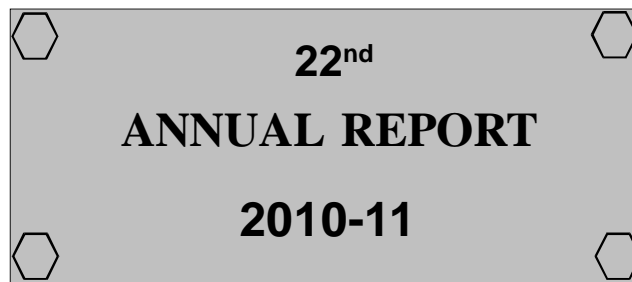


# **NEPC INDIA LIMITED**



**Annual report for the year ended 31<sup>st</sup> March, 2011****BOARD OF DIRECTORS**

Mr. Ravi Prakash Khemka, Chairman  
Mr. Raj Kumar, Whole Time Director  
Mr. Tirupathi Kumar, Managing Director  
Mr. Rakesh Gupta  
Mr. S. Rajendran

**AUDITOR**

M/s. A. Nageswaran  
Chartered Accountant  
No.7, Bharathi Street,  
Ram Nagar,  
Coimbatore - 641 009

**REGISTERED OFFICE**

1678, Trichy Road, Ramanathapuram  
Coimbatore - 641 045

**CORPORATE OFFICE**

36, Wallajah Road  
Chennai - 600 002

**WORKS**

Plot No. 222 (NP), Sidco, Industrial Estate  
Ambattur, Chennai - 600 098

**BANKERS**

Bank of Maharashtra  
State Bank of Patiala  
The Karnataka Bank Ltd.

**AUDIT COMMITTEE**

Shri S. Rajendran  
Shri Rakesh Gupta  
Shri Tirupathi Kumar

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### NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the Twenty Second Annual General Meeting of the members of the Company will be held on Friday, the 30th day of September 2011, at 10 A.M, at its Registered office at 1678, Trichy Road, Ramanathapuram, Coimbatore – 641 045 to transact the following business:

#### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2011 and the profit and loss account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in the place of Mr. Rajkumar who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in the place of Mr. Tirupathi Kumar who retires by rotation and being eligible offers himself for re-appointment.
4. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution.

**“RESOLVED THAT** M/s.A. Nageswaran, Chartered Accountant, Coimbatore – 641 009 be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company, on a remuneration that may be fixed by the Board of Directors”.

(By Order of the Board)  
for **NEPC India Limited**

Place : Chennai  
Date : 29-07-2011

Ravi Prakash Khemka  
Chairman.

**NOTES**

1. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote in his stead and the proxy need not be a member of the Company. The instrument of proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 26-09-2011 to 30-09-2011.
3. Members are requested to notify immediately any change in their address to the Company.
4. Members/Proxies should bring the Attendance Slip duly filled in for attending the meeting.
5. Members are requested to bring their copies of Annual Report to the Meeting.
6. Members are already informed that Securities and Exchange Board of India (SEBI) have made it compulsory for all investors to trade the Company's securities in dematerialisation form, effective 28-08-2000. Members are, therefore, requested to avail of Dematerialisation facility.
7. Members with identical order of names who are holding in multiple Folios are requested to write to the Company to consolidate their holdings into one Folio.
8. Members who hold shares in the physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest, to avail of nomination facility by filling Form 2B. Members who hold share in the dematerialized form may contact their Depository Participant for recording nomination in respect of their shares.
9. At this Annual General Meeting Mr. Rajkumar and Mr. Tirupathi Kumar, retire by rotation and being eligible, offer themselves for re-appointment.  
The brief background and the functional expertise of the Directors proposed for re-appointment is furnished below along with details of Directorships in other Companies.  
  
(a) Mr.Rajkumar, aged about 46 years, has been associated with the Company as Director since inception. He is well experienced in Business and Commerce. Details of other Directorships held by him:- Director in the Boards of NEPC Textiles Limited, NEPC Agro Foods Limited, Skyline NEPC Limited, Sai Televisions Limited and National Wind Power Corporation Ltd.  
  
(b) Mr.Tirupathi Kkumar, aged about 43 years, has been associated with the Company as Director since inception. He is well experienced in Business and Commerce. Details of other Directorships held by him:- Director in the Boards of NEPC Textiles Limited, NEPC Agro Foods Limited, Skyline NEPC Limited, Sai Televisions Limited and National Wind Power Corporation Ltd.

Place : Chennai  
Date : 29-07-2011.

(By Order of the Board)  
For NEPC India Limited  
Ravi Prakash Khemka  
Chairman



## DIRECTORS' REPORT

To the Members of NEPC INDIA LIMITED

Your Directors have pleasure in presenting the Twenty Second Annual Report and Audited Accounts of your Company for the year ended 31<sup>st</sup> March, 2011.

## FINANCIAL HIGHLIGHTS

The Financial Results and the performance of the Company during the year under review are as follows:

Particulars	(Rs. in lakhs)	
	Year ended 31-03-2011	Year ended 31-03-2010
Income from Operations	29.44	101.90
Other Income	-	0.73
Operating Expenses	153.68	212.53
Operating Profit/(loss) before Depreciation	(124.24)	(109.90)
Depreciation	83.04	88.68
Profit/(loss) before extra-ordinary items	(207.28)	(198.58)
Extra-ordinary items + / (-)	-	95.17
Provision for Taxation(Fringe Benefit Tax)	-	-
Profit (loss) after taxation	(207.28)	(103.41)
Balance Profit / (Loss) Brought Forward	(26051.15)	(25947.74)
Net Profit / (loss) carried to Balance Sheet	(26258.43)	(26051.15)

## DIVIDEND

The Directors do not recommend dividend for the year ended 31<sup>st</sup> March, 2011.

## BUSINESS REVIEW

Consequent to the process of transferring its wind energy division to M/s. Southern Wind Farms Limited as per the slump sale agreement dated 16-01-2006, the Company is presently engaged in the business of Solar Dual Power Modules and related items.

## DIRECTORATE

Mr. Rajkumar and Mr. Tirupathi Kumar retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment to the Board.

**AUDITORS**

M/s. A. Nageswarn, Chartered Accountant, retire at the conclusion of the forthcoming Annual General Meeting. However, they are eligible for re-appointment and have given their consent to act as the auditors of your Company, if appointed. The Audit Committee and the Board recommends the re-appointment of M/s. A. Nageswaran, Chartered Accountant, as the Auditors of the Company.

**REMARKS ON AUDITOR'S QUALIFICATIONS**

With regard to para 3 (vi)(a) of Auditor's report and Note II-3 in Schedule 18, the Company has already obtained confirmations from certain sundry creditors and sundry debtors. The process of confirmation and reconciliations in respect of other items such as sundry debtors, loans/advances, certain bank balances, deposits and current liabilities is on. However, it may be noted that after due reconciliation is over, the assets and liabilities of your Company are not expected to result in any material change, considering certain settlements already made.

With regard to para 3 (vi)(b) and Note II-08 in Schedule 18 regarding AS 28 - impairment of Assets, the Company is in the process of ascertaining the losses on account of impairment of asset, if any, relating to the Airline division and it is also considering the possibility of realizing some claim arising out of these assets. Pending this ascertainment, the loss has not been recognized in the current year.

With regard to para 3 (vi)(c) of Auditor's report and Note II-10 in Schedule 18 regarding non-provision of retirement benefits, since the number of employees becoming eligible is low, the quantum of provision required is expected to be marginal and will not vitiate the financial statements.

With regard to para 3 (vi)(d) of Auditor's report and Note II-11.1 in Schedule 18 regarding non provision of Deferred Tax assets as stipulated in AS 22 - Taxes on Income, the same has not been considered as the Company opines that there will not be any such instance.

**DIRECTORS RESPONSIBILITY**

In compliance with Section 217 (2AA) of the Companies Act, 1956, the Directors confirm that :

- in the preparation of annual accounts the applicable Accounting Standards have been followed, along with proper explanation wherever necessary.
- the Accounting Policies selected and applied on a consistent basis, give a true and fair view of the affairs of the Company and of the loss for the financial year;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the aforesaid Act for safeguarding the assets of the Company and for prevention and detection of fraud and other irregularities;
- the Annual Accounts have been prepared on a going concern basis.



## PARTICULARS OF EMPLOYEES

No employee of the Company was paid remuneration in excess of limits prescribed under section 217 (2A) of the Companies Act, 1956, read with the relevant Rules as amended.

## INDUSTRIAL RELATIONS

Your Company continues to maintain harmonious and cordial relations with its workers.

## CORPORATE GOVERNANCE

A detailed report on this subject forms part of this Report.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The Statement pursuant to Section 217 (1) (e) of the Companies Act 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988 is given in the annexure forming part of this Report

### *Foreign Exchange Earnings and Outgo*

	31-03-2011	31-03-2010
Earnings	Nil	Nil
Outgo	-	-
Travelling Expenses	-	-
Raw Material	-	-
Capital goods	-	-
Technical Expenses	-	-
Total	-	-

## ACKNOWLEDGEMENT

Your Directors would like to place on record their appreciation and gratitude to the Company's members for their support and confidence. Your Company is grateful for the co-operation and continued support extended by the Central Government, State Governments, Banks, Government Bodies, Departments, etc. The Directors also express their appreciation for the support and contribution by the employees at all levels.

(By Order of the Board)  
For **NEPC India Limited**

Place : Chennai  
Date : 29-07-2011

Ravi Prakash Khemka  
Chairman



## ANNEXURE TO THE DIRECTORS' REPORT

## FORM - A

(See Rule 2)

DISCLOSURE OF PARTICULARS WITH RESPECT TO  
CONSERVATION OF ENERGY31-03-201131-03-2010**A. Power and Fuel Consumption**

## 1. Electricity

a) Purchased Unit (Nos)	-	-
Total amount (Rs.)	-	-
Rate/Unit (Rs.)		
b) Own Generation		
i) Through Diesel Generator Unit (Nos)		
Units per Ltr. of diesel oil (Nos)		
Cost/unit (Rs)	-	-
ii) Through Wind turbine/generator		
Units (Nos)	Nil	Nil
Cost/unit (Rs)	Nil	Nil
Amount (Rs)	Nil	Nil

## 2. Coal (Specify quality and where used)

Quantity (tonnes)	Nil	Nil
Total cost (Rs.in thousands)	Nil	Nil
Average rate	Nil	Nil

## 3. Furnace Oil

Quantity (K. ltrs)	Nil	Nil
Total amount	Nil	Nil
Average rate	Nil	Nil

## 4. Others/internal generation

(please give details)

Quantity	Nil	Nil
Total cost	Nil	Nil

**B. Consumption per unit of production**

Products (with details) unit		
Electricity	Nil	Nil
Furnace	Nil	Nil
Coal (Specify quality)	Not applicable	Not applicable
Others (Specify)		



**FORM - B**  
**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO**  
**TECHNOLOGY ABSORPTION**

**(1) RESEARCH AND DEVELOPMENT (R&D)**

Your Company was a pioneer in Wind energy development in the country and achieved tremendous success in R&D activity related to wind energy machines by way of import substitution, indigenization and new products development, in the past.

**(2) FUTURE PLAN OF ACTION**

Your Company has identified Solar power equipment and related items as focus area of development , which involve Solar Cell / Fuel Cell, Inverters and related components.

**(3) EXPENDITURE ON RESEARCH AND DEVELOPMENT**

a) Capital	Nil
b) Recurring	Nil
c) Total	Nil
d) Total Research & Development expenditure as a percentage of total turnover	Nil

(By Order of the Board)  
For **NEPC India Limited**

Place : Chennai  
Date : 29-07-2011

Ravi Prakash Khemka  
Chairman

**REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31-03.2011****Code of Corporate Governance:**

NEPC India Limited, as part of NEPC Group, has over the years followed code of Corporate Governance by adhering to practices which consist of managerial plans and procedures towards fulfillment of the obligation to business performance along with maximisation of stakeholders value. The Company is committed to good corporate governance and continuously review various investor relationship measures with a view to enhance stake holders value.

NEPC India's business objective and that of its management and employees is to manufacture and market the Company's products in such a way as to create value that can be sustained over the long term for consumers, shareholders, employees, business partners and the national economy.

The Board of Directors are all experienced and eminent persons and the pivotal role is performed by them. The Board has constituted various committees like the Audit Committee, Share Transfer/ Investors' Grievance Committee to look into relevant aspects of specialised area. The Company reports the following compliance of Corporate Governance for the year ended 31-03-2011.

**BOARD OF DIRECTORS****a) Composition and Details of Membership/Chairmanship of Directors in Board Committees**

The Board of Directors of the company as at March 31, 2011 consisted of

S No	Name of Director	Executive /Non Executive Independent	No. of Director ships held	No. of Membership / Chairmanship in other Board Committees*
1	Mr.Ravi Prakash Khemka	Executive	6	-
2	Mr. Raj Kumar	Executive	6	5
3	Mr Tirupathi Kumar	Executive	6	5
4	Mr.S Rajendran	Non Executive & Independent	5	10
5	Mr. Rakesh Gupta	Non Executive & Independent	5	10

\* Only Audit Committee and Shareholders/Investors' Grievance Committee are considered for this purpose

Note : None of the Directors are Chairman of more than 5 Committees

The Board functions as a full Board or through Committees. The Board of Directors and its Committees meet at regular intervals. This structure has enhanced Board's role in guiding the Company and contributed to the overall performance.