



**66<sup>TH</sup>  
ANNUAL REPORT  
2013-14**



**NRC LIMITED**

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**NRC LIMITED – CIN - L17120MH1946PLC005227**


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**BOARD OF DIRECTORS**

MR. G. P. GOENKA (DIN - 00030302)	CHAIRMAN
MR. P. K. MALLIK	DIRECTOR (ceased w .e. f. 26/02/2014)
MR. K. N. BHANDARI (DIN - 00191219)	DIRECTOR
DR. P. P. SHASTRI (DIN - 02199254)	DIRECTOR
MS. SAVITA ACHARYA (DIN - Applied)	DIRECTOR (Appointed w. e. f. 19/11/2014)
MR. ARUN JAIN (DIN - 00006007)	MANAGING DIRECTOR

**REGISTERED OFFICE**

 67, Gr. Floor, Surajmal Building,  
 75, Nakhoda Street, Pydhonie,  
 Mumbai 400 003.

**PLANTS**

 MOHONE 421 102  
 DIST THANE  
 MAHARASHTRA STATE

**BANKERS**

 BANK OF BARODA  
 PUNJAB NATIONAL BANK  
 DENA BANK  
 CANARA BANK

**AUDITORS**

 LODHA & CO.  
 CHARTERED ACCOUNTANTS

**REGISTRAR & SHARE TRANSFER**

 AGENTS : TSR DARASHAW LIMITED  
 UNIT : NRC LTD.  
 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

**CONTENTS**

Page No.

Notice	01
Directors' Report	11
Management Discussion & Analysis	15
Report on Corporate Governance	17
Auditors' Report	27
Balance Sheet	32
Profit and Loss Account	33
Cash Flow Statement	34
Notes forming part of the Balance Sheet	35
Significant Accounting Policies	44
Notes forming part of the Financial Statements	46
Attendance Slip/Proxy Form	

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**NOTICE**

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

Day	:	Tuesday
Date	:	December 30, 2014
Time	:	10.00 A.M.
Venue	:	Rama & Sundri 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 31<sup>st</sup> March, 2014 and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Shri K. N. Bhandari who retires from the office by rotation and being eligible, offers himself for re-appointment as a Non-independent Director.
3. To appoint a Director in place of Dr. P. P. Shastri who retires from the office by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. Lodha & Co. Chartered Accountants as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to authorize the Board to fix their remuneration.

**SPECIAL BUSINESS:**

5. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:  
"RESOLVED THAT pursuant to Section 149, 152 and other applicable provisions if any, the Companies Act, 2013, and the Rules made thereunder read with Schedule IV of the Companies Act, 2013 and pursuant to Article 85 of the Articles of Association of the Company, Ms Savita Acharya, who was appointed as an Additional Director of the Company on 19th November, 2014 and whose term of office expires at this Annual General Meeting in terms of Section 161 of the Companies Act, 2013. and in respect on whom the Company has pursuant to Section 160 of the Companies Act, 2013, received a notice in writing proposing her candidature for the office of Director, be and is hereby appointed as an independent Director of the Company".  
"RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto."
6. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution**:  
"RESOLVED THAT the Board of Directors of the Company has adopted new Articles of Association of the Company in its Board Meeting held on 19<sup>th</sup> November, 2014. Members of the Company consider to adopt the New Articles of Association."
7. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:  
"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to



the approval of the Central Government and such other approvals as may be necessary, the Company hereby accords its approval and consent to the re-appointment of Shri. Arun Jain, as the Managing Director for a period of three years with effect from 25<sup>th</sup> January, 2014 on the terms and conditions including remuneration as set out in the explanatory statement annexed hereto be, subject to such conditions and modifications, if any, that may be imposed by the Central Government in granting their approval and as may be acceptable to the Board of Directors and Shri. Arun Jain.”

“RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any year during the tenure of the Managing Director, Shri. Arun Jain shall be paid the remuneration including the perquisites as minimum remuneration as set out in the Explanatory Statement annexed hereto.”

“RESOLVED lastly that the Board of Directors be and is hereby authorised to do and perform all such acts, deeds, matters and things as may be considered desirable or expedient to give effect to the above resolutions including but not limited to entering into an agreement with Shri. Arun Jain with such modifications as may be necessary on receipt of approval of the Central Government.”

**NOTES :**

- a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND THE MEETING AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
- b) The Register of Members and Share Transfer Books of the Company will remain closed from 17<sup>th</sup> December, 2014 to 30<sup>th</sup> December, 2014 (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 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) Pursuant to Section 124 and 125 and other applicable provisions of the Companies Act, 2013, the unclaimed dividend upto the financial year ended 31.3.2005 has been transferred to the General Revenue Account of the Central Government.
- h) Consequent on the amendment to Section 124 ( 205-A of the erstwhile Companies Act 1956) and sec 125 and other applicable provisions the amount of dividend remaining unpaid/unclaimed with effect from 31<sup>st</sup> March, 2005 for a period of seven years from the date of transfer to unpaid dividend account of the Company is required to be transferred to the Investor Education & Protection Fund (IEPF) set up by the Government of India and no payments shall be made in respect of such claims by the Fund. Accordingly,



relating to the financial year ended 31.3.2006 onwards 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) As required under the Listing Agreement with the Stock Exchanges the particulars of Director/s who are proposed to be re-appointed and appointed as additional director are given below

Sr. No.	Name	Age	Qualifications	Experience	Shareholding in the Company	Director of the Company since	Other Directorships	Committee Positions
1	Shri Kailash Nath Bhandari	69	B.A., L.L.B.	Professional positions held in various insurance Companies, Member of the various committees.	-	19/10/2010	Andhra Cements Ltd., Agriculture Ins. Co. of India Ltd. Hindalco Industries Ltd. Saurashtra Cement Ltd. Shristi Infrastructure Development Corp. Ltd. Magma HDI General Insurance Co. Ltd. Jay Bharat Textile & Real Estate Ltd. KSL Industries Ltd. Jaiprakash Associates Ltd., Kenbee Consultants Ltd.	M - Audit CH. - Audit            M - Audit



2	Dr. P. P. Shastri	64	M. A., Ph.D.	Director of UTI Institute of Capital Markets, Head of Research, Planning and Board & Conference Departments etc. , On the panel of Experts to Institute of Banking Personnel.	-	19/10/2011	SVC Super-chem Ltd. Velgapudi Steels Ltd. SNDT Women's University	-
3	Miss Savita Acharya	42	C. A.	More than 13 years. experience in SAP, FICO & Microsoft Dynamics Solution implementation.	Nil	19/11/2014	Nil	

- l) The Company is registered with National Securities Depository Ltd. and Central Depository Services (India) Ltd. for dematerialization 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](mailto:secretarial@nrclimited.com) the members may use this speedier mode of communication.
- n) All documents referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office of the Company between 10.30 a.m. and 1.00 p.m. on any working day prior to the date of the Meeting.
- o) 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, TSR Darashaw Pvt. 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.
- p) Voting through electronic means: In compliance of Section 108 of the Companies Act 2013 and Rule 20 of the Companies (Management and Administration) Rules 2014, the Company is pleased to provide facility to exercise their rights to vote at the 66<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting Service provided by Central Depository Services (India) Ltd.(CDSL).



**The instructions for members for voting electronically are as under:-**

The voting begins on 26<sup>th</sup> December 2014, at 9.00AM and ends on 26<sup>th</sup> December 2014, at 6.00 PM , during this period shareholders of the Company holding shares either in physical form or in dematerialised form, as on the cut off date (record date ) of .21-11-2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on “Shareholders” tab.
- (iii) Now, select the “COMPANY NAME” from the drop down menu and click on “SUBMIT”
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.



- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant **NRC LIMITED** on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Raghini Chokshi & Company practising Company Secretary (Membership no 2390), 34 .Kamer building, 5th floor, 38 Cawasji Patel Street-, Fort, Mumbai-400001.has been appointed as scrutinizer to scrutinize the e- voting process in a fair and transparent manner.
- (xix) The Scrutinizer shall with in a period not exceeding three (3 ) working days from conclusion of e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the company and make a Scrutinizer's report of the votes cast in favour or against, if any, forthwith to the chairman of the company.
- (xx) The result shall be declared at the AGM of the company. The Results declared along with the scrutinizer's Report shall be placed on the website of CDSL within two days of the Company and communicated to the BSE & NSE
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**In case of members receiving the physical copy:**

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on 26<sup>th</sup> December 2014, at 9.00 AM and ends on 26<sup>th</sup> December 2014, at 6.00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off





date (record date) of 21-11-2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

*Registered Office:*  
 67, Gr. Floor, Surajmal Building,  
 75, Nakhoda Street,  
 Pydhonie,  
 Mumbai 400 003.  
*Dated : November 19, 2014.*

By Order of the  
 Board of Directors  
  
 Arun Jain  
 Managing Director

**EXPLANATORY STATEMENT**

**Item No.5**

Miss. Savita Acharya was appointed as an Additional Director of the Company by the Board of Directors effective from 19<sup>th</sup> November, 2014. According to the provisions of the Companies Act, 2013 (the Act) read with the Regulation of the Articles of Association of the Company, Miss Savita Acharya holds office of Director up to the date of the ensuing Annual General Meeting of the Company. A notice has been received from a member as required by the Companies Act signifying her intention to propose the appointment of Miss Savita Acharya as a Director.

The Board of Directors is of the view that the sufficient experience of Miss Savita Acharya in diverse fields would be of immense benefits to the Company and hence recommends her appointment for your approval.

None of the Directors, except Miss. Savita Acharya, herself, is interested in the Resolution.

**Item No.6**

The Company has adopted New Articles of Association of the Company in their Board Meeting held on 19/11/2014 to give effect the provisions of Companies Act 2013.

**Item No. 7**

The Board of Directors of the Company at its meeting held on 20th January, 2014, has re-appointed Shri Arun Jain, as the Managing Director of the Company for a period of three years with effect from 25<sup>th</sup> January, 2014, subject to the approvals of the Company in general meeting and of the Central Government, if applicable, and subject to any other approvals as may be necessary on the following terms and conditions: -

In accordance with the provisions of Section 302 of the Companies Act, 2013, an abstract of the terms of appointment including remuneration as recommended by the Remuneration Committee of the Board of Directors and approved by the Board of Directors, are given below:-

1	Period of Agreement	25.01.2014 to 24.01.2017
2	Remuneration of	Managing Director



a	Basic Salary	Rs.81,90,000 per annum.
b	HRA	Rs.40,95,000 per annum
c	Special Allowance	Rs.23,40,000 per annum
d	Other Allowance	Rs.12,01,200 per month .
e	Company maintained vehicle	At actual
f	Medical reimbursement	8.33% of the basic i. e Rs. 6,82,227 per annum
g	Leave Travel Assistance	8.33% of the basic i. e Rs.6,82,227 per annum
h	Provident Fund	Companies contribution – 12% of basic salary, as per rules prevailing from time to time i.e. Rs. 9,82,800 per annum.
i	Gratuity	Payable at the rate of 15 days basic salary per year of service payable at the end of tenure. In computing the gratuity payable, the period of employment shall be considered from 25 <sup>th</sup> January, 2008, being the date of initial appointments.
j	Club membership fee	Reimbursement of club Membership/ subscription fee for two clubs.
k	Earned/Privilege leave including encashment	As per the company's scheme and as may be decided from time to time by the Board.
3	Performance pay/ Commission	Such percentage of the net profit of the Company as may be decided by the board from time to time but not exceeding Rs.25 lacs per annum.
4	Calculation of value of perquisites	For the purpose of calculating the value of perquisites, the same shall be evaluated as per Income Tax Rules, 1962, wherever applicable.
5	Minimum Remuneration	In the event of any absence of inadequacy of net profits in any financial year, the remuneration as mentioned in para 2 shall be the minimum remuneration payable to the Managing Director.
6	Actual Business Expenditure	The Managing Director shall be entitled to the reimbursement of all actual expense or charges including travel, entertainment, communication (including reimbursement of Phone and other communication facilities at residence) or other out of pocket and incidental expenses incurred by him in furtherance of company's business and objectives.
7	Termination	The agreement for appointment may be terminated by either party by giving three months notice in writing or paying three months salary and applicable allowances in lieu thereof.

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

This may be treated as an Abstract of the terms of the draft agreement proposed to be entered into between the Company and Mr. Arun Jain and Memorandum of Interest under section 190 (Section 302 of the Companies Act, 1956) of the Companies Act 2013.

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

Registered Office:  
67, Gr. Floor, Surajmal Building  
75,Nakhoda Street,  
Pydhonie, ,  
Mumbai 400 003.

Dated : November 19 , 2014.

By Order of the  
Board of Directors

Arun Jain  
Managing Director



**STATEMENT CONTAINING INFORMATION REQUIRED TO BE GIVEN UNDER SCHEDULE XIII AS REQUIRED BY NOTIFICATION REF.G.S.R. 36(E) DATED JANUARY 16, 2002 ISSUED BY GOVERNMENT OF INDIA, MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS, DEPARTMENT OF COMPANY AFFAIRS, NEW DELHI FOR ITEM NO.7**

**I. General Information**

1. Nature of the Industry – Rayon, Nylon and Chemicals.
2. Date of expected date of commencement of commercial production : N. A.
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus - N. A.
4. Financial Performance - (Based on the audited Accounts for the year ended 31.3.2014)

(Rs. in Crores)

Turnover	Nil
Net Profit/(Loss) before tax	(24.61)
Total Expenditure	30.71

5. Export performance and net foreign exchange collaborations : Exports Nil. There are no foreign collaborations.
6. Foreign Investments or Collaborators : NIL

**Information about the Appointees:**

A) Information about Shri. Arun Jain, Managing Director

1. *Shri. Arun Jain is a B.Sc. and A.C.A.:*

Shri Arun Jain, did his B.Sc. and thereafter passed Chartered Accountant's examination and is a qualified Chartered Accountants.

Shri Arun Jain, (61), is having more than 33 years of wide range of rich experience in the public Companies. As Executive Director, he was responsible for performance of the group Companies with the Yash Birla Group of Companies. He was associated with the aforesaid Companies for last 18 years in various capacities and had played a key role in Company's turn around and growth.

He has been actively associated with day to day management and techno commercial decisions making and planning for more than 30 years. *Past Remuneration:* Shri. Arun Jain was Executive Director in his previous Company and was drawing remuneration as was applicable to his position. *Job profile and his suitability:* The Job Profile is to look after day to day affairs of NRC Ltd. His foremost job is to control losses and bring NRC in profits. His qualification and experience are very much suitable to handle job profile assigned to him.

4. *Remuneration proposed:*

The Abstract containing details of remuneration proposed to be paid to the Managing Director is contained in the Explanatory Statement No. 7 to the Notice of the 66th Annual General Meeting.

5. *Comparative remuneration profile with respect to industry, size of the Company, profile of the position and the person.*



The remuneration proposed is comparable with the emoluments of Managerial Personnel of like industries operating in India taking into consideration the experience of Shri. Arun Jain.

6. *Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel if any:* Shri. Arun Jain, does not have any pecuniary transactions with the Company except by way of his contract of employment with the Company nor he has any relationship with any other Director of the Company.

### III. Other information:

1. *Reasons of loss or inadequate profit:*

The inadequacy of profits in terms of the Companies Act, 2013 arise due to less realization from finished products of the Company by reason of import, by Company's regular domestic customers, from China at cheap price with reduced customs duty. The high fuel cost has also contributed to the loss.

2. *Steps taken for improvement:*

Various initiatives have been taken by the Managing Director such as Plants to run with full capacity, carryout maintenance and repairs of all the plants, improve labour efficiency, attentive about customer complaints, monitoring of collections, cut down in unit cost of production. Such steps when adopted with determination, commitment and imagination then Company would slowly but surely come out of its present adverse situation and move towards health, growth and strength.

3. *Expected increase in productivity and profits in measurable terms:*

The Company expects to achieve an additional turnover and start making profit after adopting the revival strategy very seriously, at all levels, after the additional capacity and facilities become operational on completion of the ongoing revival programme. The rayon and chemical divisions alongwith Nylon I & II divisions are also expected to achieve satisfactory performance in the coming financial years.

### IV. Disclosures:

1. The 'Abstract' containing details of remuneration paid/proposed to be paid to the Managing Director and previous Managing Directors under Section of the Companies Act, 2013 had been circulated among the Shareholders of the Company and is contained in the Explanatory Statement Nos. 7 as required under Section of the Companies Act, 2013.
2. All the relevant information pertaining to the Managing Directors, past and present, and required to be disclosed in the Directors' Report under the heading "Corporate Governance", are attached to the Annual Report.

*Registered Office:*  
67, Gr. Floor, Surajmal Building,  
75, Nakhoda Street,  
Pydhonie,  
Mumbai 400 003.  
*Dated : November 19, 2014*

By Order of the  
Board of Directors  
  
Arun Jain  
Managing Director

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014.**

To The Members,

Your Directors present the 66<sup>th</sup> Annual Report and Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2014.

**FINANCIAL RESULTS**

Rs.in lacs

	Year ended 31/03/2014	Year ended 31/03/2013
Gross Sales	-	-
Profit before Interest, Depreciation and Tax	(954)	(801)
Interest	-	-
Profit before Depreciation and Tax	(954)	(801)
Depreciation	1506	1495
Profit/(Loss) before Exceptional items & Tax	(2460)	(2296)
Exceptional Items	-	(449)
Taxation	-	-
Profit/(Loss) After exceptional items and Tax	(2460)	(2745)
Surplus(Deficit) from Previous Year	(52471)	(49726)
Profit/(Loss) available for Appropriation	(54931)	(52471)

**PERFORMANCE AND PROSPECTS**

- The lockout declared w.e.f. 15<sup>th</sup> November, 2009 is still in force. There were no manufacturing operations during the year; however the essential services remain in operation.
- To generate interest free funds for revival of operations the company entered into Agreement for sale of its part land with Raheja Universal P. Ltd.(RUPL) 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.
- BIFR vide its order dated 22.01.2014, directed the OA to explore possibility of amicable understanding between the parties on disposal of surplus land, the labour Union has also filed a write petition for early disposal of surplus land in Hon. Bombay High Court, which is pending. The OA has yet to file DRS.
- The Company plan to recommence the operations as soon as proceeds from the sale of land under the aegis of BIFR are received and the Rehabilitation Scheme is sanctioned.

**DIVIDEND**

In view of the unavailability of the profit, the Directors regret their inability to recommend any dividend for the year ended 31<sup>st</sup> March, 2014.

**DIRECTORS**

During the year, Shri P. K. Mallik, ceased to be director due to sad demise on 26.2.2014. The Board places on record its deep appreciation for the valuable services and contributions and guidance offered by him during his long tenure with the Company.

In term of Articles of Association of the Company and Section 152 (Corresponds to Section 255 of the Companies Act,1956) of the Companies Act, 2013 Shri K. N. Bhandari and Dr. P.P. Shastri, retire by rotation at the forthcoming Annual General Meeting and being eligible for re-appointment.

In compliance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company the Board has appointed Ms. Savita Acharya as Additional Director of the Company with effect from 19<sup>th</sup> November, 2014 till the conclusion of AGM,.

**DIRECTORS' RESPONSIBILITY STATEMENT**

As required under Section 134 ( Section 217 (2AA) of the erstwhile Companies Act,1956) of Companies Act,2013, given below is the Directors' Responsibility Statement;

The Board of Directors state:

- i) that in the preparation of the Annual Accounts for year ended 31<sup>st</sup> March, 2014, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of year as on 31<sup>st</sup> March, 2014 and of the loss of the Company for that period;
- iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that the Annual Accounts for the year ended 31<sup>st</sup> March, 2014 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 73 (Sec. 58 A of erstwhile Companies Act 1956).of the Companies Act,2013.

**COST AUDIT**

Since the plant is not in operation during the year. Exemption from the Cost Audit is being applied for the year ending 31<sup>st</sup> March, 2014 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 eligible for re-appointment. Members are requested to re-appoint auditors and fix their remuneration.

**ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE**

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

**PARTICULARS OF EMPLOYEES**

The Particulars of Employees as required under Section 134 (Section 217(2A) of the erstwhile Companies Act,1956) Companies Act,2013 read with the Companies (Particulars of Employees) Rules, 1975 is appended.

**REPORT ON CORPORATE GOVERNANCE**

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

**ACKNOWLEDGEMENTS**

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

For and on behalf of the Board of Directors

Mumbai

G. P. GOENKA

November 19, 2014.

Chairman



**PARTICULARS OF EMPLOYEES UNDER SECTION 134 ( SECTION 217 (2A) OF THE COMPANIES ACT, 1956) OF THE COMPANIES ACT, 2013.**

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) 61 (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, 19th November, 2014.





## MANAGEMENT DISCUSSION & ANALYSIS

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.

Abrief reporting on the market segments is as follows :

### **BUSINESS SEGMENT – RAYON**

- Domestic VFY production has increased by approximate 3 % to 44000 MT. during 2013 & 2014.
- Domestic Consumption of VFY grew by 2 % to 56000 MT
- The prices of key raw material that is Rayon grade wood pulp are softening due to over supply on account of capacity addition.
- Dispite an Anti dumping duty imposed on imports has increased due to stagnant Chinese domestic demand & softening wood pulp prices.
- This has adversely affected the sales volume of domestic manufacturers & led to an increase in yarn inventory.
- Out look : higher yarn imports are likely to remain a challenge for domestic manufacturers.

### **BUSINESS SEGMENT – NYLON**

- Chinas's Nylon Tyrecord Fabric is major threats. However Anti dumping duty imposed on imports from China
- Inspite of all threats & concerns, the out look in near term as well as longer term is cautiously positive
- The tyre Companies are increasingly demanding dipped fabric.
- Stable to firm crude oil prices maintained raw material prices.

### **BUSINESS SEGMENT – CHEMICALS**

- A) CAUSTIC SODA
  - Domestic Caustic Soda demand expected to grow due to commission of new Alumina & Fiber capacities in the country. However prices continue to remain under pressure due to sufficient supply.
- B) CS2 - Due to starting of two units, supply of CS2 increased & therefore prices are under pressure.
- C) Prices of H2SO4 remain stable during the year as Supply & Demand matches.

### **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 Management 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	2013-14	2012-13
Gross Turnover	-	(801)
Net Turnover	(954)	-
Profit / (Loss) before Int., Depn. & Tax	-	(801)
Interest	(954)	1495
Profit / (Loss) before Depn. & Tax	1506	(2296)
Depreciation	(2460)	(449)
Profit/(Loss) before Tax and Extra-ordinary items	-	-
Extra-ordinary Items	-	(2745)
Deferred Tax Asset / (Asset Reverse)	(2460)	(49726)
Current Tax ( FBT )	(52471)	(52471)
Profit / (Loss) for the year	(54931)	(2745)

**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 31.03.2014.**

(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 2013-14 was 5 (FIVE). The composition of the Board complies with the requirements of minimum number of independent directors and non-executive directors. All the Directors comply with the ceiling for holding maximum number of directorship and committee positions under various statutes. None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees {as specified in Clause 49(C)(ii)} across all the Companies in which he is a Director.

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

Name	Category	No. of Board Meetings attended (out of 5 Board Meetings held) during the year ended 2013 -2014	Whether attended AGM held on 23 <sup>rd</sup> September, 2013.	*No. of Directorships in other companies	No. of Committee positions held in other companies	
					Chairman	Member
Shri. G. P. Goenka (Chairman)	Promoter (Non-Independent)	5	Yes	5	-	-
Shri P. K. Mallik (ceased to be Director w.e.f.26/02/2014)	Independent (Non-Executive)	1	No	N. A.	-	-
Shri K.N. Bhandari	Independent (Non-Executive)	5	Yes	10	1	8
Dr. P. P. Shastri	Independent (Non-Executive)	4	Yes	3	-	3
Shri. Arun Jain Managing Director	Executive (Non-Independent)	5	Yes	1	-	1

\* Excluding directorship in Private Companies.

Five Board Meetings were held during 2013-14 and the gap between two meetings did not exceed four months. The dates on which Board meetings were held are: -

29<sup>th</sup> May, 2013, 8<sup>th</sup> August, 2013, 23<sup>rd</sup> September, 2013, 13<sup>th</sup> November, 2013 and 12<sup>th</sup> February, 2014.

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 179 (section 292 A of erstwhile Companies Act 1956) of the Companies Act, 2013 and Clause 49 of the Listing Agreements with the Stock Exchanges.

Shri. P. K. Mallik, the Chairman of the Audit Committee was not present at the 65<sup>th</sup> Annual General Meeting held on 23<sup>rd</sup> September, 2013.

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 2013-2014.
Shri P. K. Mallik (Chairman) (Ceased to be Member w.e.f. 26/02/2014)	Independent & Non-Executive	1
Shri K. N. Bhandari	Independent & Non Executive	4
Dr. P. P. Shastri	Independent & Non Executive	4

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 2013-14.

The Audit Committee Meetings were held on the following dates during the year ended 31.03.2014.

29<sup>th</sup> May, 2013, 8<sup>th</sup> August, 2013, 13<sup>th</sup> November, 2013 and 12<sup>th</sup> February, 2014.

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**, (Ceased as Member w.e.f.26/02/2014) Shri K. N. Bhandari and Dr. P. P. Shastri. Shri P.K. Mallik was the Chairman of the Committee.

Only one meeting held during the year 2013-14 i.e. on 12<sup>th</sup> February, 2014.

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 during the year 2013-2014.
Shri P. K. Mallik (Chairman) (Ceased to be Member w.e.f. 26/02/2014)	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 during the year 2013-14.

**Sitting Fees Paid to Directors**

S.No.	Name of Director	Amount Rs.
1	Shri Gouri Prasad Goenka	15,000
2	Shri P. K. Mallik	30,000
3	Shri K. N. Bhandari	97,500
4	Dr. P. P. Shastri	67,500

• **Executive Director:**

Details of remuneration paid to the Managing Director for the year ended 31<sup>st</sup> March, 2014:-

In view of the non receipt of Central Government's approval, no remuneration was paid for the year, based on our proposal Rs. 161.02 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 31<sup>st</sup> March, 2014 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 2013-2014. i.e. 29<sup>th</sup> May, 2013, 8<sup>th</sup> August, 2013, 13<sup>th</sup> November, 2013 and 12<sup>th</sup> February, 2014.

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 2013-14
Shri P. K. Mallik (Chairman) (Ceased to be Member w.e.f. 26/02/2014)	(Non-Executive and Independent)	1
Shri K. N. Bhandari	-do-	4
Shri Arun Jain	(Executive non- Independent)	3



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 2013-14	
	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

67, Gr. Floor, Surajmal Building,

75, Nakhoda Street,

Pydhonie, Mumbai 400 003

Phone : (022) 23464458

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

No. of Shareholders' complaints received during 2013-2014 :- Nil

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

No. of pending Share Transfers as on 31<sup>st</sup> March, 2014 : Nil

No. of Pending Share Transfers as on 31.3.2014 :- Nil

**V. General Body Meetings :**

- (i) Location and time, where last three AGMs were held :  
The last three AGMs were held on – 14<sup>th</sup> September, 2011 at 11.00 a.m., at Patkar Hall, Marine Lines, Mumbai - 400 020, 25<sup>th</sup> September, 2012 at 11.00 a.m. and 23<sup>rd</sup> September, 2013 at 11.30 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 : Free Press Journal (English) & published in Navshakti (Marathi)

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

Whether it also displays official news 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 during the year.

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 31.03.2014.

Annual General Meeting	:	
Date	:	30th December, 2014 (Tuesday)
Time	:	10.00 a.m.
Location	:	Rama & Sundri Watumull Auditorium, K. C. College, Dinshaw Wacha Road, Churchgate, Mumbai – 400 020.
Financial Calendar	:	Year ending March 31, 2014
<b>Annual General Meeting</b>	:	December 30, 2014
Date of Book Closure	:	17-12-2014 to 30-12-2014
<b>Listing of Stock Exchanges and Stock Code</b>	:	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 years 2013-14 & 2014-15 (upto 31st March, 2015) is being 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 2013-2014.

Month	BOMBAY STOCK EXCHANGE		NATIONAL STOCK EXCHANGE	
	High Rs.	Low Rs.	High	Low
April, 2013	3.40	2.26	3.30	2.80
May	2.69	2.25	3.10	2.35
June	2.51	2.20	2.40	2.10
July	2.54	2.15	2.30	2.05
August	2.40	2.10	2.20	1.85
September	2.10	1.83	2.00	1.90
October	2.03	1.84	1.95	1.85
November	2.53	2.00	2.30	1.90
December	3.36	2.34	2.80	2.40
January 2014	3.10	2.28	2.90	2.15
February	4.40	2.19	3.75	2.00
March	3.84	3.25	3.70	2.55

<b>Performance in comparison to broad-based indices such as BSE Sensex, CRISIL, index etc.</b>	:	The Comparison of market price high-low quotations vis-à-vis BSE Sensex, which was high at 22,023.98, low at 17,448.71 and average 19,736.35 may not be relevant.
Share Transfer System	:	Share transfers in physical form can be lodged with TSR Darashaw Pvt 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, 2014 :**

Number of Ordinary Shares held	Number of Shareholders as on 31.03.2014	% as on 31.03.2014	Number of Shareholders as on 31.03.2013	% as on 31.03.2013
1 to 500	22349	82.58	22631	82.48
501 to 1000	2344	8.66	2398	8.74
1001 to 10000	2160	7.98	2200	8.01
10001 and above	210	0.78	210	0.77
<b>Total</b>	<b>27063</b>	<b>100.00</b>	<b>27,439</b>	<b>100.00</b>

**Shareholding Pattern as on 31<sup>st</sup> March, 2014 :**

Category	% Shareholding		Number of Ordinary Shares held	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
Promoter Group	46.79	48.02	17421548	17881548
Financial Institutions	4.31	3.08	1606179	1146179
Non-Resident	1.42	1.42	527004	528494
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	5.24	5.60	1953037	2083894
Directors & Relatives	0.00	0.00	0	0
General Public	42.24	41.88	15728482	15596135
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>37237413</b>	<b>37237413</b>

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

(i) Corporate & Registered Office

: 67, Gr. Floor, Surajmal Building,  
75, Nakhoda Street, Pydhonie,  
Mumbai 400 003  
Tel. (022) 23464458  
Email: secretarial@nrclimited.com  
Website: www.nrclimited.com

(ii) Registrar and Transfer Agents

: TSR Darashaw Pvt. 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, 95.80% is dematerialized as on 31.03.2014.

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 67, Gr. Floor, Surajmal Building, 75, Nakhoda Street, Pydhonie, Mumbai 400 003 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 : November 19, 2014.

**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, 2014 –
  - 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 : November 19, 2014.



**CERTIFICATE**

To the Members of  
NRC Limited

We have examined the compliance of the conditions of Corporate Governance by NRC LIMITED ("the Company"), for the year ended on 31<sup>st</sup> March, 2014, 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 except that no internal audit was carried out during the year.

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: 19<sup>th</sup> November, 2014.

**INDEPENDENT AUDITORS' REPORT**

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, 2014, 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.

To

**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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 and Plant and Equipment 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 Banks, 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/ Promoter Contribution/ Lenders/ Mesne profit liability is presently not ascertainable and therefore not provided for. (Refer note no. 20.7(b) of the financial statements).*

*(e) The remuneration paid/ payable to Managing Director for the year amounting to Rs. 161.02 lacs (Rs. 665.02 lacs from 19.12.2008 to 31.03.2014) out of which Rs. 131.87 lacs for the period April 2013 to Jan 2014 was approved by*



shareholders and balance Rs. 29.33 lacs is pending for the approval of the shareholders is subject to the approval of Central Government. The Company, as explained, is taking necessary steps for getting the approvals. Should the approvals not be received, the extent of the effect of the resultant adjustments to the accumulated losses and liabilities as at the year-end and losses for the year which is presently not ascertainable.

(f) Liability towards Mesne profit aggregating to Rs. 529.36 lacs in respect of lease premises has not been provided for in terms of the Supreme Court order received during the year. (Refer note no. 20(1) (III) of the financial statements)

(g) We further report that without considering the matter referred in para (b) to (e) above, the effect of which could not be determined, had the observation made by us in para (f) above been considered, the loss before tax for the current year would have been Rs. 2990.17 lacs (as against reported loss of Rs. 2460.81lacs), Reserves and Surplus (accumulated losses) would have been Rs. 35,990.77 lacs (as against reported losses of Rs.35,461.41) and trade payables would have been Rs. 16,593.06lacs (as against reported figure of Rs. 16,063.70)

**Qualified Opinion:**

In our opinion and to the best of our information and according to the explanations given to us, except 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, 2014;
- (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.

**Report on Other Legal and Regulatory Requirements:**

1. 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.
2. As required by Section 227(3) of the Act, we report that:
  - (a) Subject to what is stated in the Basis of Qualified Opinion para (c), (d) and (e) 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) to (f) 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), (d) and (f) above;*
  - (e) Considering the re-schedule 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 31<sup>st</sup> March, 2014 taken on record by the Board of Directors. We report that none of the directors is disqualified as on 31<sup>st</sup> March, 2014 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  
Membership No. 38323

Place: Mumbai  
Date: 19<sup>th</sup> Nov, 2014



**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 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 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 has been carried out during the year.*
- (c) *The inventory records are required to be updated. Besides, during the year, the carrying value of inventories has been fully provided for.*
3. (a) 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 there under.
7. *No internal audit has been carried out during the year.*
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. According to the information and explanations given to us, there are no undisputed statutory dues outstanding as at 31st March, 2014 for a period of more than six months from the date they became payable except the following :*

<i>Particulars</i>	<i>Rs. In lacs</i>
<i>Tax Deducted at Source (TDS) including interest &amp; penalty</i>	<i>130.20</i>
<i>Professional Tax</i>	<i>79.01</i>
<i>Employees State Insurance (ESI)</i>	<i>86.61</i>
<i>Provident Fund</i>	<i>40.24</i>



Sales tax	7.03
Work Contract Tax	2.00
Service tax	20.00

Also refer point (d) of Basis of Qualified opinion reported above.

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	1,539.43	1986 to 2009
		High Court, Mumbai	11.47	
		Customs, Excise, Service Tax Appellate Tribunal, Mumbai	1121.64	
		Commissioner (Appeals)/	68.66	
		Asst. Commissioner	274.92	
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	17,073	2005 to 2013
The Income tax Act, 1961	Income Tax	Income Tax Commissioner (Appeals)-Thane	2145.60	Assessment Year 2008-09 to 2011-12

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

- The Company's accumulated losses as at 31st March, 2014 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.
- 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
Principal amount	12-56 months	23,476.21
Interest thereon	12-56 months	10,254.99

- 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.
- 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.
- 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.
- 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. 23,476.21 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, no material fraud on or by the company has been noticed or reported during the course of our audit. 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**

Membership No. 38323

**Place: Mumbai**

Date: 19<sup>th</sup> Nov, 2014

**BALANCE SHEET AS AT MARCH 31, 2014**

Rs. in Lacs

Particulars	Note No.	As at 31st March, 2014	As at 31st March, 2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	1	4,055.03	4,055.03
(b) Reserves and surplus	2	(35,461.41)	(32,937.70)
<b>2 Current liabilities</b>			
(a) Short-term borrowings	3	27,519.26	27,187.17
(b) Trade payables		16,063.70	15,372.70
(c) Other current liabilities	4	18,292.46	18,295.78
(d) Short-term provisions	5	2,539.53	2,735.70
<b>TOTAL</b>		<b>33,008.57</b>	<b>34,708.69</b>
<b>II. ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets- Tangible Assets	6	26,952.20	28,521.83
(b) Non-current investments	7	891.80	892.31
(c) Long-term loans and advances	8	1,680.68	1,702.80
(d) Other non-current assets	9	271.59	253.93
<b>2 Current assets</b>			
(a) Inventories	10	-	345.73
(b) Trade receivables	11	-	-
(c) Cash and Bank balances	12	3,208.97	2,989.76
(d) Other current assets	13	3.33	2.33
<b>TOTAL</b>		<b>33,008.57</b>	<b>34,708.69</b>

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 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, 19th Novemebr, 2014		SAVITA ACHARYA	Director



## STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2014 Rs. in Lacs

Particulars	Note No.	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Revenue from operations	14	-	-
Other income	15	469.34	397.61
<b>Total Revenue</b>		<b>469.34</b>	<b>397.61</b>
Expenses:			
Manufacturing and Operating Costs	16	645.22	453.78
Employee benefits expense	17	518.15	443.02
Depreciation and amortisation expense	6	1,569.76	1,557.68
Less : Transferred from Revaluation Reserve		<u>63.00</u>	<u>63.00</u>
Other expenses	18	260.02	302.26
<b>Total expenses</b>		<b>2,930.15</b>	<b>2,693.74</b>
Profit/(Loss) before exceptional item and tax		(2,460.81)	(2,296.13)
Exceptional item (Refer Note No. 20(6) )		-	(448.94)
Profit/(Loss) for the year		<u>(2,460.81)</u>	<u>(2,745.08)</u>
Earning per Equity Share(Rs.)-			
Basic & Diluted (face value of Rs.10 each)		(6.61)	(6.16)
Earning per Equity Share(Rs.)-			
Basic & Diluted (face value of Rs.10 each)		(6.61)	(7.36)

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, 19th Novemehr, 2014		SAVITA ACHARYA	Director



<b>CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014</b>		<b>Rs. in Lacs</b>	
	Year ended 31st March, 2014	Year ended 31st March, 2013	
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit / (Loss) after Tax and exceptional items	(2,460.80)		(2,745.10)
Adjustments for :			
Depreciation	1,506.57	1,494.68	
Interest Received	(289.02)	(265.25)	
Diminution on value of Investment	0.51	448.95	
Provision for Doubtful Debts and Advances	-	10.00	1,688.38
Operating Profit before Working Capital Changes	<u>(1,384.02)</u>		<u>(1,056.72)</u>
Adjustments for :			
(Increase) / decrease in Trade and other Receivables	(236.31)	235.99	
( Increase) / decrease in Inventories/inventory write off	345.73	120.00	
(Increase)/decrease in Tangible Assets	(0.10)		
Increase/(decrease ) in Trade and other Payables	<u>491.15</u>	<u>463.08</u>	819.07
Cash Generation from Operations	<u>(641.92)</u>		<u>(237.65)</u>
Less:			
Direct Taxes Paid (Net of Refunds)	-		
<b>NET CASH FROM OPERATING ACTIVITIES (TOTAL A)</b>	<u>(641.92)</u>		<u>(237.65)</u>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>			
Interest Received	<u>289.02</u>	<u>265.25</u>	
	289.02		265.25
<b>NET CASH USED IN INVESTING ACTIVITIES (TOTAL B)</b>	<u>289.02</u>		<u>265.25</u>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>			
Short term Secured loans	<u>332.09</u>	<u>(5.78)</u>	
	332.09		(5.78)
<b>NET CASH USED IN FINANCING ACTIVITIES (TOTAL C)</b>	<u>332.09</u>		<u>(5.78)</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (TOTAL A+B+C)</b>	(20.81)		21.82
<b>CASH AND CASH EQUIVALENTS - OPENING BALANCE</b>	29.85		8.03
<b>CASH AND CASH EQUIVALENTS - CLOSING BALANCE</b>	9.04		29.85

## 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, 19th Novemebr, 2014		SAVITA ACHARYA	Director

**NOTES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2014**

Rs.in Lacs

**1 Share Capital**

Particulars	As at 31st March 2014		As at 31st March 2013	
	Number	Rs. In Lacs	Number	Rs. In Lacs
<b>Authorised</b>				
Cumulative Redeemable Preference Shares of Rs. 100 each	2,500,000	2,500.00	2,500,000	2,500.00
Equity Shares of Rs.10 each	<u>50,000,000</u>	<u>5,000.00</u>	<u>50,000,000</u>	<u>5,000.00</u>
<b>Issued</b>				
Equity Shares of Rs.10 each	37,331,731	3,733.17	37,331,731	3,733.17
8% Cumulative Redeemable Preference Shares of Rs.100 each	245,525	245.53	245,525	245.53
4% Cumulative Redeemable Preference Shares of Rs.100 each	<u>82,192</u>	<u>82.19</u>	<u>82,192</u>	<u>82.19</u>
<b>Subscribed &amp; Paid up</b>				
Equity Shares of Rs. 10 each fully paid up	37,237,413	3,723.74	37,237,413	3,723.74
8% preference shares of Rs.100 each fully paid up	245,525	245.53	245,525	245.53
4% preference shares of Rs.100 each fully paid up	82,192	82.19	82,192	82.19
Forfeited Shares (Amount originally paid-up)	35,678	3.57	35,678	3.57
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

Reconciliation of number of equity shares/preference shares

Particulars	Equity Shares		8% and 4% Cumulative Redeemable Preference Shares	
	As at 31st March 2014	As at 31st March 2013	As at 31st March 2014	As at 31st March 2013
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, 2014** Rs.in Lacs

Details of members holding equity shares more than 5%

Name of Shareholder	As at 31 March 2014		As at 31 March 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Equity Shares</b>				
ISG Traders Limited	13,465,290	36.00%	13,465,290	36.00%
Shubh Shanti Services Ltd.	3,262,165	8.76%	3,262,165	9.00%
<b>Details of members holding 8% Cumulative Redeemable Preference Shares more than 5%</b>				
Industrial Investment Bank of India (IIBI)	199,800	81.00%	199,800	81.00%
Life Insurance Corporation of India	45,725	19.00%	45,725	19.00%
<b>Details of members holding 4% Cumulative Redeemable Preference Shares more than 5%</b>				
Industrial Investment Bank of India (IIBI)	82,192	100%	82,192	100%

	As at 31st March 2014	As at 31st March 2013
<b>2 Reserves &amp; Surplus</b>		
<b>Capital Reserve</b>		
Opening Balance	180.41	180.41
Closing Balance	180.41	180.41
<b>Capital Redemption Reserve</b>		
Opening Balance	453.73	453.73
Closing Balance	453.73	453.73
<b>Securities Premium Account</b>		
Opening Balance	999.60	999.60
Closing Balance	999.60	999.60
<b>Debenture Redemption Reserve</b>		
Opening Balance	243.50	243.50
Closing Balance	243.50	243.50
<b>Revaluation Reserve</b>		
Opening Balance	17,656.16	17,719.16
Less : Transferred to Statement of Profit & Loss	63.00	63.00
Closing Balance	17,593.16	17,656.16
<b>Tax expense</b>		
Opening balance	(52,471.10)	(49,726.01)
Net Profit/(Loss) from ordinary activities after tax	(2,460.81)	(2,745.09)
Closing Balance	(54,931.91)	(52,471.10)
<b>Total</b>	<b>(35,461.41)</b>	<b>(32,937.70)</b>

NOTES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2014		Rs.in Lacs	
	As at 31st March 2014	As at 31st March 2013	
<b>3 Short-term borrowings</b>			
<b>Secured</b>			
<b>From Financial Institutions (Refer Note (a),(b) &amp;(c))</b>			
3,16,800 (Previous Year 3,16,800) Zero% Secured Redeemable non-convertible Debentures of Rs.100 each	316.80	316.80	
<b>Term loans from Banks (Refer Note (d),(e),(f) &amp; (g))</b>			
Term Loan	5,271.13	5,271.13	
Funded Interest Term Loan (FITL)	2,700.38	2,700.38	
Working Capital Term Loan (WCTL)	5,408.52	5,408.52	
Short Term Loan	3,246.63	3,246.63	
Working Capital Borrowing	2,286.21	2,311.12	
<b>Term loans from Body Corporate (Refer Note (d),(e),(f) &amp; (g))</b>			
Term Loan	2,473.00	2,473.00	
Funded Interest Term Loan (FITL)	833.06	833.06	
Working Capital Term Loan (WCTL)	771.00	771.00	
Working Capital Borrowings	169.46	169.46	
	<u>23,476.21</u>	<u>23,501.10</u>	
<b>Unsecured</b>			
<b>Term loan</b>			
from a Body Corporate (Refer Note (i) a )	-	2,572.82	
<b>Other loans</b>			
Promoters' Contribution (Refer Note (i) b )	4,043.05	1,113.25	
	<u>4,043.05</u>	<u>3,686.07</u>	
<b>Total</b>	<u>27,519.26</u>	<u>27,187.17</u>	

**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 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 perview 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 for working capital borrowings.
- (c) The Financial Institutions have, under certain circumstances of default by the Company, an option to convert Rs. 316.80 Lacs (Previous Year Rs.316.80 Lacs) out of Debentures into fully paid-up Equity Shares of the Company at par at any time during the currency of these Debentures.
- (d) Term Loan of Rs.2048 Lacs (Previous Year Rs.2048 Lacs) 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, 2014**

- (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.4246.52 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 2014	As at 31st March, 2013
Principal amount	12 -32 months	23,476.21	8,853.46
Interest on above loans	12 -32 months	3,848.05	3,848.06

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.

Note: 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 scheme.

Rs.in Lacs

	As at 31st March 2014	As at 31st March 2013
<b>4 Other Current Liabilities</b>		
Debenture Premium due thereon	354.86	354.86
Interest accrued on debentures	66.25	66.25
Interest Accrued on Promoters' contribution	134.53	134.53
Interest accrued and due	9,699.35	9,699.35
Advance from customers	130.23	130.23
Unclaimed redeemed preference shares	7.72	7.72
Unclaimed - bonus share Coupons	1.80	1.80
Advance received towards sale of Land (Refer Note No 20 ( 2))	7,425.92	7,425.92
Other Payable		
Statutory Dues	344.20	347.34
Deposits	127.61	127.78
<b>Total</b>	<b>18,292.46</b>	<b>18,295.78</b>
<b>5 Short Term provisions</b>		
Provision for employee benefits	2,539.53	2,735.70
<b>Total</b>	<b>2,539.53</b>	<b>2,735.70</b>





NOTES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2014

6 Fixed assets- Tangible Assets

Rs.in Lacs

Fixed Assets	Gross Block- Cost/Book Value			Accumulated Depreciation			Net Block As at 31st March, 2014		
	As at 1st April, 2013	Additions	Disposals	Adjust- ments	Balance as at 31st March, 2014	Depreciation charge for the year		Deduc- tions	Balance as at 31st March, 2014
<b>Tangible Assets</b>									
Freehold Land*	16,208.90 (16,208.90)	- (-)	- (-)	- (-)	16,208.90 (16,208.90)	- (-)	- (-)	- (-)	16,208.90 (16,208.90)
Buildings	6,757.33 (6,757.33)	- (-)	- (-)	- (-)	6,757.33 (6,757.33)	3,606.60 (3,480.03)	126.57 (126.57)	3,733.17 (3,606.60)	3,024.16 (3,150.73)
Plant and Equipment	31,533.78	-	-	-	31,533.78	22,434.68	1,428.83	23,863.51	7,670.27
	(31,533.78)	(-)	(-)	(-)	(31,533.78)	(21,005.85)	(1,428.83)	(22,434.68)	(9,099.10)
Furniture and Fixtures**	476.47 (476.47)	0.10 (-)	0.01 (-)	(0.10)	476.48 (476.47)	463.46 (462.02)	13.52 (1.44)	476.81 (463.46)	- (13.01)
Vehicles	123.93 (123.93)	- (-)	- (-)	- (-)	123.93 (123.93)	114.43 (113.59)	0.84 (-)	115.27 (114.43)	8.66 (9.50)
Railway Siding, Water works etc.	155.63	-	-	-	155.63	115.04	-	40.59	40.59
	(155.63)	(-)	(-)	(-)	(155.63)	(115.04)	-	(40.59)	(40.59)
<b>Total</b>	<b>55,256.04</b>	<b>0.10</b>	<b>0.01</b>		<b>55,256.06</b>	<b>26,734.21</b>	<b>1,569.76</b>	<b>28,188.76</b>	<b>26,952.20</b>
Previous Year									

\* Refer Note No 20(2)

\*\* Furniture and fixtures have been fully written off during year.



## NOTES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2014

Rs.in Lacs

## 7 Non Current Investments

	Name of the Body Corporate	Face Value in Rs.	As at 31st March 2014		As at 31st March, 2013	
			No. of Shares	Rs. In Lacs	No. of Shares	Rs. In Lacs
	<b>Non Trade Investments</b>					
<b>A</b>	<b>Quoted and Fully paid up</b>					
	<b>Investment in Equity instruments</b>					
	Duncans Industries Ltd. *	10	3590310	861.35	3590310	861.35
	Andhra Cements Limited **	10	9000000	1,289.29	9000000	1,289.29
	Duncan Brothers & Co. Ltd.	100	5	0.01	5	0.01
	Bubna Major Biotech Ltd. (Re.1)	10	58200	-	58200	-
	Shubh Shanti Services Ltd.	10	7500	-	7500	-
	<b>Total (A)</b>			<b>2,150.65</b>		<b>2,150.65</b>
<b>B</b>	<b>Unquoted and fully paid up</b>					
	<b>Investment in Equity instruments</b>					
	Naracorp Co-op. Consumers' Society Ltd.	10	1250	0.12	1250	0.12
	Duncan Tobacco Co. Ltd.(Re.1)	100	400	-	400	-
	Sarvottam Caps Ltd.	10	90000	45.00	90000	45.00
	The Shamrao Vitthal Co-op Bank Ltd.	25	100	0.03	100	0.03
	<b>Total (B)</b>			<b>45.15</b>		<b>45.15</b>
	<b>Other Investments</b>					
<b>C</b>	<b>Government Securities ***</b>			<b>0.00</b>		<b>0.51</b>
	<b>Total (C)</b>			<b>2,195.80</b>		<b>2,196.31</b>
	Less : Provision for diminution in the value of Investments			<b>(1,304.00)</b>		<b>(1,304.00)</b>
	<b>Total</b>			<b>891.80</b>		<b>892.31</b>
	Aggregate amount of quoted Investments			<b>2,150.65</b>		<b>2,150.65</b>
	Aggregate amount of Un-quoted Investments			<b>45.15</b>		<b>45.66</b>
	Aggregate market value of quoted Investments			<b>891.64</b>		<b>891.64</b>
	Aggregate Provision for diminution in value of Investments			<b>1,304.00</b>		<b>1,304.00</b>

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

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

2 \*\* 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, 2014** Rs.in Lacs

	As at 31st March 2014	As at 31st March 2013
<b>8 Long Term Loans and Advances</b>		
<b>Unsecured, considered good</b>		
Security Deposits (Net of doubtful, fully provided Rs.978.92 Lacs; Previous Year Rs.978.92 Lacs)	290.37	290.59
Loans and advances to employees/officers (Net of doubtful, fully provided Rs.684.67 Lacs; Previous Year Rs.683.87 Lacs)	79.01	85.39
Others	1,160.11	1,227.05
Balances with Government authorities	68.56	46.32
Advance Tax	82.64	53.45
<b>Total</b>	<b>1,680.68</b>	<b>1,702.80</b>
<b>9 Other non-current asset</b>		
<b>Other Bank Balances</b>		
Fixed Deposit with maturities more than one year against Guarantees etc.	271.59	253.93
<b>Total</b>	<b>271.59</b>	<b>253.93</b>
<b>10 Inventories</b>		
Stores and spares*	-	465.73
<b>Total</b>	<b>-</b>	<b>465.73</b>
*Net of provision for obsolete item of Rs.465.73 lacs.		
<b>11 Trade Receivables</b>		
<b>Trade receivables outstanding for a period exceeding six months from the date they are due for payment</b>		
Unsecured, considered good	-	-
Unsecured, considered doubtful	590.67	590.67
	590.67	590.67
Less: Provision for doubtful debts	(590.67)	(590.67)
<b>Total</b>	<b>-</b>	<b>-</b>
<b>12 Cash and Bank Balances</b>		
<b>Balances with banks</b>		
in Current Accounts	8.56	14.66
Cash on hand	0.47	14.95
	9.04	29.61
<b>Other Bank Balances</b>		
Interest bearing No Lien Account (Refer Note No.20(2)(b) )	3,199.93	2,960.15
	3,199.93	2,960.15
<b>Total</b>	<b>3,208.97</b>	<b>2,989.76</b>

**NOTES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2014** Rs.in Lacs

	As at 31st March 2014	As at 31st March 2013
<b>13 Other Current Assets</b>		
Interest accrued but not due (Net of doubtful, fully provided Rs.0.88 Lacs; Previous Year Rs.0.88 Lacs)	3.33	2.33
<b>Total</b>	<u>3.33</u>	<u>2.33</u>
<b>14 Revenue from operations</b>		
Sale of products	-	-
Less: Excise Duty	-	-
<b>Total</b>	-	-

**NOTES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2014**

	For the year ended 31st March 2014	For the year ended 31st March 2013
<b>15 Other Income</b>		
Insurance claim received	0.19	-
Licence Fees	100.21	5.26
Dividen-Gross	0.00	-
Interest Income	289.02	265.25
Income others-Recovery of water/Electricity charges	37.64	127.10
Sundry Credit balance - written back	25.31	-
Provision no longer required written back	16.96	-
<b>Total</b>	<u>469.34</u>	<u>397.61</u>
<b>16 Manufacturing and Operating Costs</b>		
Stores and Spares written off	335.62	120.00
Power and fuel (Refer Note No.20( 9 ) )	232.58	233.54
Other Manufacturing and Operating expenses	64.67	84.60
Repairs to machinery	12.34	15.64
<b>Total</b>	<u>645.22</u>	<u>453.78</u>
<b>17 Employee benefits expenses</b>		
Salaries and incentives	445.31	401.65
Contributions to provident and other funds	25.48	19.93
Staff welfare expenses	47.36	21.44
<b>Total</b>	<u>518.15</u>	<u>443.02</u>

## NOTES FORMING PART OF THE PROFIT &amp; LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2014

Rs.in Lacs

	For the year ended 31st March 2014	For the year ended 31st March 2013
<b>18 Other Expenses</b>		
Rent	1.54	5.00
Auditors' Remuneration :		
(a) Statutory Audit	3.00	3.00
(b) Tax Audit	0.50	0.50
(c) Limited review	1.50	1.50
Director's Fees	2.10	2.63
Professional charges	10.48	16.88
Legal charges	57.86	65.73
Security Charges	89.08	66.01
Travelling & Conveyance	45.60	64.34
Office Expenses	20.56	37.54
Bank Charges	0.85	1.01
Miscellaneous expenses	26.94	38.12
<b>Total</b>	<b>260.02</b>	<b>302.26</b>



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**19 SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014**

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**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, 2013 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.



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**19 SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014**

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**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.

**19 SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014****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
20. OTHER NOTES FORMING PART OF THE FINANCIAL STATEMENTS	31.03.2014	30.03.2013

(1)

(l) 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)	4280.50	4238.31
2 Water Charges *	17073.00	16537.00
3 Open Land Tax	2215.07	928.48
4 Income Tax	2145.60	2174.79
5 Others (Buyer's / Suppliers / Lenders / Quasi Govt. etc)	1429.04	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) 206.59 179.76

(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



**19 SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014**

\* 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 accordingly

## II) Commitments:

Capital Commitments	Nil	Nil
Others Commitments	Nil	Nil

## III) Disclosure in respect of Operating Leases

(a) The Company has taken and also given 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 was taken on lease from a Nationalised Bank for which the bank has filed a Eviction suit and demanded a mesne profit of Rs.529.43 lacs (Previous year Rs.(451.31lacs included in the notes 20.(1)(a)(5)). The High Court has ordered for vacation of the premises for which Company filed a petition in Supreme Court, The Hon Supreme Court upheld the Hon. High Court Order and accordingly Company vacated the Premises. Company has also challenges the vacation and thus liability of mesne profit in a Court, which is pending and accordingly the amount of mesne profit is not provided but included in contingent liability.

(b) The rental expense in respect of Operating Leases is charged as rent under Note 18. The rental income is included in other income.

## 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 20<sup>th</sup> 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. In the meanwhile the BIFR vide its Order dated 22.01.2014, directed the OA to explore possibility of amicable understanding between the parties on disposal of surplus land. The labour Union has also filed a writ petition in Hon. Bombay High Court, seeking formulation of DRS in time bound manner and instruction in early disposal of surplus land, which is pending. The OA has yet to file DRS

**19 SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014**

- (b) The Company has received Rs 7425.92 lacs from a developer, towards advance against sale of land, out of which Rs 2450 lacs is deposited and lying in no lien account, which can be utilised only in accordance with the directions of BIFR, as and when given.
- 3) There was no manufacturing operation during the year. The lockout declared by Company w.e.f 15<sup>th</sup> November, 2009 is still in force; Labour Union challenged the Lockout, which is pending at Industrial Court and the consequent liabilities if any is not ascertainable.
- 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, Pending 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. 161.02 lacs (Rs.665.02 lacs from 19<sup>th</sup> December, 2008 to 31<sup>st</sup> March, 2014), out of which Rs. 131.87 Lac for the period from April 2013 to Jan 2014 was approved by share holders subject to approval of Central Govt. Central Government did not approved the same. The Company is taking necessary steps to secure the approval in this regard. Share holders' approval for Rs. 29.15 Lac For the period from Feb 2014 to March 2014 is being taken in the ensuing Annual General meeting.
- 6) The exceptional item is in respect of diminution in value of Investments by Rs.Nil (Previous Year. 448.95 lacs).
- 7) (a) Confirmation / reconciliation of balances of certain Banks, 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 31<sup>st</sup> December, 1984 on market value / replacement cost basis using Standard indices as assessed by the approved valuer. Further the land was again re-valued on 31<sup>st</sup> March, 2005 and 25<sup>th</sup> January, 2006 considering their present market prices as per valuation report submitted by the approved valuer appointed for the purpose. The revaluations of March, 2005 and January, 2006 have resulted in a net increase in the book value by Rs.8355.89 lacs, and Rs.4450 lacs respectively. The total increase as a result of these revaluations was transferred to Revaluation Reserve in the respective years.

**19 SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014**

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 31.03.2014	As at 31.03.2013
Free hold Land	16158.90	16158.90
Buildings	4518.92	4518.92

- 9) Power and Fuel as disclosed in Note-16, is net of Rs.Nil (Previous year Rs.Nil ) credit allowed by MSEDCL during the year on account of certain charges relating to earlier years.
- 10) The Company is in the process of appointing a new Company Secretary as the incumbent resigned from office. In spite of best effort the Company is not able to find a suitable candidate for full time Company Secretary. However the efforts are continued.
- 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, 2014 Rs.Lacs	For the Year ended 31st March, 2013 Rs.Lacs
Net Profit/(Loss) as per Statement of Profit & Loss after Exc. item	(2460.81)	(2745.10)
Net Profit/(Loss) as per Statement of Profit & Loss before Exc. item	(2460.81)	(2296.15)
Numerator for Basic EPS Calculation	(2460.81)	(2745.10)
Numerator for Diluted EPS Calculation	(2460.81)	(2745.10)
b. Denominator:		
Number of Weighted Equity Shares outstanding		
-Basic	37237413	37237413
-Diluted	37237413	37237413
c. Earnings per share before exceptional item:		
-Basic	(6.61)	(6.16)
-Diluted	(6.61)	(6.16)
Earnings per share after exceptional item:		
-Basic	(6.61)	(7.36)
-Diluted	(6.61)	(7.36)
d. Nominal value per Equity Share	10	10

**19 SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014**

## 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:

i) ISG Traders Ltd, Kavita Marketing Private Limited, Shubh Shanti Services Limited and Duncan Industries Limited (Associates).

ii) 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 Lac**

Srl. No.	Name of the Party	2013-14	2012-13
1	Receiving of Services	-	-
2	Services Rendered		
	Duncan Industries Ltd.	-	4.32
3	Managerial Remuneration –Mr.Arun Jain*	161.02	148.90
4	Promoters Contribution		
	ISG Traders Limited	546.98	
5	Shubh Shanti Services Limited**	2382.81	-

Sr. No.	CLOSING BALANCE OF RELATED PARTIES	As at 31st March , 2014	As at 31st March ,2013
1	Payable		
	Kavita Marketing Pvt Ltd.	37.54	47.59
	ISG Traders Ltd (Promoters Contribution)	1660.23	1113.00
	Mr.Arun Jain – M D	665.02	504

\* Amount provided for Managerial remuneration which excludes gratuity and leave entitlement.

\*\* Being an unsecured loan advanced to us by a body Corporate now assigned to SSSL.

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. :

**19 SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014**

Provided on account of obsolete/non moving/slow moving stock

(Rs. Lacs)

Particulars	As on 31 <sup>st</sup> March , 2014	As on 31 <sup>st</sup> March, 2013
Stores and Spares (Including Fuel)	335.70	120.00

15) The Company has determined the liability for Employee Benefits as at March 31, 2014 in Defined benefit plans – As per Actuarial Valuation on March 31, 2014.

	Gratuity Amount (Rs) 2013-14	Gratuity (Amt in Rs.) 2012-13
<b>A Expenses Recognized in the statement of Profit &amp; Loss Account for the period ended March 31, 2014</b>		
1 Current Service Cost	90.02	96.07
2 Past Service Cost	-	-
3 Interest Cost	167.07	180.65
4 Expected Return on Plan Assets	-	-
5 Net Actuarial ( Gain)/ Loss recognized for the period	(397.02)	(313.56)
6 Expenses recognized in statement of Profit and Loss	(139.93)	(36.83)
<b>B Net Asset / (Liability) recognized in the Balance Sheet</b>		
1 Present Value of Obligation	1948.55	2088.48
2 Fair Value of Plan Assets	-	-
3 Funded Status	1948.55	2088.48
4 Unrecognised Actuarial Gain/ (Loss)	-	-
5 Net Assets / (Liability) recognized in the Balance Sheet	(1948.55)	(2088.48)
<b>C Changes in present value of obligations</b>		
1 Present Value of Obligation as at April 01, 2013	2088.48	2125.32
2 Interest Cost	167.07	180.65
3 Current Service Cost	9.02	96.07
4 Benefits Paid	-	-
5 Actuarial (Gain)/Loss on Obligation	(397.02)	(313.56)
6 Present Value of Obligation as at March 31,2014	1948.55	2088.48



D Movements in the Liability recognized in Balance Sheet			
1	Opening Net Liability	2088.48	2125.32
2	Expenses recognized in Statement of Profit & Loss	(139.93)	180.65
3	Contribution Paid	-	96.07
4	Closing Net Liability	(1948.55)	-
5	Actuarial (Gain)/Loss on Obligation	(397.02)	(313.56)
6	Present Value of Obligation as at March 31,2014	1948.55	2088.48
E Actuarial Assumptions			
1	Mortality	LIC (1994 - 96) Ultimate	LIC (1994 - 96) Ultimate
2	Discount Rate as at March 31, 2013	8.00 %	8.25%
3	Discount Rate as at March 31, 2014	9.03%	8.50%
4	Rate of Increase in Compensation	5.00%	5.00%
5	Expected Rate Of Return on Plan Assets	8.50%	8.50%

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

Sr.No.	Particulars	31.03.2014 Rs.Lacs	31.03.2013 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, 19th November 2014		SAVITA ACHARYA	Director



# NRC LIMITED

Registered Office: 67, Gr. Floor,  
Surajmal Building, 75, Nakhoda Street, Pydhonie, Mumbai 400003.

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

## ATTENDANCE SLIP

I/We hereby record my/our presence at the SIXTYSIXTH ANNUAL GENERAL MEETING of the Company held at Rama & Sundri Watumull Auditorium, K. C. College, Dinshaw Wacha Road, Churchgate, Mumbai – 400 020, on Tuesday, the 30th December, 2014 at 10.00 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:

- 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.
- Shareholders/Proxies desiring to attend the Meeting should bring their copy of the Annual Report for reference at the Meeting.

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TEAR HERE



# NRC LIMITED

Registered Office: 67, Gr. Floor, Surajmal Building, 75, Nakhoda Street,  
Pydhonie, Mumbai 400003.

## PROXY FORM

I/We \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ being a Member/ Members of the above-named Company hereby appoint Shri \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ or failing him Shri \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ or failing him Shri \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ as my/our proxy to vote for me/us on my/our behalf at the SIXTYSIXTH ANNUAL GENERAL MEETING of the Company to be held on Tuesday, the 30th December, 2014 at 10.00 a.m. and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014.

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

Affix Re.1 Revenue Stamp
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Signature

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

BOOK POST



If undelivered, please return to :

**NRC LIMITED**

Registered Office: 67, Gr. Floor, Surajmal  
Building, 75, Nakhoda Street, Pydhonie,  
Mumbai 400003.

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