



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 1" 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 Fluoroketone (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

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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

REGISTRAR &

SHARE TRANSFER AGENT

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

COMPANY SECRETARY

Abhishek Shrivastava

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

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NITIN FIRE PROTECTION INDUSTRIES LIMITED*Annual Report 2008-2009***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."

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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 tranche(s), 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 XIII A 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 XIII A of the SEBI guidelines, the allotment of securities shall only be to Qualified Institutional Buyers within the meaning of Chapter XIII A 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