a private placement basis and/or QIP within the meaning of the SEBI Regulations and/or preferential issue and/or any other kind of public issue and/or private placement as may be permitted under applicable law form time to time. The resolution contained in the business of the Notice related to a proposal by the Company to create, offer, issue and allot equity shares and/or such other securities as stated in the Special Resolution (the "Securities") which seeks to empower the Board of Directors (hereinafter referred to as "Board" which include any Committee thereof, whether constituted or to be constituted) to undertake such issue or offer of securities.

1. **Objects of the issue**

    - To acquire or establish company/companies in India and/or abroad,
    - To repay its debt obligations and strengthen the capital base of the Company, and
    - General corporate purposes.

2. **Pricing**

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

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

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

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

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

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

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

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

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

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

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

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

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

The Directors recommend the special resolution for your approval.

Item No. 7

Sub-division of equity shares (Split)

The shareholders to note that the equity shares of your Company are listed on the National Stock Exchange of India Limited (NSE) and the Bombay Stock Exchange (BSE). The shares are actively traded on the NSE and the BSE.

The market price of the shares of the Company has witnessed significant spurt over the last 6 months. In order to improve the liquidity of the Company's shares in the stock market and to make it affordable to the small investors, the Board of Directors of the Company ('the Board') at their meeting held on August 13, 2010, considered it desirable to sub-divide the nominal value of the equity portion of the authorised share capital of the Company.

The shareholders may please note that presently the nominal value of the equity shares is Rs.10/- (Ten) each and consequent to the sub-division it is being divided into 5 (Five) equity shares of Rs. 2/- (Two) each. The date on which this sub-division would become effective, will be decided by the Board after obtaining the shareholders' approval, which will be notified through the Stock Exchanges.

Shareholders attention is also invited to the fact that in view of the foregoing, the existing Capital Clause V in the Memorandum of Association of the Company relating to equity shares also need relevant amendment to give effect to the sub-division.

The Directors of the Company are deemed to be concerned or interested in the resolution only to the extent of shares held by them in the Company.

For and on behalf of the Board of Directors

Sd/-
Abhishek Shrivastava
Company Secretary

Mumbai
August 17, 2010

Directors' Report

To the Members,
Nitin Fire Protection Industries Limited

Your Directors have pleasure in presenting the Fifteenth Annual Report together with the Audited Statement of Accounts for the year ended March 31, 2010.

FINANCIAL RESULTS

Accounting Policy

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

Summarised Profit and Loss Statement (₹ in lacs)

Particulars	Standalone		Consolidated	
	For the year 2009-10	For the year 2008-09	For the year 2009-10	For the year 2008-09
Sales, operating income & other income	9,425.05	6,648.39	32,107.40	25,149.13
Profit before depreciation & tax	1,489.78	1,730.02	5,481.39	4,780.63
Depreciation/amortisation	48.35	46.92	415.21	335.31
Profit before tax	1,441.43	1,683.10	5,066.18	4,445.32
Provision for income tax including deferred tax	207.26	275.57	808.71	956.27
Provision for fringe benefit tax	-	5.70	-	16.85
Provision for wealth tax	0.15	0.10	1.25	0.65
Tax adjustments of earlier years (net)	58.92	-	75.73	-
Profit after tax	1,175.10	1,401.73	4,180.48	3,471.55
Add: Prior period adjustments	-	-	12.80	-
Profit brought forward from previous year	1,863.26	1,006.39	6,021.28	3,236.08
Profit available for appropriation	3,038.36	2,408.12	10,214.56	6,707.63
APPROPRIATIONS				
Transferred to General Reserve	160.00	145.00	160.00	244.00
Proposed dividend	441.11	378.09	441.11	378.09
Corporate dividend tax on proposed dividend	74.97	21.77	74.97	64.26
Surplus carried forward to Balance Sheet	2,362.28	1,863.26	9,538.48	6,021.28

DIVIDEND

The Board of Directors encouraged with the above financial performance of the Company, recommends a dividend of ₹ 3.50 per share (Previous year ₹ 3.00 per share) on 12,603,141Equity Shares of ₹ 10/- each

SHARE CAPITAL

During the year, authorized share capital of the Company was increased from ₹ 1,500 lacs to ₹ 6,000 lacs. The issued and subscribed share capital of the Company consists of 12,603,141 equity shares of ₹ 10/- each. There was no change in the paid up share capital of the Company during the year.

TRANSFER TO RESERVES

The Company proposes to transfer ₹ 160 lacs to the General Reserve out of the amount available for appropriation and an amount of ₹ 2,362.28 lacs is proposed to be retained in the Profit and Loss Account.

RESERVES AND SURPLUS

Reserves and Surplus stood at to ₹ 9,693.60 lacs as at March 31, 2010 compared to ₹ 9,047.14 lacs as at March 31, 2009. The increase was due to retained earnings.

OPERATION RESULTS AND BUSINESS

The Company continued to see strong and profitable growth in the Financial Year 2009-10 across all markets driven by good performance across all business segments.

The performance of your Company during the year under report has registered an improvement over the previous year. Total income during the year ended March 31, 2010 stood at ₹ 9,425.05 lacs registering an increase of 41.76% as compared to the previous year. As per the Consolidated Financial Statements, total income was ₹ 32,107.40 lacs registering an increase of 27.67% as compared to the previous year. The working of the Company is considered satisfactory. Barring unforeseen circumstances, the Board of Directors are hopeful of better performance of the Company during the current year.

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

SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

Your Company has six subsidiaries, namely' Alert Fire Protection Systems Private Limited, India Eurotech Cylinders Private Limited, India, Logicon Building Systems Private Limited, India, Nitin Cylinders Limited, India, Nitin Venture FZE, UAE and Nitin Global Pte Limited, Singapore

We believe that the presentation of the Consolidated Financial Statement presents a more comprehensive picture rather than the Standalone Financial Statements of the Company and each of its subsidiaries. We, therefore, applied to the Ministry of Corporate Affairs, Government of India and sought exemption from the requirement to present detailed financial statements of each subsidiary.

However, as per terms of exemption granted, a summary of financial information of each subsidiary regarding Capital, Reserves, Total Assets, Total Liabilities, Details of Investment, Turnover, Profit before Taxation, Provision for Taxation, Profit after Tax and Proposed Dividend have been separately furnished forming part of this Annual Report.

Alert Fire Protection Systems Private Limited, India (Alert)

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

Eurotech Cylinders Private Limited, India (ECPL)

ECPL is in the business of purchase and supply of high pressure seamless/compressed natural gas cylinders (CNG) and valves. The Company's products are sold under the brand name 'EURO' and basically cater to domestic markets. ECPL supplies the above products to dealers of industrial/medical gases, fire fighting equipments, CNG-NGV vehicles, CNG Cascades etc.

Logicon Building Systems Private Limited, India (Logicon)

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

Nitin Cylinders Limited, India (NCL)

NCL's business activity is that of manufacture and sale of high pressure seamless (CNG) cylinders with its manufacturing facilities located at Vishakhapatnam Special Economic Zone (VSEZ), Andhra Pradesh and sales being both within and outside India. The cylinders are marketed under the brand name NITIE. For this said purpose, NCL has entered into an agreement with your Company for use of the said brand name. The installed/licensed capacity to manufacture the above cylinders is 500,000 cylinders per annum.

Nitin Venture FZE, UAE (NV)

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

Nitin Global Pte Limited, Singapore (NGPL)

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

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

ANNUAL REPORT OF SUBSIDIARY COMPANIES

In terms of approval granted by the Ministry of Corporate Affairs, Government of India, vide letter dated April 5, 2010 under section 212(8) of the Companies Act, 1956, a copy of Balance Sheet, Profit and Loss Account, Report of the Board of Directors and the Auditors of the above mentioned six subsidiary companies for the year ended March 31, 2010 have not been attached with the Annual Report of the Company. We believe that the presentation of the Audited Consolidated Financials present a true and fair picture of the state of affairs and the financial condition.

The Company has also annexed a statement at the end of this Annual Report pursuant to exemption received from the Ministry of Corporate Affairs, Government of India under section 212(8) of the Companies Act, 1956, related to its subsidiary companies for the year ended March 31, 2010.

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

CONSOLIDATED FINANCIAL STATEMENTS

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

FIXED DEPOSITS

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

DIRECTORS

Mr. Kailat H. Vaidhyanathan shall retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offers himself for reappointment.

Mr. Ramakant M. Nayak was appointed as an Independent Director of the Company at meeting of the Board held on April 12, 2010. Mr. Ramakant M. Nayak is holding office of Director until the date of the ensuing Annual General Meeting. The Company had received Notice and requisite fee from a shareholder for proposing appointment of Mr. Ramakant M. Nayak in the Board.

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

INSURANCE

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

EMPLOYEES

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

Particulars of employees as required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended and forming part of the Directors' Report for the year ended March 31, 2010 are not attached to this report as permitted under the provisions of Section 219(1)(b) (iv) of the Companies Act, 1956. Members interested in obtaining the said information may write to the Company Secretary at the registered office of the Company.

INTERNAL CONTROL SYSTEMS AND ITS ADEQUACY

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

RISK AND CONCERNS

Indian Economy has been on a growth track again. The growth is expected to accelerate during the current year. However, excess liquidity and inflation induced by supply constraints and anxiety about the eventual withdrawal of stimulus continue to cause concern. The Company had reported good growth in Financial Year's 2008-09 and 2009-10.

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

CONSERVATION OF ENERGY

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

TECHNOLOGY ABSORPTION

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

FOREIGN EXCHANGE EARNINGS AND OUTGO

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

i. In the preparation of the annual accounts for the Financial Year ended March 31, 2010, the applicable accounting standards have been followed and no material departures have been made from the same,

ii. Appropriate accounting policies have been selected and applied consistently, and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state affairs of the Company as at March 31, 2010 and of the Profit & Loss Account for the year than ended.

iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, and

iv. The annual accounts have been prepared on a going concern basis.

AUDITORS

The Auditors of the Company, Tolia & Associates, Chartered Accountants retire at the conclusion of ensuing Annual General meeting of the Company and being eligible offer themselves for re-appointment as statutory auditors for the Financial Year 2010-2011.

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

Members are requested to consider their appointment, on a remuneration to be decided by the Board of Directors thereof for the ensuing Financial Year i.e. 2010-2011.

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

AUDITOR'S REPORT

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

AUDITORS OBSERVATION:

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

CORPORATE GOVERNANCE REPORT

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

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

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

ACKNOWLEDGEMENTS

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

For and on behalf of the Board of Directors

Sd/-
Nitin M Shah
Chairman & Managing Director

London
August 17, 2010

ANNEXURE TO DIRECTORS' REPORT

INFORMATION UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN REPORT OF THE BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2010

A. CONSERVATION OF ENERGY:

Energy conservation measures taken;

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

Form A

S. No.	Particulars	For the year 2009-10	For the year 2008-09
[A]	Power and fuel consumption		
	1. Electricity		
	a) Purchased units	12,207	20,756
	Amount (₹)	53,540	82,598
	Rate/Unit (₹)	4.39	3.98
	b) Own Generation	Nil	Nil
	2. Coal	Nil	Nil
	3. Fuel Furnace Oil + Light Diesel	Nil	Nil
	4. Other/Internal Generations	Nil	Nil
[B]	Consumption per unit	N.A.	N.A.
	Electricity per Unit		

B. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

a. Initiatives taken to increase exports and exports plans

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

b. Development of new export markets

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

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

Particulars	For the year 2009-10	For the year 2008-09
Earnings	4,519.09	2,152.61
Outgo	1,450.57	2,620.66
Expenditure in foreign currency	67.99	26.05

REPORT ON CORPORATE GOVERNANCE

(Annexure to the Fifteenth Directors' Report for the Financial Year 2009-10)

1. PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

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

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

2. BOARD OF DIRECTORS

(i) Composition

The Board of Directors (the 'Board') of the Company represents an optimum mix of persons with experience and expertise in their respective fields. As at March 31, 2010, the Board of the Company consisted of five Directors, of which two are Executive Directors one Non-Executive Director and two are Non-Executive Independent Directors. Further, the Company has appointed one more Non-Executive Independent Director on the Board on April 12, 2010, and now the Board of the Company consists of six Directors, of which two are Executive Directors, one Non-Executive Director and three are Non-Executive Independent Directors. None of the Directors of the Company is a member of the Board of more than 15 companies, in terms of section 275 of the Companies Act, 1956, and a member of more than 10 Committees or Chairman of more than 5 Committees (as specified in Clause 49 of the Listing Agreement). The Board is primarily responsible for the overall management of the Company's business. The composition of Board is as under:

S. No.	Name of the Director	Nature of Directorship	Number of Directorship's of other public companies	Membership in other Board Committees	Chairmanship in other Board Committees
1.	Mr. Nitin M. Shah	Chairman and Managing Director	1	Nil	Nil
2.	Mr. Rahul N. Shah	Executive Director	Nil	Nil	Nil
3.	Mr. Kailat H. Vaidyanathan	Non-Executive Director	Nil	Nil	Nil
4.	Dr. Surendra A. Dave	Independent Non-Executive Director	10	11	Nil
5.	Mr. Krishna Kant Jha	Independent Non-Executive Director	1	Nil	Nil
6.	Mr. Ramayana M. Nayak (w.e.f. April 12, 2010)	Independent Non-Executive Director	2	Nil	Nil

(ii) Brief Resume of Directors seeking appointments/reappointments

Mr. Kailat H. Vaidyananthan, aged 64 years, is a graduate in Mechanical Engineering with post graduate studies in Industrial Engineering. He has more than 38 years of experience in various engineering fields including about 25 years in the area of high pressure seamless cylinders and allied equipments. He has handled many projects and his latest assignment being working with Everest Kanto Cylinders Limited. He has been instrumental in implementing the project of NCL and all matters related to cylinder applications. He is responsible for all technical negotiation with cylinder suppliers as well as the customers for cylinders and allied items.

Mr. Ramakant M. Nayak, aged 65 years, has degrees in science and law and a Diploma in Marketing and Advertising. He is also a certified associate of Indian Institute of Banking. He has an experience of 44 years in the area of investment advisory and banking industry. Mr. Nayak has been associated with various banking and advisory companies such as Sun Global Investments Limited, Sun Capital Advisory, Lord Krishna Bank (now HDFC Bank Limited) and Lakshmi Vilas Bank through which he contributed in the areas of banking, finance, economy, human resources, risk management and business strategy.

(iii) Board Meetings:

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

Sr. No.	Name of the Director	No. of meetings held	No. of meetings attended	Last AGM attended
1.	Mr. Nitin M. Shah	5	4	Yes
2.	Mr. Rahul N. Shah	5	5	Yes
3.	Mr. Krishna Kant Jha	5	4	Yes
4.	Dr. Surendra A. Dave	5	5	Yes
5.	Mr. Kailat H. Vaidyanathan	5	3	Yes
6.	Mr Ramakant M. Nayak (w.e.f. April 12, 2010)	N.A.	N.A.	N.A.

During the Financial Year 2009-10, five Board Meetings were held on May 21, 2009, June 4, 2009, July 16, 2009, October 27, 2009, and January 20, 2010 respectively. The interval between any two meetings was less than four months.

(iv) Information supplies to the Board

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

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

3. BOARD COMMITTEES

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

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

AUDIT COMMITTEE

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

1.	Mr. Krishna Kant Jha	-	Chairman, Independent Non executive Director
2.	Dr. Surendra A. Dave	-	Member, Non Executive Director (up to April, 2010)
3.	Mr. Ramakant M. Nayak	-	Member, Non Executive Director (w.e.f. April, 2010)
4.	Mr. Rahul N. Shah	-	Member, Executive Director

During the year under review, the committee met four times on May 21, 2009, July 16, 2009, October 27, 2009, and January 20, 2010 respectively.

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

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

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

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

d) Review the adequacy of internal control systems with the Management, Statutory and Internal Auditors, and structure & staffing of Internal Audit system;

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

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

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

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

i) Investigate into any matter as specified in Section 292A or referred to it by the Board;

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

SHAREHOLDER'S/INVESTOR'S GRIEVANCE COMMITTEE:

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

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

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

During the year under review, the committee met regularly to monitor and resolve grievances of the shareholders and met four times on May 21, 2009, July 16, 2009, October 27, 2009, and January 20, 2010 respectively.

REMUNERATION COMMITTEE

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

1.	Mr. Krishna Kant Jha	- Chairman, Independent Non executive Director
2.	Dr. Surendra A. Dave	- Member, Non Executive Director
3.	Mr. Ramakant M. Nayak	- Member, Non Executive Director (w.e.f. April, 2010)

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

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

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

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

4. DIRECTOR'S REMUNERATION & SITTING FEES

a) The details of remuneration paid to the Managing Director during the Financial Year 2009-10 as approved by the Board is as under: (₹)

Particulars	Salary & bonus	Contribution to provident fund	Commission	Total
Mr. Nitin M. Shah	2,741,468	259,200	1,484,607	4,485,275

Note:

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

b) Details of payment for sitting fees:

S. No.	Name of the Independent Directors	Sitting fees (₹)
1.	Mr. Krishna Kant Jha	44,000
2.	Dr. Surendra A. Dave	55,000
	Total	**99,000**

5. DISCLOSURES

Related Party Transactions

Details of material significant related party transactions i.e. transactions of the Company of material nature with its promoters, the Directors, its subsidiaries, relatives of the Director, etc. are presented under Note 12 (b) in Schedule Q to the Financial Statements. All details on the financial and commercial transactions which may have a potential interest are provided to the Board. The interested directors neither participate in the discussion, nor vote on such matters.

Accounting treatment in preparation of financial statements

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

Compliances by the Company

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

6. MEANS OF COMMUNICATION

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

7. **SHAREHOLDER'S MEETINGS**

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

a. Particulars of previous three Annual General Meetings:

Meeting	Year	Venue	Date	Time
AGM	2009	Centre for Excellence in Telecom Technology and Management Hall, Technology Street, Hiranandani Gardens, Powai, Mumbai 400 076.	July 16, 2009	4.30 p.m.
AGM	2008	Centre for Excellence in Telecom Technology and Management Hall, Technology Street, Hiranandani Gardens, Powai , Mumbai 400 076.	August 22, 2008	3.00 p.m.
AGM	2007	501, Delta, Technology Street Hiranandani Gardens, Powai, Mumbai – 400 076.	April 12, 2007	4.30 p.m.

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

8. **GENERAL SHAREHOLDER INFORMATION**

- **Annual General Meeting**

Date	September 21, 2010
Time	3.30 p.m.
Venue	Mini Theatre, P. L. Deshpande Maharashtra Kala Academy, Sayani Road, Prabha Devi, Mumbai 400 025.
Book closure	Thursday September 16, 2010 to Tuesday September 21, 2010 (both days inclusive).

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

Financial year : April 1, 2010 to March 31, 2011 for the Financial Year 2010-2011, quarterly un-audited/annual audited results will be announced by:

First quarter : Second week of August 2010

Second quarter : Last week of October 2010

Third quarter : Last week of January 2011

Fourth quarter : Mid of May 2011

Annual Audited : July 2011

- **Listing on Stock Exchanges:**

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

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

- **Payment of Listing Fees:**

Listing Fees for the Financial Year 2010-11 have been paid, within the stipulated time to the above stock exchanges where the Company's equity shares continue to be listed.

- **CEO/CFO Certification:**

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

- **Certificate of Corporate Governance**

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

- **Code of Conduct**

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

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

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

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

- **Share Transfer System**

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

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

- **Investor Service and Grievance Handling Mechanism**

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

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

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

- **Investor Relations**

  There were 7 complaints received during the year and all were attended by the Company. Therefore no complaints were pending as at March 31, 2010.

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

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

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

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

- **Change of Address**

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

4) Requests for change of address should be accompanied by any address proof like electricity bill, telephone bill, bank statement, driving license, voter ID card etc.

5) There can be only one Registered Address for one folio.

- **Status of unclaimed and unpaid dividend:**

(₹ in lacs)

Year ended	Amount of dividend	Unclaimed and unpaid dividend as at March 31, 2010	% of unclaimed and unpaid dividend
March 31, 2008	252 06	0.50	0.20
March 31, 2009	378.09	0.89	0.23

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

- **Compulsory De-materialized Trading**

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

- **Distribution of Shareholders**

Distribution of shareholding as at March 31, 2010

Range (In ₹)	Number of shareholders	% of shareholders	Number of shares	Amount in ₹	% of paid up c apital
1 - 5,000	12,667	96.73896	691 ,198	6,911 ,980	5.48433
5,000 -10,000	219	1.67252	172 ,622	1,726 ,220	1.36967
10,001 - 20,000	91	0.69497	133 ,541	1,335 ,410	1.05959
20,001 - 30,000	39	0.29785	97,137	971 ,370	0.77074
30,001 - 40,000	18	0.13747	65,537	655 ,370	0.52001
40,001 - 50,000	8	0.0611	37,830	378 ,300	0.30016
50,001 -100,000	20	0.15274	145 ,740	1,457 ,400	1.15638
100,001 - 99,999,999	28	0.24439	11 ,259 ,536	112 ,595 ,360	89.33913
	13,090	**100.00**	**12,603 ,141**	**126 ,031 ,410**	**100.00**

Shareholding Pattern as at March 31, 2010

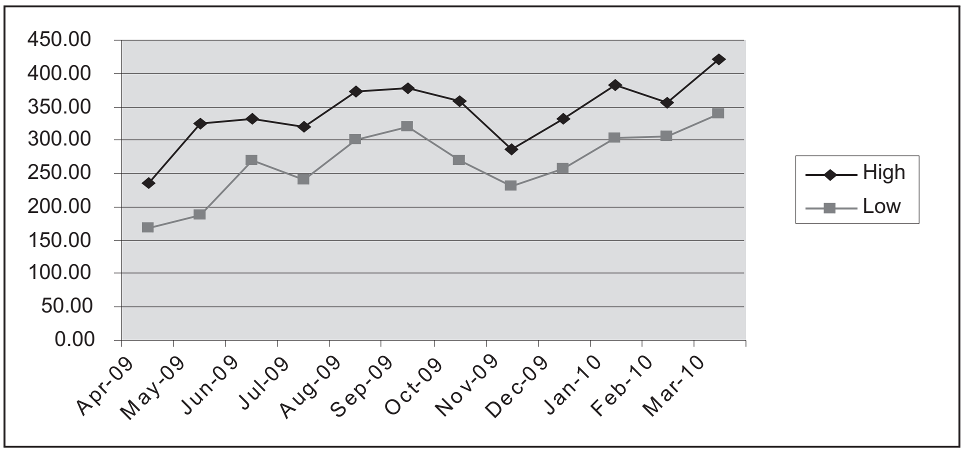
Sr. No.	Category of shareholders	No. of shares held	% of shareholding
1	Promoters, Directors & Relatives	8,841,141	70.15
2	Mutual Funds/ UTI	896,379	7.11
3	Foreign Institutions/ Banks	183,824	1.46
4	Foreign Institutional Investors	762,127	6.05
5	Bodies Corporate	653,950	5.19
6	NRI/OCBs	38,088	0.30
7	Trusts	55	0.00
8	Clearing Members	34,629	0.27
9	Public	1,192,948	9.47
	Total	**12,603,141**	**100.00**

- **Price Data**

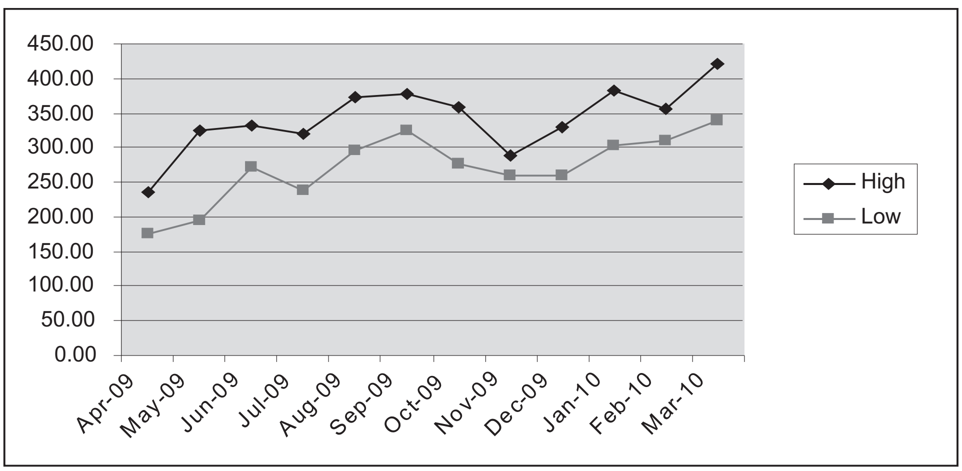
  Share prices during the Financial Year 2009-2010 at the NSE & the BSE for one equity share of Rs. 10/- each were as under:

Month	Share Prices - NSE			Share Prices - BSE		
	High (₹)	Low (₹)	Volume	High (₹)	Low (₹)	Volume
Apr-09	236.95	167.40	1,201,428	236.40	175.00	995,539
May-09	325.80	188.65	2,416,099	325.20	194.25	1,939,618
Jun-09	331.95	270.25	1,825,627	333.00	271.00	1,162,180
Jul-09	319.85	240.00	897,556	319.75	238.25	692,525
Aug-09	371.90	301.00	2,144,616	373.00	295.00	1,459,907
Sep-09	378.50	320.00	2,988,041	377.80	323.80	1,905,317
Oct-09	357.40	270.00	1,317,906	358.40	277.10	872,273
Nov-09	287.00	232.00	532,625	287.90	260.00	344,513
Dec-09	330.90	258.65	5,300,368	329.80	259.00	2,745,490
Jan-10	381.80	302.05	4,867,286	382.55	302.65	2,977,750
Feb-10	356.90	306.65	1,060,046	357.00	310.05	1,063,971
Mar-10	422.00	340.00	6,357,973	421.60	340.00	3,640,420

NSE



BSE



- **Liquidity:**

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

- **Dematerialisation of shares:**

  Approx 100% of the Equity Shares of the Company have been de-materialised and only 3 shares are in physical form as at March 31, 2010.

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

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

- **Locations of manufacturing plants:-**

A-117, TTC Industrial Area , Pawana Village, Navi Mumbai, Mumbai, Maharashtra, India.	Shed -6, Phase- I, Duvada VSEZ, Vishakhapatnam, Andhra Pradesh, India.	Plot No 4 Sector 3, Industrial Area, Parwanoo, Dist. Solan, Himachal Pradesh, India.

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

- **Registrars & Share Transfer Agents**

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

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

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

For and on behalf of the Board of Directors

Sd/-
Nitin M. Shah
Chairman & Managing Director

London
August 17, 2010

MANAGEMENT DISCUSSION &ANALYSIS

Annexure to the Director's Report

A. INDUSTRY STRUCTURE & DEVELOPMENT:

Fire has been mankind's greatest blessing and at the same time has been a big curse. Fire if uncontrolled can destroy and finish establishment business and destroy property and life. Statistically it has been seen that fire per se does destroy life and property but the hot smoke and toxic gases generated by this uncontrolled fire causes damage to both life and property. All burning materials whether in office (wood, paper) or in industry where chemicals and combustible our present causes release of these gases when ignited. These gases when inhaled cause both internal and external injuries resulting in short term and long term medical complications and extreme cases even death. Our job is to detect fires in its incipient stages so as to control and extinguish fire before it can damage life and property. With the growth in industry and the equipments used, it becomes imperative to detect these fires at the earliest stage and stop its growth.

B. OPPORTUNITIES SUSTAINED ALTHOUGH AT A SLOWER PACE:

We the strong growth in our country of industries and more so the field of telecommunications, IT Industry etc, and the big growth in outsourcing as well as growth in petrochemicals, entertainment, power and other sectors it has become imperative that reliable and tested system to control fire hazard in these high value sectors be used. It is also important to realize that should fire occur in this sector , through the fire damage to capital equipments is high fire can cause loss of business and closing down of business completely as it is very difficult to start this operations after loosing data during intensive fire. In capital industry like petrochemicals and power sector it will take a very long time to get back in to production apart from the high capital losses. The Government of India with its stress on industrial growth, encouragement of special economic zones and encouragement of big foreign players to invest in the country the fire industry has truly great potential.

C. OUT LOOK:

Our industry has very bright and happy outlook both in the long and short term periods due to:

a) Increased usage in awareness in fire protection, safety & security solutions propelled by expansion and new initiatives both in the government & private sectors.
b) Growth in the Indian economy.
c) Industrial growth, housing sector and domestic consumption picking up.
d) Strong emergence of new/high growth verticals like malls, multiplexes, retail chains, manufacturing plants, IT, BPOs, & Data centers.
e) Increased demand stemming from the industrial and retail segment, primarily due to growth of Industrial sectors, chemicals zones, IT, data centers and retail metros.
f) Fire protection, safety & security solution concerns from temples and religious institutions.
g) Need to upgrade to higher technology of safety & security solutions.
h) Refurbishment of obsolete equipment.

As a result, the industry will grow with the customers demanding for added features, end to end security and turnkey jobs with package solutions.

D. INTERNAL CONTROL SYSTEM:

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

E. HUMAN RESOURCES:

We understand and value that all employees are career conscious. The growth of employees is intrinsically linked with the growth of any organization and vice versa. No organization can develop without taking its employees on the growth path and therefore, employees' career development is a part of human resources mission.

In the Company, human resources function is a special one involving all long-term and short term decision of the organisation. The Company offers challenging work environment and growth oriented career to all its employees. The Company also offers attractive remuneration, conducive working atmosphere and profit sharing plan to its key employees. The Company is also planning to set-up staff welfare fund with major thrust on training and motivation of employee. During the year, the Company had peaceful industrial relations with employees at all levels.

F. CAUTIONARY STATEMENT:

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

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

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

I confirm that the Company has in respect of the Financial Year ended March 31, 2010 received from the senior Management Team of the Company a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, senior management team means employees in the Executive Vice President cadre as at March 31, 2010.

For Nitin Fire Protection Industries Limited

Sd/-
Nitin M. Shah
Chairman & Managing Director

Mumbai
August 13, 2010

Corporate Governance Compliance Certificate

By Practicing Company Secretary

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

To,

The Members
Nitin Fire Protection Industries Limited

We have examined relevant records of Nitin Fire Protection Industries Limited (the Company) for the purpose of certifying compliance of the conditions of Corporate Governance under Clause 49 of the Listing Agreement with Bombay Stock Exchange Limited and National Stock Exchange of India Limited for the financial year ended March 31, 2010. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of certification.

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

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

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

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

Mumbai
August 7, 2010

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

To,

The Members
Nitin Fire Protection Industries Limited

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

a) We have reviewed the financial statements and the cash flow statement for the year ended on March 31, 2010 and based on our knowledge and belief, we state that:

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

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

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

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

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

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

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

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

For Nitin Fire Protection Industries Limited

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

Mumbai
August 13, 2010

Auditors' Report

To the Members of
Nitin Fire Protection Industries Limited

We have audited the attached Balance Sheet of Nitin Fire Protection Industries Limited (the 'Company') as at March 31, 2010, the Profit and Loss Account and also the Cash Flow Statement of the Company for the year ended on that date annexed thereto (collectively, together with the schedules and the notes thereto comprising the 'Financial Statements'), which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

2. As required by the Companies (Auditor's Report) Order, 2003 (the 'Order') (as amended), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the 'Companies Act, 1956' (the 'Act'), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order to the extent applicable.

3. Further to our comments in the Annexure referred to above, we report that:

   (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

   (c) the financial statements dealt with by this report are in agreement with the books of account;

   (d) in our opinion, financial statements dealt with by this report comply with the mandatory accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) issued by the Central Government in exercise of the power conferred under sub-section (I) (a) of section 642 of the Act, read together with section 211 (3C) of the Act;

   (e) on the basis of written representations received from the Directors, and taken on record by the Board of Directors of the Company, none of the Directors is disqualified as on March 31, 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Act;

   (f) in our opinion and to the best of our information and according to the explanations given to us, the financial statements dealt with this report give the information required by the Act, in the manner so required and present a true and fair view in conformity with the accounting principles generally accepted in India; in the case of:

      (i) the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;

      (ii) the Profit and Loss Account, of the profit for the year ended on that date; and

      (iii) the Cash Flow Statement, of the cash flows for the year ended on that date.

For **Tolia & Associates**
Chartered Accountants
Firm Registration Number:111017W

Sd/-
Kiran P. Tolia
Proprietor
Membership Number: 43637

Mumbai
August 17, 2010

Annexure to the Auditors' Report of even date to the members of Nitin Fire Protection Industries Limited (the 'Company), on the financial statements for the year ended March 31, 2010

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

(i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) All the fixed assets have been physically verified by the management during the year, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.

(c) In our opinion, the Company has not disposed of a substantial part of fixed assets during the year. Accordingly, the provisions of clause 4 (1) (c) of the Order are not applicable.

(ii) (a) Inventory has been physically verified by the management at reasonable intervals during the year.

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

(c) The Company has maintained proper records of inventory and no material discrepancies were noticed on physical verification of inventory as compared to the book records.

(iii) (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clauses 4(iii) (b), (c) and (d) of the Order are not applicable.

(b) The Company has taken interest free unsecured loan from one party covered in the register maintained under section 301 of the Act. The maximum outstanding and closing balance was Rs.25,000,000. The other terms and conditions are not prejudicial to the interests of the Company. The Company is regular in repaying the principal amount. There were no other loans secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act.

(iv) In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for sale of goods. During the course of our audit, no major weaknesses have been noticed in the internal control system in respect of these areas.

(v) (a) In our opinion, the transactions made in pursuance of contracts or arrangements which needed to be entered in the register maintained under section 301 of the Act have been so entered.

(b) In our opinion, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Act and exceeding Rs.500,000 in respect of any party during the year, have been made at prices which are reasonable having regard to prevailing market price at the relevant time.

(vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the Companies (Acceptance of Deposits) Rules, 1975. Accordingly, the provisions of clause 4(vi) of the Order are not applicable.

(vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.

(viii) To the best of our knowledge and belief, the Central Government has not prescribed maintenance of cost records by the Company under Section 209 (1) (d) of the Act for any of its products. Accordingly, the provisions of clause 4(viii) of the Order are not applicable.

(ix) (a) Amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales tax, Wealth tax, Service tax, Customs duty and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities. The provisions of Excise duty are not applicable to the Company.
There were no dues on account of cess under Section 441A of the Companies Act, 1956 since the date from which the aforesaid section comes into force has not yet been notified by the Central Government. No undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty and other material statutory dues were in arrears as at March 31, 2010 for a period of more than six months from the date they became payable.

(b) There are no dues of Income tax, Sales tax, Wealth tax and Customs duty which have not been deposited with the appropriate authorities on account of any dispute except in respect of Income tax under the Income Tax Act, 1961 of Rs.593,529 for the F.Y.2007-08 which is pending before the Commissioner of Income Tax (Appeals). As explained to us, the provisions of Excise duty are not applicable to the Company. In respect of Cess refer to our comments in Para (ix) (a) above.

(x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and the immediately preceding financial year.

(xi) The Company has not defaulted in repayment of dues to a bank. The Company did not have any debentures outstanding during the year. Accordingly, the provisions of clause 4 (xi) of the Order are not applicable.

(xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4 (xii) of the Order are not applicable.

(xiii) The Company is neither a chit fund nor a nidhi/mutual benefit fund/society. Accordingly, the provisions of clause 4(xiii) of the Order are not applicable.

(xiv) The Company is not dealing in or trading in shares, securities, debentures and other investments. The Company has maintained proper records of shares and other investments and timely entries have been made therein. All shares have been held by the Company in its own name.

(xv) In our opinion and the representations made by the Management, guarantees given by the Company for loans taken by wholly owned subsidiaries from banks is prima facie not prejudicial to the interests of the Company.

(xvi) The Company has not taken any term loans during the year. Accordingly, the provisions of clause 4(xvi) of the Order are not applicable.

(xvii) Based on an overall examination of the balance sheet and cash flow statement of the Company, we report that no funds raised on short term basis have been used for long term investment.

(xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clause 4(xviii) of the Order are not applicable.

(xix) The Company has neither issued nor had any outstanding debentures during the year. Accordingly, the provisions of clause 4(xix) of the Order are not applicable.

(xx) The Company has not raised any money by a public issue during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable.

(xxi) No fraud on or by the Company has been noticed or reported during the year that causes the financial statements to be materially misstated.

For **Tolia & Associates**
Chartered Accountants
Firm Registration Number:111017W

Sd/-
Kiran P. Tolia
Proprietor
Membership Number: 43637

Mumbai
August 17, 2010

Standalone Balance Sheet as at March 31, 2010

	Schedule Reference	As at March 31, 2010 Rs.	As at March 31, 2009 Rs.
SOURCES OF FUNDS :			
Shareholders' Funds :			
Share capital	A	**126,031,410**	126,031,410
Reserves and surplus	B	**969,360,300**	904,714,141
		1,095,391,710	1,030,745,551
Loan Funds :			
Secured loans	C	**367,370,398**	33,217,662
Unsecured loan	D	**25,000,000**	-
		392,370,398	33,217,662
Deferred Tax Liablity		**787,747**	1,061,771
Total Funds Employed		**1,488,549,855**	1,065,024,984
APPLICATION OF FUNDS :			
Fixed Assets :			
Tangible assets:	E-1		
Gross block		**78,677,436**	75,869,472
Less : Accumulated depreciation		**48,253,339**	44,931,860
Net block		**30,424,097**	30,937,612
Intangible assets:	E-2		
Gross block		**9,126,009**	9,119,009
Less :Accumulated amortisation		**9,118,863**	7,681,801
Net block		**7,146**	1,437,208
Investments	F	**867,600,778**	849,058,762
Current Assets, Loans and Advances:			
Current Assets :	G		
Inventories		**190,568,660**	104,352,773
Sundry debtors		**520,933,601**	147,105,277
Cash and bank balances		**5,879,424**	11,721,511
Other current assets		**88,244**	819,907
		717,469,929	263,999,468
Loans and Advances	H	**183,124,018**	138,990,994
		900,593,947	402,990,462
Less : Current Liabilities and Provisions :	I		
Current liabilities		**258,383,266**	179,235,157
Provisions		**51,692,847**	40,163,904
		310,076,113	219,399,061
Net Current Assets		**590,517,834**	183,591,402
Miscellaneous Expenditure	J	**-**	-
(to the extent not written off or adjusted)			
Preliminary expenses			
Total Funds Utilised		**1,488,549,855**	1,065,024,984
Notes to the Financial Statements	Q		

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

This is the balance sheet referred to in our report of even date.

For Tolia & Associates	For and on behalf of the Board of Directors		
Chartered Accountants			
Firm Registration Number:111017W			
Sd/-	Sd/-	Sd/-	Sd/-
Kiran P.Tolia	**Nitin M. Shah**	**Rahul N. Shah**	**Abhishek Shrivastava**
Proprietor	Chairman & Managing Director	Wholetime Director	Company Secretary
Membership Number:43637			
Mumbai	London		Mumbai
August 17, 2010	August 17, 2010		August 17, 2010

Standalone Profit and Loss Account for the year ended March 31, 2010

	Schedule Reference	For the year 2009-10 Rs.	For the year 2008-09 Rs.
INCOME :			
Sales and services	K	**938,945,353**	626,506,094
Other operating income	L	**3,469,437**	1,254,862
Other income	M	**90,225**	37,077,791
Total Income		**942,505,015**	664,838,747
EXPENDITURE :			
Purchase of goods for resale		**440,291,231**	69,039,604
Materials and components	N	**220,943,829**	303,338,631
Manufacturing, installation and other expenses	O	**109,386,700**	104,836,957
Interest and finance charges	P	**22,904,698**	14,621,220
Depreciation of tangible assets		**4,654,324**	4,886,404
Less: Charged to Revaluation Reserve		**1,255,843**	1,628,500
		3,398,481	3,257,904
Amortisation of intangible assets		**1,437,062**	1,434,003
		4,835,543	4,691,907
Total Expenditure		**798,362,001**	496,528,319
Profit Before Tax		**144,143,014**	168,310,428
Provision for Taxation			
Current		**21,015,000**	27,510,000
Deferred		**(274,024)**	57,071
Fringe benefit		**-**	570,000
Tax adjustment of earlier years (net)		**5,892,379**	-
Profit After Tax		**117,509,659**	140,173,357
Add:As per last account		**186,326,175**	100,639,203
Amount Available for Appropriation		**303,835,834**	240,812,560
APPROPRIATIONS :			
Proposed dividend @ **Rs.3.50** (Rs.3.00) on equity shares of Rs.10 each		**44,110,994**	37,809,423
Corporate dividend tax on proposed dividend (Refer Note 21, Schedule Q)		**7,496,663**	2,176,962
Transferred to General Reserve		**16,000,000**	14,500,000
Surplus Carried Forward to Balance Sheet		**236,228,177**	186,326,175
Basic and diluted earnings per share (Refer Note 11, Schedule Q)		**9.32**	11.12
Notes to the Financial Statements	**Q**		

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

This is the profit and loss account referred to in our report of even date.

For Tolia & Associates	For and on behalf of the Board of Directors		
Chartered Accountants Firm Registration Number:111017W			
Sd/-	Sd/-	Sd/-	Sd/-
Kiran P.Tolia Proprietor Membership Number:43637 Mumbai August 17, 2010	**Nitin M. Shah** Chairman & Managing Director London August 17, 2010	**Rahul N. Shah** Wholetime Director	**Abhishek Shrivastava** Company Secretary Mumbai August 17, 2010

Cash Flow Statement for the year ended March 31, 2010

		For the year 2009-10 Rs.	For the year 2008-09 Rs.
A	**Cash flow from operating activities**		
	Net profit before taxation	**144,143,014**	168,310,427
	Adjustments for:		
	Depreciation* and amortisation	**4,835,543**	4,691,907
	(* Net of transfer from revaluation reserve)		
	Unrealised foreign exchange difference-net (gain)/loss	**(6,878,013)**	1,321,563
	Interest income (gross)	**(90,225)**	(11,861,683)
	Interest and finance charges	**22,904,698**	14,621,221
	Bad debts written off	**4,763,327**	1,315,977
	Credit balances appropriated	**(2,928,168)**	(932,651)
	Surplus on sale of assets	**(266,510)**	-
	Miscellaneous expenditure to the extent written off	**3,150,000**	-
	Dividend income	**-**	(25,216,108)
	Operating profit before working capital changes	**169,633,666**	152,250,653
	Adjustments for:		
	Inventories	**(86,215,887)**	(31,696,801)
	Sundry debtors	**(385,414,975)**	(27,223,743)
	Other current assets	**731,663**	(819,907)
	Loans and advances	**(45,380,136)**	(58,314,530)
	Sundry creditors	**75,239,866**	112,077,188
	Dues to wholly owned domestic subsidiaries	**19,432,440**	(42,884,022)
	Advances from customers	**5,479,951**	(9,842,288)
	Other liabilities	**(9,715,116)**	11,356,443
	Dues to directors	**(769,791)**	1,809,016
	(Decrease)in working capital	**(426,611,985)**	(45,538,644)
	Cash (used in)/generated from operations	**(256,978,319)**	106,712,009
	Taxes paid (net of refunds, if any)*	**(24,472,816)**	(30,827,664)
	(* includes fringe benefit tax)		
	Net cash (used in)/from operating activities	**(281,451,135)**	75,884,345
B	**Cash flow from investing activities**		
	Payment for purchase of fixed assets	**(3,730,369)**	(1,493,541)
	Formation of/investment in wholly owned domestic/foreign subsidiary	**(4,761,000)**	(193,000,000)
	Investment in a un-incorporated joint venture	**(15,807,724)**	(101,246,579)
	Interest received	**90,225**	11,861,683
	Proceeds from sale of fixed assets	**596,000**	-
	Sale of units of Mutual Funds	**-**	52,185,112
	Dividend income	-	25,216,108
	Net cash used in investing activities	**(23,612,868)**	(206,477,217)

		For the year 2009-10 Rs.	For the year 2008-09 Rs.
C	**Cash flow from financing activities**		
	Proceeds from secured borrowings	**340,174,492**	13,653,915
	Proceeds from unsecured borrowings	**25,000,000**	-
	Interest and finance charges paid	**(22,904,698)**	(14,621,219)
	Dividends distributed (including corporate dividend tax)	**(39,897,877)**	(29,439,258)
	Miscellaneous expenditure	**(3,150,000)**	-
	Net cash generated from/(used in) financing activities	**299,221,917**	(30,406,562)
	Net (decrease) in cash and cash equivalents	**(5,842,087)**	(160,999,434)
	Cash and cash equivalents, (opening)	**11,721,511**	172,720,945
	Cash and cash equivalents,(closing)	**5,879,424**	11,721,511
	Net (decrease) as disclosed above	**(5,842,087)**	(160,999,434)

Notes:

1. Brackets indicate a cash outflow or deduction.

2. Cash and cash equivalents include pledged fixed deposits and unclaimed/unpaid dividends amounting to **Rs.1,163,380** (Rs.7,439,009) not available for use by the Company.

		As at March 31, 2010 Rs.	As at March 31, 2009 Rs.
3.	Components of cash and cash equivalents (closing):		
	Cash balance on hand	**743,125**	1,308,606
	Bank balances:		
	With scheduled banks on:		
	- Current accounts	**3,972,919**	2,241,280
	- Fixed deposits (including interest accrued thereon)	**1,024,040**	7,388,177
	- Unclaimed and unpaid dividend accounts	**139,340**	50,832
	- EEFC current account in US dollar	**-**	732,616
		5,879,424	11,721,511

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

This is the cash flow statement referred to in our report of even date.

For Tolia & Associates
Chartered Accountants
Firm Registration Number:111017W

Sd/-
Kiran P.Tolia
Proprietor
Membership Number:43637

Mumbai
August 17, 2010

For and on behalf of the Board of Directors

Sd/-
Nitin M. Shah
Chairman &
Managing Director

London
August 17, 2010

Sd/-
Rahul N. Shah
Wholetime Director

Sd/-
Abhishek Shrivastava
Company Secretary

Mumbai
August 17, 2010

Schedules forming part of the Standalone Financial Statements for the year ended March 31, 2010

	As at March 31, 2010 Rs.	As at March 31, 2009 Rs.
SCHEDULE A : SHARE CAPITAL		
Authorised :		
60,000,000 Equity Shares of Rs.10 each (15,000,000)	**600,000,000**	150,000,000
Total	**600,000,000**	150,000,000

Note:
The authorised share capital of Rs.150,000,000 divided into 15,000,000 equity shares of Rs.10 each was increased to Rs.600,000,000 divided into 60,000,000 of Rs.10 each pursuant to a resolution of shareholders dated August 14, 2009.

	As at March 31, 2010 Rs.	As at March 31, 2009 Rs.
Issued, subscribed and paid up :		
12,603,141 Equity shares of Rs.10 each (12,603,141)	**126,031,410**	126,031,410
Per Balance Sheet	**126,031,410**	126,031,410

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

a. 180,000 Equity shares of Rs.10 each fully paid up were issued pursuant to a contract.

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

	As at March 31, 2010 Rs.	As at March 31, 2009 Rs.
SCHEDULE B : RESERVES & SURPLUS		
Asset Revaluation Reserve :		
Balance, beginning of the year	**10,334,591**	11,963,091
Less : Charged to depreciation of tangible assets	**1,255,843**	1,628,500
Balance, end of the year	**9,078,748**	10,334,591
Securities Premium Account :		
Balance, beginning of the year	**669,388,375**	669,388,375
Balance, end of the year	**669,388,375**	669,388,375
General Reserve :		
Balance, beginning of the year	**38,665,000**	24,165,000
Add:Set aside from Profit & Loss Account	**16,000,000**	14,500,000
Balance, end of the year	**54,665,000**	38,665,000
Profit and Loss Account :		
Balance carried from Profit and Loss Account	**236,228,177**	186,326,175
Per Balance Sheet	**969,360,300**	904,714,141
SCHEDULE C: SECURED LOANS		
From banks :		
Working capital loans* (Refer Note 4, Schedule Q)	**367,370,398**	33,217,662
Per Balance Sheet	**367,370,398**	33,217,662
(* includes buyers credit availed by the Company)		
SCHEDULE D: UNSECURED LOAN		
Short term loan and advance:		
From the Managing Director	**25,000,000**	-
Per Balance Sheet	**25,000,000**	-

Schedules forming part of the Standalone Financial Statements for the year ended March 31, 2010

SCHEDULE E-1 : FIXED ASSETS -Tangibles

(Refer Notes 2 (a), (b) (i) & (iii), Schedule Q) **(Rs.)**

Description of assets	Cost/Valuation				Depreciation				Net Book Value	
	As at April 1, 2009	Additions	Deductions	As at March 31, 2010	Upto April 1, 2009	For the year	Deductions	Upto March 31, 2010	As at March 31, 2010	As at March 31, 2009
Leasehold land	1,620,000	-	-	**1,620,000**	237,909	**28,931**	-	**266,840**	**1,353,160**	1,382,091
Buildings	18,791,815	-	-	**18,791,815**	8,818,491	**575,822**	-	**9,394,313**	**9,397,502**	9,973,324
Plant and machinery	38,365,278	**753,549**	-	**39,118,827**	23,658,465	**2,149,230**	-	**25,807,695**	**13,311,132**	14,706,813
Furniture, fixtures and office equipments	6,270,433	**93,628**	-	**6,364,061**	3,765,420	**410,955**	-	**4,176,375**	**2,187,686**	2,505,013
Motor vehicles	5,308,590	**3,350,072**	**1,662,335**	**6,996,327**	4,059,759	**978,970**	**1,332,845**	**3,705,884**	**3,290,443**	1,248,831
Computer systems	5,513,356	**273,050**	-	**5,786,406**	4,391,816	**510,416**	-	**4,902,232**	**884,174**	1,121,540
Per Balance Sheet	**75,869,472**	**4,470,299**	**1,662,335**	**78,677,436**	**44,931,860**	**4,654,324**	**1,332,845**	**48,253,339**	**30,424,097**	30,937,612
Previous year	74,422,732	1,446,740	-	75,869,472	40,045,456	4,886,404	-	44,931,860	30,937,612	-

SCHEDULE E-2 : FIXED ASSETS -Intangibles- Acquired items

(Refer Notes 2 (a) & (b) (ii) & (iii), Schedule Q) **(Rs.)**

Description of assets	Cost				Amortisation				Net Book Value	
	As at April 1, 2009	Additions	Deductions	As at March 31, 2010	Upto April 1, 2009	For the year	Deductions	Upto March 31, 2010	As at March 31, 2010	As at March 31, 2009
Computer softwares	8,439,959	**7,000**	-	**8,446,959**	7,151,352	**1,288,461**	-	**8,439,813**	**7,146**	1,288,607
Technical know-how	679,050	-	-	**679,050**	530,449	**148,601**	-	**679,050**	-	148,601
Per Balance Sheet	**9,119,009**	**7,000**	-	**9,126,009**	7,681,801	**1,437,062**	-	**9,118,863**	**7,146**	1,437,208
Previous year	9,072,209	46,800	-	9,119,009	6,247,798	1,434,003	-	7,681,801	1,437,208	-

Notes:

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

Schedules forming part of the Standalone Financial Statements for the year ended March 31, 2010

	As at March 31, 2010 Rs.	As at March 31, 2009 Rs.
SCHEDULE F : INVESTMENTS		
(Refer Note 2 (c), Schedule Q)		
1. **In Wholly Owned Subsidiaries:**		
(i) **Domestic Subsidiaires :**		
a. **10,000** of Alert Fire Protection Systems Private Limited (10,000)	**10,100,000**	10,100,000
b. **10,000** of Eurotech Cylinders Private Limited (10,000)	**100,000**	100,000
c. **17,500** of Logicon Building Systems Private Limited (17,500)	**350,000**	350,000
d. **3,612,500** of Nitin Cylinders Limited (3,612,500)	**713,000,000**	713,000,000
(ii) **Foreign Subsidiaries:**		
a. **1** of Nitin Ventures FZE , UAE (1) Equity Share of 1,000,000 Dhs each	**10,874,622**	10,874,622
b. **100,000** of Nitin Global Pte Limited, Singapore (-) Ordinary shares, with no par value in SGD (Subscribed during the year)	**4,761,000**	-
	739,185,622	734,424,622
2. **In Equity Shares of a Company : (Quoted)**		
2,300 of Andhra Bank (2,300)	**23,000**	23,000
3. **In a Non-integrated Un-incorporated Joint Venture for Crude Oil Block** (Investment of Rs. 15,807,724 made during the year)	**128,392,156**	112,584,432
4. **In the Capital of a Partnership Firm**	**-**	2,026,708
Per Balance Sheet	**867,600,778**	849,058,762

Notes :

Aggregate book value of unquoted investments	**867,577,778**	849,035,762
Aggregate book value of quoted investments	**23,000**	23,000
Aggregate market value of quoted investments	**248,630**	103,385

Notes:

1. All equity shares are fully paid up with a face value of Rs.10 each, unless otherwise stated.
2. All investments are long term, non trade, stated at cost and unquoted except otherwise stated.

Schedules forming part of the Standalone Financial Statements for the year ended March 31, 2010

	As at March 31, 2010 Rs.	As at March 31, 2009 Rs.
SCHEDULE G : CURRENT ASSETS		
Inventories:		
(Refer Note 2 (d), Schedule Q)		
Materials and components	**190,568,660**	104,352,773
	190,568,660	104,352,773
Sundry Debtors:		
(Unsecured, considered good)		
Debts outstanding for a period exceeding six months	**48,670,247**	62,608,958
Other debts	**472,263,354**	84,496,319
	520,933,601	147,105,277
Cash and Bank Balances:		
Cash balance on hand	**743,125**	1,308,606
Bank balances:		
With scheduled banks on:		
- Current accounts	**3,972,919**	2,241,280
- Fixed deposits (including interest accrued thereon) (Refer Note 3, Schedule Q)	**1,024,040**	7,388,177
- Unclaimed and unpaid dividend accounts (As per contra- Schedule I)	**139,340**	50,832
- Exchange Earners Foreign Currency (EEFC) current account in US dollar	**-**	732,616
	5,879,424	11,721,511
Other Current Assets:		
(Considered good)		
DEPB Licence	**88,244**	819,907
	88,244	819,907
Per Balance Sheet	**717,469,929**	263,999,468

SCHEDULE H : LOANS & ADVANCES		
(Unsecured, considered good)		
Loans to wholly owned domestic subsidiaries (Refer Note 22, Schedule Q)	**55,000,000**	21,200,000
Application money pending allotment of equity shares*	**91,333,503**	91,333,503
Loans to employees	**1,066,300**	851,800
Advances to suppliers	**13,592,668**	18,384,037
Other advances recoverable in cash or in kind or for value to be received	**20,069,883**	2,633,099
Advance payments of income tax and wealth tax**	**2,038,860**	4,199,113
Advance payments of fringe benefit tax**	**-**	366,638
Deposit with excise authorities	**22,804**	22,804
Per Balance Sheet	**183,124,018**	138,990,994

(* relates to a wholly owned foreign subsidiary)
(** net of provision for tax)

Schedules forming part of the Standalone Financial Statements for the year ended March 31, 2010

	As at March 31, 2010 Rs.	As at March 31, 2009 Rs.
SCHEDULE I : CURRENT LIABILITIES AND PROVISIONS		
Current Liabilities:		
Sundry creditors	**224,370,965**	159,738,848
(Refer Note 5, Schedule Q)		
Dues to wholly owned domestic subsidiaries	**19,432,440**	-
Advances from customers	**5,793,964**	314,013
Investor Education and Protection Fund in respect of:*		
- Unclaimed and unpaid dividends	**139,340**	50,832
(As per contra- Schedule G)		
Other liabilities	**7,607,332**	17,322,448
Dues to directors	**1,039,225**	1,809,016
	258,383,266	179,235,157
Provisions:		
For income tax**	**-**	69,313
For wealth tax**	**25,000**	70,248
For fringe benefit tax**	**60,190**	37,958
For dividend (proposed)	**44,110,994**	37,809,423
For corporate dividend tax on proposed dividend	**7,496,663**	2,176,962
	51,692,847	40,163,904
Per Balance Sheet	**310,076,113**	219,399,061

(* The figure reflects the position as of March 31, 2010. The actual amount to be transferred to the Investor Education and Protection Fund in this respect shall be determined on the due date).
(** net of advance payments)

SCHEDULE J : MISCELLANEOUS EXPENDITURE		
(to the extent not written off or adjusted)		
Preliminary expenses		
Balance, beginning of the year	**-**	-
Add: Incurred during the year	**3,150,000**	-
	3,150,000	-
Less: Miscellaneous expenditure to the extent written off	**3,150,000**	-
Per Balance Sheet	**-**	-

Schedules forming part of the Standalone Financial Statements for the year ended March 31, 2010

	For the year 2009-10 Rs.	For the year 2008-09 Rs.
SCHEDULE K : SALES & SERVICES		
(Refer Notes 2 (e) (i) to (iii), Schedule Q)		
Project related rctivity	**433,208,088**	468,722,774
Manufacturing sales	**29,694,899**	57,570,891
Maintenance and services	**8,736,456**	27,988,477
Trading sales	**467,305,910**	72,223,952
Per Profit & Loss Account	**938,945,353**	626,506,094
SCHEDULE L : OTHER OPERATING INCOME		
Credit balances appropriated	**2,928,168**	932,651
Surplus on sale of assets	**266,510**	-
Debts written off in earlier years, Realised	**274,759**	322,211
Per Profit & Loss Account	**3,469,437**	1,254,862
SCHEDULE M : OTHER INCOME		
(Refer Note 2 (e) (iv) , Schedule Q)		
Interest received on fixed deposits & others -Gross	**90,225**	11,861,683
(TDS : **Rs. Nil**; (Rs.2,653,815))		
Dividends received:		
- From wholly owned domestic subsidiaires- Long term investments*	**-**	25,000,000
- From other long term investments*	**-**	4,600
- From current investments*	**-**	211,508
Per Profit & Loss Account	**90,225**	37,077,791
(*other than trade)		
SCHEDULE N : MATERIALS AND COMPONENTS		
(Refer Note 2 (e) (v) , Schedule Q)		
Opening inventories	**104,352,773**	72,655,972
Add:Purchases	**307,159,716**	335,035,432
	411,512,489	407,691,404
Less:Closing inventories	**190,568,660**	104,352,773
Per Profit & Loss Account	**220,943,829**	303,338,631
SCHEDULE O :MANUFACTURING, INSTALLATION AND OTHER EXPENSES		
Manufacturing and installation expenses:		
Sub-contract charges and site expenses	**7,243,508**	14,703,299
Electricity charges	**53,540**	82,598
Water charges	**8,491**	10,887
Repairs- Factory building	**7,496**	53,100
- Machinery	**9,888**	42,464
	17,384	95,564
	7,322,923	14,892,348

Schedules forming part of the Standalone Financial Statements for the year ended March 31, 2010

	For the year 2009-10 Rs.	For the year 2008-09 Rs.
SCHEDULE O : (Contd….)		
Operating Expenses:		
Conveyance and travelling	**10,612,296**	7,905,962
Miscellaneous expenses	**6,267,523**	6,515,435
Rent and lease rent	**1,968,754**	2,437,657
Repairs - Buildings	**621,596**	294,598
- Other assets	**196,212**	688,933
	817,808	983,531
Insurance premium	**229,650**	300,591
Payments to auditors*	**551,500**	809,122
Legal and professional fees	**12,875,441**	5,172,145
Donations and charity	**2,900,611**	2,168,300
Vehicle expenses	**1,013,748**	667,397
Sitting fees to Non Executive Directors	**99,000**	143,000
Miscellaneous expenditure to the extent written off	**3,150,000**	-
(*including service tax, where applicable)		
	40,486,331	27,103,140
Personnel Expenses:		
Salaries, wages and bonus	**28,867,076**	18,963,821
Contribution to provident*, gratuity and other funds	**1,363,566**	1,099,534
(*including administrative charges)		
Employees welfare	**1,515,207**	1,487,530
Director's remuneration	**4,485,275**	8,593,259
(including perquisites **Rs.Nil**;(Rs.60,000))		
	36,231,124	30,144,144
Sales & Distribution Expenses:		
Sales promotion and advertisement	**7,312,674**	5,798,518
Discount, commission, rebates etc.	**7,999,485**	20,315,671
Bad debts written off	**4,763,327**	1,315,976
Distribution expenses (net)	**2,276,612**	4,308,380
Rates and taxes	**2,994,224**	958,780
	25,346,322	32,697,325
Per Profit & Loss Account	**109,386,700**	104,836,957

SCHEDULE P-INTEREST AND FINANCE CHARGES		
Interest:		
On cash credit facility	**13,442,056**	8,418,040
Others (including interest on buyers credit)	**2,124,752**	143,495
	15,566,808	8,561,535
Loan processing and other financial charges	**16,263,338**	2,589,658
(Gain)/loss on foreign fluctuations (net)	**(8,925,448)**	3,470,027
Per Profit & Loss Account	**22,904,698**	14,621,220

Schedule Q

Forming part of the Standalone Financial Statements for the year ended March 31, 2010

NOTES TO THE FINANCIAL STATEMENTS

1. (A) **Background and nature of operations:**

Nitin Fire Protection Industries Limited (NFPIL or the 'Company') was incorporated in Mumbai, India on September 4, 1995 as a public limited company under the 'Companies Act, 1956' (the 'Act'). The Company's business activity is that of manufacturing fire fighting equipment (gas based and water based fire extinguishers) under the brand name 'NITIE' (also certified by the Bureau of Indian Standard (BIS)), providing turnkey solutions including procurement, designing, system integration, commissioning and installation of safety and security solutions, manufacturing compressed natural gas (CNG) cascades and execution of annual maintenance contracts for fire protection systems. The Company undertakes above activities from Maharashtra, Andhra Pradesh and Himachal Pradesh and has marketing offices in Maharashtra and Tamil Nadu. As part of its business activities, the Company has formed/acquired wholly owned domestic/foreign subsidiaries and acquired stake in a foreign associate (share holding is through a foreign subsidiary) and has also entered into a non-integrated un-incorporated joint venture for oil exploration block. NFPIL is a ISO 9001:2000 certified Company, is authorised to use LPCB mark for its various fire fighting systems and some of its products used in fire fighting systems are UL approved. The Company is rated 'A-/Stable/P2+' by CRISIL for its various bank facilities.

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

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

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

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

2. **Accounting policies:**

Significant accounting policies are summarised below:

(a) **Fixed assets:**

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

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

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

(i) **Depreciation-tangibles:**

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

(ii) **Amortisation-intangibles:**

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

Expenditure on computer software and technical know how fees are amortised on written down value method over a period of two years.

(iii) **Impairment of assets:**

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

(c) **Investments:**

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

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

(ii) Current investments are valued at lower of cost and net realizable value.

(d) **Inventories:**

Inventories are valued as follows:

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

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

(e) **Revenue recognition:**

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

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

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

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

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

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

(f) **Taxation:**

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

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

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

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

(g) **Cash flow statement:**

The cash flow statement is prepared by the Indirect Method set out in AS-3(Revised) 'Cash Flow Statements' and presents the cash flows by operating, investing and financing activities of the Company. Cash and cash equivalents presented in the cash flow statement consist of cash balance on hand and balances with banks.

(h) **Foreign currency transactions and balance:**

(i) Initial recognition:

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

(ii) *Conversion*:

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

(iii) *Exchange Differences*:

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

(i) **Securities premium account:**

Securities premium account represents premium received pursuant to issue of equity shares. Expenses' pertaining to issue of equity shares (IPO) are charged to securities premium account.

(j) **Retirement benefits:**

(i) Retirement benefits in the form of provident and family pension fund are defined contribution schemes and the contributions are charged to the profit and loss account of the year when the contributions to the funds are due. The Company has no other obligations other than the contributions payable.

(ii) Gratuity liability is a defined benefit obligation and is covered under a Group Gratuity Cash Accumulation Scheme of the Life Insurance Corporation of India (LIC) .The gratuity liability is charged to the profit and loss account on the basis of an actuarial valuation on Projected Unit Credit Method carried out by LIC once in three years.

(k) **Earnings per share:**

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

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

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

(m) **Accounting for interest in a joint venture:**

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

(n) **Proposed dividend:**

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

(o) **Miscellaneous expenditure**

Preliminary expenses are charged to revenue in the year of its occurrence.

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

Sr. No.	Particulars	**As at March 31, 2010 (Rs.)**	As at March 31, 2009 (Rs.)
(i)	Performance/bid-bond guarantees (fixed deposits deposited **Rs. 713,915** (Rs. 1,435,857) and mortgage of fixed assets provided).	**77,055,081**	26,659,755
(ii)	Corporate financial guarantees provided on behalf of wholly owned domestic subsidiaries - Limit - Outstanding	 **1,206,000,000** **662,512,542**	 1,105,000,000 653,893,888
(iii)	Standby letter of credit provided on behalf a wholly owned foreign subsidiary - Limit - Outstanding	 **240,000,000** **232,471,000**	 Nil Nil
(iv)	Income tax matter disputed in an appeal	**593,529**	Nil

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

4. **Details of secured loans:**

Sr. No.	Name of the lender	Security created/credit facilities availed
(a)	IDBI Bank Limited	**Security created:** Primary: First charge on inventories and book debts Collateral: Second charge on: the fixed assets of the Company at its factory at A-117, TTC Industrial Area, Pawana Village, Navi Mumbai and office premises at 501 Delta, Technology Street, Hiranandani Gardens, Powai, Mumbai 400076, equitable mortgage (first charge) of premises belonging to a domestic subsidiary viz. Eurotech Cylinders Private Limited located at EL-29, TTC Industrial Area, Mahape, Navi Mumbai 400 701. Personal guarantees of the Managing Director and a Whole time director aggregating to **Rs.600,000,000** (Rs. 360,000,000). **Credit facilities availed:** Working capital loan and other non fund based credit facilities.
(b)	Axis Bank Limited	**Security created:** Primary : Pari passu charge on the current assets of the Company, negative lien on the receivables of a foreign subsidiary viz. Nitin Ventures Fze, second charge on the current and fixed assets of the Company. Collateral : Pari passu charge on the fixed assets of the Company and pledge of 500,000 shares of the Company (belonging to the promoters of the Company) and personal guarantees of the Managing Director and a Whole time director aggregating to **Rs. 340,000,000** (Rs. Nil). **Credit facilities availed:** Working capital loan and standby letter of credit.

5. There are no Micro, Small and Medium Enterprises to whom the Company owes dues which are outstanding for more than 45 days as at March 31, 2010.

The above information, as required to be disclosed under the Micro, Small and Medium Enterprises Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company, which has been relied upon by the Auditors.

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

(a) **Licensed and installed capacity:** N.A.

(b) **Particulars of manufactured goods - production and sales:**

Particulars	Production (Nos.)	Sales (Nos.)	Sales Value (Rs.)
Fire extinguishers	**9,135** (9,346)	**9,135** (9,346)	**27,136,409** (26,445,892)
CNG cascades	**3** (42)	**3** (42)	**2,558,490** (31,124,999)
Total	**9,138** (9,388)	**9,138** (9,388)	**29,694,899** (57,570,891)

Note: There are no opening and closing inventories of finished goods.

(c) **Particulars of purchase of goods for resale:**

Class of goods	Purchases		Sales	
	Qty. (Nos.)	Value (Rs.)	Qty. (Nos.)	Value (Rs.)
Processed tubes	**Nil** (8,304)	**Nil** (43,596,546)	**Nil** (8,304)	**Nil** (45,775,952)
High pressure seamless cylinders	**28,978** (4,560)	**440,291,231** (25,443,058)	**28,978** (4,560)	**467,305,910** (26,448,000)
Total	**28,978** (12,864)	**440,291,231** (69,039,604)	**28,978** (12,864)	**467,305,910** (72,223,952)

Note: There are no opening and closing inventories of goods for resale.

(d) There being no common units of materials and components consumed, no quantitative information is given and each of them accounts for less than 10% of the total consumption.

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

Particulars	For the year 2009-10 (Rs.)	For the year 2008-09 (Rs.)
Materials and components	**145,057,022**	262,066,251
Total	**145,057,022**	262,066,251

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

Sr. No.	Particulars	For the year 2009-10 (Rs.)	For the year 2008-09 (Rs.)
(i)	Travelling	**334,800**	655,000
(ii)	Financial expenses	**1,868,666**	1,950,000
(iii)	Professional fees	**4,595,835**	Nil
	Total	**6,799,301**	2,605,000

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

Particulars	For the year 2009-10		For the year 2008-09	
	(Rs.)	%	(Rs.)	%
Materials and components				
Imoprted at landed cost	**145,057,022**	**65.65**	208,390,356	68.70
Indigenously obtained	**75,886,807**	**34.35**	94,948,275	31.30
Total	**220,943,829**	**100.00**	303,338,631	100.00

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

Particulars	For the year 2009-10 (Rs.)	For the year 2008-09 (Rs.)
Export sales at FOB	**451,908,626**	215,260,845
Total	**451,908,626**	215,260,845

7. **Deferred taxation:**

In terms of AS-22 'Accounting for Taxes on Income', deferred tax liability included in the balance sheet relates to excess of depreciation and amortisation allowable under the Income Tax law over depreciation and amortisation provided in the books of account amounting to **Rs.787,747** (Rs. 1,061,771).

8. **Payments to statutory auditors *:**

Particulars	For the year 2009-10 (Rs.)	For the year 2008-09 (Rs.)
Audit fees for statutory and consolidated financial statements	**440,300**	654,702
Tax Audit fees	**111,200**	82,725
Other matters	**Nil**	71,695
Total	**551,500**	809,122

(*including service tax)

9. **Segment reporting:**

As per AS-17 'Segment Reporting', segment information has been provided in the Notes to the Consolidated Financial Statements.

10. **Managerial remuneration:**

(a)

Particulars	For the year 2009-10 (Rs.)	For the year 2008-09 (Rs.)
Managing Director/ Wholetime Director		
Salaries, bonus and allowances	**2,741,468**	4,589,125
Perquisites	**Nil**	60,000
Contribution to provident and other funds	**259,200**	403,200
Commission on profits (as computed below)	**1,484,607**	3,540,934
Total	**4,485,275**	8,593,259
Non Wholetime Directors		
Sitting fees	**99,000**	143,000
Total	**99,000**	143,000

Note:

The employee wise break up of liability on account of gratuity, based on estimation is not ascertainable. The amounts relatable to the Managing Director and a Wholetime Director is therefore, not considered above.

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

Particulars	For the year 2009-10 (Rs.)	For the year 2008-09 (Rs.)
Net profit as per profit and loss account	**144,143,014**	168,310,428
Add:		
Managerial remuneration	**4,485,275**	8,593,259
Director's sitting fees	**99,000**	143,000
Depreciation/amortisation charged in the accounts	**4,835,543**	4,691,907
	153,562,832	181,738,594
Less:		
Depreciation/amortisation as per Section 350 of the Act	**4,835,543**	4,691,907
Surplus on sale of assets	**266,510**	Nil
	5,102,053	4,691,907
Profit as per section 309 (5), 198 and 349 of the Act	**148,460,779**	177,046,687
Maximum permissible remuneration to the Managing Director and a Wholetime Director @ 5% (10%) of the profits computed above	**7,423,039**	17,704,668
Commission @ 1% of net profit each to the Managing Director and a Wholetime Director (as per service agreements)	**1,484,607**	3,540,934

Note:

The figures of the current year are only in respect of the Managing Director. Whereas, the previous year's figures include also that of a Wholetime Director.

11. **Earnings per share (EPS):**

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

Particulars	For the year 2009-10	For the year 2008-09
Weighted average number of equity shares outstanding (Nos.)	**12,603,141**	12,603,141
	(Rs.)	(Rs.)
Net profit after tax attributable to the equity shareholders	**117,509,659**	140,173,357
Basic and diluted earnings per share	**9.32**	11.12
Nominal value per equity share	**10**	10

12. **Related party transactions:**

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

Wholly owned domestic subsidiaries
Alert Fire Protection Systems Private Limited
Eurotech Cylinders Private Limited
Logicon Building Systems Private Limited
Nitin Cylinders Limited

Wholly owned foreign subsidiaries
Nitin Ventures FZE, UAE
Nitin Global Pte Limited, Singapore (effective July 23, 2009)

Partnership firm
Eurotech Corporation

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

Foreign associate
New Age Company LLC

Key Management Personnel (KMP) Represented on the Board
Nitin M. Shah (Chairman and Managing Director)
Rahul N. Shah (Wholetime Director)
Gopalkrishna Shahi (Wholetime Director up to April 24, 2008)

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

(b) **Transactions with related parties:**

Sr. No.	Particulars	For the year 2009-10 (Rs.)	For the year 2008-09 (Rs.)
I	**Capital transactions**		
	Assets		
1	Investments		
	Subscription of equity shares		
	Wholly owned foreign subsidiary		
	Nitin Global Pte Limited	**4,761,000**	Nil
	Wholly owned domestic subsidiary		
	Nitin Cylinders Limited*	**Nil**	193,000,000
	(*including securities premium)		
	Other investment		
	Un-incorporated joint venture		
	Oil block		
	(RJ-ONN-2004/1) (Ref.No.19)	**15,807,724**	101,246,579
2	Loans given/ Loans received back/share application money		
	Wholly owned domestic subsidiaries		
	Logicon Building Systems Private Limited		
	(*loans received back)	**21,200,000***	4,000,000**
	Nitin Cylinders Limited		
	(**loans given)	**55,000,000****	Nil
	Wholly owned foreign subsidiary		
	Nitin Ventures FZE***	**Nil**	40,035,000
	(*** share application money)		
	Liabilities		
1	Unsecured loan		
	KMP		
	Nitin M. Shah	**25,000,000**	Nil

Sr. No.	Particulars	For the year 2009-10 (Rs.)	For the year 2008-09 (Rs.)
II	**Revenue transactions**		
	Income		
1	Sale of materials and components/ trading goods		
	Wholly owned domestic subsidiaries		
	Eurotech Cylinders Private Limited	**65,884,400**	Nil
	Logicon Building Systems Private Limited	**546,430**	5,392,650
	Nitin Cylinders Limited	**347,802,810**	46,126,652
	Wholly owned foreign subsidiary		
	Nitin Ventures FZE	**45,140**	Nil
	Foreign associate		
	New Age Company LLC	**1,830,384**	554,925
2	Dividends		
	Wholly owned domestic subsidiaries		
	Alert Fire Protection Systems Private Limited	**Nil**	10,000,000
	Eurotech Cylinders Private Limited	**Nil**	15,000,000
	Expenditure		
1	Purchase of materials and components		
	Wholly owned domestic subsidiaries		
	Alert Fire Protection Systems Private Limited	**22,046,132**	14,853,810
	Eurotech Cylinders Private Limited	**2,824,000**	18,794,400
	Logicon Building Systems Private Limited	**1,912,488**	31,895,524
	Foreign associate		
	New Age Company LLC	**Nil**	25,556,520
2	Rent		
	KMP		
	Nitin M. Shah	**1,034,160**	524,496
3	Remuneration@		
	KMP's		
	Nitin M. Shah	**4,485,275**	4,978,862
	Rahul N. Shah	**Nil**	3,614,397
4	Servicing charges		
	Wholly owned domestic subsidiary		
	Logicon Building Systems Private Limited	**40,000**	44,120
	Proposed Dividend		
	KMP's		
	Nitin M. Shah	**8,606,500**	7,362,000
	Rahul N. Shah	**2,821,000**	2,418,000
	Gopalkrishna Shahi	**NA**	3,762
	Relatives of KMP		
	Saroj N. Shah	**9,187,500**	7,875,000
	Kunal N. Shah	**4,593,750**	3,937,500
	Nitin M. Shah (HUF)	**2,035,744**	1,723,923
	Rahul N. Shah (HUF)	**1,820,000**	1,560,000
	Reshma N. Shah	**1,879,500**	1,611,000

Sr. No.	Particulars	**For the year 2009-10 (Rs.)**	For the year 2008-09 (Rs.)
III	**Guarantees given/obtained/released**		
1	Corporate financial guarantees given on behalf of wholly owned domestic subsidiaries		
	Alert Fire Protection Systems Private Limited *	**58,500,000**	16,500,000
	Eurotech Cylinders Private Limited*	**105,000,000**	15,000,000
	Logicon Building Systems Private Limited* (*guarantees given)	**37,500,000**	12,500,000
	Nitin Cylinders Limited (**guarantee released) (Refer Note 3 (ii) above)	**100,000,000****	516,000,000*
2	Personal financial guarantees obtained		
	KMP's :		
	Jointly of Nitin M. Shah and Rahul N. Shah (Refer Note 4 above)	**580,000,000**	250,000,000
IV	**Standby letter of credit provided**		
	Wholly owned foreign subsidiary		
	Nitin Ventures FZE (Refer Note 3 (iii) and 4 above)	**240,000,000**	Nil

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

(c) Amounts outstanding for related parties:

Sr. No.	Particulars	**As at March 31, 2010 (Rs.)**	As at March 31, 2009 (Rs.)
I	**Assets**		
1	Investments		
(i)	Equity shares of wholly owned domestic subsidiaries		
	Alert Fire Protection Systems Private Limited	**10,100,000**	10,100,000
	Eurotech Cylinders Private Limited	**100,000**	100,000
	Logicon Building Systems Private Limited	**350,000**	350,000
	Nitin Cylinders Limited	**713,000,000**	713,000,000
	Equity shares of wholly owned foreign subsidiaries		
	Nitin Ventures FZE	**10,874,622**	10,874,622
	Nitin Global Pte Limited	**4,761,000**	NA
(ii)	Other investment		
	Un-incorporated Joint Venture		
	Oil Block (RJ-ONN-2004/1) (Ref.No.19)	**128,392,156**	112,584,432
(iii)	Partnership firm		
	Eurotech Corporation		
	(Company's contribution in the capital of the firm)	**NA**	2,026,708

Sr. No.	Particulars	As at March 31, 2010 (Rs.)	As at March 31, 2009 (Rs.)
2	Loans receivable/share application money		
	Wholly owned domestic subsidiaries		
	Nitin Cylinders Limited *	**55,000,000**	Nil
	Logicon Building Systems Private Limited *	**Nil**	21,200,000
	(*loans receivable)		
	Wholly owned foreign subsidiary**		
	Nitin Ventures FZE	**91,333,503**	91,333,503
	(**share application money)		
3	Trade receivables		
	Wholly owned domestic subsidiaries		
	Nitin Cylinders Limited	**347,694,214**	Nil
	Logicon Building Systems Private Limited	**Nil**	2,891,102
	Wholly owned foreign subsidiary		
	Nitin Ventures Fze	**45,140**	Nil
	Foreign associate		
	New Age Company LLC	**381,070**	Nil
II	**Liabilities**		
1	Unsecured loans		
	KMP		
	Nitin M. Shah	**25,000,000**	Nil
2	Trade payables		
	Wholly owned domestic subsidiaries		
	Alert Fire Protection Systems Private Limited	**17,849,061**	Nil
	Logicon Building Systems Private Limited	**1,583,380**	Nil
	Un-incorporated Joint Venture		
	Oil Block (RJ-ONN-2004/1) (Ref.No.19)	**6,243,817**	63,106,195
	Foreign associate		
	New Age Company LLC	**Nil**	24,505,011
3	Dues		
	KMP's		
	Nitin M. Shah	**1,039,225**	904,508
	Rahul N. Shah	**Nil**	904,508
III	**Guarantees given/obtained**		
1	Corporate financial guarantees given on behalf of wholly owned domestic subsidiaries*		
	Alert Fire Protection Systems Private Limited	**76,536,356**	18,021,337
	Eurotech Cylinders Private Limited	**55,907,469**	3,024,196
	Logicon Building Systems Private Limited	**36,137,859**	2,452,807
	Nitin Cylinders Limited	**493,930,858**	630,395,547
	(* Refer Note 3 (ii) above)		

Sr. No.	Particulars	As at March 31, 2010 (Rs.)	As at March 31, 2009 (Rs.)
2	Personal financial guarantees obtained KMP's Jointly of Nitin M. Shah and Rahul N. Shah (Including outstanding as mentioned in Note IV below) (Refer Note 4 above)	**599,841,398**	33,217,662
IV	**Standby letter of credit provided** Wholly owned foreign subsidiary Nitin Ventures Fze (Refer Notes 3 (iii) and 4 above)	**232,471,000**	Nil

Notes:

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

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

(c) Reimbursements of expenses incurred by related parties for and on behalf of the Company and vice versa have not been included above.

13. **Impairment of assets:**

Pursuant to AS-28 'Impairment of Assets', the Company has reviewed its carrying cost of assets with value in use (determined based on future earnings)/ net selling price (determined based on valuation). Based on such a review, management is of the view that in the current financial year, impairment of assets is not considered necessary.

14. **Provisions, contingent liabilities and contingent assets:**

As per the best estimate of management, no provision is required to be made as per AS-29 'Provisions, Contingent Liabilities and Contingent Assets', in respect of any present obligation as a result of a past event that could lead to a probable outflow of resources, which would be required to settle the obligation.

15. **Exchange differences:**

Exchange gain included in the profit and loss account **Rs.9,878,012** (Rs. 4,575,861).

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

Sr. No.	Particulars	For the year 2009-10 (Rs.)	For the year 2008-09 (Rs.)
(a)	Contract revenue recognized	**433,208,088**	468,722,774
(b)	Gross amount due from customers for contract work	**168,698,450**	117,919,138
(c)	Gross amount due to customers for contract work	**Nil**	Nil
(d)	Contracts in progress	**Nil**	Nil

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

Information as required by AS-27 'Financial Reporting of Interests in Joint Ventures':

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

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

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

(b) Contingent liabilities in relation to interest in a joint venture as at March 31, 2010: **Rs.18,020,678** (Rs. 43,849,578) and share in contingent liabilities jointly with other venturers as at March 31, 2010:**Rs. Nil** (Rs. Nil).

(c) Share in contingent liabilities of a joint venture itself for which the Company is contingently liable as at March 31, 2010: **Rs. Nil (**Rs. Nil).

(d) Contingent liabilities in respect of liabilities of other venturers of a joint venture as at March 31, 2010: **Rs. Nil** (Rs. Nil).

(e) Capital commitments (net of advances) in relation to interests in a joint venture and not provided for as at March 31, 2010:**Rs. Nil** (Rs.Nil) and its share in capital commitments (net of advances) that have been incurred jointly with other venturers and not provided for as at March 31,2010:**Rs. Nil** (Rs. Nil).

(f) Company's share of capital commitments (net of advances) of the joint venturers themselves and not provided for as at March 31, 2010:Rs**. Nil** (Rs. Nil).

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

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

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

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

Particulars	**Currency**	**As at March 31, 2010**		As at March 31, 2009	
		Amounts in foreign currency	**Rs.**	Amounts in foreign currency	Rs.
Receivables					
Investment	DHS	**1,000,000**	**10,874,622**	1,000,000	10,874,622
Investment	USD	**100,000**	**4,761,000**	NA	NA
Share application money pending allotment of equity shares	USD	**2,301,025**	**91,333,503**	2,301,025	91,333,503
Sundry debtors for exports	USD	**7,843,291**	**354,046,133**	74,358	3,809,241
Advances to suppliers	USD	**300,960**	**13,585,334**	329,321	16,786,140
Bank balance	USD	**Nil**	**Nil**	14,379	732,616
Payables					
Secured loans (buyers credit)	USD	**4,236,515**	**191,236,323**	Nil	Nil
Sundry creditors for imports	USD	**3,707,776**	**167,369,021**	617,520	31,574,882
Sundry creditors for imports	EURO	**85,841**	**5,198,510**	422,386	27,540,242

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

20. (a) Provision for current tax has been made after considering various allowances/deductions available and excluding profits derived from activities undertaken by units located in places eligible for exemption/deduction under Sections 10AA and 80IC of the Income Tax Act, 1961.

(b) Provision for current tax includes **Rs.15,000** (Rs.10,000) for wealth tax.

21. As per provision of the Income Tax Act, 1961 the Company has taken credit of corporate dividend tax aggregating to **Rs.Nil** (Rs.4,248,750) on account of dividend received from its wholly owned domestic subsidiaries.

22. Disclosure in respect of loans and advances in the nature of loans pursuant to Clause 32 of the listing agreement entered with the stock exchanges:

Particulars	**Balance**		**Maximum outstanding**	
	As at March 31, 2010 (Rs.)	As at March 31, 2009 (Rs.)	**For the year 2009-10 (Rs.)**	For the year 2008-09 (Rs.)
Wholly owned domestic subsidiaries				
Nitin Cylinders Limited	**55,000,000**	Nil	**55,000,000**	Nil
Logicon Building Systems Private Limited	**Nil**	21,200,000	**21,200,000**	21,200,000
Total	**55,000,000**	21,200,000	**-**	-

Notes:

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

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

(c) The above loanees have not made investments in the shares of the Company.

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

23. According to the Company, providing turnkey solutions including procurement, designing, system integration, commissioning and installation of safety and security solutions thereof is a service activity and therefore, the same is covered under paragraph 3 (ii) (c) of Part II of Schedule VI to the Act.

24. a. The Company incorporated a wholly owned foreign subsidiary viz. Nitin Global Pte Limited, Singapore in July 2009.

b. The Company through its wholly owned foreign subsidiary viz. Nitin Ventures Fze increased its stake in a foreign associate from 40% to 49% in April 2010.

25. The Ministry of Corporate Affairs, Government of India has exempted the Company from attaching the balance sheets and profit and loss accounts of its subsidiaries under Section 212(1) of the Act. As per the terms of exemption, a key detail of each subsidiary is attached along with the Statement under Section 212 of the Act.

26. Amount remitted in foreign currency on account of dividend:

Sr. no.	**Particulars**	**For the year 2009-10**	For the year 2008-09
(a)	Year to which dividend relates	**2008-09**	2007-08
(b)	Number of non-resident shareholders to whom remittance was made	**1**	1
(c)	Number of shares on which remittance was made	**100**	100
(d)	Amount remitted (Rs.)	**300**	200

27. (a) Some of the fixed assets of the Company are hypothecated to the bankers as collateral security for credit facilities extended to a wholly owned domestic subsidiary.

(b) Manufacturing sales include sales exempt from excise duty amounting to **Rs.1,701,000** (Rs.10,931,000) in respect of the Company's unit at Parwanoo, Himachal Pradesh.

(c) Sundry debtors include **Rs.347,739,354** (Rs.2,891,102) due from wholly owned domestic / foreign subsidiaries.

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

Signatures to Schedules A to Q which form an integral part of the Financial Statements.

In terms of our Report of even date.

For **Tolia & Associates**
Chartered Accountants
Firm Registration Number:111017W

Sd/-
Kiran P. Tolia
Proprietor
Membership Number:43637

Mumbai
August 17, 2010

For and on behalf of the Board of Directors

Sd/-
Nitin M. Shah
Chairman &
Managing Director

London
August 17, 2010

Sd/-
Rahul N. Shah
Whole-time Director

Sd/-
Abhishek Shrivastava
Company Secretary

Mumbai
August 17, 2010

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

CIN No.	L29193MH1995PLC092323		
Registration No.	92323	State Code	11
Balance Sheet Date	March 31, 2010		

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

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

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

Sources of Funds

Total Liabilities (Including Shareholders' Funds)	1,798,625,968	Total Assets	1,798,625,968
Paid - up Capital	126,031,410	Reserves & Surplus	969,360,300
Secured Loans	367,370,398	Unsecured Loans	25,000,000
Deferred Tax Liability	787,747		

Application of Funds

Net Fixed Assets	30,431,243	Investments	867,600,778
Net Current Assets	590,517,834	Miscellaneous Expenditure	-
Accumulated Losses	Nil		

IV. Performance of Company (Amount in Rs.)

Turnover (Total Income)	942,505,015	Total Expenditure	798,362,001
Profit/(Loss) Before Tax	144,143,014	Profit/(Loss) after Tax	117,509,659
Earning Per Share*	9.32	Dividend Rate	35%

(*Based on weighted average number of equity shares- 12,603,141)

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

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

For and on behalf of the Board of Directors

Sd/-
Nitin M. Shah
Chairman &
Managing Director

Sd/-
Rahul N. Shah
Wholetime Director

Sd/-
Abhishek Shrivastava
Company Secretary

London
August 17, 2010

Mumbai
August 17, 2010

Statement pursuant to u/s 212 of the Companies Act, 1956

	Name of the Subsidiary Company	Alert Fire Protection Systems Private Limited, India	Eurotech Cylinders Private Limited, India	Logicon Building Systems Private Limited, India	Nitin Cylinders Limited, India	Nitin Ventures FZE UAE	Nitin Global Pte Limited, Singapore
1	Financial year ended on	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010
2	Date from which they become subsidiary company	April 1, 2005	April 1, 2005	January 1, 20 07	October 4, 20 06	July 29, 20 07	July 23, 20 09
3a.	Number and face value of shares held by the holding company on the above date	10,000 Equity Shares of Rs. 10 each	10,000 Equity Shares of Rs. 10 each	17,500 Equity Shares of Rs. 10 each	3,612,500 Equity Shares of Rs. 10 each	1 Equity Share of 1,000,000 UAE Dirham	100,000 Ordinary Shares with no par value
b.	Interest(direct as well as indirect) of the holding company	100%	100%	100%	100%	100%	100%
4	The net aggregate amount of subsidiary companies profit so far as it concerns the members of the holding company						
a.	Not dealt with in the holding company						
i	For the financial year ended March 31, 2010 (Rs.)	27,113 ,827	58,892,677	1,496,088	(3,905 ,808)	162,753,893	8,768,313
ii	For the previous financial years of the subsidiary companies since they become the holding company's subsidiaries (Rs.)	84,403,854	165'551'683	19,296,251	11,340,380	104,579,961	NA
b.	Dealt with in the holding company						
i	For the financial year ended March 31, 2010 (Rs.)	Nil	Nil	Nil	Nil	Nil	Nil
i	For the previous financial years of the subsidiary companies since they become the holding company's subsidiaries (Rs.)	Nil	Nil	Nil	Nil	Nil	NA

For and on behalf of the Board of Directors

Sd/-	Sd/-	Sd/-
Nitin M. Shah	**Rahul N. Shah**	**Abhishek Shrivastava**
Chairman & Managing Director	Wholetime Director	Company Secretary
London		Mumbai
August 17, 2010		August 17, 2010

Consolidated Financial Statements

Consolidated Financial Statements 2009-2010

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

We have audited the attached Consolidated Balance Sheet of Nitin Fire Protection Industries Limited ('the Company'), its Subsidiaries, an Associate and an Un-incorporated Joint Venture (as per list appearing in Note 3, Schedule Q,) (together the 'Nitin Group') as at March 31, 2010, the Consolidated Profit and Loss Account and also the Consolidated Cash Flow Statement for the year ended on that date annexed thereto (collectively, together with the schedules and the notes thereto comprising the 'consolidated financial statements') , which we have signed under reference to this report. These consolidated financial statements are the responsibility of the Group's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

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

2. In respect of the financial statements of wholly owned foreign subsidiaries, a foreign associate* (* for the period from April'09 to December'09) and an un-incorporated joint venture, we did not carry out the audit. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the wholly owned foreign subsidiaries, foreign associate and an un-incorporated joint venture is based solely on the report of the other auditors. The details of total assets and total revenues in respect of the foreign subsidiaries, the net carrying cost of investment and the Group's share in profit for the above period in respect of the foreign associate and the Group's interest in an un-incorporated joint venture, to the extent to which they are reflected in the consolidated financial statements are given below:

Audited by other Auditors

			(Rs.)
		Total assets*	**Total revenues****
(A)	Wholly owned foreign subsidiaries (* including intra group balances, intra group transactions and share capital eliminated on consolidation) (** including intra group transactions)	1,076,959,667	171,522,206
		Carrying cost* of investment	**Group's share of profit**
(B)	Foreign Associate (*including Group's share of profit for the aforesaid period of nine months amounting to Rs.34,813,320)	215,164,148	34,813,320
			Group's interest in an un-incorporated joint venture
(C)	Un-incorporated Joint Venture		128,392,156

3. We further report that in respect of the above foreign associate for the period from January 1, 2010 to March 31, 2010 we did not carry out the audit. These financial statements have been certified by the management and have been furnished to us, and in our opinion, insofar as it relates to the amounts included in respect of the foreign associate is based solely on these financial statements. Since the financial statements for the period ended March 31, 2010 which were compiled by the management of the above foreign associate were unaudited, any adjustments to their balances could have consequential effects on the attached consolidated financial statements. However, the size of the foreign associate in the consolidated position is not significant in relative terms. The details of carrying cost of investment and Group's share of profit in the foreign associate for the above period to the extent to which they are reflected in the consolidated financial statements is given below:

Certified by the management:

		(Rs.) **Net carrying cost of investment and Group's share of profit***
(A)	Foreign Associate (* excluding carrying cost of investment of Rs. 215,164,148 as reflected above)	13,332,852

4. We report that the consolidated financial statements have been prepared by the Group's management in accordance with the requirements of Accounting Standard (AS)-21 'Consolidated Financial Statements', AS-23, 'Accounting for Investments in Associates in Consolidated Financial Statements' and AS- 27, 'Financial Reporting of Interests in Joint Ventures' notified under the Companies (Accounting Standards) Rules, 2006 (as amended) issued by the Central Government in exercise of the power conferred under sub-section (I) (a) of section 642 of the 'Companies Act, 1956' and on the basis of the separate audited/certified financial statements of the Nitin Group included in the consolidated financial statements.

   Attention is invited to Note 9 (c), Schedule Q regarding non provision for mark to market loss of Rs.29,500,000 on an outstanding derivative contract as on March 31, 2010 which is not in accordance with announcement made by the ICAI on March 29, 2008.

5. We report that on the basis of the information and according to the explanations given to us, and on the consideration of the separate audit report on individual audited financial statements of the Nitin Group, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India; in the case of;

   (a) the Consolidated Balance Sheet, of the state of affairs of the Nitin Group as at March 31, 2010;

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

   (c) the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For **Tolia & Associates**
Chartered Accountants
Firm Registration Number:111017W

Sd/-
Kiran P. Tolia
Proprietor
Membership Number: 43637

Mumbai
August 17, 2010

Consolidated Balance Sheet as at March 31, 2010

	Schedule Reference	As at March 31, 2010 Rs.	March 31, 2009 Rs.
SOURCES OF FUNDS :			
Shareholders' Funds :			
Share capital	A	126,031,410	126,031,410
Reserves and surplus	B	1,696,930,338	1,330,465,180
		1,822,961,748	1,456,496,590
Loan Funds :			
Secured loans	C	1,040,781,760	688,114,582
Unsecured loans	D	253,147,683	2,000,000
		1,293,929,443	690,114,582
Deferred Tax Liability		26,459,731	12,051,541
Total Funds Employed		3,143,350,922	2,158,662,713
APPLICATION OF FUNDS :			
Fixed Assets :			
Tangible assets:	E-1		
Gross block		983,619,839	623,552,529
Less : Accumulated depreciation		112,140,474	76,973,329
Net block		871,479,365	546,579,200
Capital work-in-progress -at cost (Including advances on capital account)		76,557,734	351,251,829
		948,037,099	897,831,029
Intangible assets:	E-2		
Gross block		27,573,730	27,213,081
Less :Accumulated amortisation		27,287,002	22,024,999
Net block		286,728	5,188,082
Investments	F	394,902,491	333,899,756
Deferred Tax Asset		142,451	498,174
Current Assets, Loans and Advances:			
Current Assets :	G		
Inventories		896,437,983	660,192,219
Sundry debtors		1,109,439,418	728,945,176
Cash and bank balances		197,615,438	37,128,560
Other current assets		320,447	8,512,785
		2,203,813,286	1,434,778,740
Loans and Advances	H	432,223,622	207,445,079
		2,636,036,908	1,642,223,819
Less : Current Liabilities and Provisions:	I		
Current liabilities		782,141,592	675,677,565
Provisions		53,913,163	45,569,090
		836,054,755	721,246,655
Net Current Assets		1,799,982,153	920,977,164
Miscellaneous Expenditure (to the extent not written off or adjusted) Preliminary expenses	J	-	268,508
Total Funds Utilised		3,143,350,922	2,158,662,713
Notes to the Consolidated Financial Statements	Q		

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

This is the consolidated balance sheet referred to in our report of even date.

For Tolia & Associates	For and on behalf of the Board of Directors		
Chartered Accountants			
Firm Registration Number:111017W			
Sd/-	Sd/-	Sd/-	Sd/-
Kiran P.Tolia	**Nitin M. Shah**	**Rahul N. Shah**	**Abhishek Shrivastava**
Proprietor	Chairman & Managing Director	Wholetime Director	Company Secretary
Membership Number:43637			
Mumbai	London		Mumbai
August 17, 2010	August 17, 2010		August 17, 2010

Consolidated Profit and Loss Account for the year ended March 31, 2010

	Schedule Reference	For the year 2009-10 Rs.	For the year 2008-09 Rs.
INCOME :			
Sales and services	K	**3,138,658,832**	2,460,030,900
Other operating income	L	**4,798,355**	6,272,547
Other income	M	**67,283,256**	48,610,066
Total Income		**3,210,740,443**	2,514,913,513
EXPENDITURE :			
Cost of goods sold	N	**2,253,414,299**	1,613,206,505
Manufacturing, installation and other expenses	O	**317,173,837**	351,907,039
Interest and finance charges	P	**92,013,724**	71,736,714
Depreciation of tangible assets		**37,514,712**	29,876,417
Less: Charged to Revaluation Reserve		**1,255,843**	1,628,500
		36,258,869	28,247,917
Amortisation of intangible assets		**5,262,003**	5,283,371
		41,520,872	33,531,288
Total Expenditure		**2,704,122,732**	2,070,381,546
Profit Before Tax		**506,617,711**	444,531,967
Provision for Taxation			
Current		**66,232,547**	85,215,000
Deferred		**14,763,914**	10,477,393
Fringe benefit		**-**	1,685,000
Tax adjustment of earlier years (net)		**7,573,011**	-
Profit After Tax		**418,048,239**	347,154,574
Add:Prior years' adjustments		**1,280,419**	-
Profit Attributable To The Group		**419,328,658**	347,154,574
Add: As per last account		**602,127,214**	323,607,775
Balance Available For Appropriation		**1,021,455,872**	670,762,349
APPROPRIATIONS :			
Proposed dividend @ **Rs.3.50** (Rs.3.00) on equity shares of Rs.10 each		**44,110,994**	37,809,423
Corporate dividend tax on proposed dividend		**7,496,663**	2,176,962
Corporate dividend tax on interim dividend - Subsidiaries		**-**	4,248,750
Transferred to General Reserve		**16,000,000**	24,400,000
Surplus Carried Forward to Consolidated Balance Sheet		**953,848,215**	602,127,214
		1,021,455,872	670,762,349
Basic and diluted earnings per share (Refer Note 5, Schedule Q)		**33.27**	27.55
Notes to the Consolidated Financial Statements	**Q**		

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

This is the consolidated profit and loss account referred to in our report of even date.

For Tolia & Associates	For and on behalf of the Board of Directors		
Chartered Accountants Firm Registration Number:111017W			
Sd/-	Sd/-	Sd/-	Sd/-
Kiran P.Tolia Proprietor Membership Number:43637 Mumbai August 17, 2010	**Nitin M. Shah** Chairman & Managing Director London August 17, 2010	**Rahul N. Shah** Wholetime Director	**Abhishek Shrivastava** Company Secretary Mumbai August 17, 2010

Consolidated Cash Flow Statement for the year ended March 31, 2010

		For the year 2009-10 Rs.	For the year 2008-09 Rs.
A	**Cash flow from operating activities**		
	Net profit before taxation	**506,617,711**	444,531,967
	Adjustments for:		
	Depreciation* and amortisation	**41,520,872**	33,531,288
	(* net of transfer from Revaluation Reserve)		
	Unrealised foreign exchange difference-net (gain)/loss	**(4,593,842)**	13,262,474
	Interest income (gross)	**(7,287,713)**	(16,666,260)
	Profit on sale of current investments	**(11,397,579)**	-
	Share of profit in an associate	**(48,146,172)**	(31,605,208)
	Interest and finance charges	**92,013,724**	71,736,714
	Bad debts written off	**10,341,884**	4,303,533
	Credit balances appropriated	**(3,381,456)**	(2,376,223)
	Surplus on sale of assets	**(332,368)**	-
	Miscellaneous expenditure to the extent written off	**3,582,014**	100,982
	Dividend from investments	**(194,821)**	(338,598)
	Provision for gratuity	**1,590,682**	-
	Operating profit before working capital changes	**580,332,936**	516,480,669
	Adjustments for:		
	Inventories	**(236,245,763)**	(140,271,753)
	Sundry debtors	**(769,756,008)**	(420,158,471)
	Other current assets	**8,192,338**	(8,512,785)
	Loans and advances	**(263,869,978)**	(83,750,046)
	Sundry creditors	**595,036,576**	374,004,618
	Advances from customers	**(2,089,525)**	(27,198,817)
	Other liabilities	**(10,198,148)**	(71,516,549)
	Dues to directors	**(769,791)**	1,809,016
	Decrease in working capital	**(679,700,299)**	(375,594,787)
	Cash (used in) operations	**(99,367,363)**	140,885,882
	Taxes paid (net of refunds, if any)*	**(73,685,264)**	(88,894,047)
	(* includes fringe benefit tax)		
	Net cash (used in)/from operating activities	**(173,052,626)**	51,991,835
B	**Cash flow from investing activities**		
	Payment for purchase of fixed assets	**(203,873,515)**	(270,774,355)
	Formation of/investment in subsidiary	**(4,761,000)**	(193,000,000)
	Investment in a joint venture/an associate	**(15,807,724)**	(111,696,278)
	Accumulated profits received from an associate	**29,071,537**	-
	Purchase of investments	**(143,248,094)**	(1,285,245)
	Sale of investments	**126,583,588**	53,186,175
	Proceeds from sale of fixed assets	**1,344,132**	-
	Dividends received from investments	**109,821**	338,598
	Interest received	**1,427,576**	16,666,260
	Net cash (used in) investing activities	**(209,153,678)**	(506,564,845)

		For the year 2009-10 Rs.	For the year 2008-09 Rs.
C	**Cash flow from financing activities**		
	Proceeds of share capital and premium	**4,761,000**	233,035,000
	Proceeds from secured borrowings (net)	**380,918,365**	146,741,022
	Proceeds from unsecured borrowings(net)	**292,000,000**	5,200,000
	Interest and finance charges paid	**(91,774,799)**	(71,378,484)
	Dividends distributed (including corporate dividend tax)	**(39,897,877)**	(33,688,008)
	Miscellaneous expenditure	**(3,313,508)**	-
	Net cash generated from financing activities	**542,693,182**	279,909,530
	Net increase/(decrease) in cash and cash equivalents	**160,486,878**	(174,663,480)
	Cash and cash equivalents,(opening)	**37,128,560**	211,792,040
	Cash and cash equivalents,(closing)	**197,615,438**	37,128,560
	Net increase/(decrease) as disclosed above	**160,486,878**	(174,663,480)

Notes:

1 Brackets indicate a cash outflow or deduction.

2 Payment for purchase of fixed assets includes:
(i) Additions/deductions due to exchange rate variations;
(ii) Movement in capital work in progress;
(iii) Interest capitalised **Rs.7,153,171**(Rs.6,507,115)

3 Cash and cash equivalents include pledged fixed deposits and unclaimed/unpaid dividends amounting to **Rs.13,278,023** (Rs.20,810,736) not available for use by the Group.

		As at March 31, 2010 Rs.	As at March 31, 2009 Rs.
4	Components of cash and cash equivalents (closing):		
	Cash balance on hand	**2,383,189**	7,393,439
	Bank balances:		
	With scheduled banks on:		
	-Current accounts	**48,685,666**	5,686,423
	- Fixed deposits (including interest accrued thereon)	**13,138,682**	20,759,904
	- Unclaimed and unpaid dividend accounts	**139,340**	50,832
	- EEFC current accounts in US dollar	**165,175**	735,805
	With others (outside India) in current accounts	**133,103,386**	2,502,157
		197,615,438	37,128,560

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

This is the consolidated cash flow statement referred to in our report of even date.

For Tolia & Associates	**For and on behalf of the Board of Directors**		
Chartered Accountants			
Firm Registration Number:111017W			
Sd/-	Sd/-	Sd/-	Sd/-
Kiran P.Tolia	**Nitin M. Shah**	**Rahul N. Shah**	**Abhishek Shrivastava**
Proprietor	Chairman &	Wholetime Director	Company Secretary
Membership Number:43637	Managing Director		
Mumbai	London		Mumbai
August 17, 2010	August 17, 2010		August 17, 2010

Schedules forming part of the Consolidated Financial Statements for the year ended March 31, 2010

	As at March 31, 2010 Rs.	As at March 31, 2009 Rs.
SCHEDULE A : SHARE CAPITAL		
Authorised :		
60,000,000 Equity shares of Rs.10/- each. (15,000,000)	**600,000,000**	150,000,000
Total	**600,000,000**	150,000,000

Note:
The authorised share capital of Rs.150,000,000 divided into 15,000,000 equity shares of Rs.10 each was increased to Rs.600,000,000 divided into 60,000,000 of Rs.10 each pursuant to a resolution of shareholders dated August 14, 2009

Issued, subscribed and paid up:	**126,031,410**	126,031,410
12,603,141 Equity shares of Rs.10 each (12,603,141)		
Per Consolidated Balance Sheet	**126,031,410**	126,031,410

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

a. 180,000 Equity shares of Rs.10 each fully paid up were issued pursuant to a contract.

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

SCHEDULE B : RESERVES & SURPLUS		
Asset Revaluation Reserve :		
Balance, beginning of the year	**10,334,591**	11,963,091
Less : Charged to depreciation of tangible assets	**1,255,843**	1,628,500
Balance, end of the year	**9,078,748**	10,334,591
Securities Premium Account :		
Balance, beginning of the year	**669,388,375**	669,388,375
Balance, end of the year	**669,388,375**	669,388,375
General Reserve :		
Balance, beginning of the year	**48,615,000**	24,215,000
Add:Set aside from consolidated profit & loss account	**16,000,000**	24,400,000
Balance, end of the year	**64,615,000**	48,615,000
Profit and Loss Account :		
Balance carried from consolidated profit and loss account	**953,848,215**	602,127,214
Per Consolidated Balance Sheet	**1,696,930,338**	1,330,465,180

Schedules forming part of the Consolidated Financial Statements for the year ended March 31, 2010

	As at March 31, 2010 Rs.	As at March 31, 2009 Rs.
SCHEDULE C: SECURED LOANS		
(Refer Note 13, Schedule Q)		
From banks :		
Working capital loans :*		
Rupee loans	**598,116,976**	254,879,970
Foreign currency loans	**262,730,172**	144,121,126
	860,847,148	399,001,096
Term loans :		
Rupee loans	**18,245,034**	30,598,964
Foreign currency loans	**158,001,646**	257,511,490
	176,246,680	288,110,454
Vehicle loans	**3,687,932**	1,003,032
Per Consolidated Balance Sheet	**1,040,781,760**	688,114,582

(*includes buyers credit availed by some of the Group components)

SCHEDULE D-UNSECURED LOANS		
Short term loans and advances:		
From a bank	**225,700,000**	-
(Refer Note 18, Schedule Q)		
From the Managing Director	**25,000,000**	-
From others	**2,000,000**	2,000,000
Interest accrued and due	**447,683**	-
Per Consolidated Balance Sheet	**253,147,683**	2,000,000

Schedules forming part of the Consolidated Financial Statements for the year ended March 31, 2010

SCHEDULE E -1: FIXED ASSETS- Tangibles

(Refer Notes 2(c), 2 (d) (i) and (iii), Schedule Q)

(Rs.)

Description of Assets	Cost/Valuation				Depreciation					Net Book Value	
	As at April 1, 2009	Additions	Deductions	As at March 31, 2010	Upto April 1, 2009	For the year	Deductions	Adjustments	Upto March 31, 2010	As at March 31, 2010	As at March 31, 2009
Leasehold land	3,240,000	-	-	**3,240,000**	459,609	**45,991**	-	-	**505,600**	**2,734,400**	2,780,391
Buildings	20,949,932	**103,890,546**	-	**124,840,478**	9,891,953	**4,666,841**	-	-	**14,558,794**	**110,281,684**	11,057,979
Buildings on leasehold land	128,713,859	**-**	-	**128,713,859**	4,255,136	**4,299,043**	-	-	**8,554,179**	**120,159,680**	124,458,723
Plant and machinery	381,652,850	**282,904,376**	**38,926,434**	**625,630,792**	37,817,305	**19,979,299**	**69,774**	**(231,413)**	**57,495,417**	**568,135,375**	343,835,545
Furniture, fixtures and office equipments	10,068,122	**450,580**	**-**	**10,518,702**	4,583,627	**800,776**	**-**	**-**	**5,384,403**	**5,134,299**	5,484,495
Electrical installation	44,942,835	**435,910**	**-**	**45,378,745**	2,124,721	**2,150,563**	**-**	**-**	**4,275,284**	**41,103,461**	42,818,114
Computer systems	9,660,808	**705,570**	**-**	**10,366,378**	6,823,181	**1,189,438**	**-**	**-**	**8,012,619**	**2,353,759**	2,837,627
Motor and other vehicles	21,547,288	**13,896,321**	**3,289,559**	**32,154,050**	10,601,666	**4,164,049**	**2,277,793**	**-**	**12,487,922**	**19,666,128**	10,945,622
Gas cylinders	2,776,835	-	-	**2,776,835**	416,131	**450,125**	-	-	**866,256**	**1,910,579**	2,360,704
Per Consolidated Balance Sheet	**623,552,529**	**402,283,303**	**42,215,993**	**983,619,839**	**76,973,329**	**37,746,125**	**2,347,567**	**(231,413)**	**112,140,474**	**871,479,365**	546,579,200
Previous year	95,121,476	528,431,053	-	623,552,529	47,096,912	29,876,417	-	-	76,973,329		
Add:Capital work-in-progress (Including advances on capital account)										**76,557,734**	351,251,829
										948,037,099	897,831,029

SCHEDULE E -2: FIXED ASSETS- Intangibles

(Refer Notes 2(c), 2 (d) (ii) & 2 (e), Schedule Q)

(Rs.)

Description of Assets	Cost				Amortisation					Net Book Value	
	As at April 1, 2009	Additions	Deductions	As at March 31, 2010	Upto April 1, 2009	For the year	Deductions	Adjustments	Upto March 31, 2010	As at March 31, 2010	As at March 31, 2009
Goodwill (arising on consolidation of subsidiaires)	10,175,000	-	-	**10,175,000**	7,448,417	**2,726,583**	-	-	**10,175,000**	-	2,726,583
Computer softwares (other than internally generated)	16,359,031	**360,649**	-	**16,719,680**	14,046,133	**2,386,819**	-	-	**16,432,952**	**286,728**	2,312,898
Technical know how	679,050	-	-	**679,050**	530,449	**148,601**	-	-	**679,050**	-	148,601
Per Consolidated Balance Sheet	**27,213,081**	**360,649**	**-**	**27,573,730**	**22,024,999**	**5,262,003**	**-**	**-**	**27,287,002**	**286,728**	5,188,082
Previous year	27,001,821	211,260	-	27,213,081	16,741,628	5,283,371	-	-	22,024,999	5,188,082	-

Notes:

1. Additions during the year includes:
   (i) **Rs.Nil** (Rs123,183,238) being preoperative expenses capitalised during the year on acount of completion of a project.
   (ii) Exchange loss of **Rs.Nil** (Rs.41,895,154).

2.Deductions during the year include:
   (i) Exchange gain of **Rs.33,356,837** (Rs. Nil)

3.Capital work-in-progress includes:
   (i) **Rs.7,153,171** (Rs.6,507,115) being borrowing cost capitalised in accordance with AS-16 'Borrowing Costs'.
   (ii) **Rs.76,557,734**(Rs.309,092,827) on account of advances on capital account.

4. Gross Block includes Rs.31,011,721 being the amount added on revaluation of land, building & plant and machinery as at October 8, 2001 based on report issued by the valuers.

5.Buildings include a sum of **Rs.118,401,056** (Rs14,510,510) being cost of office premises acquired on ownership basis.

Schedules forming part of the Consolidated Financial Statements for the year ended March 31, 2010

	As at March 31, 2010 Rs.	As at March 31, 2009 Rs.
SCHEDULE F : INVESTMENTS		
(Refer Note 2 (f), Schedule Q)		
1. In an Associate *		
1,200 Equity shares of New Age Company LLC Face value of AED 1,000 each (1,200)	**170,064,625**	159,614,926
Add: Group's accumulated share in profit at the beginning of the year	**39,357,740**	7,752,532
Group's share in profit of current year	**48,146,172**	31,605,208
Adjustment pursuant to change in Group's share in net worth (Includes goodwill of Rs.119,000,335 arising on acquisition of the Associate)	**-**	10,449,699
Less: Accumulated profits received	**29,071,537**	-
	228,497,000	209,422,365
2. In a Non-integrated Un-incorporated Joint Venture for Crude Oil Block (Investment of Rs. 15,807,724 made during the year)	**128,392,156**	112,584,432
3. In Equity Shares:		
Equity shares of Rs.10 each		
2,300 of Andhra Bank (2,300)	**23,000**	23,000
35,000 of Asian Granito Limited (30,000) 5,000 shares acquired during the year	**3,550,436**	3,374,246
10,000 of Nagarjuna Fertilisers & Chemicals Limited (10,000)	**551,870**	551,870
10,000 of Petronet LNG Limited (10,000)	**1,114,757**	1,114,757
5,000 of UCO Bank (5,000)	**306,431**	306,431
10,000 of Adhunik Metaliks Limited* (-)	**1,191,253**	-
2,681 of Aurionpro Solutions Limited* (-)	**775,791**	-
2,241 of C & C Constructions Limited* (-)	**569,214**	-
5,000 of Magma Fincorp Limited* (-)	**1,436,606**	-
5,000 of Omnitech Infosolutions Limited* (-)	**931,395**	-
16,000 of Sejal Architectural Glass Limited* (-)	**1,070,653**	-
1,550 of Vipul Dye Chem Limited* (-)	**17,626**	-
Nil of Zicom Electronic Security Systems Limited (5,000)	**-**	385,245
Equity Shares of Rs.2 each		
1,000 of Aban Offshore Limited* (-)	**1,253,375**	-
Equity Shares of Rs.1 each		
20,000 of Suven Life Sciences Limited* (20,000)	**1,064,459**	1,064,459
1,950 of Ruchi Infrastructure Limited* (-)	**104,701**	-
Nil of Apollo Tyres Limited (10,000)	**-**	541,243
	13,961,567	7,361,251

Schedules forming part of the Consolidated Financial Statements for the year ended March 31, 2010

		As at March 31, 2010 Rs.	As at March 31, 2009 Rs.
SCHEDULE F : INVESTMENTS			
4.	**In Government Securities**		
	Six Years National Savings Certificates VIII Issue (Deposited with the sales tax department)	**5,000**	5,000
5.	**In Units of a Mutual Fund**		
	258,500 units of SBI Infrastructure Fund - of Rs.10 each (250,000) 8,500 dividend units re-invested	**2,585,000**	2,500,000
6.	**In Fixed Income Plans (USD) :***		
	200,000 units of ICICI Bank Limited* (-)	**8,599,170**	-
	100,000 units of J.M. Morgan Chase & Company* (-)	**4,812,375**	-
7.	**In a Fixed Income Plan (Euro)***		
	90,000 units of Db Cap Fndg XI* (-)	**6,109,880**	-
8.	**In Ordinary shares with no par value (USD)***		
	500 shares of Research in Motion Limited** (-)	**1,669,503**	-
9.	**Call deposits-(USD)***		
	200 Numbers of Call Vrn (-)	**270,840**	-
10.	**In the Capital of a Partnership Firm**	**-**	2,026,708
	Per Consolidated Balance Sheet	**394,902,491**	333,899,756
	(* acquired during the year)		

Notes:

Aggregate book value of unquoted investments	**356,894,156**	324,038,505
Aggregate book value of quoted investments	**35,423,335**	7,361,251
Aggregate market value of quoted investments	**33,373,936**	2,033,535
Net asset value of units of a mutual fund	**2,585,000**	2,500,000

Notes:

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

SCHEDULE G : CURRENT ASSETS

Inventories:		
(Refer Note 2 (g), Schedule Q)		
Stores and spares	**5,914,625**	1,207,628
Stock-in-trade:		
- Raw materials	**243,492,062**	328,123,330
- Finished goods	**81,616,927**	16,880,186
- Trading goods	**92,021,983**	99,688,253
- Materials and components	**318,851,353**	127,238,627
- Scrap	**3,126,525**	-
Manufacturing work-in-progress	**151,414,508**	87,054,195
	896,437,983	660,192,219

Schedules forming part of the Consolidated Financial Statements for the year ended March 31, 2010

	As at March 31, 2010 Rs.	As at March 31, 2009 Rs.
SCHEDULE G : CURRENT ASSETS (Contd…)		
Sundry Debtors:		
(Unsecured,considered good)		
Debts outstanding for a period exceeding six months	**192,225,396**	115,005,891
Other debts	**917,214,022**	613,939,285
	1,109,439,418	728,945,176
Cash and Bank Balances:		
Cash balance on hand	**2,383,189**	7,393,439
Bank balances:		
With scheduled banks on:		
- Current accounts	**48,685,666**	5,686,423
- Fixed deposits (including interest accrued thereon)*	**13,138,682**	20,759,904
(*Refer Notes 4 I (a) and (c), Schedule Q)		
- Unclaimed and unpaid dividend accounts (As per contra- Schedule I)	**139,340**	50,832
- Exchange Earners Foreign Currency (EEFC) current accounts in USD	**165,175**	735,805
With others (outside India) in current accounts:**	**133,103,386**	2,502,157
(**Refer Note 25, Schedule Q)		
	197,615,438	37,128,560
Other Current Assets:		
(Considered good)		
DEPB Licence	**320,447**	8,512,785
	320,447	8,512,785
Per Consolidated Balance Sheet	**2,203,813,286**	1,434,778,740

SCHEDULE H : LOANS AND ADVANCES		
(Unsecured, considered good)		
Advances to an associate	**196,615,215**	31,088,467
Loans to bodies corporate	**34,548,341**	79,234,341
Loans to employees and others	**1,925,507**	1,169,800
Advances to suppliers	**72,350,830**	42,016,635
Other advances recoverable in cash or in kind or for value to be received	**119,736,035**	42,588,088
Advance payments of income tax and wealth tax*	**7,024,890**	10,780,312
Advance payments of fringe benefit tax*	**-**	544,632
Deposit with excise authorities	**22,804**	22,804
Per Consolidated Balance Sheet	**432,223,622**	207,445,079

(* net of provision for tax)

Schedules forming part of the Consolidated Financial Statements for the year ended March 31, 2010

	As at March 31, 2010 Rs.	As at March 31, 2009 Rs.
SCHEDULE I : CURRENT LIABILITIES & PROVISIONS		
Current Liabilities:		
Sundry creditors	**754,623,181**	538,509,737
Advances from customers	**8,052,451**	10,141,977
Creditors for capital expenditure	**2,396,853**	98,868,556
Investor Education and Protection Fund in respect of:*		
- Unclaimed and unpaid dividends	**139,340**	50,832
(As per contra- Schedule G)		
Other liabilities	**15,741,069**	25,939,217
Interest accrued but not due on loans	**149,473**	358,230
Dues to directors	**1,039,225**	1,809,016
	782,141,592	675,677,565
Provisions:		
For income tax**	**482,547**	5,230,838
For wealth tax**	**158,867**	256,717
For fringe benefit tax**	**73,410**	95,150
For gratuity	**1,590,682**	-
For dividend (proposed)	**44,110,994**	37,809,423
For corporate dividend tax on proposed dividend	**7,496,663**	2,176,962
	53,913,163	45,569,090
Per Consolidated Balance Sheet	**836,054,755**	721,246,655

(* The figure reflects the position as of March 31, 2010. The actual amount to be transferred to the Investor Education and Protection Fund in this respect shall be determined on the due date.)

(** net of advance payments)

SCHEDULE J:MISCELLANEOUS EXPENDITURE		
(to the extent not written off or adjusted)		
Preliminary expenses		
Balance, at the beginning of the year	**268,508**	369,490
Add:Incurred during the year	**3,313,507**	-
	3,582,015	369,490
Less: Miscellaneous expenditure to the extent written off	**3,582,015**	100,982
Per Consolidated Balance Sheet	**-**	268,508

Schedules forming part of the Consolidated Financial Statements for the year ended March 31, 2010

	For the year 2009-10 (Rs.)	For the year 2008-09 (Rs.)
SCHEDULE K : SALES AND SERVICES		
(Refer Notes 2 (h) (i) to (iii), Schedule Q)		
Trading sales (net)	**1,557,275,858**	823,689,896
Project related activity	**978,846,098**	935,510,688
Manufacturing sales (net)	**556,693,122**	599,728,365
Maintenance and services	**45,843,754**	101,101,951
Per Consolidated Profit and Loss Account	**3,138,658,832**	2,460,030,900
SCHEDULE L : OTHER OPERATING INCOME		
Commission- (Gross)	**498,784**	2,920,132
Debts written off in earlier years, Realised	**525,631**	571,771
Credit balances appropriated	**3,381,457**	2,376,223
Miscellaneous receipts	**60,115**	404,421
Surplus on sale of assets (net)	**332,368**	-
Per Consolidated Profit and Loss Account	**4,798,355**	6,272,547
SCHEDULE M : OTHER INCOME		
(Refer Note 2 (h) (iv), Schedule Q)		
Surplus on sale of investments (net)	**11,397,579**	-
Dividend from long term investments- Other than trade	**194,821**	338,598
Interest on fixed deposits & others- (Gross)	**7,287,713**	16,666,260
Gain on foreign exchange fluctuation on consolidation (net)	**256,971**	-
Share of profit in an associate	**48,146,172**	31,605,208
Per Consolidated Profit and Loss Account	**67,283,256**	48,610,066
SCHEDULE N : COST OF GOODS SOLD		
(Refer Note 2 (h) (v), Schedule Q)		
Raw Materials:		
Opening inventory	**328,123,330**	365,045,085
Add:Purchases	**422,713,141**	372,770,610
	750,836,471	737,815,695
Less:Closing inventory	**243,492,062**	328,123,330
	507,344,409	409,692,365
Materials & Components:		
Opening inventory	**127,238,627**	81,399,315
Add:Purchases	**1,128,436,461**	663,152,759
	1,255,675,088	744,552,074
Less:Closing inventory	**318,851,353**	127,238,627
	936,823,735	617,313,447
Purchase of goods for resale (net)	**930,676,939**	717,874,823
Variation in inventories:		
Closing inventories:		
Trading goods	**92,021,983**	99,688,253
Finished goods	**81,616,927**	16,880,186
Manufacturing work-in-progress	**151,414,508**	87,054,195
	325,053,418	203,622,634
Less:		
Opening inventories:		
Trading goods	**99,688,253**	71,948,504
Finished goods	**16,880,186**	-
Manufacturing work-in-progress	**87,054,195**	-
	203,622,634	71,948,504
(Increase) in inventories	**(121,430,784)**	(131,674,130)
Per Consolidated Profit and Loss Account	**2,253,414,299**	1,613,206,505

Schedules forming part of the Consolidated Financial Statements for the year ended March 31, 2010

	For the year 2009-10 (Rs.)	For the year 2008-09 (Rs.)
SCHEDULE O :MANUFACTURING, INSTALLATION AND OTHER EXPENSES		
Manufacturing and Installation Expenses:		
Consumption of stores and spares	**13,746,216**	30,077,679
Electricity charges	**11,948,261**	16,554,738
Sub-contract charges and site expenses	**18,308,350**	31,238,889
Water charges	**370,381**	642,516
Repairs to:		
- Factory buildings	**602,304**	222,732
- Machinery	**1,234,003**	5,372,196
	1,836,307	5,594,928
Other manufacturing expenses	**3,779,057**	3,291,338
	49,988,572	87,400,088
Operating Expenses:		
Conveyance and travelling	**24,080,203**	21,736,423
Miscellaneous expenses	**20,933,196**	17,769,918
Rent and lease rent	**18,133,481**	16,585,606
Repairs to :		
- Buildings	**1,503,307**	551,812
- Other assets	**1,463,428**	1,673,758
	2,966,735	2,225,570
Insurance premium	**1,182,169**	1,643,166
Payments to auditors*	**1,602,308**	1,551,275
Legal and professional fees	**20,174,598**	17,827,049
Donations and charities	**9,343,672**	12,509,301
Vehicle expenses	**2,974,011**	3,036,101
Sitting fees to Non Executive Directors	**99,000**	143,000
Miscellaneous expenditure to the extenet written off	**3,582,015**	100,982
Loss on foreign exchange fluctuation on consolidation (net)	**-**	3,682,097
(*including service tax where applicable)		
	105,071,388	98,810,488
Personnel Expenses:		
Salaries, wages and bonus	**82,271,436**	74,689,882
Contribution to provident*, gratuity and other funds	**4,361,804**	2,195,851
(*including administrative charges)		
Employees welfare	**4,133,732**	4,653,692
Director's remuneration	**10,308,399**	14,455,320
	101,075,371	95,994,745
Sales & Distribution Expenses:		
Sales promotion and advertisement	**15,393,849**	15,949,872
Discount, commission, rebates etc.	**20,950,614**	30,590,856
Bad debts written off	**10,341,884**	4,303,533
Distribution expenses (net)	**10,947,434**	17,898,677
Rates & taxes	**3,404,725**	958,780
	61,038,506	69,701,718
Per Consolidated Profit and Loss Account	**317,173,837**	351,907,039
SCHEDULE P-INTEREST AND FINANCE CHARGES		
Interest:		
On fixed period loans	**4,814,373**	14,384,721
On cash credit facility	**52,720,273**	26,774,508
Others (including interest on buyers credit)	**7,113,487**	7,236,935
	64,648,133	48,396,164
Loan processing and other financial charges	**27,388,038**	12,578,404
(Gain)/loss on foreign fluctuations (net)	**(22,447)**	10,762,146
Per Consolidated Profit and Loss Account	**92,013,724**	71,736,714

Schedule Q

Forming part of the Consolidated Financial Statements for the year ended March 31, 2010

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

(B) Basis of preparation of consolidated financial statements:

(i) The accompanying consolidated financial statements (CFS) have been prepared in accordance with the principles and procedures for the preparation and presentation as laid down under Accounting Standard (AS) - 21 'Consolidated Financial Statements', AS-23 'Accounting for Investments in Associates in Consolidated Financial Statements' and AS-27 'Financial Reporting of Interests in Joint Ventures' notified under the Companies (Accounting Standards) Rules, 2006 (the 'Rules') (as amended) issued by the Central Government in exercise of the power conferred under sub-section (I) (a) of section 642 of the Companies Act, 1956 (the 'Act'), guidelines issued by the Securities and Exchange Board of India and other relevant pronouncements of the Institute of Chartered Accountants of India (ICAI). Accounting policies have been consistently applied except where a newly issued accounting standard, if initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised accounting standards on an ongoing basis. Reference in these notes to Company or Group shall mean to include any or all of its aforesaid Group components unless otherwise stated.

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

2. **Accounting policies:**

Significant accounting policies followed by the Group are summarised below:

(a) **Basis of accounting:**

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

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

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

(b) **Principles of Consolidation:**

The CFS have been prepared on the following basis:

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

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

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

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

(v) The financial statements of the wholly owned domestic/foreign subsidiaries used in the consolidation are drawn up to the same reporting date as that of the Parent Company i.e. March 31, 2010. In respect of a foreign associate who follows a different accounting year, the accounts are prepared upto the reporting date of the Parent Company to facilitate consolidation. The statutory accounting year of the foreign associate is the calendar year. The Group's share in profit of the foreign associate for a period of nine months i.e. April to December of each year is based on audited accounts and for the balance period of three months i.e. January to March of each year is based on un-audited accounts, which is certified by the management.

(vi) The financial statements of wholly owned foreign subsidiaries whose operations are considered as integral foreign operations, are recorded in a currency other than of its incorporation as it is acceptable to local government authorities and than translated for incorporation in the CFS in local currency as under:

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

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

(c) Monetary items (excluding payables for fixed assets but including closing inventories) are converted at the year-end exchange rate.

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

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

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

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

(a) Difference in accounting policy between the Parent Company and that adopted by a wholly owned domestic subsidiary:

The Parent Company follows the written down value method for providing depreciation, whereas the wholly owned domestic subsidiary which is into manufacturing of high pressure seamless compressed natural gas (CNG) cylinders follows straight line method for providing depreciation, as in the opinion of the management of the Group, this would result in a more appropriate presentation of the financial statements of the said wholly owned domestic subsidiary. Consequent to this, consolidated depreciation charge for the year is lower by **Rs.34,952,056** (Rs.40,173,261) with corresponding increase in consolidated profit before tax, consolidated reserves and surplus and consolidated net block of tangible fixed assets. The proportion of such written down value of tangible fixed assets is **Rs.702,905,451** (Rs.501,062,862) this is **80.66 %** (91.67%) of total tangible fixed assets.

(b) Differences in accounting policies between the Parent Company and those adopted by wholly owned foreign subsidiaries and a foreign associate:

(1) The Parent Company and a wholly owned foreign subsidiary and a foreign associate provide depreciation at different rates on tangible fixed assets.

(2) Wholly owned foreign subsidiaries and a foreign associate recognize tax assets or liabilities in accordance with the applicable local legislation. Deferred tax assets or liabilities in respect of wholly owned foreign subsidiary and a foreign associate are not recognized.

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

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

It is not practical to adopt uniform accounting policies. The proportion of these items vis-à-vis results/assets of the Group is not significant.

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

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

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

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

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

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

(i) **Depreciation-tangibles:**

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

(ii) **Amortisation-intangibles:**

(Other than for goodwill arising on consolidation of subsidiaries and a foreign associate)

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

(iii) **Impairment of assets:**

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

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

Goodwill arising on consolidation is in respect of acquisition of wholly owned domestic subsidiaries and a foreign associate. In respect of subsidiaries, goodwill is included under intangibles in the schedule of fixed assets and in respect of a foreign associate;

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

(f) **Investments:**

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

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

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

(g) **Inventories:**

Inventories of the Group are valued as follows:

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

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

(h) **Revenue recognition:**

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

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

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

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

(iv) Surplus/deficit on sale of investments is computed on FIFO basis and is recognized on trade date. Interest on deployment of surplus funds is recognised using the time proportion method, based on underlying interest rates. Dividend income on investments is accounted for when the right to receive the payment is established. Other income is accounted on accrual basis as and when the right to receive arises.

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

(i) **Taxation:**

1. Indian companies

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

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

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

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

2. Foreign companies

Foreign companies recognize tax liabilities and assets in accordance with the applicable local laws.

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

The consolidated cash flow statement is prepared by the Indirect Method set out in AS-3 (Revised) 'Cash Flow Statements' and presents the consolidated cash flows by operating, investing and financing activities of the Group. Cash and cash equivalents presented in the consolidated cash flow statement consist of cash balance on hand and balances with banks.

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

(Other than those relating to foreign subsidiaries)

(i) Initial recognition

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

(ii) Conversion:

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

(iii) Exchange differences:

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

(l) **Securities premium account:**

Securities premium account represents premium received pursuant to issue of equity shares. Expenses pertaining to issue of equity shares (IPO) are charged to securities premium account.

(m) **Retirement benefits:**

(i) Retirement benefits in the form of provident and family pension fund are defined contribution schemes and the contributions are charged to the profit and loss account of the year when the contributions to the funds are due. There are no other obligations other than the contributions payable.

(ii) Gratuity liability is a defined benefit obligation and is covered under a Group Gratuity Cash Accumulation Scheme of the Life Insurance Corporation of India (LIC). The gratuity liability is charged to the Profit and Loss Account on the basis of an actuarial valuation on Projected Accrued Benefits Method carried out by LIC once in three years.

(n) **Earnings per share:**

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

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

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

(p) **Derivative instruments:**

Gains or losses in respect of financial derivatives are accounted in the Profit and Loss Account on the date of settlement. In addition where there are contracts for termination or winding up of financial derivatives; they are also given effect in the profit and loss account. Outstanding derivative instruments at the balance sheet date are not marked-to-market, as a result, losses relating to the year are not recognised in the profit and loss account, gains if any, are ignored.

(q) **Borrowing costs:**

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

(r) **Proposed dividend:**

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

(s) **Miscellaneous expenditure**

Preliminary expenses are charged to revenue in the year of its occurrence.

3. **Particulars of Group components consolidated in the CFS:**

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

Sl. No.	Particulars	Country of incorporation	Proportion of ownership interest(%)	
			As at March 31, 2010	As at March 31, 2009
1	**Domestic Subsidiaries**			
(a)	Alert Fire Protection Systems Private Limited	India	**100.00**	100.00
(b)	Eurotech Cylinders Private Limited	India	**100.00**	100.00
(c)	Logicon Building Systems Private Limited	India	**100.00**	100.00
(d)	Nitin Cylinders Limited	India	**100.00**	100.00
2	**Foreign Subsidiary**			
(a)	Nitin Ventures FZE	UAE	**100.00**	100.00
(b)	Nitin Global Pte. Ltd. (effective July 23, 2009)	Singapore	**100.00**	N.A.
3	**Foreign Associate**			
(a)	New Age Company LLC *	UAE	**40.00**	40.00
4	**Partnership Firm**			
(a)	Eurotech Corporation^	India	**Nil**	95.00
5	**Non-integrated un-incorporated Joint Venture**			
(a)	Oil Block - RJ-ONN-2004/1 (Ref.No.19) (field in the non-integrated un-incorporated Joint Venture)	**	**11.11**	11.11

(* Shareholding is through a wholly owned foreign subsidiary viz. Nitin Ventures FZE and proportion of ownership interest has increased to 49% in April 2010)

(^ dissolved effective April 1, 2009)

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

4. **Contingent liabilities and capital commitments:**

Sr. No.	Particulars	**As at March 31, 2010 (Rs.)**	As at March 31, 2009 (Rs.)
I	**Contingent liabilities**		
a	Performance, bid bond and other bank guarantees given (fixed deposits deposited as margin money **Rs. 713,915** (Rs. 3,212,925) and mortgage of fixed assets belonging to the Parent Company provided)	**89,197,325**	38,313,599
b	Bond issued to the Development Commissioner, VSEZ for adherence to terms and conditions of setting up an SEZ unit.	**162,500,000**	162,500,000
c	Un-expired letters of credit (fixed deposits deposited as margin money **Rs. 12,114,642** (Rs. 10,594,659)).	**52,349,918**	47,867,101

Sr. No.	Particulars	**As at March 31, 2010 (Rs.)**	As at March 31, 2009 (Rs.)
d	Corporate financial guarantees given by the Parent Company on behalf of its wholly owned domestic subsidiary		
	- Limit	**1,206,000,000**	1,105,000,000
	- Outstanding	**662,512,542**	653,896,919
e	Standby letter of credit provided by the Parent Company on behalf of its wholly owned foreign subsidiary		
	- Limit	**240,000,000**	Nil
	- Outstanding	**232,471,000**	Nil
f	Income tax matter dispute in appeals	**1,396,973**	Nil
II	**Capital commitments**		
a	Estimated amount of contracts remaining to be executed on capital account and not being provided for (net of advances on capital account). (Cash flow is expected on execution of such capital contracts on progressive basis).	**23,250,580**	308,141,959

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

5. **Earnings per share (EPS):**

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

Particulars	**For the year 2009-10**	For the year 2008-09
Weighted average number of equity shares outstanding (Nos.)	**12,603,141**	12,603,141
	(Rs.)	(Rs.)
Net profit after tax attributable to the equity shareholders	**419,328,658**	347,154,574
Basic and diluted earnings per share	**33.27**	27.55
Nominal value per equity share	**10**	10

6. **Related party transactions:**

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

Foreign associate
New Age Company LLC

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

Key Management Personnel (KMP) represented on the Board of the respective Group component
Nitin Fire Protection Industries Limited
Nitin M. Shah (Chairman and Managing Director)
Rahul N. Shah (Wholetime Director)
Gopalkrishna Shahi (Wholetime Director up to April 24, 2008)

Alert Fire Protection Systems Private Limited
Rahul N. Shah
(Managing Director effective April 1, 2009 and Director upto March 31, 2009)
Saroj N. Shah (Director)

Eurotech Cylinders Private Limited
Kunal N. Shah
(Managing Director effective April 1, 2009 and Director upto March 31, 2009)
K. H. Vaidyanathan (Director)

Logicon Building Systems Private Limited
Dharmendra Bavishi (Director)
Gopalkrishna Shahi (Director)

Nitin Cylinders Limited
Nitin M. Shah (Director)
Kunal N. Shah (Director)
Gopalkrishna Shahi (Director from January 29, 2009)
Rahul N. Shah (Director upto March 31, 2009)

Nitin Ventures FZE
Nitin M. Shah (Managing Director)

Nitin Global Pte Limited (effective July 23, 2009)
Rahul N. Shah (Director)

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

(b) **Transactions between the Group and related parties:**

Sr. No.	Particulars	For the year 2009-10 (Rs.)	For the year 2008-09 (Rs.)
I	**Capital transactions**		
	Assets		
(i)	Investment Un-incorporated joint venture Oil Block (RJ-ONN-2004/1) (Ref.No.19)	**15,807,724**	101,246,579
(ii)	Purchase of immovable property/advance for purchase of immovable property/refund received of advance given Relative of a KMP Nitin M. Shah (*purchase of immovable property)	**45,100,000***	45,100,000
	KMP Saroj N. Shah (*refund received of advance given)	**5,100,000***	5,100,000
(iii)	Loans etc. Foreign associate New Age Company LLC	**165,526,748**	34,848,295
(iv)	Accumulated profits received Foreign associate New Age Company LLC	**29,071,537**	Nil
	Liabilities		
(i)	Unsecured loan KMP Nitin M. Shah	**25,000,000**	Nil

Sr. No.	Particulars	**For the year 2009-10 (Rs.)**	For the year 2008-09 (Rs.)
II	**Revenue transactions**		
	Income		
(i)	Sales of material and components/trading goods		
	Foreign associate		
	New Age Company LLC	**5,342,260**	11,334,925
(ii)	Group's share of profit		
	Foreign associate		
	New Age Company LLC	**48,146,172**	31,605,208
	Expenditure		
(i)	Rent		
	Relatives of a KMP		
	Nitin M. Shah	**1,034,160**	2,438,208
	Saroj N. Shah	**1,522,140**	573,372
(ii)	Remuneration*		
	KMP's		
	Nitin M. Shah	**4,485,275**	4,978,862
	Rahul N. Shah	**2,834,656**	3,614,397
	Kunal N. Shah	**2,988,468**	2,966,369
	Saroj N. Shah	**Nil**	2,895,692
(iii)	Professional fees		
	KMP		
	K. H. Vaidyanathan	**890,000**	420,000
III	**Proposed Dividend**		
	KMP's		
	Nitin M. Shah	**8,606,500**	7,362,000
	Rahul N. Shah	**2,821,000**	2,418,000
	Gopalkrishna Shahi	**NA**	3,762
	Relatives of KMP's		
	Saroj N. Shah	**9,187,500**	7,875,000
	Kunal N. Shah	**4,593,750**	3,937,500
	Nitin M. Shah (HUF)	**2,035,744**	1,723,923
	Rahul N. Shah (HUF)	**1,820,000**	1,560,000
	Reshma N. Shah	**1,879,500**	1,611,000
IV	**Personal financial guarantees released**		
	KMP and relative of a KMP		
	Jointly of Rahul N. Shah and Nitin M. Shah	**41,500,000**	Nil
	Relatives of a KMP		
	Jointly of Rahul N. Shah and Nitin M. Shah	**45,000,000**	Nil
	KMP's		
	Jointly of Nitin M. Shah and Rahul N. Shah	**100,000,000**	Nil
V	**Personal financial guarantees obtained**		
	KMP's and relatives of KMP		
	Jointly of Nitin M. Shah and Rahul N. Shah	**580,000,000**	697,500,000

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

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

Sr. No.	Particulars	**As at March 31, 2010 (Rs.)**	As at March 31, 2009 (Rs.)
I	**Assets**		
(i)	Investments etc. Foreign associate New Age Company LLC (equity shares) * (*includes Group's share of accumulated profits)	**429,005,161**	292,914,913
	Un-incorporated joint venture Oil Block (RJ-ONN-2004/1) (Ref.No.19)	**128,392,156**	112,584,432
	Partnership firm Eurotech Corporation	**Nil**	2,026,708
(ii)	Advances given for purchase of immovable property Relative of a KMP Nitin M. Shah	**Nil**	45,100,000
	KMP Saroj N. Shah	**Nil**	5,100,000
II	**Liabilities**		
(i)	Unsecured loan KMP Nitin M. Shah	**25,000,000**	Nil
(ii)	Trade payable Un-incorporated joint venture Oil block (RJ-ONN-2004/1) (Ref.No.19)	**6,243,817**	63,106,195
(iii)	Dues KMP's Nitin M. Shah	**1,039,225**	904,508
	Rahul N. Shah	**Nil**	904,508
III	**Personal financial guarantees obtained** KMP's and relative of KMP jointly with the Parent Company Jointly of Nitin M. Shah and Rahul N. Shah	**1,093,772,256**	684,658,742

Notes:

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

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

(c) The identification of relationships is based on relationships as prevalent in the respective Group component wherein the related party transactions have been entered into.

(d) Transactions relating to subsidiary companies have been eliminated in the CFS. Hence, details of such transactions have not been provided above.

7. **Disclosures in respect of an Associate:**

(a) Group's share in contingencies and capital commitments for which it is contingently liable: **Rs.3,819,196** (Rs.1,415,120)

(b) Group's share in contingencies for which it is severally liable : **Rs. Nil** (Rs. Nil)

8. **Segment reporting:**

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

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

Secondary segmental information:

(Rs.)

Particulars	**India For the year 2009-10**	**Rest of the world For the year 2009-10**	**Total For the year 2009-10**
Segment sales	**1,090,313,518** (1,551,514,581)	**2,048,345,314** (908,516,320)	**3,138,658,832** (2,460,030,901)
Segment assets	**312,898,208** (405,084,533)	**771,555,490** (296,522,614)	**1,084,453,698** (701,607,147)

Notes:

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

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

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

(a) The Group uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecast transactions and not for trading or speculative purposes. The use of foreign currency forward contracts is governed by the Group's strategy which provides principles on the use of such forward contracts consistent with the Group's Risk Management Policy.

The details of outstanding forward exchange contracts entered into by the Group are as under:

		As at March 31, 2010		As at March 31, 2009	
	Currency	**Amount outstanding in foreign currency**	**Rs.**	Amount outstanding in foreign currency	Rs.
Hedging commitment outstanding					
Secured loans	USD	**3,000,000**	**135,420,000**	3,000,000	152,850,000
No. of contracts outstanding		**1**	**-**	1	-

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

	Currency	As at March 31, 2010		As at March 31, 2009	
		Amounts outstanding in foreign currency	**Rs.**	Amounts outstanding in foreign currency	Rs.
Receivables					
Sundry debtors for exports	USD	**16,428,470**	**741,581,106**	3,775,278	192,371,115
Sundry debtors for exports	EURO	**137,487**	**8,326,213**	1,697	114,514
Sundry debtors for exports	GBP	**51,622**	**3,511,876**	Nil	Nil
Advances to suppliers	USD	**585,240**	**26,417,701**	514,281	26,209,852
Advances to suppliers	GBP	**50,707**	**3,449,581**	Nil	Nil
Bank balances	USD	**3,659**	**165,175**	14,441	735,805
Payables					
Secured loans (including buyers credit)	USD	**8,792,248**	**396,882,133**	7,882,877	401,632,616
Secured loans (buyers credit)	GBP	**239,126**	**16,638,796**	Nil	Nil
Sundry creditors for imports	USD	**12,572,465**	**567,521,126**	4,346,127	221,507,787
Sundry creditors for imports	GBP	**99,877**	**6,794,826**	164,081	11,954,821
Sundry creditors for imports	EURO	**85,841**	**5,198,510**	422,386	27,540,242
Interest accrued but not due on loans	USD	**2,760**	**124,582**	7,031	358,230

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

(c) In pursuance of announcement dated March 29, 2008 of the Institute of Chartered Accountants of India (ICAI) on Accounting for Derivatives, mark to market loss on an outstanding derivative instrument as on March 31, 2010 stood at **Rs.29,500,000,** arising from a hedging transaction undertaken by a Group component for its foreign currency related exposures. The above mark to market loss is expected to flow back through future cash flows. The said Group component has not provided for the loss on mark to market basis.

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

Sr. No.	Particulars	**For the year 2009-10 (Rs.)**	For the year 2008-09 (Rs.)
(a)	Contract revenue recognized	**978,846,098**	935,510,688
(b)	Gross amount due from customers for contract work	**320,249,545**	287,657,075
(c)	Gross amount due to customers for contract work	**Nil**	Nil
(d)	Contracts in progress	**Nil**	Nil

11. **Deferred taxation:**

(a) Computation of cumulative deferred tax assets or liabilities has not been made in respect of a foreign subsidiary of the Parent Company. In the opinion of the management, the impact is not material.

(b) (i) Deferred tax asset included in the balance sheet relates to excess of depreciation and amortisation provided in the books of account over depreciation and amortisation allowable under the Income Tax law : **Rs. 142,451** (Rs. 498,174).

(ii) Deferred tax liability included in the balance sheet relates to excess of depreciation and amortisation allowable under the Income Tax law over depreciation and amortisation provided in the books of account: **Rs.26,459,731** (Rs. 12,051,541).

12. Exchange gain (other than gain on translation on consolidation) included in the consolidated profit and loss account: **Rs.24,591,318** (exchange loss, Rs. 31,128,899).

13. **Details of secured loans:**

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

(i) Entire current assets.

(ii) Tangible fixed assets viz. buildings, buildings on lease hold land, plant and machinery, electrical installation, furniture, fixtures and office equipments.

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

(iv) Corporate guarantee of the Parent Company.

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

(vi) Investments purchased there against.

(b) Vehicle loans from banks are secured by vehicles purchased there against.

(c) Amounts repayable within one year **Rs. 82,144,852** (Rs. 91,173,243).

14. **Managerial remuneration (Parent Company):**

Particulars	**For the year 2009-10 (Rs.)**	For the year 2008-09 (Rs.)
Managing Director/ Wholetime Director		
Salaries and bonus	**2,741,468**	4,589,125
Perquisites	**Nil**	60,000
Contribution to provident and other funds	**259,200**	403,200
Commission on profits	**1,484,607**	3,540,934
Total	**4,485,275**	8,593,259
Non Wholetime Directors		
Sitting fees	**99,000**	143,000
Total	**99,000**	143,000

Notes:

(i) The employee wise break up of liability on account of gratuity, based on estimation is not ascertainable. The amounts relatable to the Managing Director/Wholetime Director is therefore, not considered above.

(ii) Computation of net profits in accordance with Section 309 (5) of the Act and calculation of commission payable has not been disclosed as the limits prescribed under the Act do not apply to the CFS of NFPIL.

(iii) The figures of the current year are only in respect of the Managing Director. Whereas, the previous year's figures include also that of a Wholetime Director.

15. **Impairment of assets:**

Pursuant to AS-28 'Impairment of Assets', the Group has reviewed the carrying cost of assets with value in use (determined based on future earnings)/net selling price (determined based on valuation). Based on such a review, the Group is of the view that in the current financial year, impairment of assets is not considered necessary.

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

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

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

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

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

(b) Contingent liabilities in relation to interest in a joint venture as at March 31, 2010: Rs.**18,020,678** (Rs.43,849,578) and share in contingent liabilities jointly with other venturers as at March 31, 2010:**Rs. Nil** (Rs. Nil).

(c) Share in contingent liabilities of a joint venture itself for which the Parent Company is contingently liable as at March 31, 2010: **Rs. Nil (**Rs. Nil).

(d) Contingent liabilities in respect of liabilities of other venturers of a joint venture as at March 31, 2010: **Rs. Nil** (Rs. Nil).

(e) Capital commitments (net of advances) in relation to interests in a joint venture and not provided for as at March 31, 2010: **Rs. Nil** (Rs. Nil) and its share in capital commitments (net of advances) that have been incurred jointly with other venturers and not provided for as at March 31, 2010: **Rs. Nil** (Rs. Nil).

(f) Parent Company's share of capital commitments (net of advances) of the joint venturers themselves and not provided for as at March 31, 2010: **Rs. Nil** (Rs. Nil).

17. Initial surveys in respect of a joint venture (referred to in Note 16 above) for oil and gas producing activities are under progress. Hence, disclosures required viz. net quantities of the Group's interest in proved reserves and proved developed reserves of oil (including

condensate and natural gas liquids), gas at the beginning and additions, deductions, production and closing balance of the year and the above disclosures on geographical basis required pursuant to the Guidance Note on Accounting for Oil and Gas Producing Activities issued by the ICAI are currently not applicable.

18. Unsecured loan from a bank of **Rs.225,700,000** (Rs.Nil) is in respect of amounts withdrawn by a wholly owned foreign subsidiary against standby letter of credit facility availed and is guaranteed by the Parent Company (Refer Note 4 (e) above).

19. Manufacturing sales include sale of scrap amounting to **Rs.5,430,179** (Rs. Nil).

20. **Provisions, contingent liabilities and contingent assets:**

    As per the best estimate of the management of the Group, no provision is required to be made as per AS-29 'Provisions, Contingent Liabilities and Contingent Assets', in respect of any present obligation as a result of a past event that could lead to a probable outflow of resources, which would be required to settle the obligations of the Group.

21. The Ministry of Corporate Affairs, Government of India under Section 212 (8) of the Act, has exempted the Parent Company from attaching the balance sheets and profit and loss accounts of its subsidiaries under Section 212(1) of the Act. As per the terms of exemption, a key detail of each subsidiary is attached along with the Statement under Section 212 of the Act.

22. Provision for current tax includes:

    (i) **Rs.125,000** (Rs.65,000) for wealth tax, and;

    (ii) **Rs.482,547**(Rs.Nil) in respect of income tax payable outside India.

23. The financial statements of wholly owned foreign subsidiaries, a foreign associate and an un-incorporated joint venture have not been audited by the statutory auditor's of the rest of the Group components.

24. Cash balance on hand includes **Rs.318,734** (Rs.Nil) held in foreign currency.

25. **Bank balance with others**:

    Balances with non-scheduled banks represent the balances classified as non-scheduled banks by the Reserve Bank of India. The balances with non-scheduled banks held in current accounts are as under:

Particulars	**Outstanding balance as at March 31, 2010 (Rs.)**	**Maximum amount outstanding at any time during the year 2009-10 (Rs.)**
HSBC Bank Middle East Limited- AED United Arab Emirates	**126,502,168** (1,613,820)	**126,502,168** (9,545,074)
HSBC Bank Middle East Limited - USD United Arab Emirates	**2,322,495** (232,128)	**225,529,038** (47,835,135)
Standard Chartered – AED United Arab Emirates	**65,662** (NA)	**69,194** (NA)
Standard Chartered – USD United Arab Emirates	**305,390** (NA)	**58,449,600** (NA)
Invest Bank-AED United Arab Emirates	**314,775** (487,145)	**36,935,555** (13,243,426)
Invest Bank-USD United Arab Emirates	**55,454** (169,065)	**166,908** (170,450)
The Hongkong and Shanghai Banking Corporation Limited - USD Singapore	**3,196,225** (NA)	**8,785,384** (NA)
The Hongkong and Shanghai Banking Corporation Limited - SGD Singapore	**341,217** (NA)	**2,678,486** (NA)

26. The effect of formation of a wholly owned foreign subsidiary during the year on the CFS is as under:

Name of the company	**Effect on group profit (Rs.)**	**Net assets (Rs.)**
Nitin Global Pte Limited	**8,768,313**	**8,768,313**

27. **Previous year comparatives:**

    The financial statements of a Group component (referred to in note 26 above) are consolidated in the CFS for the first time. Accordingly, the CFS for the year ended March 31, 2010 are to that extent not comparable with the corresponding consolidated financial figures of the previous year presented.

28. Figures pertaining to wholly owned subsidiaries have been reclassified wherever necessary to bring them in line with the Parent Company's financial statements.
29. Figures in parenthesis represent the corresponding previous year figures, which have also been restated/reworked to conform to current year's presentation, wherever applicable and current year's figures are stated in bold.

Signatures to Schedules A to Q which form an integral part of the CFS.

In terms of our Report of even date.

For **Tolia & Associates**
Chartered Accountants
Firm Registration Number:111017W

Sd/-
Kiran P. Tolia
Proprietor
Membership Number:43637

Mumbai
August 17, 2010

For and on behalf of the Board of Directors

Sd/-
Nitin M. Shah
Chairman &
Managing Director

London
August 17, 2010

Sd/-
Rahul N. Shah
Whole-time Director

Sd/-
Abhishek Shrivastava
Company Secretary

Mumbai
August 17, 2010

Statement pursuant to exemption received u/s 212 (8) of the Companies Act, 1956 relating to subsidiary companies for the year ended March 31, 2010

(Rs.)

Sr. No.	Particulars	Alert Fire Protection Systems Priva te Limited, India	Eurotech Cylinders Private Limited, India	Logicon Building Systems Private Limited, India	Nitin Cylinders Limited, India	Nitin Ventures FZE, UAE	Nitin Global Pte Limited, Singapore
1	Share capital / Share application money	100,000	100,000	175,000	36,125,000	102,208,125 USD 2,575,000	4,761,000 USD 100,000
2	Reserves & surplus	115,267,681	230,644,360	20,792,337	684,309,575	267,333,854 USD 6,235,526	8,768,313 USD 199,719
3	Total assets	245,383,601	297,804,502	95,233,350	1,674,072,397	824,398,933 USD18,243,078	252,560,734 USD 5,595,054
4	Total liabilities	245,383,601	297,804,502	95,233,350	1,674,072,397	824,398,933 USD18,243,078	252,560,7 34 USD 5,595,054
5	Details of investments	13,938,568	2,585,000	5,000	Nil	170,064,625 USD 4,347,504	21,461,768 USD 4 75,449
6	Turnover (Total income)	262,952,675	611,858,948	107,842,854	528,136,523	884,557,046 USD 18,209,477	267,272,126 USD 5,522,500
7	Profit before taxation	42,541,492	90,730,971	3,163,742	8,614,149	162,753,893 USD 3,549,066	9,250,860 USD 210,409
8	Provision for taxation	15,427,665	31,838,294	1,667,654	12,519,957	Nil	482,547 USD 10,690
9	Profit /(loss) after taxation	27,113,827	58,892,677	1,496,088	(3,905,808)	162,753,893 USD 3,549,0 66	8,768,313 USD 199,719
10	Proposed dividend	Nil	Nil	Nil	Nil	Nil	Nil

For and on behalf of Board of the Directors

Sd/-
Nitin M. Shah
Chairman &
Managing Director

Sd/-
Rahul N. Shah
Wholetime Director

Sd/-
Abhishek Shrivastava
Company Secretary

London
August 17, 2010

Mumbai
August 17, 2010

NITIN FIRE PROTECTION INDUSTRIES LIMITED

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

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

ATTENDANCE SLIP

I hereby record my presence at the 15th Annual General Meeting of the Company held on Tuesday, September 21, 2010, at 3.30 p.m. at Mini Theatre, P.L. Deshpande Maharashtra Kala Academy, Sayani Road, Prabha Devi, Mumbai 400 025, India.

Regd Folio No.: / DPID NO:_________________________

No. of shares: ____________

Name of the shareholder (in block capitals) ____

Signature of the shareholder or proxy ____

NITIN FIRE PROTECTION INDUSTRIES LIMITED

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

PROXY FORM

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

I / We____________________________________of _______________________________being a member/members of the above Company, hereby appoint Mr./Mrs.____of ____________________________or failing him/her Mr./Mrs.____of ____________________________or failing him/her Mr./Mrs.____of ____________________________or failing him/her as my /our proxy to attend and vote for me /us and on my/our behalf at the 15th Annual General Meeting of the Company to be held on Tuesday, September 21, 2010 and any adjournment thereof.

AS WITNESS my / our hand at _________________on this ________day of ________ 2010.

Affix Re. 1 Revenue Stamp

Signature

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

NITIN FIRE PROTECTION INDUSTRIES LIMITED

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

DIVIDEND - ECS MANDATE FORM

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

Dear Sirs,

Payment of Dividend under the Electronic Clearing System (ECS)

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

Name of the Sole / First Shareholder (in block letters)			
Folio No.			
Name of the bank in full			
Branch name and address			
9 digit code number of the bank as appearing on the MICR cheque issued by the bank			
Type of account	Saving	Current	Cash Credit
Account number as appearing on the cheque book			
Bank ledger No./ bank ledger folio No. (if any as appearing on the cheque Book)			

Please attach a photo copy of your cheque leaf which contains your bank account and the nine digit MICR number.

I/We hereby declare that the particulars given above are correct and complete. The present mandate will supercede my/our earliear bank mandate, if any, given. If the transaction is delayed or not effected at all because of incomplete or incorrect information, I/We would not hold the Company / the user institution responsible.

Place :

Date :

Signature of Sole / First Shareholder