14th ANNUAL REPORT 2008 - 2009

NITIN FIRE PROTECTION INDUSTRIES LIMITED

VISION

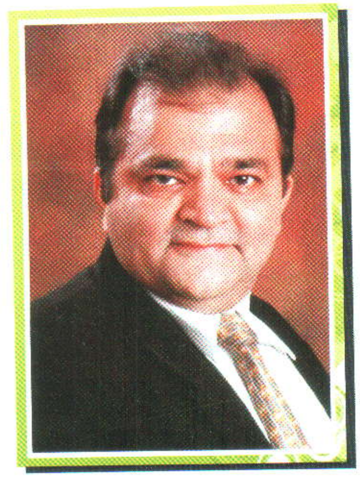
Nitin Group of Companies shall be a market leader and growing engineering organization dedicated to excellence through quality, creating value for customers, through innovation technology and operational expertise. We are technology driven company at our core with an overriding commitment to quality and our primary measures of success are customers' satisfaction and shareholders value. It is our strategic vision to conduct business with highest standard of ethics as we always believe " Honesty and Integrity are corner stones of Nitin Culture".

MISSION

- *Customer satisfaction is the highest priority. The company will make every effort to deliver the highest quality products and services in business.*
- *The Company will develop new strategies and plans based on customers driven philosophy for gaining competitive advantage, needed to meet the business objectives.*
- *Customers and employees input will be actively sought and strategically used for continuous improvement of quality and to fulfill ongoing customer needs.*
- *Strive to deal with our customers in an open and transparent manner.*
- *Continual improvement of " Processes, Products, Services and People" will be the norm in our business.*
- *Provide employees an environment, opportunity for growth and a safe healthy work environment that is conducive to consistent peak performance.*
- *Encourage employees to pursue training and development opportunity.*
- *Implement several environmental sensitive technologies to reduce pollution and restore ecological balance around us.*
- *Strive to provide best and advanced national & international certified product range.*

CHAIRMAN AND MANAGING DIRECTOR

NITIN GROUP OF COMPANIES



MR. NITIN M. SHAH
CHAIRMAN & MANAGING DIRECTOR

Dear Shareholders,

I am pleased to report that your Company, Nitin Fire Protection Industries Limited (NFPIL) continues to demonstrate the robustness of its businesses with strong annual performance for the year 2008-09. Group's consolidated revenue grew by 83.30% to Rs. 248.33 crore and consolidated net profit grew by 72.00% to Rs. 34.71 crore. The Board of Directors have recommended final dividend of Rs.3/- per share which is subject to shareholders' approval.

Our Company is young, dynamic, aggressive and has fire within to perform and achieve excellent results. Quality is what that differentiates us from others. Built on solid and unshakable foundation, NFPIL has evolved beyond its rich heritage, integrity, reliability, quality and most importantly, our innate ability for innovation.

Our Company constantly strives to innovate and generate out-of-box solution as a response to the growing environmental concern which is the need for tomorrow. We constantly endeavor to offer customers, suppliers and shareholders a bouquet of security and success. Business model also refers the same with clean agent ozone friendly Fire Protection Systems and alternative clean fuel products.

Our Company along with Gujarat State Petroleum Corporation Limited, Gail (India) Limited, Hindustan Petroleum Corporation Limited, Bharat Petroleum Corporation Limited and Hallworthy Shipping Limited SA, entered into a production sharing contract with Government of India for the exploration and prospecting of petroleum from Oil Block, in Rajasthan under NELP VI and our stake is 11.11% in the same which is admeasuring a contract area of 4,613 sq km. The exploration consists of two exploration phases, the first being for a period not exceeding four consecutive contract years and the second being for a period not exceeding three contract years. Drilling of 1st well is planned in 2010.

We also place on record our appreciation for our investors, clients, vendor-partners, bankers, employees and their extended families for their continued support. We also thank the Government of India, the state governments, and other government agencies for their support, and look forward to their continuous support in the future.

Nitin M. Shah
Chairman & Managing Director

FROM THE DESK OF MANAGEMENT TEAM

Dear Shareholders,

High Pressure Seamless Gas cylinders for Industrial gases, CNG On-Board Vehicle cylinders are the major businesses of our Group. The cylinders manufactured by us are widely accepted in Indian as well as in International markets viz. Pakistan, Bangladesh, Iran, Malaysia, etc.

Govt. of India is promoting many cities to use CNG. Cities like Pune, Indore, Hyderabad, Agra, etc. will be using CNG for vehicle application. Expansion of infrastructure for CNG filling stations by organizations like IGL, MGL, GAIL Gas Ltd., GSPC Gas Co. Ltd., Northern Railway, will create more demand for vehicular cylinders and in turn will boost the business of our Group.

In the field of gas cylinder, our Group companies' reputation is very good with repeat orders.

K.H. Vaidyanathan
Non-Executive Director
Nitin Fire Protection Industries Limited

Dear Members,

At the First instance, grateful to the management and employees of the division for their remarkable performance in the financial year 2008-09.

NITIN GROUP is focused on becoming a global leader in current and other attractive niche markets for performance materials and aims to provide distinct and sustained added value to its customer's businesses.

Even though Economy slow down strained worldwide and highly uncertain, Climate change and environmental influence led to a higher increase of the growth in fire protection markets. The markets for fire protection have gained importance in the last years.

Your companies developed "Brands" for products and portfolios to market worldwide with the high qualities and standards. This market is more and more a competition active market with new technologies and processes worldwide.

Last but not the least, disruptive technologies and innovations created new methods and new applications for more efficient fire protection and save the loss of life and property. We are proud our Company moto is "SAVE LIFE AND PROPERTY" is the need of a common man in this world.
Your company proud achievements in the concluding year includes various Fire Protection projects for Petroleum, Refinery, Telecommunication set up, Pipeline, Data Centre Rooms and many more.

Thanks to all well wishers of NITIN FAMILY
Rahul N. Shah
Executive Director
Nitin Fire Protection Industries Limited

Dear Shareholders,

It is a matter of pride to me as a team member to contribute to the growth of the company due to my exposure to the market in India and abroad which was only possible due to the opportunities provided to me by the organization.

The team member is exposed to the market conditions in various parts of the world and has to tailor the needs of the company to the market forces pertaining in the region. This wide perceptive of markets helps a member to contribute to the team and to influence market strategies for the greater benefit of the team as a whole. The market today is in a downward spiral and this wider outlook an experience of various markets will attribute to the growth of the company.

G K Shahi
General Manager
New Age, UAE

Dear Members,

Its been another eventful year. A year which most companies would like to forget.

But at Nitin Fire it has been good business as usual.

Even with the general deceleration in most industries as well as fierce competition from multi national giants, business has been booming at Nitin Fire, the current results are the testimony of the continued success. It attributed t the prudent approach of the DYNAMIC GROUP CHAIRMAN MR. NITIN SHAH AND THE TEAM OF SKILLED MANAGEMENT MEMBERS in providing solutions to industries coming up with their establishments in the current time.. Saying it is easy, but it required great foresight and shrewd approach of an efficient management to foster a plan, which had paid back, even in the great meltdown. Having faced the worst well, Nitin Fire Protection Industries Limited can now look forward to more success and prosperity and continue to be the leaders in the industry....the slogan at Nitin is WE ARE BORN TO WIN>>>>>>

Mukesh Ajmera
CEO
Nitin Fire Protection Industries Limited

Dear Shareholders,

Product and System approvals by International certifying Agency is a continuous process. Last year we have obtained UL Listing for Range of Fire Sprinklers, Alarm Valve, Deluge Valves, and Nozzles for Water Spray and Sprinkler Fire protection systems. We have also obtained LPCB approval for our Intelligent and Conventional range of Fire Alarm Control Panels and Fire Detectors. These approvals along with LPCB approval for our Gaseous Fire extinguishing systems based on HFC227ea and Novec 1230 clean agents will help us to market our products in International as well as domestic markets.

Pravin Shah
CTO
Nitin Fire Protection Industries Limited

Dear Members,

Economic melt down has effected every industry directly or indirectly. In the Group of Nitin Fire our Chairman Mr. Nitin Shah who had already anticipated this situation and was well prepared to face it. A contingency plan was well kept in place.

Due to his foresightedness and long term visualization we not only did well compared to other competitor in our industry but did not feel the pressure of laying of people as most of the company in our business did. We look forward to successful 2010 as our business this year ending March 31, 2009 is equally commendable.

The dark clouds are clearing and we as an Indian company has emerged very strong not only in the Indian market but the same result can be seen in the International scenario. India was graded as the third economic stable country after Australia and China. All employees of the Group of Nitin Fire are proud to be associated to this organization and with a strong leadership of our beloved Chairman Mr. Nitin Shah.

Partho Roy
CEO, Nitin Ventures FZE

Dear Shareholders,

During the last quarter of last fiscal year we took the initiative to set up "Green Technology Division" in fire suppression system. We are the torch bearers in the "Green Initiative" to protect our people, buildings and assets in an environmentally responsible manner. This initiative has created overwhelming response in the market. The green technology systems are based on Nitin 1230, C-6 Fluroketone (FK-5-1-12, NFPA 2001). This considered as replacement of polluting fire suppression agents in the market. All the Green Technology Systems are approved by UL (USA), FM (USA) and LPCB (UK).

Mr. Mony Narayan
COO, Asia Pacific
Green Technology Division
Nitin Fire Protection Industries Limited

Dear Members,
Nitin Ventures FZE the wholly owned Foreign Subsidiary of our Company, based in Jafza, Dubai, has promoted Nitin's brand 'NITIE' products into the MENA region.

A full range of 'Nitin' Fire Detection & Alarm System, Nitin227 & Nitin1230 Gaseous Fire Suppression System Products, were introduced after obtaining internationally accepted certifications from LPCB, UK and UL, USA.

Our Company supplied Systems to UAE, Saudi Arabia and Afghanistan already.

The business outlook for this region has also suffered its share of the worldwide economic downturn & financial stress. There are more than 30,000 projects under execution in this region. The present Market potential for Active & Passive Fire Protection is USD 10 billion. The growth expected in the Fire Protection Industry is a CAGR of 15%.

Kulbir Singh Sandhu
Technical Manager
Nitin Venture FZE

Dear Shareholders,

This fiscal has been one of change and transformation. Our Company's consciousness about global warming has pushed the Company to the new spectrum of manufacturing of CNG Cylinders. This year our Company has commenced manufacturing of High Pressure Seamless Cylinders and have got all its products approved as per National and International Standards along with ISO 9000 certification. During the last year your Company has embarked on critical initiatives aimed towards increasing our client base enriching our port-folio of service offering, enhancing employee engagement and building stronger Company and in turn enhancing the shareholder value. World over there is a huge concern over global warming and this concern will in turn be a big growth driver for our Company.

Kunal N. Shah
Youngest Team Member
Nitin Group of Companies

BOARD OF DIRECTORS AND GENERAL INFORMATION

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

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

AUDITORS
Tolia & Associates

COMPANY SECRETARY
Abhishek Shrivastava

REGISTRAR & SHARE TRANSFER AGENT
Bigshare Services Private Limited
E-2, Ansa Industrial Estate,
Sakivihar Road, Saki Naka,
Andheri (E), Mumbai - 400 072.
Maharashtra, INDIA.

PLANTS

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

Shed-6 Phase-1,
Duvvada VSEZ,
Vishakhapatnam,
Andhra Pradesh, INDIA

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

BANKERS
Andhra Bank
IDBI Bank Limited
ICICI Bank Limited
State Bank of India
Yes Bank Limited

Contents

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 14th Annual General Meeting of the Members of the Company will be held on **Thursday the 16th July 2009, at 4.30 p.m.** at Conference Hall, 1st floor, Centre for Excellence in Telecom Technology and Management **(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, 2009 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, 2009.
3. To appoint a Director in place of Mr. Krishana Kant Jha, who retires by rotation and being eligible, has offered himself for reappointment.
4. To appoint Tolia & Associates, Chartered Accountants, as the Statutory Auditors of the Company and to authorise the Board of Directors to fix their remuneration.

Special Business:

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

   To reappoint Mr. Nitin M. Shah as Managing Director

   "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, the Company hereby accords its approval to the re-appointment of Mr. Nitin M Shah, as the Managing Director designated as Chairman and Managing Director of the Company for a Period of 3 years w.e.f. April 1, 2009 on remuneration and perquisites payable to him and other terms and conditions as set out in the Letter of Appointment.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to vary or increase the remuneration and perquisites including monetary value thereof as specified in the said Letter of Appointment to the extent the Remuneration Committee and/or the Board of Directors may consider appropriate and as may be permitted or authorised in accordance with any provisions under the Companies Act, 1956, or the time being in force, provided however, that the remuneration payable to Mr. Nitin M. Shah shall be within the limits set out in the said Act including Schedule XIII to the said Act or any amendments thereto or any modifications or statutory re-enactment(s) thereof and/or any rules or regulations framed there under and the terms of the aforesaid Letter of Appointment between the Company and Mr. Nitin M. Shah, shall be suitably modified to give effect to such variations or increase as the case may be.

   RESOLVED FURTHER THAT during the currency of the tenure of the Chairman & Managing Director, where in any financial year, the Company has no profits or its profits are inadequate, the Company do pay to the Managing Director, Minimum remuneration by way of salary and perquisites as specified above as per relevant applicable provisions of law including provisions as contained in Schedule XIII to the Companies Act, 1956."

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

   To reappoint Mr. Rahul N. Shah as Executive Director

   "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 , with reference to the re-appointment of Mr. Rahul N. Shah as Executive Director, without any remuneration and/or perquisites be and is hereby approved w.e.f. April 1, 2009 as set out in the Letter of Appointment.

   RESOLVED FURTHER THAT Mr. Rahul N. Shah, Executive Director, shall be entitle to get reimbursement of all reasonable expenses incurred by him in the course of executing the work of the company from time to time as an executive director and Mr. Rahul N. Shah shall be entitle for actual expenses incurred for traveling, lodging and boarding for carrying any work of the Company in India or abroad."

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

To consider the issue of further capital by the Company

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

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

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

RESOLVED FURTHER that in case of a QIP pursuant to Chapter XIIIA of the SEBI guidelines, the allotment of securities shall only be to Qualified Institutional Buyers within the meaning of Chapter XIIIA and the relevant date for the determination of the price of the equity shares to be issued or issued pursuant to conversion, shall be the date on which the board decides to open the issue of securities or such other time as may be allowed by SEBI Guidelines from time to time.

RESOLVED FURTHER that in case of an issuance of FCCBs/ADRs/GDRs, the relevant date for the determination of the issue price of the securities offered, shall be determined in accordance with the Issue of

Foreign Currency Convertible Bonds and Ordinary shares (through Depository Receipt Mechanism) Scheme, 1993 as may be amended from time to time.

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

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

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

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

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

a) decide the date for the opening of the issue of securities
b) Decide the price band for the issue
c) Finalization of the Issue Price
d) Finalization of the allotment of the securities on the basis of the subscriptions received.
e) Finalization of, signing of and arrangement for the submission of the preliminary and final offering circulars/prospectus(es)/offer document(s), and any amendments and supplements thereto, along with supporting papers needed to be filed for seeking listing approval with any applicable government and regulatory authorities, institutions or bodies as may be required;
f) Deciding the pricing and terms of the securities, and all other related matters, including taking any action on two-way fungibility for conversion of underlying equity shares into FCCBs/ GDRs/ ADRs, as per applicable laws, regulations or guidelines;
g) Appoint, in its absolute discretion, managers (including lead manager), Investment Bankers, Merchant Bankers, underwriters, guarantors, financial and /or legal advisors, depositories, custodians, principal paying/transfer/conversion agents, listing agents, registrars, trustees and all other agencies, whether in India or abroad, entering into or execution of all such agreements/ arrangements/ MoUs/ documents with any such agencies, in connection with the proposed offering of the securities;
h) Approval of the Deposit Agreements(s), the Purchase/Underwriting Agreement(s), the Trust Deed(s), the Indenture(s), the Master/Global GRDs/ADRs/FCCBS/other securities, letters of allotment, listing application, engagement letter(s), memoranda of understanding and any other agreements of documents, as may be necessary in connection with the issue/offering (including amending, varying or modifying the same, as may be considered desirable or expedient), in accordance with all applicable laws, rules, regulations and guidelines;
i) Settle all questions, difficulties or doubts that may arise in regards to the issue, offer or allotment of securities and utilization of the proceeds of the issue in such manner and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit.

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

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

RESOLVED FURTHUR that the Company may enter into any arrangement with any agency or body authorized by the Company for the issue off depositary receipts representing the underlying equity shares issued by the

Company in registered or bearer form with such features and attributes as are prevalent in international capital markets for instruments of this nature and to provide for the tradability of free transferability thereof as per international practices and regulations (including listing on one or more stock exchange(s) inside or outside India) and under the forms and practices prevalent in the international markets."

For and On Behalf of the Board

Sd/-
Abhishek Shrivastava
Company Secretary

Mumbai
June 4, 2009

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 Friday, July 10, 2009 to Thursday, July 16, 2009 (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 July 16, 2009, 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 accounts/notices at least 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, Company is not having any unclaimed or unpaid dividend liable to 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. Mr. Krishana Kant Jha, Mr. Nitin M. Shah and Mr. Rahul N. Shah are being provided.

   Mr. Krishana Kant Jha, 63 years, Mechnical Engineer and a Fellow of Institution of Engineers (FIE), India. A former Executive Director (Health, Safety & Environment) of Gas Authority of India Limited (GAIL) has a total experience of 39 years in entire spectrum of project management, operations and maintenance, administration and Health, Safety and Environment related activities. He has attended various management development programs and workshops organized by reputed professional bodies as well as government departments.

   Mr. Nitin M. Shah, 52 years, Diploma in Mechanical Engineering. He has over 32 years of experience in fire fighting business. Mr. Nitin M. Shah was appointed as the Managing Director of the Company w.e.f. April 1, 2006 for a period of 3 years and the said term expired on March 31, 2009. Considering the growth and success made by the company felt that it was in the interest of the Company to re-appoint him as the Managing Director.

   Mr. Rahul N. Shah, 31 years, is a commerce graduate and holds a diploma in the Business Management. He gained experience in commissioning and installation of Fire Detection and Alarm Systems, as well as Gas Suppression Systems. In 1998 he took the training of HFC 227EA gas suppression systems at Fike South-East Asia Pte., Singapore. In 1999 training of Addressable Fire Alarm Systems from Apollo Fire Detectors Ltd. in U.K, to improve the quality of Fire Alarm Systems. All import transactions & dealings are done under his supervision.

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

Mr. Nitin M. Shah, 52 years, Diploma in Mechanical Engineering. He has over 32 years of experience in fire fighting business. Mr. Nitin M. Shah was appointed as the Managing Director of the Company w.e.f. April 1, 2006 for a period of 3 years and the said term expired on March 31, 2009. Considering the growth and success made by the company felt that it was in the interest of the Company to re-appoint him as the Managing Director. Accordingly, the board of directors has re-appointed him as the Managing Director designated as Chairman & Managing Director of the Company w.e.f. April 1, 2009 for a further period of 3 years, subject to the approval of the Members of the Company.

The material provisions of the draft agreement are as follows:

1. Salary : Rs. 2,00,000/- per month with reasonable increment from 1st April every year, subject to maximum 25% of the existing salary. However total salary shall not exceed the limit prescribed u/s.198, 309 and 349 of the Act.
2. House Rent allowances: Rs. 25,000/- per month subject to the provisions of the Income tax Act, 1956.
3. Commission @ 1 (One) percent of the Net Profit as computed under the provisions of the Companies Act, 1956.
4. Bonus: At the rate at which it is payable to other employee of the Company.
5. Provident Fund: At the rate which it is payable to other employees of the Company subject to the maximum permissible under the Income Tax Act, 1961.
6. Company's contribution towards Superannuation fund which shall not together with Company's contribution to the provident fund exceed 27% of the salary as laid down under the provisions of the Income Tax Act, 1961, or in alternative with a power left to the Board of Directors to adopt the alternative of expending an equivalent towards purchase of the deferred annuity policy for the life of the Chairman and Managing Director to provide for annuity to him for his life and up on his death to his dependents such payments to commence from the date of the Director's retirement from the Company, or any other date mutually agreed between the Board of Directors and the Chairman and Managing Director.
7. Gratuity: At such rate which it is payable to other employees of the company or in the alternative the Chairman and Managing Director may join Group gratuity- cum life assurance scheme and avail the benefit of such scheme. Gratuity to be payable at the rate of half month's salary for each completed year of service or such rate which have been prescribed at the time of retirement.
8. Medical benefits for self and family: Reimbursement of expenses actually incurred for self and family.
9. Leave Travel Concession: For self, wife and dependent children once in a year to and from any place in India or abroad.
10. Leave: On full pay as per the rules of the Company, but not exceeding one month leave for every completed year of service and leave encashment as per the rules of the Company.
11. Personal accident Insurance for India and Abroad.
12. Key Man Insurance policy.
13. Entrance as well as yearly membership fees of any two clubs or an association at Mumbai.
14. Free use of car with driver for official and private purposes.
15. Provision of telephone (Mobile and land line), Fax and Internet connection at residence of the Chairman and Managing Director with provision of the computer at residence for the use of Company's business or private purpose.
16. Actual rent /society charges /electricity charges of residence.

    Provided all perquisites together with expenditure incurred on the Managing Director shall not exceed total amount of salary.

The Chairman and Managing Director shall be paid and /or reimbursed all reasonable out of pocket/entertainment expenses incurred by him in the course of discharging duties as Managing Director by cash / cheque or through Credit Card.

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

Item No. 6

Mr. Rahul N. Shah, 31 years, is a commerce graduate and holds a diploma in the Business Management. He gained experience in commissioning and installation of Fire Detection and Alarm Systems, as well as Gas Suppression Systems. In 1998 he took the training of HFC 227EA gas suppression systems at Fike South-East Asia Pte., Singapore, again in 1999 training of Addressable Fire Alarm Systems from Apollo Fire Detectors Ltd. in U.K, to improve the quality of Fire Alarm Systems. All import transactions & dealings are done under his supervision. He is also responsible for material management; co-ordination with top management team of our Company. He has been holding the position of Executive Director of our Company since February 1, 2006.

Mr. Rahul N. Shah was appointed as the Executive Director of the Company w.e.f. April 1, 2006 for a period of 3 years and the said term expired on March 31, 2009. Considering the growth and success made by the company felt that it was in the interest of the Company to re-appoint him as the Executive Director. Accordingly, the board of directors has re-appointed him as the Executive Director of the Company w.e.f. April 1, 2009 for a further period of 3 years, without any remuneration and/or perquisites.

Mr. Rahul N. Shah was appointed as Managing Director of M/s Alert Fire Protection Systems Private Limited w.e.f. April 1, 2009. Hence, no remuneration/perquisite shall be paid from the Company.

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

Item No. 7

To consider the issue of further capital by the company

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

1. **Object of the issue**

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

2. **Pricing**

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

   In case of a QIP pursuant to Chapter XIIIA of the SEBI Guidelines, the allotment of securities shall be completed within twelve months from the date of passing of this shareholder's resolution.

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

3. Instrument and other Terms and Conditions

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

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

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

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

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

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

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

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

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

The Directors recommend the special resolution for your approval.

For and On Behalf of the Board

Sd/-
Abhishek Shrivastava
Company Secretary

Mumbai
June 4, 2009

DIRECTORS' REPORT

To the Members,

Nitin Fire Protection Industries Limited

Your Directors have pleasure in presenting the Fourteenth Annual Report together with the audited statement of accounts for the year ended March 31, 2009.

1. FINANCIAL RESULTS

(Rs. in lacs)

Particulars	Standalone		Consolidated	
	2008-09	2007-08	2008-09	2007-08
Sales & Other income	6,648.39	3,868.60	24,833.08	13,547.80
Profit before Depreciation & Tax	1,730.02	1,218.59	4,464.57	2,769.12
Depreciation	46.92	68.87	335.31	141.95
Profit before Tax	1,683.10	1,149.72	4,129.26	2,627.17
Provision for Income Tax including Deferred Taxes	275.57	208.52	956.27	667.58
Provision for Fringe Benefit Tax	5.70	6.50	16.85	14.82
Provision for Wealth Tax	0.10	0.10	0.65	0.60
Profit after Tax	1,401.73	934.60	3,155.49	1,944.17
Less: Prior period adjustments	-	2.10	-	3.46
Add: Group's share in profit of an Associate	-	-	316.05	77.53
Profit brought forward from previous year	1,006.39	468.79	3,236.08	1,612.73
Profit available for appropriation	2,408.12	1,401.29	6,707.62	3,630.97
APPROPRIATIONS				
Transfer to General Reserve	145.00	100.00	244.00	100.00
Dividend	378.09	252.06	378.09	252.06
Corporate Dividend Tax	21.77	42.84	64.26	42.84
Profit carried to Balance Sheet	1,863.26	1,006.39	6,021.27	3,236.07

2. DIVIDEND

The Board of Directors encouraged with the above financial performance of the Company, recommends dividend of Rs. 3/- per share (Previous year Rs. 2/- per share) on 1,26,03,141 Equity Shares of Rs. 10/- each.

3. TRANSFER TO RESERVES

The Company proposes to transfer Rs. 145.00 lacs to the General Reserve out of the amount available for appropriations and an amount of Rs. 1,863.26 lacs is proposed to be retained in the Profit and Loss Account.

4. OPERATIONAL RESULTS AND BUSINESS

The Company continued to see strong and profitable growth in the Financial Year 2008-09 across all markets driven by good performance in existing and new areas of business.

The performance of your Company during the year under report has registered an improvement over the previous year. Total income during the year ended March 31, 2009 stood at Rs. 6,648.39 lacs and registered an increase of 71.86% as compared to the previous year. As per the Consolidated Accounts the total income was Rs. 24,833.08 lacs, an increase of 83.30%. 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.

The net profit of the Company for the year increased to Rs. 1,401.73 lacs as compared to Rs. 934.60 lacs in the previous year. As per the Consolidated Accounts the net profit of the year increased to Rs. 3,471.54 as compared to Rs. 2,018.24 lacs in the previous year.

The Company is among the leading Indian Fire Fighting Equipment manufacturing companies, and continues to retain its leadership position in the Indian companies. It has continued to win new engagements and grow existing relationships in the traditional area of development, manufacturing and distribution of fire protection and electronic security systems and products. It provides automated water and gas based fire suppression systems along with fire detection and security systems on a turnkey basis. The broad range of products and services enables the Company to provide "end to-end" services to its customers, combined with its industry focus and its geographical spread, the Company is able to provide comprehensive and high value added services to its customers. Considering the need to deepen relationships with customers in the industry, to acquire new customers in the markets where Nitin Fire Protection Industries Limited is already a significant force and to expand in emerging markets.

5. SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

Alert-Fire Protection Systems Private Limited (Alert)

Alert distributes , fire detection products from U.K. based Apollo Fire Detectors Ltd., optical beam smoke detectors and also provides customized fire detection products and technical support, mainly in the domestic market.

Eurotech Cylinders Private Limited (ECPL)

ECPL sells high pressure seamless cylinders for Industrial use in the domestic market. ECPL supplies cylinders for applications such as industrial gases, medical gases, fire fighting equipments, beverage industry use, CNG cascades and many more such applications. These are contract manufactured for ECPL, and also approved by Chief Controller of Explosives.

Logicon Building Systems Private Limited (Logicon)

Logicon undertakes turnkey contracts for intelligent building management systems, CCTV, security systems, clean agent, fire detection alarm system and water-based systems. Its activities include designing, integration, installation of these systems and also maintenance services. Logicon has the products to meet the requirements of fire protection, security and building automation of all kinds of buildings, be it I.T. complexes, shopping malls, industrial plant buildings, hospitals, hotels, banks, data centers, defence establishments.

Nitin Cylinders Limited (NCL)

NCL is established to manufacture high pressure seamless CNG cylinders to cater to the demand of export market. NCL intends to sell the cylinders manufactured in this unit under the brand name NITIE. For the said purpose, NCL has BIS, CCOE approvals and also NZS 5454 and ISO 11439.

Nitin Venture FZE, UAE (NV)

NV is set up in the free trade zone at Jebel Ali, Dubai to meet the demands of international customers and providing simple, standalone conventional to intelligent, integrated fire protection solutions backed by a product portfolio consisting of complete spectrum of fire and safety products with international approvals. NV is strategically placed to be an international one stop source to discerning customers for Conventional to Intelligent Standalone / Integrated Fire Detection Systems and Gas based Fire Extinguishing Systems, High Pressure Storage Cylinders & Accessories and Integrated Building Management Systems.

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

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 47/229/2009-CL-III dated 13/04/2009, 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. FIXED DEPOSITS

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

7. DIRECTORS

The Board of Directors at its meeting held on May 21, 2009 has subject to the approval of the members at the ensuing Annual General Meeting, reappointed Mr. Nitin M. Shah as Managing Director designated as Chairman & Managing Director of the Company w.e.f. April 1, 2009 for a further period of 3 years.

The Board of Directors at its meeting held on May 21, 2009 has subject to the approval of the members at the ensuing Annual General Meeting, reappointed Mr. Rahul N. Shah as Executive Director of the Company w.e.f. April 1, 2009 for a further period of 3 years.

Mr. Krishana Kant Jha shall retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offers himself for reappointment.

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

8. INSURANCE

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

9. PARTICULARS OF EMPLOYEES

Statement of particulars of the employees pursuant to the provision of the section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, form part of this Report.

10. CONSERVATION OF ENERGY

The Company is not required to furnish the prescribed information under Section 217(1) (e) of the Companies Act, 1956 relating to conservation of energy, as the Company does not fall under the Industries included in the Schedule to relevant rules. However your Directors report that operations of the Company do not involve much use of energy. The Company makes every possible effort to conserve energy at all levels of its operations. Statement of particulars of the conservation of energy form part of this Report.

11. TECHNOLOGY ABSORPTION

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

12. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

13. 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 of affairs of the Company as at March 31, 2009 and of the Profit & Loss Account for the year ended March 31, 2009.

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.

14. AUDITORS

The Auditors of the Company, M/s. 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 2009-2010.

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

Members are requested to consider their appointment, on a remuneration to be decided by the Board of Directors thereof for the ensuing Financial Year 2009-2010.

15. AUDITORS OBSERVATION:

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

16. MANAGEMENT DISCUSSION AND ANALYSIS

A Report on Management Discussion and Analysis is annexed and same form's part of this report.

17. 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 Practicing Company Secretary regarding compliance of conditions of Corporate Governance as stipulated under the aforesaid Clause 49 is annexed to this Report.

18. CONSOLIDATED FINANCIAL STATEMENTS

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

19. ACKNOWLEDGEMENTS

The Board acknowledges with appreciation the efforts put in by its employees during the year under review. The Company is grateful to its shareholders, government authorities, customers, suppliers and bankers for their support and understanding and to the shareholders for their faith and confidence.

For and On Behalf of the Board

Sd/-
Nitin M. Shah
Chairman

Mumbai
June 4, 2009

ANNEXURE TO DIRECTORS' REPORT

INFORMATION UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN REPORT OF THE BOARD OF DIRECTORS) RULES 1988 AND FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2009.

A. CONSERVATION OF ENERGY

Energy Conservation measures taken:

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

Form-A

	2008-09	2007-08
[A] Power and fuel consumption		
1. Electricity		
A) Purchased units	20,756	52,189
Amount (Rs.)	82,598	201,952
Rate/Unit (Rs.)	3.98	3.87
B) Own Generation	NIL	NIL
2. Coal	NIL	NIL
3. Fuel Furnace Oil + Light Diesel	NIL	NIL
4. Other/Internal Generations	NIL	NIL
[B] Consumption per unit		
Electricity per Unit	N.A.	N.A.

B. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

a. Initiatives taken to increase exports and exports plans :

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

b. Development of new export markets :

Your Company is consistently exploring possibilities of exporting its products to new markets.

c. Total Foreign Exchange Earnings and Outgo:

(Rs. In lacs)

Particulars	2008-09	2007-08
Foreign exchange earnings	2,152.61	326.75
CIF value of Imports	2,620.66	999.89
Expenditure in foreign currency	26.05	40.15

INFORMATION UNDER SECTION 217 (2A)(b)(ii) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (PARTICULARS PF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2009.

Sl. No.	Name	Age	Designation & Nature of Duties	Remuneration Received (Rs.)	Qualification	Experience (Yrs)	Date of Commencement of Employment	Particulars of Previous Employment
1	Mr. Nitin M. Shah	52	Managing Director Managing day to day activities & business development activity	4,978,862/-	Diploma in Mechanical Engineering	33	March 16, 2006	None
2	Mr. Rahul N. Shah	31	Executive Director Managing day to day activities & Business	3,614,397/-	B. Com and Diploma in Business Management	12	March 16, 2006	None
3	Mr. Mony Narayan	54	Chief Operating Officer Marketing of fire suppression systems	769,230/-	M. Tech, Mechanical Engineer	29	February 1, 2009	Tyco Fire & Security India Private Limited

1. REPORT ON CORPORATE GOVERNANCE

(Annexure to the Fourteenth Directors' Report for the Financial Year 2008-09)

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:

- Best sustainable profit performance
- Safety, health and environmental responsibility and
- Integrity

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

2. BOARD OF DIRECTORS

(i) Composition

The Board of Nitin Fire Protection Industries Limited comprises of 5 Directors, of which two are Executive Directors' one is a Non-Executive Director and remaining 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:

Sl. 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	Nil	2	0
3	Mr. Krishna Kant Jha	Independent Non-Executive Director	Nil	1	0
4	Dr. Surendra A. Dave	Independent Non-Executive Director	14	7	0
5	Mr. Kailat H. Vaidyanathan	Non-Executive Director	Nil	Nil	Nil
6	Mr. Ashish Jain (resigned on 28.7.2008)	Independent Non-Executive Director	Nil	Nil	Nil

(ii) Brief Resume of Directors seeking appointments/reappointments

1. **Mr. Krishana Kant Jha,** 63 years, Mechnical Engineer and a Fellow of Institution of Engineers (FIE), India. A former Executive Director (Health, Safety & Environment) of Gas Authority of India Limited (GAIL) he has a total experience of 39 years in entire spectrum of project management, operations and maintenance, administration and Health, Safety and Environment related activities. He has attended various management development programs and workshops organized by reputed professional bodies as well as government departments.

2. **Mr. Nitin M. Shah,** 52 years, Diploma in Mechanical Engineering. He has over 32 years of experience in fire fighting business. Mr. Nitin M. Shah was appointed as the Managing Director of the Company w.e.f. April 1, 2006 for a period of 3 years and the said term expired on March 31, 2009. Considering the growth and success made by the company felt that it was in the interest of the Company to re-appoint him as the Managing Director.

3. **Mr. Rahul N. Shah,** 31 years, is a commerce graduate and holds a diploma in the Business Management. He gained experience in commissioning and installation of Fire Detection and Alarm Systems, as well as Gas Suppression Systems. In 1998 he took the training of HFC 227EA gas suppression systems at Fike South-East Asia Pte., Singapore, again in 1999 training of Addressable Fire Alarm Systems from Apollo Fire Detectors Ltd. in U.K, to improve the quality of Fire Alarm Systems. All import transactions & dealings are done under his supervision.

(iii) Board Meetings

Sl. No.	Name of the Director	No. Meetings Held	No. of Meetings Attended	Last AGM Attended
1	Mr. Nitin M. Shah	7	7	Yes
2	Mr. Rahul N. Shah	7	7	Yes
3	Mr. Krishna Kant Jha	7	7	Yes
4	Dr. Surendra A. Dave	7	5	Yes
5	Mr. Kailat H. Vaidyanathan	7	7	Yes
6	Mr. Ashish Jain (resigned on 28.7.2008)	7	1	No

During the Financial year 2008-09, Seven Board Meetings were held on April 22, 2008, April 30, 2008, June 26, 2008, July 28, 2008, August 22, 2008, October 25, 2008, and January 29, 2009.

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 Krishna Kant Jha, Chairman of the committee, having knowledge of Finance, Accounting and Company Law. At present, the committee comprises of the following Directors:

1. Mr. Krishna Kant Jha - Chairman, Independent Non Executive Director
2. Dr. Surendra A. Dave - Member, Non Executive Director (w.e.f. May 21, 2009)
3. Mr. Rahul N. Shah - Member, Executive Director

During the year under review, the committee met four times on June 26, 2008, July 28, 2008, October 25, 2008, and January 29, 2009.

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 fees and also approve payment for other services, if any.

SHAREHOLDER'S / INVESTOR'S GRIEVANCE COMMITTEE

The Shareholder's / Investors' Grievance Committee comprises of Dr. Surendra A. Dave, Mr. Krishna 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's complaints like transfer of shares, non-receipt of Balance Sheet, dividend etc.

During the year under review, the committee met regularly to monitor and resolve grievances of the shareholders and met four times on June 26, 2008, July 28, 2008, October 25, 2008, and January 29, 2009.

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 other 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 2008-09 as approved by the Board is as under :

Sl. No.	Name of the Director	Salary Rs.	Contribution to Provident & Other Funds Rs.	Perquisites & Commission Rs.	Total Rs.
1	Mr. Nitin M. Shah	2,889,195	259,200	1,830,467	4,978,862
2	Mr. Rahul N. Shah	1,699,930	144,000	1,770,467	3,614,397
	Total	**4,589,125**	**403,200**	**3,600,934**	**8,593,259**

b) Details of payment for sitting fees:

Sl. No.	Name of the Director	Rs.
1	Mr. Krishna Kant Jha	77,000
2	Dr. Surendra A. Dave	55,000
3	Mr. Ashish Jain	11,000

4. DISCLOSURES

Related Party Transactions

Details of materially significant related party transactions i.e. transactions of the Company of material nature with its promoters, the Directors or the management, their subsidiaries or relatives, etc. are presented under Note 13 (b) to the Notes to the financial statements on Accounts in Schedule O. All details on the financial and commercial transactions which may have a potential interest are provided to the Board. The interested Directors neither participate in the discussion, nor vote on such matters.

Disclosure of accounting treatment in preparation of financial statements

The Company has followed the guidelines of accounting standards laid down by the Institute of Chartered of Accountant of India (ICAI) in preparation of its financial statements.

Compliances by the Company

The Equity Shares of the Company are listed on National Stock Exchange of India Limited (NSE), Mumbai and Bombay Stock Exchange Limited (BSE), Mumbai, 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 as and when required.
- The quarterly financial results and Annual Report are also sent to Financial Institutions/ Analysts/Institutional Investors on request.

6. SHAREHOLDER'S MEETINGS

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

a. Particulars of last three years Annual General Meetings :

Meeting	Financial Year	Venue	Date	Time
AGM	2007-2008	Conference Hall, 1st floor, Centre for Excellence in Telecom Technology and Management (CETTM), Technology Street, Hiranandani Gardens, Powai , Mumbai 400 076.	August 22, 2008	3.00 p.m.
AGM	2006-2007	501,Delta,Technology Street, Hiranandani Gardens, Powai, Mumbai – 400 076.	April 12, 2007	4.30 p.m.
AGM	2005-2006	501,Delta,Technology Street, Hiranandani Gardens, Powai, Mumbai – 400 076.	May 26, 2006	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**
  Conference Hall, 1st floor,
  Centre for Excellence in Telecom Technology
  and Management **(CETTM),**
  Technology Street, Hiranandani Gardens,
  Powai, Mumbai 400 076.

  Listing on Stock Exchanges:
  The Equity Shares of the Company are listed with NSE, Mumbai and BSE, Mumbai.

- **Registrars & Share Transfer Agent**
  Contact Person : Mr. Ansar Sheikh
  Bigshare Services Private Limited
  E-2, Ansa Industrial Estate,
  Sakivihar Road, Saki Naka,
  Andheri (E), Mumbai 400 072.
  Tel.: 022-2847 0652 / 53
  Email : ansar@bigshareonline.com
  Website: www.bigshareonline.com

- **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 cases that are constrained for technical reasons. Shares are being transferred and demat option letter in this respect is dispatched within 15 days from the date of receipt, so long as the documents have been complete 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.

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

Distribution of Shareholders

Slab of shares	Number of shareholders	Percentage of total shareholders	Number of shares	% of shareholding
1 - 5,000	14,046	97.14365	722,980	5.73650
5,001 - 10,000	206	1.42472	162,218	1.28712
10,001 - 20,000	82	0.56712	122,826	0.97457
20,001 - 30,000	31	0.21440	76,413	0.60630
30,001 - 40,000	23	0.15907	81,086	0.64338
40,001 - 50,000	15	0.10374	70,659	0.56065
50,001 - 100,000	15	0.10374	103,081	0.81790
Above 100,000	41	0.28356	11,263,878	89.37358
Total	**14,459**	**100.00000**	**12,603,141**	**100.00000**

Shareholding Pattern as on March 31, 2009

Sl.No.	Category of Shareholders	No. of Shares held	% of Shareholding
1	Promoters, Directors & Relatives	8,829,141	70.0551
2	Mutual Funds/ UTI	984,310	7.8100
3	Foreign Institutional Investors	92,336	0.7326
4	Bodies Corporate	945,069	7.4987
5	NRI/OCBs	39,125	0.3105
6	Trust's	55	0.0004
7	Clearing Member	15,986	0.1268
8	Public	1,697,119	13.4659
	Total	**12,603,141**	**100.0000**

Market Price Data

Share prices during the Financial Year 2008-2009 at NSE & BSE for one equity share of Rs. 10/- each were as under:

Month	Share Price (Rs.) NSE			Share Price (Rs.) BSE		
	High (Rs.)	Low (Rs.)	Volume (Nos.)	High (Rs.)	Low (Rs.)	Volume (Nos.)
April '08	505.00	387.10	319,214	484.90	387.00	172,042
May '08	504.80	403.10	160,631	520.00	410.00	120,375
June '08	445.00	310.20	178,153	465.00	312.00	106,502
July '08	345.00	280.00	111,761	365.00	275.75	64,079
August '08	343.85	307.00	171,461	343.40	306.10	119,087
September '08	346.00	231.05	1,115,748	352.00	226.00	881,746
October '08	257.20	121.10	185,968	256.00	121.10	112,417
November '08	168.00	117.00	68,353	173.75	124.25	43,680
December '08	259.00	121.00	1,241,448	257.45	123.00	704,384
January '09	234.05	146.05	901,018	232.90	147.05	261,471
February '09	159.90	126.65	272,086	164.00	125.00	164,790
March '09	195.50	115.05	2,453,325	196.70	115.00	1,892,675

INVESTOR RELATIONS

There were 13 complaints received during the year and all were attended by the Company. Therefore, no complaints were pending as at March 31, 2009.

For and On Behalf of the Board

Sd/-
Nitin M. Shah
Managing Director

Mumbai
June 4, 2009

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 and property. A majority of deaths during fires are not caused by the heat generated by the fire, but by the toxic smoke from the fire. This is because all fires, particularly in industries and offices, produce potentially lethal gases like carbon monoxide etc. 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 poisonous atmosphere and the longer the fire burns, the higher the concentration of these gases prevails in the surroundings. Therefore, the stress is not on putting out the fire after it rages 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 SUSTAINED ALTHOUGH AT A SLOWER PACE:

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. Corporate, PSUs like power, railways, 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 due to increased awareness in fire protection, safety & security solutions propelled by expansion and new initiatives both in the government & private sectors.

b) Growth in the Indian economy.

c) Industrial Growth, Housing Sector and Domestic Consumption picking up.

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

e) Increased demand stemming from the Industrial and retail segment, primarily due to growth of Industrial sectors, chemicals zones, IT, Data Centers and retail metros.

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

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

h) Refurbishment of obsolete equipment.

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

D. INTERNAL CONTROL SYSTEM:

The internal control is supplemented by an extensive internal audits, review by management and audit committee, documented polices, prescribed guideline, rule & procedure all activities of the company covered by the 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 decision of the organisation. The Company offers challenging work environment and growth oriented career to all its employees. The Company also offers attractive remuneration, conducive working atmosphere and profit sharing plan to its key employees. The Company is also planning to set-up staff welfare fund with major thrust on training and motivation of employee. During the year, the Company had peaceful industrial relations with employees at all levels.

F. CAUTIONARY STATEMENT:

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

Declaration regarding compliance by Board Members and Senior Management personnel with the Company's code of conducts

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

I confirm that the Company has in respect of Financial Year ended March 31, 2009, received from the senior Management Team of the Company, a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, senior management team means employees in the Executive Vice President cadre as on March 31, 2009.

Mumbai
May 21, 2009

Sd/-
Nitin M. Shah
Managing Director

Corporate Governance Compliance Certificate

By Practicing Company Secretary

To,

The Members

Nitin Fire Protection Industries Limited

Company Reg. No. 11-92323
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 The Bombay Stock Exchange Limited and National Stock Exchange of India Limited for the Financial Year ended March 31, 2009. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of certification.

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

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

For Bharat V. Pathak & Co.
Company Secretary

Mumbai
May 21, 2009

Sd/-
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 (the 'Company') as at March 31, 2009, the Profit and Loss Account and also the Cash Flow Statement of the Company for the year ended on that date annexed thereto (together the 'financial statements'), which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall presentation of financial statements. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003 (the 'Order') (as amended), issued by the Central Government of India in terms of sub-section (4A) of section 227 of 'The Companies Act, 1956' (the 'Act'), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order to the extent applicable.
3. Further to our comments in the Annexure referred to above, we report that:
   (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   (b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
   (c) the financial statements dealt with by this report are in agreement with the books of account;
   (d) in our opinion, financial statements dealt with by this report comply with the mandatory accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) issued by the Central Government in exercise of the power conferred under sub-section (l) (a) of section 642 of the Act, read together with section 211 (3C) of the Act;
   (e) on the basis of written representations received from the Directors, and taken on record by the Board of Directors of the Company, none of the Directors is disqualified as on March 31, 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
   (f) in our opinion and to the best of our information and according to the explanations given to us, the financial statements dealt with this report give the information required by the Act, in the manner so required and present a true and fair view in conformity with the accounting principles generally accepted in India; in the case of:
      (i) the Balance Sheet, of the state of affairs of the Company as at March 31, 2009;
      (ii) the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
      (iii) 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
May 21, 2009

Annexure to the Auditors' Report of even date to the members of Nitin Fire Protection Industries Limited (the 'Company'), on the financial statements for the year ended March 31, 2009

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

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

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

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

(ii) (a) Inventory except goods-in-transit, has been physically verified by the management at regular intervals during the year. In our opinion, the frequency of verification is reasonable.

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

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

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

(b) The Company has not taken any loans secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clauses 4(III) (f) and (g) of the Order are not applicable.

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

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

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

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

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

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

(ix) (a) Undisputed statutory dues including provident fund, profession tax, income tax, value added tax, customs duty, fringe benefit tax and other applicable statutory dues have been generally regularly deposited with the appropriate authorities. Further, since the Central Government has till date not prescribed the amount of cess payable under section 441A of the Act, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same. 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) There are no dues in respect of income tax, value added tax, wealth tax and customs duty that have not been deposited with the appropriate authorities on account of any dispute.

(x) In our opinion, the Company does not have accumulated losses at the end of the financial year and it has not incurred cash losses in the current and the immediately preceding financial year.

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

(xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Accordingly, the provisions of clause 4(xiii) of the Order are not applicable.

(xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable.

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

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

(xvii) In our opinion, we report that no funds raised on short-term basis have been used for long-term investment.

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

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

(xx) The Company has not raised any money by public issue during the year. The management of the Company has disclosed the end use of monies out of public issue in the immediately preceding previous year, and the same has been verified by us.

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

For **Tolia & Associates**
Chartered Accountants

Kiran P. Tolia
Proprietor
Membership No.: 43637

Mumbai
May 21, 2009

Standalone Balance Sheet as at March 31, 2009

	Schedules	As at March 31, 2009 Rs.	As at March 31, 2008 Rs.
SOURCES OF FUNDS :			
Shareholders' Funds :			
Share capital	'A'	126,031,410	126,031,410
Reserves & surplus	'B'	904,714,138	806,155,667
		1,030,745,548	932,187,077
Loan Funds :			
Secured loans	'C'	33,217,662	19,563,747
Deferred Tax Liablity		1,061,771	1,004,700
Total Funds Employed		1,065,024,981	952,755,524
APPLICATION OF FUNDS :			
Fixed Assets :			
Tangible assets:			
Gross block	'D'-1	75,869,472	74,422,732
Less : Accumulated depreciation		44,931,860	40,045,456
Net block		30,937,612	34,377,276
Intangible assets:	'D'-2		
Gross block		9,119,009	9,072,209
Less :Accumulated amortisation		7,681,801	6,247,798
Net block		1,437,208	2,824,411
Investments	'E'	940,392,265	658,159,798
Current Assets, Loans & Advances:			
Current Assets :	'F'		
Inventories		104,352,773	72,655,972
Sundry debtors		147,105,277	121,168,094
Cash & bank balances		11,721,509	172,720,945
Other current assets		819,907	-
		263,999,466	366,545,011
Loans and Advances	'G'	124,364,972	75,971,208
		388,364,438	442,516,219
Less : Current Liabilities & Provisions :	'H'		
Current liabilities		179,235,157	106,963,090
Provisions		116,871,385	78,159,090
		296,106,542	185,122,180
Net Current Assets		92,257,896	257,394,039
Miscellaneous Expenditure	'I'	-	-
(to the extent not written off or adjusted)			
Equity share issue expenses-IPO			
Total Funds Utilised		1,065,024,981	952,755,524
Notes to the Financial Statements	'O'		

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

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

For **Tolia & Associates**
Chartered Accountants
Sd/-
Kiran P. Tolia
Proprietor
Membership No.:43637
Mumbai
May 21, 2009

For and on behalf of the Board of Directors

Sd/-
Nitin M. Shah
Chairman &
Managing Director
Mumbai
May 21, 2009

Sd/-
Rahul N. Shah
Whole-time Director

Sd/-
Abhishek Shrivastava
Company Secretary

Standalone Profit and Loss Account for the year ended March 31, 2009

	Schedule	For the year 2008-09 Rs.	For the year 2007-08 Rs.
INCOME :			
Sales & service	'J'	626,506,094	362,694,348
Other income	'K'	38,332,653	24,165,532
Total Income		664,838,747	386,859,880
EXPENDITURE :			
Purchase of goods for resale		69,039,604	11,996,600
Materials & components	'L'	303,338,631	167,157,136
Manufacturing, installation & other expenses	'M'	104,836,957	81,367,505
Interest & finance charges	'N'	14,621,221	4,478,818
Depreciation of tangible assets		4,886,404	5,917,997
Less: Charged to Revaluation Reserve		1,628,500	1,667,506
		3,257,904	4,250,491
Amortisation of intangible assets		1,434,003	2,637,243
		4,691,907	6,887,734
Total Expenditure		496,528,320	271,887,793
Profit Before Tax		168,310,427	114,972,087
Provision for Taxation			
Current tax		27,510,000	21,010,000
Deferred tax		57,071	(148,212)
Fringe benefit tax		570,000	650,000
Profit After Tax		140,173,356	93,460,299
Less: Prior period adjustments		-	209,660
Add : As per last account		100,639,201	46,878,652
Amount Available for Appropriation		240,812,557	140,129,291
APPROPRIATIONS :			
Proposed dividend @ **Rs.3.00** (Rs.2.00) on equity shares of Rs.10 each		37,809,423	25,206,282
Corporate dividend tax on proposed dividend (Refer Note 25, Schedule O)		2,176,962	4,283,808
Transfer to General Reserve		14,500,000	10,000,000
Surplus Carried Forward to Balance Sheet		186,326,172	100,639,201
Basic and diluted earnings per share [Nominal value of equity shares of Rs.10 (Rs.10)] (Refer Note 12, Schedule O)		11.12	7.73
Notes to the Financial Statements	'O'		

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

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

For **Tolia & Associates**
Chartered Accountants

Sd/-
Kiran P. Tolia
Proprietor
Membership No.:43637
Mumbai
May 21, 2009

For and on behalf of the Board of Directors

Sd/-
Nitin M. Shah
Chairman &
Managing Director
Mumbai
May 21, 2009

Sd/-
Rahul N. Shah
Whole-time Director

Sd/-
Abhishek Shrivastava
Company Secretary

Cash Flow Statement for the year ended March 31, 2009

		For the year 2008-09 Rs.	For the year 2007-08 Rs.
A	**Cash flow from operating activities**		
	Net profit before taxation	168,310,427	114,972,087
	Adjustments for:		
	Depreciation* and amortisation	4,691,907	6,887,734
	(* Net of transfer from revaluation reserve)		
	Unrealised foreign exchange difference-net loss	1,321,563	15,001
	Interest income	(11,861,683)	(11,888,271)
	Interest & finance charges paid	14,621,221	4,478,818
	Dividend income	(25,216,108)	(11,992,810)
	Surplus on sale of assets	-	(68,932)
	Operating profit before working capital changes	151,867,327	102,403,627
	Adjustments for:		
	Sundry debtors	(25,907,766)	(4,975,738)
	Inventories	(31,696,801)	(43,017,452)
	Other current assets	(819,907)	-
	Loans & advances	(14,279,530)	(940,722)
	Loans & advances to a subsidiary	(4,000,000)	(17,200,000)
	Sundry creditors	111,144,537	8,694,137
	Other liabilities	(39,560,851)	1,763,132
	(Decrease)in working capital	(5,120,318)	(55,676,643)
	Cash generated from operations	146,747,009	46,726,984
	Taxes paid (net of refunds)*	(30,827,664)	(26,257,087)
	(* includes fringe benefit tax)		
	Net cash from operating activities	115,919,345	20,469,897
B	**Cash flow from investing activities**		
	Investment/formation in/of subsidiaries:		
	Nitin Cylinders Limited	(193,000,000)	(387,000,000)
	Nitin Venture FZE	-	(10,874,622)
	Application money pending allotment of equity shares in a subsidiary	(40,035,000)	(51,298,503)
	Investment in the capital of a partnership firm	-	(139,383)
	Purchase of units of Mutual Funds	-	(630,000,000)
	Sale of units of Mutual Funds	52,185,112	577,950,888
	Investment in a joint venture	(101,246,579)	(11,337,853)
	Purchase of fixed assets	(1,493,541)	(6,889,992)
	Proceeds from sale of fixed assets	-	109,000
	Dividend income	25,216,108	11,992,810
	Interest received	11,861,683	11,888,271
	Net cash used in investing activities	(246,512,217)	(495,599,384)

		For the year 2008-09 Rs.	For the year 2007-08 Rs.
C	**Cash flow from financing activities**		
	Proceeds from issue of additional equity shares	-	19,449,865
	Securities premium	-	661,989,380
	Equity share issue expenses- IPO	-	(52,665,390)
	(Repayment) of unsecured borrowings	-	(10,000,000)
	Proceeds from secured borrowings	**14,059,169**	18,869,535
	Repayment of secured borrowings	**(405,254)**	-
	Interest & finance charges paid	**(14,621,221)**	(4,478,818)
	Dividends distributed (including corporate dividend tax)	**(29,439,258)**	-
	Net cash (used in)/from financing activities	**(30,406,564)**	633,164,572
	Net (decrease)/increase in cash and cash equivalents	**(160,999,436)**	158,035,085
	Cash and cash equivalents,(opening)	**172,720,945**	14,685,860
	Cash and cash equivalents,(closing)	**11,721,509**	172,720,945
		(160,999,436)	158,035,085

Notes:

1. Cash and cash equivalents include pledged fixed deposits and unclaimed/unpaid dividends amounting to **Rs.7,439,009** (Rs.168,185,833) not available for use by the Company.
2. Brackets indicate a cash outflow or deduction.

		As at March 31, 2009 Rs.	As at March 31, 2008 Rs.
3.	Components of cash and cash equivalents (closing):		
	Cash balance on hand	**1,308,604**	96,974
	Bank balances:		
	With scheduled banks on:		
	- Current accounts	**2,241,280**	4,438,138
	- Fixed deposits (including interest accrued thereon)	**7,388,177**	168,185,833
	- EEFC current account	**732,616**	-
	- Unclaimed and unpaid dividend account	**50,832**	-
		11,721,509	172,720,945

The schedules A to O form an integral part of the Financial Statements.

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

For **Tolia & Associates**
Chartered Accountants

Sd/-
Kiran P. Tolia
Proprietor
Membership No.:43637
Mumbai
May 21, 2009

For and on behalf of Board of Directors

Sd/-
Nitin M. Shah
Chairman &
Managing Director
Mumbai
May 21, 2009

Sd/-
Rahul N. Shah
Whole-time Director

Sd/-
Abhishek Shrivastava
Company Secretary

Schedules forming part of the Standalone Financial Statements for the year ended March 31, 2009

	As at March 31, 2009 Rs.	As at March 31, 2008 Rs.
SCHEDULE A : SHARE CAPITAL		
Authorised :		
15,000,000 Equity Shares of Rs.10 each (15,000,000)	**150,000,000**	150,000,000
	150,000,000	150,000,000
Issued, subscribed & paid up :		
12,603,141 Equity shares of Rs.10 each (12,603,141)	**126,031,410**	126,031,410
Per Balance Sheet	**126,031,410**	126,031,410

Notes:

1) Equity shares issued and subscribed includes following issues for consideration other than cash:
   a. 180,000 Equity shares of Rs. 10 each fully paid up were issued pursuant to a contract.
   b. 1,000,000 Equity shares of Rs. 10 each fully paid up were issued as bonus shares by capitalisation of free reserves to shareholders in the ratio of 1:4 equity shares for every share held in 2001-02.
2) During the previous year, the Company issued and allotted:
   a. 337,000 Equity shares of Rs. 10 each fully paid up by way of preferential allotment.
   b. 3,393,141 Equity shares of Rs. 10 each fully paid up under an initial public offer.

	As at March 31, 2009 Rs.	As at March 31, 2008 Rs.
SCHEDULE B : RESERVES & SURPLUS		
Asset Revaluation Reserve :		
Balance, beginning of the year	**11,963,091**	13,630,597
Less : Charged to-Depreciation of tangible assets	**1,628,500**	1,667,506
Balance, end of the year	**10,334,591**	11,963,091
Securities Premium Account :		
Balance, beginning of the year	**669,388,375**	68,450,000
Add:Premium received on issue of additional equity shares	**-**	661,989,380
	669,388,375	730,439,380
Less:Utilised for equity share issue expenses (Initial Public Offer)	**-**	61,051,005
Balance, end of the year	**669,388,375**	669,388,375
General Reserve :		
Balance, beginning of the year	**24,165,000**	14,165,000
Add:Set aside from Profit & Loss Account	**14,500,000**	10,000,000
Balance, end of the year	**38,665,000**	24,165,000
Profit & Loss Account :		
Balance carried from Profit & Loss Account	**186,326,172**	100,639,201
Per Balance Sheet	**904,714,138**	806,155,667
SCHEDULE C: SECURED LOANS		
From banks :		
Working capital loans	**33,217,662**	19,158,493
Vehicle loans from banks (Refer Note 4, Schedule O)	**-**	405,254
Per Balance Sheet	**33,217,662**	19,563,747

Schedules forming part of the Standalone Financial Statements for the year ended March 31, 2009

SCHEDULE D-1 : FIXED ASSETS -TANGIBLES

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

Description of assets	COST/VALUATION				DEPRECIATION				NET BOOK VALUE	
	As At April 1, 2008	Additions	Deletions	As At March 31, 2009	Upto April 1, 2008	For the year	Deletions	Upto March 31, 2009	As At March 31, 2009	As At March 31, 2008
Leasehold land	1,620,000	-	-	**1,620,000**	228,720	9,189	-	**237,909**	**1,382,091**	1,391,280
Buildings	18,791,815	-	-	**18,791,815**	7,710,343	1,108,148	-	**8,818,491**	**9,973,324**	11,081,472
Plant & machinery	37,297,064	1,068,214	-	**38,365,278**	21,411,188	2,247,277	-	**23,658,465**	**14,706,813**	15,885,876
Furniture, fixtures & office equipments	6,255,477	14,956	-	**6,270,433**	3,300,350	465,070	-	**3,765,420**	**2,505,013**	2,955,127
Motor and other vehicles	5,308,590	-	-	**5,308,590**	3,623,487	436,272	-	**4,059,759**	**1,248,831**	1,685,103
Computer systems	5,149,786	363,570	-	**5,513,356**	3,771,368	620,448	-	**4,391,816**	**1,121,540**	1,378,418
Per Balance Sheet	**74,422,732**	**1,446,740**	-	**75,869,472**	**40,045,456**	**4,886,404**	-	**44,931,860**	**30,937,612**	34,377,276
Previous year	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

SCHEDULE D-2 : FIXED ASSETS -INTANGIBLES

(Refer Notes 2 (a) (i) & (b) (ii), Schedule O) (Rs.)

Description of assets	COST				AMORTISATION				NET BOOK VALUE	
	As At April 1, 2008	Additions	Deductions	As At March 31, 2009	Upto April 1, 2008	For the year	Deletions/ Adjustments	Upto March 31, 2009	As At March 31, 2009	As At March 31, 2008
Computer software	8,393,159	46,800	-	**8,439,959**	5,865,948	1,285,404	-	**7,151,352**	**1,288,607**	2,527,211
Technical know-how	679,050	-	-	**679,050**	381,850	148,599	-	**530,449**	**148,601**	297,200
Per Balance Sheet	**9,072,209**	**46,800**	-	**9,119,009**	6,247,798	**1,434,003**	-	**7,681,801**	**1,437,208**	2,824,411
Previous year	8,783,165	289,044	-	9,072,209	3,610,555	2,637,243	-	6,247,798	2,824,411	5,172,610

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

Schedules forming part of the Standalone Financial Statements for the year ended March 31, 2009

	As at March 31, 2009 Rs.	As at March 31, 2008 Rs.
SCHEDULE E : INVESTMENTS		
(Refer Note 2 (c), Schedule O)		
A. Long Term Investments (at cost)		
(Unquoted) (Trade, unless otherwise stated)		
Fully Paid Up Equity Shares/Face Value of Rs.10 each (unless otherwise stated)		
I. In Wholly Owned Subsidiaries :		
(i) Domestic Subsidiaires :		
a. 10,000 of Alert Fire Protection Systems Private Limited (10,000)	**10,100,000**	10,100,000
b. 10,000 of Eurotech Cylinders Private Limited (10,000)	**100,000**	100,000
c. 17,500 of Logicon Building Systems Private Limited (17,500)	**350,000**	350,000
d. 3,612,500 of Nitin Cylinders Limited (2,647,500) (965,000 equity shares subscribed during the year)	**713,000,000**	520,000,000
(ii) Foreign Subsidiary :		
1 of Nitin Ventures FZE , UAE (1) Equity Share of 1,000,000 Dhs each, fully paid	**10,874,622**	10,874,622
	734,424,622	541,424,622
II Application Money Pending Allotment of Equity Shares :		
Nitin Ventures FZE , UAE **USD 2,301,025** (USD 1,301,025) (USD 1,000,000 paid during the year)	**91,333,503**	51,298,503
III. In Quoted Equity Shares of a Company* :		
2,300 of Andhra Bank (2,300) (* Other than trade)	**23,000**	23,000
IV. In the Capital of a Partnership Firm	**2,026,708**	2,026,708
V. In a Non-integrated Un-incorporated Joint Venture for Crude Oil Block* (* Other than trade) (Investment of **Rs.101,246,579** made during the year)	**112,584,432**	11,337,853
B. Current Investments (at NAV)		
(Unquoted)(Other than Trade)		
VI. In Mutual Funds* :		
a. Reliance Liquidity Plus Fund - Institutional Option - Daily Dividend Plan- Units of Rs.1,000 each **Nil** (15,007)	-	15,024,863
b. L164D SBI Debt Fund Series - 30 Days -1 -(13-Mar-08) - Dividend- Units of Rs.10 each **Nil** (1,000,000)	-	10,000,000

Schedules forming part of the Standalone Financial Statements for the year ended March 31, 2009

		As at March 31, 2009 Rs.	As at March 31, 2008 Rs.
VI.	**In Mutual Funds* : (Contd.)**		
c.	Tata Floating Rate Short Term Inst. Plan -Daily Dividend- Units of Rs. 10 each **Nil** (1,610,890)	-	16,117,765
d.	UTI - Liquid Plus Fund Institutional Plan (Daily Dividend Option) -Re-investment 10,904 Units of Rs. 1,000 each **Nil** (10,904)	-	10,906,484
	(* Out of IPO issue proceeds)	-	52,049,112
	Per Balance Sheet	**940,392,265**	658,159,798

Note:

	As at March 31, 2009 Rs.	As at March 31, 2008 Rs.
Unquoted investments		
Book value	**940,369,265**	658,136,798
Quoted investments		
Book value	**23,000**	23,000
Market value*	**103,385**	167,210
(* based on March 31st quotation)		

	As at March 31, 2009 Rs.	As at March 31, 2008 Rs.
SCHEDULE F : CURRENT ASSETS		
INVENTORIES :		
(Refer Note 2 (d), Schedule O)		
Materials and components	**104,352,773**	72,655,972
	104,352,773	72,655,972
SUNDRY DEBTORS :		
(Unsecured - considered good unless otherwise stated)		
Debts outstanding for a period exceeding six months	**62,608,958**	20,823,547
Other debts	**84,496,319**	100,344,547
	147,105,277	121,168,094
CASH & BANK BALANCES :		
Cash balance on hand	**1,308,604**	96,974
Bank Balances:		
With scheduled banks on:		
- Current accounts *	**2,241,280**	4,438,138
- Fixed deposits (including interest accrued thereon)* (Refer Note 3, Schedule 0)	**7,388,177**	168,185,833
- Exchange Earners Foreign Currency (EEFC) Current Account	**732,616**	-
- Unclaimed and unpaid dividend account (As per contra- Schedule H)	**50,832**	-
	11,721,509	172,720,945
OTHER CURRENT ASSETS :		
DEPB Licence	**819,907**	-
Per Balance Sheet	**263,999,466**	366,545,011

(* includes **Rs.Nil** as balance of unutilised monies raised by issue of shares (Rs.1,582,779,140)

Schedules forming part of the Standalone Financial Statements for the year ended March 31, 2009

	As at March 31, 2009 Rs.	As at March 31, 2008 Rs.
SCHEDULE G : LOANS & ADVANCES		
(Unsecured - considered good unless otherwise stated)		
Loans to a subsidiary	21,200,000	17,200,000
(Refer Note 26, Schedule O)		
Loans to employees	851,800	761,296
Advances to suppliers	18,384,037	598,676
Other advances recoverable in cash or in kind or for value to be received	2,633,098	6,942,863
Advance payments of income tax and wealth tax	78,163,553	48,157,699
Advance payments of fringe benefit tax	3,109,680	2,287,870
Deposit with excise authorities	22,804	22,804
Per Balance Sheet	124,364,972	75,971,208

	As at March 31, 2009 Rs.	As at March 31, 2008 Rs.
SCHEDULE H : CURRENT LIABILITIES & PROVISIONS		
CURRENT LIABILITIES :		
Sundry creditors	159,738,849	47,956,762
Dues to subsidiaries	-	42,884,022
Advances from customers	314,013	10,156,301
*Investor Education & Protection Fund in respect of:		
- Unclaimed and unpaid dividend	50,832	-
(As per contra- Schedule F)		
Other liabilities	17,322,448	5,966,005
Dues to directors	1,809,016	-
	179,235,158	106,963,090
PROVISIONS :		
For income tax	74,000,000	46,500,000
For wealth tax	104,000	94,000
For fringe benefit tax	2,781,000	2,075,000
For dividend (proposed)	37,809,423	25,206,282
For corporate dividend tax on proposed dividend	2,176,962	4,283,808
	116,871,385	78,159,090
Per Balance Sheet	296,106,543	185,122,180

(* The figure reflects the position as of March 31, 2009. The actual amount to be transferred to the Investor & Protection Fund in this respect shall be determined on the due date.)

	As at March 31, 2009 Rs.	As at March 31, 2008 Rs.
SCHEDULE I : MISCELLANEOUS EXPENDITURE		
Equity share issue expenses-IPO		
Balance, beginning of the year	-	8,385,615
Add: Incurred during the year	-	52,665,390
	-	61,051,005
Less : Amortised during the year		-
Charged to securities premium account	-	61,051,005
Per Balance Sheet	-	-

Schedules forming part of the Standalone Financial Statements for the year ended March 31, 2009

	For the year 2008-09 Rs.	For the year 2007-08 Rs.
SCHEDULE J : SALES & SERVICE		
(Refer Notes 2 (e) (i) to (iv), Schedule O)		
Project related activity	**468,722,774**	318,557,639
Manufacturing sales	**57,570,891**	27,949,745
Maintenance & servicing	**27,988,477**	3,333,467
Trading sales	**72,223,952**	12,853,497
Per Profit & Loss Account	**626,506,094**	362,694,348
SCHEDULE K : OTHER INCOME		
(Refer Note 2 (e) (v) , Schedule O)		
Dividends received :		
- From wholly owned subsidiaires- Long term investments- Trade	**25,000,000**	-
- From other long term investments-Other than trade	**4,600**	13,340
- From current investments-Other than trade	**211,508**	11,979,470
Interest received on fixed deposits & others -Gross	**11,861,683**	11,888,271
(TDS: **Rs.2,653,815**;(Rs.2,658,080))		
Debts written off in earlier years, Realised	**322,211**	76,136
Sundry credit balances appropriated	**932,651**	-
Surplus on sale of assets	**-**	68,932
Share of profit in partnership	**-**	139,383
Per Profit & Loss Account	**38,332,653**	24,165,532
SCHEDULE L : MATERIALS AND COMPONENTS		
Opening stock	**72,655,972**	29,638,520
Add:Purchases	**335,035,432**	210,174,588
	407,691,404	239,813,108
Less:Closing stock	**104,352,773**	72,655,972
Per Profit & Loss Account	**303,338,631**	167,157,136
SCHEDULE M :MANUFACTURING, INSTALLATION AND OTHER EXPENSES		
MANUFACTURING AND INSTALLATION EXPENSES :		
Electricity charges	**82,598**	163,962
Water charges	**10,887**	23,219
Sub-contract charges & site expenses	**14,703,299**	6,741,444
Repairs to:		
- Factory building	**53,100**	507,191
- Machinery	**42,464**	-
	14,892,348	7,435,816

Schedules forming part of the Standalone Financial Statements for the year ended March 31, 2009

	For the year 2008-09 Rs.	For the year 2007-08 Rs.
OPERATING EXPENSES :		
Conveyance & travelling	**7,905,962**	8,020,163
Miscellaneous expenses	**6,515,435**	6,919,568
Rent and lease rent	**2,437,657**	2,157,498
Repairs - building	**294,598**	-
Repairs - Other assets	**688,933**	2,253,915
Insurance premium	**300,591**	173,496
Payments to auditors*	**809,122**	252,810
Legal & professional fees	**5,172,145**	7,549,784
Donations & charity	**2,168,300**	350,107
Vehicle expenses	**667,397**	677,304
Sitting fees to Non Executive Directors	**143,000**	110,000
(*including service tax where applicable)		
	27,103,140	28,464,645
PERSONNEL :		
Salaries, wages, bonus & allowances	**18,963,821**	14,475,924
Contribution to provident & other funds (including administrative charges)	**855,208**	823,551
Gratuity	**244,326**	812,475
Employees welfare	**1,487,530**	1,872,597
Director's remuneration (including perquisites **Rs.60,000**;(Rs.132,836))	**8,593,259**	4,669,645
	30,144,144	22,654,192
SALES & DISTRIBUTION EXPENSES :		
Sales promotion & advertisement	**5,798,518**	5,666,403
Discount, commission, rebates etc.	**20,315,671**	11,845,832
Bad debts written off	**1,315,977**	1,348,507
Distribution expenses (net)	**4,308,380**	3,706,252
Rates & taxes	**958,780**	245,858
	32,697,325	22,812,852
Per Profit & Loss Account	**104,836,957**	81,367,505
SCHEDULE N-INTEREST & FINANCE CHARGES		
Interest on cash credit facility	**8,468,706**	1,059,353
Interest on others	**92,828**	507,842
Other financial charges	**6,059,686**	2,911,623
Per Profit & Loss Account	**14,621,220**	4,478,818

Schedule O

Forming part of the standalone financial statements for the year ended March 31, 2009

NOTES TO THE FINANCIAL STATEMENTS

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

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

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

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

(i) The accompanying financial statements have been prepared and presented in accordance with Indian Generally Accepted Accounting Principles (GAAP), under the historical cost convention (except for revaluation of certain fixed assets) on accrual basis of accounting. GAAP comprises mandatory accounting notified under the Companies (Accounting Standards) Rules, 2006 (as amended) issued by the Central Government in exercise of the power conferred under sub-section (I) (a) of section 642, the relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India. GAAP also includes other relevant pronouncements of the Institute of Chartered Accountants of India (ICAI). Accounting policies have been consistently applied except where a newly issued accounting standard, if initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use and as mentioned in Note 8 below. Management evaluates all recently issued or revised accounting standards on an ongoing basis.

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

2. **Accounting policies:**

Significant accounting policies are summarised below:

(a) **Fixed assets :**

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

(ii) Machinery spares which can be used only in connection with an item of fixed asset and whose use is not of regular nature are written off over the estimated useful life of the relevant asset.

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

(i) **Depreciation-tangibles:**

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

(ii) **Amortisation-intangibles:**

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

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

(iii) **Impairment of assets:**

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

(c) **Investments:**

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

(i) Long term investments including investments in subsidiaries and in a non-integrated un-incorporated joint venture are carried at cost and provisions recorded to recognize any declines, other than temporary, in the carrying amount of each investment. Cost of overseas investment comprises the Indian Rupee Value of the consideration paid for the investment.

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

(d) **Inventories:**

Inventories are valued as follows:

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

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

(e) **Revenue recognition:**

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

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

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

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

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

(f) **Taxation:**

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

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

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

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

(g) **Cash flow statement:**

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

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

(i) Initial recognition:

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

(ii) *Conversion*:

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

(iii) *Exchange Differences*:

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

(i) **Securities premium account:**

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

(j) **Retirement benefits:**

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

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

(k) **Earnings per share:**

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

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

Provisions involving substantial degree of estimation in measurement are 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 to the Financial Statements. Contingent assets are neither recognized nor disclosed in the financial statements.

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

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

(n) **Proposed dividend:**

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

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

Sl. No.	**Particulars**	**As at March 31, 2009 (Rs.)**	As at March 31, 2008 (Rs.)
(i)	Performance/bid-bond guarantees given by the bankers of the Company. (Fixed deposits deposited **Rs. 1,435,857** (Rs. 16,161,186) and mortgage of fixed assets provided).	**26,659,755**	45,882,957
(ii)	Corporate financial guarantees provided by the Company on behalf of its subsidiaries including lien on fixed deposit of **Rs. Nil** (Rs150,000,000) :		
	- Limit	**1,105,000,000**	545,000,000
	- Outstanding	**653,896,919**	521,809,813*
(iii)	Corporate financial guarantee provided by the Company jointly with its subsidiaries on behalf of the Company's other subsidiary:		
	- Limit	**Nil**	100,000,000
	- Outstanding	**Nil**	Nil

(* includes outstanding of (iii) below)

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. **Secured loans:**
   (i) Working capital loan from IDBI Bank Limited is secured against first charge on Company's stock of materials and components, stock in process, finished goods, consumable stores and spares, book debts (present and future) and personal guarantees of the Managing Director and a Whole time Director aggregating to **Rs. 360,000,000** (Rs.110,000,000). Collateral: Second charge on the fixed assets of the Company during the previous year ended March 31, 2008
   (ii) Vehicle loans from banks are secured by vehicles purchased there against.
5. The Company did not have any amounts payable to Micro, Small and Medium Enterprises as defined under "Micro, Small and Medium Enterprises Development Act, 2006". The identification of units is based on the management's knowledge of their status.

   The above information, as required to be disclosed under the Micro, Small and Medium Enterprises Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company, which has been relied upon by the Auditors.
6. Information in terms of provisions of paragraphs 3, 4C and 4D of Part II of Schedule VI to the Act:
   (a) **Licensed and installed capacity:** N.A.
   (b) **Particulars of manufactured goods - production and sales:**

Particulars	Production (Nos.)	Sales (Nos.)	Sales Value (Rs.)
Fire extinguishers	**9,346** (10,434)	**9,346** (10,434)	**26,445,892** (27,949,745)
CNG cascades	**42** (Nil)	**42** (Nil)	**31,124,999** (Nil)
Total	**9,388** (10,434)	**9,388** (10,434)	**57,570,891** (27,949,745)

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

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

Class of goods	Opening stock		Purchases		Sales		Closing stock	
	Qty. (Nos.)	Value (Rs.)	Qty. (Nos.)	Value (Rs.)	Qty. (Nos.)	Value (Rs.)	Qty. (Nos.)	Value (Rs.)
Processed tubes	**Nil** (Nil)	**Nil** (Nil)	**8,304** (Nil)	**43,596,546** (Nil)	**8,304** (Nil)	**45,775,952** (Nil)	**Nil** (Nil)	**Nil** (Nil)
High pressure seamless cylinders	**Nil** (Nil)	**Nil** (Nil)	**4,560** (4,180)	**25,443,058** (11,996,600)	**4,560** (4,180)	**26,448,000** (12,853,497)	**Nil** (Nil)	**Nil** (Nil)
Total	**Nil**	**Nil**	**12,864**	**62,113,004**	**12,864**	**72,223,952**	**Nil**	**Nil**
	(Nil)	(Nil)	(4,180)	(11,996,600)	(4,180)	(12,853,497)	(Nil)	(Nil)

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

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

Particulars	For the year 2008-09 (Rs.)	For the year 2007-08 (Rs.)
Materials and components	**262,066,251**	99,989,021
Total	**262,066,251**	99,989,021

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

Sl. No.	Particulars	For the year 2008-09 (Rs.)	For the year 2007-08 (Rs.)
(i)	Travelling	**655,000**	733,550
(ii)	Professional fees	**Nil**	3,281,450
(iii)	Interest on buyers credit	**1,950,000**	Nil
	Total	**2,605,000**	4,015,000

(* subject to tax deducted at source, wherever applicable)

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

Particulars	For the year 2008-09		For the year 2007-08	
	(Rs.)	%	(Rs.)	%
Materials & components				
Imported	**208,390,356**	**68.70**	81,985,816	49.04
Indigenous	**94,948,275**	**31.30**	85,171,320	50.96
Total	**303,338,631**	**100.00**	167,157,136	100.00

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

Particulars	For the year 2008-09 (Rs.)	For the year 2007-08 (Rs.)
Exports sales at FOB (including freight charges and sales to SEZ units as payment is contracted in Indian currency).	**215,260,845**	32,675,272
Total	**215,260,845**	32,675,272

7. **Deferred taxation:**

In terms of AS-22 'Accounting for Taxes on Income', deferred tax liability included in the balance sheet relates to excess of depreciation and amortisation allowable under the Income Tax law over depreciation and amortisation provided in the books of account amounting to **Rs.1,061,771** (Rs. 1,004,700).

8. **Change in accounting policy:**

Consequent to a change in the accounting policy during the year ended March 31, 2008 in respect of public issue expenses from amortising the same over a period of five years to charging off against the 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 for the above previous year.

9. **Payments to statutory auditors *:**

	For the year 2008-09 (Rs.)	For the year 2007-08 (Rs.)
Audit fees for statutory and consolidated financial statements	**654,702**	126,415
Tax audit fees	**82,725**	63,208
Other matters	**71,695**	63,187
Total	**809,122**	252,810

(*including service tax wherever applicable)

10. **Segment reporting:**

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

11. **Managerial remuneration:**

(a) Managerial remuneration under section 198 of the Act paid or payable during the year, to the Managing Director and other Directors:

Particulars	**For the year 2008-09 (Rs.)**	For the year 2007-08 (Rs.)
Managing Director/ Wholetime Director		
Salaries, bonus and allowances	**4,589,125**	4,219,645
Perquisites	**60,000**	132,836
Contribution to provident and other funds	**403,200**	317,164
Commission on profits (as computed below)	**3,540,934**	NA
Total	**8,593,259**	4,669,645
Non Wholetime Directors		
Sitting fees	**143,000**	110,000
Total	**143,000**	110,000

Note:

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

(b) Computation of net profit under section 349 of the Act:

	For the year 2008-09 (Rs.)
Profit before taxation	**168,310,427**
Add:	
Managerial remuneration	**8,593,259**
Sitting fees	**143,000**
Depreciation/amortisation	**4,691,907**
	181,738,593
Less:	
Depreciation/amortisation as per Section 350 of the Act	**4,691,907**
Net profit in accordance with Section 349 of the Act	**177,046,686**
Commission @ 1% of net profit each to the Managing Director and a Wholetime Director	**3,540,934**

Note: As no commission was payable during the previous year to the Managing Director and a Wholetime Director, disclosure of corresponding previous years figures is not applicable.

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

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

	For the year 2008-09	For the year 2007-08
Weighted average number of equity shares outstanding (Nos.)	**12,603,141**	12,068,250
	(Rs.)	(Rs.)
Net profit after tax attributable to the equity shareholders	**140,173,356**	93,250,639
Basic and diluted earnings per share	**11.12**	7.73
Nominal value per equity share	**10**	10

13. **Related party transactions:**

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

Wholly Owned Domestic Subsidiaries
Alert Fire Protection Systems Private Limited
Eurotech Cylinders Private Limited
Logicon Building Systems Private Limited
Nitin Cylinders Limited

Wholly Owned Foreign Subsidiary
Nitin Ventures FZE

Partnership Firm
Eurotech Corporation

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

Foreign Associate
New Age Company LLC

Charitable Trust
Veer Foundation

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

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

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

Sl. No.	Nature of transactions / relationship / name of the party	For the year 2008-09 (Rs.)	For the year 2007-08 (Rs.)
I	**Capital transactions**		
	Assets		
1	Purchase of equity shares including securities premium, share application money, as applicable		
	Domestic Subsidiary		
	Nitin Cylinders Limited	**193,000,000**	387,000,000
	Foreign Subsidiary		
	Nitin Ventures FZE	**40,035,000**	62,173,125
2	Other investments		
	Un-incorporated joint venture		
	Oil block (RJ-ONN-2004/1) (Ref.No.19)	**101,246,579**	11,337,853
3	Loans given		
	Domestic Subsidiary		
	Logicon Building Systems Private Limited	**4,000,000**	17,200,000
II	**Revenue transactions**		
	Income		
1	Sale of materials and components/trading goods		
	Domestic Subsidiaries		
	Alert Fire Protection Systems Private Limited	**Nil**	103,000
	Eurotech Cylinders Private Limited	**Nil**	30,000
	Logicon Building Systems Private Limited	**5,392,650**	4,037,250
	Nitin Cylinders Limited	**46,126,652**	49,400
	Foreign Associate		
	New Age Company LLC	**554,925**	Nil
2	Receipt against re-imbursement of miscellaneous expenses		
	Domestic Subsidiaries		
	Alert Fire Protection Systems Private Limited	**Nil**	400,000
3	Share of profit		
	Partnership firm		
	Eurotech Corporation	**Nil**	139,383
4	Dividends received		
	Domestic Subsidiaries		
	Alert Fire Protection Systems Private Limited	**10,000,000**	Nil
	Eurotech Cylinders Private Limited	**15,000,000**	Nil
	Expenditure		
1	Purchase of materials and components		
	Domestic Subsidiaries		
	Alert Fire Protection Systems Private Limited	**14,853,810**	13,774,965
	Eurotech Cylinders Private Limited	**18,794,400**	13,050,300
	Logicon Building Systems Private Limited	**31,895,524**	Nil
	Foreign Associate		
	New Age Company LLC	**25,556,520**	Nil

Sl. No.	Nature of transactions / relationship / name of the party	For the year 2008-09 (Rs.)	For the year 2007-08 (Rs.)
2	Rent		
	KMP		
	Nitin M. Shah	**524,496**	480,000
3	Payment of salaries etc.		
	KMP		
	Nitin M. Shah*	**4,978,862**	2,866,912
	Rahul N. Shah*	**3,614,397**	1,210,764
	Gopalkrishna Shahi	**Nil**	591,969
4	Donation		
	Charitable Trust		
	Veer Foundation	**Nil**	200,000
5	Servicing Charges		
	Domestic Subsidiary		
	Logicon Building Systems Private Limited	**44,120**	Nil
	Proposed Dividend		
	KMP		
1	Nitin M. Shah	**7,362,000**	4,846,600
2	Rahul N. Shah	**2,418,000**	1,610,350
3	Gopalkrishna Shahi	**3,762**	2,508
	Relatives of KMP		
1	Saroj N. Shah	**7,875,000**	5,250,000
2	Kunal N. Shah	**3,937,500**	2,625,000
3	Nitin M. Shah (HUF)	**1,723,923**	1,079,166
4	Rahul N. Shah (HUF)	**1,560,000**	1,014,650
5	Reshma N. Shah	**1,611,000**	1,073,334
III	**Guarantees given/obtained**		
1	Corporate financial guarantees given jointly with Domestic Subsidiaries, Alert Fire Protection Systems Private Limited & Eurotech Cylinders Private Limited and collaterals given on behalf of another Domestic Subsidiary, Nitin Cylinders Limited (Refer Note 3 above)	**Nil**	590,000,000
2	Corporate financial guarantees given on behalf of Domestic Subsidiaries		
	Alert Fire Protection Systems Private Limited	**16,500,000**	250,000,000
	Eurotech Cylinders Private Limited	**15,000,000**	300,000,000
	Logicon Building Systems Private Limited	**12,500,000**	Nil
	Nitin Cylinders Limited	**416,000,000**	Nil
3	Personal financial guarantees obtained from KMP's : Jointly from Nitin M. Shah and Rahul N. Shah (Refer Note 4 above)	**250,000,000**	110,000,000

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

(c) **Amounts outstanding for related parties:**

Sl. No.	Particulars	As at March 31, 2009 (Rs.)	As at March 31, 2008 (Rs.)
I	**Assets**		
1	Investments		
(i)	Equity shares of Domestic Subsidiaries		
	Alert Fire Protection Systems Private Limited	**10,100,000**	10,100,000
	Eurotech Cylinders Private Limited	**100,000**	100,000
	Logicon Building Systems Private Limited	**350,000**	350,000
	Nitin Cylinders Limited	**713,000,000**	520,000,000
	Equity shares including share application money of a Foreign Subsidiary		
	Nitin Ventures FZE	**102,208,125**	62,173,125
(ii)	Other investments		
	Un-incorporated Joint Venture		
	Oil Block (RJ-ONN-2004/1) (Ref.No.19)	**112,584,432**	11,337,853
	Partnership firm		
	Eurotech Corporation	**2,026,708**	2,026,708
	(Company's contribution in the Capital of the firm)		
2	Loans receivable		
	Domestic Subsidiary		
	Logicon Building Systems Private Limited	**21,200,000**	17,200,000
3	Trade receivables		
	Domestic Subsidiary		
	Logicon Building Systems Private Limited	**2,891,102**	4,528,188
II	**Liabilities**		
1	Trade payables		
	Domestic Subsidiaries		
	Alert Fire Protection Systems Private Limited (including deposit received for use of premises)	**Nil**	18,730,675
	Eurotech Cylinders Private Limited (including deposit received for use of premises)	**Nil**	33,153,347
	Foreign Associate		
	New Age Company LLC	**24,505,011**	Nil
2	Other liabilities		
	Un-incorporated Joint Venture		-
	Oil Block (RJ-ONN-2004/1) (Ref.No.19)	**63,106,195**	11,337,853
3	Directors remuneration		
	KMP		
	Nitin M. Shah	**904,508**	Nil
	Rahul N. Shah	**904,508**	Nil

Sl. No.	Particulars	As at March 31, 2009 (Rs.)	As at March 31, 2008 (Rs.)
III	**Guarantees given/obtained**		
1	Corporate financial guarantees and collaterals given on behalf of a Domestic Subsidiary, Nitin Cylinders Limited (Previous year jointly with Domestic Subsidiaries, Alert Fire Protection Systems Private Limited, Eurotech Cylinders Private Limited) (limit) (Refer Note 3 above)	**490,000,000**	590,000,000
2	Corporate financial guarantees given on behalf of Domestic Subsidiaries		
	Alert Fire Protection Systems Private Limited	**41,500,000**	25,000,000
	Eurotech Cylinders Private Limited	**45,000,000**	30,000,000
	Logicon Building Systems Private Limited	**12,500,000**	Nil
	Nitin Cylinders Limited (limit)	**416,000,000**	490,000,000
3	Personal financial guarantees obtained from KMP's Jointly from Nitin M. Shah & Rahul N. Shah (limit)) (Refer Note 4 above)	**360,000,000**	110,000,000

Notes:

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

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

14. **Impairment of assets:**

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

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

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

16. **Exchange differences:**

Exchange gain included in the profit and loss account **Rs.4,575,861** (Rs. 2,262,116).

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

		For the year 2008-09 (Rs.)	For the year 2007-08 (Rs.)
(a)	Contract revenue recognized	**468,722,774**	318,557,639
(b)	Gross amount due from customers for contract work	**117,919,138**	110,224,913
(c)	Gross amount due to customers for contract work	**Nil**	Nil
(d)	Contracts in progress	**Nil**	Nil

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

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

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

Name of the field in a joint venture	Description of interest/ (Description of job)	Proportion of ownership interest	Country of Incorporation	Country of Residence
RJ-ONN-2004/1 (Ref.No.19)	Non integrated joint venture (crude oil block)	**11.10%** (10%)	*	**India**

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

(b) Contingent liabilities in relation to interest in a joint venture as at March 31, 2009: **Rs.43,849,578** (Rs.33,363,960) and share in contingent liabilities jointly with other venturers as at March 31, 2009 **Rs. Nil** (Rs. Nil).

(c) Share in contingent liabilities of a joint venture itself for which the Company is contingently liable as at March 31, 2009: **Rs. Nil (**Rs. Nil).

(d) Contingent liabilities in respect of liabilities of other venturers of a joint venture as at March 31, 2009: **Rs. Nil** (Rs. Nil).

(e) Capital commitments (net of advances) in relation to interests in a joint venture and not provided for as at March 31, 2009:**Rs. Nil** (Rs.101,246,579) and its share in capital commitments (net of advances) that have been incurred jointly with other venturers and not provided for as at March 31,2009:**Rs. Nil** (Rs. Nil).

(f) Company's share of capital commitments (net of advances) of the joint venturers themselves and not provided for as at March 31, 2009:Rs. **Nil** (Rs. Nil).

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

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

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

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

Particulars	Currency	**As at March 31, 2009**		As at March 31, 2008	
		Amount in foreign currency	**Rs.**	Amount in foreign currency	Rs.
Receivables					
Investments	DHS	**1,000,000**	**10,874,622**	1,000,000	10,874,622
Application money pending allotment of equity shares	USD	**2,301,025**	**91,333,503**	1,301,025	51,298,503
Advances to suppliers	USD	**329,321**	**16,786,140**	Nil	Nil
Cash and cash equivalent	USD	**14,379**	**732,616**	Nil	Nil
Payables					
Sundry creditors for imports	USD	**617,520**	**31,574,882**	30,870	1,365,468
Sundry creditors for imports	GBP	**Nil**	**Nil**	12,090	1,040,170
Sundry creditors for imports	EURO	**422,386**	**27,540,242**	105,281	6,661,123

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

21. Pursuant to search and seizure operations conducted during an earlier year, re-assessment proceedings under the Income Tax Act, 1961 of six financial years beginning from F.Y.2001-02 are under progress. According to the management, adequate provision for income tax is made in the books of account for the relevant financial years.

22. **Utilization of proceeds from an IPO in the previous year**:

In the previous year, the Company had made an IPO for issue of 3,393,141 equity shares of Rs. 10/- each at a premium of Rs. 180 per equity share, aggregating to Rs. 644,696,790. The Company has fully utilised the proceeds from the IPO for the purposes as disclosed in the objects of the issue mentioned in the prospectus filed with SEBI and the offer document.

23. **Investment in the capital of a partnership firm:**

The detail of investment made in the capital of a partnership firm of M/s Eurotech Corporation as at March 31, 2009 is as under:

Sl. No.	Name of the partners	Share of the 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**

Note: The partnership firm is since dissolved on April 1, 2009.

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

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

25. The Company's wholly owned Domestic Subsidiaries viz. Alert Fire Protection Systems Private Limited and Eurotech Cylinders Private Limited has paid dividends amounting to **Rs. 25,000,000** (Rs. Nil), in respect of which corporate dividend tax has been paid by its aforesaid subsidiaries. In terms of provisions of sub-section 1A of Section 115O of the Income Tax Act, 1961, corporate dividend tax payable by the Company of **Rs.2,176,962** (Rs. Nil), is net of such corporate dividend tax paid by its aforesaid subsidiaries amounting to **Rs.4,248,750** (Rs. Nil).

26. Disclosure in respect of loans & advances in the nature of loans given to a subsidiary pursuant to Clause 32 of the listing agreements with stock exchanges:

(Rs.)

Particulars	**Balance**		**Maximum outstanding**	
	As at March 31, 2009	As at March 31, 2008	**For the year 2008-09**	**For the year 2007-08**
Logicon Building Systems Private Limited	**21,200,000**	17,200,000	**21,200,000**	17,200,000
Total	**21,200,000**	17,200,000	**21,200,000**	17,200,000

Notes:

(a) 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.

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

(c) The above loanee has not made investments in the shares of the Company.

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

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

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

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

	Particulars	**For the year 2008-09**	For the year 2007-08
(a)	Year to which dividend relates	**2007-08**	-
(b)	Number of non-resident shareholders to whom remittance was made	**1**	-
(c)	Number of shares on which remittance was made	**100**	-
(d)	Amount remitted	**Rs.200**	-

30. (a) Sundry Debtors include **Rs. 2,891,102** (Rs. 4,528,188) due from a Domestic Subsidiary viz. Logicon Building Systems Private Limited.

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

(c) Prior period adjustments represents amortization amount of leasehold land of earlier period's.

(d) Manufacturing sales include sales exempt from excise duty amounting to **Rs.10,931,000** (Rs.21,015,431) in respect of the Company's unit at Parwanoo, Himachal Pradesh.

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

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

I. Registration Details

Registration No.	92323	State Code	11
Balance Sheet Date	31/03/2009		

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

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

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

Sources of Funds

Total Liabilities (Including Shareholders' Funds)	1,144,391,742	Total Assets	1,144,391,742
Paid - up Capital	126,031,410	Reserves & Surplus	904,714,138
Secured Loans	33,217,662	Unsecured Loans	NIL
Deferred Tax Liability	1,061,771		

Application of Funds

Net Fixed Assets	27,811,431	Investments	940,392,265
Net Current Assets	92,257,895	Miscellaneous Expenditure	NIL
Accumulated Losses	NIL		

IV. Performance of Company (Amount in Rs.)

Turnover (Total Income)	664,838,745	Total Expenditure	496,528,320
Profit/(Loss) Before Tax	168,310,427	Profit/(Loss) after Tax	140,173,356
Earning Per Share*	11.12	Dividend Rate %	30

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

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

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

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

In terms of our report of even date.

For **Tolia & Associates**
Chartered Accountants

Sd/-
Kiran P.Tolia
Proprietor
Membership No.:43637

Mumbai
May 21, 2009

For and on behalf of the Board of Directors

Sd/-
Nitin M. Shah
Chairman &
Managing Director

Sd/-
Rahul N. Shah
Whole-time Director

Sd/-
Abhishek Shrivastava
Company Secretary

Mumbai
May 21, 2009

Consolidated Financial Statements

Consolidated Financial Statements 2008-2009

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

We have audited the attached Consolidated Balance Sheet of Nitin Fire Protection Industries Limited ('the Company'), its Subsidiaries, a Partnership Firm, an Associate and an Un-incorporated Joint Venture (as per list appearing in Note 3, Schedule Q,) (together the 'Nitin Group') as at March 31, 2009, the Consolidated Profit and Loss Account and also the Consolidated Cash Flow Statement for the year ended on that date annexed thereto (together the 'consolidated financial statements'), which we have signed under reference to this report. These consolidated financial statements are the responsibility of the Group's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

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

2. In respect of the financial statements of a foreign subsidiary, a foreign associate* (* for the period from April'08 to December'08) and an un-incorporated joint venture, we did not carry out the audit. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the foreign subsidiary, foreign associate and an un-incorporated joint venture is based solely on the report of the other auditors. The details of total assets and total revenues in respect of the foreign subsidiary, the net carrying cost of investment and the Group's share in profit for the above period in respect of the foreign associate and the Group's interest in an un-incorporated joint venture, to the extent to which they are reflected in the consolidated financial statements are given below:

Audited by other Auditors

	Total assets*	(Rs.) Total revenues
(A) Foreign Subsidiary (*Including share capital eliminated on consolidation)	423,462,771	383,598,755

	Carrying cost* of investment	(Rs.) Group's share of profit
(B) Foreign Associate (*including Group's share of profit for the aforesaid period of nine months amounting to Rs.21,319,005)	188,686,463	21,319,005

	(Rs.) Group's interest in an un-incorporated joint venture
(C) Un-incorporated Joint Venture	112,584,432

3. We further report that in respect of the above foreign associate for the period from January 1, 2009 to March 31, 2009 we did not carry out the audit. These financial statements have been certified by the management and have been furnished to us, and in our opinion, insofar as it relates to the amounts included in respect of the foreign associate is based solely on these financial statements. Since the financial statements for the period ended March 31, 2009 which were compiled by the management of the above foreign associate were unaudited, any

adjustments to their balances could have consequential effects on the attached consolidated financial statements. However, the size of the foreign associate in the consolidated position is not significant in relative terms. The details of carrying cost of investment and Group's share of profit in the foreign associate for the above period to the extent to which they are reflected in the consolidated financial statements is given below:

Certified by the management:

	(Rs.) Carrying cost of investment and Group's share of profit
(A) Foreign Associate	10,286,203

4. We report that the consolidated financial statements have been prepared by the Group's management in accordance with the requirements of Accounting Standard (AS)-21 'Consolidated Financial Statements', AS-23, 'Accounting for Investments in Associates in Consolidated Financial Statements' and AS- 27, 'Financial Reporting of Interests in Joint Ventures' notified under the Companies (Accounting Standards) Rules, 2006 (as amended) issued by the Central Government in exercise of the power conferred under sub-section (I) (a) of section 642 of 'The Companies Act, 1956' and on the basis of the separate audited/certified financial statements of the Nitin Group included in the consolidated financial statements. Attention is invited to Note 11 (c), Schedule Q regarding non provision for mark to market loss of Rs.22,500,000 on an outstanding derivative contract as on March 31, 2009 which is not in accordance with announcement made by the ICAI on March 29, 2008.

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

   (a) the Consolidated Balance Sheet, of the state of affairs of the Nitin Group as at March 31, 2009;

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

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

For **Tolia & Associates**
Chartered Accountants

Sd/-
Kiran P. Tolia
Proprietor
Membership No.: 43637

Mumbai
May 21, 2009

Consolidated Balance Sheet As At March 31, 2009

	Schedule	As at March 31, 2009 Rs.	As at March 31, 2008 Rs.
SOURCES OF FUNDS :			
Shareholders' Funds :			
Share capital	'A'	126,031,410	126,031,410
Reserves & surplus	'B'	1,330,465,180	1,029,174,241
		1,456,496,590	1,155,205,651
Loan Funds :			
Secured loans	'C'	688,114,582	541,373,560
Unsecured loans	'D'	2,000,000	2,000,000
		690,114,582	543,373,560
Deferred Tax Liability		12,051,541	1,196,818
Total Funds Employed		2,158,662,713	1,699,776,029
APPLICATION OF FUNDS :			
Fixed Assets :			
Tangible assets:	'E-1'		
Gross block		623,552,529	95,121,476
Less : Accumulated depreciation		76,973,329	47,096,912
Net block		546,579,200	48,024,564
Capital work-in-progress -at cost (Including advances on capital account)		351,251,829	609,119,787
		897,831,029	657,144,351
Intangible assets:	'E-2'		
Gross block		27,213,081	27,001,821
Less :Accumulated amortisation		22,024,999	16,741,628
Net block		5,188,082	10,260,193
Investments	'F'	333,899,756	242,363,200
Deferred Tax Asset		498,174	120,845
Current Assets, Loans & Advances:			
Current Assets :	'G'		
Inventories		660,192,219	519,920,466
Sundry debtors		728,945,176	327,753,882
Cash & bank balances		37,128,561	211,792,040
Other current assets		8,512,785	-
		1,434,778,741	1,059,466,388
Loans & Advances	'H'	450,596,018	322,440,061
		1,885,374,759	1,381,906,449
Less : Current Liabilities & Provisions:	'I'		
Current liabilities		675,677,565	401,200,764
Provisions		288,720,030	191,187,735
		964,397,595	592,388,499
Net Current Assets		920,977,164	789,517,950
Miscellaneous Expenditure (to the extent not written off or adjusted) Preliminary expenses & Equity share issue expenses-IPO	'J'	268,508	369,490
Total Funds Utilised		2,158,662,713	1,699,776,029
Notes to the Consolidated Financial Statements	'Q'		

The schedules referred to above and notes to the consolidated financial statements form an integral part of the consolidated balance sheet.

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

For **Tolia & Associates** Chartered Accountants	**For and on behalf of the Board of Directors**		
Sd/- **Kiran P.Tolia** Proprietor Membership No.:43637 Mumbai May 21, 2009	Sd/- **Nitin M. Shah** Chairman & Managing Director Mumbai May 21, 2009	Sd/- **Rahul N. Shah** Director	Sd/- **Abhishek Shrivastava** Company Secretary

Consolidated Profit And Loss Account For The Year Ended March 31, 2009

	Schedule	For the year 2008-09 Rs.	For the year 2007-08 Rs.
INCOME :			
Sales & services	'K'	2,460,030,901	1,324,216,790
Other income	'L'	23,277,405	30,563,045
Variation in stocks	'M'	131,674,130	21,514,436
Total Income		2,614,982,436	1,376,294,271
EXPENDITURE :			
Purchase of goods for resale (net)		717,874,824	699,480,270
Raw materials, materials and components	'N'	1,027,005,812	218,746,166
Manufacturing, installation & other expenses	'O'	351,907,039	173,059,963
Interest & finance charges	'P'	71,736,714	8,096,137
Depreciation of tangible assets		29,876,417	8,887,126
Less: Charged to Revaluation Reserve		1,628,500	1,667,506
		28,247,917	7,219,620
Amortisation of intangible assets		5,283,371	6,975,121
		33,531,288	14,194,741
Total Expenditure		2,202,055,677	1,113,577,277
PROFIT BEFORE TAX		412,926,759	262,716,994
Provision for Taxation			
Current tax		85,215,000	68,035,000
Deferred tax		10,477,393	(1,217,390)
Fringe benefit tax		1,685,000	1,481,750
PROFIT AFTER TAX		315,549,366	194,417,634
Less:Prior period adjustments		-	345,777
		315,549,366	194,071,857
Add:Group's share in profit of an Associate		31,605,208	7,752,532
As per last account		323,607,775	161,273,476
Balance Available for Appropriation		670,762,349	363,097,865
APPROPRIATIONS :			
Proposed dividend @ **Rs.3.00** (Rs.2.00) on equity shares of Rs.10 each		37,809,423	25,206,282
Corporate dividend tax on proposed dividend (Refer Note 25 (b), Schedule Q)		2,176,962	4,283,808
Corporate dividend tax on interim dividend - Subsidiaries		4,248,750	-
Transfer to General Reserve		24,400,000	10,000,000
Surplus Carried Forward to Consolidated Balance Sheet		602,127,214	323,607,775
		670,762,349	363,097,865
Basic and diluted earnings per share [Nominal value of equity shares of Rs.10 (Rs.10)] (Refer Note 5, Schedule Q)		27.55	16.72
Notes to the Consolidated Financial Statements	'Q'		

The schedules referred to above and notes to the consolidated financial statements form an integral part of the consolidated profit and loss account.

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

For **Tolia & Associates**
Chartered Accountants

Sd/-
Kiran P.Tolia
Proprietor
Membership No.:43637
Mumbai
May 21, 2009

For and on behalf of the Board of Directors

Sd/-
Nitin M. Shah
Chairman &
Managing Director
Mumbai
May 21, 2009

Sd/-
Rahul N. Shah
Director

Sd/-
Abhishek Shrivastava
Company Secretary

Consolidated Cash Flow Statement For The Year Ended March 31, 2009

		For the year 2008-09 Rs.	For the year 2007-08 Rs.
A	**Cash flow from operating activities**		
	Net profit before taxation	**412,926,759**	262,371,217
	Adjustments for:		
	Depreciation* and amortisation (* net of transfer from Revaluation Reserve)	**33,531,288**	14,194,741
	Unrealised foreign exchange difference-net loss (gain)	**13,262,474**	(4,985)
	Interest income	**(16,666,260)**	(14,110,144)
	Profit on sale of current investments	**-**	(1,783,680)
	Interest & finance charges paid	**71,736,714**	8,096,137
	Dividend from investments	**(338,598)**	(12,122,545)
	Profit on sale of assets	**-**	(68,932)
	Amortisation of miscellaneous expenditure	**100,982**	40,140
	Operating profit before working capital changes	**514,553,359**	256,611,949
	Adjustments for:		
	Sundry debtors	**(395,384,387)**	(62,551,697)
	Inventories	**(140,271,753)**	(439,019,449)
	Loans & advances	**(38,515,046)**	(147,116,374)
	Other current assets	**(8,512,785)**	-
	Sundry creditors	**324,317,257**	(46,784,410)
	Other liabilities	**(69,707,533)**	88,330,150
	Decrease in working capital	**(328,074,247)**	(607,141,780)
	Cash generated from/(used in) operations	**186,479,112**	(350,529,831)
	Taxes paid (net of refunds)*	**(88,894,047)**	(75,143,321)
	(* includes fringe benefit tax)		
	Net cash from/(used in) operating activities	**97,585,065**	(425,673,152)
B	**Cash flow from investing activities**		
	Investment/formation in/of subsidiaries:		
	Nitin Cylinders Limited	**(193,000,000)**	(387,000,000)
	Nitin Venture FZE	**(40,035,000)**	(62,173,125)
	Investment in the capital of a partnership firm	**-**	(2,026,708)
	Investment in a joint venture	**(101,246,579)**	(11,337,853)
	Investment in an associate	**(10,449,699)**	(159,614,926)
	Purchase of fixed assets *	**(270,774,354)**	(280,821,914)
	(* includes interest capitalised **Rs. 6,507,115** (Rs.41,428,496)		
	Purchase of units of mutual funds and equity shares	**(1,285,245)**	(676,378,578)
	Sale of units of mutual funds	**53,186,175**	616,559,077
	Proceeds from sale of fixed assets	**-**	109,000
	Dividend from investments	**338,598**	12,122,545
	Interest received	**16,666,260**	14,110,144
	Net cash used in investing activities	**(546,599,844)**	(936,452,338)

		For the year 2008-09 Rs.	For the year 2007-08 Rs.
C	**Cash flow from financing activities**		
	Increase in share capital (including securities premium)	**193,000,000**	1,130,612,370
	Share application money- foreign subsidiary	**40,035,000**	-
	Preliminary/equity share issue expenses	-	(52,740,390)
	Proceeds from secured borrowings	**147,682,621**	435,513,883
	Repayment of secured borrowings	**(941,599)**	-
	(Repayment)/proceeds of unsecured borrowings	-	7,200,000
	Interest & finance charges paid	**(71,736,714)**	(8,096,137)
	Dividends distributed (including corporate dividend tax)	**(33,688,008)**	-
	Net cash used in financing activities	**274,351,300**	1,512,489,726
	Net (decrease)/increase in cash and cash equivalents	**(174,663,479)**	150,364,236
	Cash and cash equivalents,(opening)	**211,792,040**	61,427,804
	Cash and cash equivalents,(closing)	**37,128,561**	211,792,040
		(174,663,479)	150,364,236

Notes:

1 Purchase of fixed assets includes unrealised exchange loss of **Rs.41,895,154** (Rs.Nil) with corresponding increase in secured borrowings and movement of capital work in progress during the year.

2 Cash and cash equivalents include pledged fixed deposits and unclaimed/unpaid dividends amounting to **Rs.20,810,736** (Rs.184,659,737) not available for use by the Group.

3 Brackets indicate a cash outflow or deduction.

		As at March 31, 2009 Rs.	As at March 31, 2008 Rs.
4	Components of Cash and Cash Equivalents (closing):		
	Cash balance on hand	**7,393,439**	1,201,767
	Bank Balances:		
	With Scheduled Banks on:		
	-Current accounts	**5,686,423**	13,543,171
	- Fixed deposits (including interest accrued thereon)	**20,759,904**	184,659,737
	- Unclaimed and unpaid dividend account	**50,832**	-
	- EEFC current accounts	**735,805**	-
	Debit balance in cash credit	-	655,184
	Balance with others:		
	HSBC Bank Middle East Limited -AED Current Account	**2,502,158**	11,732,181
		37,128,561	211,792,040

The schedules A to Q and notes to the consolidated financial statements form an integral part of the consolidated cash flow statement.

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

For **Tolia & Associates**
Chartered Accountants

Sd/-
Kiran P.Tolia
Proprietor
Membership No.:43637
Mumbai
May 21, 2009

For and on behalf of the Board of Directors

Sd/-
Nitin M. Shah
Chairman &
Managing Director
Mumbai
May 21, 2009

Sd/-
Rahul N. Shah
Director

Sd/-
Abhishek Shrivastava
Company Secretary

Schedules forming part of the Consolidated Financial Statements for the year ended March 31, 2009

	As at March 31, 2009 Rs.	As at March 31, 2008 Rs.
SCHEDULE A : SHARE CAPITAL		
Authorised :		
15,000,000 Equity shares of Rs. 10/- each.	**150,000,000**	150,000,000
(15,000,000)	**150,000,000**	150,000,000
Issued, subscribed & paid up:		
12,603,141 Equity shares of Rs.10 each (12,603,141)	**126,031,410**	126,031,410
Per Consolidated Balance Sheet	**126,031,410**	126,031,410

Notes:

1) Equity shares issued and subscribed includes following issues for consideration other than cash:
   a. 180,000 Equity shares of Rs. 10 each fully paid up were issued pursuant to a contract.
   b. 1,000,000 Equity shares of Rs. 10 each fully paid up were issued as bonus shares by capitalisation of free reserves to shareholders in the ratio of 1:4 equity shares for every share held in 2001-02.

2) During the previous year, the Company issued and allotted:
   a. 337,000 Equity shares of Rs.10 each fully paid up by way of preferential allotment.
   b. 3,393,141 Equity shares of Rs.10 each fully paid up under Initial Public Offer.

	As at March 31, 2009 Rs.	As at March 31, 2008 Rs.
SCHEDULE B : RESERVES & SURPLUS		
Asset Revaluation Reserve :		
Balance, beginning of the year	**11,963,091**	13,630,597
Less : Charged to depreciation of tangible assets	**1,628,500**	1,667,506
Balance, end of the year	**10,334,591**	11,963,091
Securities Premium Account :		
Balance, beginning of the year	**669,388,375**	68,450,000
Add:Premium received on issue of additional equity shares	**183,350,000**	1,029,639,380
	852,738,375	1,098,089,380
Less:Utilised for equity share issue expenses (Initial Public Offer)	**-**	61,051,005
Other deductions*	**183,350,000**	367,650,000
	183,350,000	428,701,005
Balance, end of the year	**669,388,375**	669,388,375
General Reserve :		
Balance, beginning of the year	**24,215,000**	14,215,000
Add:Set aside from consolidated profit & loss account	**24,400,000**	10,000,000
Balance, end of the year	**48,615,000**	24,215,000
Profit & Loss Account :		
Balance carried from consolidated profit & loss account	**602,127,214**	323,607,775
Per Consolidated Balance Sheet	**1,330,465,180**	1,029,174,241

(* represents deduction arising due to consolidation level accounting in accordance with AS-21)

Schedules forming part of the Consolidated Financial Statements for the year ended March 31, 2009

	As at March 31, 2009 Rs.	As at March 31, 2008 Rs.
SCHEDULE C: SECURED LOANS*		
(Refer Note 17, Schedule Q)		
From banks :		
Working capital loans : *		
Rupee loans	**254,879,970**	149,718,883
Foreign currency loans	**144,121,126**	82,529,979
	399,001,096	232,248,862
Term loans :		
Rupee loans	**30,598,964**	42,325,214
Foreign currency loans	**257,511,490**	264,854,853
	288,110,454	307,180,067
Vehicle loans from banks	**1,003,032**	1,944,631
Per Consolidated Balance Sheet	**688,114,582**	541,373,560

(* Working capital loans include buyers credit availed by a Group component).

SCHEDULE D-UNSECURED LOANS		
Long term loans :		
From others	**2,000,000**	2,000,000
Per Consolidated Balance Sheet	**2,000,000**	2,000,000

Schedules forming part of the Consolidated Financial Statements for the year ended March 31, 2009

SCHEDULE E -1: FIXED ASSETS- TANGIBLES
(Refer Notes 2(c) & (d) (iii), Schedule Q)

(Rs.)

Description of Assets	COST/VALUATION					DEPRECIATION					NET BOOK VALUE	
	As At April 1, 2008	Additions	Deletions	Adjustments	As At March 31, 2009	Upto April 1, 2008	For the year	Deletions	Adjustments	Upto March 31, 2009	As At March 31, 2009	As At March 31, 2008
Leasehold land	3,240,000	-	-	-	3,240,000	433,360	26,249	-	-	459,609	2,780,391	2,806,640
Buildings	20,949,932	-	-	-	20,949,932	8,663,288	1,228,665			9,891,953	11,057,979	12,286,644
Buildings on leasehold land	-	128,713,859	-	-	128,713,859	-	4,255,136			4,255,136	124,458,723	-
Plant & machinery	37,379,974	344,272,876	-	-	381,652,850	21,494,099	16,323,206			37,817,305	343,835,545	15,885,875
Furniture, fixtures & office equipments	8,569,250	1,498,872	-	-	10,068,122	3,695,014	888,613			4,583,627	5,484,495	4,874,236
Electrical Installation	-	44,942,835	-	-	44,942,835		2,124,721			2,124,721	42,818,114	-
Computer systems	8,254,335	1,406,473	-	-	9,660,808	5,441,488	1,381,693			6,823,181	2,837,627	2,812,847
Motor and other vehicles	16,727,985	4,819,303	-	-	21,547,288	7,369,663	3,232,003			10,601,666	10,945,622	9,358,322
Gas cylinders	-	2,776,835	-	-	2,776,835	-	416,131			416,131	2,360,704	-
Per Consolidated Balance Sheet	**95,121,476**	**528,431,053**	-	-	**623,552,529**	**47,096,912**	**29,876,417**	-	-	**76,973,329**	**546,579,200**	**48,024,564**
Previous year	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		
											351,251,829	609,119,787
Add:Capital work-in-progress (Including advances on capital account)											**897,831,029**	657,144,351

SCHEDULE E -2: FIXED ASSETS- INTANGIBLES
(Refer Notes 2(c), (d) (ii) & (e), Schedule Q)

(Rs.)

Description of Assets	COST					AMORTISATION					NET BOOK VALUE	
	As At April 1, 2008	Additions	Deletions	Adjustments	As At March 31, 2009	Upto April 1, 2008	For the year	Deletions	Adjustments	Upto March 31, 2009	As At March 31, 2009	As At March 31, 2008
Goodwill * (* arising on consolidation of subsidiaires)	10,175,000	-	-	-	10,175,000	5,586,313	1,862,104	-	-	7,448,417	2,726,583	4,588,687
Computer software	16,147,771	211,260	-	-	16,359,031	10,773,465	3,272,668	-	-	14,046,133	2,312,898	5,374,306
Technical know how	679,050	-	-	-	679,050	381,850	148,599	-	-	530,449	148,601	297,200
Per Consolidated Balance Sheet	**27,001,821**	**211,260**	-	-	**27,213,081**	**16,741,628**	**5,283,371**	-	-	**22,024,999**	**5,188,082**	**10,260,193**
Previous year	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

1. Additions during the year includes:
   (i) **Rs.123,183,238** (net) (Previous year Rs.Nil) being preoperative expenses capitalised during the year on acount of completion of a project.
   (ii) Exchange loss of **Rs.41,895,154** (Previous year Rs.Nil).

2.Capital work-in-progress includes:
   (i) **Rs. Nil** (Previous year Rs.1,782,000) being exchange loss arising during construction stage of a project.
   (ii) **Rs.6,507,115**(Previous year Rs.41,428,496) being borrowing cost capitalised in accordance with AS-16 'Borrowing Costs'.
   (iii) **Rs.309,092,827**(Previous year Rs.87,061,667) on account of advances on capital account.

3.Amortisation of Goodwill (arising on consolidation of subsidiaires) for the year is net of excess amortisation relating to earlier years : **Rs.Nil** (Previous year : Rs. 345,791)

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

Schedules forming part of the Consolidated Financial Statements for the year ended March 31, 2009

		As at March 31, 2009 Rs.	As at March 31, 2008 Rs.
	SCHEDULE F : INVESTMENTS		
	(Refer Note 2 (f), Schedule Q)		
	(Unquoted) (Other Than Trade, unless otherwsise stated, fully paid up)		
A.	**Long Term Investments- Valued at Cost :**		
I.	**In an Associate ***		
	1,200 Equity shares of New Age Company LLC Face value of AED1,000 each (1,200)	**159,614,926**	159,614,926
	Add: Group's accumulated share in profit at the beginning of the year	**7,752,532**	-
	Adjustment pursuant to change in Group's share in net worth	**10,449,699**	-
	Group's share in profit of current year	**31,605,208**	7,752,532
	(Includes goodwill of Rs.119,000,335 arising on acquisition of the Associate)		
	(* Trade)	**209,422,365**	167,367,458
II.	**In a Non-integrated Un-incorporated Joint Venture for Crude Oil Block** (Investment of Rs. 101,246,579 made during the year)	**112,584,432**	11,337,853
III.	**In Equity Shares*:**		
	(*Quoted/Fully Paid Up)		
	Equity Shares of Rs.10 each		
	2,300 of Andhra Bank (2,300)	**23,000**	23,000
	30,000 of Asian Granito Limited (30,000)	**3,374,246**	3,374,246
	10,000 of Nagarjuna Fertilisers & Chemicals Limited (10,000)	**551,870**	551,870
	10,000 of Petronet LNG Limited (10,000)	**1,114,757**	1,114,757
	5,000 of UCO Bank (5,000)	**306,431**	306,431
	5,000 of Zicom Electronic Security Systems Limited (NIL) (Purchased during the year)	**385,245**	-
	Equity Shares of Rs.1 each		
	10,000 of Apollo Tyres Limited (10,000)	**541,243**	541,243
	20,000 of Suven Life Sciences Limited (20,000)	**1,064,459**	1,064,459
		7,361,251	6,976,006
IV.	**In Government Securities**		
	Six Years National Savings Certificates VIII Issue	**5,000**	5,000
V.	**In the Capital of a Partnership Firm *** (* Trade)	**2,026,708**	2,026,708

Schedules forming part of the Consolidated Financial Statements for the year ended March 31, 2009

		As at March 31, 2009 Rs.	As at March 31, 2008 Rs.
B.	**Current Investments (Valued at Cost/NAV)**		
VI.	**In Mutual Funds :**		
	Reliance Liquidity Plus Fund - Institutional Option - Daily Dividend Plan-Units of Rs. 1,000 each **Nil** (15,007)	-	15,024,863
	L164D SBI Debt Fund Series - 30 Days -1 -(13-Mar-08) - Dividend-Units of Rs. 10 each **Nil** (1,000,000)	-	10,000,000
	Tata Floating Rate Short Term Inst. Plan -Daily Dividend Units of Rs. 10 each **Nil** (1,610,890)	-	16,117,765
	UTI - Liquid Plus Fund Institutional Plan (Daily Dividend Option) - Re-investment Units of Rs. 1,000 each **Nil** (11,004)	-	11,007,547
	SBI Infrastructure Fund- Units of Rs.10 each **250,000** (250,000)	**2,500,000**	2,500,000
		2,500,000	54,650,175
	Per Consolidated Balance Sheet	**333,899,756**	242,363,200

	As at March 31, 2009 Rs.	As at March 31, 2008 Rs.
Unquoted investments		
Book value	**326,538,505**	235,387,194
Quoted investments		
Book value	**7,361,251**	6,976,006
Market	**2,033,535**	4,106,460

SCHEDULE G : CURRENT ASSETS

	As at March 31, 2009 Rs.	As at March 31, 2008 Rs.
INVENTORIES :		
(Refer Note 2 (g), Schedule Q)		
Stores & spares	**1,207,628**	1,527,563
Stock-in-trade:		
- Raw materials	**328,123,330**	365,045,084
- Finished goods	**16,880,186**	-
- Trading goods	**99,688,253**	71,948,504
- Materials and components	**127,238,627**	81,399,315
Works-in-progress	**87,054,195**	-
	660,192,219	519,920,466
SUNDRY DEBTORS :		
(Unsecured,considered good)		
Debts outstanding for a period exceeding six months	**115,005,891**	58,934,003
Other debts	**613,939,285**	268,819,879
	728,945,176	327,753,882

Schedules forming part of the Consolidated Financial Statements for the year ended March 31, 2009

	As at March 31, 2009 Rs.	As at March 31, 2008 Rs.
SCHEDULE G : CURRENT ASSETS (Contd.)		
CASH & BANK BALANCES :		
Cash balance on hand	**7,393,439**	1,201,767
Bank balances:		
With scheduled banks on:		
- Current accounts	**5,686,423**	13,543,171
- Fixed deposits (including interest accrued thereon)	**20,759,904**	184,659,737
- Unclaimed and unpaid dividend account	**50,832**	-
- Exchange Earners Foreign Currency (EEFC) current accounts	**735,805**	-
Debit balance in cash credit	-	655,184
With others (outside India):		
- HSBC Bank Middle East Limited -AED current account	**2,502,158**	11,732,181
	37,128,561	211,792,040
OTHER CURRENT ASSETS:		
DEPB Licence	**8,512,785**	-
Per Consolidated Balance Sheet	**1,434,778,741**	1,059,466,388
SCHEDULE H : LOANS & ADVANCES		
(Unsecured, considered good)		
Loan to an associate	**31,088,467**	-
Loans to bodies corporate	**79,234,341**	47,729,741
Loans to employees & others	**1,169,800**	912,796
Advances to suppliers	**42,016,635**	676,416
Other advances recoverable in cash or in kind or for value to be received	**42,588,087**	107,516,467
Advance payments of income tax and wealth tax	**247,638,226**	161,545,676
Advance payments of fringe benefit tax	**6,837,658**	4,036,161
Deposit with excise authorities	**22,804**	22,804
Per Consolidated Balance Sheet	**450,596,018**	322,440,061

Schedules forming part of the Consolidated Financial Statements for the year ended March 31, 2009

	As at March 31, 2009 Rs.	As at March 31, 2008 Rs.
SCHEDULE I : CURRENT LIABILITIES & PROVISIONS		
CURRENT LIABILITIES :		
Sundry creditors	**538,509,737**	252,303,271
Advances from customers	**10,141,977**	37,340,794
Creditors for capital expenditure	**98,868,556**	13,742,703
* Investor Education & Protection Fund in respect of:	**50,832**	-
- Unclaimed and unpaid dividend		
Interest accrued but not due on loans	**358,230**	-
Other liabilities	**25,939,217**	97,813,996
Dues to directors	**1,809,016**	-
	675,677,565	401,200,764
PROVISIONS :		
For income tax	**242,055,000**	156,905,000
For wealth tax	**259,000**	194,000
For fringe benefit tax	**6,419,645**	4,598,645
For dividend (Proposed)	**37,809,423**	25,206,282
For corporate dividend tax on proposed dividend	**2,176,962**	4,283,808
	288,720,030	191,187,735
Per Consolidated Balance Sheet	**964,397,595**	592,388,499

(* The figure reflects the position as of March 31, 2009. The actual amount to be transferred to the Investor & Protection Fund in this respect shall be determined on the due date.)

SCHEDULE J: MISCELLANEOUS EXPENDITURE		
(to the extent not written off or adjusted)		
Preliminary expenses	**369,490**	409,630
Equity share issue expenses-IPO	**-**	61,051,005
	369,490	61,460,635
Less:Amortised during the year	**100,982**	40,140
Charged to securities premium account	**-**	61,051,005
	100,982	61,091,145
Per Consolidated Balance Sheet	**268,508**	369,490

Schedules forming part of the Consolidated Financial Statements for the year ended March 31, 2009

	For the year 2008-09 (Rs.)	For the year 2007-08 (Rs.)
SCHEDULE K : SALES & SERVICES		
(Refer Notes 2 (h) - (i) to (iv), Schedule Q)		
Trading sales (net)	**823,689,896**	655,355,719
Project related activity	**935,510,688**	636,170,305
Manufacturing sales (net)	**599,728,366**	27,949,745
Maintenance & services	**101,101,951**	4,741,021
Per Consolidated Profit & Loss Account	**2,460,030,901**	1,324,216,790
SCHEDULE L : OTHER INCOME		
(Refer Note 2 (h) (v), Schedule Q)		
Income from current investments - Other than trade :		
Dividend	**230,956**	12,109,205
Surplus on sale of investments (net)	**-**	1,222,976
Dividend from long term investments- Other than trade	**107,642**	13,340
Interest on fixed deposits & others- (Gross)	**16,666,260**	14,110,144
Commission- (Gross)	**2,920,132**	2,101,780
Debts written off in earlier years, Realised	**571,771**	76,136
Sundry credit balances appropriated	**2,376,223**	687,538
Miscellaneous receipts	**404,421**	33,611
Surplus on sale of assets (net)	**-**	68,932
Share of profit in partnership	**-**	139,383
Per Consolidated Profit & Loss Account	**23,277,405**	30,563,045
SCHEDULE M : VARIATION IN STOCKS		
Stock-in-Trade (Closing) :		
Trading goods	**99,688,253**	71,948,504
Work in progress	**87,054,195**	-
Finished goods	**16,880,186**	-
	203,622,634	71,948,504
Stock-in-Trade (Opening) :		
Trading goods	**71,948,504**	50,434,068
	71,948,504	50,434,068
Per Consolidated Profit & Loss Account	**131,674,130**	21,514,436
SCHEDULE N : RAW MATERIALS, MATERIALS AND COMPONENTS		
RAW MATERIALS :		
Opening stock	**365,045,085**	-
Add:Purchases	**372,770,610**	365,045,085
	737,815,695	365,045,085
Less:Closing stock	**328,123,330**	365,045,085
	409,692,365	-
MATERIALS AND COMPONENTS :		
Opening stock	**81,399,315**	30,466,949
Add:Purchases	**663,152,759**	269,678,532
	744,552,074	300,145,481
Less:Closing stock	**127,238,627**	81,399,315
	617,313,447	218,746,166
Per Consolidated Profit & Loss Account	**1,027,005,812**	218,746,166

Schedules forming part of the Consolidated Financial Statements for the year ended March 31, 2009

	For the year 2008-09 (Rs.)	For the year 2007-08 (Rs.)
SCHEDULE O :MANUFACTURING, INSTALLATION AND OTHER EXPENSES		
MANUFACTURING AND INSTALLATION EXPENSES :		
Consumption of stores & spares	30,077,679	-
Electricity charges	16,554,738	163,962
Water charges	642,516	23,219
Sub-contract charges and site expenses	31,238,889	18,132,511
Repairs to:		
- Factory buildings	222,732	-
- Machinery	5,372,196	507,191
Other manufacturing expenses	3,291,338	-
	87,400,088	18,826,883
OPERATING EXPENSES :		
Conveyance & travelling	21,736,423	16,133,641
Miscellaneous expenses	17,769,918	14,828,832
Rent and lease rent	16,585,606	6,181,546
Repairs to :		
- Buildings	551,812	810,816
- Other assets	1,673,758	3,185,621
	2,225,570	3,996,437
Insurance premium	1,643,166	586,680
Payments to auditors*	1,551,275	443,260
Professional fees	17,827,049	14,031,582
Donations & charities	12,509,301	8,327,207
Loss on foreign exchange fluctuation on consolidation (net)	3,682,097	2,052,774
Amortisation of miscellaneous expenditure	100,982	40,140
Vehicle expenses	3,036,101	1,947,998
Sitting fees to Non Executive Directors	143,000	110,000
(*including service tax where applicable)		
	98,810,488	68,680,097
PERSONNEL :		
Salaries, wages, bonus & allowances	74,689,882	34,979,862
Contribution to provident & other funds (including administrative charges)	1,951,525	1,342,136
Gratuity	244,326	812,475
Employees welfare	4,653,692	4,398,607
Director's remuneration	14,455,320	9,365,036
	95,994,745	50,898,116
SALES & DISTRIBUTION EXPENSES :		
Sales promotion & advertisement	15,949,872	12,377,797
Discount, commission, rebates etc.	30,590,856	13,196,316
Bad debts written off	4,303,533	6,284,701
Distribution expenses (net)	17,898,677	2,550,195
Rates & taxes	958,780	245,858
	69,701,718	34,654,867
Per Consolidated Profit & Loss Account	351,907,039	173,059,963
SCHEDULE P-INTEREST & FINANCE CHARGES		
Interest on fixed loans	14,384,721	-
Interest on cash credit facility	26,774,508	2,900,139
Interest on others	7,236,935	597,453
Other finance charges	23,340,550	4,598,545
Per Consolidated Profit & Loss Account	71,736,714	8,096,137

Schedule Q

Forming part of the Consolidated Financial Statements for the year ended March 31, 2009

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

(B) Basis of preparation of consolidated financial statements:

(i) The accompanying consolidated financial statements (CFS) have been prepared in accordance with the principles and procedures for the preparation and presentation as laid down under Accounting Standard (AS)-21 'Consolidated Financial Statements', AS-23 'Accounting for Investments in Associates in Consolidated Financial Statements' and AS-27 'Financial Reporting of Interests in Joint Ventures' notified under the Companies (Accounting Standards) Rules, 2006 (the 'Rules') (as amended) issued by the Central Government in exercise of the power conferred under sub-section (I) (a) of section 642 of the Companies Act, 1956 (the 'Act'), guidelines issued by the Securities and Exchange Board of India and other relevant pronouncements of the Institute of Chartered Accountants of India (ICAI). Accounting policies have been consistently applied except where a newly issued accounting standard, if initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use and as mentioned in Note 7 below. Management evaluates all recently issued or revised accounting standards on an ongoing basis. Reference in these notes to Company or Group shall mean to include any or all of its aforesaid Group components unless otherwise stated.

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

2. **Accounting policies:**

Significant accounting policies followed by the Group are summarised below:

(a) Basis of accounting:

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

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

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

(b) Principles of Consolidation:

The CFS have been prepared on the following basis:

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

(ii) The difference between the costs of investments in the subsidiaries over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the CFS as goodwill and is included under intangible assets in the schedule of fixed assets, being an asset in the CFS. The net asset value considered for the purpose of goodwill in respect of trenches of investment, is the value as at the date of the first investment for acquiring the subsidiary.

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

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

(v) The financial statements of the subsidiaries used in the consolidation are drawn up to the same reporting date as that of the Parent Company i.e. March 31, 2009. In respect of a foreign associate which follows a different accounting year, the accounts are prepared upto the reporting date of the Parent Company to facilitate consolidation. The statutory accounting year of the foreign associate is the calendar year. The Group's share in profit of the foreign associate for the period of nine months i.e. April' 08 to December' 08 is based on audited accounts and for the balance period of three months i.e. January' 09 to March' 09 is based on un-audited accounts which is certified by the management.

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

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

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

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

(d) Non monetary items (including investment in a foreign associate) are reported using the exchange rate at the date of the transaction.

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

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

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

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

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

(b) Differences in accounting policies between the Parent Company and those adopted by a foreign subsidiary and an associate:

(1) The Parent Company and the foreign subsidiary and an associate provide depreciation at different rates on tangible assets.

(2) Foreign subsidiary and an associate recognize tax assets or liabilities in accordance with the applicable local legislation. Deferred tax assets or liabilities in respect of the foreign subsidiary and an associate are not recognized.

(3) Miscellaneous Expenditure is written off in the year of occurrence by the foreign subsidiary whereas the Parent Company amortises the same over a period of five years.

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

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

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

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

(ii) Expenditure during construction period (including financing cost relating to borrowed funds for construction or acquisition of fixed assets and adjustments arising from exchange rate variations relating to borrowings) incurred on project under implementation is treated as Preoperative Expenses, pending allocation to assets, and is included under capital work- in- progress (CWIP). Trial Run expenditure is also capitalised. Any income generated during project implementation is reduced from the project cost.

(iii) CWIP also includes cost of fixed assets not ready to use, interest on loans attributable to the acquisition of qualifying fixed assets upto the date of their commissioning, advances paid towards acquisition of fixed assets and adjustments arising from exchange rate variations relating to specific borrowings attributable to cost of fixed assets not ready to use.

(iv) Machinery spares which can be used only in connection with an item of fixed asset and whose use is not of regular nature are depreciated over the estimated useful life of the relevant asset.

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

(i) **Depreciation-tangibles:**

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

(ii) **Amortisation-intangibles:**

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

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

(iii) **Impairment of assets:**

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

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

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

(f) **Investments:**

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

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

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

(g) **Inventories:**

Inventories of the Group are valued as follows:

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

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

(h) **Revenue recognition:**

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

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

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

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

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

(i) **Taxation:**

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

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

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

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

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

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

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

(Other than those relating to a foreign subsidiary)

(i) **Initial recognition:**

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

(ii) **Conversion:**

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

(iii) **Exchange differences:**

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

(l) **Securities premium account:**

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

(m) **Retirement benefits:**

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

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

(n) **Earnings per share:**

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

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

Provisions involving substantial degree of estimation in measurement are 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 to the CFS. Contingent assets are neither recognized nor disclosed in the CFS.

(p) **Derivative instruments:**

Gains or losses in respect of financial derivatives are accounted in the 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. Outstanding derivative instruments at the balance sheet date are not marked-to-market, as a result, losses relating to the year are not recognized in the profit and loss account, gains if any, are ignored.

(q) **Borrowing costs:**

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

(r) **Proposed dividend:**

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

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

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

Sl. No.	Particulars	Country of incorporation	Proportion of ownership interest	
			As at March 31, 2009	As at March 31, 2008
1	**Domestic Subsidiaries**			
(a)	Alert Fire Protection Systems Private Limited	India	**100%**	100%
(b)	Eurotech Cylinders Private Limited	India	**100%**	100%
(c)	Logicon Building Systems Private Limited	India	**100%**	100%
(d)	Nitin Cylinders Limited	India	**100%**	100%
2	**Foreign Subsidiary**			
(a)	Nitin Ventures FZE (effective July 29, 2007)	UAE	**100%**	100%

Sl. No.	Particulars	Country of incorporation	Proportion of ownership interest	
			As at March 31, 2009	As at March 31, 2008
3	**Foreign Associate**			
(a)	New Age Company LLC * (effective January 15, 2008)	UAE	**40%**	40%
4	**Partnership Firm**			
(a)	Eurotech Corporation	India	**95%**	95%
5	**Non-integrated un-incorporated Joint Venture**			
(a)	Oil Block - RJ-ONN-2004/1 (Ref.No.19) (field in the non-integrated un-incorporated Joint Venture)	**	**11.10%**	10%

(* Shareholding is through a foreign subsidiary viz. Nitin Ventures FZE)

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

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

Sl. No.	Particulars	Consolidated As at March 31, 2009 (Rs.)	Consolidated As at March 31, 2008 (Rs.)
I	**Contingent liabilities**		
a	Performance, bid bond and other bank guarantees given by the Group (fixed deposits deposited as margin money **Rs. 3,212,925** (Rs. 17,985,564) and mortgage of fixed assets belonging to the Parent Company provided).	**38,313,599**	54,222,183
b	Bond issued to the Development Commissioner, VSEZ by the Group for adherence to terms and conditions of setting up an SEZ unit.	**162,500,000**	162,500,000
c	Un-expired letters of credit (fixed deposits deposited as margin money **Rs.10,594,659** (Rs.14,282,000).	**47,867,101**	246,855,708
d	Corporate financial guarantees given by the Parent Company on behalf of the subsidiaries against which lien on fixed deposits of **Rs.Nil** (Rs. 150,000,000) have been created.		
	- Limit	**1,105,000,000**	645,000,000
	- Outstanding	**653,896,919**	521,809,813
II	**Capital commitments**		
a	Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for by the Group.	**308,141,959**	15,578,000

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

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

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

	Consolidated For the year 2008-09	Consolidated For the year 2007-08
Weighted average number of equity shares outstanding (Nos.)	**12,603,141**	12,068,250
	(Rs.)	(Rs.)
Net profit after tax attributable to the equity shareholders	**347,154,572**	201,824,389
Basic and diluted earnings per share	**27.55**	16.72
Nominal value per equity share	**10**	10

6. **Related party transactions:**

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

Foreign Associate
New Age Company LLC

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

Charitable Trust
Veer Foundation

Partnership Firm
Eurotech Corporation

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

Alert Fire Protection Systems Private Limited
Rahul N. Shah (Director)
Saroj N. Shah (Director)

Eurotech Cylinders Private Limited
Kunal N. Shah (Director)
K. H. Vaidyanathan (Director)
Logicon Building Systems Private Limited
Dharmendra Bavishi (Director)
Gopalkrishna Shahi (Director)

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

Nitin Ventures FZE
Nitin M. Shah (Managing Director)

Relatives of KMP
Nitin M. Shah (HUF)
Rahul N. Shah (HUF)
Reshma N. Shah (daughter of Nitin M. Shah & Saroj N. Shah)

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

Sl. No.	Nature of transaction / relationship / Name of the party	Consolidated For the year 2008-09 (Rs.)	Consolidated For the year 2007-08 (Rs.)
I	**Capital transaction**		
	Assets		
(i)	Investment		
	Un-incorporated joint venture		
	Oil Block (RJ-ONN-2004/1) (Ref.No.19)	**101,246,579**	11,337,853

Sl. No.	Nature of transaction / relationship / Name of the party	Consolidated For the year 2008-09 (Rs.)	Consolidated For the year 2007-08 (Rs.)
(ii)	Advance for purchase of immovable property		
	Relative of KMP		
	Nitin M. Shah	**45,100,000**	Nil
	KMP		
	Saroj N. Shah	**5,100,000**	Nil
(iii)	Loan/ adjustment in net worth		
	Foreign Associate		
	New Age Company LLC	**34,848,295**	Nil
II	**Revenue transactions**		
	Income		
(i)	Sales of trading goods		
	Foreign Associate		
	New Age Company LLC	**11,334,925**	Nil
(ii)	Group's share of profit		
	Foreign Associate		
	New Age Company LLC	**31,605,208**	7,752,532
	Partnership Firm		
	Eurotech Corporation	**Nil**	139,383
	Expenditure		
(i)	Rent		
	Relatives of KMP		
	Nitin M. Shah	**2,438,208**	2,433,302
	Saroj N. Shah	**573,372**	573,372
(ii)	Payment of salaries etc.		
	KMP		
1	Nitin M. Shah*	**4,978,862**	2,866,912
2	Rahul N. Shah*	**3,614,397**	1,530,752
3	Kunal N. Shah	**2,966,369**	2,327,000
4	Saroj N. Shah	**2,895,692**	2,308,391
5	Gopalkrishna Shahi	**Nil**	591,969
(iii)	Professional Fees		
	KMP		
	K. H. Vaidyanathan	**420,000**	688,400
(iv)	Donation	**Nil**	200,000
(v)	**Proposed Dividend**		
	KMP		
1	Nitin M. Shah	**7,362,000**	4,846,600
2	Rahul N. Shah	**2,418,000**	1,610,350
3	Gopalkrishna Shahi	**3,762**	2,508

Sl. No.	Nature of transaction / relationship / Name of the party	Consolidated For the year 2008-09 (Rs.)	Consolidated For the year 2007-08 (Rs.)
	Relatives of KMP		
1	Saroj N. Shah	**7,875,000**	5,250,000
2	Kunal N. Shah	**3,937,500**	2,625,000
3	Nitin M. Shah (HUF)	**1,723,923**	1,079,166
4	Rahul N. Shah (HUF)	**1,560,000**	1,014,650
5	Reshma N. Shah	**1,611,000**	1,073,334
III	**Personal financial guarantees obtained**		
	KMP and relatives of KMP jointly with the Parent Company		
	Jointly of Nitin M. Shah and Rahul N. Shah	**697,500,000**	755,000,000

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

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

Sl. No.	Particulars	Consolidated As at March 31, 2009 (Rs.)	Consolidated As at March 31, 2008 (Rs.)
I	**Assets**		
(i)	Investments, loans etc.		
	Foreign Associate		
	New Age Company LLC (equity shares) *	**292,914,913**	167,367,458
	(*includes Group's share of accumulated profits)		
	Un-incorporated joint venture		
	Oil Block (RJ-ONN-2004/1) (Ref.No.19)	**112,584,432**	11,337,853
	Partnership firm		
	Eurotech Corporation	**2,026,708**	2,026,708
II	**Liabilities**		
(i)	Trade payables		
	Un-incorporated joint venture		
	Oil block (RJ-ONN-2004/1) (Ref.No.19)	**63,106,195**	11,337,853
(ii)	Directors remuneration		
	KMP		
1	Nitin M. Shah	**904,508**	Nil
2	Rahul N. Shah	**904,508**	Nil
(iii)	Advance for purchase of immovable property		
	Relatives of KMP		
	Nitin M. Shah	**45,100,000**	Nil
	KMP		
	Saroj N. Shah	**5,100,000**	Nil
III	**Personal financial guarantees obtained**		
	KMP and relatives of KMP jointly with the Parent Company		
	Jointly of Nitin M. Shah and Rahul N. Shah	**1,452,500,000**	755,000,000

Notes:

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

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

(c) The identification of relationships is based on relationships as prevalent in the respective Group component where the related party transactions have taken place.

7. **Changes in accounting policies:**

(a) Some of the Domestic Group components have during the year changed the accounting policy for amortization of software from written down value method to straight line method. However, this change in accounting policy is not material and hence not quantified.

(b) Consequent to a change in the accounting policy by the Parent Company during the year ended March 31, 2008, in respect of public issue expenses from amortising the same over a period of five years to charging off against the 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 for the above previous year.

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

(a) Group's share in contingencies and capital commitments for which it is contingently liable: **Rs.1,415,120** (Rs.967,852)

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

9. **Segment reporting:**

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

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

Secondary segmental information:

Particulars	**India 2008-09 Rs.**	**Rest of the world 2008-09 Rs.**	**Total 2008-09 Rs.**
Segment sales	**1,551,514,581**	**908,516,320**	**2,460,030,901**
Segment assets	**405,084,533**	**296,522,614**	**701,607,147**

Notes:

(i) In the previous year ended March 31, 2008, in the opinion of the management of the Group, its business activities fell under a single segment. Hence, disclosure of previous years' figures is not applicable.

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

(b) The Group's management up to the year ended March 31, 2007 had considered two reportable segments viz. manufacturing fire fighting equipment (gas based and water based fire extinguishers), providing turnkey solutions including procurement, designing, system integration, commissioning and installation of safety and security solutions/intelligent building management systems, execution of annual maintenance contracts for fire protection/ intelligent building management systems and high pressure seamless cylinders. However, based on guiding principles given in AS-17 'Segment Reporting', and a review by the Group's management during the previous year ended March 31, 2008, it has concluded that the segment of high pressure seamless cylinders is also a part of the former segment. As a result of such change in identification of segments during the afore said previous year, the following figures relating to high pressure seamless cylinder segment have been combined with the former segment:

Sl. 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

10. **Bank balance with others:**

It represents the bank balance with an overseas branch of a foreign bank classified as a non-scheduled bank by the Reserve Bank of India. The balance in current account with a non-scheduled bank is as follows:

Name of the bank	Outstanding balance As at March 31, 2009 (Rs.)	Maximum amount outstanding at any time during the year 2008-09 (Rs.)
HSBC Bank Middle East Limited, Jebel Ali, Dubai, UAE.	**2,502,158** (11,732,181)	**47,835,135** (23,840,119)

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

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

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

	Currency	**Consolidated As at March 31, 2009**		Consolidated As at March 31, 2008	
		Amount in Foreign Currency	**Rs.**	Amount in Foreign Currency	Rs.
- Hedging commitments outstanding :					
Secured loans	USD	**3,000,000**	**152,850,000**	3,000,000	120, 240,000
No. of contracts outstanding		**1**	**-**	1	-

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

Particulars	Currency	Consolidated As at March 31, 2009		Consolidated As at March 31, 2008	
		Amount in foreign currency	Rs.	Amount in foreign currency	Rs.
Receivables					
Sundry debtors for exports	USD	**3,700,920**	**188,561,874**	9,840	394,871
Sundry debtors for exports	EURO	**1,697**	**114,514**	Nil	Nil
Advances to suppliers	USD	**514,281**	**26,209,852**	Nil	Nil
Cash and cash equivalents	USD	**14,441**	**735,805**	Nil	Nil
Payables					
Secured loans	USD	**7,882,877**	**401,632,616**	5,667,286	227,144,832
Sundry creditors for imports	USD	**4,346,127**	**221,507,787**	1,959,256	78,730,248
Sundry creditors for imports	GBP	**164,081**	**11,954,821**	12,090	1,040,170
Sundry creditors for imports	EURO	**422,386**	**27,540,242**	105,281	6,661,123
Interest accrued but not due on loans	USD	**7,031**	**358,230**	Nil	Nil

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

(c) In pursuance of announcement dated March 29, 2008 of the Institute of Chartered Accountants of India (ICAI) on Accounting for Derivatives, mark to market loss on an outstanding derivative instrument as on March 31, 2009 stood at Rs.22,500,000, arising from a hedging transaction undertaken by a Group component for its foreign currency related exposures. The above mark to market loss is expected to flow back through future cash flows. The said Group component has not provided for the loss on mark to market basis.

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

		Consolidated For the year 2008-09 (Rs.)	Consolidated For the year 2007-08 (Rs.)
(a)	Contract revenue recognized	**935,510,688**	636,170,305
(b)	Gross amount due from customers for contract work	**184,964,154**	160,765,015
(c)	Gross amount due to customers for contract work	**Nil**	Nil
(d)	Contracts in progress	**Nil**	Nil

13. **Deferred taxation:**

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

(b) (i) Deferred tax asset included in the balance sheet relates to excess of depreciation and amortization provided in the books of account over depreciation and amortization allowable under the Income Tax law : **Rs. 498,174** (Rs. 120,845).

(ii) Deferred tax liability included in the balance sheet relates to excess of depreciation and amortization allowable under the Income Tax law over depreciation and amortization provided in the books of account: **Rs.12,051,541** (Rs. 1,196,818).

14. CWIP includes pre-operative expenses incurred during project implementation of a Group component, the details of which are as under:

	Consolidated For the year 2008-09 (Rs.)	Consolidated For the year 2007-08 (Rs.)
Opening balance	**123,183,238**	12,768,308
Add: Additions during the year (net)	**Nil**	110,414,930
	123,183,238	123,183,238
Less: Capitalised during the year	**123,183,238**	Nil
Closing balance	**Nil**	123,183,238

15. Pursuant to search and seizure operations conducted on some of the domestic Group components during an earlier year, re-assessment proceedings under the Income Tax Act, 1961 for six financial years (or less, as applicable) beginning from F.Y.2001-02 (or later, as applicable) are under progress. Re-assessment proceedings from the F.Y.2004-05 are also in progress in respect of another domestic Group component pursuant to receipt of notice u/s 153 A of the Income tax Act, 1961. According to the management of all the above domestic Group components, adequate provision for income tax is made in their respective companies' books of account for the relevant financial years.

16. Exchange loss (other than loss on translation on consolidation) included in the consolidated profit and loss account: **Rs.31,128,899** (exchange gain Rs.8,038,250).

17. **Secured Loans:**

(a) Loans under different categories (other than vehicle loans) are secured against certain assets, plant and machinery, equipments and other immovable properties, inventories and receivables of some of the Group components and also guaranteed by some of the Director's of the respective group components. Borrowings by certain subsidiaries of parent company are further secured by the corporate guarantees of parent company.

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

(c) Amounts repayable within one year **Rs. 91,173,243** (Rs.74,281,915)

18. **Investment in the capital of a partnership firm by the Parent Company:**

The detail of investment made in the capital of a partnership firm of M/s Eurotech Corporation by the Parent Company as at March 31, 2009 is as under:

Sl. No.	Name of the partners	Share of the 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**

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

Managerial Remuneration under section 198 of the Act paid or payable during the year, to the Managing Director and other Directors:

Particulars	Parent Company For the year 2008-09 (Rs.)	Parent Company For the year 2007-08 (Rs.)
Managing Director/ Wholetime Director		
Salaries, bonus and allowances	**4,589,125**	4,219,645
Perquisites	**60,000**	132,836
Contribution to provident and other funds	**403,200**	317,164
Commission on profits	**3,540,934**	NA
Total	**8,593,259**	4,669,645
Non Wholetime Directors		
Sitting fees	**143,000**	110,000
Total	**143,000**	110,000

Notes:

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

(ii) Computation of net profits under Section 309 (5) of the Act has not been disclosed as the limits prescribed under the Act do not apply to the CFS of NFPIL.

20. **Impairment of assets:**

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

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

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

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

Name of the field in a joint venture	Description of interest/ (Description of job)	Proportion of ownership interest	Country of	
			Incorporation	Residence
RJ-ONN-2004/1 (Ref.No.19)	Non integrated joint venture (Crude Oil block)	**11.10%** (10%)	*	**India**

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

(b) Contingent liabilities in relation to interest in a joint venture as at March 31, 2009: **Rs.43,849,578** (Rs33,363,960) and share in contingent liabilities jointly with other venturers as at March 31, 2009: **Rs. Nil** (Rs. Nil).

(c) Share in contingent liabilities of a joint venture itself for which the Parent Company is contingently liable as at March 31, 2009: **Rs. Nil** (Rs. Nil).

(d) Contingent liabilities in respect of liabilities of other venturers of a joint venture as at March 31, 2009: **Rs. Nil** (Rs. Nil).

(e) Capital commitments (net of advances) in relation to interests in a joint venture and not provided for as at March 31, 2009: **Rs. Nil** (Rs. 102,362,147) and its share in capital commitments (net of advances) that have been incurred jointly with other venturers and not provided for as at March 31, 2009: **Rs. Nil** (Rs. Nil).

(f) Parent Company's share of capital commitments (net of advances) of the joint venturers themselves and not provided for as at March 31, 2009: **Rs. Nil** (Rs. Nil).

22. Initial surveys in respect of the joint venture (referred to in Note 21 above) for oil and gas producing activities are under progress. Hence, disclosures required viz. net quantities of the Group's interest in proved reserves and proved developed reserves of oil (including condensate and natural gas liquids), gas at the beginning and additions, deductions, production and closing balance of the year and the above disclosures on geographical basis required pursuant to the Guidance Note on Accounting for Oil and Gas Producing Activities issued by the ICAI are currently not applicable.

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

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

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

25. (a) Provision for current tax includes **Rs.65,000** (Rs. 60,000) for wealth tax.

(b) Prior period adjustments' represents amortisation amount of leasehold land of earlier period's.

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

27. The effect of formation of a subsidiary of the Parent Company on July 27, 2007 on the CFS of the previous year ended March 31, 2008 is as under:

Name of the company	Effect on group profit (Rs.)	Net assets (Rs.)
Nitin Ventures FZE	17,099,778	17,099,778

28. (a) Dividend income of **Rs.25,000,000** (Rs. Nil) received by the Parent Company from its domestic subsidiaries viz. Alert Fire Protection Systems Private Limited and Eurotech Cylinders Private Limited has been considered as part of income in the stand-alone financial statements of the Parent Company. However, as all intra group transactions are eliminated, dividends received by the Parent Company from its aforesaid subsidiaries is not reflected in the CFS.

(b) On the above dividends received by the Parent Company, corporate dividend tax is paid by its aforesaid subsidiaries. In terms of provisions of sub-section 1A of Section 115O of the Income Tax Act, 1961, corporate dividend tax payable by the Parent Company of **Rs.2,176,962** (Rs. Nil), is net of such corporate dividend tax paid by its aforesaid subsidiaries amounting to **Rs.4,248,750** (Rs. Nil).

29. **Previous year comparatives:**

The financial statements of some of the Group components consolidated in the CFS are for different period's vis-à-vis the previous year and also a Group component commenced manufacturing operations at the beginning of the year. Thus, the figures of the corresponding previous year are not comparable to the extent mentioned above.

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

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

In terms of our report of even date.

For **Tolia & Associates**
Chartered Accountants

Sd/-
Kiran P. Tolia
Proprietor
Membership No.:43637
Mumbai
May 21, 2009

For and on behalf of the Board of Directors

Sd/-
Nitin M. Shah
Chairman &
Managing Director
Mumbai
May 21, 2009

Sd/-
Rahul N. Shah
Whole-time Director

Sd/-
Abhishek Shrivastava
Company Secretary

Statement pursuant to exemption received u/s 212 (8) of the Companies Act, 1956 relating to subsidiary companies

Sl. No.	Name of the Subsidiary Company	Alert Fire Protection Systems Private Limited, India	Eurotech Cylinders Private Limited, India	Logicon Building Systems Private Limited, India	Nitin Cylinders Limited, India	Nitin Ventures FZE, UAE
	1	2	3	4	5	6
1	Financial Year ended on	March 31, 2009	March 31, 2009	March 31, 2009	March 31, 2009	March 31, 2009
2	Date from which they become subsidiary company	April 1, 2005	April 1, 2005	January 1, 2007	October 4, 2006	July 29, 2007
3a.	Number and face value of shares held by the holding company on the above date	10,000 Equity Shares of Rs. 10 each	10,000 Equity Shares of Rs. 10 each	17,500 Equity Shares of Rs. 10 each	3,612,500 Equity Shares of Rs. 10 each	1 Equity Share of 1,000,000 UAE Dirham
b.	Interest (direct as well as indirect) of the holding company	100%	100%	100%	100%	100%
4	The net aggregate amount of subsidiary companies profit so far as it concerns the members of the holding company					
a.	Not dealt with in the holding company	35,748,546	59,879,054	7,789,958	11,340,383	87,480,182
i	For the Financial Year ended March 31, 2009					
ii	For the previous Financial Years of the subsidiary companies since they become the holding company's subsidiaries	64,054,808	129,421,879	11,506,291	Nil	17,099,778
b.	Dealt with in the holding company					
i	For the Financial Year ended March 31, 2009	Nil	Nil	Nil	Nil	Nil
ii	For the previous Financial Years of the subsidiary companies since they become the holding company's subsidiaries	Nil	Nil	Nil	Nil	Nil

Statement pursuant to exemption received u/s 212 (8) of the Companies Act, 1956 relating to subsidiary companies

Details of Subsidiary Companies for the year ended March31, 2009

(Rupees)

Sl. No.	Particulars	Alert Fire Protection Systems Private Limited, India	Eurotech Cylinders Private Limited, India	Logicon Building Systems Private Limited, India	Nitin Cylinders Limited, India	Nitin Ventures FZE, UAE
1	Share Capital	100,000	100,000	175,000	36,125,000	10,874,622 USD 273,975
2	Reserves & Surplus	88,153,854	171,751,683	19,296,249	688,215,383	104,579,960 USD 2,052,600
3	Total Assets	236,237,494	315,376,733	102,665,221	1,506,453,435	423,462,771 USD 9,334,282
4	Total Liabilities	236,237,494	315,376,733	102,665,221	1,506,453,435	423,462,771 USD 9,334,282
5	Details of Investments	7,338,251	2,500,000	5,000	Nil	170,064,625 USD 4,347,504
6	Turnover (including other income)	247,327,909	589,889,048	194,955,790	551,508,276	383,598,755 USD 8,448,301
7	Profit before Taxation	55,523,490	92,948,986	12,335,635	23,190,152	87,480,182 USD 2,208,241
8	Provision for Taxation	19,774,944	33,069,932	4,545,677	11,849,769	Nil
9	Profit after Taxation	35,748,546	59,879,054	7,789,958	11,340,383	87,480,182 USD 2,208,241
10	Proposed Dividend	Nil	Nil	Nil	Nil	Nil

Exchange rate as on March 31, 2009
1 USD = Rs. 50.95

NITIN FIRE PROTECTION INDUSTRIES LIMITED

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

ATTENDANCE SLIP

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

I hereby record my presence at the 14th ANNUAL GENERAL MEETING of the Company to be held on Thursday the July 16, 2009, at 4.30 p.m. at Conference Hall, 1st Floor, Centre for Excellence in Telecom Technology and Management (CETTM), Technology Street, Hiranandani Gardens, Powai, Mumbai 400076, INDIA.

REGD. FOLIO NO. / DPID NO. ____________________

NO. OF SHARES __________

Name of the Shareholder (in block Capitals) ______________________________

Signature of the Shareholder or proxy ______________________________

NITIN FIRE PROTECTION INDUSTRIES LIMITED

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

PROXY FORM

REGD. FOLIO NO. / DPID NO. __________________ NO. OF SHARES ____________

I / We ______________________ of ______________________ being a member / members of the above Company, hereby appoint Mr./Mrs. ______________________ of ______________________ or failing him / her Mr./Mrs. ______________________ as my /our proxy to attend and vote for me /us and on my/our behalf at the 14th Annual General Meeting of the Company to be held on Thursday the July 16, 2009 and any adjournment thereof.

AS WITNESS my / our hand at ____________ on this ______ day of ______ 2009.

Affix Re. 1 Revenue Stamp

Signed by the said ______________________

Signature

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

NITIN FIRE PROTECTION INDUSTRIES LIMITED

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

DIVIDEND - ECS MANDATE FORM

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

Dear Sirs,

Payment of Dividend under the Electronic Clearing System (ECS)

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

Name of the Sole / First Shareholder (in Block Letters)			
Folio No.			
Name of the Bank in Full			
Branch Name and address			
9 digit code 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.

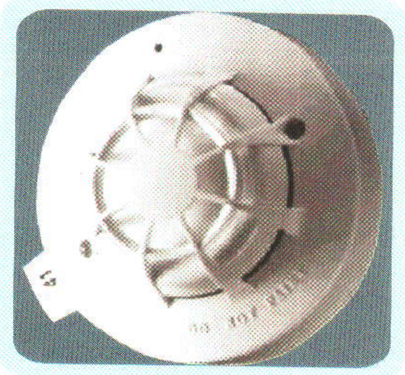
I/We hereby declare that the particulars given above are correct and complete. The present mamdate will supercede my/our earliear bank mandate, if any, given. If the transaction is delayed or not effected at all because of incomplete or incorrect Information, I/We would not hold the Company / the user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

Place :

Date :

Signature of SOLE / First Shareholder

NITIE®
FIRE SAFETY AND PROTECTION



FIRE SAFETY AND PROTECTION

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NITIN FIRE PROTECTION INDUSTRIES LIMITED

501, Delta, Technology Street, Hiranandani Gardens, Powai, Mumbai-400 076, India.
Tel.: +91 22 40457000 • Fax : +91 22 25701110 Email : cs@nitinfire.com • Website : nitinfire.com