



**65TH
ANNUAL REPORT
2012-13**



NRC LIMITED

**BOARD OF DIRECTORS**

MR. G. P. GOENKA	CHAIRMAN
MR. MADHUKAR MISHRA	DIRECTOR
MR. P.K. MALLIK	DIRECTOR
MR. K. N. BHANDARI	DIRECTOR
DR. P. P. SHASTRI	DIRECTOR
MR. ARUN JAIN	MANAGING DIRECTOR

CORPORATE & REGISTERED OFFICE

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

	CONTENTS	Page No.
PLANTS		
MOHONE 421 102	Notice	01
DIST THANE	Directors' Report	03
MAHARASHTRA STATE	Management Discussion & Analysis	06
BANKERS		
BANK OF BARODA	Report on Corporate Governance	08
PUNJAB NATIONAL BANK	Auditors' Report	18
DENA BANK	Balance Sheet	24
CANARA BANK	Profit and Loss Account	25
INDIAN OVERSEAS BANK	Cash Flow Statement	26
AUDITORS		
LODHA & CO.	Notes forming part of the Balance Sheet	27
CHARTERED ACCOUNTANTS	Significant Accounting Policies	36
REGISTRAR & SHARE TRANSFER AGENTS:-TSR DARASHAW LIMITED	Notes forming part of the Financial Statements	38
UNIT : NRC LTD.	<u>Attendance Slip/Proxy Form</u>	
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		

NOTICE

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

Day	:	Monday
Date	:	September 23, 2013
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

1. To receive, consider and adopt the Audited Accounts for the year ended on 31st March, 2013 and the Reports of the Directors and the Auditors thereon.
2. To resolve not to fill in for the present, the vacancy of Mr. Madhukar Mishra, Director, who retires by rotation and does not wish to seek reappointment.
3. 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.

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 9TH September, 2013 to 23rd September, 2013 (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 Pvt. 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 31.3.2005 has been transferred to the General Revenue Account of the Central Government.
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 31st 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 31.3.2005 has been transferred to IEPF during 2011-2012 and that relating to the financial year ended 31.3.2006 the Company has not declared any dividend for the said year.

- 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) In terms of circulars issued by SEBI, it is now mandatory to quote Permanent Account Number (PAN) for participating in the securities market. Therefore, Members holding shares in dematerialized form are requested to submit the PAN details to their depository Participants, whereas Members holding shares in physical form are requested to submit the PAN details to the Registrar & Share Transfer Agents of the Company.
- 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 dematerialized 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 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 29 , 2013

By Order of the
Board of Directors

Arun Jain
Managing Director

Important Communication

The Ministry of Corporate Affairs, vide its Circular No.18/2011 dated 29th 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 & 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.

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST MARCH, 2013.

To The Members,

Your Directors present the 65th Annual Report and Audited Accounts of the Company for the year ended 31st March, 2013.

FINANCIAL RESULTS
Rs.in lacs

	Year ended 31/03/2013	Year ended 31/03/2012
Gross Sales	0	0
Profit before Interest, Depreciation and Tax	(801)	(925)
Interest	0	3027
Profit before Depreciation and Tax	(801)	(3952)
Depreciation	1495	1526
Profit/(Loss) before Exceptional items & Tax	(2296)	(5478)
Exceptional Items	(449)	223
Taxation	0	-
Profit/(Loss) After exceptional items and Tax	(2745)	(5701)
Surplus/(Deficit) from Previous Year	(49726)	(44025)
Profit/(Loss) available for Appropriation	(52471)	(49726)

PERFORMANCE AND PROSPECTS

- (a) The lockout declared w.e.f. 15th November, 2009 is still in force. There were no manufacturing operations during the year; however the essential services remain in operation.
- (b) To generate interest free funds for revival of operations the company entered into Agreement for sale of its part land with a developer 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 follows the BIFR Order and culminated in the Hon. Supreme Court, which upheld the BIFR Order. The exercise of submission of Draft Rehabilitation Scheme is delayed due to the series of litigations.
- (c) 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 31st March, 2013.

DIRECTORS

In term of Articles of Association of the Company and Section 255 of the Companies Act, 1956 Shri Madhukar Mishra retire by rotation at the forthcoming Annual General Meeting.

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 31st March, 2013, 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 31st March, 2013 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 31st March, 2013 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.

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. The Company has granted exemption from Cost Audit by Central Government for the year ending 31st March 2012. Exemption for the year ending 31st March, 2013 is being applied 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. The company has received the requisite certificate pursuant to section 224(1B) of the Companies Act, 1956.

AUDITORS REPORT

Management's clarifications to the Auditor's Qualifications are given in the Notes referred in and are self explanatory.

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.

Mumbai
May 29, 2013.

For and on behalf of the Board of Directors
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) 60 (c) Rs.1,48,55,000* (d) B.Sc, Chartered Accountant (e) 34 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, 29th May, 2013

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 remain same. Imports decrease by 30% i.e. 15622 MT during 2012-13 as against 22440 MT during 2011-12.
- The prices of key raw material that is Imported Rayon grade wood pulp remain at same level that is US\$ 1200 per M. T. during 2012-13.
- 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 5th May, 2012.
- Average sales realization of the Industry is in upward trend during this year.
- Out look of VFY remain robust.

BUSINESS SEGMENT NYLON

- Nylon Tyrecord prices remain under pressure.
- China's Nylon Tyercord Fabric is major Threats
- Major raw material for Nylon Tyre Cord is a petroleum based product Caprolactum which has increased cost of production.

BUSINESS SEGMENT CHEMICALS:**A) CAUSTIC SODA**

- Domestic Caustic Soda demand stagnant during the year.
- Out look of Caustic Soda is expected to remain sluggish as prices under pressure 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 stable.

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	2012-13	2011-12
Gross Turnover	0	0
Net Turnover	0	0
Profit / (Loss) before Int., Depn. & Tax	(801)	(925)
Interest	0	3027
Profit / (Loss) before Depn. & Tax	(801)	(3952)
Depreciation	1495	1526
Profit/(Loss) before Tax and Extra-ordinary items	(2296)	(5478)
Extra-ordinary Items	449	223
Deferred Tax Asset / (Asset Reverse)	-	-
Current Tax (FBT)	-	-
Profit / (Loss) for the year	(2745)	(5701)

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 31.03.2013.

(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 2012-13 was 6 (Six). 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 2012-2013	Whether attended AGM held on 25 th September, 2012.	*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	5	0	1
Shri. Madhukar Mishra	Non-Independent (non- executive)	0	No	2	0	1
Shri P. K. Mallik	Independent (Non-Executive)	4	Yes	5	3	6
Shri K.N. Bhandari	Independent (Non-Executive)	5	Yes	9	1	3
Dr. P. P. Shastri	Independent (Non-Executive)	4	Yes	2	0	1
Shri. Arun Jain Managing Director	Executive (Non-Independent)	5	Yes	-	-	-

* Excluding directorship in Private Companies.

Five Board Meetings were held during 2012-13 and the gap between two meetings did not exceed four months. The dates on which Board meetings were held are: -

23rd May, 2012, 7th August, 2012, 25th September, 2012, 10th November, 2012 and 7th February, 2013.

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 64th Annual General Meeting held on 25th September, 2012.

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 2012-2013.
Shri P. K. Mallik (Chairman)	Independent & Non-Executive	3
Shri K. N. Bhandari	Independent & Non Executive	4
Dr. P. P. Shastri	Independent & Non Executive	3

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 2012-13.

The Audit Committee Meetings were held on the following dates during the year ended 31.03.2013.

23rd May, 2012, 7th August, 2012, 10th November, 2012 and 7th February, 2013.

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 K. N. Bhandari and Dr. P. P. Shastri. Shri P.K. Mallik is the Chairman of the Committee.

Only one meeting held during the year 2012-13 i.e. on 23rd May, 2012.

The Composition of the Remuneration Committee and the details of meeting attended by the Remuneration Committee Members are given below:

Name of Members	Category	No. of Meetings attended (out of 1 Meetings held) during the year 2012-2013.
Shri P. K. Mallik (Chairman)	Independent & Non-Executive	1
Shri K. N. Bhandari	Independent & Non Executive	1
Dr. P. P. Shastri	Independent & Non Executive	1

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 Gouri Prasad Goenka	37,500
2	Shri Madhukar Mishra	NIL
3	Shri P. K. Mallik	60,000
4	Shri K. N. Bhandari	1,05,000
5	Dr. P. P. Shastri	60,000

- **Executive Director:**

Details of remuneration paid to the Managing Director for the year ended 31st March, 2013:-

In view of the non receipt of Central Government's approval, no remuneration was paid for the year, based on our proposal Rs.148.55 Lacs 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 31st March, 2013 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 2012-2013. i.e. 23rd May, 2012, 7th August, 2012, 10th November, 2012 and 7th February, 2013.

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 2012-13
Shri P. K. Mallik (Chairman)	(Non-Executive and Independent)	3
Shri K. N. Bhandari	-do-	4
Shri Arun Jain	(Executive non- Independent)	4

During the year, 13 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 2012-13	
	Held	Attended
Shri Arun Jain	13	13
Shri M. C. Nalwaya	13	13

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

No. of Shareholders' complaints received during 2012-2013 :- Nil

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

No. of pending Share Transfers as on 31st March, 2013 : Nil

No. of pending Share Transfers as on 31.3.2013.

V. General Body Meetings :

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

The last three AGMs were held on –**17th March, 2010** at 11.00 a.m. at Rama Watumull Auditorium, Dinshaw Wacha Road, K. C. College Hall, Churchgate, Mumbai – 400 020, **14th September, 2011** at 11.00 a.m., at Patkar Hall, Marine Lines, Mumbai - 400 020 and **25th September, 2012** at 11.00 a.m. at Rama Watumull Auditorium, Dinshaw Wacha Road, K. C. College Hall, Churchgate, 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 & www.sebiedifar.nic.in (official site of SEBI)

Whether it also displays official news releases, and the presentations made to the institutional investors or to analysts. : The website is updated periodically with major news and events.

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 31.03.2013.

X. General Shareholders Information:

Annual General Meeting	:	
Date	:	23 rd September, 2013
Time	:	11.30 a.m.
Location	:	Rama Watumull Auditorium, K. C. College, Dinshaw Wacha Road, Churchgate, Mumbai – 400 020.
Financial Calendar	:	Year ending March 31, 2013
Annual General Meeting	:	September 23, 2013
Date of Book Closure	:	09-09-2013 to 23-09-2013
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:

1. Listing fees for the year 2013-14 (upto 31st March, 2014) is yet to be paid to the respective Stock Exchanges.
2. 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 with 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 2012-2013.

Month	High Rs.	Low Rs.	Sensex	
			High	Low
April, 2012	4.09	3.40	17,664.10	17,010.16
May	4.04	3.10	17,432.33	15,809.71
June	4.41	3.05	17,448.48	15,748.98
July	4.64	3.45	17,631.19	16,598.48
August	4.35	3.06	17,972.54	17,026.97
September	4.55	3.15	18,869.94	17,250.80
October	4.50	3.20	19,137.29	18,393.42
November	3.98	3.05	19,372.70	18,255.69
December	6.07	3.35	19,612.18	19,149.03
January 2013	5.27	3.66	20,203.66	19,508.93
February	3.94	2.65	19,966.69	18,793.97
March	2.81	2.39	19,754.66	18,568.43

NATIONAL STOCK EXCHANGE - NIFTYSENSEX

MONTHLY HIGH AND LOW QUOTATIONS DURING THE YEAR ENDED 2012-2013.

Month	High Rs.	Low Rs.	Sensex	
			High	Low
April, 2012	4.00	3.30	5378.75	5160.65
May	4.00	3.00	5279.60	4788.95
June	4.50	2.80	5286.25	4770.35
July	4.65	3.40	5348.55	5032.40
August	4.30	3.05	5448.60	5164.65
September	4.20	3.00	5735.15	5215.70
October	4.10	3.00	5815.35	4888.20
November	4.05	3.15	5885.25	5548.35
December	5.90	3.35	5965.15	5838.90
January 2013	5.30	3.65	6111.80	5940.60
February	3.75	2.55	6038.50	5671.90
March	2.85	2.40	5971.20	5604.85

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 20203.66, low at 15748.98 and average 17976.32 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 31st March, 2013 :

Number of Ordinary Shares held	Number of Shareholders as on 31.03.2013	% as on 31.03.2013	Number of Shareholders as on 31.03.2012	% as on 31.03.2012
1 to 500	22631	82.48	23351	82.52
501 to 1000	2398	8.74	2486	8.78
1001 to 10000	2200	8.01	2266	8.01
10001 and above	210	0.77	196	0.69
Total	27,439	100.00	28,299	100.00

Shareholding Pattern as on 31st March, 2013 :

Category	% Shareholding		Number of Ordinary Shares held	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Promoter Group	48.02	48.02	17881548	17881548
Financial Institutions	3.08	3.08	1146179	1146179
Non-Resident	1.42	1.44	528494	535663
Govt. Companies	0.00	0.00	150	150
Mutual Funds	0.00	0.00	1013	1013
FII's	0.00	0.00	0	0
Bodies Corporate	5.60	5.58	2083894	2076632
Directors & Relatives	0.00	0.00	0	0
General Public	41.88	41.88	15596135	15596228
Total	100.00	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 Website: 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 Website : 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, 95.79% is dematerialized as on 31.03.2013.

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 29, 2013.

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 31st March, 2013 –
 - 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 29, 2013.

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 31st March, 2013, 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: 29th May, 2013.

INDEPENDENT AUDITORS' REPORT**To****The Members of
NRC Limited****Report on the Financial Statements:**

We have audited the accompanying financial statements of **NRC Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement of the Company for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

- (a) *The Company has incurred loss in the current year as well as in the preceding year 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 20.4(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 and 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 Buildings, Plant and Equipment and Spare parts inventories as explained in note 20.4(b). We are unable to express an opinion as to when and to what extent the carrying value of Buildings and Plant & Equipment would be recovered because of lock-out at the plant, 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 Loans & Advances, Other non- current assets, Trade payables, Other liabilities 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 (Refer note no. 20.7 (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 is presently not ascertainable and therefore not provided for. (Refer note no. 20(1)(i)(e) of the financial statements).*

Qualified Opinion:

In our opinion and to the best of our information and according to the explanations given to us, except for the effects not ascertainable presently of the matters described in Basis for Qualified Opinion paragraph, the financial statements 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 March 31, 2013;
- (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.

Emphasis of Matter:

Without qualifying, we draw attention to note no. 20(5) regarding the financial statements of the Company:

"The remuneration paid/payable to Managing Director for the year amounting to Rs.148.90 Lacs (Rs. 504 Lacs from 19th December, 2008 to 31st March, 2013) was approved by shareholders but was subject to the approval of Central Government. The Central Government did not approve the same on procedural grounds. The Company has re-applied for the same and approval is awaited from Central Government."

Report on Other Legal and Regulatory Requirements:

- As required by the Companies (Auditor's Report) Order, 2003("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- As required by Section 227(3) of the Act, we report that:
 - Subject to what is stated in the Basis of Qualified Opinion para (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 the Basis of Qualified Opinion para (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 it appears from our examination of those books.*
- (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 comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act *except for the effects of the matter described in the Basis for Qualified Opinion paragraph (b) above;*
- (e) Considering the re-schedulement of redemption of Zero Percent Secured Redeemable non-convertible Debentures approved in CDR package in January, 2008 and on the basis of the written representations received from the Directors as on 31st March, 2013 taken on record by the Board of Directors. We report that none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For LODHA & COMPANY
Chartered Accountants
Firm Registration No. 301051E

A.M. Hariharan
Partner

Place: **Mumbai**
Date: **29th May, 2013**

Membership No. 38323

ANNEXURE REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF THE NRC LIMITED

On the basis of such checks as we considered appropriate and according to the 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.
b) The Company has not carried out physical verification of all its fixed assets during the year. *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.*
c) During the year, no substantial part of fixed assets has been disposed off by the Company.
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 as usually 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. The Company has not taken such loans from any firm or other parties covered under Section 301 of the Act. Therefore provisions of clauses (b), (c) and (d) of the order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control procedures commensurate with the size of the Company and nature of its business for the purchase of fixed assets and for the sale of services, *subject to what is stated in para 7 below.* 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 provided by the management, we are of the opinion that there are no contracts or arrangements that need to be entered into the register required to be maintained under Section 301 of the Act.
6. The Company has not accepted any public deposits within the meaning of Section 58A and 58AA or any other relevant provisions of the Act and rules framed thereunder.
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, Service Tax, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate*



authorities except Investor Education and Protection Fund, Sales 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, 2013 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) including interest & penalty	716.63
Professional Tax	77.29
Water Cess	67.80
Employees State Insurance (ESI)	88.42
Provident Fund	12.45
Sales tax	6.15
Work Contract Tax	2

- 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	1,924.86	1986 to 2009
		High Court, Mumbai	11.47	
		Customs, Excise, Service Tax Appellate Tribunal, Mumbai	1,070.05	
		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	16,536.86	2005 to 2013
The Income tax Act, 1961	Income Tax	Income Tax Appellate Tribunal, Mumbai	339.76	Assessment Year 2005-06
		Income Tax Commissioner (Appeals)-Thane	1,651.84	Assessment Year 2008-09 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, 2013 exceeds fifty percent of its net worth and has incurred cash losses during the financial year ended on that date and also in the immediately preceding financial year.



11. *After considering what was approved in the Corporate Debt Restructuring package in the year January, 2008 and considering that loans from a bank have already been assigned to a body corporate, the Company has defaulted in repayment of dues to banks are as under :*

Nature of Dues	Period of Default	Rs. In Lacs
<i>Principal amount</i>	<i>12-44 months</i>	<i>9,684.88</i>
<i>Interest thereon</i>	<i>12-44 months</i>	<i>8101.81</i>

12. During the year, the Company has not granted any 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, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
14. In our opinion, the Company is not dealing in shares, securities, debentures and other investments. Therefore, the provisions of clause 4(xiv) of the Order are 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. Based on the information and explanations given to us by the management, 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 overall examination of the Balance Sheet of the Company, in our opinion, since the funds raised of Rs. 34,104.33 Lacs have become overdue and are classified as short term borrowings, have been utilized for long term investments.
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 debentures during the year.
20. The Company has not raised any money by 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 except theft of certain parts of Plant & Machinery in the factory, the amount whereof has not been ascertained, for which the Company has lodged FIRs with relevant authorities and also filed the claims with insurance company.

For LODHA & COMPANY
Chartered Accountants
Firm Registration No. 301051E

A.M. Hariharan
Partner

Place: **Mumbai**
Date: **29th May, 2013**

Membership No. 38323

BALANCE SHEET AS AT MARCH 31, 2013

Rs. in Lacs

	Note No.	As at 31st March, 2013	As at 31st March, 2012
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	4,055.03	4,055.03
(b) Reserves and surplus	2	(32,937.69)	(30,129.60)
2 Current liabilities			
(a) Short-term borrowings	3	27,187.16	27,192.99
(b) Trade payables		15,372.70	15,224.60
(c) Other current liabilities	4	18,295.78	17,739.46
(d) Short-term provisions	5	2,735.70	2,977.29
TOTAL		34,708.69	37,059.77
II. ASSETS			
1 Non-current assets			
(a) Fixed assets- Tangible Assets	6	28,521.83	30,079.55
(b) Non-current investments	7	892.31	1,341.26
(c) Long-term loans and advances	8	1,702.80	1,746.96
(d) Other non-current assets	9	253.93	257.55
2 Current assets			
(a) Inventories	10	345.73	465.73
(b) Trade receivables	11	-	385.23
(c) Cash and Bank balances	12	2,989.76	2,762.69
(d) Other current assets	13	2.33	20.80
TOTAL		34,708.69	37,059.77

Significant accounting policies and
 Accompanying notes form an integral part of the financial statements

1 - 20

As per our attached report of even date

For LODHA & CO.
 Chartered Accountants
 A.M. HARIHARAN
 Partner
 Mumbai, 29th May, 2013

M.C.NALWAYA
 Chief Financial Officer

For and on behalf of the Board

G.P. GOENKA
 ARUN JAIN
 K.N. BHANDARI
 P. P. SHASTRI
 Chairman
 Managing Director
 Director
 Director

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2013 Rs. in Lacs

	Note No.	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Revenue from operations		-	-
Other income	14	397.61	268.24
Total Revenue		397.61	268.24
Expenses:			
Cost of materials consumed		-	-
Manufacturing and Operating Costs	15	462.78	486.56
Changes in inventories of finished goods work-in-progress and Stock-in-Trade		-	-
Employee benefits expense	16	443.02	487.16
Finance costs	17	-	3,027.41
Depreciation and amortisation expense	1,557.68		1,588.67
Less : Transferred from Revaluation Reserve	63.00		63.00
		1,494.68	1,525.67
Other expenses	18	293.27	219.75
Total expenses		2,693.75	5,746.55
Profit/(Loss) before exceptional item and tax		(2,296.14)	(5,478.31)
Exceptional item (Refer Note No. 20(6))		(448.95)	(223.05)
Profit/(Loss) for the year		(2,745.09)	(5,701.36)
Earning per Equity Share(Rs.)-			
Before exceptional item	20.12		
Basic & Diluted (face value of Rs.10 each)		(6.16)	(14.71)
Earning per Equity Share(Rs.)-			
After exceptional item	20.12		
Basic & Diluted (face value of Rs.10 each)		(7.36)	(15.31)
Significant accounting policies and	1 - 20		
Accompanying notes form an integral part of the financial statements			
As per our attached report of even date		For and on behalf of the Board	
For LODHA & CO.	M.C.NALWAYA	G.P. GOENKA	Chairman
Chartered Accountants	Chief Financial Officer	ARUN JAIN	Managing Director
A.M. HARIHARAN		K.N. BHANDARI	Director
Partner		P. P. SHASTRI	Director
Mumbai, 29th May, 2013			

	Rs. in Lacs	
	Year ended 31st March, 2013	Year ended 31st March, 2012
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) after Tax and exceptional items	(2,745.10)	(5,701.36)
Adjustments for :		
Depreciation	1,494.68	1,525.67
Interest Received	(265.25)	(257.92)
Interest paid	-	3,285.33
Diminution on value of Investment	448.95	223.05
Profit on disposal of fixed assets	-	(1.82)
Provision for Doubtful Debts and Advances	10.00	-
Operating Profit before Working Capital Changes	(1,056.72)	(927.05)
Adjustments for :		
(Increase) / decrease in Trade and other Receivables	235.99	(564.41)
(Increase) / decrease in Inventories	120.00	100.00
Increase / (decrease) in Trade and other Payables	463.08	519.99
Cash Generation from Operations	(237.65)	(871.47)
Less:		
Direct Taxes Paid (Net of Refunds)	-	-
NET CASH FROM OPERATING ACTIVITIES (TOTAL A)	(237.65)	(871.47)
B CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from Sale of Fixed Assets	-	2.95
Interest Received	265.25	257.92
Acquisition of Fixed Assets	265.25	(1.43)
NET CASH USED IN INVESTING ACTIVITIES (TOTAL B)	265.25	259.44
C CASH FLOW FROM FINANCING ACTIVITIES		
Difference in secured and Un secured Loans	(5.78)	186.89
NET CASH USED IN FINANCING ACTIVITIES (TOTAL C)	(5.78)	186.89
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (TOTAL A+B+C)	21.82	(425.14)
CASH AND CASH EQUIVALENTS - OPENING BALANCE	8.03	433.17
CASH AND CASH EQUIVALENTS - CLOSING BALANCE	29.85	8.03

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 and on behalf of the Board		
For LODHA & CO.	M.C.NALWAYA	G.P. GOENKA	Chairman
Chartered Accountants	Chief Financial Officer	ARUN JAIN	Managing Director
A.M. HARIHARAN		K.N. BHANDARI	Director
Partner		P. P. SHASTRI	Director
Mumbai, 29th May, 2013			

NOTES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2013

Rs.in Lacs

1 Share Capital

Particulars	As at 31st March 2013		As at 31st March 2012	
	Number	Rs. In Lacs	Number	Rs. In Lacs
Authorised				
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
Issued				
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
Subscribed & Paid up				
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
Total	<u>37,600,808</u>	<u>4,055.03</u>	<u>37,600,808</u>	<u>4,055.03</u>

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, 2011.
- 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. Now since the Company is under the preview of BIFR the final redemption will be as per the sanctioned Rehabilitation Scheme.

Reconciliation of number of equity shares/preference shares

Particulars	Equity Shares		8% and 4% Cumulative Redeemable Preference Shares	
	As at 31st March 2013	As at 31st March 2012	As at 31st March 2013	As at 31st March 2012
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	<u>37,331,731</u>	<u>37,331,731</u>	<u>327,717</u>	<u>327,717</u>

NOTES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2013

Rs.in Lacs

Details of members holding equity shares more than 5%

Name of Shareholder	As at 31 March 2013		As at 31 March 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares				
ISG Traders Limited	13,465,290	36%	13,465,290	36%
Shubh Shanti Services Ltd.	3,262,165	9%	3,262,165	9%
Details of members holding 8% Cumulative Redeemable Preference Shares more than 5%				
Industrial Investment Bank of India (IIBI)	199,800	81%	199,800	81%
Life Insurance Corporation of India	45,725	19%	45,725	19%
Details of members holding 4% Cumulative Redeemable Preference Shares more than 5%				
Industrial Investment Bank of India (IIBI)	82,192	100%	82,192	100%

	As at 31st March 2013	As at 31st March 2012
2 Reserves & Surplus		
Capital Reserve		
Opening Balance	180.41	180.41
Closing Balance	180.41	180.41
Capital Redemption Reserve		
Opening Balance	453.73	453.73
Closing Balance	453.73	453.73
Securities Premium Account		
Opening Balance	999.60	999.60
Closing Balance	999.60	999.60
Debenture Redemption Reserve		
Opening Balance	243.51	243.51
Closing Balance	243.51	243.51
Revaluation Reserve		
Opening Balance	17,719.16	17,782.16
Less : Transferred to Statement of Profit & Loss	63.00	63.00
Closing Balance	17,656.16	17,719.16
Accumulated losses		
Opening balance	(49,726.01)	(44,024.65)
Add : Loss transferred from Statement of Profit & Loss	(2,745.09)	(5,701.36)
Closing Balance	(52,471.10)	(49,726.01)
Total	(32937.69)	(30129.60)

NOTES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2013		Rs.in Lacs
	As at 31st March 2013	As at 31st March 2012
3 Short-term borrowings		
Secured		
From Financial Institutions (Refer Note (a),(b) &(c))		
3,16,800 (Previous Year 316800) Zero% Secured Redeemable non-convertible Debentures of Rs.100 each	316.80	316.80
Term loans from Banks (Refer Note (d),(e),(f) & (g))		
Term Loan	5,271.12	5,320.97
Funded Interest Term Loan (FITL)	2,700.38	3,136.83
Working Capital Term Loan (WCTL)	5,408.52	5,424.27
Short Term Loan	3,246.63	3,246.63
Working Capital Borrowing	2,311.12	2,403.45
Term loans from Banks (Refer Note (d),(e),(f) & (g))		
Term Loan	2,473.00	2,587.87
Funded Interest Term Loan (FITL)	833.06	851.96
Working Capital Term Loan (WCTL)	771.00	808.83
Working Capital Borrowings	169.46	230.56
	23,501.09	24,328.17
Unsecured		
Term loan		
from a Body Corporate (Refer Note (i) a)	2,572.82	1,985.82
Other loans		
Promoters' Contribution (Refer Note (i) b)	1,113.25	879.00
	3,686.07	2,864.82
Total	27,187.16	27,192.99

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-scheduling, redemption of debentures is to be made in two installments 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. 'Now since the Company is under the pervue of BIFR the final redemption will be as per the sanctioned Rehabilitation Scheme.
- (b) Debentures are secured by mortgage/hypothecation of all the immoveable and/or movable assets of the Company, present and future, ranking pari passu subject to the prior charges of the Company's Bankers on current assets for working capital borrowings.
- (c) The Financial Institutions have, under certain circumstances of default by the Company, an option to convert the Debentures into fully paid-up Equity Shares of the Company at any time during the currency of these Debentures.
- (d) Term Loan of Rs.2048 Lacs (Previous Year Rs.2143.12) from a Body Corporate is having exclusive charge on certain Plant & Machinery and all other Secured Term loans from Banks and a Body Corporate 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 2 of note no. 7)

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

- (e) Working Capital borrowings and non-fund based out standing of Rs. 294.39 Lacs (Previous Year Rs.294.39 Lacs) from the Banks and a Body Corporate 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.
- (f) One of the bank has assigned it's Financial Assistance term loan and working capital aggregating to Rs.4246.52 Lacs (Previous Year Rs.4479.22 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	8,853.46	9,432.94
Interest on above loans	12 -32 months	3,848.05	4,322.17

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 Promoters' contribution - Repayable as per CDR package approved dated 21.01.2008.
- c) The Company is under BIFR and rehabilitation scheme is under preparation, all the accounts are Non Performing Assets (NPA) and repayment of loans and interest will be made as per sanctioned rehabilitation scheme.

Rs.in Lacs

	As at 31st March 2013	As at 31st March 2012
4 Other Current Liabilities		
Debenture Premium due thereon	152.20	152.20
Interest accrued but not due	268.91	268.91
Interest Accrued on Promoters' contribution	134.53	134.53
Interest accrued and due	9,699.35	8,872.29
Advance from customers	130.23	386.86
Unclaimed redeemed preference shares	7.72	7.72
Unclaimed - bonus share Coupons	1.80	1.80
Unclaimed dividends	-	5.34
Advance received towards Agreement for sale of Land (Refer Note No. 20(2))	7,425.92	7,425.92
Deposits	127.78	126.27
Other Payable		
Statutory Dues	347.34	357.62
Total	<u>18,295.78</u>	<u>17,739.46</u>
5 Short Term provisions		
Provision for employee benefits	2,735.70	2,977.29
Total	<u>2,735.70</u>	<u>2,977.29</u>



Rs.in Lacs

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 1st April, 2012	Additions	Disposals	Adjustments	Balance as at 31st March, 2013	Balance as at 31st March, 2012	Depreciation charge for the year	Deductions	Balance as at 31st March, 2013	Balance as at 31st March, 2012
Tangible Assets										
Freehold Land*	16,208.90	-	-	-	16,208.90	-	-	-	-	16,208.90
Buildings	6,757.31	-	-	0.02	6,757.33	3,480.03	126.57	-	3,606.60	3,277.28
Plant and Equipment	31,534.03	-	-	(0.25)	31,533.78	21,005.85	1,428.83	-	22,434.68	10,528.18
Furniture and Fixtures	476.37	-	-	0.10	476.47	462.02	1.44	-	463.46	14.35
Vehicles	123.93	-	-	-	123.93	113.59	0.84	-	114.43	10.34
Railway Siding, Water works etc.	155.54	-	-	0.09	155.63	115.04	-	-	115.04	40.50
Total	55,256.08	-	-	(0.04)	55,256.04	25,176.53	1,557.68	-	26,734.21	30,079.55
Previous Year	55,266.73	1.43	12.08	-	55,256.08	23,598.80	1,588.67	10.94	25,176.53	30,079.55

* Refer Note No 20(2)

NOTES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2013

Rs.in Lacs

7 Non Current Investments

	Name of the Body Corporate	Face Value in Rs.	As at 31st March 2013		As at 31st March, 2012	
			No. of Shares	Rs. In Lacs	No. of Shares	Rs. In Lacs
Non Trade Investments						
A	Quoted and Fully paid up					
	Investment in Equity instruments					
	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	-
	Total (A)			2,150.65		2,150.65
B	Unquoted and fully paid up					
	Investment in Equity instruments					
	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
	Total (B)			45.15		45.15
	Other Investments					
C	Government Securities *			0.51		0.51
	Total (C)			2,196.31		2,196.31
	Less : Provision for diminution in the value of Investments			(1,304.00)		(855.05)
	Total			892.31		1,341.26
	Aggregate amount of quoted Investments			2,150.65		2,150.65
	Aggregate amount of Un-quoted Investments			45.66		45.66
	Estimated value of un-quoted Investments			0.66		-
	Aggregate market value of quoted Investments			891.64		1,336.61
	Aggregate Provision for diminution in value of Investments			1,304.00		855.05

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 them.
- 2 * Pledged with Financial Institutions/banks as a collateral for the loans taken.
- 3 ** Deposited with Government authorities.

NOTES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2013		Rs.in Lacs	
	As at 31st March 2013	As at 31st March 2012	
8 Long Term Loans and Advances			
Unsecured, considered good			
Security Deposits (Net of doubtful, fully provided Rs.978.92 Lacs; Previous Year Rs.978.92 Lacs)	290.59	263.76	
Loans and Advances to officers	85.39	69.92	
Other (Net of doubtful, fully provided Rs.684.67 Lacs; Previous Year Rs.683.87 Lacs)	1,227.05	1,344.66	
Balances with Government authorities	46.32	29.28	
Advance Tax	53.45	39.34	
Total	1,702.80	1,746.96	
9 Other non-current asset			
Other Bank Balances			
Fixed Deposit with maturities more than one year against Guarantees etc.	253.93	257.55	
Total	253.93	257.55	
10 Inventories			
Stores and spares*	345.73	465.73	
Total	345.73	465.73	
* Net of Provisions for obsolete Items			
11 Trade Receivables			
Trade receivables outstanding for a period exceeding six months from the date they are due for payment			
Unsecured, considered good	-	385.23	
Unsecured, considered doubtful	590.67	653.71	
	590.67	1,038.94	
Less: Provision for doubtful debts	(590.67)	(653.71)	
Total	-	385.23	
12 Cash and Bank Balances			
cash and cash equivalents			
Balances with banks			
in Current Accounts	14.66	3.50	
Cash on hand	14.95	4.53	
	29.61	8.03	
Other Bank Balances			
Interest bearing No Lien Account (Refer Note No.20(2)(b))	2,960.15	2,749.32	
Unpaid Dividend Account	-	5.34	
	2,960.15	2,754.66	
Total	2,989.76	2,762.69	

NOTES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2013		Rs.in Lacs	
	As at 31st March 2013	As at 31st March 2012	
13 Other Current Assets			
Interest accrued but not due (Net of doubtful, fully provided Rs.0.88 Lacs; Previous Year Rs.0.88 Lacs)	2.33	20.80	
Total	2.33	20.80	

NOTES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2013		Rs.in Lacs	
	For the year ended 31st March 2013	For the year ended 31st March 2012	
14 Other Income			
Net surplus on disposal of fixed assets	-	1.82	
Licence Fees	5.26	1.16	
Insurance Claim received	-	1.67	
Income - Others	-	34.88	
Interest Income - Others	265.25	-	
Recovery of water charges	127.10	156.33	
Sundry Credit balance - written back	-	1.87	
Provision no longer required written back	-	70.52	
Total	397.61	268.24	
15 Manufacturing and Operating Costs			
Consumption of stores and spare parts	129.00	117.07	
Power and fuel (Refer Note No.20(9))	233.54	270.73	
Other Manufacturing and Operating expenses	84.60	85.50	
Repairs to machinery	15.64	13.26	
Total	462.78	486.56	
16 Employee benefits expenses			
Salaries and incentives	401.65	429.94	
Contributions to provident and other funds	19.93	24.77	
Staff welfare expenses	21.44	32.45	
Total	443.02	487.16	
17 Finance Cost			
Interest expense	-	3,285.33	
Less: Interest Income	-	(257.92)	
Total	-	3,027.41	

NOTES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2013

Rs.in Lacs

	For the year ended 31st March 2013	For the year ended 31st March 2012
18 Other Expenses		
Rent	5.00	4.39
Auditors' Remuneration :		
- Audit fees	2.50	2.50
- Tax Audit fees	0.50	0.50
- Limited Review fees	2.00	2.00
Director' sitting fees	2.63	2.70
Professional charges	16.88	58.32
Legal charges	65.73	-
Security expenses	66.01	50.16
Travelling & Conveyance	64.34	57.77
Office expenses	37.54	25.17
Bank charges	1.02	3.57
Entertainment expenses	2.83	2.50
Provision for doubtful debts	10.00	-
Receivable written off	6.35	-
Miscellaneous expenses	9.94	10.17
Total	293.27	219.75

19. SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013.**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.

19. SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2013.**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 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 ASSETS / 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 at	As at
	31.03.2013	30.03.2012
20. OTHER NOTES FORMING PART OF THE FINANCIAL STATEMENTS		

(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)

Disputed Matters:	Rs.Lacs	Rs.Lacs
1 Electricity (Including electricity duty)	4238.31	4196.13
2 Water Charges *	16537.00	14790.00
3 Open Land Tax	928.48	638.56
4 Income Tax	2174.79	2056.86
5 Others (Buyer's / Suppliers / Lenders / Quasi Govt. etc)	1326.01	1326.01
6 Excise Duty	3297.72	3297.72
7 Service Tax	105.02	105.02
8 Disputed Sales Tax matters	423.25	423.25

(b) Pledge of shares (Investment) for borrowing by an associate 248.74 248.74

(c) Arrears of Preference Shares dividend (Including dividend tax) 179.76 153.03

(d) In respect of other matters under litigation (including workmen claims pending at different stages.) Not ascertainable

(e) Interest /Compound interest /penalty on delayed /non payment of statutory dues / Trade payables / Promoters' contribution / Loan from secured and unsecured lenders. Not ascertainable

* By certain notifications issued by Government of Maharashtra, the water charges payable by the Company were sought to be enhanced by the Government of Maharashtra

from 1991. The Company approached the Court, disputing such enhancement on the premise of non-applicability of the notification and/or classification to the Company, the matter is pending in the court. During the proceeding before Hon. Bombay High Court, the Company was interalia directed to give non disposal undertaking for the immovable property of the Company including 103 acres of land (excluding the surplus 345 acres land), buildings and plant & machinery, which were complied with. The water charges as sought to be enhanced has been disclosed in contingent liability.

II) Commitments:		
Capital Commitments	Nil	Nil
Others Commitments:	Nil	Nil

III) Disclosure in respect of Operating Leases:

- (a) The Company has taken various commercial premises under cancellable Operating Leases. The Lease Agreements are usually renewable by mutual consent on mutually agreeable terms.

The premises of Registered office of the Company is taken on lease from a Nationalised Bank for which the bank has filed a Eviction suit and demanded a mesae profit of Rs.451.31 lacs (Previous year Rs.379.10 lacs) included in the 20.(1)(a)(5) . The High Court has ordered for vacation of the premises for which Company is planning to file a petition in Supreme Court.

- (b) The rental expense in respect of Operating Leases is charged as rent under Note18.

2) Rehabilitation Scheme and Sale of Land:

- (a) Board For Industrial and Financial Reconstruction (BIFR) in its order dated 4th January, 2013, clarified that the status of land has already been decided by BIFR in its order dated 16.07.2009 and directed the Operating Agency (OA) to expedite submission and circulation of Draft Rehabilitation Scheme (DRS), based on the parameters given in the BIFR order dated 16-07-2009. The said BIFR order was challenged before Appellate Authority for Industrial and Financial Reconstruction (AAIFR). The AAIFR vide ex-parte order dated 20th March, 2013 directed the BIFR to give clear parameters to OA for preparation of DRS. As the company being of the view that clear parameters has already been laid down in BIFR order dated 16.07.2009, has filed a writ petition in Honourable High Court against the above said AAIFR order, which is pending. Further directions of BIFR regarding sale of land are awaited. The company is in the process of formulating the DRS based on estimated current valuation of land proposed to be sold, which will be submitted to BIFR as soon as the litigations are resolved.

- (b) We have received Rs.7425.92 lacs from a developer, towards advance against land sale. Out of which Rs.2450 lacs is deposited and lying in No lien Account.

3) The lockout declared w.e.f 15th November, 2009 is still in force. There was no manufacturing operation during the year.

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. 148.90 lacs (Rs.504.lacs from 19th December, 2008 to 31st March, 2013) was approved by shareholders subject to approval of Central Government. The Company is taking necessary steps to secure the approval in this regard.
- 6) The exceptional item is in respect of diminution in value of Investments by Rs.448.95 lacs (Previous Year. 223.05 lacs).
- 7 (a) Confirmation / reconciliation of balances of certain Loans & Advances, Other non-current assets, Trade Payables, Other liabilities 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 appropriately considered if required on sanction of DRS.
- 8 (a) Land and Buildings of the Company were re-valued as on 31st 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 31st March, 2005 and 25th 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 31.03.2013	As at 31.03.2012
Free hold Land	16158.90	16158.90
Buildings	4518.92	4518.92

- 9) Power and Fuel as disclosed in Note-15, is net of Rs. Nil lacs (Previous year Rs.80.07 lacs) credit allowed by MSEDCL during the year on account of certain charges relating to earlier years.
- 10) 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.
- 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, 2013	For the Year ended 31st March, 2012
		Rs.Lacs	Rs.Lacs
	Net Profit/(Loss) as per Statement of Profit & Loss after Exc. item	(2745.10)	(5701.35)
	Net Profit/(Loss) as per Statement of Profit & Loss before Exc. item	(2296.15)	(5478.30)
	Numerator for Basic EPS Calculation	(2745.10)	(5701.35)
	Numerator for Diluted EPS Calculation	(2745.10)	(5701.35)
b.	Denominator:		
	Number of Weighted Equity Shares outstanding		
	-Basic	37237413	37237413
	-Diluted	37237413	37237413
c.	Earnings per share before exceptional item:		
	-Basic	(6.16)	(14.71)
	-Diluted	(6.16)	(14.71)
	Earnings per share after exceptional item:		
	-Basic	(7.36)	(15.31)
	-Diluted	(7.36)	(15.31)
d.	Nominal value per Equity Share	10	10

13 Related party Disclosure pursuant to Accounting Standard – 18

- a) Associates / Group Companies and Key Management personal with whom the Company has entered into transactions during the period:
- ISG Traders Ltd, Kavita Marketing Private Limited, and Duncan Industries Limited (Associates).
 - Shri. Arun Jain Managing Director.

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

Srl. No.	Name of the Party	2012-13	2011-12
1	Receiving of Services		
	Kavita Marketing Pvt Ltd	--	0.95
2	Services Rendered		
	Duncan Industries Ltd	4.32	4.32
3	Managerial Remuneration –Mr.Arun Jain	148.90	134.55
4	Promoters Contribution		
	ISG Traders Limited	234.35	139.00

Sr. No.	CLOSING BALANCE OF RELATED PARTIES	As at 31st March, 2013	As at 31st March, 2012
1	Payable		
	Kavita Marketing Pvt Ltd	47.59	47.59
	Shubh Shanti Services Limited	-	350.00
	ISG Traders Ltd (Promoters Contribution)	1113.00	529.00
	Mr.Arun Jain – M D	504.00	166.46
2	Receivable		
	Odyssey Travels Ltd	7.38	7.38

- (b) Related parties have been identified by the Management and relied upon by the auditors
- (c) 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 st March , 2013	As on 31 st March, 2012
Stores and Spares (Including Fuel)	120.00	100.00

- 15 The Company has determined the liability for Employee Benefits as at March 31, 2013 in Defined benefit plans – As per Actuarial Valuation on March 31, 2013

	Gratuity Amount 2012-2013	Gratuity Amount 2011-2012
A Expenses Recognized in the statement of Profit & Loss Account for the period ended March 31, 2012		
1 Current Service Cost	96.07	110.41
2 Past Service Cost	--	--
3 Interest Cost	180.65	171.70
4 Expected Return on Plan Assets	--	--
5 Net Actuarial (Gain)/ Loss recognized for the period	-313.56	-238.03
6 Expenses recognized in statement of Profit and Loss	-36.83	44.07
B Net Asset / (Liability) recognized in the Balance Sheet		
1 Present Value of Obligation	2088.48	2125.32
2 Fair Value of Plan Assets	--	--
3 Funded Status	2088.48	(2125.32)
4 Unrecognised Actuarial Gain/ (Loss)	--	(2125.32)
5 Net Assets / (Liability) recognized in the Balance Sheet	(2088.48)	(2125.32)

C Changes in present value of obligations			
1	Present Value of Obligation as at April 01, 2012	2125.32	2081.25
2	Interest Cost	180.65	171.70
3	Current Service Cost	96.07	110.41
4	Benefits Paid	--	--
5	Actuarial (Gain)/Loss on Obligation	-313.56	-238.03
6	Present Value of Obligation as at March 31,2013	2088.48	2125.32
C Movements in the Liability recognized in Balance Sheet			
1	Opening Net Liability	2125.32	2081.25
2	Expenses recognized in Statement of Profit & Loss	180.65	171.70
3	Contribution Paid	96.07	110.41
4	Closing Net Liability	--	--
5	Actuarial (Gain)/Loss on Obligation	-313.56	-238.03
6	Present Value of Obligation as at March 31,2013	2088.48	2125.32
H Actuarial Assumptions			
1	Mortality	LIC(1994-96) Ultimate	LIC(1994-96) Ultimate
2	Discount Rate as at March 31, 2012	8.25 %	8.25 %
3	Discount Rate as at March 31, 2013	8.50%	8.25%
4	Rate of Increase in Compensation	5.00%	5.00%
5	Expected Rate Of Return on Plan Assets	8.50%	8.25%

- 16 Disclosure in accordance with Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006.

Sr.No.	Particulars	31.03.2013 Rs.Lacs	31.03.2012 Rs.Lacs
a)	Principal amount remaining unpaid	275.82	275.82
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 available informations from suppliers, as at the year end, as most of the supplier has not 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 Previous year's figures have been regrouped / rearranged wherever necessary to conform to the current year's presentation.

As per our attached report of even date		For and on behalf of the Board	
For LODHA & CO.	M.C.NALWAYA	G.P. GOENKA	Chairman
Chartered Accountants	Chief Financial Officer	ARUN JAIN	Managing Director
A.M. HARIHARAN		K.N. BHANDARI	Director
Partner		P. P. SHASTRI	Director
Mumbai, 29th May, 2013			



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 SIXTYFIFTH ANNUAL GENERAL MEETING of the Company held at Rama Watumull Auditorium, K. C. College, Dinshaw Wacha Road, Churchgate, Mumbai – 400 020, on Monday, the 23rd September, 2013 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 _____ in the district of _____
as my/our proxy to vote for me/us on my/our behalf at the SIXTYFIFTH ANNUAL
GENERAL MEETING of the Company to be held on Monday, the 23rd September, 2013
at 11.30 a.m. and at any adjournment thereof.

Signed this _____ day of _____ 2013.

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

Affix Re.1 Revenue Stamp

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