Contents

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 13th Annual General Meeting of the Members of the Company will be held on Friday the 22nd August 2008, at 3.00 P.M. at 1st Floor, Centre for Excellence in Telecom Technology and Management Hall (CETTM), Technology Street, Hiranandani Gardens, Powai , Mumbai 400 076 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt Audited Balance Sheet as at March 31, 2008 and Profit & Loss Account for the year ended on that date, together with the Reports of the Directors and the Auditors thereon.
2. To declare dividend on equity shares for the year ended March 31, 2008.
3. To appoint a Director in place of Dr. Surendra A. Dave, who retires by rotation and being eligible, has offered himself for reappointment.
4. To appoint Tolia & Associates, Chartered Accountants, as the Statutory Auditor's of the Company and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

5. To appoint a Director in place of Shri Kailat H. Vaidyanathan who 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 Shri Kailat H. Vaidyanathan as a Director of the Company.
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

   "RESOLVED THAT consent of the members of the Company be and is hereby accorded pursuant to the provisions of Section 198, 269, 309, 310 read with Schedule XIII and other applicable provisions if any, of the Companies Act, 1956, modifications in the terms of appointment in the agreement executed with Shri Rahul N. Shah Executive Director dated March 22, 2006 with reference to the remuneration of Shri Rahul N. Shah be and is hereby revised as under with effect from 1st January 2008 as set out in the letter of modifications placed before the meeting and initialed by the Chairman for verification."

   a) Salary: Rs.1,00,000/- (Rupees One Lac Only) per month with reasonable increment in the month of April every year, subject to maximum 10% of the existing salary. However total salary shall not exceed the limits prescribed u/s. 198, 309 and 349 and Schedule XIII of the Act.

   b) House Rent Allowance: Rs.20,000/- (Rupees Twenty Thousand Only) per month subject to the provisions of the Income Tax Act, 1961.

   c) Commission @ 1 (one) percent of the Net Profit as computed under the provisions of the Companies Act, 1956.

   d) All other terms and conditions remain unchanged.
7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

   "RESOLVED THAT consent of the members of the Company be and is hereby accorded pursuant to the provisions of Section 198, 269, 309, 310 read with Schedule XIII and other applicable provisions if any, of the Companies Act, 1956 , modifications in the terms of appointment in the agreement executed with Shri Nitin M Shah Managing Director dated March 22, 2006 with reference to the remuneration of Shri Nitin M. Shah be and is hereby revised as under with effect from 1st January 2008 as set out in the letter of modifications placed before the meeting and initialed by the Chairman for verification."

   a. Salary: Rs. 1,80,000/- (Rupees One Lac Eighty Thousand Only) per month with reasonable increment in the month of April every year, subject to maximum 10% of the existing salary. However, total salary shall not exceed the limits prescribed u/s. 198, 309 and 349 and Schedule XIII of the Act.

   b. House Rent Allowance: Rs.20,000/- (Rupees Twenty Thousand Only) per month subject to the provisions of the Income Tax Act, 1961.

   c. Commission @ 1 (one) percent of the Net Profit as computed under the provisions of the Companies Act, 1956.

For and On Behalf of the Board

Mumbai.
28th July 2008

Rahul N. Shah
Executive Director

NOTES:

a. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.THE PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LATER THAN FORTYEIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

b. The relevant Explanatory Statements pursuant to Section 173 of the Companies Act, 1956, is annexed thereto.

c. 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.

d. The Register of Members and Transfer Book of the Company will remain close from Monday, August 18, 2008 to Friday, August 22, 2008 (both days inclusive).

e. The dividend on equity shares, if declared, will be payable within five days from the date of Annual General Meeting on or after August 22, 2008, to those members whose names stand on the Register of Members of the Company.

f. Members are requested to intimate to the Company queries, if any, regarding the Notice / Reports / Accounts atleast seven days before the Annual General Meeting to enable the management to keep the information ready at the meeting.

g. 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.

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

i. 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 .

j. As per Clause 49 of the Listing Agreement with the stock exchange the following particulars of Directors who are appointed /re-appointed i.e. Dr. Surendra A. Dave and Shri Kailat H. Vaidyanathan are being provided.

1. Dr. Surendra A. Dave, is Ph. D in Economics with a total experience of 47 years. He is a Professional Director and on Board of well known companies. He was associated with RBI and IDBI, and was Chairman of UTI and SEBI. He is associated with the Company since the IPO and has participated in the growth and development of the Company.

2. Shri. Kailat H. Vaidyanathan, is a Graduate in Mechanical Engineering with Post Graduate studies in Industrial Engineering. He has more than 36 years of experience in various engineering fields including about 21 years in the area of high pressure seamless cylinders and allied equipments. He has handled many projects. He is presently the Director of Eurotech Cylinders Private Limited, a subsidiary of the Company.

k. Members / Proxies should bring the attendance slips filled in for attending the meeting.

ANNEXURE TO THE NOTICE

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

Item No. 5

Shri Kailat H. Vaidyanathan was appointed as Director of the Company at the Board meeting held on 22nd April, 2008 as an Additional Director of the Company. 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 Shri. Kailat H. Vaidyanathan as Director of the Company. Shri. Kailat H Vaidyanathan 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 Shri Kailat H. Vaidyanathan is interested in the resolution.

Item No. 6

Shri Rahul N. Shah was appointed as an Executive Director of the Company on 22nd March 2006 for a monthly remuneration of Rs. 40,000/-.With the expansion of the business of the Company and additional responsibility on the Executive Director, the Board of Directors at their meeting held on 28/01/2008 revised the remuneration payable to Shri Rahul N. Shah, subject to approval by the shareholders of the Company .Shri Rahul N. Shah, looks after all the functions of the Company. The increase in the monthly remuneration is justified by the Board and recommends passing of the Special Resolution at item no 6.

None of the Directors except Shri Rahul N. Shah, himself and Shri Nitin M. Shah as relative of Shri Rahul N. Shah are considered as interested Directors in the above resolution.

Item No.7

Shri Nitin M Shah, Chairman and Managing Director is pioneer and promoter of the Company since incorporation. He was appointed as Managing Director of the Company on 22nd March 2006 on a monthly remuneration of Rs.1,20,000/-. The success of the Company's maiden IPO and all round progress is due to vision and dynamic efforts of Shri Nitin M Shah. After successfully establishing fire protection and cylinder manufacturing business in India, Shri Nitin M. Shah, had undertaken additional responsibility to establish Company's business in international market. The efforts were successful and with a view to appreciate the efforts the Board of Directors at their meeting held on 28/01/2008 revised the remuneration payable to Shri Nitin M. Shah, subject to the approval by the shareholders of the Company. Shri Nitin M. Shah leads the entire Executive team of the Company and looks after all round expansion and development of the Company at International and Domestic levels. The increase in the monthly remuneration is justified by the Board and recommends passing of the Special Resolution at item no 7.

None of the Directors except Shri Nitin M. Shah himself and Shri Rahul N Shah as relative of Shri Nitin M. Shah are considered as interested Directors in the above resolution.

For and on Behalf of the Board

Mumbai.
28th July 2008

Rahul N. Shah
Executive Director

DIRECTORS' REPORT

To the Members,

Nitin Fire Protection Industries Limited

Your Directors have pleasure in presenting the Thirteenth Annual Report and the First Annual report after the IPO together with the audited statement of accounts for the year ended 31st March, 2008. The Board welcomes all new shareholders of the Company who invested in the Company's equity issue and expressed their faith in the management of the Company.

1. FINANCIAL RESULTS

The figures of financial results for the financial year under review are summarised below.

(Rs. in lacs)

	2007-08	2006-07
Sales & Other income	**3,868.59**	2,818.48
Profit before Depreciation & Tax	**1,218.59**	513.68
Depreciation	**68.87**	64.95
Profit before Tax	**1,149.72**	448.73
Provision for Income Tax including Deferred Taxes	**208.52**	147.19
Provision for Fringe Benefit Tax	**6.50**	6.00
Provision for Wealth Tax	**0.10**	0.00
Profit after Tax	**934.60**	295.54
Prior Period Adjustments	**2.10**	0.00
Profit brought forward from previous year	**468.79**	269.34
Profit available for appropriation	**1,401.29**	564.88
APPROPRIATION		
Transfer to General Reserve	**100.00**	26.25
Dividend - Proposed	**252.06**	61.25
Corporate Dividend Tax	**42.84**	8.59
Profit carried to Balance Sheet	**1,006.39**	468.79

The performance of your Company during the year under report has registered an improvement over the previous year. Sales during the year ended 31st March, 2008 stood at Rs. 3,868.59 lacs and registered an increase of 37.35% as compared to the previous year. The Profit after Tax stood at Rs.934.60 lacs representing an increase of 216.23% as compared to the previous year. The working of the Company is considered satisfactory. Baring unforeseen circumstances, the Board of Directors are hopeful of better performance of the Company during the current year.

2. DIVIDEND

The Board of Directors encouraged with the above financial performance of the Company, recommends dividend @ 20 % on the enhanced Equity Share Capital of the Company. (Previous year 12%)

3. SHARE CAPITAL

Initial Public Offering

To futher augment the capital base of the Company for future plans , your Company made a successful initial public offering (IPO) through book building process of 3,390,000 Equity Shares of Rs. 10/- each at a premium of Rs. 180/- per share which was oversubscribed 49 times. The Equity Shares of the Company were listed at Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE) on 5th June 2007.

4. DIRECTORS

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

The Board has appointed Mr. Ashish Jain as an Independent Director on 28th January 2008, However due to pre occupation he resigned on 28th July, 2008.

Mr. Kailat H. Vaidyanathan was appointed as an Independent Director of the Company at the meeting of the Board held on 22nd April, 2008. Mr. Kailat H. Vaidyanathan 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 Shri Kailat H. Vaidyanathan in the Board.

5. SUBSIDIARIES

During the year under review, the Company incorporated in UAE a wholly owned subsidiary viz. Nitin Ventures FZE which will help the Company to expand its activities in the Middle East.

The Company has four wholly owned subsidiaries in India. All subsidiaries are engaged in the business of fire protection systems and allied products with advanced technology, manufacturing and dealing in high pressure seamless cylinders. The manufacturing of cylinders is considered as backward integration. Fire detectors and other products manufactured or assembled by subsidiary companies form part of forward integration of the business of the Company.

Pursuant to Section 212 of the Companies Act, 1956, the Company had made an application with the Ministry of Corporate Affairs, Government of India and sought exemption from attaching with the Balance Sheet of the Company, the accounts and other documents of all the Subsidiary Companies. The Ministry of Corporate Affairs, Government of India vide its letter no 47/462/2008-CL-III dated 08/07/2008, has granted exemption to the Company. In compliance with the terms of said exemption, the Company has attached a summary of financial statement of all the subsidiary companies.

6. INSURANCE

The properties of the Company including its building, plant and machinery and stocks wherever necessary and to the extent required have been adequately insured.

7. PARTICULARS OF EMPLOYEES

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

8. CONSERVATION OF ENERGY

The Company is not required to furnish the prescribed information under Section 217(l) (e) of the Companies Act, 1956 relating to conservation of energy and technology absorption, 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.

9. TECHNOLOGY ABSORPTION

The Company is presently carrying its business with in-house Indian technology.

10. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company has earned Rs. 32,675,272/- in foreign currency and has spent Rs. 136,679,293/- in foreign exchange.

11. 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, the applicable accounting standards have been followed.

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, 2008 and of the Profit & Loss Account for the year ended March 31, 2008.

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.

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

12. 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 2008-2009.

13. AUDITORS OBSERVATION

The observations made by Auditors for a foreign subsidiary, an associate company and an un-incorporated joint venture, the Board of Directors would like to inform that audit of the foreign subsidiary was carried out by other auditors at Jebel Ali, UAE, and accounts of the associate/ joint venture were un- audited and therefore it was certified by the Management. The Auditors' Report read with Notes on Accounts is self explantory and hence, needs no further clarification.

14. MANAGEMENT DISCUSSION AND ANALYSIS

A Report on Management discussion and Analysis is annexed and same is forming part of this report.

15. CORPORATE GOVERNANCE REPORT

A Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges forms part of the Annual Report.

A certificate from Company Secretary in Practice, regarding compliance of conditions of Corporate Governance as stipulated under the aforesaid Clause 49 is annexed to this Report.

16. 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 in Joint Ventures', your Directors have pleasure in attaching the Consolidated Financial Statements which form part of the Annual Report and Accounts.

17. 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 and bankers for their support and understanding and to the shareholders for their faith and confidence.

The Board specially thanks all agencies associated with the first IPO of the Company viz., ROC, SEBI, Stock Exchanges, NSDL, CDSL, Merchant Bankers, PR Agencies, Registrar and other Government and Semi Government Authorities for their valuable guidance and support provided to the Company prior to IPO, during the IPO and after the IPO in issuing, allotting, listing and trading of the Securities of the Company.

For and on Behalf of the Board

Mumbai.
28th July, 2008

Nitin M. Shah
Chairman

1. REPORT ON CORPORATE GOVERNANCE

(Annexure to the Thirteenth Directors' Report for the Financial Year 2007-08)

PHILOSOPHY ON CORPORATE GOVERNANCE

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 reflects in the Company's value statement comprising of the following:

- Better 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 Nitin Fire Protection Industries Limited comprises of 5 Directors, of which two are Executive Directors one Non-Executive Director and two are Independent Non-Executive Directors. None of the Directors of the Company is 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 Company's business. The composition of Board is as under:

Sr. No.	Name of the Director	Nature of Directorship	Number of Directorship of other Public Companies	Membership in other Board Committees	Chairmanship in other Board Committees
1.	Mr. Nitin M. Shah	Chairman and Managing Director	1	0	0
2.	Mr. Rahul N. Shah	Executive Director	1	2	0
3.	Mr. Gopal K.Shahi Resigned on 22.4.2008	Executive Director	Nil	0	0
4.	Mr. Mukund R. Sheth Resigned on 30.10.2007	Independent Non-Executive Director	2	2	1
5.	Mr. Krishna Kant Jha	Independent Non-Executive Director	Nil	1	0
6.	Dr.Surendra A. Dave	Independent Non-Executive Director	12	8	0
7	Mr. Ashish Jain Appointed on 28.1.2008 & resigned on 28.7.2008	Independent Non-Executive Director	Nil	NIL	NIL
8.	Mr. Kailat H. Vaidyanathan Appointed on 22.4.2008	Non-Executive Director	Nil	Nil	Nil

(ii) Brief Resume of Directors seeking appointments/reappointments

1. Dr. Surendra A. Dave, is Ph. D in Economics with a total experience of 47 years. He is a Professional Director and on Board of well known companies. He was associated with RBI and IDBI, and was Chairman of UTI and SEBI. He is associated with the Company since the IPO and has participated in the growth and development of the Company.

2. Mr. Kailat H. Vaidyanathan is a Graduate in Mechanical Engineering with Post Graduate studies in Industrial Engineering. He has more than 36 years of experience in various engineering fields including about 21 years in the area of high pressure seamless cylinders and allied equipments. He has handled many projects. He is presently the Director of Eurotech Cylinders Private Limited, a subsidiary of the Company.

(iii) Board Meetings:

Sr. No.	Name of the Director	No. of Meetings Held	No. of Meetings Attended	Last AGM Attended
1.	Mr. Nitin M. Shah	10	9	Yes
2.	Mr. Rahul N. Shah	10	8	Yes
3.	Mr. Gopal Krishna Shahi	10	8	Yes
4.	Mr. Mukund R. Sheth	10	3	Yes
5.	Mr. Krishna Kant Jha	10	3	Yes
6.	Dr. Surendra A. Dave	10	3	Yes
7.	Mr. Ashish Jain	10	1	No

During the Financial year 2007-08, Ten Board Meetings were held on 5th April 2007, 6th April, 2007, 9th April, 2007, 12th April 2007, 23rd April 2007, 24th May 2007, 4th June 2007, 20th July 2007, 30th October 2007, and 28th January 2008

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. Krihsna Kant Jha, Chairman of the committee, having knowledge of Finance, Accounts 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, Independent Non Executive Director
3. Mr. Rahul N. Shah - Member, Executive Director

During the year under review, the committee met four times on 4th June 2007, 20th July 2007, 30th October 2007, and 28th January 2008.

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

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

b) Reviewing with management the annual financial statement before submission to the Board.

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

d) Discussion and reviewing of any significant finding of any internal investigations by the internal auditors 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.

e) 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.

f) Review the Company's financial and risk management policies.

g) Recommending the appointment and removal of Statutory Auditors, fixation of Audit fee and also approve payment for any other services.

SHAREHOLDER'S / INVESTOR'S GRIEVANCE COMMITTEE

The Shareholder's / Investors' Grievance Committee comprises of Dr. Surendra A. Dave, Mr. Krihsna Kant Jha and Mr. Rahul N. Shah, Directors of the Company. Dr. Surendra A. Dave, Independent Non-Executive Director, is the Chairman of the Committee. The Committee looks into the redressing of shareholders and investor complaints like transfer of shares, non-receipt of balance Sheet, 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 4th June 2007, 20th July 2007, 30th October 2007, and 28th January 2008.

REMUNERATION COMMITTEE

The Remuneration Committee consists of two Independent Directors. The Committee comprises of Dr. Surendra A. Dave and Mr. Krishna Kant Jha, both are Independent Non Executive Directors of the Company. Dr. Surendra A. Dave is the Chairman of the Committee.

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 retiral 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.

Director's Remuneration & Sitting Fees

a) The details of remuneration paid to Directors during the Financial Year 2007-08 as approved by the Board:

Sr. No.	Name of the Director	Salary Rs.	Provident Fund Rs.	Perquisites & Allowances Rs.	Total Rs.
1.	Mr. Nitin M. Shah	2,566,548	240,364	60,000	2,866,912
2.	Mr. Rahul N. Shah	1,073,964	76,800	60,000	1,210,764
3.	Mr. Gopal Krishna Shahi	579,133	Nil	12,836	591,969
	Total	**4,219,645**	**317,164**	**132,836**	**4,669,645**

b) Details of payment for sitting fees:

Sr. No.	Name of the Director	Sitting Fees Rs.
1.	Mr. Mukund R. Sheth	33,000
2.	Mr. Krishna Kant Jha	33,000
3.	Dr. Surendra A. Dave	33,000
4.	Mr. Ashish Jain	11,000
	Total	**110,000**

4. DISCLOSURES

Related Party Transactions

The Company has entered into transactions with related parties that may not have any potential conflict with the interests of the Company. The details of such transactions are already given in Note 11 to the Notes on Accounts in Schedule P.

Compliances by the Company

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

5. MEANS OF COMMUNICATION

- Full annual report is sent to shareholders every year at their registered address regularly.
- The quarterly financial results and Annual Report are also sent to Financial Institutions/ Analysts/Institutional Investors on demand.

6. SHAREHOLDER'S MEETINGS

Details of the location of the last three AGM and the details of the resolutions passed or to be passed by postal ballot.

a. Particulars of last three years Annual General Meetings :

Financial Year	Venue	Date	Time
2006-2007	501, Delta, Technology Street Hiranandani Gardens, Powai, Mumbai – 400 076	12.4.2007	4.30 p.m.
2005-2006	501, Delta, Technology Street Hiranandani Gardens, Powai, Mumbai – 400 076	26.5.2006 .	11.00 a.m
2004-2005	501, Delta, Technology Street Hiranandani Gardens, Powai, Mumbai – 400 076	30.9.2005 .	11.00 a.m

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

7. GENERAL SHAREHOLDER INFORMATION

- **Annual General Meeting**

  Day, Date & Time : Friday, August 22, 2008 at 3.00 p.m.

  1st Floor, Centre for Excellence in Telecom Technology
  and Management Hall (CETTM),
  Technology Street, Hiranandani Gardens,
  Powai , Mumbai 400 076.

  Listing on Stock Exchange: The Company's equity shares are listed on the following two Stock Exchanges in India.

Name of Stock Exchange :	Stock Code
1. The Stock Exchange, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.	532854
2. National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051.	NITIN FIRE

- **Registrars & Share Transfer Agent**

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

- **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 Bigshare Services Private Limited, the Registrar and Share Transfer Agents of the Company, who attends to the same once in a fortnight.

- **Dates of Book Closure**

  August 18, 2008 to August 22, 2008 (Both days inclusive)

- **Compulsory De-materialized Trading**

Demat ISIN in NSDL and CDSL for Equity Shares INE 489H01012

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 24th July, 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 99.999905% holding of the Company is in demat form. The Company has paid the Annual Listing feet to each of the Stock Exchanges, for the Finanancial year 2008-2009.

Distribution of Shareholders

Distribution of shareholding as on 31st March, 2008

Slab of shares	Number of shareholders	Percentage of shareholders	Number of shares	% of shareholding
1 - 5,000	12,906	97.3377	628,236	4.9848
5,001 - 10,000	162	1.2218	133,428	1.0587
10,001 - 20,000	73	0.5506	110,101	0.8736
20,001 - 30,000	18	0.1358	42,278	0.3355
30,001 - 40,000	26	0.1961	90,419	0.7174
40,001 - 50,000	14	0.1056	66,721	0.5294
50,001 - 100,000	23	0.1735	169,455	1.3445
Above 100,000	37	0.2791	11,362,503	90.1561
Total	**13,259**	**100.0000**	**12,603,141**	**100.0000**

Shareholding Pattern as on 31st March, 2008

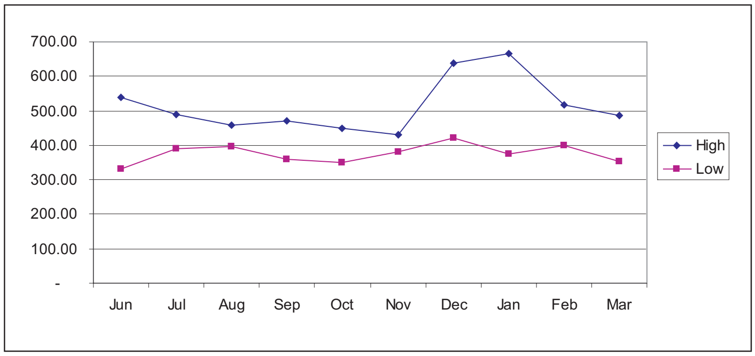
Sr. No.	Category of Shareholders	No. of Shares held	% of Shareholding
1	Promoters, Directors & Relatives	8,757,004	69.4827
2	Indian Public	3,846,137	30.5173
	Total	**12,603,141**	**100.0000**

Market Price Data

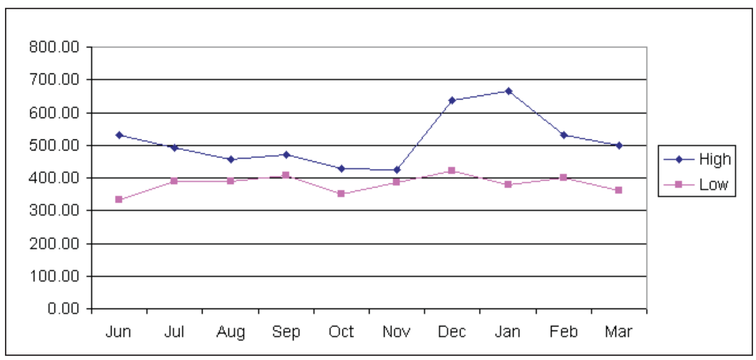
Share prices during the financial year 2007-2008 at NSE & BSE for one equity share of Rs. 1 each were as under:

Month	Share Price (Rs.) (NSE)		Share Price (Rs.) (BSE)	
	High	Low	High	Low
June	539.00	332.50	530.00	332.50
July	490.90	390.15	491.00	390.00
August	457.00	395.10	457.00	391.00
September	470.00	358.85	469.70	408.00
October	450.00	350.00	429.90	351.00
November	430.00	381.00	425.70	387.10
December	639.00	420.00	637.40	422.00
January	665.00	375.25	666.90	377.00
February	518.00	400.00	530.00	401.00
March	484.80	352.30	499.20	362.00

NSE



BSE



* Locations of manufacturing plants :-

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

2. Shed -6 Phase- I
   Duvada VSEZ, Vishakhapatnam
   Andhra Pradesh.

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

- Compliance Officer : Shri Rahul N. Shah, Executive Director
  Email: cs@nitinfire.com

8. INVESTOR RELATIONS

There were 525 complaints received during the year and all were attended by the Company. Therefore no complaints were pending as at 31st March 2008.

For and on Behalf of the Board

Mumbai.
28th July 2008

Nitin M. Shah
Chairman

MANAGEMENT DISCUSSION &ANALYSIS

Annexure to the Director's Report

A. INDUSTRY STRUCTURE & DEVELOPMENT:

Fire protection is an activity that is important to human life and development. Fire leaves not only a large-scale destruction in its wake, but also causes loss of life. A majority of deaths during fires are not caused by the heat generated by the fire, but by the victim being overcome by the toxic smoke from the fire. This is because all fires, particularly in industries and offices, produce potentially lethal gases like carbon monoxide. Besides, particular types of burning materials also produce their own unique hazards: e.g. burning wood and paper producing acrolein; burning polyurethane foam giving off cyanides and PVC creating hydrogen chloride gas. All fires create highly dangerous atmosphere and the longer the fire burns, the higher the concentration of these gases becomes. Therefore, the stress is not on putting out the fire after it razes on, but to detect it and suppress it at the incipient stage itself. As industrialization, modernization and automation caught on, the importance has shifted to fire detection and suppression. However, in India the fire protection market is dominated by a large number of unorganized players.

B. OPPORTUNITIES AND THREATS :

India, being accepted as destination for outsourcing across all sectors, has driven the growth in retail, banking, housing, infrastructure, telecom, pharmaceuticals, entertainment, power, IT, and ITES sectors. Growth in aforesaid sectors having larger application of security systems has led to increased market for electronic security systems and services in India. Some of the business verticals which have shown good growth are IT, ITES, BPOs, and banking sectors. The rapid proliferation of malls and multiplexes, in India as well as growth in the manufacturing segment, particularly pharmaceuticals and automotive industries has created growth opportunities. Corporates, PSUs like power companies, railways and traffic police have earmarked funds, to invest on security requirements for authorized access, electronic surveillance and tracking systems for maintaining law and order and crowd management. The government policies of setting up SEZs will also prove very conducive for the security solutions business with enormous business potential. Increased consciousness about security and growing awareness about security products will continue to accelerate the demand in the industry.

C. OUT LOOK:

The business outlook is bright and positive both in the short term and the long term. The long term demand will be driven by;

a) Increased usage in fire protection, safety & security solutions propelled by expansion and new initiatives both in the government & private sectors.

b) Accelerated growth in the Indian economy.

c) Strong emergence of new / high growth verticals like malls, multiplexes, retail chains, manufacturing plants, IT, BPOs, & Data centers.

d) Increased demand stemming from the industrial and retail segment, primarily due to growth of industrial sectors, chemicals zones, IT, data centers and retail metros.

e) Fire Protection, Safety & Security solution concerns from temples and other religious institutions.

f) Need to upgrade to higher technology of safety & security solutions.

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

D. INTERNAL CONTROL SYSTEM:

The internal control is supplemented by an extensive internal audits, review by management and audit committee, documented policies, prescribed guidelines, rule & procedure all activities of the company covered by the internal auditors. The scope of internal audit covers scrutiny of work order, purchases , sales , expenses, inventory & taxation. The internal auditors submit their report directly to managing director & executive director and periodical review by audit committee, the internal audit systems is designed specifically to cover financial & other records, financial statements and maintaining accountability of the assets.

E. HUMAN RESOURCES :

In the Company, human resources function is a special one involving all long-term and short term decisions 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 employees. During the year, the Company had peaceful industrial relations with employees at all levels.

F. CAUTIONARY STATEMENT:

Certain statements 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.

Corporate Governance Compliance Certificate

By Practising Company Secretary

To

The Members Co Reg. No. 11 - 92323

Nitin Fire Protection Industries Limited Nominal Capital: Rs. 150,000,000

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 31st March, 2008. 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 porduced, 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.**
Company Secretary

28th July, 2008
Mumbai

Proprietor
FCS-1234 / C.P.-829

AUDITORS' REPORT

To the Members of

NITIN FIRE PROTECTION INDUSTRIES LIMITED

We have audited the attached Balance Sheet of NITIN FIRE PROTECTION INDUSTRIES LIMITED as at March 31,2008, the Profit and Loss Account and also the Cash Flow Statement of the Company for the year ended on that date annexed thereto, 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 financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

2. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we give in the Annexure a statement on matters specified in paragraphs 4 and 5 of the said Order.

3. Further to our comments in the Annexure referred to in Paragraph 2 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 Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

   d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the mandatory Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

   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, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

   (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon give the information required by the Companies Act, 1956, in the manner so required, and present a true and fair view in conformity with the accounting principles generally accepted in India:

      i. In so far as it relates to the Balance Sheet, of the state of affairs of the Company as at March 31, 2008;

      ii. In so far as it relates to the Profit and Loss Account, of the Profit of the Company for the year ended on that date; and

      iii. In so far as it relates to the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For **TOLIA & ASSOCIATES**
Chartered Accountants

(Kiran P. Tolia)
Proprietor
Membership No.:43637

Mumbai
June 26, 2008

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 2 of our Report of even date)

(Re: Nitin Fire Protection Industries Limited)

i) In respect of fixed assets:

a. The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.

b. The fixed assets of the Company have been physically verified by the management according to a phased programme, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. As explained to us, no material discrepancies were noticed on such physical verification.

c. According to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.

ii) In respect of its inventories:

a. The inventories have been physically verified by the management at regular intervals during the year. In our opinion, the frequency of verification is reasonable.

b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

c. The Company has maintained proper records of inventories. As explained to us, the discrepancies noticed on physical verification of inventory as compared to the book records were not material and the same has been correctly dealt in the books of account.

iii) In respect of the loans, secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956:

a. According to the information and explanations given to us, the Company has, during the year, not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, paragraphs 4(III) (b), (c) and (d) of the Order are not applicable.

b. According to the information and explanation given to us, the Company has not taken any loans secured or unsecured from companies, firms and other parties covered in the register maintained under section 301 of the Companies Act 1956. Accordingly, paragraphs 4(III) (f) and (g) of the Order are not applicable.

iv) In our opinion and according to the information and explanation given to us, 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 and services. During the course of our audit, no major weaknesses have been noticed in the internal control system in respect of these areas.

v) In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:

a. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.

b. According to information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956, 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 Section 58 A & 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under.

vii) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the management have been commensurate with the size of the Company and the nature of its business.

viii) As informed by the management, the Central Government of India has not prescribed maintenance of cost records by the Company under Section 209(1) (d) of the Companies Act, 1956 for any of its products.

ix) In respect of statutory dues:

a. According to the records of the Company, undisputed statutory dues including provident fund, profession tax, income tax, Maharashtra value added tax, fringe benefit tax, service tax, customs duty and other applicable statutory dues have been generally regularly deposited with the appropriate authorities. There were no amounts outstanding at the last day of the year for a period of more than six months from the date they became payable.

b. On the basis of our examination of documents and records of the Company, there were no disputed dues in respect of provident fund, profession tax, income tax, Maharashtra value added tax, fringe benefit tax, service tax, customs duty, excise duty, cess and other applicable statutory dues.

x) The Company has no accumulated losses and has not incurred any cash losses during the year covered by our audit or in the immediately preceeding financial year.

xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a bank. The Company has not borrowed any sums from financial institutions or through debentures.

xii) In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.

xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund /society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

xiv) In our opinion, the Company is not a dealer or trader in securities. The Company has invested surplus funds in marketable securities and mutual funds. According to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The investments in marketable securities and mutual funds have been held by the Company in its own name.

xv) In our opinion and according to the information and explanations given to us, the terms and conditions of guarantees given by the Company for loans taken by its subsidiaries from banks are not prima facie prejudicial to the interests of the Company.

xvi) According to the information and explanations given to us and based on the records examined by us, the Company has not taken any term loans during the year.

xvii) According to the information and explanations given to us and based on the overall examination, we report that no funds raised on short term basis have been used for long term investment.

xviii) The Company has made preferential allotment of shares to parties covered in the register maintained under section 301 of the Companies Act, 1956. In our opinion, the said allotment of shares was in accordance with 'The Unlisted Public Companies (Preferential Allotment) Rules, 2003'.

xix) The Company has not issued any debentures during the year.

xx) On the basis of the records examined by us and according to the information, explanations and representations made to us, we have to state that, the disclosure made by the Management, in respect of the end use of monies raised by issue of equity shares to the public are adequate.

xxi) In our opinion and according to the information and explanations given to us, 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

(Kiran P. Tolia)
Proprietor
Membership No.:43637

Mumbai
June 26, 2008

BALANCE SHEET AS AT MARCH 31, 2008

	Schedule	As at March 31, 2008 Rs.	As at March 31, 2007 Rs.
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	'A'	**126,031,410**	88,730,000
Share Application Money Pending Allotment		**–**	17,851,545
Reserves & Surplus	'B'	**806,155,667**	143,124,249
		932,187,077	249,705,794
Loan Funds			
Secured Loans	'C'	**19,563,747**	694,212
Unsecured Loans	'D'	**–**	10,000,000
		19,563,747	10,694,212
Deferred Tax Liablity		**1,004,700**	1,152,911
Total Funds Employed		**952,755,524**	261,552,917
APPLICATION OF FUNDS			
Fixed Assets			
Tangible Assets			
Gross Block	'E'-1	**74,422,732**	68,073,413
Less : Depreciation		**40,045,456**	34,129,360
Net Block		**34,377,276**	33,944,053
Intangible Assets	'E'-2		
Gross Block		**9,072,209**	8,783,165
Less : Amortisation		**6,247,798**	3,610,555
Net Block		**2,824,411**	5,172,610
Investments	'F'	**658,159,798**	145,460,325
Current Assets, Loans & Advances			
Current Assets	'G'		
Inventories		**72,655,972**	29,638,520
Sundry Debtors		**121,168,094**	116,192,356
Cash & Bank Balances		**172,720,945**	14,685,860
		366,545,011	160,516,736
Loans and Advances	'H'	**75,971,208**	31,573,398
		442,516,219	192,090,134
Less : Current Liabilities & Provisions	'I'		
Current Liabilities		**106,963,090**	96,490,820
Provisions		**78,159,090**	27,009,000
		185,122,180	123,499,820
Net Current Assets		**257,394,039**	68,590,314
Miscellaneous Expenditure (to the extent not written off or adjusted) Equity Share Issue Expenses-IPO	'J'	**–**	8,385,615
Total Funds Utilised		**952,755,524**	261,552,917
Notes on Accounts	'P'		

The Schedules referred to above form an integral part of the accounts

As per our attached Report of even date

For **TOLIA & ASSOCIATES**
Chartered Accountants

(Kiran P.Tolia)
Proprietor
Membership No.: 43637

For and on behalf of Board of Directors

Nitin M. Shah
Managing Director

Rahul N. Shah
Executive Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2008

	Schedule	2007-08 Rs.	2006-07 Rs.
INCOME			
Sales & Service	'K'	**362,694,348**	278,422,444
Other Income	'L'	**24,026,149**	1,749,361
Share of Profit from a Partnership Firm		**139,383**	1,676,214
		386,859,880	281,848,019
EXPENDITURE			
Materials and Components	'M'	**166,637,890**	159,414,324
Purchase of Goods for Resale		**11,996,600**	–
Manufacturing, Installation & Other Expenses	'N'	**81,886,751**	69,634,866
Interest & Finance Charges	'O'	**4,478,818**	1,430,472
Depreciation of Tangible Assets		**5,917,997**	5,564,869
Less: Charged to Revaluation Reserve		**1,667,506**	1,934,585
		4,250,491	3,630,284
Amortisation of Intangible Assets		**2,637,243**	2,864,829
		271,887,793	236,974,775
Profit Before Tax		**114,972,087**	44,873,244
Less : Provision for Current Tax		**21,010,000**	14,519,000
Provision for Deferred Tax		**(148,212)**	200,237
Provision For Fringe Benefit Tax		**650,000**	600,000
Profit After Tax		**93,460,299**	29,554,007
Less: Prior Period Adjustments		**209,660**	–
Add : Balance brought forward from previous year		**46,878,652**	26,933,677
Amount Available for Appropriation		**140,129,291**	56,487,684
APPROPRIATIONS			
General Reserve		**10,000,000**	2,625,000
Interim Dividend		**–**	6,125,000
Tax on Interim Dividend		**–**	859,032
Proposed Dividend		**25,206,282**	–
Tax on Dividend		**4,283,808**	–
Balance Carried to Balance Sheet		**100,639,201**	46,878,652
Basic and Diluted Earnings per Share of Rs.10 each (Refer Note 10, Schedule P)		**7.73**	3.62
Notes on Accounts	'P'		

The Schedules referred to above form an integral part of the accounts

As per our attached Report of even date
For **TOLIA & ASSOCIATES**
Chartered Accountants

(Kiran P.Tolia)
Proprietor
Membership No.: 43637

Mumbai
June 26, 2008

For and on behalf of Board of Directors

Nitin M. Shah
Managing Director

Rahul N. Shah
Executive Director

Mumbai
June 26, 2008

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at March 31, 2008 Rs.	As at March 31, 2007 Rs.
SCHEDULE A : SHARE CAPITAL		
Authorised -		
15,000,000 (Previous year 15,000,000) Equity Shares of Rs.10 each	**150,000,000**	150,000,000
	150,000,000	150,000,000
Issued, Subscribed & Paid Up:		
12,603,141 (Previous Year 8,873,000) Equity Shares of Rs.10 each	**126,031,410**	88,730,000
Per Balance Sheet	**126,031,410**	88,730,000

Notes:

Of the above Equity Shares:

1) Company issued and allotted 337,000 (Previous year 123,000) Equity Shares of Rs.10 each by way of Preferential Allotment.
2) Company issued and allotted 3,393,141 (Previous year Nil) Equity Shares of Rs.10 each under Initial Public Offer.
3) 180,000 (Previous year 180,000) Equity Shares were allotted as fully paid up pursuant to a contract without payments being received in cash.
4) 1,000,000 (Previous year 1,000,000) Equity Shares were allotted as Bonus Shares by capitalisation of Reserves.

	As at March 31, 2008 Rs.	As at March 31, 2007 Rs.
SCHEDULE B : RESERVES & SURPLUS		
Asset Revaluation Reserve		
As per last Balance Sheet	**13,630,597**	15,565,182
Less : Charged to Depreciation	**1,667,506**	1,934,585
	11,963,091	13,630,597
General Reserve		
As per last Balance Sheet	**14,165,000**	11,540,000
Add:Transferred from Profit & Loss Account	**10,000,000**	2,625,000
	24,165,000	14,165,000
Securities Premium Account		
As per last Balance Sheet	**68,450,000**	–
Add:Premium Received on Issue of Additional Equity Shares	**661,989,380**	68,450,000
	730,439,380	68,450,000
Less:Equity Share Issue Expenses (Initial Public Offer)	**61,051,005**	–
	669,388,375	68,450,000
Profit & Loss Account - Balance at credit	**100,639,201**	46,878,652
Per Balance Sheet	**806,155,667**	143,124,249
SCHEDULE C: SECURED LOANS		
From a Bank	**19,158,493**	–
Working Capital Loans (Refer Note 3, Schedule P)		
Vehicle Loan from a Bank (Secured against Vehicle purchased there against)	**405,254**	694,212
Per Balance Sheet	**19,563,747**	694,212
SCHEDULE D: UNSECURED LOANS		
From Others (Amount repayable within one year Rs.Nil Previous year Rs.10,000,000)	**–**	10,000,000
Per Balance Sheet	**–**	10,000,000

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE E-1 : FIXED ASSETS -TANGIBLE

(Rs.)

	COST/VALUATION				DEPRECIATION				BOOK VALUE	
	As At April 1, 2007	Additions	Deductions	As At March 31, 2008	Upto April 1, 2007	For the year	Deletions/ Adjustments	Upto March 31, 2008	As At March 31, 2008	As At March 31, 2007
Leasehold Land	1,620,000	-	-	**1,620,000**	-	19,060	209,660	**228,720**	**1,391,280**	1,620,000
Building	18,791,815	-	-	**18,791,815**	6,479,069	1,231,274	-	**7,710,343**	**11,081,472**	12,312,746
Plant & Machinery	31,897,064	5,400,000	-	**37,297,064**	18,849,194	2,561,994	-	**21,411,188**	**15,885,876**	13,047,870
Furniture, Fixtures & Office Equipments	6,127,795	127,682	-	**6,255,477**	2,752,564	547,786	-	**3,300,350**	**2,955,127**	3,375,231
Computer Systems	4,350,592	799,194	-	**5,149,786**	3,118,071	653,297	-	**3,771,368**	**1,378,418**	1,232,521
Vehicles	5,286,147	274,072	251,629	**5,308,590**	2,930,462	904,586	(211,561)	**3,623,487**	**1,685,103**	2,355,685
Per Balance Sheet	**68,073,413**	**6,600,948**	**251,629**	**74,422,732**	**34,129,360**	**5,917,997**	**(1,901)**	**40,045,456**	**34,377,276**	**33,944,053**
Previous Year	67,369,283	3,170,896	2,466,766	69,693,413	30,024,215	5,564,869	1,459,724	34,129,360	33,944,053	-

SCHEDULE E-2 : FIXED ASSETS -INTANGIBLE

(Rs.)

	COST/VALUATION				DEPRECIATION				BOOK VALUE	
	As At April 1, 2007	Additions	Deductions	As At March 31, 2008	Upto April 1, 2007	For the year	Deletions/ Adjustments	Upto March 31, 2008	As At March 31, 2008	As At March 31, 2007
Software	8,104,115	289,044	-	**8,393,159**	3,525,906	2,340,042	-	**5,865,948**	**2,527,211**	4,578,209
Technical Know-How	679,050	-	-	**679,050**	84,649	297,201	-	**381,850**	**297,200**	594,401
Per Balance Sheet	**8,783,165**	**289,044**	**-**	**9,072,209**	**3,610,555**	**2,637,243**	**-**	**6,247,798**	**2,824,411**	**5,172,610**
Previous Year	4,353,192	4,429,973	-	8,783,165	745,726	2,864,829	-	3,610,555	5,172,610	-

Schedules forming part of the Balance Sheet

	As at March 31, 2008 Rs.	As at March 31, 2007 Rs.
SCHEDULE F : INVESTMENTS		
(Unquoted) (Trade, unless otherwise stated)		
Long Term Investments		
I. In Wholly Owned Domestic Subsidiary Companies		
Fully Paid Equity Shares/Face value of Rs.10 each		
a. 10,000 (Previous year 10,000) of Alert Fire Protection Systems Private Limited	**10,100,000**	10,100,000
b. 10,000 (Previous year 10,000) of Eurotech Cylinders Private Limited	**100,000**	100,000
c. 17,500 (Previous year 17,500) of Logicon Building Systems Private Limited	**350,000**	350,000
d. 2,647,500 (Previous year 712,500) of Nitin Cylinders Limited (1,935,000 Equity Shares of Rs.10 each subscribed during the year)	**520,000,000**	133,000,000
	530,550,000	143,550,000
II. In a Wholly Owned Foreign Subsidiary Company		
1 (Previous year Nil) of Nitin Ventures FZE , UAE Equity Shares of 1,000,000 Dhs each, fully paid (Subscribed during the year)	**10,874,622**	–
III Application Money Pending Allotment of Equity Shares		
Nitin Ventures FZE , UAE	**51,298,503**	–
USD 1,301,025 (USD 1,301,025 paid during the year)		
IV. Capital of a Partnership Firm	**2,026,708**	1,887,325
V. Investment in a Non Integrated, Un-incorporated Joint Venture for Crude Oil Block * (* Other than Trade)	**11,337,853**	–
VI. Others -Fully Paid Equity Shares		
2,300 (Previous year 2,300) of Andhra Bank (Other than Trade -quoted- face value of Rs.10 each)	**23,000**	23,000
Current Investments (Other than Trade)		
VII. Mutual Funds		
a. Reliance Liquidity Plus Fund - Institutional Option - Daily Dividend Plan 15,007 Units of Rs.1,000 each purchased during the year (36,908 units of Rs. 1,000 each purchased and sold during the year)	**15,024,863**	–
b. L164D SBI Debt Fund Series - 30 Days -1 -(13-Mar-08) - Dividend 1,000,000 Units of Rs.10 each purchased during the year	**10,000,000**	–
c. Tata Floating Rate Short Term Inst. Plan -Daily Dividend 1,610,890 Units of Rs. 10 each purchased during the year (8,766,578 Units of Rs.10 each purchased and sold during the year)	**16,117,765**	–
d. UTI - Liquid Plus Fund Institutional Plan (Daily Dividend Option) -Re-investment 10,904 Units of Rs. 1,000 each purchased during the year (41,316 Units of Rs.1,000 each purchased and sold during the year)	**10,906,484**	–
	52,049,112	–
Per Balance Sheet	**658,159,798**	145,460,325

Schedules forming part of the Balance Sheet

	As at March 31, 2008 Rs.	As at March 31, 2007 Rs.
Note:		
Unquoted Investments		
Book value	**658,136,798**	145,437,325
Quoted Investments		
Book value	**23,000**	23,000
Market value	**167,210**	165,600

	As at March 31, 2008 Rs.	As at March 31, 2007 Rs.
SCHEDULE G : CURRENT ASSETS		
INVENTORIES (including in transit)		
Materials and Components	**72,655,972**	29,638,520
	72,655,972	29,638,520
SUNDRY DEBTORS (Unsecured - considered good unless otherwise stated)		
Over Six Months	**20,823,547**	34,139,873
Others	**100,344,547**	82,052,483
	121,168,094	116,192,356
CASH & BANK BALANCES		
Cash on Hand	**96,974**	271,854
Balance with Banks		
With Schedule Banks		
In Current Accounts	**4,438,138**	6,713,239
In Fixed Deposit Accounts (including interest accrued thereon) (Refer Note 2, Schedule P)	**168,185,833**	7,700,767
	172,720,945	14,685,860
Per Balance Sheet	**366,545,011**	160,516,736

SCHEDULE H : LOANS & ADVANCES (Unsecured - considered good unless otherwise stated)		
Advances Recoverable in Cash or in Kind or for Value to be Received	**6,942,863**	6,002,141
Deposit with Excise Authorities	**22,804**	22,804
Taxation	**51,805,541**	25,548,453
Loan to a Subsidiary Company	**17,200,000**	–
Per Balance Sheet	**75,971,208**	31,573,398

Schedules forming part of the Balance Sheet

	As at March 31, 2008 Rs.	As at March 31, 2007 Rs.
SCHEDULE I : CURRENT LIABILITIES & PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors	**47,956,762**	51,012,780
Advances From Customers	**10,156,301**	17,910,681
Subsidiary Companies	**42,884,022**	23,364,486
Other Liabilities	**5,966,005**	4,202,873
	106,963,090	96,490,820
PROVISIONS		
Provision for Income Tax	**46,500,000**	25,500,000
Provision for Wealth Tax	**94,000**	84,000
Provision for Fringe Benefit Tax	**2,075,000**	1,425,000
Proposed Dividend on Equity Shares	**25,206,282**	–
Tax on Dividend	**4,283,808**	–
	78,159,090	27,009,000
Per Balance Sheet	**185,122,180**	123,499,820

SCHEDULE J : MISCELLANEOUS EXPENDITURE		
Equity Share Issue Expenses-IPO		
As per last Balance Sheet	**8,385,615**	1,038,998
Add: Incurred during the year	**52,665,390**	9,557,957
	61,051,005	10,596,955
Less: Amortised during the year	**–**	2,211,340
Charged to Securities Premium Account	**61,051,005**	–
Per Balance Sheet	**–**	8,385,615

Schedules forming part of the Profit and Loss Account

	2007-08 Rs.	2006-07 Rs.
SCHEDULE K : SALES & SERVICE		
Manufacturing Sales	**27,949,745**	4,974,871
Project Related Activity	**318,557,639**	270,496,364
Maintenance & Servicing	**3,333,467**	2,951,209
Trading Sales	**12,853,497**	–
Per Profit & Loss Account	**362,694,348**	278,422,444
SCHEDULE L : OTHER INCOME		
Dividend- From Long Term Investments-Other Than Trade	**13,340**	–
Dividend from Current Investments-Other Than Trade	**11,979,470**	–
Interest Received on Fixed Deposits & Others -Gross	**11,888,271**	476,581
(Tax Deducted at Source Rs. 2,658,080 Previous year Rs.68,348)		
Debts Written Off In Earlier Years, Realised	**76,136**	165,138
Profit on Sale of Assets	**68,932**	204,826
Miscellaneous Income	**–**	902,816
Per Profit & Loss Account	**24,026,149**	1,749,361
SCHEDULE M : MATERIALS AND COMPONENTS		
Opening Stock	**29,638,520**	28,145,345
Add: Purchases	**209,655,342**	160,907,499
	239,293,862	189,052,844
Less: Closing Stock	**72,655,972**	29,638,520
Per Profit & Loss Account	**166,637,890**	159,414,324
SCHEDULE N : MANUFACTURING, INSTALLATION AND OTHER EXPENSES		
MANUFACTURING AND INSTALLATION EXPENSES		
Stores & Spares	**519,246**	481,250
Electricity Charges	**163,962**	105,480
Water Charges	**23,219**	6,519
Repairs & Maintenance		
- Building	**507,191**	–
- Machinery	**–**	85,558
Sub-Contract Charges	**6,741,444**	3,457,810
	7,955,062	4,136,617

Schedules forming part of the Profit and Loss Account

	2007-08 Rs.	2006-07 Rs.
OPERATING EXPENSES		
Conveyance & Travelling	**8,020,163**	6,082,172
Miscellaneous Expenses	**6,919,568**	9,323,468
Rent	**2,157,498**	683,724
Repairs & Maintenance - Others	**2,253,915**	3,121,096
Insurance	**173,496**	180,640
Payments to Auditors	**252,810**	168,360
Professional Fees	**7,549,784**	7,933,322
Donation	**350,107**	103,160
Amortisation of Equity Share Issue Expenses	**–**	2,211,340
Vehicle Expenses	**810,140**	803,312
Sitting Fees	**110,000**	99,000
	28,597,481	30,709,594
PAYMENTS TO AND PROVISIONS FOR EMPLOYEES (including Managerial Remuneration)		
Salary, Wages & Bonus	**18,695,569**	13,442,095
Contribution to Provident Fund, Employees State Insurance etc.	**1,140,715**	995,917
Gratuity	**812,475**	876,561
Employees Welfare	**1,872,597**	1,267,657
	22,521,356	16,582,230
SALES & DISTRIBUTION EXPENSES		
Sales Promotion & Advertisement Expenses	**5,666,403**	3,826,651
Discount, Commission, Rebates etc.	**11,845,832**	5,604,530
Bad Debts	**1,348,507**	5,703,835
Distribution Expenses	**3,706,252**	2,653,909
Rates & Taxes	**245,858**	417,500
	22,812,852	18,206,425
Per Profit & Loss Account	**81,886,751**	69,634,866

SCHEDULE O-INTEREST & FINANCE CHARGES		
Interest on Cash Credit	**1,059,353**	54,312
Interest on Others	**507,842**	–
Other Financial Charges	**2,911,623**	1,376,160
Per Profit & Loss Account	**4,478,818**	1,430,472

Schedule P

NOTES ON ACCOUNTS

1. (A) Basis of preparation of financial statements

(i) The financial statements have been prepared in compliance with all material aspects of the mandatory Accounting Standards notified in the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. Financial statements are based on historical cost except for revaluation of certain fixed assets and are prepared on accrual basis.

(ii) The preparation of the financial statements in conformity with generally accepted accounting principles requires that the management makes 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 liabilities as at the date of the financial statements. These estimates are based upon Management's best knowledge of current events and actions. Actual results could differ from these estimates.

(B) Significant accounting policies

(a) **Fixed Assets**

Fixed assets are stated at their original cost of acquisition/installation, net of accumulated depreciation, amortisation and impairment. In case of revaluation of fixed assets, the amount as per the valuer is considered in the accounts.

(b) **Depreciation and Amortisation**

(i) **Tangible Assets**

Depreciation on all assets is provided on written down value method in accordance with the provisions of Section 205(2)(b) of the Companies Act, 1956 in the manner and at the rates specified in Schedule XIV to the Companies Act, 1956. Depreciation on addition to fixed assets is provided on a prorata basis from the date it is put to use. Depreciation on assets sold, discarded, demolished or scrapped, is provided up to the date in which the said asset is sold, discarded, demolished or scrapped. 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. The cost of leasehold land is amortised over the period of lease.

(ii) **Intangible Assets**

All 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 over a period of 2 years. Amortisation is done on written down value basis.

(iii) **Impairment of Assets**

The carrying amounts of 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.

(c) **Investments**

Long term investments are stated at cost less provision, if any, for diminution which is other than temporary in nature. Current investments are valued at lower of cost and net realizable value. Investment in a non integrated, un-incorporated Joint Venture is carried at cost.

(d) **Inventories**

Items of inventories are measured at lower of cost and net realisable value and cost is computed on FIFO basis. Such costs include material cost and other costs incurred in bringing the goods to their present location and condition.

(e) **Revenue Recognition**

(i) Sales are stated net of all taxes and includes other charges billed to customers and is recognized on dispatch to customers. Export sales are accounted for on the basis of date of Bill of Lading.

(ii) The revenues in respect of project related activities are recognized on percentage completion method as specified in Accounting Standard 7 (Revised) 'Construction Contracts'. notified in the Companies (Accounting Standards) Rules, 2006. 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 recognized on due dates of the relevant contracts.

(iv) Share of profit from a partnership firm is accounted in respect of the financial year of the firm ending on the balance sheet date, on the basis of their audited accounts.

(v) Other income is accounted on accrual basis as and when the right to receive arises.

(f) **Provision, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized 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 recognized but are disclosed in the Notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

(g) **Foreign Currency Transactions**

(i) Foreign currency transactions are recorded on the basis of exchange rate as notified by the customs.

(ii) Monetary items in foreign currencies are stated at the closing exchange rate as on the date of the Balance Sheet.

(iii) All exchange differences arising on settlement of foreign currency transactions are included in the Profit & Loss Account.

(iv) Non monetary items such as investments are carried at historical cost using exchange rate on the date of the transactions.

(h) **Retirement Benefits**

(i) Retirement benefit in the form of Provident/Pension Fund (defined contribution plan) which is administered by The Employees Provident Fund Organisation, Central Government is accounted on actual liability basis.

(ii) Gratuity liability is covered under a Group Gratuity Cash Accumulation Scheme (defined benefit plan) of the Life Insurance Corporation of India (LIC) .The gratuity liability is charged to the Profit & Loss Account on the basis of an Actuarial Valuation carried out by LIC once in three years.

(i) **Earnings Per Share**

The basic earnings per share is computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for effects of all dilutive potential equity shares.

(j) **Taxation**

(i) Tax expense comprises Current, Deferred and Fringe Benefit Tax. Current Tax and Fringe Benefit Tax are measured at the amount expected to be paid to the Tax Authorities in accordance with the Income Tax Act, 1961.

(ii) Deferred Tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred Tax 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 & Loss Account and the cumulative effect thereof is reflected in the Balance Sheet. The major component of the respective balances of Deferred Tax Assets and Liabilities are disclosed in the accounts.

(k) **Securities Premium Account**

Securities Premium Account represents premium received pursuant to issue of equity shares. Expenses' pertaining to issue of equity shares (IPO) is charged to Securities Premium Account.

(l) **Accounting for Interests in a Joint Venture**

Interest in a Joint Venture being in the nature of an investment, is accounted as specified in Accounting Standard (AS) 13 'Accounting for Investments', is based on un-audited accounts and certified by the management.

2. Contingent liabilities (not provided for) :

Sr. No.	Particulars	March 31, 2008 (Rs.)	March 31, 2007 (Rs.)
(i)	*Performance guarantees	45,882,957	6,636,169
(ii)	Corporate financial guarantees on behalf of subsidiaries including lien on fixed deposit of Rs.150,000,000(Previous year Rs. Nil)	545,000,000	104,893,184
(iii)	Corporate financial guarantee jointly with subsidiaries on behalf of another subsidiary	100,000,000	–

(*against the issue of guarantees, the Company has deposited fixed deposits aggregating to Rs. 16,161,186 (previous year Rs. 6,815,622) and provided mortgage of fixed assets).

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

3. Working capital loans are secured against Ist hypothecation charge on all of the Company's stock and book debts, both present and future and personal guarantee of two Directors of the Company. Collateral: II nd charge on the fixed assets of the Company.

4. (i) 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, 2008.
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.

(ii) Balances shown under Advances, Debtors, Creditors etc. are subject to confirmation/reconciliation, if any. The management does not expect any material differences affecting the financial statements under review.

(iii) There is no amount due and outstanding as at March 31, 2008 to be credited to Investor Protection and Education Fund.

5. Information in terms of Paragraphs 3 and 4D of Part II of Schedule VI to the Companies Act, 1956.

(a) **Installed/Licensed Capacity: N.A.**

(b) **Production:**

Item	Production (Nos.)	Sales (Nos.)	Sales Value (Rs.)
Fire Extinguishers	10,434	10,434	27,949,745
(2006-07)	(3,441)	(3,441)	(4,974,871)

Note: There are no opening/closing stocks of finished goods.

(c) **Expenditure incurred in foreign currency:**

	2007-08 (Rs.)	2006-07 (Rs.)
Travelling	733,550	683,115
Technical Know How Fees	- -	679,050
Professional Fees	3,281,450	4,964,427
Total	**4,015,000**	**6,326,592**

(d) **Value of imports on CIF basis:**

	2007-08 (Rs.)	2006-07 (Rs.)
Materials and Components	**99,989,021**	72,404,078
Software	**–**	1,028,983
Total	**99,989,021**	**73,433,061**

(e) **Earnings in foreign currency:**

	2007-08 (Rs.)	2006-07 (Rs.)
Export of materials and components on FOB basis	**32,675,272**	–
Total	**32,675,272**	–

(f) **Value of Materials , Components , Stores & Spares consumed:**

	2007-08 (Rs.)	%	2006-07 (Rs.)	%
Materials & Components				
Indigenous	**84,652,074**	**50.80**	75,314,342	47.24
Imported	**81,985,816**	**49.20**	84,099,982	52.76
Total	**166,637,890**	**100**	159,414,324	100
Stores & Spares				
Indigenous	**519,246**	**100**	481,250	100
Imported	**–**	**–**	–	–
Total	**519,246**	**100**	481,250	100

Note: There being no common units of materials and components consumed, no quantitative information has been given.

6. In terms of Accounting Standard 22 ' Accounting for Taxes on Income', notified in the Companies (Accounting Standards) Rules, 2006, deferred tax liability relates to depreciation on fixed assets amounting to Rs.1,004,700 (Previous year Rs.1,152,911).

7. Payments to Auditors *:

	2007-08 (Rs.)	2006-07 (Rs.)
Audit Fees	126,415	84,180
Tax Audit Fees	63,208	39,284
Other Matters	63,187	44,896
Total	**252,810**	**168,360**

(*including service tax Rs.27,810 previous year Rs. 18,360)

8. Segment Reporting:

As per Accounting Standard 17 (AS-17) 'Segment Reporting', notified in the Companies (Accounting Standards) Rules, 2006, segment information has been provided in the Notes to Consolidated Financial Statements.

9. Directors' Emoluments:

	2007-08 (Rs.)	2006-07 (Rs.)
Salary	4,219,645	3,130,161
Perquisites	132,836	1,49,739
Contribution to Provident Fund	317,164	231,000
Total	**4,669,645**	**3,510,900**

Notes:

1. The employee wise break up of liability on account of Gratuity, based on an actuarial valuation, is not ascertainable. The amounts relatable to the managing/whole time directors are therefore, not considered above.
2. The remuneration of managing/whole time directors with effect from January 1, 2008 is subject to approval of the members in the general meeting. The remuneration by way of salary payable from the said date has been fixed by the Board of Directors in accordance with the powers delegated by the members vide resolution passed at the extra ordinary general meeting held on March 16, 2006.

10. Earnings Per Share (EPS):

In terms of Accounting Standard 20 'Earnings per Share (EPS)' notified by the Companies (Accounting Standards) Rules, 2006, the EPS has been calculated as under:

		March 31, 2008 (Rs.)	March 31, 2007 (Rs.)
(a)	Net profit as per Profit & Loss Account available for Equity Share holders	93,250,639	29,554,007
(b)	Weighted Average number of equity shares used as denominator for calculating EPS	12,068,250	8,164,564
(c)	Earnings per share of Rs.10 each (Basic & Diluted)	7.73	3.62

11. In terms of Accounting Standard 18 (AS-18) 'Related Party Disclosures', notified in the Companies (Accounting Standards) Rules, 2006, the disclosures of transactions with related parties as defined in AS-18 are given below:

a) List of related parties and relationships:

Sr. No	Name of the Related Party	Relationship
1	Alert Fire Protection Systems Private Limited	Wholly Owned Domestic Subsidiary
2	Eurotech Cylinders Private Limited	Wholly Owned Domestic Subsidiary
3	Logicon Building Systems Private Limited	Wholly Owned Domestic Subsidiary
4	Nitin Cylinders Limited	Wholly Owned Domestic Subsidiary
5	Nitin Ventures FZE	Wholly Owned Foreign Subsidiary
6	Nitin M. Shah	Key Management Personnel
7	Rahul N. Shah	Key Management Personnel
8	Gopalkrishna Shahi	Key Management Personnel
9	Eurotech Corporation	Partnership Firm
10	Veer Foundation	Charitable Trust
11	Oil Block(RJ-ONN-2004/1)(Ref.No.19) (name of the field)	Joint Venture
12	New Age Company LLC	Foreign Associate Company

b) Transactions during the year with related parties:

(Rs.)

Sr. No.	Nature of Transactions	Subsidiaries/ Trust/ Joint Venture	Key Management Personnel	Partnership firm
1	**Sale of goods**			
	Alert Fire Protection Systems Private Limited	103,000	–	–
		(2,508,980)	(–)	(–)
	Eurotech Cylinders Private Limited	30,000	–	–
		(2,497,500)	(–)	(–)
	Logicon Building Systems Private Limited	4,037,250	–	–
		(11,867,450)	(–)	(–)

(Rs.)

Sr. No.	Nature of Transactions	Subsidiaries/ Trust/ Joint Venture	Key Management Personnel	Partnership firm
	Nitin Cylinders Limited	49,400	–	–
		(–)	(–)	(–)
2	**Balance Receivable**			
	Logicon Building Systems Private Limited	4,528,188	–	–
		(19,729,710)	(–)	(–)
3	**Purchase of goods**			
	Alert Fire Protection Systems Private Limited	13,774,965	–	–
		(13,419,410)	(–)	(–)
	Eurotech Cylinders Private Limited	13,050,300	–	–
		(12,129,370)	(–)	(–)
	Logicon Building Systems Private Limited	–	–	–
		(347,950)	(–)	(–)
4	**Balance Payable**			
	Alert Fire Protection Systems Private Limited	8,730,675	–	–
		(35,306)	(–)	(–)
	Eurotech Cylinders Private Limited	18,153,347	–	–
		(7,329,180)	(–)	(–)
5	**Rent paid**			
	Nitin M. Shah	–	480,000	–
		(–)	(480,000)	(–)
6	**Remuneration**			
	Nitin M. Shah	–	2,866,912	–
		(–)	(1,985,161)	(–)
	Rahul N. Shah	-	1,210,764	-
		(–)	(580,000)	(-)
	Gopalkrishna Shahi	–	591,969	–
		(–)	(595,000)	(–)
7	**Purchase of Equity Shares/Share Application Money**			
	Nitin Cylinders Limited	387,000,000	–	–
		(133,000,000)	(–)	(–)
	Nitin Ventures FZE	62,173,125		
		(–)	(–)	(–)
8	**Investment**	11,337,853	–	2,026,708
		(–)	(–)	(1,887,325)
9	**Deposit received**			
	Alert Fire Protection Systems Private Limited	1,000,000	–	–
		(1,000,000)	(–)	(–)
	Eurotech Cylinders Private Limited	15,000,000	–	–
		(15,000,000)	(–)	(–)

(Rs.)

Sr. No.	Nature of Transactions	Subsidiaries/ Trust/ Joint Venture	Key Management Personnel	Partnership firm
10	**Receipt against re-imbursement of miscellaneous expenses**			
	Alert Fire Protection Systems Private Limited	400,000	–	–
		(468,065)	(–)	(–)
	Eurotech Cylinders Private Limited	–	–	–
		(600,000)	(–)	(–)
11	**Share of profit**	–	–	139,383
		(–)	(–)	(1,676,214)
12	**Corporate financial guarantees given (including jointly with subsidiaries) and collaterals by way of hypothecation of some of the fixed assets**	645,000,000	–	–
		(–)	(–)	(–)
13	**Donation**	200,000	–	–
		(–)	(–)	(–)
14	**Loans given**	17,200,000	–	–
		(–)	(–)	(–)
15	**Personal financial guarantees obtained** (Refer Note 3 above)	–	110,000,000	–
		(–)	(–)	(–)

Note: Figures is brackets indicate previous year figures.

12. Pursuant to Accounting Standard 28 'Impairment of Assets', notified in the Companies (Accounting Standards) Rules, 2006, 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 review, management is of the view that in the current financial year, impairment of assets is not considered necessary.

13. The net difference in foreign exchange on purchase of materials and components i.e. the difference between the price recorded on the date of transaction and the actual rate at which the transaction is settled and credited to Profit and Loss Account – Rs.2,262,116 (Previous year Rs. 798,906)

14. Sundry Debtors include Rs.4,528,188 (Previous year Rs. 19,743,431) due from a subsidiary company viz. Logicon Building Systems Private Limited.

15. Disclosure in respect of Loans & Advances in the nature of Loans given to a subsidiary company pursuant to Clause 32 of the Listing Agreement:

(Rs.)

Name of the Subsidiary Company	Balance as at		Maximum outstanding during	
	March 31, 2008	**March 31, 2007**	**2007-08**	**2006-07**
Logicon Building Systems Private Limited	17,200,000	-	17,200,000	-
Total	**17,200,000**	**-**	**17,200,000**	**-**

Note:

Loans and Advances shown above to a subsidiary company fall under the category of Loans & Advances in the nature of Loans where there is no repayment schedule, is repayable on demand and is interest free.

16. During the year the Company acquired and sold/redeemed the following investments:

Particulars	Nos.	Acquisition Cost (Rs.)
Mutual Funds (Units of Rs.10 each, fully paid up)		
DWS Insta Cash Plus Fund – Institutional Plan- Daily Dividend	4,990,920	50,000,000
DWS Money Plus Fund- Institutional Plan-Daily Dividend	5,020,823	50,006,523
Kotak Flexi Debt Scheme- Daily Dividend	1,051,491	10,000,000
LIC Liquid Fund Dividend Plan	4,554,888	50,000,000
LIC Liquid Plus Fund- Daily Dividend Plan	4,561,322	50,013,131
ICICI Prudential Institutional Liquid Plan- Daily Dividend	10,212,696	100,000,000
Taurus Liquid Fund – Dividend Plan	1,000,313	10,000,000
Templeton Treasury Management A/c Institutional Plan Daily Dividend (Face Value Rs.1,000 per unit)	50,503	50,000,000
Templeton Floating Rate Income Fund Long Term Institutional Plan-Dividend	4,895,965	50,005,335
Reliance Liquidity Fund – Daily Dividend Reinvestment Option	4,999,074	50,000,000
Standard Chartered Mutual Fund (SP- Plan-C-Fortnightly Dividend)	15,012,583	150,000,000
UTI-Liquid Cash Plan Institutional –Daily Income(Face Value Rs.1,000 per unit)	49,052	50,000,000

17. Disclosures pursuant to Accounting Standard (AS) 7 (Revised):

		2007-08 (Rs.)
(a)	Contract revenue recognized	318,557,639
(b)	Gross amount due from customers for contract work	110,224,913
(c)	Gross amount due to customers for contract work	Nil
(d)	Contracts in progress	Nil

18. a. Disclosures in respect of a Joint Venture:

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)	10% (Previous year 10%)	*	India

(*Country of Incorporation not applicable as it is an Unincorporated Joint Venture)

b. Contingent liabilities, if any, in relation to interest in a Joint Venture as at March 31, 2008 Rs.33,363,960 (Previous year Rs. Nil) and share in Contingent Liabilities jointly with other venturers as on March 31, 2008 Rs. Nil (Previous year Rs. Nil)

c. Share in Contingent Liabilities of a Joint Venture itself for which the Company is contingently liable as at March 31, 2008 Rs.Nil (Previous year Rs. Nil)

d. Contingent Liabilities in respect of liabilities of other venturers of a Joint Venture as on March 31, 2008 Rs. Nil (Previous year Rs. Nil).

e. Capital commitments, if any, in relation to interests in a Joint Venture as at March 31, 2008 Rs. 113,700,000 (Previous year Rs.Nil) and its share in the capital commitments that have been incurred jointly with other venturers Rs. Nil (Previous year Rs. Nil)

f. Company's share of the capital commitments of the joint venturers themselves Rs.Nil (Previous year Rs. Nil)

19. Initial surveys in respect of the Joint Venture for Oil and Gas Producing Activities have just commenced. 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 Institute of Chartered Accountants of India are not currently applicable.

20. a) The Initial Public Offer (IPO) of the Company's Equity Shares aggregating to Rs. 644,696,790 closed for subscription on May 18, 2007.The Company allotted 3,393,141 Equity shares of Rs. 10 each at a premium of Rs.180 per share on May 31, 2007 .The Equity Shares of the Company were listed on Bombay Stock Exchange Limited and The National Stock Exchange of India Limited on June 5, 2007.

Equity share issue expenses amounting to Rs.61,051,005 have been debited to the Securities Premium Account.

Details of utilisation of funds received from IPO of Equity Shares, as per Clause 43 of the Listing Agreement:

Particulars	Estimated Utilisation Amount		Actual utilisation upto March 31, 2008 (Rs.)
	Total (Rs.)	Upto March 31, 2008 (Rs.)	
Investment in wholly owned subsidiary, Nitin Cylinders Limited for setting up of high pressure seamless cylinder plant at Vishakhapatnam Special Economic Zone, Vishakhapatnam, Andhra Pradesh	568,711,000	568,711,000	378,797,533
General Corporate Purpose	23,406,790	23,406,790	-
Expenses Relating to IPO	52,579,000	52,579,000	6,1051,005 *
Total	**644,696,790**	**644,696,790**	**439,848,538**

(* including expenses incurred prior to IPO)

b) The balance unutilised funds out of Rs. 644,696,790 raised through Initial Public Offer have been temporarily deployed, pending utilisation for the objects of the issue as follows:

	As at March 31, 2008(Rs.)
Current Investments in Units of Mutual Funds (Schedule F)	52,049,112
In Current & Fixed Deposit Accounts with a Scheduled Bank	152,799,140
Total	**204,848,252**

21. Provision for Current Tax includes provision for Wealth Tax of Rs.10,000 (Previous year Rs.60,000)

22. The detail of investment made in the capital of a partnership firm of M/s Eurotech Corporation as at March 31, 2008 is as under:

Sr. No.	Name of the Partners	Share of Partner	Capital (Rs.)
(i)	Nitin Fire Protection Industries Limited	95%	2,026,708
(ii)	Kunal N. Shah	5%	283,548
	Total	**100%**	**2,310,256**

23. (i) Nitin Ventures FZE a wholly owned foreign subsidiary was incorporated in UAE on July 29, 2007.

(ii) The above foreign subsidiary acquired a 40% holding in New Age LLC, a Company incorporated in UAE with effect from January 1, 2008.

(iii) The Company during the year commenced manufacturing of fire extinguishers at its facilities at Parwanoo, Himachal Pradesh. Manufacturing sales include sales exempt from excise duty amounting to Rs.21,015,431 in respect of the Company's above unit. Additionally, the Company commenced its systems division operations in a Special Economic Zone at Vishakhapatnam, Andhra Pradesh.

24. Consequent to change in accounting policy in respect of Public Issue Expenses from amortising the same over a period of five years to charging off against Securities Premium Account, the profit before tax is overstated by Rs.12,290,880 and Reserves and Surplus are under stated by Rs.48,760,125.

25. According to the Company, turnkey projects of commissioning/installation/erection of fire alarm and protection systems is a service activity and therefore, the same is covered under para 3 (ii) (c) of Part II of Schedule VI to the Companies Act, 1956.

26. Prior period adjustments represents amortisation amount in respect of leasehold land for earlier period's.

27. These accounts have not been authenticated by whole-time company secretary as the Company has not appointed a new whole-time Company Secretary.

28. Some of the fixed assets of the Company are hypothecated to the bankers of a subsidiary by way of collateral security for credit facilities extended to the subsidiary.

29. Pursuant to search and seizure operations conducted during the year, re-assessment proceedings under the Income Tax Act, 1961 of earlier six years are under progress. According to the Company, adequate provision for income tax is made in the books of account.

30. Disclosure of Derivatives:

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

(ii) Uncovered risks in foreign currency outstanding: :

Particulars	**As at March 31, 2008**			As at March 31, 2007	
	Currency		**Rs.**		Rs.
- Hedging commitments outstanding	-	-	-	-	
- Uncovered Risks in Foreign Currency					
Imports Payable	USD	30,870	1,365,468	586,700	25,316,105
Imports Payable	GBP	12,090	1,040,170	7,415	627,309
Imports Payable	EURO	105,281	6,661,123	-	-

31. The previous year's figures have been regrouped, reworked and reclassified wherever necessary.

32. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSNESS PROFILE

I. Registration Details			
Registration No.	92323	State Code	11
Balance Sheet Date	31/03/2008		
II. Capital Raised During the period (Amount in Rs.)			
Public Issue*	37,301,410	Rights Issue	NIL
(* including preferential allotment)			
Bonus Issue	NIL	Private Placement	NIL
III. Position of Mobilisation and Deployment of Funds (Amount in Rs.)			
Sources of Funds			
Total Liabilities	952,755,524	Total Assets	952,755,524
Paid - up Capital	126,031,410	Reserves & Surplus	806,155,667
Secured Loans	19,563,747	Unsecured Loans	NIL
Deferred Tax Liability	1,004,700		
Application of Funds			
Net Fixed Assets	37,201,687	Investments	658,159,798
Net Current Assets	257,394,039	Miscellaneous Expenditure	NIL
Accumulated Losses	NIL		
IV. Performance of Company (Amount in Rs.)			
Turnover (Total Income)	386,859,880	Total Expenditure	271,887,793
Profit/(Loss) Before Tax	114,972,087	Profit/(Loss) after Tax	93,460,299
* Earning Per Share in	7.73	Dividend Rate %	20

* Based on weighted average number of equity shares-12,068,250

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

The Schedules (A to P) referred to herein above form an integral part of the financial statements.

As per our attached Report of even date
For **TOLIA & ASSOCIATES**
Chartered Accountants

(Kiran P.Tolia)
Proprietor
Membership No.: 43637

Mumbai
June 26, 2008

For and on behalf of Board of Directors

Nitin M. Shah
Managing Director

Rahul N. Shah
Executive Director

Mumbai
June 26, 2008

Cash Flow Statement for the year ended March 31, 2008

		2007-08 Rs.	2006-07 Rs.
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit before Taxation	**114,972,087**	44,873,244
	Adjustments for:		
	Depreciation/Amortisation (net of transfer from Revaluation Reserve)	**6,887,734**	6,495,113
	Interest Income	**(11,888,271)**	(476,581)
	Interest & Finance Charges Paid	**4,478,818**	1,430,472
	Dividend- From Investments	**(11,992,810)**	–
	Profit on Sale of Assets	**(68,932)**	(204,826)
	Amortisation of Equity Share Issue Expenses	**–**	2,211,340
		(12,583,461)	9,455,518
	Operating Profit before Working Capital Changes	**102,388,626**	54,328,762
	Adjustments for:		
	Sundry Debtors	**4,975,738**	10,966,336
	Inventories	**43,017,452**	1,493,175
	Loans & Advances	**940,722**	2,990,688
	Loans & Advances to a Subsidiary Company	**17,200,000**	–
	Sundry Creditors	**(8,709,138)**	(32,896,930)
	Other Liabilities	**(1,763,132)**	(1,059,604)
	Increase in Working Capital	**55,661,642**	(18,506,335)
	Cash (Used In)/ Generated from Operations	**46,726,984**	72,835,096
	Taxes paid (net of refunds)	**(26,257,087)**	(15,356,945)
	NET CASH FLOW FROM OPERATING ACTIVITIES	**20,469,897**	57,478,151
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Acquisition/Investment of/in Subsidiaries:		
	Nitin Cylinders Limited	**(387,000,000)**	(133,000,000)
	Nitin Venture FZE	**(10,874,622)**	–
	Application Money Pending Allotment of Equity Shares in a Subsidiary Company	**(51,298,503)**	–
	Investment in the Capital of a Partnership Firm	**(139,383)**	(1,887,325)
	Purchase of Units of Mutual Funds	**(630,000,000)**	–
	Sale of Units of Mutual Funds	**577,950,888**	–
	Investment in a Joint Venture	**(11,337,853)**	–
	Payment for Purchase of Fixed Assets	**(6,889,992)**	(7,600,869)
	Proceeds from Sale of Fixed Assets	**109,000**	1,211,868
	Dividend- From Investments	**11,992,810**	–
	Interest Received	**11,888,271**	476,581
	NET CASH FLOW FROM INVESTING ACTIVITIES	**(495,599,384)**	(140,799,745)

		2007-08 Rs.	2006-07 Rs.
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Share Application Money/Increase in Share Capital	**19,449,865**	31,581,545
	Securities Premium	**661,989,380**	68,450,000
	Equity Share Issue Expenses- IPO	**(52,665,390)**	(9,557,957)
	(Repayment)/Proceeds of Unsecured Borrowings	**(10,000,000)**	10,000,000
	Proceeds from Secured Borrowings	**18,869,535**	694,212
	Interest & Finance Charges Paid	**(4,478,818)**	(1,430,472)
	Dividends Distributed (including dividend distribution tax)	**–**	(6,984,032)
	NET CASH FLOW FROM FINANCING ACTIVITIES	**633,164,572**	92,753,296
D	**NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS**	**158,035,085**	9,431,702
	CASH AND CASH EQUIVALENTS, beginning of the year	**14,685,860**	5,254,158
	CASH AND CASH EQUIVALENTS, end of the year	**172,720,945**	14,685,860

Notes:

1. The cash flow statement has been prepared under the ‘Indirect Method’ set out in Accounting Standard -3 “Cash Flow Statement” notified in the Companies (Acounting Standards) Rules, 2006.

2. Previous years figures have been regrouped/restated wherever necessary to conform to current year’s classification.

As per our attached Report of even date

For **TOLIA & ASSOCIATES**
Chartered Accountants

(Kiran P. Tolia)
Proprietor
Membership No.: 43637

Mumbai
June 26, 2008

For and on behalf of Board of Directors

Nitin M. Shah
Managing Director

Rahul N. Shah
Executive Director

Mumbai
June 26, 2008

Consolidated Financial Statements

Consolidated Financial Statements 2007-2008

Auditors' Report to the Board of Directors on Consolidated Financial Statements

We have examined the attached Consolidated Balance Sheet of Nitin Fire Protection Industries Limited, its Subsidiaries, a Partnership Firm, an Associate Company and a Joint Venture (the Nitin Group) as at March 31, 2008, the Consolidated Profit and Loss Account and also the Consolidated Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These consolidated 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 generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

2. In respect of the financial statement of a foreign subsidiary, 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 subsidiary is based solely on the report of the other auditor. The details of assets and revenues in respect of the foreign subsidiary, to the extent to which they are reflected in the consolidated financial statements is given below:

Audited by other Auditors **(Rs.)**

	Total Assets	Total Revenues
Foreign Subsidiary	79,272,903	202,190,213

3. We further report that in respect of an Associate Company and a Joint Venture, we did not carry out the audit. These financial statements have been certified by management and have been furnished to us, and in our opinion, insofar as it relates to the amounts included in respect of the Associate Company and a Joint Venture is based solely on these financial statements. Since the financial statements for the financial year ended March 31, 2008 which were compiled by the management of the Associate Company and a Joint Venture were unaudited, any adjustments to their balances could have consequential effects on the attached consolidated financial statements. However, the size of the Associate Company and the investment in the Joint Venture in the consolidated position is not significant in relative terms. The details of carrying cost of investments in the Associate Company/Joint Venture and current year share of profit in respect of the Associate Company, to the extent to which they are reflected in the consolidated financial statements is given below:

Certified by management: **(Rs.)**

	Carrying cost of investment	Current year share of profit
A. Associate Company	159,614,926	7,752,532
B. Joint Venture	11,337,853	-

4. We report that the consolidated financial statements have been prepared by the Company 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 in the Companies (Accounting Standards) Rules, 2006 and on the basis of the separate audited/certified financial statements of the Nitin Group included in the consolidated financial statements.

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 said consolidated financial statements read together with Notes on Accounts in Schedule Q, give a true and fair view in conformity with the accounting principles generally accepted in India;

   (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Nitin Group as at March 31, 2008;

   (b) in the case of the Consolidated Profit and Loss Account of the consolidated results of operations of the Nitin Group for the year then ended on that date; and

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

For **TOLIA & ASSOCIATES**
Chartered Accountants

(Kiran P. Tolia)
Proprietor
Membership No.: 43637

Mumbai
June 26, 2008

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2008

	Schedule	As at March 31, 2008 Rs.	As at March 31, 2007 Rs.
SOURCES OF FUNDS			
Shareholder's Funds			
Share Capital	'A'	**126,031,410**	88,730,000
Share Application Money Pending Allotment		**–**	17,851,545
Reserves & Surplus	'B'	**1,029,174,241**	257,569,073
		1,155,205,651	364,150,618
Minority Interest		**–**	276,111
Loan Funds			
Secured Loans	'C'	**541,373,560**	105,859,677
Unsecured Loans	'D'	**2,000,000**	12,000,000
		543,373,560	117,859,677
Deferred Tax Liability		**1,196,818**	2,293,363
Total Funds Employed		**1,699,776,029**	484,579,769
APPLICATION OF FUNDS			
Tangible Assets	'E-1'		
Gross Block		**95,121,476**	83,678,707
Less : Depreciation		**47,096,912**	38,073,891
Net Block		**48,024,564**	45,604,816
Capital Work-In-Progress-at cost		**609,119,787**	338,895,320
(including Capital Advances)		**657,144,351**	384,500,136
Intangible Assets	'E-2'		
Gross Block		**27,001,821**	26,664,107
Less : Amortisation		**16,741,628**	9,768,186
Net Block		**10,260,193**	16,895,921
Deferred Tax Asset		**120,845**	–
Investments	'F'	**242,363,200**	28,000
Current Assets, Loans & Advances			
Current Assets	'G'		
Inventories		**519,920,466**	80,901,017
Sundry Debtors		**327,753,882**	265,202,185
Cash & Bank Balances		**211,792,040**	61,427,804
		1,059,466,388	407,531,006
Loans & Advances	'H'	**322,440,061**	117,380,366
		1,381,906,449	524,911,372
Less : Current Liabilities & Provisions:	'I'		
Current Liabilities		**401,200,764**	359,660,009
Provisions		**191,187,735**	90,815,895
		592,388,499	450,475,904
Net Current Assets		**789,517,950**	74,435,468
Miscellaneous Expenditure (to the extent not written off or adjusted)	'J'	**369,490**	8,720,244
Total Funds Utilised		**1,699,776,029**	484,579,769
Notes on Accounts	'Q'		

The Schedules referred to above form an integral part of the accounts

As per our attached Report of even date

For **TOLIA & ASSOCIATES**
Chartered Accountants

(Kiran P.Tolia)
Proprietor
Membership No.: 43637

Mumbai
June 26, 2008

For and on behalf of Board of Directors

Nitin M. Shah
Managing Director

Rahul N. Shah
Executive Director

Mumbai
June 26, 2008

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2008

	Schedule	2007-08 Rs.	2006-07 Rs.
INCOME			
Sales & Service	'K'	**1,324,216,790**	1,005,416,955
Other Income	'L'	**30,423,662**	2,130,232
Variation in Stocks	'M'	**21,514,436**	9,565,823
Share in Profit of a Partnership Firm		**139,383**	–
		1,376,294,271	1,017,113,010
EXPENDITURE			
Purchase of Goods for Resale		**699,480,270**	509,457,659
Material and Components	'N'	**218,226,920**	199,369,768
Manufacturing, Installation & Other Expenses	'O'	**173,579,209**	138,446,044
Interest & Finance Charges	'P'	**8,096,137**	3,109,758
Depreciation		**8,887,126**	7,467,089
Less: Charged to Revaluation Reserve		**1,667,506**	1,934,585
		7,219,620	5,532,504
Amortisation of Intangible Assets		**6,975,121**	6,983,908
		14,194,741	12,516,412
		1,113,577,277	862,899,641
PROFIT BEFORE TAX		**262,716,994**	154,213,369
Less : Provision for Current Tax		**68,035,000**	51,749,000
Provision for Deferred Tax		**(1,217,390)**	1,142,717
Provision for Fringe Benefit Tax		**1,481,750**	1,371,600
PROFIT AFTER TAX		**194,417,634**	99,950,052
Less:Prior Period Adjustments		**345,777**	–
		194,071,857	99,950,052
Less:Minority Interest in Income		**–**	88,222
Profit After Minority Interest		**194,071,857**	99,861,830
Add:Share in Profit of an Associate Company		**7,752,532**	-
Balance brought forward from previous year		**161,273,476**	71,020,678
Balance Available for Appropriation		**363,097,865**	170,882,508
APPROPRIATIONS			
General Reserve		**10,000,000**	2,625,000
Interim Dividend on Equity Shares		**–**	6,125,000
Tax on Interim Dividend		**–**	859,032
Proposed Dividend		**25,206,282**	–
Tax on Dividend		**4,283,808**	–
Balance Carried to Balance Sheet		**323,607,775**	161,273,476
		363,097,865	170,882,508
Basic and Diluted Earnings per Share of Rs.10 each (Refer Note 4, Schedule Q)		**16.72**	12.23
Notes on Accounts	'Q'		

The Schedules referred to above form an integral part of the accounts

As per our attached Report of even date
For **TOLIA & ASSOCIATES**
Chartered Accountants

(Kiran P.Tolia)
Proprietor
Membership No.: 43637

Mumbai
June 26, 2008

For and on behalf of Board of Directors

Nitin M. Shah
Managing Director

Rahul N. Shah
Executive Director

Mumbai
June 26, 2008

Schedules forming part of the Consolidated Balance Sheet

	As at March 31, 2008 Rs.	As at March 31, 2007 Rs.
SCHEDULE A : SHARE CAPITAL		
Authorised -		
15,000,000(Previous year 15,000,000) Equity Shares of Rs. 10/- each.	**150,000,000**	150,000,000
	150,000,000	150,000,000
Issued, Subscribed & Paid Up -		
12,603,141(Previous year 8,873,000) Equity Shares of Rs.10 each	**126,031,410**	88,730,000
Per Balance Sheet	**126,031,410**	88,730,000

Notes:

Of the above Equity Shares:

1) Company issued and allotted 337,000 (Previous year 123,000) Equity Shares of Rs.10 each by way of Preferential Allotment.

2) Company issued and allotted 3,393,141 (Previous year Nil) Equity Shares of Rs.10 each under Initial Public Offer.

3) 180,000 (Previous year 180,000) Equity Shares were allotted as fully paid up pursuant to a contract without payments being received in cash.

4) 1,000,000 (Previous year 1,000,000) Equity Shares were allotted as Bonus Shares by capitalisation of Reserves.

	As at March 31, 2008 Rs.	As at March 31, 2007 Rs.
SCHEDULE B : RESERVES & SURPLUS		
Asset Revaluation Reserve		
As per last Balance Sheet	**13,630,597**	15,565,182
Less : Charged to Depreciation	**1,667,506**	1,934,585
	11,963,091	13,630,597
General Reserve		
As per last Balance Sheet	**14,215,000**	11,590,000
Add: Transferred from Profit & Loss Account	**10,000,000**	2,625,000
	24,215,000	14,215,000
Securities Premium Account		
As per last Balance Sheet	**68,450,000**	–
Add:Premium Received on Issue of Additional Equity Shares	**661,989,380**	68,450,000
	730,439,380	68,450,000
Less:Equity Share Issue Expenses (Initial Public Offer)	**61,051,005**	–
	669,388,375	68,450,000
Profit & Loss Account - Balance at Credit	**323,607,775**	161,273,476
Per Balance Sheet	**1,029,174,241**	257,569,073

	As at March 31, 2008 Rs.	As at March 31, 2007 Rs.
SCHEDULE C: SECURED LOANS		
From Banks		
Working Capital Loans		
Rupee Loans	**149,718,883**	7,400,000
Foreign Currency Loans	**82,529,979**	–
	232,248,862	7,400,000
Term Loans		
Rupee Loans	**42,325,214**	46,556,934
Foreign Currency Loans	**264,854,853**	50,936,250
	307,180,067	97,493,184
Vehicle Loan from Banks	**1,944,631**	966,493
Per Balance Sheet	**541,373,560**	105,859,677

	As at March 31, 2008 Rs.	As at March 31, 2007 Rs.
SCHEDULE D-UNSECURED LOANS		
Short Term		
From Others	**2,000,000**	12,000,000
Per Balance Sheet	**2,000,000**	12,000,000

Schedules forming part of the Consolidated Balance Sheet

SCHEDULE E -1: FIXED ASSETS- TANGIBLE

	COST/VALUATION					DEPRECIATION					BOOK VALUE (Rs.)	
	As At April 1, 2007	Additions	Deductions	Adjustments	**As At March 31, 2008**	Upto April 1, 2007	For the year	Deductions	Adjustments	**Upto March 31, 2008**	**As At March 31, 2008**	As At March 31, 2007
Leasehold Land	3,240,000	-	-	-	**3,240,000**	-	36,120	-	397,240	**433,360**	**2,806,640**	3,240,000
Building	20,949,932	-	-	-	**20,949,932**	7,297,698	1,365,590	-	-	**8,663,288**	**12,286,644**	13,652,234
Plant & Machinery	32,928,020	5,400,000	-	948,046	**37,379,974**	18,932,105	2,561,994	-		**21,494,099**	**15,885,875**	13,995,915
Furniture, Fixtures & Office Equipments	7,177,779	1,411,693	-	20,222	**8,569,250**	2,897,740	793,493	-	3,781	**3,695,014**	**4,874,236**	4,280,039
Computer Systems	6,397,836	1,856,499	-	-	**8,254,335**	4,363,119	1,263,318	-	(184,949)	**5,441,488**	**2,812,847**	2,034,717
Vehicles	12,985,140	4,007,324	251,629	12,850	**16,727,985**	4,583,229	2,866,611	211,561	131,384	**7,369,663**	**9,358,322**	8,401,911
Per Balance Sheet	**83,678,707**	**12,675,516**	**251,629**	**981,118**	**95,121,476**	**38,073,891**	**8,887,126**	**211,561**	**347,456**	**47,096,912**	**48,024,564**	**45,604,816**
Previous Year	76,464,105	9,681,368	2,466,766	-	**83,678,707**	32,066,526	7,467,089	1,459,724	-	**38,073,891**		
Add:Capital Work-in-Progress											**609,119,787**	338,895,320
											657,144,351	384,500,136

SCHEDULE E -2: FIXED ASSETS- INTANGIBLE

	COST					AMORTISATION					BOOK VALUE (Rs.)	
	As At April 1, 2007	Additions	Deductions	Adjustments	**As At March 31, 2008**	Upto April 1, 2007	For the year	Deductions	Adjustments	**Upto March 31, 2008**	**As At March 31, 2008**	As At March 31, 2007
Goodwill on Consolidation	10,175,000	-	-	-	**10,175,000**	4,070,000	1,516,313	-	-	**5,586,313**	**4,588,687**	6,105,000
Software	15,810,057	337,714			**16,147,771**	5,613,537	5,161,607	-	(1,679)	**10,773,465**	**5,374,306**	10,196,520
Technical Know How	679,050	-	-	-	**679,050**	84,649	297,201	-	-	**381,850**	**297,200**	594,401
Per Balance Sheet	**26,664,107**	**337,714**	**-**	**-**	**27,001,821**	**9,768,186**	**6,975,121**	**-**	**(1,679)**	**16,741,628**	**10,260,193**	**16,895,921**
Previous Year	14,548,534	12,115,573	-	-	26,664,107	2,784,278	6,983,908	-	-	9,768,186	16,895,921	-

Note:

Amortisation of Goodwill on Consolidation for the year includes excess amortisation relating to prior years - Rs.345,791 (Previous year Rs. Nil)

Schedules forming part of the Consolidated Balance Sheet

		As at March 31, 2008 Rs.	As at March 31, 2007 Rs.
SCHEDULE F : INVESTMENTS			
(Unquoted) (Trade, unless otherwsise stated, fully paid up)			
Long Term Investments			
I.	Investment in an Associate Company		
	120 (Previous year Nil) Equity Shares of New Age Company LLC Face value of AED 1,000 each	**159,614,926**	–
	Add :Share in Profit of Current Year (includes goodwill Rs.119,000,335)	**7,752,532**	–
		167,367,458	–
II.	Investment in a Non Integrated, Un-incorporated Joint Venture for Crude Oil Block *	**11,337,853**	–
	(* Other than Trade)		
III.	Equity Shares*		
	(* Other than Trade/Quoted/Fully Paid Up)		
	Equity Shares of Rs.10 each		
	2,300 (Previous year 2,300) of Andhra Bank	**23,000**	23,000
	30,000 (Previous year Nil) of Asian Granito Limited	**3,374,246**	–
	10,000 (Previous year Nil) of Nagarjuna Fertilisers & Chemicals Limited	**551,870**	–
	10,000 (Previous year Nil) of Petronet LNG Limited	**1,114,757**	–
	5,000 (Previous year Nil) of UCO Bank	**306,431**	–
	(All the above equity shares except that of Andhra Bank purchased during the year)		
	Equity Shares of Rs.1 each		
	10,000 (Previous year Nil) of Apollo Tyres Limited	**541,243**	–
	20,000 (Previous year Nil) of Suven Life Sciences Limited	**1,064,459**	–
	(All the above equity shares purchased during the year)		
		6,976,006	23,000
IV.	Government Securities *		
	Six Years National Savings Certificates VIII Issue (* Other than Trade)	**5,000**	5,000
V.	Capital of a Partnership Firm	**2,026,708**	–
Current Investments (Other than Trade)			
VI.	Mutual Funds		
	Reliance Liquidity Plus Fund - Institutional Option - Daily Dividend Plan	**15,024,863**	–
	15,007 Units of Rs.1,000 each purchased during the year		
	(36,908 units of Rs. 1,000 each purchased and sold during the year)		
	L164D SBI Debt Fund Series - 30 Days -1 -(13-Mar-08) - Dividend	**10,000,000**	–
	1,000,000 Units of Rs.10 each purchased during the year		
	Tata Floating Rate Short Term Inst. Plan -Daily Dividend	**16,117,765**	–
	1,610,890 Units of Rs. 10 each purchased during the year		
	(8,766,578 Units of Rs.10 each purchased and sold during the year)		
	UTI - Liquid Plus Fund Institutional Plan (Daily Dividend Option) -Re-investment	**11,007,547**	–
	11,004 Units of Rs. 1,000 each purchased during the year		
	(93,766 Units of Rs.1,000 each purchased and sold during the year)		
	SBI Infrastructure Fund	**2,500,000**	–
	250,000 Units of Rs.10 each purchased during the year		
		54,650,175	–
	Per Balance Sheet	**242,363,200**	28,000

Schedules forming part of the Consolidated Balance Sheet

	As at March 31, 2008 Rs.	As at March 31, 2007 Rs.
SCHEDULE G : CURRENT ASSETS		
INVENTORIES		
(including in transit)		
Stores & Spares	**1,527,563**	–
Raw Material	**365,045,084**	–
Trading Goods	**71,948,504**	50,583,218
Materials and Components	**81,399,315**	30,317,799
	519,920,466	80,901,017
SUNDRY DEBTORS		
(Unsecured, considered good)		
Over six months	**58,934,003**	49,190,595
Others	**268,819,879**	216,011,590
	327,753,882	265,202,185
CASH & BANK BALANCES		
Cash on hand	**1,201,767**	639,816
Balance with Banks		
with Schedule Banks		
In Current Accounts	**13,543,171**	29,354,258
In Fixed Deposit Accounts (including interest accrued thereon)	**184,659,737**	31,433,730
Debit Balance in Cash Credit	**655,184**	–
with a Non-Schedule Bank		
HSBC Bank Middle East Limited -AED Current Account	**11,732,181**	–
	211,792,040	61,427,804
Per Balance Sheet	**1,059,466,388**	407,531,006
SCHEDULE H : LOANS & ADVANCES		
(Unsecured, considered good)		
Advances Recoverable in Cash or in Kind or for Value to be Received	**156,835,420**	26,919,046
Deposit with Excise Authorities	**22,804**	22,804
Taxation	**165,581,837**	90,438,516
Per Balance Sheet	**322,440,061**	117,380,366
SCHEDULE I : CURRENT LIABILITIES & PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors	**252,303,271**	195,727,791
Creditors for Capital Expenditure	**13,742,703**	136,415,691
Other Liabilities	**97,813,996**	9,483,846
Advance From Customers	**37,340,794**	18,032,681
	401,200,764	359,660,009
PROVISIONS		
Provision for Income Tax	**156,905,000**	87,730,000
Provision for Wealth Tax	**194,000**	134,000
Provision for Fringe Benefit Tax	**4,598,645**	2,951,895
Proposed Dividend on Equity Shares	**25,206,282**	–
Tax on Dividend	**4,283,808**	–
	191,187,735	90,815,895
Per Balance Sheet	**592,388,499**	450,475,904

Schedules forming part of the Consolidated Balance Sheet

	As at March 31, 2008 Rs.	As at March 31, 2007 Rs.
SCHEDULE J : MISCELLANEOUS EXPENDITURE		
(to the extent not written off or adjusted)		
Preliminary Expenses	**409,630**	1,413,768
Equity Share Issue Expenses-IPO	**61,051,005**	9,557,956
	61,460,635	10,971,724
Less : Amortised During the Year	**40,140**	2,251,480
Charged to Securities Premium Account	**61,051,005**	–
	61,091,145	2,251,480
Per Balance Sheet	**369,490**	8,720,244

Schedules forming part of the Consolidated Profit & Loss Account

	2007-08 Rs.	2006-07 Rs.
SCHEDULE K : SALES & SERVICE		
Manufacturing Sales	**27,949,745**	15,275,000
Project Related Activity	**636,170,305**	353,542,767
Maintenance & Servicing	**4,741,021**	3,084,233
Trading Sales	**655,355,719**	633,514,955
Per Profit & Loss Account	**1,324,216,790**	1,005,416,955
SCHEDULE L : OTHER INCOME		
Profit on Sale of Current Investments -Other than Trade	**1,783,680**	–
Trading of Current Investments -Other than Trade	**(560,704)**	–
Interest on Fixed Deposits & Others	**14,110,144**	541,121
Dividend from Current Investments-Other Than Trade	**12,122,545**	–
Debts Written Off In Earlier Years, Realised	**76,136**	165,138
Miscellaneous Income	**721,149**	1,219,147
Commission	**2,101,780**	–
Profit on Sale of Assets	**68,932**	204,826
Per Profit & Loss Account	**30,423,662**	2,130,232
SCHEDULE M : VARIATION IN STOCKS		
Stock-in-Trade (At close)		
Trading Goods	**71,948,504**	50,434,068
Stock-in-Trade (At commencement)		
Trading Goods	**50,434,068**	40,868,245
Per Profit & Loss Account	**21,514,436**	9,565,823
SCHEDULE N : MATERIALS AND COMPONENTS		
Opening Stock	**30,466,949**	30,467,152
Add:Purchases	**269,159,286**	199,369,565
	299,626,235	229,836,717
Less:Closing Stock	**81,399,315**	30,466,949
Per Profit & Loss Account	**218,226,920**	199,369,768

Schedules forming part of the Consolidated Profit and Loss Account

	2007-08 Rs.	2006-07 Rs.
SCHEDULE O :MANUFACTURING, INSTALLATION AND OTHER EXPENSES		
MANUFACTURING AND INSTALLATION EXPENSES		
Stores & Spares	**519,246**	481,250
Electricity Charges	**163,962**	117,564
Water Charges	**23,219**	7,219
Sub-Contract Charges	**18,132,511**	3,457,180
Repairs & Maintenance : Machinery	**507,191**	86,063
	19,346,129	4,149,276
OPERATING EXPENSES		
Conveyance & Travelling	**16,133,641**	12,040,460
Miscellaneous Expenses	**14,828,832**	14,573,732
Rent	**6,181,546**	6,304,318
Repairs & Maintenance :		
- Building	**810,816**	–
- Others	**3,185,621**	3,798,256
	3,996,437	3,798,256
Insurance	**586,680**	398,113
Payments To Auditors	**443,260**	277,253
Professional Fees	**14,031,582**	15,491,696
Donation	**8,327,207**	1,970,660
Loss on Exchange	**2,052,774**	–
Amortisation of Equity Share Issue /Preliminary Expenses	**40,140**	2,251,480
Sitting Fees	**110,000**	99,000
Vehicle Expenses	**2,080,834**	2,004,211
	68,812,933	59,209,179
PAYMENTS TO AND PROVISIONS FOR EMPLOYEES (including Managerial Remuneration)		
Salary, Wages & Bonus	**43,894,898**	31,905,923
Contribution to Provident Fund, Employees State Insurance Scheme, Labour Welfare Fund etc.	**1,659,300**	1,055,917
Gratuity	**812,475**	876,561
Employees Welfare	**4,398,607**	3,427,836
	50,765,280	37,266,237
SALES & DISTRIBUTION EXPENSES		
Sales Promotion & Advertisement Expenses	**12,377,797**	6,110,442
Discount, Commission, Rebates etc.	**13,196,316**	19,938,321
Distribution Expenses	**6,284,701**	3,754,931
Bad Debts	**2,550,195**	7,600,158
Rates & Taxes	**245,858**	417,500
	34,654,867	37,821,352
Per Profit & Loss Account	**173,579,209**	138,446,044
SCHEDULE P-INTEREST & FINANCE CHARGES		
Interest on Cash Credit	**2,900,139**	–
Interest on Others	**597,453**	542,123
Other Finance Charges	**4,598,545**	2,567,635
Per Profit & Loss Account	**8,096,137**	3,109,758

Schedule Q

NOTES ON ACCOUNTS

1. **(A) Basis of preparation**

(i) The Consolidated Financial Statements have been prepared in accordance with Accounting Standard (AS) 21 'Consolidated Financial Statements', Accounting Standard (AS) 23, 'Accounting for Investments in Associates in Consolidated Financial Statements' and Accounting Standard (AS) 27, 'Financial Reporting of Interests in Joint Ventures' notified in the Companies (Accounting Standards) Rules, 2006. The Consolidated Financial Statements comprises the financial statements of Nitin Fire Protection Industries Limited (NFPIL), its Subsidiaries, a Partnership Firm, an Associate Company and a Joint Venture. Reference in these notes to NFPIL, Parent Company, Companies or Group shall mean to include Nitin Fire Protection Industries Limited or any of its Group entities (as above) unless otherwise stated.

(ii) The notes and significant policies to the Consolidated Financial Statements are intended to serve as a guide for better understanding of the Group's position. In this respect, the Parent Company has disclosed such notes which represent the required disclosure.

(B) Significant accounting policies:

(a) Basis of accounting

(i) The Parent Company maintains its accounts on accrual basis following the historical cost convention in accordance with generally accepted accounting principles ('GAAP') except for revaluation of certain fixed assets and in compliance with the Accounting Standards notified in the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

(ii) The preparation of the financial statements in conformity with GAAP requires that the management makes 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 liabilities as at the date of the financial statements. These estimates are based upon Management's best knowledge of current events and actions. Actual results could differ from these estimates.

(iii) The accounts of all domestic subsidiaries has been prepared in compliance with Accounting Standards notified in the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956, and those of the foreign subsidiary/associate have been prepared in compliance with the local laws and applicable Accounting Standards.

(b) Principles of consolidation:

The Consolidated Financial Statements have been prepared on the following basis:

(i) The Consolidated Financial Statements of NFPIL and its 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 intra group balances and intra group transactions resulting in unrealized profits or losses in accordance with Accounting Standard 21 'Consolidated Financial Statements', notified in the Companies (Accounting Standards) Rules, 2006.

(ii) The difference between the costs of investments in the subsidiaries over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill and is amortised over a period of five years.

(iii) The Company's interest in a joint venture being in the nature of an investment is accounted as specified in Accounting Standard (AS) 13 'Accounting for Investments' notified in the Companies (Accounting Standards) Rules, 2006, is based on un-audited accounts and certified by the management.

(iv) Investment in an associate company has been accounted for, by using equity method whereby investment is initially recorded at cost and the carrying amount is adjusted thereafter for post acquisition change in the Parent Company's share of net assets of the associate company.

(v) The financial statements of the subsidiaries used in the consolidation are drawn up to the same reporting date as that of the Parent Company i.e. March 31, 2008. In respect of an associate company which follows different accounting year, the accounts are prepared upto the reporting date of the Parent Company to facilitate consolidation. The accounting year of the associate company is January to December. The Parent Company's share of profit for the year is based on un-audited accounts and is certified by the management.

(vi) The financial statements of an integral foreign subsidiary are recorded in a currency other than of its incorporation as it is acceptable to local government authorities and than translated in its local currency as under:

(a) The revenue items have been converted at the simple average of monthly exchange rates prevailing during the year.

(b) Fixed assets have been converted at the rate prevailing on the dates of purchase. Depreciation is accounted at the same rate at which the assets are translated.

(c) Monetary items other than fixed assets are converted at the year-end exchange rate.

(d) Non monetary items such as investments are carried at historical cost using exchange rate on the date of the transactions.

Exchange gain or loss arising out of above is charged to Profit & Loss Account.

(vii) Investment in a partnership firm is accounted in accordance with Accounting Standard (AS) 13 'Accounting for Investments', notified in the Companies (Accounting Standards) Rules, 2006 as it is pending disposal in near future.

(viii) Consolidated Financial Statements have been prepared using uniform accounting policies for all major transactions and other events in similar circumstances except the policies adopted by a foreign subsidiary /associate company based on local laws which are given below:

1. The Parent Company and the foreign subsidiary/associate company provide depreciation at different rates on Tangible Assets.
2. The Parent Company and the foreign subsidiary/associate company follow their local guidelines for accounting the leases.
3. Foreign subsidiary/associate company recognizes tax liabilities and assets in accordance with the applicable local legislation. Deferred tax assets/liabilities in respect of foreign subsidiary/ associate company are not recognized.
4. Company incorporation expenses are written off in the year of occurrence and not amortised over a period of five years by the foreign subsidiary.
5. The Parent Company and the associate company follow different method of valuation of inventories.

The proportion of these items vis-à-vis results/assets of the Group is not significant.

(ix) The information as to accounting policies followed by an un-incorporated joint venture is not available. Hence, differences in accounting policies if any, with that of the Parent Company is not ascertainable.

(c) Fixed Assets

(i) Fixed assets are stated at their original cost of acquisition/installation, net of accumulated depreciation, amortisation and impairment. In case of revaluation of fixed assets, the amount as per the valuer is considered in the accounts.

(ii) Advances paid towards the acquisition of fixed assets outstanding at balance sheet date and the cost of fixed assets not ready to use before such date are disclosed under Capital Work in Progress.

(iii) Expenditure during construction period (including financing cost relating to borrowed funds for construction or acquisition of fixed assets) incurred on project under implementation are treated as Preoperative Expenses, pending allocation to the assets, and are included under "Capital Work- in-Progress".

(iv) Any income generated during project implementation is reduced from the project cost.

(d) Depreciation and Amortisation

(i) Tangible Assets:

Depreciation on all assets is provided on written down value method in accordance with the provisions of Section 205(2)(b) of the Companies Act, 1956 in the manner and at the rates specified in Schedule XIV to the Companies Act, 1956. Depreciation on addition to fixed assets is provided on a pro-rata basis from the date it is put to use. Depreciation on assets sold, discarded, demolished or scrapped, is provided up to the date in which the said asset is sold, discarded, demolished or scrapped. 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. The cost of leasehold land is amortised over the period of lease.

(ii) Intangible Assets:

All 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 over a period of 2 years. Amortisation is done on written down value basis.

(iii) Impairment of Assets

The carrying amounts of 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.

(e) **Investments**

Long term investments are stated at cost less provision, if any, for diminution which is other than temporary in nature. Current investments are valued at lower of cost and net realisable value. Investment in a non integrated, un-incorporated Joint Venture is carried at cost.

(f) **Inventories**

Items of inventories are measured at lower of cost and net realisable value and cost is computed on FIFO basis. Such costs include material cost and other costs incurred in bringing the goods to their present location and condition.

(g) **Revenue Recognition**

(i) Sales are stated net of all taxes and includes other charges billed to customers and is recognized on dispatch to customers. Export sales are accounted for on the basis of date of Bill of Lading.

(ii) The revenues in respect of project related activities are recognized on percentage completion method as specified in Accounting Standard 7 (Revised) 'Construction Contracts'. notified in the Companies (Accounting Standards) Rules, 2006. 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 recognized on due dates of the relevant contracts.

(iv) Share of profit from a partnership firm is accounted in respect of the financial year of the firm ending on the balance sheet date, on the basis of their audited accounts.

(v) Other income is accounted on accrual basis as and when the right to receive arises.

(h) **Provision, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized 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 recognized but are disclosed in the Notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

(i) **Foreign Currency Transactions**

(i) Foreign currency transactions are recorded on the basis of exchange rate as notified by the customs.

(ii) Monetary items in foreign currencies are stated at the closing exchange rate as on the date of the Balance Sheet.

(iii) All exchange differences arising on settlement of foreign currency transactions are included in the Profit & Loss Account.

(iv) Non monetary items such as investments are carried at historical cost using exchange rate on the date of the transactions.

(j) **Retirement Benefits**

(i) Retirement benefit in the form of Provident/Pension Fund (defined contribution plan) which is administered by The Employees Provident Fund Organisation, Central Government is accounted on actual liability basis.

(ii) Gratuity liability is covered under a Group Gratuity Cash Accumulation Scheme (defined benefit plan) of the Life Insurance Corporation of India (LIC). The gratuity liability is charged to the Profit & Loss Account on the basis of an Actuarial Valuation carried out by LIC once in three years.

(k) **Earnings Per Share**

The basic earnings per share is computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for effects of all dilutive potential equity shares.

(l) **Taxation**

(i) Tax expense comprises Current, Deferred and Fringe Benefit Tax. Current Tax and Fringe Benefit Tax are measured at the amount expected to be paid to the Tax Authorities in accordance with the Income Tax Act, 1961.

(ii) Deferred Tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred Tax 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 & Loss Account and the cumulative effect thereof is reflected in the Balance Sheet. The major component of the respective balances of Deferred Tax Assets and Liabilities are disclosed in the accounts.

(m) **Securities Premium Account**

Securities Premium Account represents premium received pursuant to issue of equity shares. Expenses' pertaining to issue of equity shares (IPO) is charged to Securities Premium Account.

(n) **Derivative Instruments**

Gains or losses in respect of Financial Derivatives are accounted in Profit & 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 & Loss Account.

(o) **Miscellaneous Expenditure**

Preliminary Expenses are amortised equally over a period of five years.

2. The entities considered in the consolidated financial statements are:

Sr. No.	Particulars	Relationship	Country of Incorporation	Proportion of Ownership Interest	
				March 31, 2008	March 31, 2007
a.	Alert Fire Protection Systems Private Limited	Subsidiary	India	100%	100%
b.	Eurotech Cylinders Private Limited	Subsidiary	India	100%	100%
c.	Logicon Building Systems Private Limited	Subsidiary	India	100%	100%
d.	Nitin Cylinders Limited (from September 27, 2006)	Subsidiary	India	100%	100%
e.	Nitin Ventures FZE (from July 29, 2007)	Subsidiary	UAE	100%	–
f.	Eurotech Corporation (from October 1, 2006)	Partnership Firm	India	95%	95%
g.	New Age Company LLC *	Associate Company	UAE	40%	–
h.	Oil BlockRJ-ONN-2004/1 (Ref.No.19) (field in a Joint Venture)	Joint Venture	**	10%	10%

(* Shareholding is through a foreign subsidiary viz. Nitin Ventures FZE from January 1, 2008)

(* * Country of Incorporation not applicable as it is an Unincorporated Joint Venture)

3. Contingent liability not provided for in respect of:

		Consolidated 2007-08(Rs.)	Consolidated 2006-07(Rs.)
(a)	Performance guarantees against which fixed deposits aggregating to Rs. 17,985,564 (Previous year Rs.7,206,736) have been deposited as margin money and provided mortgage of fixed assets belonging to the Parent Company	54,222,183	7,027,283
(b)	Bond issued to the Development Commissioner, VSEZ	162,500,000	162,500,000
(c)	Letters of credit opened for purchase of capital goods against which fixed deposits aggregating to Rs.4,382,000 (Previous year Rs.14,000,000) have been deposited as margin money.	87,901,000	70,752,500
(d)	Letters of credit opened for procurement of raw materials against which fixed deposits aggregating to Rs.9,900,000 (Previous year Rs.8,800,000) have been deposited as margin money.	158,954,708	37,403,116
(e)	Corporate financial guarantees given by the Parent Company on behalf of the subsidiaries against which lien on fixed deposits of Rs.150,000,000 (Previous year Rs.Nil) has been created	645,000,000	104,893,184

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. Earnings Per Share (EPS):

In terms of Accounting Standard 20 'Earnings per Share (EPS)', the EPS has been calculated as under:

		March 31, 2008 (Rs.)	March 31, 2007 (Rs.)
(a)	Net profit as per Profit & Loss Account available for Equity Share holders	201,824,390	99,861,830
(b)	Weighted Average number of equity shares used as denominator for calculating EPS	12,068,250	8,164,564
(c)	Earnings per share of Rs.10 each (Basic & Diluted)	16.72	12.23

5. In terms of Accounting Standard 18 (AS-18) 'Related Party Disclosures', notified in the Companies (Accounting Standards) Rules, 2006, the disclosures of transactions with related parties as defined in AS-18 are given below.:

a) **List of related parties and relationships:**

Sr. No.	Name of the Related Party	Relationship
1	Nitin M. Shah	Key Management Personnel
2	Rahul N. Shah	Key Management Personnel
3	Kunal N. Shah	Key Management Personnel
4	Gopalkrishna Shahi	Key Management Personnel
5	Kailat H. Vaidyanathan	Key Management Personnel
6	Saroj N. Shah	Relative of a Key Management Personnel
7	Dhruti R. Shah	Relative of a Key Management Personnel
8	Reshma M. Ratangharya	Relative of a Key Management Personnel
9	Veer Foundation	Trust
10	Oil BlockRJ-ONN-2004/1 (Ref.No.19) (field in a Joint Venture)	Joint Venture
11	New Age Company LLC	Foreign Associate Company
12	Eurotech Corporation	Partnership Firm

b) **Transactions during the year with related parties:**

(Rs.)

Sr. No.	Nature of Transactions	Trust/ Joint Venture	Key Management Personnel (Including Relatives)	Foreign Associate Company/ Partnership Firm
1	**Rent paid**			
	Nitin M. Shah	– (–)	2,433,302 (2,280,000)	– (–)
	Saroj N. Shah	– (–)	573,372 (540,000)	– (–)
2	**Remuneration**			
	Nitin M. Shah	– (–)	2,866,912 (1,985,161)	- (–)
	Rahul N. Shah	– (–)	1,530,752 (820,000)	– (–)
	Gopalkrishna Shahi	– (–)	591,969 (595,000)	– (–)
	Saroj N. Shah	– (–)	2,308,391 (1,961,452)	– (–)
	Kunal N. Shah	– (–)	2,327,000 (2,104,893)	– (–)
	Kailat H. Vaidyanathan	– (–)	688,400 (385,000)	- (–)
	Reshma M. Ratangharya	– (–)	– (550,000)	– (–)
	Dhruti R. Shah	– (–)	– (945,000)	– (–)
3	**Investment**	11,337,853 (–)	– (–)	161,641,634 (–)
4	**Donation**	200,000 (–)	– (–)	– (–)
5	**Interest paid**			
	Rahul N. Shah	– (–)	– (65,838)	– (–)
	Saroj N. Shah	– (–)	– (367,232)	– (–)
6	**Loans taken**			
	Rahul N. Shah	– (–)	– (5,790,000)	– (–)
	Saroj N. Shah	– (–)	– (2,600,000)	– (–)
7	**Loans repaid**			
	Rahul N. Shah	– (–)	– (9,290,000)	– (–)
	Saroj N. Shah	– (–)	- (14,100,000)	– (–)

Sr. No.	Nature of Transactions	Trust/ Joint Venture	Key Management Personnel (Including Relatives)	Foreign Associate Company/ Partnership Firm
8	**Share of profit**	–	–	7,891,915
		(–)	(–)	(–)
9	**Personal financial guarantees obtained**	–	765,000,000	–
		(–)	(–)	(–)

Note : Figure in brackets indicate previous year figures.

6. Provision for Current Tax includes provision for Wealth Tax of Rs.60,000 (Previous year Rs.69,000)

7. Consequent to change in accounting policy in respect of Public Issue Expenses from amortising the same over a period of five years to charging off against Securities Premium Account, Profit before Tax is overstated by Rs.12,290,880 and Reserves and Surplus are under stated by Rs.48,760,125.

8. Prior period adjustments represents amortisation amount in respect of leasehold land for earlier periods.

9. Disclosures in respect of an associate company:

   a. Share in contingencies and capital commitments Rs. Nil (Previous year Rs. Nil)

   b. Contingent liabilities in respect of co-associates Rs. Nil ((Previous year Rs. Nil)

10. Segment Reporting:

    The Parent Company's management upto the previous year had considered two reportable segments viz. manufacturing and undertaking of turnkey projects for installation/ commissioning/erection of fire alarm/protection systems and trading of high pressure seamless cylinders/its related spare parts. However, based on guiding principles given in Accounting Standard 17 (AS-17) 'Segment Reporting', notified in the Companies (Accounting Standards) Rules, 2006 and a review by the Parent company's management, it has concluded that the segment of high pressure seamless cylinders is also a part of the segment of fire alarm/protection systems. As a result of such change in identification of segments, the following figures relating to high pressure seamless cylinder segment have been combined with the segment of manufacturing and undertaking of turnkey projects for installation/commissioning/ erection of fire alarm/protection systems:

Sr. No.	Particulars	Amount (Rs.)
1	Total Assets	602,980,388
2	Total Revenue	387,174,818
3	Interest & Financial Charges	1,683,959
4	Interest Income	2,100,901
5	Profit Before Tax	71,887,422
6	Profit After Tax	46,865,748
7	Depreciation	3,462,258

Since, the business of the Group now falls under one segment; the disclosure requirements of AS- 17 in this regard are not applicable.

11. Balance with a Non-Scheduled Bank:

Name of the Bank	Outstanding Balance (Rs.)	Maximum amount outstanding at any time during the year (Rs.)
HSBC Bank Middle East Limited, Jebel Ali, Dubai, UAE (2006-07)	11,732,181 (–)	23,840,119 (–)

12. The Directors recommend payment of final dividend of Rs. 2 per share of Rs. 10 each on the number of shares outstanding as on the record date. Provision of final dividend has been made in the books of account for 12,603,141 shares outstanding as on March 31, 2008 amounting to Rs. 25,206,282.

13. Disclosure of Derivatives:

a.

	Currency	As at March 31, 2008		As at March 31, 2007	
			Rs.		Rs.
- **Hedging commitments outstanding :**					
Secured Loans -	USD	3,000,000	120, 240,000	–	–
No. of Contracts outstanding		1	–	–	–
- **Uncovered Risks in Foreign Currency**					
Secured Loans	USD	5,667,286	227,144,832	1,175,000	50,936,250
Imports Payable	USD	1,959,256	78,730,248	1,792,977	77,377,958
Imports Payable	GBP	12,090	1,040,170	7,415	627,309
Imports Payable	EURO	105,281	6,661,123	–	–
Exports Receivable	USD	9,840	394,871	–	–

b. All financial and derivative contracts entered into by the Company are for hedging purposes only.

14. Disclosures pursuant to Accounting Standard (AS) 7 (Revised):

		2007-08 (Rs.)
(a)	Contract revenue recognized	636,170,305
(b)	Gross amount due from customers for contract work	160,765,015
(c)	Gross amount due to customers for contract work	Nil
(d)	Contracts in progress	Nil

15. Deferred tax:

a. Computation of deferred tax assets/liabilities has not been made in respect of the foreign subsidiary of the Group. In the opinion of the management, the impact is not material.

b. (i) Deferred tax asset relates to depreciation on fixed assets - Rs. 120,845 (Previous year Rs. Nil)

(ii) Deferred tax liability relates to depreciation on fixed assets- Rs. 1,196,818 (Previous year Rs.2,293,363).

16. Capital Work-in Progress includes pre-operative expenses incurred during project implementation, details of which are as under:

	2007-08 Rs.	2006-2007 Rs.
Opening Balance	12,768,308	–
Add:		
Materials for trial run and start up for machinery	37,053,125	–
Miscellaneous Expenses	2,055,878	
Electricity Charges	8,910,327	–
Water Charges	374,616	–
Lease Rent	2,303,663	–
Inspection and Testing Fees	632,915	–
Sub Contracting Charges	1,958,783	
Conveyance & Travelling	3,192,912	757,785

	2007-08 Rs.	2006 - 2007 Rs.
Insurance	**240,198**	–
Legal & Professional Fees	**2,456,967**	7,394,722
Vehicle Expenses	**235,285**	–
Payments to Auditors	**37,500**	10,000
Salary, Wages & Bonus	**7,581,807**	855,537
Employees Welfare	**330,661**	–
Sales Promotion & Advertisement Expenses	**982,741**	–
Interest on Fixed Loans	**33,035,302**	1,170,134
Interest on Others	**8,393,194**	–
Other Financial Charges	**2,328,305**	2,879,729
	124,872,487	13,067,907
Less:		
Commission	**2,107,997**	–
Dividend Income from Current Investments	**–**	45,887
Interest on Fixed Deposits & Others	**956,252**	288,707
Other Income	**–**	5,300
	3,064,249	339,894
Add: Provision for Income Tax	**1,200,000**	–
Provision for Fringe Benefit Tax	**175,000**	40,295
	1,375,000	40,295
Closing Balance	**123,183,238**	12,768,308

17. a. Capital work-in-progress includes advances aggregating to Rs.8,7061,667 (Previous Year Rs.32,892,152)

    b. Capital work-in –progress includes Rs. 1,782,000 on account of foreign exchange loss (Previous year, gain Rs.1,057,500).

18. Pursuant to search and seizure operations conducted during the year on some of the Group companies, re-assessment proceedings under the Income Tax Act, 1961 of earlier six years are under progress. According to the management of the companies covered under the above operations, adequate provision for income tax is made in the respective companies' books of account.

19. Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for Rs. 15,578,000 (Previous year Rs.6,484,262).

20. Figures pertaining to the subsidiaries consolidated have been reclassified wherever necessary to bring them in line with the Parent Company's' financial statements.

21. The previous year's figures have been regrouped, reworked, rearranged and reclassified wherever necessary.

As per our attached Report of even date
For **TOLIA & ASSOCIATES**
Chartered Accountants

(Kiran P.Tolia)
Proprietor
Membership No.: 43637

Mumbai
June 26, 2008

For and on behalf of Board of Directors

Nitin M. Shah
Managing Director

Rahul N. Shah
Executive Director

Mumbai
June 26, 2008

Consolidated Cash Flow Statement for the year ended March 31, 2008

		2007-08 Rs.	2006-07 Rs.
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit before Taxation (net of minority interest)	**270,123,749**	154,125,147
	Adjustments for:		
	Depreciation/Amortisation (net of transfer from Revaluation Reserve)	**14,194,741**	12,431,465
	Interest Income	**(14,110,144)**	(541,121)
	Profit on Sale of Current Investments	**(1,783,680)**	–
	Interest & Finance Charges Paid	**8,096,137**	3,109,758
	Dividend from Investments	**(12,122,545)**	–
	Profit on Sale of Assets	**(68,932)**	(204,826)
	Amortisation of Equity Share Issue Expenses	**–**	2,211,340
	Amortisation of Preliminary Expenses	**40,140**	40,140
		(5,754,283)	17,046,756
	Operating Profit before Working Capital Changes	**264,369,466**	171,171,903
	Adjustments for:		
	Sundry Debtors	**(62,551,697)**	(88,606,204)
	Inventories	**(439,019,449)**	(9,481,285)
	Loans & Advances	**(147,116,374)**	(19,159,979)
	Sundry Creditors	**56,575,480**	93,277,715
	Creditors for Capital Expenditure	**(122,672,988)**	136,415,691
	Advance From Customers	**19,308,113**	18,032,681
	Other Liabilities	**88,330,150**	1,534,041
	Increase in Working Capital	**(607,146,765)**	132,012,660
	Cash (Used In)/Generated from Operations	**(342,777,299)**	303,184,563
	Taxes paid (net of refunds)	**(75,143,321)**	(66,550,206)
	NET CASH FLOW FROM OPERATING ACTIVITIES	**(417,920,620)**	236,634,357
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Acquisition/Investment of/in Subsidiaries:		
	Nitin Cylinders Limited	**(387,000,000)**	(133,000,000)
	Nitin Venture FZE	**(62,173,125)**	–
	Investment in the Capital of a Partnership Firm	**(2,026,708)**	–
	Investment in a Joint Venture	**(11,337,853)**	–
	Investment in an Associate Company	**(167,367,458)**	–
	Payment for Purchase of Fixed Assets *	**(280,821,914)**	(360,692,261)
	(* includes interest capitalised Rs. 41,428,496 Previous year Rs.1,170,134)		
	Purchase of Units of Mutual Funds	**(676,378,578)**	–
	Sale of Units of Mutual Funds	**616,559,077**	–
	Proceeds from Sale of Fixed Assets	**109,000**	1,211,868
	Dividend from Investments	**12,122,545**	–
	Interest Received	**14,110,144**	547,845
	NET CASH FLOW FROM INVESTING ACTIVITIES	**(944,204,870)**	(491,932,548)

Consolidated Cash Flow Statement for the year ended March 31, 2008

		2007-08 Rs.	2006-07 Rs.
C	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Share Application Money/Increase in Share Capital	**1,130,612,370**	233,031,545
	Preliminary/Equity Share Issue Expenses	**(52,740,390)**	(9,787,166)
	Proceeds from Secured Borrowings	**435,513,883**	105,030,197
	(Repayment)/Proceeds of Unsecured Borrowings	**7,200,000**	(15,000,000)
	Interest & Finance Charges Paid	**(8,096,137)**	(3,109,758)
	Dividends Distributed (including dividend distribution tax)	**–**	(6,984,032)
	NET CASH FLOW FROM FINANCING ACTIVITIES	**1,512,489,726**	303,180,786
D	**NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS**	**150,364,236**	47,882,595
	CASH AND CASH EQUIVALENTS, beginning of the year	**61,427,804**	13,545,209
	CASH AND CASH EQUIVALENTS, end of the year	**211,792,040**	61,427,804

Notes:

1. The cash flow statement has been prepared under the ‘Indirect Method’ set out in Accounting Standard -3 “Cash Flow Statement” notified in the Companies (Acounting Standards) Rules, 2006.
2. Purchase of fixed assets includes movement of Capital Work in Progress during the year
3. Previous years figures have been regrouped/restated wherever necessary to confirm to current year’s classification.

As per our attached Report of even date

For **TOLIA & ASSOCIATES**
Chartered Accountants

(Kiran P.Tolia)
Proprietor
Membership No.: 43637

Mumbai
June 26, 2008

For and on behalf of Board of Directors

Nitin M. Shah
Managing Director

Rahul N. Shah
Executive Director

Mumbai
June 26, 2008

Statement pursuant to Section 212 of the Companies Act, 1956 relating to subsidiary companies

(Rupees)

1	Name of the Subsidary	Alert Fire Protection Systems Private Limited	Eurotech Cylinders Private Limited	Logicon Building Systems Private Limited	Nitin Cylinders Limited	Nitin Ventures FZE
2	Holding Company's Interest	10,000 Equity Shares of Rs.10 each	10,000 Equity Shares of Rs.10 each	17,500 Equity Shares of Rs.10 each	26,47,500 Equity Shares of Rs.10 each	1 Equity Share of 1,000,000 UAE Dirham
3	Extent of Holiding	100%	100%	100%	100%	100%
4	Subsidiary financial year ended on	March 31, 2008	March 31, 2008	March 31, 2008	March 31, 2008	March 31, 2008
5	Net aggregate amount of subsidiaries Profit/(Loss) not dealt within the holding company's accounts :					
	(i) For the Financial Year of the subsidiaries	31,556,518	46,865,748	8,232,005	–	17,099,778 USD 488,370
	(ii) For the previous Financial Year of the subsidiaries since they become the holding company's subsidiaries.	32,498,290	82,556,131	3,274,286	–	–
6	Net aggregate amount of subsidiaries Profit/(Loss) dealt within the holding company's accounts :					
	(i) For the Financial Year of the subsidiaries.	–	–	–	-	-
	(ii) For the previous Financial year of the subsidiaries since they become the holding company's subsidiaries.	–	–	–	-	-

Exchange Rate as on March 31, 2008

1 AED = Rs. 10.88

1 USD = Rs. 39.72

Details of Subsidiary Companies

(Rupees)

Particulars	Alert Fire Protection Systems Private Limited	Eurotech Cylinders Private Limited	Logicon Building Systems Private Limited	Nitin Cylinders Limited	Nitin Ventures FZE
1 Share Capital	100,000	100,000	175,000	26,475,000	10,874,622 USD 273,975
2 Reserves & Surplus	64,104,808	129,421,879	11,506,291	493,525,000	17,099,778 USD 439,533
3 Total Assets	76,775,106	129,521,879	32,420,668	1,027,892,256	79,272,903 USD 2,063,370
4 Total Liabilities	76,775,106	129,521,879	32,420,668	1,027,892,256	79,272,903 USD 2,063,370
5 Details of Investments	7,011,494	2,542,575	5,000	-	159,614,926 USD 4,086,000
6 Turnover (including other income)	260,880,017	403,629,489	123,931,441	-	202,190,213 USD 5,537,200
7 Profit Before Taxation	49,013,978	71,887,422	12,540,443	-	17,099,778 USD 488,370
8 Provision for Taxation	17,457,460	25,021,674	4,308,438	-	-
9 Profit after Taxation	31,556,518	46,865,748	8,232,005	-	17,099,778 USD 488370
10 Proposed Dividend	-	-	-	-	-

Exchange Rate as on March 31, 2008

1 AED = Rs. 10.88

1 USD = Rs. 39.72

NOTES

NOTES

NITIN FIRE PROTECTION INDUSTRIES LIMITED

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

ATTENDANCE SLIP

PLEASE FILL THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL
Joint Shareholders may obtain additional slip at the venue of the meeting

DP Id*		Master Folio No.	
Client Id*		No. of Shares	

NAME AND ADDRESS OF THE SHAREHOLDER

____

____

I hereby record my presence at the 13th ANNUAL GENERAL MEETING of the Company to be held on Friday the 22nd August, 2008 at 3.00 p.m. at 1st Floor, Centre for Excellence in Telecom Technology and Management Hall, Technology Street, Hiranandani Gardens, Powai, Mumbai - 400 076.

(Signature of the Shareholder/proxy)

***Applicable for investors holding shares in electronic form**

NITIN FIRE PROTECTION INDUSTRIES LIMITED

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

PROXY FORM

DP Id*		Master Folio No.	
Client Id*		No. of Shares	

I / We ______________________ of ______________________ being a member / members of the Nitin Fire Protection Industries Limited hereby appoint ______________________ of ______________________ or failing him ______________________ of. ______________________ as my /our proxy to attend and vote for me /us and on my/our behalf at the 13th Annual General Meeting of the Company to be held on Friday 22nd August, 2008 and any adjournment thereof.

Signed this ____________ day of____________ 2008

Affix Re. 1 Revenue Stamp

Signature

*** Applicable for Investors holding shares in electronic form**

Notes:

(1) The proxy to be effective, should be deposited at the Registered Office of the Company at 501, Delta Technology Street, Hiranandani Gardens, Powai, Mumbai - 400 076 not less than 48 hours before the commencement of the aforesaid meeting.

(2) A Proxy need not be a member of the Company.

NITIN FIRE PROTECTION INDUSTRIES LIMITED

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

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 No. of the Bank as appearing on the MICR cheque issued by the Bank			
Type of the 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 earlier bank mandate, if any, given. If the transaction is delayed or not effected at all because of incomplete or incorrect Information, I/We would not hold the Company / the user Institution responsible.

Place :

Date :

Signature of SOLE / FIRST SHAREHOLDER