



**64<sup>TH</sup>  
ANNUAL REPORT  
2011-12**



**NRC LIMITED**

**BOARD OF DIRECTORS**

MR. G. P. GOENKA	CHAIRMAN
MR. ASHOK GOENKA	DIRECTOR (Ceased w.e.f. 14/09/2011)
MR. MADHUKAR MISHRA	DIRECTOR
MR. P.K. MALLIK	DIRECTOR
MR. R.S. AGARWAL	DIRECTOR (Ceased w.e.f. 31/01/2012)
MR. K. N. BHANDARI	DIRECTOR
DR. P. P. SHASTRI	DIRECTOR (Appointed w.e.f. 19/10/2011)
MR. ARUN JAIN	MANAGING DIRECTOR

**CORPORATE & REGISTERED OFFICE**

EWART HOUSE , HOMI MODI STREET,  
FORT, MUMBAI – 400 001

	<b>CONTENTS</b>	Page No.
	Notice	01
<b>PLANTS</b>	Directors' Report	07
MOHONE 421 102 DIST THANE MAHARASHTRA STATE	Management Discussion & Analysis	10
<b>BANKERS</b>	Report on Corporate	12
BANK OF BARODA PUNJAB NATIONAL BANK DENA BANK CANARA BANK INDIAN OVERSEAS BANK	Governance	
	Auditors' Report	23
<b>AUDITORS</b>	Balance Sheet	28
LODHA & CO. CHARTERED ACCOUNTANTS	Profit and Loss Account	29
	Cash Flow Statement	30
<b>REGISTRAR &amp; SHARE TRANSFER AGENTS:-TSR DARASHAW LIMITED UNIT : NRC LTD.</b>	Notes forming part of the Balance Sheet	31
6-10, HAJI MOOSA PATRAWALA INDUSTRIAL ESTATE, 20, DR. E. MOSES ROAD, MAHALAXMI, MUMBAI 400 011 Tel. 9122-66568484 Fax: 9122-66568494 Email: csg-unit@tsrdarashaw.com Website: www.tsrdarashaw.com	Significant Accounting Policies	40
	Notes forming part of the Financial Statements	42
	<u>Attendance Slip/Proxy Form</u>	

**NOTICE** is hereby given that the **SIXTY-FOURTH ANNUAL GENERAL MEETING** of the Members of NRC LIMITED will be held as scheduled below:-

Day	:	Tuesday
Date	:	September 25, 2012
Time	:	11.30 A.M.
Venue	:	Rama Watumull Auditorium, K. C. College, Dinshaw Wacha Road, Churchgate, Mumbai – 400 020.

to transact the following business :

**ORDINARY BUSINESS**

- To receive, consider and adopt the Audited Accounts for the year ended on 31<sup>st</sup> March, 2012 and the Reports of the Directors and the Auditors thereon.
- To appoint a Director in place of Shri P. K. Mallik who retires from the office by rotation and, being eligible, offers himself for re-appointment.
- To appoint M/s. Lodha & Co. Chartered Accountants, as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

**SPECIAL BUSINESS:**

- To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:  
"RESOLVED THAT Dr. P. P. Shastri, who was appointed as an Additional Director of the Company by the Board of Directors and who holds office upto the date of the Annual General Meeting and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956 proposing his candidature for office of Director, be and is hereby appointed a Director of the Company."
- To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:  
"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government and such other approvals as may be necessary, the Company hereby accords its approval and consent to the re-appointment of Shri. Arun Jain, as the Managing Director for a period of three years with effect from 25<sup>th</sup> January, 2011 on the terms and conditions including remuneration as set out in the explanatory statement annexed hereto be, subject to such conditions and modifications, if any, that may be imposed by the Central Government in granting their approval and as may be acceptable to the Board of Directors and Shri. Arun Jain."  
"RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any year during the tenure of the Managing Director, Shri. Arun Jain shall be paid the remuneration including the perquisites as minimum remuneration as set out in the Explanatory Statement annexed hereto."  
"RESOLVED lastly that the Board of Directors be and is hereby authorised to do and perform all such acts, deeds, matters and things as may be considered desirable or expedient to give effect to the above resolutions including but not limited to entering into an agreement with Shri. Arun Jain with such modifications as may be necessary on receipt of approval of the Central Government."

**NOTES :**

- a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND THE MEETING AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
- b) The Register of Members and Share Transfer Books of the Company will remain closed from 10<sup>TH</sup> September, 2012 to 25<sup>th</sup> September, 2012 (both dates inclusive).
- c) Shareholders, holding shares in physical form, are requested to notify change in their addresses along with PIN CODE to the Company at its Registered Office or to the Registrars: TSR Darashaw Ltd. 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai – 400 011 quoting their Folio Numbers.  
The Shareholders holding shares in demat form may notify change in address to their respective Depository Participants.
- e) Members having multiple folios in relation to physical shares in identical or joint names in same order are requested to intimate the Registrars and Share Transfer Agents to consolidate their holdings into a single folio.
- f) Members desiring any information as regards accounts or operation of the Company are requested to send their queries to the Corporate & Registered Office of the Company in writing at least seven days in advance of the date of the Meeting so as to enable the Management to keep the necessary information ready at the Meeting.
- g) In the event the combined holding of Financial Institutions/Nationalised Banks/Insurance Companies, etc. exceeds the limit prescribed in Section 224A of the Companies Act, 1956, the Resolution No.3 will be proposed as a Special Resolution.
- h) Pursuant to Section 205-A of the Companies Act, 1956, the unclaimed dividend upto the financial year ended 31.3.1996 has been transferred to the General Revenue Account of the Central Government. Shareholders who have not encashed the dividend warrants are requested to claim the amount from Registrar of Companies, Maharashtra, Hakoba Mills Compound, 2<sup>nd</sup> Floor, Dattaram Lad Marg, Kalachowki, Chinchpokli, Mumbai - 400 033.  
Consequent on the amendment to Section 205-A by introduction of Section 205-C of the Companies (Amendment) Act, 1999, the amount of dividend remaining unpaid/unclaimed with effect from 31<sup>st</sup> March, 2005 for a period of seven years from the date of transfer to unpaid dividend account of the Company is required to be transferred to the Investor Education & Protection Fund (IEPF) set up by the Government of India and no payments shall be made in respect of such claims by the Fund. Accordingly, the unclaimed dividend for the financial year(s) ended 31.3.2004 has been transferred to IEPF during 2010-2011 and that relating to the financial year ended 31.3.2005 are due for transfer to IEPF as per details given below : -

Financial Year	Date of Declaration of Dividend	Due date for transfer to IEPF
2004-05	16/09/2005	29/10/2012

- i) Members who are holding Company's Shares in dematerialised form are requested to bring details of their DP and Client ID numbers for identification at the meeting.
- j) Members holding shares in physical form, desirous of making nomination in respect of their shareholding may approach the Company or to the Share Registrars for obtaining prescribed form and return the same duly filled in and signed for registration with the Company. The Members holding shares in demat form may register their nominations with their respective DPs.
- k) As required under the Listing Agreement with the Stock Exchanges the particulars of Director/s who is/are proposed to be re-appointed are given below:

Sr. No.	Name	Age	Qualifications	Experience	Share-holding in the Company	Director of the Company since	Other Directorships	Committee Positions
1	Shri P. K. Malik	78	B.Com., C. A., (Scotland), F.C.A	Partner in Price Waterhouse from 1965 to 1993. President Institute of C.A. of India, Chairman, Director of the Banks, Public Companies in India Chairman of Educational Foundation engaged in Undergraduate Studies.	-	28/06/2007	Kesoram Industries Ltd. Nagarjuna Agrichem Ltd. International Combinations Ltd. Peerless Financial Services Ltd. CHNHB Association, SVC Super-chem Ltd. Veigapudi Steels Ltd. Unimers India Ltd. SNTD Women's University	6
2	Dr. P. P. Shastri	64	M. A., Ph.D.	Director of UTI Institute of Capital Markets, Head of Research, Planning and Board & Conference Departments etc. , On the panel of Experts to Institute of Banking Personnel.	-	19/10/2011		2

l) The Company is registered with National Securities Depository Ltd. and Central Depository Services (India) Ltd. for dematerialisation of its Equity Shares with effect from 23.02.2001 and the ISIN number allotted to the Company's Equity Shares is INE 953C01018. Members are requested to note that trading and delivery of Company's Equity Shares are compulsorily in dematerialised form only.

m) The Company has created e-mail address to enable the Members to e-mail their complaints to the Company. The said e-mail address is [secretarial@nrclimited.com](mailto:secretarial@nrclimited.com) the members may use this speedier mode of communication.

n) All documents referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office of the Company between 10.30 a.m. and 1.00 p.m. on any working day prior to the date of the Meeting.

Registered Office:  
Ewart House  
Homi Modi Street  
Mumbai 400 001  
Dated : May 23, 2012

By Order of the  
Board of Directors  
  
Arun Jain  
Managing Director

Important Communication
<p><b>The Ministry of Corporate Affairs, vide its Circular No.18/2011 dated 29<sup>th</sup> April, 2011, clarify that as a measure of “Green initiative in Corporate Governance” it will be in compliance, if the Annual Report i.e. documents listed in section 219(1) of the Companies Act, 1956) is sent through e-mail. To support this green initiative, members holding shares in demat form are requested to provide their e-mail ID to the depository through their concerned depository participant and members holding shares in physical form are requested to provide e-mail ID to the Company’s Registrar &amp; Share Transfer Agents, M/s. TSR Darashaw Limited by filling the form available on the Company’s website and also update the e-mail address as and when there is any change.</b></p>

**EXPLANATORY STATEMENT**
**Item No.4**

Dr. P. P. Shastri was appointed as an Additional Director of the Company by the Board of Directors effective from 19<sup>th</sup> October, 2011. According to the provisions of Section 260 of the Companies Act, 1956 (the Act) read with Regulation 138 of the Articles of Association of the Company, Dr. P. P. Shastri holds office of Director upto the date of the ensuing Annual General Meeting of the Company. A notice has been received from a member as required by Section 257 of the Act signifying his intention to propose the appointment of Dr. P. P. Shastri as a Director.

The Board of Directors is of the view that the vast experience of DR. P. P. Shastri in diverse fields would be of immense benefits to the Company and hence recommends his appointment for your approval.

None of the Directors, except Dr. P. P. Shastri, himself, is interested in the Resolution.

**Item No. 5**

The Board of Directors reappointed Shri Arun Jain as Managing Director w.e.f. 25<sup>th</sup> January, 2011, for a period of three years to act as Managing Director of the Company, which was approved by members in the last AGM held on 14<sup>th</sup> Sept 2011, subject to approval of the Ministry of Corporate Affairs, New Delhi(MCA).The MCA vide their letter dated February 15, 2012 did not approve the re-appointment on procedural ground. The Board of Directors in its meeting held on 23<sup>rd</sup> May 2012 confirmed the reappointment. Consequently this resolution is put up for shareholders approval.

1	Period of Agreement	25.01.2011 to 24.01.2014
2	Remuneration of	Managing Director
A	Basic Salary	Rs.5,25,000/- p.m.
B	HRA	50% of the basic salary
C	Special Allowance	Rs.1,50,000 p.m.
D	Other Allowance	Rs.77,000/- p.m. in aggregate towards books and knowledge enrichment, servants and watchmen, Gas and Electricity and Soft furnishing.
E	Company maintained vehicle	Provision of two cars, all expenses to be borne by company.
F	Drivers and cleaner wages	At actual
G	Medical reimbursement	8.33% of the basic
H	Leave Travel Assistance	8.33% of the basic
I	Provident Fund	Companies contribution – 12% of basic salary, as per rules prevailing from time to time.
J	Gratuity	Payable at the rate of 15 days basic salary per year of service payable at the end of tenure. In computing the gratuity payable, the period of employment shall be considered from 25 <sup>th</sup> January, 2008, being the date of initial appointments.

K	Insurance coverage	As may be approved by the Board from time to time.
L	Club membership fee	Reimbursement of club Membership/ subscription fee for two clubs.
M	Earned/Privilege leave including encashment	As per the company’s scheme and as may be decided from time to time by the Board.
3	Performance pay/ Commission	Such percentage of the net profit of the Company as may be decided by the board from time to time but not exceeding Rs.25 lacs per annum.
4	Calculation of value of perquisites	For the purpose of calculating the value of perquisites, the same shall be evaluated as per Income Tax Rules, 1962, wherever applicable.
5	Minimum Remuneration	In the event of any absence of inadequacy of net profits in any financial year, the remuneration as mentioned in para 2 shall be the minimum remuneration payable to the Managing Director.
6	Actual Business Expenditure	The Managing Director shall be entitled to the reimbursement of all actual expense or charges including travel, entertainment, communication (including reimbursement of Phone and other communication facilities at residence) or other out of pocket and incidental expenses incurred by him in furtherance of company’s business and objectives.
7	Termination	The agreement for appointment may be terminated by either party by giving three months notice in writing or paying three months salary and applicable allowances in lieu thereof.

The Board therefore commends the resolution for the approval of the Shareholders.

This may be treated as an Abstract of the terms of the draft agreement proposed to be entered into between the Company and Mr. Arun Jain and Memorandum of Interest under Section 302 of the Companies Act, 1956.

The agreement already entered into between the Company and Mr. Arun Jain is available for the inspection of the Members at the Registered Office of the company during business hours on any working day between 10.30 a.m. and 1.00 p.m.

**Registered Office:**

Ewart House  
Homi Modi Street  
Mumbai 400 001.  
Dated : May 23, 2012

By Order of the  
Board of Directors

**Arun Jain**  
Managing Director

**STATEMENT CONTAINING INFORMATION REQUIRED TO BE GIVEN UNDER SCHEDULE XIII AS REQUIRED BY NOTIFICATION REF.G.S.R. 36(E) DATED JANUARY 16, 2002 ISSUED BY GOVERNMENT OF INDIA, MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS, DEPARTMENT OF COMPANY AFFAIRS, NEW DELHI FOR ITEM NO.6**
**I. General Information**

- Nature of the Industry – Rayon, Nylon and Chemicals.
- Date of expected date of commencement of commercial production : N. A.
- In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus - N. A.
- Financial Performance - (Based on the audited Accounts for the year ended 31.3.2012)
 

Turnover	NIL
Net Profit/(Loss) before tax	(54.78)
Total Expenditure	57.47
- Export performance and net foreign exchange collaborations : Exports Nil. There are no foreign collaborations.

6. Foreign Investments or Collaborators : NIL

**II. Information about the Appointees:**

- Information about Shri. Arun Jain, Managing Director :  
Shri. Arun Jain is a B.Sc. and Chartered Accountant  
Shri Arun Jain, did his B.Sc. and thereafter passed Chartered Accountant's examination with ranks.  
Shri Arun Jain, (59), is having more than 31 years of wide range of rich experience in the public Companies. As Executive Director, he was responsible for performance of the group Companies with the Yash Birla Group of Companies. He was associated with the aforesaid Companies for last 31 years in various capacities and had played a key role in Company's turn around and growth.  
He has been actively associated with day to day management and techno commercial decisions making and planning for more than 15 years.
- Past Remuneration: Shri. Arun Jain was Executive Director in his previous Company and was drawing remuneration as was applicable to his position.
- Job profile and his suitability: The Job Profile is to look after day to day affairs of NRC Ltd. His foremost job is to revive the company and bring NRC in profit. His qualification and experience are very much suitable to handle job profile assigned to him.
- Remuneration proposed: The Abstract containing details of remuneration proposed to be paid to the Managing Director is contained in the Explanatory Statement No. 5 to the Notice of the 64th Annual General Meeting.
- Comparative remuneration profile with respect to industry, size of the Company, profile of the position and the person: The remuneration proposed is comparable with the emoluments of Managerial Personnel of like industries operating in India taking into consideration the experience of Shri. Arun Jain.
- Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel if any: Shri. Arun Jain, does not have any pecuniary transactions with the Company except by way of his contract of employment with the Company nor he has any relationship with any other Director of the Company.

**III. Other information:**

- Reasons of loss or inadequate profit : The inadequacy of profits in terms of Section 198 of the Companies Act, 1956 arise due to lockout in the Plant.
- Steps taken for improvement : Various initiatives have been taken by the Managing Director such as negotiation with various labour unions to get consensus over various issues and early receipt of the land sale proceeds.
- Expected increase in productivity and profits in measurable terms: The preparation of the Company's Rehabilitation Scheme is held up due to various matters pending with courts/BIFR. It is expected that the company would prepare the scheme after getting a direction for the same.

**IV. Disclosures:**

- The 'Abstract' containing details of remuneration paid/proposed to be paid to the Managing Director under Section 302 of the Companies Act, 1956 had been circulated among the Shareholders of the Company and is contained in the Explanatory Statement Nos. 5 as required under Section 173 of the Companies Act, 1956.
- All the relevant information pertaining to the Managing Directors, required to be disclosed in the Directors' Report under the heading "Corporate Governance", are attached to the Annual Report.

**Registered Office:**

Ewart House  
Homi Modi Street, Fort  
Mumbai 400 001

By Order of the  
Board of Directors  
**Arun Jain**  
Managing Director

**DIRECTORS' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2012.**

To

The Members,

Your Directors present the 64<sup>th</sup> Annual Report and Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2012.

**FINANCIAL RESULTS**

Rs.in lacs

	Year ended 31/03/2012	18 months period ended 31/03/2011
Gross Sales	0	69
Profit before Interest, Depreciation and Tax	(925)	(2580)
Interest	3027	3900
Profit before Depreciation and Tax	(3952)	(6480)
Depreciation	1526	2272
Profit/(Loss) before Exceptional items & Tax	(5478)	(8752)
Exceptional Items	223	858
Taxation	-	-
Profit/(Loss) After exceptional items and Tax	(5701)	(9610)
Surplus/(Deficit) from Previous Year	(44025)	(34414)
Profit/(Loss) available for Appropriation	(49726)	(44025)

**PERFORMANCE AND PROSPECTS**

- The lockout declared w.e.f. 15<sup>th</sup> November, 2009 is still in force. There were no manufacturing operations during the year; however the essential services remain in operation.
- To generate interest free funds for revival of operations the company entered into Agreement for sale of land with Raheja Universal Ltd.(RUL) in 2006-07. Subsequently, the company was declared a Sick Industrial Undertaking under Sick Industrial Companies (Special Provision) Act, 1985 (SICA). The Board For Industrial And Financial Reconstruction (BIFR) directed that being a sick company, the land will have to form part of Draft Rehabilitation Scheme (DRS) under Section 18(1)(d) of SICA and appointed Punjab National Bank (PNB) as Operating Agency (OA) for preparation of DRS u/s. 17(3) of SICA. Series of litigation followed the BIFR Order and culminated in the Hon. Supreme Court, which upheld the BIFR Order.
- The exercise of sanction of the Rehabilitation Scheme was delayed due to aforesaid litigations and is now expected to proceed in terms of the BIFR Order dated 16.7.2009. Further directions of BIFR regarding sale of land under Section 18 of SICA are awaited. In the meanwhile, the company is in the process of formulating the DRS based on estimated current valuation of land proposed to be sold in terms of Section 18 of SICA.
- The Company plan to recommence the operations as soon as proceeds from the sale of land under the aegis of BIFR are received and the Rehabilitation Scheme is sanctioned.

**DIVIDEND**

In view of the unavailability of the profit, the Directors regret their inability to recommend any dividend for the year ended 31<sup>st</sup> March, 2012.

**DIRECTORS**

During the year Shri Ashok Goenka, Director resigned w.e.f. 14/09/2011 and Shri R. S. Agarwal, Director resigned w.e.f. 31/01/2012. The Board places on record their appreciation

for the valuable services and contributions and guidance offered by both of them during their long tenure with the Company.

The Board resolved to appoint Dr. P. P. Shastri as an Additional Director with effect from the date of receipt of his consent to act as Director of the Company. As per the provisions of the Companies Act, 1956 the Director who hold office upto the 64<sup>th</sup> AGM his candidatures will be put before the 64<sup>th</sup> Annual General Meeting for appointment as Director subject to retire by rotation in terms of Section 257 of the Companies Act, 1956.

Further, in term of Articles of Association of the Company and Section 255 of the Companies Act, 1956 Shri P. K. Mallik retire by rotation at the forthcoming Annual General meeting and being eligible, offers himself for re-appointment.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

As required under Section 217 (2AA) of the Companies Act, 1956, as amended by the Companies (Amendment) Act, 2000, given below is the Directors' Responsibility Statement; The Board of Directors state:

- i) that in the preparation of the Annual Accounts for year ended 31<sup>st</sup> March, 2012, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- ii) that the Directors had selected such accounting policies and applied them consistently and 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 at the end of year as on 31<sup>st</sup> March, 2012 and of the loss of the Company for that period;
- iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that the Annual Accounts for the year ended 31<sup>st</sup> March, 2012 had been prepared on a going concern basis.

#### **SAFETY**

Adequate safety measures and safe working practices have been implemented to ensure safety of workforce, plant and machinery as well as of the environment. The working environment is periodically monitored by drawing samples. The records of the same are maintained.

#### **INDUSTRIAL RELATIONS**

Industrial Relations during the year under review continued to remain cordial and peaceful.

#### **PUBLIC DEPOSITS**

The Company has not accepted any deposits from the public under Section 58A of the Companies Act, 1956.

#### **COST AUDIT**

Since the plant is not in operation during the year, Exemption from the Cost Audit is being applied for the year ending 31<sup>st</sup> March, 2012 with the Central Government.

#### **APPOINTMENT OF AUDITORS**

M/s. Lodha & Co., Chartered Accountants, the Auditors of the Company retires at the forthcoming Annual General Meeting and are eligible for re-appointment. Members are requested to re-appoint auditors and fix their remuneration.

#### **ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE**

Since the plant is not in operation during the year the Energy Conservation and Research & Development activities undertaken by the Company as required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not prepared.

#### **PARTICULARS OF EMPLOYEES**

The Particulars of Employees as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is appended.

#### **REPORT ON CORPORATE GOVERNANCE**

Pursuant to Revised Clause 49 of the Listing Agreement with the Stock Exchanges, report on Corporate Governance Code and Auditors' Certificate regarding compliance of the conditions of the Code and Management Discussion and Analysis are part of this Annual Report.

#### **ACKNOWLEDGEMENTS**

Your Company and its Directors acknowledge with gratitude the support received from the Government Agencies, Financial Institutions, Banks, Investors, Business Associates and Employees of the Company and look forward to their continued support.

For and on behalf of the Board of Directors

Mumbai  
May 23, 2012.

**G. P. GOENKA**  
Chairman

#### **PARTICULARS OF EMPLOYEES UNDER SECTION 217 (2A) OF THE COMPANIES ACT, 1956**

Name (a) Designation/ Nature of Duties (b) Age (years) (c) Remuneration (Rs.) (d) Qualification (e) Experience (Years) (f) Date of Commencement of Employment (g) Last employment.

Jain Arun (a) Managing Director (b) 59 (c) Rs. 1,34,55,000\* (d) B.Sc, Chartered Accountant (e) 33 years (f) 25.01.2008 (g) Executive Director- Zenith Birla (India) Ltd.

NOTES:

\* The amount has been provided and will be paid after receipt of Central Govt. approval.

Remuneration includes Salary and Allowances, Leave Travel Assistance, Medical Expenses, Performance Related Pay, Company's Contribution to Provident and Superannuation Funds and other facilities / benefits the monetary value of which has been evaluated as per Income-tax Rules.

The above employee is not relative of any Director of the Company and the nature of their employment is contractual.

On behalf of Board,  
**G.P.Goenka**  
Chairman

Mumbai, 23rd May, 2012

## MANAGEMENT DISCUSSION & ANALYSES

The Company has three strategic business units viz. Rayon, Nylon Tyre Cord & Chemicals. The Company also has a Captive Power Plant of 24 MW capacity.

A brief reporting on the market segments is as follows:

### BUSINESS SEGMENT – RAYON

- Domestic VFY production increased by 3%. Imports increased by 12% i.e. 23066 MT during 2011-12 as against 20459 MT during 2010-11.
- Wood Pulp Price reduced gradually from the peak that is US\$ 2600 per M. T. to US\$ 1200 per M.T.
- The gap between demand and supply is met by Import from CHINA. However, Anti dumping duty @ 5.04% is imposed for China material with effect from 5<sup>th</sup> May, 2012.
- Average sales realization of the Industry improved by 17% that is from Rs.246/- per Kg. during 2010-11 to Rs.288/- per kg during 2011-12.
- Out look of VFY remain robust.

### BUSINESS SEGMENT NYLON

- Nylon Tyrecord prices remain under pressure.
- China's Nylon Tyrecord Fabric is major Threats
- Major raw material for Nylon Tyre Cord is a petroleum based product Caprolactum which has increased cost of production.
- The production of the nylon Industrial/Tyre Yarn in decreased gradually from 65000 M. T. per annum in 2010-11 to 56000 M.T. per annum in 2011-12.

### BUSINESS SEGMENT CHEMICALS:

#### A) CAUSTIC SODA

- Domestic Caustic Soda demand grew during the year on account of better demand for Alumins & paper segment.
- Out look of Caustic Soda is expected to remain good as prices are firm in the last Quarter of the year.

(B) CS2 Prices are in upward trend due to increased demand. Consumption continues to remain stable.

(C) H2SO4 : Prices of H2SO4 remain under pressure.

### INTERNAL CONTROL SYSTEMS & ADEQUACY

The Company has adequate internal control procedures commensurate with its size and nature of business. It ensures that all assets are safeguarded and protected against improper use and that transactions are authorized, recorded and reported correctly.

The Internal Auditor carried out periodic checks to review the efficacy of the checks and balances in the organization. The management also independently carries out checks at its various branches and offices with a focus on adequate internal control. In addition, Audit

Committee of the Board of Directors also periodically reviews the internal control system and the Management carries out their suggestions for improvement.

There were no manufacturing operations during the year; however the essential services were in operation.

### FINANCIAL & OPERATIONAL PERFORMANCE

Rs in Lacs

Particulars	2011-12 (12 months)	2009-11 (18 months)
Gross Turnover	0	69
Net Turnover	0	66
Profit / (Loss) before Int., Depn. & Tax	(925)	(2580)
Interest	3027	3900
Profit / (Loss) before Depn. & Tax	(3952)	(6480)
Depreciation	1526	2272
Profit/(Loss) before Tax and Extra-ordinary items	(5478)	(852)
Extra-ordinary Items	223	858
Deferred Tax Asset / (Asset Reverse)	-	-
Current Tax ( FBT )	-	-
Profit / (Loss) for the year	(5701)	(9610)

### HUMAN RESOURCES & INDUSTRIAL RELATIONS:

The Company strongly believes that its team of capable and committed manpower is the key factor behind its achievements and success. Efforts are being made to create and nurture an Organization that is highly motivated, result oriented and adaptable to the changing business environment. Our relationship with the employees continues to remain cordial.

### CAUTIONARY STATEMENT

Any statements made in these analyses relating to Company's objectives, expectations, estimates, projections, etc. may be considered as "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results may differ from such estimates, projections, etc. whether expressed or implied. Factors which could make a significant difference to the Company's operations include climatic conditions, market price in the domestic and overseas markets, changes in Government regulations and tax laws, economic conditions affecting demand/supply and other environmental factors over which the Company does not have any control.

## REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31.03.2012.

(as required under Revised Clause 49 of the Listing Agreement(s) with the Stock Exchanges)

### A: Mandatory Requirements:

Your Company continues to uphold good governance and practices. It has always been taking necessary steps to realign its corporate practices with the requirements of Listing Agreements. The Company is ever alert to the changing needs in the standards of corporate governance as 'stipulated from time to time by the Regulatory Bodies. Periodic review in the systems and procedures is being carried out.

### I. Board of Directors:

The strength of the Board of Directors during 2011-12 was 5 (Five). The composition of the Board complies with the requirements of minimum number of independent directors and non-executive directors. All the Directors comply with the ceiling for holding maximum number of directorship and committee positions under various statutes. None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49(C)(ii)) across all the Companies in which he is a Director.

The detailed disclosure of the Board of Directors as required under the Code are as follows :-

Name	Category	No. of Board Meetings attended (out of 5 Board Meetings held) during the year ended 2011-2012	Whether attended AGM held on 14 <sup>th</sup> September, 2011.	*No. of Directorships in other companies	No. of Committee positions held in other companies	
					Chairman	Member
Shri. G. P. Goenka (Chairman)	Promoter (Non-Independent)	4	Yes	6	-	-
Shri. Ashok Goenka (upto 14.09.2011)	Independent (Non-Executive)	0	N.A.	-	-	-
Shri. Madhukar Mishra	Non-Independent (non-executive)	0	No	2	-	4
Shri P. K. Mallik (From 28.06.2007)	Independent (Non-Executive)	5	Yes	5	2	6
Shri R. S. Agarwal (upto 31.01.2012)	Independent (Non-Executive)	4	Yes	11	3	-
Shri K.N. Bhandari (from 19.10.2010)	Independent (Non-Executive)	5	Yes	1	1	2
Dr. P. P. Shastri (from 19.10.2011)	Independent (Non-Executive)	0	N. A.	4	1	1
Shri. Arun Jain Jt. Managing Director from 25.1.2008 and Managing Director from 22.2.2008	Executive (Non-Independent)	5	Yes	-	-	-

\* Excluding directorship in Private Companies.

Five Board Meetings were held during 2011-12 and the gap between two meetings did not exceed four months. The dates on which Board meetings were held are: -

23<sup>rd</sup> May, 2011, 8<sup>th</sup> August, 2011, 14<sup>th</sup> September, 2011, 19<sup>th</sup> October, 2011 and 31<sup>st</sup> January, 2012.

None of the Executive or Non Executive Directors holds any Shares in the Company except Shri. G. P. Goenka (Non-Executive Chairman) who holds 47,271 equity shares in the Company.

### II. Audit Committee:

The constitution, function and terms of reference of the Audit Committee are in conformity with Section 292 A of the Companies Act, 1956 and Clause 49 of the Listing Agreements with the Stock Exchanges.

Shri. P. K. Mallik, the Chairman of the Audit Committee was present at the 63<sup>rd</sup> Annual General Meeting held on 14<sup>th</sup> September, 2011.

The Composition of the Audit Committee and the details of meetings attended by the Audit Committee Members are given below:

Name of Members	Category	No. of Meetings attended (out of 4 Meetings held) during the year 2011-2012.
Shri P. K. Mallik (Chairman – from 28.6.2007)	Independent & Non-Executive	4
Shri. Ashok Goenka (upto 14.9.2011)	Independent & Non Executive	0
Shri R. S. Agarwal (upto 31.01.2012)	Independent & Non Executive	3
Shri K. N. Bhandari (from 19.10.2010)	Independent & Non Executive	4
Dr. P. P. Shastri (from 31.01.2012)	Independent & Non Executive	0

The Chief Financial Officer functioned as the Secretary of the Audit Committee. Audit Committee Meetings are attended by Chief Financial Officer. Representatives of Statutory Auditors and the Internal Auditors were invited to attend all the meetings. The Managing Director was also present as a special invitee at such meetings. The invitees have attended all the Audit Committee Meetings during the year ended 2011-12.

The Audit Committee Meetings were held on the following dates during the year ended 31.03.2012.

23<sup>rd</sup> May, 2011, 8<sup>th</sup> August, 2011, 19<sup>th</sup> October, 2011 and 31<sup>st</sup> January, 2012.

The necessary quorum was present at all the meetings.

### III. Remuneration Committee:

The Remuneration Committee consists of 3 Non-executive and Independent Directors - Shri P. K. Mallik, Shri Ashok Goenka (upto 14/09/2011), Shri K. N. Bhandari and Dr. P. P. Shastri (from 31/01/2012). Shri P.K. Mallik is the Chairman of the Committee.

The Remuneration Committee meeting not held during the year 2011-12.



The scope and function of the Remuneration Committee covers the requirements of the Code of Corporate Governance of the Listing Agreement and the provisions of Schedule XIII and other provisions, if any, of the Companies Act, 1956.

**Remuneration to Directors**

- Non-Executive Directors:

Besides sitting fees, no other remuneration is paid to non-executive Directors.

**Sitting Fees Paid to Directors**

S.No.	Name of Director	Amount Rs.
1	Shri G. P. Goenka	30,000
2	Shri Ashok Goenka	NIL
3	Shri Madhukar Mishra	NIL
4	Shri P. K. Mallik	97,500
5	Shri R. S. Agarwal	75,000
6	Shri K. N. Bhandari	67,500
7	Dr. P. P. Shastri	NIL

- Executive Director:

Details of remuneration paid to the Managing Director for the year ended 31<sup>st</sup> March, 2012:-

In view of the non receipt of Central Government's approval, no remuneration was paid during the year, based on our proposal Rs. 134.55 Lac has been provided in accounts and will be paid on receipt of the approval.

The Company did not have any pecuniary relationship or transactions with Non-Executive Directors during the year ended 31<sup>st</sup> March, 2012 except payment of sitting fee, reimbursement of expenses incurred for traveling etc. for attending Board/ Committee Meetings.

**IV. Shareholders'/Investors' Grievance Committee:**

The Shareholders'/Investors' Grievance Committee (SIGC) meets at periodic intervals to approve transfers and look into the redressal of investor complaints. In addition, to expedite the process of transfer and other related matters, the Committee of Executives meets at regular intervals. The transfers approved by the Committee of Executives are ratified and noted by the SIGC at its meetings.

The Shareholders'/Investors' Grievance Committee met four times during the year ended 2011-2012. i.e. 23<sup>rd</sup> May, 2011, 8<sup>th</sup> August, 2011, 19<sup>th</sup> October, 2011 and 31<sup>st</sup> January, 2012.

The composition of the Shareholders'/Investors' Grievance Committee and details of the meetings attended by the Directors are given below : -

Name of Member	Category	No. of Meetings attended (out of 4 Meetings held) during the year 2011-12
Shri P. K. Mallik (Chairman from 28.6.2007)	(Non-Executive and Independent)	4
Shri R. S. Agarwal (upto 31.1.2012)	-do-	3
Shri K. N. Bhandari (from 31.1.2012)	-do-	-
Shri Arun Jain	(Executive non-Independent)	4

During the year, 22 meetings of the Committee of Executives were held for approving transfers and other related matters. The composition of the Committee of Executives and details of the meetings attended by the Members are as under:-

Name of Member	No. of Meetings during the year ended 2011-12	
	Held	Attended
Shri Arun Jain(from 22.02.2008)	22	22
Shri M. C. Nalwaya(from 21.08.2007)	22	22

Name, designation & address of Compliance Officer : -

Shri. M. C. Nalwaya -

Chief Financial Officer

Ewart House, Homi Modi Street, Fort, Mumbai - 400001

Phone : (022) 22652490 Extn.210 Fax: 22651347

E-mail : [secretarial@nrclimited.com](mailto:secretarial@nrclimited.com)

No. of Shareholders' complaints received during 2011-2012 : - 0

No. of complaints solved to the satisfaction of the Shareholders' :- 0

No. of pending Share Transfers as on 31<sup>st</sup> March, 2012 : 3

Pending 3 Share Transfers subsequently approved in the Executive Committee Meeting held on 04.04.2012.

**V. General Body Meetings :**

## (i) Location and time, where last three AGMs were held :

The last three AGMs were held on – 18<sup>th</sup> December, 2008 at 11.00 a.m., at Patkar Hall, Marine Lines, Mumbai - 400 020, 17<sup>th</sup> March, 2010 at 11.00 a.m. at Rama Watumull Auditorium, Dinshaw Wacha Road, K. C. College Hall, Churchgate, Mumbai – 400 020 and 14<sup>th</sup> September, 2011 at 11.00 a.m., at Patkar Hall, Marine Lines, Mumbai - 400 020.

## (ii) Whether special resolutions passed in the previous 3 AGMs : Yes

## (iii) Whether special resolutions passed last year through postal ballot: No

## (iv) Person who conducted the postal ballot exercise – N.A.

## (v) Whether any special resolutions are proposed to be conducted through postal ballot – No

## (vi) Procedure for postal ballot – N.A.

**VI. Disclosures:**

(i) During the year under review, besides the transactions reported elsewhere in the Accounts, there were no other related party transactions of material nature by the Company with its promoters, directors, the management and their associates/ groups companies or relatives etc. that had a potential conflict with the interests of the Company at large.

- (ii) The Company has complied with various rules and regulations prescribed by Stock Exchanges, Securities and Exchange Board of India or any other Statutory authority relating to the capital markets during the last three years. No penalties or strictures have been imposed by them on the Company.
- (iii) The Company has duly complied with all the mandatory requirements.
- (iv) Compliance with non-mandatory requirements is furnished separately under the head 'Non-mandatory requirements'.

**VII. Means of Communication:**
**Quarterly Results –**

Which newspapers normally published in : Free Press Journal (English) & Navshakti (Marathi)

Any website, where displayed : [www.nrclimited.com](http://www.nrclimited.com) & [www.sebiedifar.nic.in](http://www.sebiedifar.nic.in) (official site of SEBI)

Whether it also displays official news : The website is updated periodically with releases, and the presentations made to the institutional investors or to analysts. No special presentations have been made to the institutional investors or to analysts.

Whether Management Discussion & Analysis is part of Annual Report or not : Yes

**VIII. Code for Prevention of Insider Trading Practices:**

In accordance, with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, the Board of Directors of the Company formulated the NRC Code of Conduct for Prevention of Insider Trading in the shares and securities of the Company by its employees. The NRC Code, inter alia, prohibits purchase/sale of shares by employees, while in possession of unpublished price sensitive information in relation to the Company. Shri M. C. Nalwaya, Chief Financial Officer has been appointed as the Compliance Officer by the Board of Directors to implement the provisions of the aforesaid Insider Trading Regulations.

**IX. Code of Conduct:**

The Board of Directors has laid down a Code of Conduct for all the Board Members and Senior Management Personnel of the Company to ensure adherence to a high ethical professional conduct by them in the discharge of their duties. The Code of Conduct has also been posted onto the website of the Company. All the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year 31.03.2012.

**X. General Shareholders Information:**
**Annual General Meeting**

Date : 25<sup>th</sup> September, 2012  
 Time : 11.30 a.m.  
 Location : Ram Watumull Auditorium  
 K. C. College, Dinshaw  
 Wacha Road, Churchgate,  
 Mumbai – 400 020.

As required under Clause 49(IV)(G) particulars of Directors seeking appointment/ reappointment are annexed to the Notice of the Annual General Meeting to be held on 25/09/2012.

Financial Calendar	:	Year ending March 31, 2012
Annual General Meeting	:	September 25, 2012
Date of Book Closure	:	10-09-2012 to 25-09-2012
Listing of Stock Exchanges and Stock Code	:	The Company's securities are listed on the following two Stock Exchanges in India
		Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400 001.
		National Stock Exchange of India Ltd. Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.
Stock Code - Physical	:	BSE - 503780 NSE – NRC
Company's ISIN No.- Demat with NSDL & CDSL	:	INE953C01018

**Note:**

- Listing fees for the year 2012-13 (upto 31<sup>st</sup> March, 2013) has been paid to the respective Stock Exchanges.
- The Company had applied in the year 2003-2004 for delisting of shares from the Calcutta Stock Exchange. The said delisting application is under process of the said Exchange.

**MARKET PRICE DATA :**
**PERFORMANCE IN COMPARISON TO BROAD BASED INDICES SUCH AS BSE, NSE NIFTY SENSEX.**
**BOMBAY STOCK EXCHANGE**
**MONTHLY HIGH AND LOW QUOTATIONS DURING THE YEAR ENDED 2011-2012.**

Month	High Rs.	Low Rs.	Sensex	
			High	Low
April, 2011	7.45	5.40	19811.14	18976.19
May	6.40	5.00	19253.87	17786.13
June	7.28	5.14	18873.39	17314.38
July	6.54	5.41	19131.70	18131.86
August	5.75	3.54	18440.07	15765.53
September	4.89	3.61	17211.80	15801.01
October	4.70	3.60	17908.13	15745.43
November	4.60	3.00	17702.26	15478.69
December	3.95	2.65	17003.71	15135.86
January 2012	4.05	2.90	17258.97	15358.02
February	4.20	3.50	18523.78	17061.55
March	4.35	3.30	18040.69	16920.61

**NATIONAL STOCK EXCHANGE - NIFTYSENSEX**
**MONTHLY HIGH AND LOW QUOTATIONS DURING THE YEAR ENDED 2011-2012.**

Month	High Rs.	Low Rs.	Sensex	
			High	Low
April, 2011	7.45	5.25	5944.45	5693.25
May	6.90	4.95	5775.25	5328.70
June	7.45	5.00	5657.90	5195.90
July	6.90	5.10	5740.40	5453.95
August	5.70	4.00	5551.90	4720.00
September	4.95	3.30	5169.25	4758.85
October	4.90	3.55	5399.70	4728.30
November	4.55	2.95	5326.45	4639.10
December	3.75	2.45	5099.25	4531.15
January 2012	4.00	2.80	5217.00	4588.05
February	4.10	3.55	5629.95	5159.00
March	4.60	3.30	5499.40	5135.95

Performance in comparison to broad-based indices such as BSE Sensex, CRISIL, index etc.	:	The Comparison of market price high-low quotations vis-à-vis BSE Sensex, which was high at 19811.14, low at 15135.86 and average 17473.50 may not be relevant.
Share Transfer System	:	Share transfers in physical form can be lodged with TSR Darashaw Ltd at the below mentioned address or at their branch offices which are available on their website. The transfers are normally processed within three weeks from the date of receipt if the documents are complete in all respects.

**Distribution of Shareholding as on 31<sup>st</sup> March, 2012 :**

Number of Ordinary Shares held	Number of Shareholders as on 31.03.2012	% as on 31.03.2012	Number of Shareholders as on 31.03.2011	% as on 31.03.2011
1 to 500	23351	82.52	23939	82.77
501 to 1000	2486	8.78	2570	8.89
1001 to 10000	2266	8.01	2222	7.68
10001 and above	196	0.69	192	0.66
Total	28,299	100.00	28923	100.00

**Shareholding Pattern as on 31<sup>st</sup> March, 2012 :**

Category	% Shareholding		Number of Ordinary Shares held	
	31.03.2012	31.3.2011	31.03.2012	31.3.2011
Promoter Group	<b>48.02</b>	48.06	17881548	17894108
Financial Institutions	<b>3.08</b>	3.08	1146179	1146179
Non-Resident	<b>1.44</b>	1.45	535663	541298
Govt. Companies	<b>0.00</b>	0.00	150	150
Mutual Funds	<b>0.00</b>	0.00	1013	1013
FII's	<b>0.00</b>	0.00	0	0
Bodies Corporate	<b>5.58</b>	6.52	2076632	2428260
Directors & Relatives	<b>0.00</b>	0.07	0	25000
General Public	<b>41.88</b>	40.82	15596228	15201405
Total	<b>100.00</b>	100.00	37237413	37237413

Outstanding DRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity : Not Applicable

Plant Location : Mohone - 421 102  
Dist. Thane, Maharashtra

Address for correspondence : NRC Limited  
(i) Corporate & Registered Office : Ewart House  
Homi Modi Street  
Fort, Mumbai - 400 001.  
Tel. (022) 22652490  
Fax (022) 22651347  
Email: [secretarial@nrclimited.com](mailto:secretarial@nrclimited.com)  
Website: [www.nrclimited.com](http://www.nrclimited.com)

(ii) Registrar and Transfer Agents : TSR Darashaw Ltd.  
6-10, Haji Moosa Patrawala  
Industrial Estate, 20, Dr. E. Moses Road,  
Mahalaxmi, Mumbai – 400 011  
Tel : 91 22 66568484  
Fax : 91 22 66568494  
Email ID: [csg-unit@tsrdarashaw.com](mailto:csg-unit@tsrdarashaw.com)  
Website : [www.tsrdarashaw.com](http://www.tsrdarashaw.com)

Dematerialisation of shares and liquidity:

The Company has arrangements with National Securities Depository Ltd. (NSDL) as well as the Central Depository Services (India) Ltd. (CDSL) for demat facility. Out of total share capital, 95.75% is dematerialized as on 31.03.2012.

Trading in Equity Shares of the Company is permitted only in dematerialized form w.e.f. 23.2.2001 as per the Notification issued by Securities & Exchange Board of India.

Risk Management Framework:

The Company has laid down procedures to inform Board Members about the risk assessment and minimization procedures. These procedures are being reviewed periodically to ensure that the executive management controls risk through means of a properly defined framework.

Management Discussion & Analyses Report:

Management Discussion & Analyses Report given as a separate section after Directors Report.

B: Non-mandatory requirements:

(a) Shareholder Rights

Mailing of the half – yearly financial performance including summary of the significant events in the past six months to each household of shareholders would be taken up for implementation at an appropriate time.

b) Postal Ballot

Compliance with the Companies (Postal Ballot) Rules, 2001 will be made for obtaining shareholders' approval to any items covered under the Rules and as required under the Act.

c) Other Non-Mandatory Requirements

Restricting the tenure of independent Directors in the aggregate to a period of nine years on the Board of the Company, training of Board Members in the business model of the Company, mechanism of evaluating non-executive Board Members & establishing a Whistle Blower Policy.

These would be complied with at an appropriate time.

### DECLARATION BY CHIEF EXECUTIVE OFFICER

I, Shri Arun Jain, Managing Director, of NRC LIMITED having Registered Office at Ewart House, Homi Modi Street, Mumbai 400 001 hereby certify and acknowledge that all the members of the Board of Directors and the Senior Management Personnel of the Company have complied with the Code of Conduct of the Company and have already given the Annual Affirmation of the Compliance with the Code of Conduct.

For NRC LIMITED

**Arun Jain**

**MANAGING DIRECTOR**

Place: Mumbai

Date : May 23, 2012.

### CERTIFICATE

We, the Managing Director and the Chief Financial Officer of NRC Limited, the certifying authorities, hereby certify that to the best of our knowledge and belief:

1. the Financial Statements including the Cash Flow Statement of NRC Ltd., for the year ended as on 31<sup>st</sup> March, 2012 –
  - i. do not contain any materially untrue statement or omit any material fact or contains statements that might be misleading;
  - ii. present a true and fair view of Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative to the Company's code of conduct.
3. Based on our observance and on the basis of submissions received through sub-certification process, We certify that internal controls for financial reporting are established, maintained and are effective considering the nature and size of the business requirement. Further, no deficiencies have been observed in design or operation of such internal controls for the period covered by this Report.
4. During the period under review, no significant changes were observed in the internal controls over financial reporting and accounting policies of the Company. Furthermore, no instance of fraud was found by the management or employees having a significant role in the Company's internal control system over financial reporting.

**M. C. Nalwaya**  
Chief Financial Officer

**Arun Jain**  
Managing Director

Place: Mumbai

Date : May 23, 2012.

**CERTIFICATE**

To the Members of  
NRC Limited

We have examined the compliance of the conditions of Corporate Governance by NRC LIMITED ("the Company"), for the year ended on 31<sup>st</sup> March, 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges of India.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations given by the management of the Company, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For LODHA & COMPANY**  
Chartered Accountants

**A. M. HARIHARAN**  
Partner  
Membership No.038323  
Firm Registration No.301051E

Place : Mumbai  
Date : 23<sup>rd</sup> May, 2012.

**AUDITORS' REPORT**

To  
The Members,  
**NRC Limited**

1. We have audited the attached Balance Sheet of NRC Limited as at 31st March, 2012, the Profit and Loss Account annexed thereto and also the Cash Flow Statement for the year ended on that date annexed thereto. 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.
2. We conducted our audit in accordance with the 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 misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 (hereinafter referred to as the 'Act'), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
  - (a) *The Company has incurred loss in the current year as well as in the preceding period and the accumulated losses as at the year-end has exceeded its entire net worth and on reference to the Board for Industrial and Financial Reconstruction; it has been declared a sick industrial Company. The financial statements have, however, been prepared by the management on a going concern basis as explained in note 21.4(a). This being a technical matter and in view of uncertainty, we are unable to express an opinion as to whether the Company can operate as a going concern, the extent of the effect of the resultant adjustments to the accumulated losses, assets and liabilities as at the year end and losses for the year which is presently not ascertainable.*
  - (b) *The Company has not carried out impairment test as required by Accounting Standard (AS) 28 'Impairment of Assets', particularly in respect of factory building, Plant and Equipment and Spare parts inventories as explained in note 21.4(b). We are unable to express an opinion as to when and to what extent the carrying value of Building and Plant & Equipment would be recovered in view of the suspension of all manufacturing activities, the impact whereof on the loss for the year, accumulated losses, assets and liabilities as at the year-end is presently, not ascertainable.*
  - (c) *The accounts of certain Trade receivable, Trade payable and lenders are also subject to confirmations, reconciliations and adjustments, if any, having consequential impact on the loss for the year, accumulated losses, assets and liabilities as at the year end, the amounts whereof are presently not ascertainable (also refer note no. 21.7 (a) of the financial statements)*
  - (d) *Liability as may arise towards interest/compound interest/penalty/ on delayed/non-payment to certain Trade Payables /statutory dues has not been ascertained and not provided for. (Refer note no. 21(1)(i)(g) of the financial statements)*

5. (a) Subject to what is stated in para 4 (c) and (d) above, 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) Subject to what is stated in para 4 (b),(c) and (d) above, 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 and proper returns adequate for the purpose of our audit have been received from the branches not visited by us;
- (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the accounting standards referred to section 211(3C) of the Act except as stated in Para 4(b) above;
- (e) Considering the re-scheduling of redemption of Zero Percent Secured Redeemable non- convertible Debentures approved in CDR Package in January 2008 and on the basis of written representations received from Directors as on 31st March, 2012 and taken on record by the Board of Directors. We report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as a Director of the Company in terms of Section 274(1)(g) of the Act;
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements subject to what is stated in para 4 above, the effect of which on the financial statements could not be determined and read together with note no. 21.5 regarding remuneration of Rs.134.55 lacs payable to Managing Director, which has been disapproved on procedural grounds and other accompanying notes to the financial statements give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
- (b) in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date ;and
- (c) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

**For LODHA & CO.**  
Firm Registration No. 301051E  
Chartered Accountants

**A.M. HARIHARAN**  
Partner  
Membership No.38323

Mumbai,  
May 23, 2012

**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF NRC LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2012**

On the basis of such checks as we considered appropriate and in terms of information and explanations given to us during the course of audit, we state that:

- 1 (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. *During the year, the Company has not carried out physical verification of fixed assets. As explained, discrepancies as may be noticed on physical verification will be dealt with in the books of account as and when the assets will be physically verified.* The phased programme of verification is considered reasonable having regard to the size of the Company and nature of its fixed assets.
- (b) No substantial part of fixed assets has been disposed off by the Company during the year.
- 2 (a) *The inventory has not been physically verified by the management at reasonable intervals during the year and / or at the close of the year due to lock out at the plant.*
- (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. *However, no physical verification as mentioned in para 2(a) above have been carried out during the year.*
- (c) The Company has maintained proper records of inventory. *As explained, discrepancies as may be noticed on physical verification will be dealt with in the books of account as and when the inventories will be physically verified.*
- 3 During the year the Company has not taken / granted any loans, secured or unsecured, from / to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- 4 In our opinion and according to the information and explanations given to us and having regard to the fact that some of the items purchased are of a special nature in respect of which suitable alternative source do not exist for obtaining comparable quotations, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weaknesses have been noticed in the aforesaid internal control system.
- 5 According to the information and explanations given to us, there are no contracts or arrangements that need to be entered in to the register maintained under the Section 301 of the Act.
6. The Company has not accepted any deposits within the meaning of the Section 58A, 58AA or any other relevant provisions of the Act and rules framed there under.
7. *The Company's internal audit system needs to be strengthened in as much as scope needs to be expanded in the areas such as Contingent liabilities, review of trade receivables, advances etc. and frequency of audit needs to be increased to be commensurate with the size and nature of its business.*
8. As explained to us, due to lock out and stoppage of production in the plant, the cost records have not been maintained.
9. (a) *The Company is not regular in depositing the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Cess and other material statutory dues applicable to it with the appropriate authorities except Investor*

Education and Protection Fund, Sales Tax, Value Added Tax, Service Tax, Customs Duty and Excise Duty, Wealth Tax. According to the information and explanations given to us, there are no undisputed statutory dues outstanding as at 31st March, 2012 for a period of more than six months from the date they became payable except the following :

Particulars	Rs. In lacs
Tax Deducted at Source (TDS)	141.11
Professional Tax	75.20
Water Cess	49.80
Employees State Insurance (ESI)	80.13

- (b) According to the records of the Company and information and explanations given to us by the management, the details of disputed Excise Duty, Custom Duty, Service Tax, Income Tax, Wealth Tax and Cess which have not been deposited are as under:

Name of the Statute	Nature of Dues	Forum where dispute is pending	Rs. in lacs	Period to which it relates
The Central Excise Act, 1944	Excise duty	Supreme Court	1924.86	1986 to 2009
		High Court, Mumbai	11.47	
		Customs, Excise, Service Tax Appellate Tribunal, Mumbai	1070.05	
		Commissioner (Appeals)/	107.41	
		Asst. Commissioner	183.93	
The Central Excise Act, 1944	Service Tax	Customs, Excise, Service Tax Appellate Tribunal, Mumbai	105.02	2005 to 2009
The Maharashtra Irrigation Act, 1976	Water Cess	Assessing authority, -MPCB, Mumbai	14790.00	2005 to 2012
The Income tax Act, 1961	Income Tax	Income Tax Appellate Tribunal, Mumbai	339.76	Assessment Year 2005-06
		Income Tax Commissioner (Appeals)-Thane and Mumbai	1828.70	Assessment Year 2007-08 to 2009-10

There are no disputed dues of Sales tax, Wealth tax and Custom duty that have not been deposited.

10. The Company's accumulated losses as at 31st March, 2012 exceeds fifty percent of its net worth and have incurred cash losses during the financial year ended on that date and as also in the immediately preceding financial period.

11. After considering what was approved in the Corporate Debt Restructuring package in the year January 2008, the Company has defaulted in repayment of dues to banks as under:

Nature of Dues	Period of Default	Rs. In Lacs
Principal amount	12-32 months	9,432.94
Interest thereon	12-32 months	4,322.17

12. During the year, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi /mutual benefit fund/ society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments. Therefore, clause 4(xiv) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
15. During the year, the Company has not given any guarantee for loans taken by others from the bank or financial institution.
16. According to the information and explanations given to us, the term loans were applied for the purpose for which the loans were obtained.
17. Based on the information and explanations given to us and on an overall examination of the balance sheet of the Company, in our opinion, short term funds raised have not been utilized for long term investment.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
19. The Company has not issued any debenture during the year or in the recent past.
20. The Company has not raised any money by way of public issue during the year or in the recent past.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

**For LODHA & CO.**  
Firm Registration No. 301051E  
Chartered Accountants

**A.M. HARIHARAN**  
Partner  
Membership No.38323

Mumbai,  
Date : May 23, 2012

**BALANCE SHEET AS AT MARCH 31, 2012**

Rs. in Lacs

	Note No.	As at 31st March, 2012	As at 31st March, 2011
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	1	4,055.03	4,055.03
(b) Reserves and surplus	2	(30,129.60)	(24,365.24)
<b>2 Non-current liabilities</b>			
Long-term borrowings		-	-
<b>3 Current liabilities</b>			
(a) Borrowings	3	36,386.49	32,914.27
(b) Trade payables		15,381.78	14,627.05
(c) Other current liabilities	4	8,569.48	8,523.68
(d) Short-term provisions	5	2,977.29	3,257.83
<b>TOTAL</b>		<b>37,240.47</b>	<b>39,012.61</b>
<b>II. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets- Tangible Assets	6	30,079.55	31,667.93
(b) Non-current investments	7	1,341.26	1,564.31
(c) Long-term loans and advances	8	1,927.66	1,603.55
<b>2 Current assets</b>			
(a) Inventories	9	465.73	565.73
(b) Trade receivables	10	385.23	352.00
(c) Cash and Bank balances	11	3,020.24	3,128.28
(d) Other current assets	12	20.80	130.81
<b>TOTAL</b>		<b>37,240.47</b>	<b>39,012.61</b>

 Significant accounting policies and **20 & 21**  
 Accompanying notes form an integral part of the financial statements

As per our attached report of even date

For LODHA & CO.	M.C.NALWAYA	G.P. GOENKA	Chairman
Chartered Accountants	Chief Financial Officer	ARUN JAIN	Managing Director
A.M. HARIHARAN		P.K. MALLIK	Director
Partner		K.N. BHANDARI	Director
Mumbai, 23rd May, 2012		P. P. SHASTRI	Director

**STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2012**

Rs. in Lacs

	Note No.	For the year ended 31st March, 2012	For 18 months period ended 31st March, 2011
Revenue from operations	13	-	66.09
Other income	14	268.24	267.11
<b>Total Revenue</b>		<b>268.24</b>	<b>333.20</b>
<b>Expenses:</b>			
Cost of materials consumed		-	103.18
Manufacturing and Operating Costs	15	486.56	585.35
Changes in inventories of finished goods			
work-in-progress and Stock-in-Trade	16	-	174.82
Employee benefits expense	17	487.16	1,238.69
Finance costs	18	3,027.41	3,899.42
Depreciation and amortisation expense		1,588.67	2,366.35
Less : Transferred from Revaluation Reserve		63.00	94.50
		1,525.67	2,271.85
Other expenses	19	219.75	811.56
<b>Total expenses</b>		<b>5,746.55</b>	<b>9,084.87</b>
<b>Profit/(Loss) before exceptional items and tax</b>		<b>(5,478.31)</b>	<b>(8,751.67)</b>
Exceptional items (Refer Note No.21.6)		(223.05)	(858.76)
<b>Profit/(Loss) for the year</b>		<b>(5,701.36)</b>	<b>(9,610.43)</b>
Earning per Equity Share (Rs.)- Before exceptional item			
Basic & Diluted	21.12	(14.71)	(23.50)
Earning per Equity Share(Rs.)- After exceptional item			
Basic & Diluted	21.12	(15.31)	(25.81)

 Significant accounting policies and **20 & 21**  
 Accompanying notes form an integral part of the financial statements

As per our attached report of even date

For LODHA & CO.	M.C.NALWAYA	G.P. GOENKA	Chairman
Chartered Accountants	Chief Financial Officer	ARUN JAIN	Managing Director
A.M. HARIHARAN		P.K. MALLIK	Director
Partner		K.N. BHANDARI	Director
Mumbai, 23rd May, 2012		P. P. SHASTRI	Director



**CASH FLOW STATEMENT**

	Rs. in Lacs	
	Year ended 31st March, 2012	18 months Period ended 31st March, 2011
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / (Loss) Before Tax	(5,701.36)	(9,610.43)
Adjustments for :		
Depreciation	1,525.67	2,271.85
Interest Received	(257.92)	(176.97)
Interest	3,285.33	4,076.39
Sundry Balances (Net)/written back	-	(551.94)
Reversal of Profit / Diminution on Investment	223.05	1,410.71
Profit on Sale assets	(1.82)	-
Provision for Doubtful Debts and Advances	-	148.90
Operating Profit before Working Capital Changes	(927.05)	(2,431.49)
Adjustments for :		
Trade and other Receivables	(564.41)	(374.30)
Inventories	100.00	496.57
Trade Payables	570.49	(505.28)
Cash Generation from Operations	(820.97)	(2,814.50)
Less:		
Direct Taxes Paid (Net of Refunds)		
<b>NET CASH FROM OPERATING ACTIVITIES (TOTAL A)</b>	<b>(820.97)</b>	<b>(2,814.50)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from Sale of Fixed Assets	2.95	6.60
Reversal of Profit on Sale of Investment /recovery of debts	(223.05)	(858.77)
Advance received towards Land	-	3,250.00
Interest Received	257.92	176.97
Investment	223.05	(1,289.29)
Acquisition of Fixed Assets	(1.43)	(53.72)
<b>NET CASH USED IN INVESTING ACTIVITIES (TOTAL B)</b>	<b>259.44</b>	<b>1,231.79</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest Paid	136.39	2,015.25
<b>NET CASH USED IN FINANCING ACTIVITIES (TOTAL C)</b>	<b>136.39</b>	<b>2,015.25</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (TOTAL A+B+C)</b>	<b>(425.14)</b>	<b>432.54</b>
<b>CASH AND CASH EQUIVALENTS - OPENING BALANCE</b>	<b>433.17</b>	<b>0.63</b>
<b>CASH AND CASH EQUIVALENTS - CLOSING BALANCE</b>	<b>8.03</b>	<b>433.17</b>

**Notes:**

- The above cash flow statement has been prepared by using the indirect method as per Accounting Standard 3 - Cash Flow Statement prescribed by the Companies Accounting Standards Rules, 2006.
- Previous year's figures have been regrouped/rearranged, wherever necessary to conform to current year's presentation.

As per our attached report of even date

For LODHA & CO.	M.C.NALWAYA	G.P. GOENKA	Chairman
Chartered Accountants	Chief Financial Officer	ARUN JAIN	Managing Director
A.M. HARIHARAN		P.K. MALLIK	Director
Partner		K.N. BHANDARI	Director
Mumbai, 23rd May, 2012		P. P. SHASTRI	Director

**NOTES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2012**

Rs.in Lacs

**1 Share Capital**

Particulars	As at 31st March 2012		As at 31st March 2011	
	Number	Rs. In Lacs	Number	Rs. In Lacs
<b>Authorised</b>				
Cumulative Redeemable Preference Shares of Rs. 100 each	2,500,000	2,500.00	2,500,000	2,500.00
Equity Shares of Rs.10 each	50,000,000	5,000.00	50,000,000	5,000.00
<b>Issued</b>				
Equity Shares of Rs.10 each	37,331,731	3,733.17	37,331,731	3,733.17
8% Cumulative Redeemable Preference Shares of Rs.100 each	245,525	245.53	245,525	245.53
4% Cumulative Redeemable Preference Shares of Rs.100 each	82,192	82.19	82,192	82.19
<b>Subscribed &amp; Paid up</b>				
Equity Shares of Rs. 10 each fully paid up	37,237,413	3,723.74	37,237,413	3,723.74
8% preference shares of Rs.100 each fully paid up	245,525	245.53	245,525	245.53
4% preference shares of Rs.100 each fully paid up	82,192	82.19	82,192	82.19
Forfeited Shares (Amount originally paid-up)	35,678	3.57	35,678	3.57
<b>Total</b>	<b>37,600,808</b>	<b>4,055.03</b>	<b>37,600,808</b>	<b>4,055.03</b>

**Rights of Equity Shareholders**

The Company has only one class of equity shares having par value of Rs. 10 each. Each shareholder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of preferential amounts.

**Terms of the Preference Shares**

- 2,45,525 8% Cumulative Redeemable Preference Shares were redeemable at par on 29th March,2010.
- 82,192 4% Cumulative Redeemable Preference Shares were redeemable at par on 29th March,2010.
- As per approved CDR package sanctioned by CDR-EG redemption of Preference Shares has been extended for the period of three years from the date of redemption.

**Reconciliation of number of equity shares**

Particulars	Equity Shares		8% and 4% Cumulative Redeemable Preference Shares	
	As at 31st March 2012	As at 31st March 2011	As at 31st March 2012	As at 31st March 2011
Shares issued at the beginning of the year	37,331,731	37,331,731	327,717	327,717
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	37,331,731	37,331,731	327,717	327,717

**NOTES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2012** Rs.in Lacs

**Details of members holding equity shares more than 5%**

Name of Shareholder	As at 31 March 2012		As at 31 March 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Equity Shares</b>				
ISG Traders Limited	13,465,290	36%	13,465,290	36%
Shubh Shanti Services Ltd.	3,262,165	9%	3,262,165	9%
<b>Details of members holding 8% Cumulative Redeemable Preference Shares more than 5%</b>				
Industrial Investment Bank of India (IIBI)	199,800	81%	199,800	81%
Life Insurance Corporation of India	45,725	19%	45,725	19%
<b>Details of members holding 4% Cumulative Redeemable Preference Shares more than 5%</b>				
Industrial Investment Bank of India (IIBI)	82,192	100%	82,192	100%

	As at 31st March 2012	As at 31st March 2011
<b>2 Reserves &amp; Surplus</b>		
<b>Capital Reserve</b>		
Opening Balance	180.41	180.41
Closing Balance	180.41	180.41
<b>Capital Redemption Reserve</b>		
Opening Balance	453.73	453.73
Closing Balance	453.73	453.73
<b>Securities Premium Account</b>		
Opening Balance	999.60	999.60
Closing Balance	999.60	999.60
<b>Debenture Redemption Reserve</b>		
Opening Balance	243.51	243.51
Closing Balance	243.51	243.51
<b>Revaluation Reserve</b>		
Opening Balance	17,782.16	17,876.66
Less : Transferred to Statement of Profit & Loss	63.00	94.50
Closing Balance	17,719.16	17,782.16
<b>Accumulated losses</b>		
Opening balance	(44,024.65)	(34,414.22)
Add : Loss transferred from Statement of Profit & Loss	(5,701.36)	(9,610.43)
Closing Balance	(49,726.01)	(44,024.65)
<b>Total</b>	<b>(30129.60)</b>	<b>(24365.24)</b>

**NOTES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2012** Rs.in Lacs

	As at 31st March 2012	As at 31st March 2011
<b>3 Borrowings</b>		
<b>Secured Loans</b>		
<b>From Financial Institutions</b>		
3,16,800 (Previous Year 316800) Zero% Secured Redeemable non-convertible Debentures of Rs.100 each	316.80	316.80
Debenture Premium due thereon	152.20	152.20
Interest accrued on overdue payment	268.91	202.66
<b>Term loans from Banks</b>		
Term Loan	7,908.84	8,019.61
Funded Interest Term Loan (FITL)	3,988.79	4,253.00
Working Capital Term Loan (WCTL)	6,233.10	6,386.70
Short Term Loan	3,246.63	3,333.33
Working Capital Borrowing	2,634.01	2,752.09
Interest accrued and due thereon	8,772.39	4,822.56
	<b>33,521.67</b>	<b>30,238.95</b>
<b>Unsecured</b>		
Term loans from Body Corporates	1,985.82	1,935.32
<b>Other loans</b>		
Promoters' Contribution	879.00	740.00
	<b>2,864.82</b>	<b>2,675.32</b>
<b>Total</b>	<b>36,386.49</b>	<b>32,914.27</b>

**Notes:**

- (a) 3,16,800 Zero% Secured Redeemable non-convertible Debentures privately placed with Financial Institutions were redeemable in three equal yearly installments commencing from 29th March, 2007 and at a premium of 25% of the outstanding amount on respective redemption dates. However, as per approved CDR package dt.21.01.2008., redemption of debentures has been rescheduled. As per CDR re-schedulement redemption of debentures is to be made in two instalments out of land proceeds as under.
- 40% out of second tranche of land sale proceeds of Rs. 48.90 crore
  - 60% out of third and last tranche of Rs. 72.50 crore
- Redemption premium due on debentures as per existing terms to be paid pro-rata alongwith redemption of debentures.
- (b) Debentures are secured by mortgage/hypothecation of all the immovable and/or movable assets of the Company, present and future, ranking pari passu subject to the prior charges of the Company's Bankers for working capital borrowings.
- (c) The Financial Institutions have, under certain circumstances of default by the Company, an option to convert Rs. 316.80 Lacs (Previous Year Rs.316.80 Lacs) out of Debentures into fully paid-up Equity Shares of the Company at par at any time during the currency of these Debentures.
- (d) Term Loan of Rs.2143.12 Lacs (Previous Year Rs.2080.78) from a bank is having exclusive charge on certain Plant & Machinery and all other Term loans from Banks are secured by mortgage /hypothecation of entire fixed assets of the Company (other than certain plant & machinery exclusively charged as referred above and a part of land) having pari passu charge with the debenture holders. PNB Short Term Loan is further secured by pledge of investments (Refer note 3 of 7)
- (e) Working Capital borrowings and non-fund based out standing of Rs. 2634.01 Lacs (Previous Year Rs.2752.09 Lacs) from the Banks are secured by hypothecation of inventories and book debts etc. and by second charge by way of mortgage on the immovable assets of the Company.

**NOTES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2012**

- (f) One of the bank has assigned its Financial Assistance term loan and working capital aggregating to Rs.4743.60 (Previous Year Rs.5060 Lacs) to an asset reconstruction company at previous year end.
- (g) All the above loans are further secured by personal guarantee of a director of the Company.
- (h) The Company has defaulted in repayment of loans and interest as follows:

Particulars	Period of default	As at 31st March 2012	As at 31st March, 2011
Principal amount	12 -32 months	<b>9,432.94</b>	9,316.49
Interest on above loans	12 -32 months	<b>4,322.17</b>	3,586.15

Since the loans are matured and there was default in their payments, the same have been considered under current liabilities.

- (i) a) Terms of unsecured loans from body corporate - Repayable on demand however no interest has been provided for the financial year under consideration
- b) Other loans from Promotor's contribution - Repayable as per CDR package approved dated 21.01.2008.

Note: The Company is under BIFR and revised scheme is under preparation, all the accounts are Non Performing Assets (NPA) and repayment of loans and interest will be made as per sanctioned scheme.

Rs.in Lacs

	As at 31st March 2012	As at 31st March 2011
<b>4 Other Current Liabilities</b>		
Interest Accrued on Promotor's contribution	<b>234.43</b>	234.43
Advance from customers	<b>386.86</b>	329.36
Unclaimed dividends	<b>5.34</b>	7.51
Advance received towards sale of Land (Refer Note No.21.2)	<b>7,425.92</b>	7,425.92
Other payable	<b>193.07</b>	219.56
Statutory Dues payable	<b>197.58</b>	180.62
Deposits	<b>126.28</b>	126.28
<b>Total</b>	<b>8,569.48</b>	8,523.68
<b>5 Short Term provisions</b>		
Provision for employee benefits	<b>2,977.29</b>	3,257.83
<b>Total</b>	<b>2,977.29</b>	3,257.83

**NOTES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2012**
**6 Fixed assets- Tangible Assets**

Fixed Assets	Gross Block- Cost/Book Value				Accumulated Depreciation			Net Block	
	As at 1 April 2011	Additions	Disposals	Balance as at 31st March 2012	Balance as at 31st March 2011	Depreciation charge for the year	Deductions	Balance as at 31st March 2012	As at 31st March 2011
<b>Tangible Assets</b>									
Freehold Land*	16,208.90	-	-	16,208.90	-	-	-	16,208.90	16,208.90
Buildings	6,757.31	-	-	6,757.31	3,326.97	153.06	-	3,480.03	3,430.34
Plant and Equipment	31,534.03	-	-	31,534.03	19,572.86	1,432.99	-	21,005.85	11,961.17
Furniture and Fixtures	475.06	1.43	0.12	476.37	460.74	1.39	0.11	462.02	14.32
Vehicles	135.89	-	11.96	123.93	123.19	1.23	10.83	113.59	12.70
Railway Siding, Water works etc.	155.54	-	-	155.54	115.04	-	-	115.04	40.50
<b>Total</b>	<b>55,266.73</b>	<b>1.43</b>	<b>12.08</b>	<b>55,256.08</b>	<b>23,598.80</b>	<b>1,588.67</b>	<b>10.94</b>	<b>25,176.53</b>	<b>31,667.93</b>
Previous Year	55,240.48	53.72	27.47	55,266.73	21,253.32	2,366.35	20.87	23,598.80	31,667.93

\* Refer Note No 21(2)

**NOTES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2012** Rs.in Lacs

**7 Non Current Investments**

Name of the Body Corporate	Face Value in Rs.	As at 31st March 2012		As at 31st March, 2011	
		No. of Shares	Rs. In Lacs	No. of Shares	Rs. In Lacs
<b>Non Trade Investments</b>					
<b>A Quoted and Fully paid up</b>					
<b>Investment in Equity instruments</b>					
Duncans Industries Ltd. \$	10	3590310	861.35	3590310	861.35
Andhra Cements Limited **	10	9000000	1,289.29	9000000	1,289.29
Duncan Brothers & Co. Ltd.	100	5	0.01	5	0.01
Bubna Major Biotech Ltd. (Re.1)	10	58200	-	58200	-
Shubh Shanti Services Ltd.	10	7500	-	7500	-
<b>Total (A)</b>			<b>2,150.65</b>		<b>2,150.65</b>
<b>B Unquoted and fully paid up</b>					
<b>Investment in Equity instruments</b>					
Naracorp Co-op. Consumers' Society Ltd.	10	1250	0.12	1250	0.12
Duncan Tobacco Co. Ltd.(Re.1)	100	400	-	400	-
Sarvottam Caps Ltd.	10	90000	45.00	90000	45.00
The Shamrao Vitthal Co-op Bank Ltd.	25	100	0.03	100	0.03
<b>Total (B)</b>			<b>45.15</b>		<b>45.15</b>
<b>Other Investments</b>					
C Government Securities *			0.51		0.51
<b>Total</b>			<b>2,196.31</b>		<b>2,196.31</b>
Less : Provision for diminution in the value of Investments			<b>(855.05)</b>		<b>(632.00)</b>
<b>Total</b>			<b>1,341.26</b>		<b>1,564.31</b>
Aggregate amount of quoted Investments			<b>2,150.65</b>		<b>2,150.65</b>
Aggregate amount of Un-quoted Investments			<b>45.66</b>		<b>45.66</b>
Aggregate market value of quoted Investments			<b>1,336.61</b>		<b>1,810.25</b>
Aggregate Provision for diminution in value of Investments			<b>855.05</b>		<b>632.00</b>

Notes : Extent of holding is presently not available respect of all the above investments.

1 \$ Pledged as a collateral security on behalf of body corporate for the loans taken by third parties.

2 \* Deposited with Government authorities.

3 \*\* Pledged with Financial Institutions/banks as a collateral for the loans taken.

**NOTES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2012** Rs.in Lacs

	As at 31st March 2012	As at 31st March 2011
<b>8 Long Term Loans and Advances</b>		
<b>Unsecured, considered good</b>		
Security Deposits (Net of doubtful,fully provided Rs.978.92 Lacs; Previous Year Rs.978.92 Lacs)	263.76	289.27
Loans and Advances to officers (Net of doubtful,fully provided Rs.683.87 Lacs; Previous Year Rs.679.40 Lacs)	32.19	22.45
Others	1,585.68	1,275.82
Balances with Excise and Customs	6.69	6.69
Advance Tax	39.34	9.32
	<b>1,927.66</b>	<b>1,603.55</b>
<b>9 Inventories</b>		
<b>Stores and spares*</b> (Refer Note No.21.15(a))	465.73	565.73
<b>Total</b>	<b>465.73</b>	<b>565.73</b>
<b>*Net of provision for obsolete item of Rs.100 Lacs.(Previous Year Rs. 218.57 Lacs)</b>		
<b>10 Trade Receivables</b>		
<b>Trade receivables outstanding for a period exceeding six months from the date they are due for payment</b>		
Unsecured, considered good	385.23	352.00
Unsecured, considered doubtful	653.71	653.71
	<b>1,038.94</b>	<b>1,005.71</b>
Less: Provision for doubtful debts	<b>(653.71)</b>	<b>(653.71)</b>
<b>Total</b>	<b>385.23</b>	<b>352.00</b>
<b>11 Cash and Bank Balances</b>		
<b>Balances with banks</b>		
in Current Accounts	3.50	22.09
in Fixed Deposit Account with maturities less than one year	-	410.37
Cash on hand	4.53	0.71
	<b>8.03</b>	<b>433.17</b>
<b>Other Bank Balances</b>		
Interest bearing No Lien A/C (Refer Note No.21 (2))	2,749.32	2,450.10
Fixed Deposit with maturities more than one year against Guarantees etc.	257.55	237.50
Unpaid Dividend Account	5.34	7.51
	<b>3,012.21</b>	<b>2,695.11</b>
<b>Total</b>	<b>3,020.24</b>	<b>3,128.28</b>

**NOTES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2012**

Rs.in Lacs

	As at 31st March 2012	As at 31st March 2011
<b>12 Other Current Assets</b>		
Interest accrued but not due on Fixed Deposits (Net of doubtful, fully provided Rs.0.88 Lacs; Previous Year Rs.0.88 Lacs)	20.80	130.81
<b>Total</b>	<b>20.80</b>	<b>130.81</b>

**NOTES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2012**

Rs.in Lacs

	For the year ended 31st March 2012	For 18 months period ended 31st March 2011
<b>13 Revenue from operations</b>		
Sale of products	-	69.12
Less: Excise Duty	-	(3.03)
<b>Total</b>	<b>-</b>	<b>66.09</b>
<b>14 Other Income</b>		
Net surplus on disposal of fixed assets	1.82	-
Licence Fees	1.16	5.54
Insurance Claim received	1.67	0.95
Income - Others	34.88	86.52
Recovery of water charges	156.33	128.99
Sundry Credit balance - written back	1.87	0.58
Provision no longer required written back	70.52	44.53
<b>Total</b>	<b>268.24</b>	<b>267.11</b>
<b>15 Manufacturing and Operating Costs</b>		
Consumption of stores and spare parts	117.07	194.18
Power and fuel (Refer Note No.21.10)	270.73	298.46
Other Manufacturing and Operating expenses	85.50	67.12
Repairs to buildings	-	1.08
Repairs to machinery	13.26	24.51
<b>Total</b>	<b>486.56</b>	<b>585.35</b>
<b>16 Changes in Inventories of Finished Goods, Work-in-Progress and Stock in trade</b>		
<b>Opening Stock:</b>		
Finished Goods	-	164.36
Work in Progress	-	10.46
<b>Total</b>	<b>-</b>	<b>174.82</b>
<b>17 Employee Benefits</b>		
Salaries and incentives	429.94	1,046.11
Contributions to provident and other funds	24.77	104.93
Staff welfare expenses	32.45	87.65
<b>Total</b>	<b>487.16</b>	<b>1,238.69</b>

**NOTES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2012**

Rs.in Lacs

	For the year ended 31st March 2012	For 18 months period ended 31st March 2011
<b>18 Finance Cost</b>		
Interest expense	3,285.33	4,076.39
Less: Interest Income	(257.92)	(176.97)
<b>Total</b>	<b>3,027.41</b>	<b>3,899.42</b>
<b>19 Other Expenses</b>		
Rent	4.39	24.62
Bad Debts, Advances, Claims and Investments written off	-	148.90
Legal & Professional charges	58.32	329.59
Security Expenses	50.16	96.04
Director' Fees	2.70	3.68
Auditors' Remuneration :		
Audit Fees	3.00	6.75
Tax Audit	0.50	1.30
Certification	1.50	1.20
Out of pocket expenses	-	0.22
Travelling & Conveyance	57.77	103.92
Office Expenses	25.17	63.54
Bank Charges	3.57	8.06
Miscellaneous expenses	12.67	23.74
<b>Total</b>	<b>219.75</b>	<b>811.56</b>

**20. SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2012.**
**SIGNIFICANT ACCOUNTING POLICIES**
**1 BASIS OF ACCOUNTING**

- a The financial statements are prepared on historical cost convention (except for certain fixed assets which have been revalued), on the basis of a going concern and in accordance with the applicable accounting standards.
- b The Company follows the mercantile system of accounting and recognises income and expenditure on the accrual basis except those with significant uncertainties interalia, including non-accrual of income on assets where principal / accrued income is fully provided as doubtful.

**2. USE OF ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets & liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for the year. Actual results may sometimes differ from these estimates. Any revision to accounting estimates is recognised prospectively.

**3 FIXED ASSETS**

Fixed Assets are stated at cost less depreciation except Land and Buildings which have been revalued and are stated at revalued cost less depreciation, where applicable. Cost comprises of all expenses incurred upto commissioning/putting the assets to use. In line with the basis followed for assets acquired on ownership, interest and other direct expenses incurred during pre-operative period of the assets obtained under Finance Lease arrangements are capitalised.

**4. IMPAIRMENT OF ASSETS**

The Company assesses at each Balance Sheet date whether there is any indication that any asset may be impaired. If any such indication exists, the carrying value of such asset is reduced to its recoverable amount and the impairment loss is charged to statement of profit and loss. If at the Balance Sheet date there is any indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to that effect.

**5. DEPRECIATION / AMORTISATION**

- a. Depreciation is calculated at the rates and in the manner specified under Schedule XIV to the Companies Act, 1956 on straight line method except in respect of Laboratory Equipments pertaining to the Rayon Plant (included in Note No-6), Railway Siding and Water Works, Furniture and Vehicles, which has been calculated on written down value method. Continuous process plant as defined in Schedule XIV has been taken on technical assessment.
- b In the case of increase on account of revaluation of Buildings, depreciation is computed on the basis of the residual life as estimated by the valuers.
- c Depreciation on spares purchased subsequently for specific machinery and having irregular use is provided prospectively over the residual life of the specific machinery.

**6. INVESTMENTS**

Long Term Investments are stated at cost. Provision other than of temporary nature is made for diminution in the value of investments.

**7. VALUATION OF INVENTORIES**

Inventories are valued at the lower of the cost and estimated net realisable value. Cost of Inventories is computed on moving weighted average basis. Finished goods and work in process include cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

**8. REVENUE RECOGNITION**

- a Sale of goods is recognised when the property and all the significant risks and rewards of ownership are transferred to the buyer and no significant uncertainty exists regarding the amount of consideration that is derived from the sale of goods. Sales includes Excise duty and are net off Discounts/Margins(as considered appropriate by the management) sales tax and damaged and detained stocks .Damaged and Dented stocks are accounted / provided for as when inspected and destroyed.
- b. Export sales are accounted for on the basis of the date of Bill of Lading / Mates Receipt
- c. Export Benefits Claims are accounted for in the year of Export.

**9. TRANSACTION OF FOREIGN CURRENCY ITEMS**

- a Foreign Currency transactions are recorded at the rate of exchange prevailing on the date of the transaction.
- b. Foreign Currency transactions remaining unsettled as on the last day of the financial year are translated at the exchange rate prevailing as on the date of Balance Sheet. The resultant difference, if any, is dealt with in the Profit and Loss Account. Premium in respect of forward exchange contracts is recognised over the life of the contracts.

**10. BORROWING COST**

Borrowing costs attributable to acquisition and construction of qualifying assets are capitalized as a part of the cost of such assets up to the date when such asset is ready for its intended use. Other borrowing costs are charged to statement of profit and loss.

**11. TAXATION**

Current Tax is recognised as per Income Tax Act, 1961.

Timing differences in respect of Accounting Income and Taxable income are recognised as Deferred Tax. Deferred Tax assets are recognised to the extent there is reasonable / virtual certainty that sufficient future taxable income will be available against which such Deferred Tax assets can be realised.

**12. EMPLOYEE BENEFITS**
**a) Gratuity:**

Liability under the payment of Gratuity Act,1972 is a defined benefit obligation and is provided for on the basis of the actuarial valuation made at the end of each financial year.

**b) Provident Fund:**

Retirement benefits in the form of Provident Fund / Pension Fund is a defined

contribution scheme and the contributions are charged to the statement of profit and loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.

**c) Leave Entitlement:**

Liability towards Leave Entitlement Benefit is provided for as at the Balance Sheet date as per the actuarial valuation taken at the end of the year.

Actuarial gains/ losses are immediately taken to statement of profit and loss and are not deferred.

**13. PROVISIONS ,CONTINGENT / LIABILITIES**

A provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation. Contingent liabilities, if material, are disclosed by way of notes to accounts. Disputed show cause notices / show cause-cum-demand notices are not considered as contingent liabilities. Contingent assets are not recognized or disclosed in the financial statements.

	As on 31.03.2012	As on 30.03.2011
<b>21. OTHER NOTES FORMING PART OF THE FINANCIAL STATEMENTS</b>		
(1)		
(i) Contingent Liabilities not provided for in respect of (including interest up to the date of Demand/claim):		
(a) Claims against the Company not acknowledged as debts (excluding claims where amounts not ascertainable / the cases where the possibility of any outflow on settlement / decision is remote)		
	Rs.Lacs	Rs.Lacs
i. Electricity	4196.13	2571.76
ii. Water charges	14790.00	13042.00
iii. Open Land Tax	638.57	638.57
iv. Income Tax	2056.86	-
iv. Others (Buyer's / Suppliers / Lenders / Quasi Govt. etc)	2148.31	1622.94
(b) Disputed Excise duty and Service Tax matters		
i. Excise Duty.	3297.72	3542.29
ii. Service Tax	105.02	55.26
(c) Disputed Sales Tax matters	423.25	423.25
(d) Pledge of shares (Investment) for borrowing by an associate	248.74	248.74
(e) Arrears of Preference Shares dividend (Including dividend tax)	153.03	126.29
(f) In respect of other matters under litigation (including workmen claims pending at different stages.)	Unascertainable	
(g) Interest /Compound interest /penalty on delayed /non payment Of statutory dues / to creditors.	Unascertainable	

ii) Commitments:

Capital Commitments Nil Nil

Others Commitments:

Disclosure in respect of Operating Leases:

- (a) The Company has taken various residential /commercial premises under cancellable Operating Leases. The Lease Agreements are usually renewable by mutual consent on mutually agreeable terms.
- (b) The rental expense in respect of Operating Leases are charged as rent under Note 23.

2) Rehabilitation Scheme and Sale of Land:

- (a) The Company had entered in to Agreement for sale of surplus land with Raheja Universal Ltd (RUL) in the year 2007. Board For Industrial and Financial Reconstruction (BIFR), vide its order dated 16.07.09 held that now that the Company has filed a reference with BIFR, the sale of land also has to be made a part of the rehabilitation scheme (DRS) to be prepared u/s 18(1)(d) of SICA and further directed the Company, not to dispose off any assets except with the consent of BIFR as per section 22A of SICA. On appeal, the Appellate Authority for Industrial and Financial Reconstruction (AAIFR) vide its order dated 28.05.2010 held that the pre-existing contract is beyond the purview of section 22A and the land cannot form part of DRS, permitted the implementation of the said Agreement for sale. Accordingly part possession of the land was handed over to RUL. In the Writ Petition filed against the said AAIFR order, Hon'ble Bombay High Court (BHC) , vide order dated 29.07.11 quashed and set aside the aforesaid AAIFR order and confirmed the said BIFR order. In SLP filed against the BHC order by RUL, the Hon'ble Supreme Court in its order dated 07.02.2012 upheld the Hon'ble High Court's order, dismissed the SLP and directed the parties to appear before BIFR for further directions. Further directions of BIFR regarding sale of land under section 18 of SICA are awaited. The company is in the process of formulating the DRS based on estimated current valuation of land proposed to be sold under DRS.

- (b) We have received Rs.7425.92 lacs from RUL in 3 tranches since 2007, towards advance against land sale. Out of which Rs.2450 lacs (as on 31.03.2012 is Rs.2749.32 lacs including interest ) is lying in Interest bearing No lien Account under note no-11.

3) The lockout declared w.e.f 15<sup>th</sup> November, 2009 is still in force. There was no manufacturing operations during the year, However, the essential services remained in operation.

4) (a) Pending submission and sanction of DRS, these Financial Statements have been prepared on a going concern basis.

- (b) In view of suspension of manufacturing operations, submission and sanction of DRS, the impairment loss on assets if any, as required by Accounting Standard 28, has not been dealt with in these Financial Statements.

5) The remuneration Paid /Payable to Managing Director for the year amounting to Rs. 134.55 lacs ( Rs.354.97 lacs from 19<sup>th</sup> December 2008 to 31<sup>st</sup> March 2012 ) which was approved by shareholders but was subject to approval of Central Government. The Central Government did not approve the same on procedural ground. The Company is taking necessary steps to secure the approval in this regard.

- 6) a) The Exceptional items of current year is diminution in value of Investments by Rs.223 lacs.
- b) Exceptional item of previous year includes excess provision made in the earlier years, and written back of Bad debts written off earlier and recovered and reversal of profit on sale of long term investment of Rs.1410.71 lacs.
- 7) (a) Confirmation / reconciliation of balances under certain Trade Receivables, Trade Payables and Lenders are also not available. However, necessary action in this regard is already initiated and on receipt of the same, will be reviewed by the company. Consequential adjustments arising thereon, which are presently not ascertainable, will be made.
- (b) During the year, due to severe financial crunch, Company was not regular in payment of statutory dues. Since the Company is under BIFR, the interest / instalments to Lenders / penalty etc on delayed / non payment to certain trade payable / promoters' contribution / Loan from secured and unsecured lenders and statutory dues are not provided for and shall be considered if required on sanction of DRS.
- 8) (a) Land and Buildings of the Company were re-valued as on 31<sup>st</sup> December 1984 on market value / replacement cost basis using Standard indices as assessed by the approved valuer. Further the land was again re-valued on 31<sup>st</sup> March 2005 and 25<sup>th</sup> January 2006 considering their present market prices as per valuation report submitted by the approved valuer appointed for the purpose. The revaluations of March 2005 and January, 2006 have resulted in a net increase in the book value by Rs.8355.89 lacs, and Rs.4450 lacs respectively. The total increase as a result of these revaluations was transferred to Revaluation Reserve in the respective years.

The following re-valued amounts (net of withdrawals) remain substituted for the historical cost in the gross block of fixed assets:

Rs. in lacs

	As at 31.03.2012	As at 31.03.2011
Free hold Land	16158.90	16158.90
Buildings	4518.92	4518.92

- 9) The Company is in the process of appointing a new Company Secretary as the incumbent resigned from office. In spite of best effort the Company is not able to find a suitable candidate for full time Company Secretary. However the efforts are continued.
- 10) Power and Fuel as disclosed in the Note -15, is net of Rs.80.07 lacs (Previous Period Rs.77.58 lacs) credit allowed by MSEDCL during the year on account of certain charges relating to earlier years.
- 11) Deferred Tax Assets / (Liabilities)
- As a matter of prudence due to continuous losses deferred tax assets has not been recognised for the current year and earlier years.

## 12) Calculation in respect of Earnings Per Share:

a.	Numerator:	For the Year ended 31st March, 2012 Rs.Lacs	For the 18 months Period ended 31st March, 2011 Rs.Lacs
	Net Profit/(Loss) as per Statement of Profit & Loss after Exc. item	(5701.35)	(9610.43)
	Net Profit/(Loss) as per Statement of Profit & Loss before Exc. item	(5478.30)	(8751.66)
	<b>Numerator for Basic EPS Calculation</b>	<b>(5701.35)</b>	<b>(9610.43)</b>
	<b>Numerator for Diluted EPS Calculation</b>	<b>(5701.35)</b>	<b>(9610.43)</b>
b.	Denominator:		
	Number of Weighted Equity Shares outstanding		
	-Basic	37237413	37237413
	-Diluted	37237413	37237413
c.	Earnings per share before exceptional item:		
	-Basic	(14.71)	( 23.50 )
	-Diluted	(14.71)	( 23.50 )
	Earnings per share after exceptional item:		
	-Basic	(15.31)	( 25.81 )
	-Diluted	(15.31)	( 25.81 )
d.	Nominal value per Equity Share	10	10

## 13) Related party Disclosure pursuant to Accounting Standard – 18

- a) Key Management Personnel : Shri Arun Jain (Managing Director)
- b) Associates / Group Companies with whom the Company has entered into transactions during the period:
- ISG Traders Ltd, Kavita Marketing Private Limited, and Duncan Industries Limited.
- The following transactions were carried out with the associates / group companies in the ordinary course of business and at arm's length:

Rs. in Lacs

Sr. No.	Name of the Party	2011-12	2009-11
1	<b>Receiving of Services</b>		
	Kavita Marketing Pvt Ltd	0.95	31.50
2	<b>Services Rendered</b>		
	Duncan Industries Ltd	4.32	6.48
3	<b>Debt Recovered</b>		
	Gujarat Carbon Industries Ltd.	--	180.00
4	<b>Managerial Remuneration –Mr.Arun Jain</b>	134.55	155.02
5	<b>Sale of Investments</b>		
	ISG Traders	-	(2700.00)
6	<b>Promoters Contribution</b>		
	ISG Traders Limited	139.00	-



Sr. No.	CLOSING BALANCE OF RELATED PARTIES	As at 31st March, 2012	As at 31st March, 2011
1	<b>Payable</b>		
	Kavita Marketing Pvt Ltd	47.59	45.84
	Shubh Shanti Services Limited	--	0.98
	Echo Fiscal Services Pvt Ltd (Promoters Contribution)	350.00	350.00
	ISG Traders Ltd (Promoters Contribution)	529.00	390.00
	Mr.Arun Jain – M D	166.46	31.91
2	<b>Receivable</b>		
	Odyssey Travels Ltd	7.38	7.38

(a) Related parties have been identified by the Management and relied upon by the auditors

(b) No amount in respect of related parties have been written off/written back / provided for during the year.

14) During the year, arising out of the suspension of production for a considerable time, the management has further carried out a thorough review (both qualitative and quantitative) of the potential realisable value of certain assets in a prudent manner. Accordingly, the following provisions/ write-offs have been made, as considered appropriate by the management, in the light of the changed prevailing scenario as a matter of abundant caution. :

(a) Provided on account of obsolete/non moving/slow moving stock: (Rs. Lacs)

Particulars	As on 31 <sup>st</sup> March, 2012	As on 31 <sup>st</sup> March, 2011
Raw Material	-	103.18
Work- in-process	-	10.46
Finished Goods	-	90.00
Stores and Spares (Including Fuel)	100.00	218.57

(b) Provided towards doubtful debts: (Rs. Lacs)

Particulars	As on 31 <sup>st</sup> March, 2012	As on 31 <sup>st</sup> March, 2011
Trade Receivables	-	148.90

15) The Company has determined the liability for Employee Benefits as at March 31, 2012 in Defined benefit plans – As per Actuarial Valuation on March 31, 2012. (Rs. Lacs)

	Gratuity Amount 2011-2012	Gratuity Amount 2009-2011
<b>A Expenses Recognized in the statement of Profit &amp; Loss Account for the period ended March 31, 2012</b>		
1 Current Service Cost	--	126.39
2 Past Service Cost	--	--
3 Interest Cost	--	194.95
4 Expected Return on Plan Assets	--	--
5 Net Actuarial (Gain)/ Loss recognized for the period	--	(603.11)
6 Expenses recognized in statement of Profit and Loss	--	(281.77)
<b>B Net Asset / (Liability) recognized in the Balance Sheet</b>		
1 Present Value of Obligation	2125.32	2782.55

2 Fair Value of Plan Assets	--	--
3 Funded Status	--	--
4 Unrecognised Actuarial Gain/ (Loss)	--	--
<b>5 Net Assets / (Liability) recognized in the Balance Sheet</b>	2125.32	2782.55
<b>C Changes in present value of obligations</b>		
1 Present Value of Obligation as at April 01, 2011	2081.25	2363.00
2 Interest Cost	--	126.40
3 Current Service Cost	--	194.95
4 Benefits Paid	--	--
<b>5 Actuarial (Gain)/Loss on Obligation</b>	44.07	(603.11)
6 Present Value of Obligation as at March 31,2012	2125.32	2081.24
<b>D Changes in Fair Value of Plan Assets</b>		
1 Fair Value of Plan Assets as at April 01, 2011	--	--
2 Expected Return on Plan Assets	--	--
3 Contributions	--	--
4 Benefits Paid	--	--
<b>5 Actuarial Gain / (Loss) on plan assets</b>	--	--
5 Fair Value of Plan Assets as at March 31,2012	--	--
<b>E Fair Value of Plan Assets</b>		
1 Fair Value of Plan Assets as at April 01,2011	--	--
2 Actual Return on Plan Assets	--	--
3 Contributions	--	--
4 Benefits Paid	--	--
5 Fair Value of Plan Assets as at March 31,2012.	--	--
<b>6 Funded Status</b>	--	--
7 Excess of Actual over estimated return on Plan Assets	--	--
<b>F Actuarial Gain / (Loss) Recognized</b>		
1 Actuarial Gain/(Loss) for the period (Obligation)	--	--
2 Actuarial Gain /(Loss) for the period (Plan Assets)	--	--
<b>3 Total Gain / (Loss) for the period</b>	--	--
4 Actuarial Gain / (Loss) recognized for the year	--	--
5 Unrecognized Actuarial Gain / (Loss) at March 31,2012	--	--
<b>G Movements in the Liability recognized in Balance Sheet</b>		
1 Opening Net Liability	2125.32	2363.00
<b>2 Expenses recognized in Statement of Profit &amp; Loss</b>	--	(281.76)
3 Contribution Paid	--	--
4 Closing Net Liability	2125.32	2081.24
<b>H Actuarial Assumptions</b>		
1 Mortality	LIC(1994-96) Ultimate	LIC(1994-96) Ultimate
2 Discount Rate as at March 31, 2011	8.25 %	8.00 %
3 Discount Rate as at March 31, 2012	8.25%	8.25%
4 Rate of Increase in Compensation	5.00%	2.00%
5 Expected Rate Of Return on Plan Assets	8.25%	8.25%

## 16) Disclosure in accordance with Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006. (Rs. Lacs)

Sr.No.	Particulars	31.03.2012	31.03.2011
a)	Principal amount remaining unpaid	275.82	286.59
b)	Interest paid in terms of Section 16	-	-
c)	Interest due and payable for the period of delay in payment	-	-
d)	Interest accrued and remaining unpaid	-	-
e)	Interest due and payable even in succeeding years	-	-

The Company has compiled the above information based on verbal confirmations from suppliers. As at the year end, no supplier has intimated the Company about its status as a Micro or Small and Medium Enterprise Development Act, 2006. No interest is likely to be paid to unsecured Trade payables under the DRS as referred in note 7(b) above and hence, no interest liability on the above category of creditors is provided / disclosed.

17) The Financial statements for the period ended 31<sup>st</sup> March, 2011 had been prepared as per then applicable, pre-revised Schedule VI to the Companies Act, 1956. Financial Statements for the year ended 31<sup>st</sup> March 2012 has been prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. The adoption of Revised Schedule VI does not impact recognition and measurement principles followed for preparation of Financial Statements.

18) Previous period's figures comprising of 18 months have been rearranged / regrouped, wherever necessary to conform to the current year's presentation comprising of 12 months and therefore not comparable.

As per our attached report of even date

For LODHA & CO.

Chartered Accountants

A.M. HARIHARAN

Partner

Mumbai, 23rd May, 2012

M.C.NALWAYA

Chief Financial Officer

G.P. GOENKA

ARUN JAIN

P.K. MALLIK

K.N. BHANDARI

P. P. SHASTRI

Chairman

Managing Director

Director

Director

Director



# NRC LIMITED

Corporate & Registered Office: Ewart House,  
Homi Modi Street, Fort, Mumbai 400 001

R. F. No.	
DP-ID No.	
Client-ID No.	
No. of Shares held	

## ATTENDANCE SLIP

I/We hereby record my/our presence at the SIXTYFOURTH ANNUAL GENERAL MEETING of the Company held at Rama Watumull Auditorium, K. C. College, Dinshaw Wacha Road, Churchgate, Mumbai – 400 020, on Tuesday, the 25th September, 2012 at 11.30 a.m.

NAME OF THE SHAREHOLDER (IN BLOCK LETTERS)	
SIGNATURE OF THE SHAREHOLDER	
NAME OF THE PROXY (IN BLOCK LETTERS)	
SIGNATURE OF THE PROXY	

### Notes:

1. Shareholders/Proxies are requested to bring this Attendance Slip with them when they come to the Meeting and hand it over at the gate duly signed.
2. Shareholders/Proxies desiring to attend the Meeting should bring their copy of the Annual Report for reference at the Meeting.

-----TEAR HERE-----



# NRC LIMITED

Corporate & Registered Office: Ewart House, Homi Modi Street,  
Fort, Mumbai 400 001

## PROXY FORM

I/We \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ being a Member/ Members of the above-named Company hereby appoint Shri \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ or failing him Shri \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ or failing him Shri \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ as my/our proxy to vote for me/us on my/our behalf at the SIXTYFOURTH ANNUAL GENERAL MEETING of the Company to be held on Tuesday, the 25th September, 2012 at 11.30 a.m. and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2012.

R. F. No.	
DP-ID No.	
Client-ID No.	
No. of Shares held	

Affix Re.1 Revenue Stamp
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Signature

NOTE: The Proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Corporate & Registered Office of the Company not less than 48 hours before the time for holding the aforesaid Meeting.

BOOK POST



If undelivered, please return to :

**NRC LIMITED**

Corporate & Registered Office :  
Ewart House, Homi Modi Street,  
Mumbai 400 001

rivera systems