



**70<sup>TH</sup>  
ANNUAL REPORT  
2017-18**



**NRC LIMITED**

**NRC LIMITED – CIN - L17120MH1946PLC005227****BOARD OF DIRECTORS**

|                                      |                         |
|--------------------------------------|-------------------------|
| MR. G. P. GOENKA<br>(DIN -030302)    | CHAIRMAN                |
| MS. SAVITA ACHARYA<br>(DIN-07038198) | DIRECTOR                |
| MS RASIKA NAKHAWA<br>(DIN -07394510) | DIRECTOR                |
| MR. ARUN JAIN<br>(DIN-00006007)      | MANAGING DIRECTOR       |
| MR. M.C. NALWAYA                     | CHIEF FINANCIAL OFFICER |

**REGISTERED OFFICE**

67, Gr. Floor, Surajmal Building,  
75, Nakhoda Street, Pydhonie,  
Mumbai 400 003.  
Tel – 022-23464458  
e-mail- secretarial@nrclimited.com  
Web site –www.nrclimited.com

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| INDUSTRIAL ESTATE,  |  |             |
| 20, DR. E. MOSES ROAD,  |  |             |
| MAHALAXMI, MUMBAI 400 011   |  |             |
| Tel. 9122-66568484  |  |             |
| Fax: 9122-66568494  |  |             |
| Email: <a href="mailto:csg-unit@tsrdarashaw.com">csg-unit@tsrdarashaw.com</a> |  |             |
| Website: <a href="http://www.tsrdarashaw.com">www.tsrdarashaw.com</a>         |  |             |



**NOTICE**

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

- Day : Tuesday
- Date : 25<sup>th</sup> September, 2018
- Time : 11.30 am
- Venue : Walchand Hirachand Hall, 4th floor, IMC Building, IMC Marg, Churchgate, Mumbai – 400 020.

to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31<sup>st</sup> March, 2018 together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a director in place of Shri G.P. Goenka who retire from the office by rotation and being eligible, offers himself for re-appointment.

**Special Business**

**3. Sale of undertaking under Section 180 (1) (a) of the Companies Act, 2013.**

To consider and if thought fit, to pass the following resolution as a **Special Resolution**

“RESOLVED THAT pursuant to the provisions of section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, and the relevant Rules framed there under (including any statutory modification(s) or re-enactment thereof, for the time being in force), and the enabling provisions in the Memorandum of Association and Articles of Association of the Company, approval and consent of the members of the Company be and is hereby granted to the Board of Directors and/or Committee of Directors of the Company to sell and transfer the fixed assets including land, Building, Plant & Machinery & other assets at it’s plant at Thane Dist. to any person(s) and /or entity(ies) as may be determined by the Board, for such consideration and on such terms and conditions as the Board may deem fit in the best interest of the Company.”

“Resolved further that the Board and/or Committee of Directors of the Company be and is hereby authorized to do and perform all such acts, matters deeds and things as may be necessary, without further referring the matter to the Members of the Company, including finalizing the suitable purchaser(s)/ assignee(s), as the case may be, of the said project, the terms and conditions, methods and modes in respect thereof, determining the exact effective date, and finalizing and executing and registering the necessary documents including agreements, share purchase agreement, agreement for sale, development agreement, deeds of conveyance and irrevocable powers of attorney etc. and such other document(s) as may be necessary or expedient in its own discretion and in the best interest of the Company, including the power to delegate, to give effect to this Resolution.”

“Resolved further that the Board and/or Committee of Directors of the Company be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required to give effect to this Resolution.”

**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 18<sup>th</sup> September 2018 to 25<sup>th</sup> September, 2018 (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
- d) Corporate Members are requested to send a duly certified copy of the Board resolution, authorizing their representative to attend and vote at the meeting.
- e) Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, TSR Darashaw Pvt. Ltd. to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to TSR Darashaw Pvt. Ltd
- f) 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.
- g) Members desiring any information as regards to 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.
- h) Any person, who acquires share of the company and has become the member of the Company after dispatch of the notice of the AGM and holds shares as of the cut- off date i.e. 18<sup>th</sup> September, 2018 may obtain the sequence Number by sending a request to [secretarial@nrclimited.com](mailto:secretarial@nrclimited.com) or [nrclimited@gmail.com](mailto:nrclimited@gmail.com), or alternatively may obtain the login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). However, if you are already registered with CDSL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using "Forgot User Details / Password" option available on [www.evotingindia.com](http://www.evotingindia.com).
- i) A Member may participate in the AGM even after exercising his right to vote through remote e- voting but shall not be allowed to vote again in the AGM.
- j) According to Section 124 and sec 125 and other applicable provisions of the Companies Act 2013 the amount of dividend remaining unpaid/unclaimed with effect from 31<sup>st</sup> March, 2008 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.



- k) Members who are holding Company's Shares in dematerialized form are requested to bring details of their **DP and Client ID numbers** for identification at the meeting.
- l) 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.
- m) 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.
- n) The Company has created e-mail address to enable the Members to e-mail their complaints/grievances 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.
- o) 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.
- p) To support this "**Green initiative**", members holding shares in demat form are requested to provide their e-mail ID to the depository through their concerned depository participant and members holding shares in physical form are requested to provide e-mail ID to the Company's Registrar & Share Transfer Agents, M/s. TSR Darashaw Limited by filling the form available on the Company's website and also update the e-mail address as and when there is any change.
- q) **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 70<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through Remote e-voting Service provided by Central Depository Services (India) Ltd. (CDSL).

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

- (i) The Remote E-voting begins on 22<sup>nd</sup> September, 2018 at 09.00 AM and ends on 24<sup>th</sup> September, 2018 at 05.00 PM, during this period shareholders of the Company holding shares either in physical form or in dematerialised form, as on the cut off date 18<sup>th</sup> September.,2018 may cast their vote electronically. The Remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he/she shall not be allowed to change it subsequently or cast vote again.
- (ii) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (iii) Click on "Shareholders" tab.
- (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 same 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) **Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

**(i) Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for 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.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (ii) 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).
- (iii) The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Company as on cut-off date. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting, voting through ballot form, as well as voting at the meeting through ballot.
- (iv) Jaiprakash R Singh & Associates practising company Secretary (Membership no. F7391), 114, 1<sup>st</sup> Floor, Biry House, Perin Nariman Street, Fort, Mumbai -400001 has been appointed as scrutinizer to scrutinize the e- voting process in a fair and transparent manner.
- (v) The Scrutinizer shall after scrutinizing the votes cast at the AGM (Poll) and through remote e-voting not later than three days of conclusion of e-voting period and submit a consolidated Scrutinizer’s report and submit to the Chairman or any other person authorized by Chairman. The results declared along with the consolidated Scrutinizer’s report shall be placed on the website of the Company and CDSL. The results shall simultaneously be communicated to the Stock Exchanges where the Company’s shares are listed.

Registered Office:  
67, Gr. Floor, Surajmal Building  
75,Nakhoda Street, Pydhonie, ,  
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Tel – 022-23464458  
e-mail- [secretarial@nrclimited.com](mailto:secretarial@nrclimited.com)  
Web site –[www.nrclimited.com](http://www.nrclimited.com)  
Dated: 08-08-2018

By Order of the  
Board of Directors

Arun Jain  
Managing Director  
(DIN No.00006007)

**Annexure to Notice**

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

**ITEM NO.3**

The Company intends to reduce its debts by disposing some of its non-core assets. This would reduce the interest costs thus improving the profits of the Company. The consideration to be received on said lease and/or sale, transfer, conveyance, assignment or sale of above property shall be utilized in paying off the Company's long/short term debts. The said arrangement will enable the Company to reduce the interest costs thus improving the profits of the Company. Further, the Company is in the process of negotiating the consideration and other terms & conditions with the potential purchaser(s) of the said property. In view of the same, the Board of Directors at its meeting held on February 8, 2018 has subject to the approval of members of the Company by a special resolution and other applicable laws and subject to such approvals, consents, permissions and sanctions as may be necessary, approved to lease, sell, transfer, convey, assign or otherwise dispose of the Company's immovable property as stated above along with building, structures, rights and fixtures. Members of the Company are further requested to note that Section 180 (1)(a) of the Companies Act, 2013 mandates that the Board of Directors of a company shall exercise the power to sell, lease or otherwise dispose of the whole or substantially the whole of any undertaking(s) of the company, only with the approval of the members of the Company by way of a special resolution. Explanation (i) to Section 180(1) (a) of the Companies Act, 2013 states that the meaning of an 'undertaking' for the purposes of Section 180(1) of the Companies Act, 2013 is an undertaking in which the investment of the company exceeds twenty percent of its net worth as per the audited balance sheet of the preceding financial year or an undertaking which generates twenty percent of the total income of the company during the previous financial year. Explanation (ii) to Section 180 (1)(a) of the Companies Act, 2013 states that the meaning of 'substantially the whole of the undertaking' for the purposes of Section 180(1) is in any financial year, twenty percent or more of the value of the undertaking as per the audited balance sheet of the preceding financial year. Accordingly, pursuant to Section 180(1)(a) of the Companies Act, 2013, members of the Company are further requested to note that their consent to the Board is being sought by way of a Special Resolution to sell and transfer Fixed assets of the Company, including land and Building, Plants & Machinery & other assets situated at it's plant in Thane Dist. as may be determined by the Board and/or Committee of Directors, for such consideration and on such terms and conditions as the Board and/or Committee of Directors may deem fit in the best interest of the Company.

The Board recommends these resolutions for the approval of the members as Special Resolutions.

None of the Directors or the Key Managerial Personnel of the Company including their relatives are in any way concerned or interested in the resolutions

Registered Office:

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Mumbai 400 003

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

Web site – [www.nrclimited.com](http://www.nrclimited.com)

Dated: 08-08-2018

By Order of the  
Board of Directors

Arun Jain  
Managing Director  
(DIN No.00006007)





IMC Map





**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018.**

To The Members,

Your Directors present the 70<sup>th</sup> Annual Report and Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2018.

**FINANCIAL RESULTS**

Rs.in lacs

|   | <b>Year ended<br/>31/03/2018</b> | <b>Year ended<br/>31/03/2017</b> |
|---|----------------------------------|----------------------------------|
| Gross Sales                                   | -                                | -                                |
| Profit before Interest, Depreciation and Tax  | (20)                             | (208)                            |
| Interest                                      | -                                | -                                |
| Profit before Depreciation and Tax            | (20)                             | (208)                            |
| Depreciation                                  | 383                              | 382                              |
| Profit/(Loss) before Exceptional items & Tax  | (403)                            | (590)                            |
| Exceptional Items                             | -                                | -                                |
| Taxation (Prior years 'adjustments)           | (-)                              | (-)                              |
| Profit/(Loss) After exceptional items and Tax | (403)                            | (590)                            |
| Surplus/(Deficit) from Previous Year          | (64085)                          | (63495)                          |
| Profit/(Loss) available for Appropriation     | (64488)                          | (64085)                          |

**PERFORMANCE AND PROSPECTS**

- (a) The lockout declared w.e.f. 15<sup>th</sup> November, 2009 is continuing and is in force. There were no manufacturing operations during the year; however, the essential services remain in operation.
- (b) The Company had entered into an Agreement for Sale with a developer in year 2007 for its 339 acres of land out of which possession of non-colony land of 272 acres was given to the developer pursuant to AAIFR's order in year 2010. Subsequently in the year 2011, Hon. Bombay High Court set aside the AAIFR order. Hon Supreme Court upheld Bombay High Court order in the year 2012. The possession is continuing with developer. The proceeding instituted by the said developer under Arbitration Act for specific performance, is pending adjudication. Meanwhile on 1st Dec 2016, on the effective date of the SICA Repealed Act, the said developer executed the conveyance deed of the subject Land, using the Power of Attorney given simultaneously with signing the Agreement for Sale in March 2007. The contention of the company is that the said Agreement for sale became void and accordingly the Power of Attorney stood revoked. The Company had filed its counter claim before the Arbitration Tribunal for cancellation of the deed of Conveyance illegally executed by the Developer and also for repossession of Land. Pending outcome of litigation, no effect is given in these accounts.
- (c) In a pending litigation related to water charges, a non disposal undertaking has been given by the Company to Hon. Bombay High Court in respect of 103 acre of land (excluding 339 acres for land covered under Agreement for Sale referred above).
- (d) Certain Financial / Operational creditors have initiated corporate insolvency process under the provisions of the insolvency and bankruptcy code 2016 against the Company and the matter is pending admission before the National Company Law Tribunal (NCLT).



- (e) The equity shares of the Company has compulsorily de-listed by BSE Ltd. w.e.f. 4<sup>th</sup> July,2018 and NSE has proposed to delist it w.e.f. 8<sup>th</sup> August,2018 from their respective exchanges. The Company is in the process of seeking opinion on the legality of the aforesaid action and re-listing of its Shares.

**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, 2018.

**SHARE CAPITAL**

During the year, the company has not issued any shares.

**EMPLOYEE STOCK OPTION PLAN**

No shares have been allotted under the ESOP till date. The Company has not granted any stock options during the financial year ended 31<sup>st</sup> March, 2018.

**SUBSIDIARIES, JOINT VENTURE OR ASSOCIATES COMPANIES DURING THE YEAR:**

The Company has no subsidiaries, joint ventures. The Details of the associated companies have been disclosed in the Extract of MGT 9 which is provided as enclosure in this report.

**RISK & MITIGATION**

The Company has identified various risks faced by the Company from different areas. As per the provision of the Companies Act, 2013 and SEBI(Listing Obligations and Disclosure Requirement ) Regulation,2015 , the Board has adopted a risk management policy whereby a proper framework is set up. Appropriate structures are present so that risks are inherently monitored and controlled. A combination of policies and procedures attempts to counter risk as and when they evolve.

**TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND**

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

**DISCLOSURE OF VARIOUS POLICIES:**

The Board has approved various policies in their meeting so that the Committees work effectively and in accordance with the provisions as stipulated in the Policies. Various policies as approved by the Board are posted in the Website of the Company.

**Remuneration Policy**

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is posted in the Website of the Company.

**Risk Management Policy: [Section 134 (3)(n)]**

The Company has implemented Risk Management Policy and the Board of Directors has prepared a comprehensive framework of risk management for assessment of risks and to determine the responses to these risks so as to minimize their adverse impact on the organization. The policy as approved by the Board of Directors is uploaded on the Company's website.

**Vigil Mechanism / Whistle Blower Policy**

In order to ensure that the activities of the company and its employees are conducted in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity



and ethical behavior, the company has adopted a vigil mechanism policy. The aim of the policy is to provide adequate safeguards against victimization of whistle blower who avails of the mechanism and also provide direct access to the Chairman of the Audit Committee, in appropriate or exceptional cases.

Accordingly, 'Whistle Blower Policy' has been formulated with a view to provide a mechanism for the Directors and employees of the Company to approach the Ethics Counsellor or the Chairman of the Audit Committee of the Company.

The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing. It protects employees willing to raise a concern about serious irregularities within the Company.

This policy posted on the website of company.

### **BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and regulation 17 of (Listing Obligations and Disclosure Requirement ) Regulation,2015, performance evaluation of the Board, it's Committees and the Independent Directors was carried out. The manner in which the evaluation is carried out has been explained in the Corporate Governance Report.

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

#### **DIRECTORS**

Pursuant to and for compliance of Section 152 (6) of Companies Act, 2013, Shri G.P. Goenka would retire from the office by rotation and being eligible, offers himself for re-appointment.

#### **DETAILS KEY MANAGERIAL PERSONNEL:**

The following persons were formally appointed/ designated as Key Managerial Personnel of the Company in compliance with provisions of Section 203 of the Companies Act, 2013.

1. Mr. Arun Jain - Managing Director
2. Mr. M.C. Nalwaya, - Chief Financial Officer

#### **Declaration by Independent Directors**

Necessary declarations have been obtained from all the Independent Directors under sub-section (7) of Section 149 of the Companies Act, 2013.

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

As required under Section 134 (5) 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, 2018, 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 Financial year as on 31<sup>st</sup> March, 2018 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, 2018 had been prepared on a “going concern” basis.
- v) that the Directors had laid down proper internal financial controls to be followed by the company and they were adequate and operating effectively and
- vi) that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

**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 of the Companies Act, 2013.

**COST AUDIT**

Since the plant is not in operation during the year. If required, Exemption from the Cost Audit is being applied for the year ending 31<sup>st</sup> March, 2018 with the Central Government.

**AUDITORS**

M/s Bagaria & Co, LLP Chartered Accountant ( firm registration no113447W/W10019. was appointed as statutory Auditors of the company for a period of five years commencing from the conclusion of 70<sup>th</sup> Annual General Meeting till the Conclusion of 74<sup>th</sup> Annual General Meeting, (subject to ratification of the appointment by the members at every AGM). Due to recent amendment of Companies Act, 2013 dated 7<sup>th</sup> May, 2018 the ratification of appointment at every AGM is not required.

**AUDITORS REPORT**

Management clarifications to the Auditors Qualifications are given in the Notes No.25(a),(b),26(a),(b),(c), 28(b), 29(a), (b) are self explanatory.

**Internal Auditors**

M/s Goyal Shashikant & Co., Chartered Accountants were appointed as Internal Auditors of the company for the year 2017-18

**Secretarial Auditor**

The Board had appointed M/s V.P. Dubey, Practising Company Secretary, to conduct Secretarial Audit for the financial year 2017-18. The Secretarial Audit Report for the financial year ended March 31, 2018 is annexed herewith marked as “Annexure - I” to this Report.

Explanation to the remarks of secretarial Auditors are as under:

| Sr. No. | Secretarial Auditor’s Remark  | Directors’ explanation   |
|---------|---|--|
| 1       | <i>The Company has not appointed Compliance Officer, being qualified Company Secretary in terms of Regulation 6 of SEBI (LODR) Regulation, 2015</i> | The Company made its best efforts to appoint company Secretary, but could not get the right candidate for appointment of Company Secretary as Compliance Officer |



| Sr. No. | Secretarial Auditor's Remark   | Directors' explanation  |
|---------|--|---|
| 2       | <i>In terms of Regulation 14 of SEBI (LODR) Regulation, 2015, the Company has not paid Annual listing fees of Exchanges (BSE Ltd &amp; NSE) for the year 2017-18</i> | On account of lock-out and non-operation of business activity resulting in huge losses and financial crunch, the company could not pay listing fee and fine to the Exchanges. |

**Corporate Social Responsibility**

The company has incurred losses over the years. Due to average net profit of last three years being negative, your Company has not formed the CSR committee and is not required to spend any amount of CSR activities during the year.

**Related Party Transaction**

There were no contracts or arrangements entered into by the company in accordance with provisions of section 188 of the Companies Act, 2013. All material related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which have a potential conflict with the interest of the Company at large. Thus, disclosure in Form AOC-2 is not required.

None of the Directors has any pecuniary relationships or transactions vis-à-vis the company.

Suitable disclosure as required by the Accounting Standard (AS 24) has been made in the notes to the Financial Statements. The policy on Related Party Transactions as approved by the Board is being uploaded on the Company's website.

**MATERIAL CHANGES AND COMMITMENTS OCCURRED BETWEEN THE END OF FINANCIAL YEAR UNDER REVIEW AND THE DATE ON THIS REPORT.**

No material changes and commitments have occurred between the end of the financial year under review and the date of this report.

**Internal financial Control system and their adequacy**

The Company has in place internal financial control systems, commensurate with the size and complexity of its operations to ensure proper recording of financial and operational information and compliance of various internal controls and other regulatory and statutory compliances.

**Audit Committee**

The Audit Committee comprises Independent Directors namely Ms. Savita Acharya, Ms. Rasika Nakhawa and Managing Director Mr. Arun Jain as Members. During the year, there are no instances where the Board had not accepted the recommendations of the Audit Committee.

**Risk Management**

The Audit Committee has also been delegated the responsibility for monitoring and reviewing risk management, assessment and minimization procedures, developing, implementing and monitoring the risk management plan and identifying, reviewing and mitigating all elements of risks which the Company may be exposed to. The Board also reviews the risk management assessment and minimization procedures. Further, in accordance with Regulation 21 of SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015, a risk management Committee has also been formed which also oversees the risk management of the Company.



**Vigil Mechanism**

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the Listing Agreement, includes an Ethics & Compliance Task Force comprising of Directors, senior executives of the Company. Protected disclosures can be made by a whistle blower through an e-mail, or on telephone line or a letter to the Task Force or to the Chairman of the Audit Committee.

**Meetings of the Board**

Four meetings of the Board of Directors were held during the year. For further details, please refer report on Corporate Governance of this Annual Report.

**Particulars of Loans given, Investments made, Guarantees given and Securities provided**

During the year, the Company has not given loans, directly or indirectly, to any person or other body corporate or given any guarantee or provided any security in connection with a loan to any other body corporate or person. The details of the investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Financial Statements.

**STATEMENT PURSUANT TO SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014 ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGOINGS**

Since the plant is not in operation during the year, the information on the energy conservation and technology absorption by the company and foreign exchange earnings and outgo as required under rule 8(3) of the Companies (Accounts) Rules, 2014, are not provided.

**Extract of Annual Return**

Form MGT-9 providing extract of the Annual return in terms of Section 92 of the Companies Act, 2013 and the rules made there under is annexed as Annexure II to the report.

**MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNALS:**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

**PARTICULARS OF EMPLOYEES**

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March, 2018 is as follow.

The information required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- (i) **The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;**

As Directors are not paid any remuneration, except the sitting fees, hence, this clause is not applicable.

- (ii) **The percentage increase in remuneration of each director, Chief Executive Officer, Chief Financial Officer Company Secretary in the financial year;**

| <b>Directors*, Chief Executive Officer, Chief Financial Officer and Company Secretary</b> | <b>% increase in the remuneration in the financial year</b> |
|---|---|
| Mr. Arun Jain, Managing Director  | Nil   |
| Mr. Mahavir Nalwaya, CFO  | Nil   |



- (iii) The percentage increase in the median remuneration of employees in the financial year: Nil
- (iv) The number of permanent employees on the rolls of company 1848 as on 31<sup>st</sup> July, 2018.
- (v) average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;  
The average annual increase was around - Nil
- (vi) The key parameters for any variable component of remuneration availed by the directors; Nil
- (vii) Affirmation that the remuneration is as per the remuneration policy of the company  
The Company affirms that the remuneration is as per the remuneration policy of the Company.
- (viii) Mr. Arun Jain, Managing Director whose Managerial Remuneration was Rs. 181.74 Lac per annum (for the FY 2017-18) as approved by the members in earlier AGM. There are no other employees, employed throughout the year, were in receipt of remuneration of Rs. 102 lacs per annum or more or Rs. 8.5 lacs per month if employed for the part of the year.

### **Environment and Pollution Control**

Top priority continues to be given to preservation of the environment by all the units of the Company. To combat pollution and strengthen the area ecology, considerable emphasis is placed on plantation of fragrant and shady trees which shall protect and promote the environment by complying with applicable environmental regulations and preventing pollution in all its operations.

### **MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT**

In compliance with regulation 34(2) (e) of SEBI( Listing Obligations and disclosure Requirements) Regulations,2015, a separate section on Management Discussions and Analysis Report which also includes further details on the state of affairs of the Company and Corporate Governance as approved by the Board of Directors forms part of this report.

### **REPORT ON CORPORATE GOVERNANCE**

A report on Corporate Governance along with Compliance Certificate from the Practicing Company Secretaries is annexed hereto and forms part of this report.

### **Disclosure pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.**

As per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has constituted Committees in the name of "Internal Complaints Committee" for the Registered Office & Units of the Company. During the Financial Year 2017-18, there were no cases filed under the said Act.

### **MANAGING DIRECTOR/ CHIEF FINANCIAL OFFICER COMPLIANCE CERTIFICATE**

Certificate by the Managing Director and Chief Financial Officer pursuant to Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended 31<sup>st</sup> March,2018 is provided in Corporate Governance Report.





**GENERAL**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOS referred to in this Report.

**WEBSITE OF THE COMPANY**

The Company maintains a website [www.nrclimited.com](http://www.nrclimited.com) where detailed information of the company and its products are provided.

**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

Place: Mumbai  
Date: 08-08-2018

G. P. GOENKA  
Chairman



Annexure II To the Directors Report  
Form No. MGT-9

**EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2018

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration ) Rules, 2014.

**I REGISTRATION & OTHER DETAILS:**

|     |   |   |
|-----|---|---|
| i   | CIN   | L17120MH1946PLC005227   |
| ii  | Registration Date   | 30-09-1946  |
| iii | Name of the Company   | NRC LIMITED   |
| iv  | Category/Sub-category of the Company  | Limited by share  |
| v   | Address of the Registered office & contact details                          | 67, Gr. Floor, Surajamal Building, 75, Nakhodastreet, Pydhonie, Mumbai- 400 003   |
| vi  | Whether listed company  | Yes   |
| vii | Name , Address & contact details of the Registrar & Transfer Agent, if any. | TSR DARASHAW LIMITED. 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi , Mumbai-400011. Tel No. 9122-66568484 Email. Csg-unit@tsrdarashaw.com |

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated

| SL No | Name & Description of main products/ services | NIC Code of the Product /service | % to total turnover of the company |
|-------|---|----------------------------------|------------------------------------|
| 1     | Viscose Filament Yarn                         | 5403                             | 0                                  |
| 2     | Nylon Tyrecode Fabric                         | 5402                             | 0                                  |
| 3     | Caustic Soda                                  | 2815                             | 0                                  |

**III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES AS ON 31.03.2018**

| SR NO | NAME AND ADDRESS OF THE COMPANY                                | CIN/GLN               | HOLDING/ SUBSIDIARY/ ASSOCIATE | % OF SHARES HELD | APPLICABLE SECTION |
|-------|--|-----------------------|--------------------------------|------------------|--------------------|
| 1     | ISG Traders Limited  | L51909WB1943PLC011567 | ASSOCIATE                      | 36.16            | 2(6)               |
|       | 31, Netaji Subhadh Road<br>2nd Floor,<br>KOLKATA-700 001 (W B) |                       |                                |                  |                    |



**i) Category-wise Share Holding**

|                                | Category of Shareholders  | 01.04.2017        |               |                   |                   | No. of Shares held at the end of the year i.e<br>31.03.2018 |               |                   |                   | % Change during the year |
|--------------------------------|---|-------------------|---------------|-------------------|-------------------|---|---------------|-------------------|-------------------|--------------------------|
|                                |   | Demat             | Physical      | Total             | % of Total Shares | Demat   | Physical      | Total             | % of Total Shares |                          |
| <b>A. Promoters</b>            |   |                   |               |                   |                   |   |               |                   |                   |                          |
| (a)                            | Individuals / Hindu Undivided Family                                  | 66,171            | 0             | 66,171            | 0.18              | 66,171  | 0             | 66,171            | 0.18              | 0.00                     |
| (b)                            | Central Government / State Governments(s)                             | 0                 | 0             | 0                 | 0.00              | 0   | 0             | 0                 | 0.00              | 0.00                     |
| (c)                            | Bodies Corporate  | 17,355,377        | 0             | 17,355,377        | 46.61             | 17,355,377  | 0             | 17,355,377        | 46.61             | 0.00                     |
| (d)                            | Financial Institutions / Banks  | 0                 | 0             | 0                 | 0.00              | 0   | 0             | 0                 | 0.00              | 0.00                     |
| (e)                            | Any Other (specify)   | 0                 | 0             | 0                 | 0.00              | 0   | 0             | 0                 | 0.00              | 0.00                     |
|                                | <b>Sub-Total (A) (1)</b>  | <b>17,421,548</b> | <b>0</b>      | <b>17,421,548</b> | <b>46.79</b>      | <b>17,421,548</b>   | <b>0</b>      | <b>17,421,548</b> | <b>46.79</b>      | <b>0.00</b>              |
| <b>(2) Foreign</b>             |   |                   |               |                   |                   |   |               |                   |                   |                          |
| (a)                            | Individuals (Non-Resident Individuals / Foreign Individuals)          | 0                 | 0             | 0                 | 0.00              | 0   | 0             | 0                 | 0.00              | 0.00                     |
| (b)                            | Bodies Corporate  | 0                 | 0             | 0                 | 0.00              | 0   | 0             | 0                 | 0.00              | 0.00                     |
| (c)                            | Institutions  | 0                 | 0             | 0                 | 0.00              | 0   | 0             | 0                 | 0.00              | 0.00                     |
| (d)                            | Qualified Foreign Investor  | 0                 | 0             | 0                 | 0.00              | 0   | 0             | 0                 | 0.00              | 0.00                     |
| (e)                            | Any Other (specify)   |                   |               |                   | 0.00              |   |               |                   | 0.00              |                          |
|                                | <b>Sub-Total (A) (2)</b>  | <b>0</b>          | <b>0</b>      | <b>0</b>          | <b>0.00</b>       | <b>0</b>  | <b>0</b>      | <b>0</b>          | <b>0.00</b>       | <b>0.00</b>              |
|                                | <b>Total Shareholding of Promoter and Promoter Group (A)</b>          | <b>17,421,548</b> | <b>0</b>      | <b>17,421,548</b> | <b>46.79</b>      | <b>17,421,548</b>   | <b>0</b>      | <b>17,421,548</b> | <b>46.79</b>      | <b>0.00</b>              |
| <b>(B) Public Shareholding</b> |   |                   |               |                   |                   |   |               |                   |                   |                          |
| <b>(1) Institutions</b>        |   |                   |               |                   |                   |   |               |                   |                   |                          |
| (a)                            | Mutual Funds / UTI  | 63                | 14,850        | 14,913            | 0.04              | 63  | 14,850        | 14,913            | 0.04              | 0.00                     |
| (b)                            | Financial Institutions / Banks  | 1,579,844         | 7,475         | 1,587,319         | 4.26              | 1,579,844   | 7,475         | 1,587,319         | 4.26              | 0.00                     |
| (c)                            | Central Government / State Governments(s)                             | 0                 | 150           | 150               | 0.00              | 100   | 150           | 250               | 0.00              | 0.00                     |
| (d)                            | Venture Capital Funds   | 0                 | 0             | 0                 | 0.00              | 0   | 0             | 0                 | 0.00              | 0.00                     |
| (e)                            | Insurance Companies   | 100               | 4,860         | 4,960             | 0.01              | 100   | 4,860         | 4,960             | 0.01              | 0.00                     |
| (f)                            | Foreign Institutional Investors                                       | 0                 | 0             | 0                 | 0.00              | 0   | 0             | 0                 | 0.00              | 0.00                     |
| (g)                            | Foreign Venture Capital Investors                                     | 0                 | 0             | 0                 | 0.00              | 0   | 0             | 0                 | 0.00              | 0.00                     |
| (j)                            | Any Other (specify)   | 0                 | 0             | 0                 | 0.00              | 0   | 0             | 0                 | 0.00              | 0.00                     |
|                                | <b>Sub-Total (B) (1)</b>  | <b>1,580,007</b>  | <b>27,335</b> | <b>1,607,342</b>  | <b>4.32</b>       | <b>1,580,107</b>  | <b>27,335</b> | <b>1,607,442</b>  | <b>4.32</b>       | <b>0.00</b>              |
| <b>(2) Non-Institutions</b>    |   |                   |               |                   |                   |   |               |                   |                   |                          |
| (a)                            | Bodies Corporate  | 1,556,176         | 127,808       | 1,683,984         | 4.52              | 1455298   | 127,808       | 1583106           | 4.25              | -0.27                    |
| (b)                            | Individuals -   |                   |               |                   |                   |   |               |                   |                   |                          |
| i                              | Individual shareholders holding nominal share capital upto Rs. 1 lakh | 8,860,945         | 1,274,162     | 10,135,107        | 27.22             | 8,877,996   | 1,270,695     | 10,148,691        | 27.25             | 0.04                     |



|      |  |                   |                  |                   |               |                   |                  |                   |               |             |
|------|--|-------------------|------------------|-------------------|---------------|-------------------|------------------|-------------------|---------------|-------------|
| ii   | Individual shareholders holding nominal share capital in excess of Rs. 1 lakh    | 4,760,473         | 136,805          | 4,897,278         | 13.15         | 4,817,721         | 136,805          | 4,954,526         | 13.31         | 0.15        |
| (c)  | Qualified Foreign Investor   | 0                 | 0                | 0                 | 0.00          | 0                 | 0                | 0                 | 0.00          | 0.00        |
| i    | Foreign Portfolio Investors (Corporate)  | 0                 | 0                | 0                 | 0.00          | 0                 | 0                | 0                 | 0.00          | 0.00        |
| (d)  | Any Other  |                   |                  | 0                 | 0.00          |                   |                  | 0                 | 0.00          | 0.00        |
| i    | Non-Resident Indian (NRI)  | 451,097           | 16,951           | 468,048           | 1.26          | 454,701           | 16,951           | 471,652           | 1.27          | 0.01        |
| iii  | HUF  | 832,851           | 0                | 832,851           | 2.24          | 836211            | 0                | 836,211           | 2.25          | 0.01        |
| iv   | Clearing Members   | 171186            | 0                | 171186            | 0.46          | 152708            | 0                | 152708            | 0.41          | -0.05       |
| v    | Limited Liability Partnership - LLP  | 36                | 0                | 36                | 0.00          | 36                | 0                | 36                | 0.00          | 0.00        |
| vi   | NBFCs registered with RBI  | 11000             | 0                | 11000             | 0.03          | 56,960            | 0                | 56,960            | 0.15          | 0.12        |
| vii  | Trusts   | 6,133             | 0                | 6,133             | 0.02          | 1,633             | 0                | 1,633             | 0.00          | -0.01       |
| viii | Director & relatives   | 0                 | 0                | 0                 | 0.00          | 0                 | 0                | 0                 | 0.00          | 0.00        |
| ix   | Foreign Nationals  | 2,900             | 0                | 2,900             | 0.01          | 2,900             | 0                | 2,900             | 0.01          | 0.00        |
|      | <b>Sub-total (B) (2)</b>   | <b>16,652,797</b> | <b>1,555,726</b> | <b>18,208,523</b> | <b>48.90</b>  | <b>16,656,164</b> | <b>1,552,259</b> | <b>18,208,423</b> | <b>48.90</b>  | <b>0.00</b> |
|      | <b>Total Public Shareholding (B) = (B) (1)+(B)(2)</b>                            | <b>18,232,804</b> | <b>1,583,061</b> | <b>19,815,865</b> | <b>53.21</b>  | <b>18,236,271</b> | <b>1,579,594</b> | <b>19,815,865</b> | <b>53.21</b>  | <b>0.00</b> |
|      | <b>TOTAL (A)+(B)</b>   | <b>35,654,352</b> | <b>1,583,061</b> | <b>37,237,413</b> | <b>100.00</b> | <b>35,657,819</b> | <b>1,579,594</b> | <b>37,237,413</b> | <b>100.00</b> | <b>0.00</b> |
| (C)  | Shares held by Custodians and against which Depository Receipts have been issued | 0                 | 0                | 0                 | 0.00          | 0                 | 0                | 0                 | 0.00          | 0.00        |
|      | <b>GRAND TOTAL (A)+(B)+(C)</b>   | <b>35,654,352</b> | <b>1,583,061</b> | <b>37,237,413</b> | <b>100.00</b> | <b>35,657,819</b> | <b>1,579,594</b> | <b>37,237,413</b> | <b>100.00</b> | <b>0.00</b> |

### III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

#### ii) Share Holding of Promoters

| Sl No | Shareholder's Name                                  | Shareholding at the beginning of the year 01.04.2017 |                                  |   | Shareholding at the end of the year 31.03.2018 |                                  |   | % change in share holding during the year |
|-------|---|--|----------------------------------|---|--|----------------------------------|---|---|
|       |   | No. of Shares  | % of total Shares of the company | % of Shares Pledged/ encumbered to total shares | No. of Shares                                  | % of total Shares of the company | % of Shares Pledged/ encumbered to total shares |   |
| 1     | ISG TRADERS LIMITED                                 | 13,465,290   | 36.16                            | 36.16   | 13,465,290                                     | 36.16                            | 25.42   | 0.00                                      |
| 2     | SHUBH SHANTI SERVICES LTD                           | 3,262,165  | 8.76                             | 8.76  | 3,262,165                                      | 8.76                             | 8.76  | 0.00                                      |
| 3     | PALLMALL EDUSYSTEMS AND MEDICARE SERVICES PVT. LTD. | 313,922  | 0.84                             | 0.84  | 313,922  | 0.84                             | 0.84  | 0.00                                      |
| 4     | SILENT VALLEY INVESTMENTS LIMITED                   | 294,000  | 0.79                             | 0.79  | 294,000  | 0.79                             | 0.79  | 0.00                                      |
| 5     | GOURI PRASAD GOENKA                                 | 47,271   | 0.13                             | 0.00  | 47,271   | 0.13                             | 0.00  | 0.00                                      |
| 6     | DEVANAMAN TRUST                                     | 20,000   | 0.05                             | 0.00  | 20,000   | 0.05                             | 0.00  | 0.00                                      |
| 7     | INDU GOENKA   | 18,900   | 0.05                             | 0.00  | 18,900   | 0.05                             | 0.00  | 0.00                                      |
|       |   | <b>17,421,548</b>                                    | <b>46.79</b>                     | <b>46.55</b>                                    | <b>17,421,548</b>                              | <b>46.79</b>                     | <b>35.81</b>                                    | <b>0.00</b>                               |



**(iii) CHANGE IN PROMOTERS' SHAREHOLDING ( SPECIFY IF THERE IS NO CHANGE)**

| Sl. No. |   | Share holding at the beginning of the Year |                                  | Cumulative Share holding during the year |                                  |
|---------|---|--|----------------------------------|--|----------------------------------|
|         |   | No. of Shares                              | % of total shares of the company | No of shares                             | % of total shares of the company |
|         | At the beginning of the year  | 17421548                                   | 46.79                            | 17421548                                 | 46.79                            |
|         | Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc) | 0  |                                  | 0  |                                  |
|         | At the end of the year  | 17421548                                   | 46.79                            | 17421548                                 | 46.79                            |

**(v) Shareholding of Directors & KMP**

| Sl. No |   | Share holding at the beginning of the Year |                                  | Cumulative Shareholding during the year |                                  |
|--------|---|--|----------------------------------|---|----------------------------------|
|        |   | No.of shares                               | % of total shares of the company | No of shares                            | % of total shares of the company |
|        | For Each of the Directors & KMP Gouri Prasad Goenka   |  |                                  |   |                                  |
|        | At the beginning of the year  | 47271                                      | 0.13                             | 47271                                   | 0.13                             |
|        | Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc) | 0  | 0                                | 0                                       | 0                                |
|        | At the end of the year  | 47271                                      | 0.13                             | 47271                                   | 0.13                             |

**(v) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters & Holders of GDRs & ADRs)**

| Sl. No | Name of the ShareHolder                | No of Shares as on 01.04.2017 | No of Shares as on 31.03.2018 | Net Change | % to Capital |
|--------|--|-------------------------------|-------------------------------|------------|--------------|
|        |  | No. of shares                 | No. of shares                 |            |              |
| 1      | IDBI Bank Ltd.                         | 1,116,887                     | 1,116,887                     | 0          | 3.00         |
| 2      | Bervin Investment And Leasing Limited. | 682,970                       | 682,970                       | 0          | 1.83         |
| 3      | Bank Of Baroda - Main Branch, Kolkata. | 460,000                       | 460,000                       | 0          | 1.24         |
| 4      | Komal Manoj Bhojwani                   | 277,040                       | 277,040                       | 0          | 0.74         |



|    |                               |         |         |   |      |
|----|-------------------------------|---------|---------|---|------|
| 5  | Chinmay G Parikh              | 259,542 | 259,542 | 0 | 0.70 |
| 6  | Sanjay Vinayak Patil          | 192,853 | 192,853 | 0 | 0.52 |
| 7  | Ravikumar Ramkishore Sanwalka | 182,812 | 182,812 | 0 | 0.49 |
| 8  | Pramodini Sanjay Patil        | 167,844 | 167,844 | 0 | 0.45 |
| 9  | Gayatridevi R Todi            | 150,221 | 150,221 | 0 | 0.40 |
| 10 | Mahendra Girdharilal          | 145,404 | 145,404 | 0 | 0.39 |

**V INDEBTEDNESS**

| Indebtedness of the Company including interest outstanding/accrued but not due for payment |                                  |          |                      |
|--|----------------------------------|----------|----------------------|
|  | Secured Loans excluding deposits | Deposits | Total Indebtedness   |
|  | Amount in Rs                     |          | Amount in Rs         |
| <b>Indebtedness at the beginning of the financial year 1.4.2017</b>                        |                                  |          |                      |
| i) Principal Amount  | 2,198,388,319                    | -        | 2,198,388,319        |
| ii) Interest due but not paid  | 1,012,046,084                    | -        | 1,012,046,084        |
| iii) Interest accrued but not due  | -                                | -        | -                    |
| <b>Total (i+ii+iii)</b>  | <b>3,210,434,403</b>             |          | <b>3,210,434,403</b> |
| <b>Change in Indebtedness during the financial year 2017-18.</b>                           |                                  |          |                      |
| <b>Additions</b>   | -                                | -        | -                    |
| <b>Reduction</b>   | 80,854,538                       | -        | 80,854,538           |
| <b>Net Change</b>  | 80,854,538                       | -        | 80,854,538           |
| <b>Indebtedness at the end of the financial year 31.03.2018</b>                            |                                  |          |                      |
| i) Principal Amount  | 2,117,533,781                    | -        | 2,117,533,781        |
| ii) Interest due but not paid  | 1,012,046,084                    | -        | 1,012,046,084        |
| iii) Interest accrued but not due  |                                  |          |                      |
| <b>Total (i+ii+iii)</b>  | <b>3,129,579,865</b>             |          | <b>3,129,579,865</b> |

**VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

| A. Remuneration to Managing Director |  |  | Amount in Rs |
|--------------------------------------|--|--|--------------|
| Sl No                                | Particulars of Remuneration  |  | Total Amount |
| 1                                    | <b>Gross salary</b>  |  |              |
|                                      | (a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961. |  | 15,826,200   |
|                                      | (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961                   |  | 2,347,248    |



|   |   |            |
|---|---|------------|
|   | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | 0          |
| 2 | Stock option  | 0          |
| 3 | Sweat Equity  | 0          |
| 4 | Commission  | 0          |
|   | as % of profit  | 0          |
|   | others (specify)  | 0          |
| 5 | Others, please specify  | 0          |
|   | <b>Total (A)</b>  | 18,173,448 |

**B. Remuneration to other directors:**

| SI No | Particulars of Remuneration                    |                    |                    |                         |
|-------|--|--------------------|--------------------|-------------------------|
| 1     | <b>Independent Directors</b>                   | Ms. Savita Acharya | Ms. Rasika Nakhava | <b>Total Amount Rs.</b> |
|       | (a) Fee for attending board committee meetings | 90,000             | 90,000             | 180,000                 |
|       | (b) Commission                                 | 0                  | 0                  | 0                       |
|       | (c) Others, please specify                     | 0                  | 0                  | 0                       |
|       | <b>Total (1)</b>                               |                    |                    |                         |
| 2     | <b>Other Non Executive Directors</b>           |                    |                    |                         |
|       | (a) Fee for attending board committee meetings | 0                  | 0                  | 0                       |
|       | (b) Commission                                 | 0                  | 0                  | 0                       |
|       | (c) Others, please specify.                    | 0                  | 0                  | 0                       |
|       | <b>Total (2)</b>                               | 0                  | 0                  | 0                       |
|       | <b>Total (B)=(1+2)</b>                         |                    |                    |                         |
|       | <b>Total Managerial Remuneration</b>           | <b>90000</b>       | <b>90000</b>       | <b>180,000</b>          |

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

| SI. No. | Particulars of Remuneration  |            |
|---------|--|------------|
| 1       | <b>Gross Salary</b>  | <b>CFO</b> |
|         | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961. | 20,16,000  |
|         | (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961                       | 3,48,400   |
|         | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961        | -          |
| 2       | Stock Option   |            |
| 3       | Sweat Equity   |            |
| 4       | Commission   |            |
|         | as % of profit   |            |
|         | others, specify  |            |
| 5       | Others, please specify   |            |
|         | <b>Total</b>   | 23,64,400  |



**VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

| Type                                | Section of the Companies Act | Brief Description | Details of Penalty/ Punishment/ Compounding fees imposed | Authority (RD/ NCLT/ Court) | Appeal made if any (give details) |
|-------------------------------------|------------------------------|-------------------|--|-----------------------------|-----------------------------------|
| <b>A. COMPANY</b>                   |                              |                   |  |                             |                                   |
| Penalty                             | Nil                          |                   |  |                             |                                   |
| Punishment                          | Nil                          |                   |  |                             |                                   |
| Compounding                         | Nil                          |                   |  |                             |                                   |
| <b>B. DIRECTORS</b>                 |                              |                   |  |                             |                                   |
| Penalty                             | Nil                          |                   |  |                             |                                   |
| Punishment                          | Nil                          |                   |  |                             |                                   |
| Compounding                         | Nil                          |                   |  |                             |                                   |
| <b>C. OTHER OFFICERS IN DEFAULT</b> |                              |                   |  |                             |                                   |
| Penalty                             | Nil                          |                   |  |                             |                                   |
| Punishment                          | Nil                          |                   |  |                             |                                   |
| Compounding                         | Nil                          |                   |  |                             |                                   |





**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.

A brief reporting on the market segments is as follows:

**BUSINESS SEGMENT – RAYON**

- Domestic Consumption of VFY declined 5% to 54014 MT with the result domestic VFY production remained at 44348 MT.Import declined by 21%.
- The prices of key raw material that is Rayon grade wood pulp continued to remain soft due to over supply on account of capacity addition.

**BUSINESS SEGMENT – NYLON**

- Cheaper imports from china & South East Asian countries (under most favoured nation) continues to put pressure on the industry, however anti dumping on NTFC mainly from China provides some respite. The anti dumping duty is to continue till April 2020.
- The tyre Companies are increasingly demanding dipped fabric.
- The down word trend of crude oil prices maintained raw materials price at ease.

**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**

- Prices continue to remain under pressure as supply is more than demand.

**C) H2SO4**

- 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 gainst 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                                       | 2017-18 | 2016-17 |
|---|---------|---------|
| Gross Turnover                                    | -       | -       |
| Net Turnover                                      | -       | -       |
| Profit / (Loss) before Int., Deprn. & Tax         | (20)    | (208)   |
| Interest  |         | -       |
| Profit / (Loss) before Deprn. & Tax               | (20)    | (208)   |
| Depreciation                                      | 383     | 382     |
| Profit/(Loss) before Tax and Extra-ordinary items | (403)   | (590)   |
| Extra-ordinary Items                              | -       | -       |
| Previous year taxation adjustments                | -       | -       |
| Deferred Tax Asset / (Asset Reverse)              |         | -       |
| Current Tax ( FBT )                               |         | -       |
| Profit / (Loss) for the year                      | (403)   | (590)   |

**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 31.03.2018.**

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 2017-18 was 4 (FOUR). 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 Listing Regulations} across all the Companies in which he is a Director.



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

| Name                              | Category                             | No. of Board Meetings attended (out of 4 Board Meetings held) during the year ended 2017-18 | Whether attended AGM held on 13 <sup>th</sup> December 2017. | *No. of Directorships in other companies | No. of Committee positions held in other companies |        |
|-----------------------------------|--------------------------------------|---|--|--|--|--------|
|                                   |                                      |   |  |  | Chairman   | Member |
| Shri. G. P. Goenka (Chairman)     | Promoter (Non- Independent Director) | 3   | No   | 5  | 0  | 0      |
| Shri. Arun Jain Managing Director | Executive (Non-Independent)          | 4   | Yes  | 0  | 0  | 0      |
| Ms.. Savita Acharya               | Independent (Non-Executive)          | 4   | Yes  | 5  | 3  | 7      |
| Ms.. Rasika Nakhawa               | Independent (Non-Executive)          | 4   | Yes  | 0  | 0  | 0      |

\* Excluding directorship in Private Companies & committees include Audit & Stakeholder Committees only.

Four Board Meetings were held during 2017-18 and the gap between two meetings did not exceed four months. The dates on which Board meetings were held are: -

30<sup>th</sup> May, 2017, 15<sup>th</sup> September, 2017, 13<sup>th</sup> December, 2017, 8<sup>th</sup> February, 2018

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.

**Performance evaluation**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the Listing Regulations, the Board has carried out an annual performance evaluation of the working of its own performance, the Directors individually as well as evaluation of it’s Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board’s functioning. The evaluation was done on various parameters such as vision and strategy, Board participation, Board disclosures of interests, review of risk management policies and evaluating plans with reference to risk and return, good governance, leadership skills, operations business development, human resource development, marketing and corporate communications etc. The Directors expressed their satisfaction with the evaluation process.

**II. Audit Committee:**

The constitution, function and terms of reference of the Audit Committee are in conformity with Section 177 of the Companies Act, 2013 and Listing Regulations

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<br>(out of 4 Meetings held) during the year 2017-18 |
|--------------------|----------|--|
| Ms. Savita Acharya | Chairman | 4  |
| Ms. Rasika Nakhawa | Member   | 4  |
| Mr. Arun Jain      | Member   | 4  |

As there was no company secretary employed during the financial year 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 invitees have attended all the Audit Committee Meetings during the year ended 2017-18.

The Audit Committee Meetings were held on the following dates during the year ended 31.03.2018.

30<sup>th</sup> May, 2017, 15<sup>th</sup> September, 2017, 13<sup>th</sup> December, 2017, 8<sup>th</sup> February, 2018.

The necessary quorum was present at all the meetings.

**III. Nomination and Remuneration Committee:**

The Nomination and Remuneration Committee consists of 3 Director (Non-executive and Independent Directors) –

There was no meeting held during the year 2017-18.

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<br>During the year 2017-18. |
|--------------------|----------|--|
| Ms. Savita Acharya | Chairman | NA   |
| Ms Rasika Nakhawa  | Member   | NA   |
| Mr. G. P. Goenka   | Member   | NA   |

The scope and function of the Remuneration Committee covers the requirements of the Code of Corporate Governance of the Listing Regulations and the provisions of if any, of the Companies Act, 2013, if any.

**Nomination and Remuneration Policy**

The Company’s Nomination and Remuneration Policy considers human resources as its invaluable assets. The said Policy aims to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company. The Remuneration Policy for all employees is designed to attract talented personnel and remunerate them fairly and responsibly, this being a continuous ongoing exercise at each level in the organization.

**Remuneration to Directors**

- Non-Executive Directors:**

Besides sitting fees, no other remuneration is paid to Non-Executive Directors during the year 2017-18



**Sitting Fees Paid to Directors**

**Board meeting**

| Sr. No. | Name of Director   | 30/05/2017 | 15/09/2017 | 13/12/2017 | 08/02/2018 |
|---------|--------------------|------------|------------|------------|------------|
| 1       | Mr. G.P. Goenka    | -          | -          | -          | -          |
| 2       | Ms. Savita Acharya | 7500       | 7500       | 7500       | 7500       |
| 3       | Shri. Arun Jain    | -          | -          | -          | -          |
| 4       | Ms. Rasika Nakhawa | 7500       | 7500       | 7500       | 7500       |

**Stakeholder Relationship Committee:**

| S. No. | Name of Director   | 30/05/2017 | 15/09/2017 | 13/12/2017 | 08/02/2018 |
|--------|--------------------|------------|------------|------------|------------|
| 1      | Ms. Savita Acharya | 7500       | 7500       | 7500       | 7500       |
| 2      | Mr. Arun Jain      | -          | -          | -          | -          |
| 3      | Ms. Rasika Nakhawa | 7500       | 7500       | 7500       | 7500       |

**Audit committee:**

| S. No. | Name of Director   | 30/05/2017 | 15/09/2017 | 13/12/2017 | 08/02/2018 |
|--------|--------------------|------------|------------|------------|------------|
| 1      | Ms. Savita Acharya | 7500       | 7500       | 7500       | 7500       |
| 2      | Mr. Arun Jain      | -          | -          | -          | -          |
| 3      | Ms. Rasika Nakhawa | 7500       | 7500       | 7500       | 7500       |

**Total Sitting Fees:**

| Sr. No. | Name of Director   | Total Sitting Fees |
|---------|--------------------|--------------------|
| 1       | Mr. G.P. Goenka    | -                  |
| 3       | Ms. Savita Acharya | 90,000             |
| 4       | Mr. Arun Jain      | -                  |
| 5       | Ms. Rasika Nakhawa | 90,000             |

• **Executive Director:**

Details of remuneration paid to the Managing Director for the year ended 31<sup>st</sup> March, 2018:-

Rs. 181.73 Lacs has been provided in accounts as managing director's remuneration based on his appointment letter.

The Company did not have any pecuniary relationship or transactions with Non-Executive Directors during the year ended 31<sup>st</sup> March, 2018 except payment of sitting fee, reimbursement of expenses incurred for traveling etc. for attending Board/ Committee Meetings.

**IV. Stakeholder Relationship Committee:**

The Stakeholder Relationship Committee (SRC) 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 SRC at its meetings.



The Stakeholder Relationship Committee met four times during the year ended 2017- 18. i.e. 30<sup>th</sup> May, 2017, 15<sup>th</sup> September, 2017, 13<sup>th</sup> December, 2017, 8<sup>th</sup> February, 2018.

The composition of the Stakeholder Relationship Committee and details of the meetings attended by the Directors are given below: -

| Name of Member     | Category | No. of Meetings attended<br>(out of 4 Meetings held) during the year 2017-18 |
|--------------------|----------|--|
| Ms. Rasika Nakhawa | Chairman | 4  |
| Ms. Savita Acharya | Member   | 4  |
| Shri. Arun Jain    | Member   | 4  |

During the year, 24 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 2017-18 |          |
|--------------------|---|----------|
|                    | Held  | Attended |
| Shri Arun Jain     | 24  | 24       |
| Shri M. C. Nalwaya | 24  | 24       |

Name, designation & address of Compliance Officer: -

There was no compliance officer, being qualified Company Secretary appointed during the year 2017-18.

However, Mr M.C. Nalwaya, Chief Financial Officer was looking after the Compliances.

67, Gr. Floor, Surajmal Building,  
75, Nakhoda Street,  
Pydhonie, Mumbai 400 003  
Phone: (022) 23464458  
E-mail: [secretarial@nrclimited.com](mailto:secretarial@nrclimited.com)

During The Year under review, no complaints were received from shareholders and investors and no investor complaint was pending at the beginning or at the end of the year. The company has acted upon valid requests for share transfer received during the year and no such request is pending.

## **V Independent Directors' Meeting**

During the year under review, the Independent Directors met 30<sup>th</sup> March, 2018 inter alia, to:

- Review the performance of Non-Independent Directors and the Board as a whole;
- Review the performance of the Chairperson of the Company , taking into account the views of Executive Directors and Non-Executive Directors and
- Assess the quality, quantity and timelines of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors attended the Meeting.

### **Familiarization program for Independent Directors**

As and when a new Independent Director is appointed, the Company takes steps to familiarize the Independent Director with the Company, his/her roles, rights, responsibilities



in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programs.

The Directors are also explained in detail about the compliances required from them under the Companies Act, 2013, Listing Regulation and other relevant regulations. The details of such familiarization programs is being displayed on the website of the Company

## VI Risk Management Committee

The Board of Directors has constituted voluntarily the Risk Management Committee. The Risk Management Policy is structured so that potential risks may be identified and adequately assessed and reported so that timely and impact, controls are put in place to mitigate the risk by the officers of the Company who have been identified as "Risk Controllers" and are responsible to control the exposure and balance the impact of risk on a continuous basis. The Company Secretary acts as the Secretary to the Committee.

## VII. General Body Meetings:

### (a) Details of location, time and date of last three Annual General Meetings(AGM) are given below:-

| Year    | AGM              | Location  | Day, Date & Time  |
|---------|------------------|---|---|
| 2016-17 | 69 <sup>th</sup> | Wallchand Hirachand Hall,4 <sup>th</sup> Floor. IMC Building,IMC Marg,Churchgate. Mumbai – 400 020  | Wednesday, 13 <sup>th</sup> December, 2017 at 12.30 p.m |
| 2015-16 | 68 <sup>th</sup> | Kilchand Conference Room, 2 <sup>nd</sup> floor, IMC Building, IMC Marg, Churchgate, Mumbai- 400020 | Friday, 30 <sup>th</sup> December, 2016 at 12.00 noon.  |
| 2014-15 | 67 <sup>th</sup> | Rama Watumull Auditorium, Dinshaw Wacha Road, K. C. College Hall, Churchgate, Mumbai – 400 020.     | Monday, 23 <sup>rd</sup> September, 2015 at 10.00 a.m.  |

### (b) Extra Ordinary General Meeting

There was no Extra Ordinary General Meeting held during the Financial Year 2017-18

### (f) Details of Special Resolution passed during last three years at the Annual General Meetings:

| Date of AGM | Particulars of Special Resolutions Passed  |
|-------------|--|
| 13.12.2017  | <ol style="list-style-type: none"> <li>1 Appointment of Ms Rasika Nakhawa (DIN:07394510) as an Independent Director.</li> <li>2. Ratificaion of extension of tenure of Shri Arun Jain as Managing Director and remuneration there of</li> <li>3. Re-appointment of Shri Arun Jain as Managing Director.</li> </ol> |
| 30.12.2016  | <ol style="list-style-type: none"> <li>1. To delete Article No.90(b) of Articles of Association</li> </ol>   |
| 23.09.2015  | <ol style="list-style-type: none"> <li>1. Appointment of Dr. P.P. Shastri as Independent Director for 2nd term of 5 year</li> <li>2. Ms. Savita Acharya as Independent Directors for 2nd term of 5 year.</li> </ol>  |

### (d) Postal Ballot

During the year under review, there was no Special resolution proposed and/ or transacted through Postal Ballot. No Special resolution requiring postal ballot being proposed for the ensuing Annual General Meeting.



**VIII. 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.

The Board has approved a policy for related party transactions which have been uploaded on the Company's web site at the following link <http://www.nrclimited.com>.

- (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 apart from qualification and observation mentioned in the secretarial audit report.
- (iii) The Company has adopted a whistle blower policy and has established the necessary vigil mechanism for employees and directors to report concerns about unethical behavior. No person has been denied access to the chairman of the audit committee. The said policy has been also put up on the website of the Company at the following link <http://nrclimited.com>.
- (iv) The Company has duly complied with all the mandatory requirements.
- (v) Since Plant are not in operation for More than 8 years no insurance was taken. All foreseeable risk whether in terms of foreign currency exposure, data and record management etc. are being managed effectively by the Company. The Risk Management Policy as approved by the Board of directors and amended from time to time is being adhered to.

**Details of Directors seeking appointment / re-appointment at the forth coming Annual General Meeting I in pursuance of Regulation 36(3) of Listing Regulation**

|  |                                    |
|--|------------------------------------|
| Name of the Director   | Mr. Gauri Prasad Goenka            |
| Date of Birth  | 11.10.1940                         |
| Date of appointment  | 30.08.1983                         |
| Qualification  | B.Sc.                              |
| Expertise in Specific area   | Expertise in revival of sick units |
| Relationship between director inter – se   | N.A.                               |
| Directorship held in other listed Companies                                      | 5                                  |
| Committee position held in other listed Companies<br>(C= Chairman<br>M = Member) | C= 0<br>M = 0                      |
| No, of Shares held in the Companies  | 47271                              |

**Reconciliation of Share Capital:**

A qualified Practicing Company Secretary carried out an audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital.

The audit confirms that the total issued/ paid-up capital is in agreement with the total number of shares in physical and the total number of dematerialized shares held with NSDL and CDSL.





Pursuant to Regulation 40(9) of the SEBI( Listing Obligations and disclosure Requirements ) Regulations,2015 with the Stock Exchanges, certificate, on half yearly basis have been issued by a Company Secretary in Practice for due compliance of share transfer formalities of the Company.

**X. Means of Communication:****a. 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.bseindia.com](http://www.bseindia.com)  
[www.nseindia.com](http://www.nseindia.com)

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

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

**b. Management Discussion & Analysis Report**

The Management discussion & analysis Report forms part of the Directors' Report. All matters pertaining to industry structure and developments, opportunities and threats, outlook risks and concerns, internal control and systems etc. are discussed in the said report.

**c. Company's Corporate Website:**

The financial results are also posted on the Company's Website [www.nrclimited.com](http://www.nrclimited.com)  
The Company's website provides information about its business and the Section on "Investor's Information" serves to inform and service the Shareholders allowing them to access information at their convenience.

**d. Annual Report:** Annual Report is circulated to all the members within the required time frame.

**Investor Email ID of the Registrar & Share Transfer Agents:** All the share related requests/ queries/correspondence, if any, are to be forwarded by the investors to the Registrar and Transfer Agents of the Company M/s TSR Darashaw Limited and/ or email them to at [csg-unit @tsrdarashaw.com](mailto:csg-unit@tsrdarashaw.com).

**Designated Email ID for Complaints/ Redressal:** The Company has designated an email ID [secretarial @nrclimited.com](mailto:secretarial@nrclimited.com) exclusively for the purpose of registering complaints / grievances by investors. Investors whose requests / queries / correspondence remain unresolved can send their complaints / grievances to the above referred e-mail ID and the same would be attended to promptly by the Company.

**General Shareholder's Information**

The Company is registered in the State of Maharashtra, India. The Corporate Identification Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L17120MH1946PLC005227

**1. Annual General Meeting**

Day, Date & Time : Tuesday the 25<sup>th</sup> day, September, 2018 at 11.30 a.m.  
Venue : Walchand Hirachand Hall 4<sup>th</sup> Floor,  
IMC Building, Churchgate, Mumbai- 400020.

**2. Financial Calendar for the year 2018-19 (Tentative)**

Accounting Year : April 1, 2018 to March 31, 2019  
First Quarter Results : On or before 14th August, 2018  
Second Quarter Results : On or before 14th November, 2018  
Third Quarter Results : On or before 14th February, 2019  
Fourth Quarter and Annual Results : On or before 30th May, 2019  
Mailing of Annual Report : July/August, 2018  
Annual General Meeting On or before 30th September, 2018  
Book Closure Date : From 18<sup>th</sup> day, September, 2018 to 25<sup>th</sup> day, September, 2018 (both days inclusive).  
Registered Office : 67, Surajamal Building, 75 Nakhoda Street, Pydhonie, Mumabi-400 003.

**Listing of Equity Shares on the Stock Exchange:**

- i. Stock Exchange: Bombay Stock Exchange Ltd.  
P. J. Towers, Dalal Street,  
Mumbai 400 023  
Stock Code 503780
- ii. Stock Exchange: National Stock Exchange of India Ltd.  
Exchange Plaza,  
Bandra-Kurla Complex,  
Bandra (East), Mumbai 400 051  
Stock Code NRC
- iii. ISIN No. for the Company's INE953C01018  
Equity Shares in Demat form
- iv. Depositories connectivity NSDL and CDSL

Note: Due to financial crunch, Listing Fees for the year 2015-16 ,2016-17 and 2017-18 have not been paid to BSE Limited and National Stock Exchange of India Limited, resulting BSE had delisted the company w.e.f. 4<sup>th</sup> July,2018 and NSE proposed to delist w.e.f. 8<sup>th</sup> August, 2018.

**Dividend policy:**

Dividends, other than interim dividend(s), are to be declared at the annual general meetings of shareholders based on the recommendation of the board of directors. Generally, the factors that may be considered by the board of directors before making any recommendations for dividend include, without limitation, the Company's future expansion plans and capital requirements, profits earned during the fiscal year, cost of raising funds from alternate sources, liquidity position, applicable taxes including tax on dividend, as well as exemptions under tax laws available to



various categories of investors from time to time and general market conditions. The board of directors may also from time to time pay interim dividend(s) to shareholders

**Stock Price Data and Comparison to broad –based indices:**

(a) Market Price Data: High, Low during each month in the financial year.

Since trading into equity shares of the Company is suspended, Monthly High/ Low of market price of the Company’s shares traded on the Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Limited (NSE) during the financial year ended 31st March, 2018 is not available. However, the last stock price as on 31.03.2018 is Rs. 3.65 per share.

(b) Monthly closing market price of the Company’s shares traded on Bombay Stock Exchange Limited verses Sensex closing at Bombay Stock Exchange Limited:

Since trading into equity shares of the Company is suspended, data on Monthly closing market price of the Company’s shares traded on Bombay Stock Exchange Limited verses Sensex closing at Bombay Stock Exchange Limited, is not available.

**Registrar & Share Transfer Agents**

For Electronic & Physical Mode:  
TSR Darashaw Ltd.

6-10, Haji Moosa Patrawala  
Industrial Estate, 20, Dr. E. Moses Road,  
Mahalaxmi, Mumbai – 400 011  
Tel: 91 22 66568484  
Fax: 91 22 66568494  
Email ID: csg-unit@tsrdarashaw.com  
Website: www.tsrdarashaw.com

**Share Transfer System**

The Board has delegated the authority for approving transfer, transmission etc. of Company’s securities to the Stakeholders Relationship Committee, who in turn has authorized the Share Transfer Committee of the Company to carry this work. The share transfer formalities are completed on a weekly basis. The Shares sent for transfer in physical form are sent to Registrars and Share Transfer Agents, and returned between 15 to 30 days from the date of receipt, if Documents are in order in all respects. Shares under objections are returned within 2 weeks.

In compliance with Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company obtains a certificate from practicing Company Secretary on a half-yearly basis confirming that all certificates have been issued within one month from the date of lodgments for transfer, sub-division, consolidation etc.

**Distribution of Shareholding as on 31<sup>st</sup> March, 2018:**

| Number of Ordinary Shares held | Total Number of Shareholder | % to total no of shareholder | Number of Shares | Percentage shareholding |
|--------------------------------|-----------------------------|------------------------------|------------------|-------------------------|
| 1 to 500                       | 21921                       | 82.75                        | 3319644          | 8.91                    |
| 501 to 1000                    | 2232                        | 8.43                         | 1894269          | 5.09                    |
| 1001 to 10000                  | 2128                        | 8.03                         | 6001444          | 16.12                   |
| 10001 and above                | 209                         | 0.79                         | 26022056         | 69.88                   |
| Total                          | 26490                       | 100.00                       | 37237413         | 100.00                  |



**Shareholding Pattern as on 31<sup>st</sup> March, 2018:**

| Category               | No. of Shares held | % of to Total share |
|------------------------|--------------------|---------------------|
| Promoter Group         | 17421548           | 46.79               |
| Financial Institutions | 1587319            | 0.07                |
| Non-Resident           | 471552             | 1.27                |
| Govt. Companies        | 250                | 0                   |
| Mutual Funds           | 14913              | 0.04                |
| FII's                  | 0                  | 0                   |
| *Bodies Corporate      | 1589699            | 4.26                |
| Directors & Relatives  | 0                  | 0                   |
| General Public         | 16152132           | 47.57               |
| <b>Total</b>           | <b>37237413</b>    | <b>100</b>          |

- Body Corporate Include Trust and Insurance co.

Shareholding of Non executive Directors of the Company as on 31st March, 2018

| Name of the Non Executive Directors | No. of shares held | Percentage of total Shares |
|-------------------------------------|--------------------|----------------------------|
| Mr G.P. Goenka                      | 47271              | 0.13                       |

**Dematerialisation of shares and liquidity:**

The Company has arrangements with National Securities Depository Ltd. (NSDL) as well as the Central Depository Services (India) Ltd. (CDSL) for demat facility. Out of total share capital, 95.75 % is dematerialized as on 31.03.2018.

Trading in Equity Shares of the Company is suspended.

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

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

Address for correspondence : NRC Limited, 67, Gr. Floo, Surajmal Building,  
 (i) Corporate & Registered Office : 75,Nakhoda Street, Pydhonie,  
 Mumbai 400 003, Tel. (022) 23464458  
 Email:[secretarial@nrclimited.com](mailto:secretarial@nrclimited.com)  
 Website: [www.nrclimited.com](http://www.nrclimited.com)

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

**Equity shares in the suspense account:**

In terms of Regulations 39(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company reports the following details in respect of equity shares lying in the suspense account which were issued in dematerialized form pursuant to the public issue of the Company:



|   |     |
|---|-----|
| Aggregate No. of Share Holders whose shares are lying in the Suspense Account as on 01.04.2017            | Nil |
| Aggregate No. of Shares are lying in the Suspense Account as on 01.04.2017                                | Nil |
| Number of shareholders who approached issuer for transfer of shares from Suspense Account during the year | Nil |
| Number of shareholders to whom shares were transferred from Suspense Account during the year              | Nil |
| Aggregate No. of Share Holders whose shares are lying in the Suspense Account as on 31.03.2018            | Nil |
| Aggregate No. of Shares are lying in the Suspense Account as on 31.03.2018                                | Nil |

In terms of Regulations 39 (4) of SEBI( Listing Obligations and Disclosure Requirements) Regulations,2015 with respect to shares issued in physical form which remains unclaimed:

As per record of RTA, there are no physical shares lying in suspense account.

**Transfer of unclaimed dividend to Investor Education and Protection Fund**

Pursuant to sections 205A and 205C of the Companies Act, 1956 and other applicable provisions, if any, of the Act, all unclaimed / unpaid dividend, remaining unclaimed / unpaid for a period of seven years from the date they became due for payment, in relation to the Company, have been transferred to the IEPF established by the Central Government.

**46(2) (b) TO (I) OF COMPLIANCE OF CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 OF LISTING REGULATION**

| Sr. No | Particulars                           | Regulation | Compliance status Yes/No/N.A | Compliance observed for the following   |
|--------|---------------------------------------|------------|------------------------------|---|
| 1.     | Board of Directors                    | 17         | Yes                          | <ul style="list-style-type: none"> <li>☐ Composition</li> <li>☐ Meetings</li> <li>☐ Review of compliance report</li> <li>☐ Plans for orderly succession for appointments</li> <li>☐ Code of Conduct</li> <li>☐ Fees/compensation to Non – Executive Directors</li> <li>☐ Minimum information to be placed before the Board</li> <li>☐ Compliance Certificate</li> <li>☐ Risk assessment and management</li> <li>☐ Performance evolution of Independent Directors</li> </ul> |
| 2.     | Audit Committee                       | 18         | Yes                          | <ul style="list-style-type: none"> <li>☐ Composition</li> <li>☐ Meetings</li> <li>☐ Power of the Committee</li> <li>☐ Role of the Committee and review of information by the Committee</li> </ul>   |
| 3.     | Nomination and Remuneration Committee |            | Yes                          | <ul style="list-style-type: none"> <li>☐ Composition</li> <li>☐ Role of the Committee</li> </ul>  |



| Sr. No | Particulars   | Regulation | Compliance status Yes/No/N.A | Compliance observed for the following   |
|--------|---|------------|------------------------------|---|
| 4.     | Stakeholders' Relationship committee                        |            | Yes                          | <ul style="list-style-type: none"> <li>□ Composition</li> <li>□ Role of the Committee</li> </ul>  |
| 5.     | Risk Management Committee                                   |            | Yes                          | <ul style="list-style-type: none"> <li>□ Composition</li> <li>□ Role of the Committee</li> </ul>  |
| 6.     | Vigil Mechanism   |            | Yes                          | <ul style="list-style-type: none"> <li>□ Formulation of Vigil Mechanism for Directors and employees</li> <li>□ Director access to Chairperson of Audit Committee</li> </ul>   |
| 7.     | Related Party Transaction                                   | 23         | NA                           | <ul style="list-style-type: none"> <li>□ Policy on Materiality of Related party Transactions and dealing with Related Party Transactions</li> <li>□ Approval including omnibus approval of Audit Committee</li> <li>□ Review of related Party Transactions</li> <li>□ There were no Material Related Party Transactions</li> </ul>                                |
| 8.     | Subsidiaries of the Company                                 | 24         | NA                           | <ul style="list-style-type: none"> <li>□ There was no material subsidiary of the Company and as a result the other compliance in respect of material subsidiary were not applicable</li> <li>□ Review of financial statements of unlisted subsidiary by the Audit Committee</li> <li>□ Significant transactions and arrangement of unlisted subsidiary</li> </ul> |
| 9.     | Obligation with respect to Independent Directors            | 25         | yes                          | <ul style="list-style-type: none"> <li>□ Maximum Directorship and tenure</li> <li>□ Meeting of Independent Directors</li> <li>□ Familiarization of Independent Directors</li> </ul>   |
| 10     | Obligation with respect to Directors and Senior Managements | 26         | Yes                          | <ul style="list-style-type: none"> <li>□ Memberships /Chairpersonship in Committees</li> <li>□ Affirmation on Compliance of Code of Conduct by directors and Senior Management</li> <li>□ Discloser of shareholding by Non –Executive Directors</li> <li>□ Discloser by Senior Management about potential conflicts of interest</li> </ul>                        |



| Sr. No | Particulars                             | Regulation      | Compliance status<br>Yes/No/N.A | Compliance observed for the following  |
|--------|---|-----------------|---------------------------------|--|
| 11.    | Other Corporate Governance requirements | 27              | yes                             | <ul style="list-style-type: none"> <li>☐ Compliance with discretionary requirements</li> <li>☐ Filing of quarterly compliance report on Corporate Governance</li> </ul>  |
| 12.    | Website                                 | 46(2)(b) to (i) | Yes                             | <ul style="list-style-type: none"> <li>☐ Terms and conditions for appointment of Independent Directors</li> <li>☐ Composition of various Committees of the Board of Directors</li> <li>☐ Code of Conduct of Board of Directors and Senior Management personnel</li> <li>☐ Details of establishment of Vigil Mechanism/Whistle Blower policy</li> <li>☐ Policy on dealing with Related Party Transactions</li> <li>☐ Policy for determining material subsidiaries</li> <li>☐ Details of familiarization programmes imparted to Independent Directors</li> </ul> |



**CERTIFICATE ON CORPORATE GOVERNANCE**

THE MEMBERS OF

**NRC Limited**

**Mumbai**

We have examined the compliance of conditions of Corporate Governance by NRC Limited for the year ended on 31st March 2018 as stipulated in Schedule V of Listing Regulations.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above listing regulations.

We further 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.

Place: Mumbai

for V.P. Dubey & Co.

Date: 1<sup>st</sup> August, 2018

Vimal Prakash Dubey  
**(Proprietor)**  
**C.P. No. 17172**  
**FCS No. 5062**





**Form No. MR-3**

**SECRETARIAL AUDIT REPORT  
FOR THE PERIOD 01-04-2017 TO 31-03-2018**

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

**To,**

The Members,

**NRC LIMITED**

67, Ground Floor, 75, Surajmal Building,  
Nakhoda Street, Pydhonie, Mandvi,  
Mumbai - 400003.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **NRC LIMITED (CIN: L17120MH1946PLC005227)** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of **NRC LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering **1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2018** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **NRC LIMITED** ("the Company") for the audit period **1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2018** according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulation made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not Applicable)
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz. :
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable as the Company did not issue any security during the financial year under review)**
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable as the**



**Company did not have any scheme for its employees during the financial year under review.)**

- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- **Not applicable as the Company has not issued any debt securities during the financial year under review.**
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the companies act and dealing with client; (**Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review.**)
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- (**Not applicable as the Company has not delisted its equity shares from any stock exchange during the financial year under review.**)
  - h. Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2009- (**Not applicable as the Company has not bought back any of its securities during the financial year under review.**)
- (iii) We have relied on the representation made by the Company and its officer for systems and mechanisms formed by the Company for compliance of specific applicable laws .

We have also examined compliance with applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- b) The Listing Agreements entered into by the Company with BSE Limited & NSE and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (effective from December 1, 2015)

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to followings observations;

*Non-Compliance of SEBI (LODR) Regulation, 2015 & Companies Act, 2013:*

1. *The Company has not appointed Compliance Officer, being qualified Company Secretary in terms of Regulation 6 of SEBI (LODR) Regulation, 2015*
2. *In terms of Regulation 14 of SEBI (LODR) Regulation, 2015, the Company has not paid Annual listing fees of Exchanges (BSE Ltd & NSE) for the year 2017-18.*
3. *Form AOC-4, being form for filing XBRL documents in respect of Financial Statements for the financial year ended 31.03.2017 ( which was approved by the Members at their Annual General Meeting held on 13.12.2017) was filed on 11.07.2018*
4. *Form MGT-7, being form for filing of Annual Return for the financial year ended 31.03.2017 has been filed on 11.07.2018.*

**We further report that:**

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

The minutes of the Board meeting have not identified any dissent by members of the Board; hence we have no reason to believe that the decisions by the Board were not approved by all the Directors present.



**We further report that** as per the representation received from the management there are adequate systems and processes in the company commensurate with size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulation and guidelines.

**We further report that** the plant is under lockout since November, 2009 and liability of the Company and its directors ,as may arise towards interest/disqualification/penalty on delayed/ non-payment to certain trade payable/statutory dues/promoters Contribution/lenders/ is not ascertainable in view of result of various litigation is awaited before various Courts/tribunal/ other judicial authority as the case may be.; accordingly; we are unable to express our opinion on Compliance of Section 164 of the Companies Act 2013, pertaining to disqualification of director.

**We further Report that** we have relied on Statutory Auditor Report given for the financial year ending 31<sup>st</sup> March 2018 in respect of compliance of various financial laws, applicable to Company like Income Tax Act,1961, Finance Act 1994 vis-a-viz Goods and Service Tax , Professional Tax, etc. during the period under review.

Place: Mumbai

for V.P. Dubey & Co.

Date: 1<sup>st</sup> August, 2018

Vimalprakash Dubey  
**(Proprietor)**  
**C.P. No. 17172**  
FCS No. 5062

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.



**‘Annexure A’**

**To,**

**The Members,**

**NRC Limited**

**67, Ground Floor, 75, Surajmal Building,**

**Nakhoda Street, Pydhonie, Mandvi**

**Mumbai - 400003.**

1. Maintenance of secretarial record is the responsibility of the management of the company. Our Responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provision of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Mumbai

for V.P. Dubey & Co.

Date: 1<sup>st</sup> August, 2018

Vimalprakash Dubey

**(Proprietor)**

**C.P. No. 17172**

FCS No. 5062

**MANAGING DIRECTOR AND CFO CERTIFICATION**

The Managing Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the board in terms of Regulation 17(8) of the Listing Regulations. The Chief Executive Officer and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the Listing Regulations. The annual certificate given by the Chief Executive Officer and the Chief Financial Officer is published in this Report

We, Arun Jain, Managing Director and M.C Nalwaya, CFO of the Company do hereby certify that:

1. We have reviewed the Financial Statements and Cash Flow Statement for the year ended on 31st March, 2018 and that to the best of our knowledge and belief:
  - I. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - II. these statements together present a true & fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable Laws and Regulations.
2. To the best of our knowledge and belief, there were no transactions entered into by the Company during the year, which were fraudulent, illegal or which violated the Company's Code of Conduct.
3. We are responsible for establishing and maintaining internal control for the financial reporting and we have;
  - (a) Evaluated the effectiveness of internal control system of the Company pertaining to financial reporting
  - (b) Not found any deficiencies in the design or operation of the internal control.
4. We have indicated to the Company's Statutory Auditors, internal auditors and the audit committee of the Board of Directors
  - (a) Significant changes that have occurred in the internal control over financial reporting during the year;
  - (b) There have been no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements;
  - (c) There have been no instances of significant fraud nor there was any involvement of the management or an employee having a significant role in the Company's internal control system over financial reporting; and
  - (d) There were no deficiencies in the design or operation of internal controls, which could adversely affect the Company's ability to record, process, summarize and report financial data nor there were any material weakness in internal controls over financial reporting nor any corrective actions with regards to deficiencies, as there were none.
5. We declare that all the Board members and senior management personnel have affirmed compliance with the code of conduct for the current year.

M. C. Nalwaya  
Chief Financial Officer

Arun Jain  
Managing Director

Place: Mumbai  
Date: 24<sup>th</sup> May, 2018

**INDEPENDENT AUDITOR'S REPORT****TO THE MEMBERS OF NRC LIMITED****Report on the Financial Statements**

We have audited the accompanying financial statements of **NRC Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information for the year then ended.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with 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 internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

**Basis for Qualified Opinion****(a) *Material Uncertainty Relating to Going Concern***

*The Company has incurred loss in the current year as well as in the preceding year and the accumulated losses has exceeded its entire net worth and the Company's plant are*



under lockout since 15th November, 2009. Besides, certain financial/operational creditors have filed proceedings under The Insolvency and Bankruptcy Code 2016 (IBC 2016) The financial statements have, however, been prepared by the management on a going concern basis as explained in note 28(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 also as to 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 Indian Accounting Standard (Ind AS) 36 'Impairment of Assets', particularly in respect of Plant and Equipment as explained in note 28(b). We are unable to express an opinion as to when and to what extent the carrying value of Plant & Equipment (WDV as on 31<sup>st</sup> March, 2018 is Rs. 1,398.06 Lakhs) would be recovered, particularly because of lock-out at the plant since 15<sup>th</sup> November, 2009 and continuing theft of certain machinery parts. The impact of the same 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 given, Other non-current assets, Lenders' liability, Trade payables and Other liabilities are 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. 29 (b) of the financial statements).
- (d) i) Liability as may arise towards interest/compound interest/penalty on delayed/non-payment to certain trade payables /statutory dues/ Promoter Contribution/ Lenders is presently not ascertainable. so the Company is expecting relief and concession and therefore, not provided for. (Refer note no. 29(c) of the financial statements)
- ii) Bonus liability as is payable to workers/staff members has not been ascertained and provided for. (Refer note no. 29(d) of the financial statements)
- (e) The remuneration payable to the Managing Director for the period December, 2008 to January, 2011 amounting to Rs. 224.27 Lakhs was subject to Central Government approval out of which approval for only Rs. 82.15 Lakhs was granted. For the balance amount paid, of Rs. 142.10 Lakhs, the Company is proposing to apply to Central Government for waiver of its recovery and is hopeful of receiving the same in due course. (Refer Note no. 29(a) of the financial statements)
- (f) Non provisioning of Liability towards Mesne profit aggregating to Rs. 529.36 Lakhs in respect of premises taken on lease and vacated in terms of the Supreme Court order received during the financial year 2013-14. (Refer note no. 25 (a) of the financial statements)
- (g) We further report that without considering the matter referred in para (a) to (d) above, the effect of which could not be determined, had the observation made by us in para (e) and para (f) above been considered, the loss before tax for the current year would have been Rs. 1,059.96 Lakhs; previous year ended Rs. 1829.31 Lakhs (as against reported loss of Rs. 672.70 Lakhs; previous year ended Rs. 1442.05 Lakhs), Reserves and Surplus (accumulated losses) would have been Rs. 64,874.48 Lakhs; As at 31<sup>st</sup> March, 2017 Rs.64,471.80; As at 1<sup>st</sup> April, 2016 Rs.63,730.99 Lakhs(as against reported losses of Rs.64,487.22 Lakhs; As at 31<sup>st</sup> March 2017 Rs.64,084.54 Lakhs.; As at 1<sup>st</sup> April, 2016 Rs.63,343.73 Lakhs) and trade payables would have been Rs. 19,308.48 Lakhs; As at 31<sup>st</sup> March, 2017 Rs.18,858.54 Lakhs; As at 1<sup>st</sup> April, 2016 Rs.17,892.69 Lakhs (as against reported figure of Rs.18,921.22 Lakhs; As at 31<sup>st</sup> March 2017 Rs.18,471.28 Lakhs.; As at 1<sup>st</sup> April, 2016 Rs.17,505.43 Lakhs)

**Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matter described in the Basis for Qualified Opinion paragraph above*, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31<sup>st</sup> March, 2018 and its loss including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Emphasis of matter:**

We draw attention regarding Managerial Remuneration of Rs.214.55 Lakhs provided based on recommendation by Nomination and Remuneration Committee and approved by Board of directors for the period January 25, 2017 to March 31, 2018 and subject to secured lenders approval.

Our report on the statement is not modified in respect of this matter.

Opening Balances have been considered based on the audited financial statements prepared under previous Generally Accepted Accounting Practices(Previous GAAP), as per Companies (Accounting Standards) Rules, 2006 issued by the other auditor whose qualified audit report dated 30th May, 2017 have been furnished to us. The Differences arises from transition from previous GAAP to Ind AS have been derived from such audited financial statement.

**Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" attached hereto our comments on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.

As required by Section 143 (3) of the Act, we report that:

- (a) *Subject to what is stated in the Basis of Qualified Opinion para (c) and (d) above*, we have sought and 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 and para 1 (a) and 2 and 6 of the Order*, 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, the Statement of Profit and Loss, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 *except for the effects of the matter described in the Basis for Qualified Opinion paragraph (b), (d) and (f) above*;
- (e) *The matter described in the Basis for Qualified Opinion paragraph above*, in our opinion, may have an adverse effect on the functioning of the Company.
- (f) Considering the re-schedulement of redemption of Zero Percent Secured Redeemable non-convertible Debentures approved in CDR package in January, 2008 and on the basis of the written representations received from the Directors as on 31<sup>st</sup> March, 2018 taken on record by the Board of Directors. We report that none of the directors is disqualified as on 31<sup>st</sup> March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".





- (h) With respect to other matter to be included in the Auditor's Report in accordance with the Rule 11 of the Companies (Audit and Auditors ) Rules , 2014 , in our opinion and to the best of our information and according to the explanations given to us :
- i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note 23(a) to the financial statements.
  - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii) There is has been no delay in transferring amount required to be transferred to the Investor Education and Protection Fund by the Company.

**For BAGARIA & CO.LLP**  
Chartered Accountants  
ICAI Firm Registration No:  
113447W/W-100019

Place: Mumbai  
Date: 24<sup>th</sup> May, 2018

**Vinay Somani**  
Partner  
Membership No. 143503



**Annexure A**

**ANNEXURE REFERRED TO IN PARAGRAPH “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT TO THE MEMBERS OF “THE COMPANY” FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

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

1. a) *The Company's fixed assets records need to be updated to show 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) *Updated title deeds of immovable properties have not been made available for us for verification. Accordingly we are unable to comment whether the same held in the name of Company. Also, refer Note No. 26(b)(c)(d) of the financial statements.*
2. *No physical verification of the inventory has been carried out during the year or in the recent past. As explained, discrepancies as may be noticed on physical verification will be dealt with in the books of account as and when the inventory will be physically verified.*
3. *The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause (iii) of the Order are not applicable to the Company.*
4. *The Company has not granted any loans or made investments or given security/ guarantees during the year. Accordingly, the provisions of clause (iv) of the Order are not applicable to the Company.*
5. *No deposits within the meaning of directives issued by RBI (Reserve Bank of India) and Sections 73 to 76 or any other relevant provisions of the Act and rules framed there under have been accepted by the Company.*
6. *As explained to us, due to lock out and stoppage of production in the plant, the cost records have not been maintained.*
7. a) *The Company is not regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it with the appropriate authorities. According to the information and explanations given to us, following are the undisputed statutory dues outstanding as at 31<sup>st</sup> March, 2018 for a period of more than six months from the date they became payable:*

| <b>Particulars</b>                     | <b>Rs. In Lakhs</b> |
|--|---------------------|
| <i>Tax Deducted at Source (TDS)</i>    | <i>113.49</i>       |
| <i>Professional Tax</i>                | <i>81.75</i>        |
| <i>Employees State Insurance (ESI)</i> | <i>95.43</i>        |
| <i>Provident Fund</i>                  | <i>41.35</i>        |
| <i>Sales tax</i>                       | <i>41.25</i>        |
| <i>Work Contract Tax</i>               | <i>2.00</i>         |
| <i>Service tax</i>                     | <i>72.53</i>        |

*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 duty of excise, duty of customs, Service Tax, Income Tax, Wealth Tax and Cess which have not been deposited are as under:

| <b>Name of the Statute</b>           | <b>Nature of Dues</b> | <b>Forum where dispute is pending</b>                   | <b>Rs. In Lakhs</b> | <b>Period to which it relates</b>  |
|--------------------------------------|-----------------------|---|---------------------|------------------------------------|
| The Central Excise Act, 1944         | Excise duty           | Supreme Court   | 2,174.30            | 1986 to 2009                       |
|                                      |                       | High Court, Mumbai                                      | 11.47               |                                    |
|                                      |                       | Customs, Excise, Service Tax Appellate Tribunal, Mumbai | 384.96              |                                    |
|                                      |                       | Commissioner (Appeals)                                  | 28.07               |                                    |
|                                      |                       | Asst. Commissioner                                      | 274.43              |                                    |
| 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                      | 17471.24            | 2005 to 2013                       |
| The Income tax Act, 1961             | Income Tax            | Income Tax Commissioner (Appeals)-Thane                 | 1861.39             | Assessment Year 2008-09 to 2018-19 |

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

| <b>Nature of Dues</b> | <b>Name of the bank/lender</b>    | <b>Period of Default</b> | <b>Rs. In Lakhs</b> |
|-----------------------|-----------------------------------|--------------------------|---------------------|
| Principal amount      | Punjab National bank              | 12-108 months            | 5155.38             |
| Principal amount      | Dena Bank                         | 12-108 months            | 3,148.00            |
| <b>Total</b>          |                                   |                          | <b>8,303.38</b>     |
| Principle amount      | Debenture holder                  | 12-108 months            | 316.80              |
| Interest thereon      | Lender wise details not available | 12-108 months            | 10,120.46           |

9. The Company has not raised any money by way of public issue or further public offer (including debt instruments) during the year. 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.
10. 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 by its officers or employees has been noticed or reported during the course of our audit except continuing 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.



11. Managerial Remuneration of Rs. 181.73 Lakhs has been provided for the year and subject to shareholders'/lenders approval and is not in accordance with the provisions of Section 197 read with Schedule V of the Act. Also refer para (e) of Basis for Qualified Opinion paragraph and Note no.29(a) of the financial statements in respect of remuneration paid in respect of an earlier period.
12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4(xii) of the Order are not applicable to the Company.
13. 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, all transactions with the related party are in compliance with section 177 and 188 of the Act and the details have been disclosed as required by the applicable Indian Accounting Standard in Note no. 33 to the Financial Statements.
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
15. Based on the information and explanations given to us, Company has not entered into any non-cash transactions with directors or persons connected with them during the year. Therefore, the provisions of clause 4(xv) of the Order are not applicable to the Company.
16. In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the provisions of clause 4(xvi) of the Order are not applicable to the Company.

**For BAGARIA & CO.LLP**  
Chartered Accountants  
ICAI Firm Registration No:  
113447W/W-100019

**Vinay Somani**

Partner

Membership No. 143503

Place : Mumbai

Date : 24<sup>th</sup> May, 2018

**Annexure B****ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF NRC LIMITED**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of NRC Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls.**

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of



unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Qualified opinion**

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2018:

- a) *The Company did not have an appropriate internal control system for fixed assets and inventories with regard to updating of records, impairment and physical verification. These could potentially result in material misstatements in the Company's fixed assets, inventory and expense account balances.*
- b) *The Company did not have an appropriate internal control system for Banks, Loans & Advances, Other non- current assets, Trade payables, Other liabilities and lenders with regard to confirmation of balances. These could potentially result in material misstatements in the Company's assets liabilities & expense account balances.*
- c) *The Company did not have an appropriate internal control system for customer acceptance, credit evaluation and establishing customer credit limits for scrap sales, which could potentially result in the Company recognising revenue without establishing reasonable certainty of ultimate collection.*
- d) *The Company did not have an appropriate internal control system for borrowings with regard to interest provisioning. These could potentially result in material misstatements in the Company's accrued interest (liability) and expense account balances.*
- e) *The Company did not have an appropriate internal control for execution of maker /checker process, segregation of duties, statutory compliance. These could potentially result in material misstatements in the Company's financial position.*

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, considering what is stated above, the Company has not maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were not operating effectively as of March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For BAGARIA & CO.LLP**  
Chartered Accountants  
ICAI Firm Registration No:  
113447W/W-100019

**Vinay Somani**  
Partner

Membership No. 143503

Place: Mumbai  
Date: May 24, 2018



**Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along with Annual Audited Financial Results - Standalone**  
**Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2018**  
**Name of the Company NRC LIMITED NRC Limited**  
**[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]**

| I. Sl. No. | Particulars  | Audited Figures (as reported before adjusting for qualifications) | Audited Figures (as reported after adjusting for qualifications) |   |   |                                    |   |   |
|------------|--|---|--|---|---|------------------------------------|---|---|
|            |  | Amount in Lacs except EPS   | Amount in Lacs except EPS  |   |   |                                    |   |   |
| 1          | Turnover/ Total income   | 856.55  | 998.65   |   |   |                                    |   |   |
| 2          | Total Expenditure  | 1,527.81  | 2,057.18   |   |   |                                    |   |   |
| 3          | Net Profit/(Loss)  | (671.26)  | (1,058.53)   |   |   |                                    |   |   |
| 4          | Earnings Per Share   | (1.80)  | (2.84)   |   |   |                                    |   |   |
| 5          | Total Assets   | 23,622.06   | 23,225.44  |   |   |                                    |   |   |
| 6          | Total Liabilities  | 66,354.73   | 66,181.97  |   |   |                                    |   |   |
| 7          | Net Worth  | (42,732.67)   | (42,956.53)  |   |   |                                    |   |   |
| 8          | Any other financial item(s) (as felt appropriate by the management)                              |   |  |   |   |                                    |   |   |
| <b>6</b>   | <b>Audit Qualification (each audit qualification separately):</b>                                |   |  |   |   |                                    |   |   |
| a.         | Details of Audit Qualification:  | " Material Uncertainty Relating to Going Concern"                 | Regarding Impairment of Assets                                   | Regarding Non - receipt of confirmation | Regarding Non - provision of interest / penalty | Regarding Non - provision of Bonus | Regarding pending Government approval for Managerial remuneration | Regarding non-provision of Liability of Mense profit. |
| b.         | <b>Type of Audit Qualification :</b> Qualified Opinion / Disclaimer of Opinion / Adverse Opinion | Qualified Opinion   | Qualified Opinion  | Qualified Opinion                       | Qualified Opinion                               | Qualified Opinion                  | Qualified Opinion   | Qualified Opinion                                     |



|  |                                    |  |  |  |  |  |   |
|--|------------------------------------|--|--|--|--|--|---|
| <b>c. Frequency of qualification:</b> Whether appeared first time / repetitive / since how long continuing | Repetitive                         | Repetitive   | Repetitive   | Repetitive   | Repetitive   | Repetitive   | Repetitive  |
| <b>d. For Audit Qualification(s)</b> where the impact is quantified by the auditor, Management's Views:    | -                                  | -  | -  | -  | -  | -140.29  | 529.36  |
| <b>e. For Audit Qualification(s)</b> where the impact is not quantified by the auditor:                    | It is a qualitative opinion.       | Management is confident of realisation which will not be less than carrying value. | Amount has been provided for. Amount not yet remitted because of inadequate / NIL cash flow. | 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 at the time of settlement with secured/ unsecured lenders and other creditors. | In view of substantial losses, no provision for minimum bonus liability has been made. the Company proposes to seek the exemption as is reached with lenders, workmen and unsecured creditors. | Company proposes to seek approval/ waiver from Central Government. | The Company proposes to challenge the liability of mesne profit at an appropriate legal forum, and therefore the amount of mesne profit is not provided. However, it is disclosed under contingent liability. |
| <b>(i) Management's estimation on the impact of audit qualification:</b>                                   | NIL                                | NIL  | NIL  | NIL  | NIL  | NIL  | NIL   |
| <b>(ii) If management is unable to estimate the impact, reasons for the same:</b>                          |                                    |  |  |  |  |  |   |
| <b>(iii) Auditors' Comments on (i) or (ii) above:</b>  | Please refer Para 4 of our Report. | Please refer Para 5 of our Report.   | Please refer Para 6 of our Report.   | Please refer Para 7 (a) of our Report.   | Please refer Para 7 (b) of our Report.   | Please refer Para 8 of our Report.                                 | Please refer Para 9 of our Report.  |
| <b>III. Signatories:</b>   |                                    |  |  |  |  |  |   |
| <b>Place:</b>  | M. C. Nalwaya                      | Arun Jain  | Savita Acharya   |  | BAGARIA & CO.LLP<br>113447/W/W-100019  |  | Arun Bagaria<br>(M.N. 036732)   |
| Mumbai   | CFO                                | Managing Director -  | Audit Committee Chairman   |  | Statutory Auditor  |  | Statutory Auditor   |
| <b>Date:</b>   |                                    |  |  |  |  |  |   |
| 24th May, 2018   |                                    |  |  |  |  |  |   |



**BALANCE SHEET AS AT 31ST MARCH, 2018**

(All amounts are in Rs. lakhs, unless stated otherwise)

| Particulars                               | Note | 31-Mar-18                 | 31-Mar-17                 | 1-Apr-16                  |
|---|------|---------------------------|---------------------------|---------------------------|
| <b>I ASSETS</b>                           |      |                           |                           |                           |
| <b>1 Non-current Assets</b>               |      |                           |                           |                           |
| (a) Property, plant and equipment         | 2    | <b>17,651.69</b>          | 18,032.26                 | 18,406.93                 |
| (b) <u>Financial assets</u> :             |      |                           |                           |                           |
| (i) Investments                           | 3    | -                         | 810.35                    | 661.45                    |
| (ii) Other financial assets               | 4    | <b>597.36</b>             | 488.08                    | 590.81                    |
| (c) Other non - current assets            | 5    | <b>1,245.31</b>           | 1,243.08                  | 1,226.36                  |
| <b>Total non-current assets</b>           |      | <b><u>19,494.36</u></b>   | <b><u>20,573.77</u></b>   | <b><u>20,885.55</u></b>   |
| <b>2 Current assets</b>                   |      |                           |                           |                           |
| (a) <u>Financial assets</u> :             |      |                           |                           |                           |
| (i) Trade and other receivables           | 6    | -                         | -                         | -                         |
| (ii) Cash and cash equivalents            | 7    | <b>33.04</b>              | 44.06                     | 22.32                     |
| (iii) Bank balances other than (ii) above | 8    | <b>4,007.75</b>           | 3,802.47                  | 3,573.63                  |
| (iv) Other current financial assets       | 9    | <b>10.75</b>              | 12.95                     | 12.86                     |
| (b) Current tax assets (net)              |      | <b>74.31</b>              | 24.53                     | 101.07                    |
| (c) Other current assets                  | 10   | <b>1.85</b>               | 1.57                      | 0.34                      |
| <b>Total current assets</b>               |      | <b><u>4,127.70</u></b>    | <b><u>3,885.58</u></b>    | <b><u>3,710.22</u></b>    |
| <b>TOTAL ASSETS</b>                       |      | <b><u>23,622.06</u></b>   | <b><u>24,459.35</u></b>   | <b><u>24,595.76</u></b>   |
| <b>II EQUITY AND LIABILITIES</b>          |      |                           |                           |                           |
| <b>1 Equity</b>                           |      |                           |                           |                           |
| a) Equity share capital                   | 11   | <b>3,727.31</b>           | 3,727.31                  | 3,727.31                  |
| b) Other equity                           | 12   | <b>(46,459.98)</b>        | (46,057.30)               | (45,389.39)               |
| <b>Total equity</b>                       |      | <b><u>(42,732.67)</u></b> | <b><u>(42,329.99)</u></b> | <b><u>(41,662.08)</u></b> |
| <b>2 Current liabilities</b>              |      |                           |                           |                           |
| (a) Financial Liabilities                 |      |                           |                           |                           |
| (i) Trade payables                        | 13   | <b>18,921.22</b>          | 18,471.28                 | 17,505.43                 |
| (ii) Other Financial Liabilities          | 14   | <b>37,850.54</b>          | 38,658.03                 | 38,645.62                 |
| (b) Other current liabilities             | 15   | <b>8,045.52</b>           | 7,996.22                  | 7,950.02                  |
| (c) Provisions                            | 16   | <b>1,537.45</b>           | 1,663.81                  | 2,156.76                  |
| <b>Total current liabilities</b>          |      | <b><u>66,354.73</u></b>   | <b><u>66,789.34</u></b>   | <b><u>66,257.83</u></b>   |
| <b>Total Liabilities</b>                  |      | <b><u>66,354.73</u></b>   | <b><u>66,789.34</u></b>   | <b><u>66,257.83</u></b>   |
| <b>TOTAL EQUITY AND LIABILITIES</b>       |      | <b><u>23,622.06</u></b>   | <b><u>24,459.35</u></b>   | <b><u>24,595.76</u></b>   |

Significant accounting policies and accompanying notes form an integral part of financial statements 1 to 43

As per our attached Report of even date  
For Bagaria & Co LLP  
Firm Registrion no.113447W/W-100019  
Chartered Accountants

Vinay Somani  
Partner  
Membership No.143503

Place : Mumbai  
Dated: 24th May, 2018

M.C. NALWAYA  
Chief Financial Officer

For and on behalf of the Board of Directors

G. P. GOENKA  
Chairman  
(DIN-030302)

ARUN JAIN  
Managing Director  
(DIN-00006007)

SAVITA ACHARAYA  
Director  
(DIN-07038198)

RASIKA NAKHAWA  
Director  
(DIN-07394510)

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018**

(All amounts are in Rs. lakhs, unless stated otherwise)

| Particulars  | Note | For the Year ended<br>31st March, 2018 | For the Year ended<br>31st March, 2017 |
|--|------|--|--|
| <b>I Income</b>  |      |  |  |
| Revenue from Operations  | 17   | -                                      | -                                      |
| Other Income   | 18   | 856.55                                 | 642.04                                 |
| <b>Total Income</b>  |      | <u>856.55</u>                          | <u>642.04</u>                          |
| <b>II Expenses</b>   |      |  |  |
| Power, Fuel & Plant expense  | 19   | 255.75                                 | 329.36                                 |
| Employee benefits expense  | 20   | 636.79                                 | 1,069.84                               |
| Depreciation and amortization expense                                      | 21   | 382.38                                 | 382.49                                 |
| Other expenses   | 22   | 252.89                                 | 280.63                                 |
| <b>Total expenses</b>  |      | <u>1,527.81</u>                        | <u>2,062.32</u>                        |
| <b>III Profit / (loss) before tax</b>                                      |      | <u>(671.26)</u>                        | <u>(1,420.29)</u>                      |
| <b>IV Tax expense</b>  |      |  |  |
| Current tax  |      | -                                      | -                                      |
| Taxation of earlier years  |      | (1.44)                                 | (21.76)                                |
| Deferred tax charge/(credit)   |      | -                                      | -                                      |
| <b>V Profit/(Loss) for the period</b>                                      |      | <u>(672.70)</u>                        | <u>(1,442.05)</u>                      |
| <b>VI Other Comprehensive Income</b>                                       |      |  |  |
| <b>Items that will not be reclassified to profit or loss</b>               |      |  |  |
| Fair Valuation of financial assets   |      | -                                      | 150.30                                 |
| Remeasurements of net defined benefit plans                                |      | 270.01                                 | 701.25                                 |
| <b>Other Comprehensive Income</b>  |      | <u>270.01</u>                          | <u>851.55</u>                          |
| <b>VII Total Comprehensive Income for the year (V + VI)</b>                |      | <u>(402.69)</u>                        | <u>(590.50)</u>                        |
| <b>VIII Basic and Diluted earning per share (Face value of Rs.10 each)</b> | 31   | <u>(1.80)</u>                          | <u>(3.87)</u>                          |

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

|   |  |   |   |
|---|--|---|---|
| <b>As per our attached Report of even date<br/>For Bagaria &amp; Co LLP<br/>Firm Registration no.113447W/W-100019<br/>Chartered Accountants</b> | <b>For and on behalf of the Board of Directors</b> |   |   |
| <b>Vinay Somani</b><br>Partner<br>Membership No.143503  | <b>G. P. GOENKA</b><br>Chairman<br>(DIN-030302)    | <b>ARUN JAIN</b><br>Managing Director<br>(DIN-00006007) |   |
| Place : Mumbai<br>Dated: 24th May, 2018   | <b>M.C. NALWAYA</b><br>Chief Financial Officer     | <b>SAVITA ACHARAYA</b><br>Director<br>(DIN-07038198)    | <b>RASIKA NAKHAWA</b><br>Director<br>(DIN-07394510) |

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018**

(All amounts are in Rs. lakhs, unless stated otherwise)

| Particulars  | For the year ended<br>31st March, 2018 | For the year ended<br>31st March, 2017 |
|--|--|--|
| <b>A CASH FLOW FROM OPERATING ACTIVITIES</b>                   |  |  |
| <b>Profit (Loss) before tax</b>                                | (671.26)                               | (1,420.29)                             |
| <b>Adjustments for :</b>                                       |  |  |
| Depreciation   | 382.38                                 | 382.49                                 |
| Interest Received  | (259.38)                               | (289.34)                               |
| Remeasurement of the net defined benefit liabilities/ (assets) | 270.01                                 | 701.25                                 |
| Provision no longer required, written back                     | (0.19)                                 | (76.00)                                |
|  | <b>392.82</b>                          | 718.40                                 |
| <b>Operating Profit before Working Capital Changes</b>         | <b>(278.45)</b>                        | <b>(701.89)</b>                        |
| <b>Adjustments for :</b>                                       |  |  |
| (Increase) / decrease in Trade and other Receivables           | (314.90)                               | (144.16)                               |
| Increase / ( decrease) in Trade and other Payables             | <b>(434.61)</b>                        | <b>520.70</b>                          |
| <b>Cash Generation from Operations</b>                         | <b>(1,027.96)</b>                      | <b>(325.35)</b>                        |
| Direct Taxes (Paid) / Refund (Net of Refunds)                  | (48.36)                                | 54.78                                  |
| <b>NET CASH USED IN OPERATING ACTIVITIES A</b>                 | <b>(1,076.32)</b>                      | <b>(270.57)</b>                        |
| <b>B CASH FLOW FROM INVESTING ACTIVITIES</b>                   |  |  |
| Purchase of Fixed Assets                                       | (1.87)                                 | (7.86)                                 |
| (Increase) / decrease in Investments (net)                     | 808.55                                 | -                                      |
| Interest received  | 259.38                                 | 289.34                                 |
| <b>NET CASH GENERATED FROM INVESTING B ACTIVITIES</b>          | <b>1,066.06</b>                        | <b>281.48</b>                          |



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018**

(All amounts are in Rs. lakhs, unless stated otherwise)

| Particulars   | For the year ended<br>31st March, 2018 | For the year ended<br>31st March, 2017 |
|---|--|--|
| <b>C CASH FLOW FROM FINANCING ACTIVITIES</b>                              |  |  |
| Promoters' Contribution (Net)   | -                                      | 10.81                                  |
|   | -                                      | 10.81                                  |
| <b>NET CASH GENERATED FROM FINANCING C ACTIVITIES</b>                     | -                                      | 10.81                                  |
| <b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (TOTAL A+B+C)</b> | <b>(11.02)</b>                         | <b>21.72</b>                           |
| <b>CASH AND CASH EQUIVALENTS - OPENING BALANCE</b>                        | <b>44.06</b>                           | <b>22.33</b>                           |
| <b>CASH AND CASH EQUIVALENTS - CLOSING BALANCE</b>                        | <b>33.04</b>                           | <b>44.06</b>                           |

**Notes:**

- The above cash flow statement has been prepared by using the indirect method as per Indian Accounting Standard (Ind AS) 7- Statement of Cash Flows.
- Cash and cash equivalents represent cash and bank balances, excludes fixed deposit and dividend account (**Refer Note 7**).
- Reconciliation between opening and closing balances in the balance sheet liabilities and financial assets (**Refer Note 41**).

Significant accounting policies and accompanying notes form an integral part of financial statements-1 to 43

**As per our attached Report of even date  
For Bagaria & Co LLP  
Firm Registrion no.113447W/W-100019  
Chartered Accountants**

**Vinay Somani**  
Partner  
Membership No.143503

Place : Mumbai  
Dated: 24th May, 2018

**For and on behalf of the Board of Directors**

**G. P. GOENKA**  
Chairman  
(DIN-030302)

**ARUN JAIN**  
Managing Director  
(DIN-00006007)

**M.C. NALWAYA**  
Chief Financial Officer

**SAVITA ACHARAYA**  
Director  
(DIN-07038198)

**RASIKA NAKHAWA**  
Director  
(DIN-07394510)

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2018**

(All amounts are in Rs. lakhs, unless stated otherwise)

**(a) EQUITY SHARE CAPITAL**

| Particulars                              | Notes | Amount          |
|--|-------|-----------------|
| <b>Balance as at 1st April, 2016</b>     | 12(i) | <b>3,727.31</b> |
| Changes in share capital during the year | -     | -               |
| <b>Balance as at 31st March, 2017</b>    | 12(i) | <b>3,727.31</b> |
| Changes in share capital during the year | -     | -               |
| <b>Balance as at 31st March, 2018</b>    | 12(i) | <b>3,727.31</b> |

**(b) OTHER EQUITY**

| Particulars                                   | Notes  | Reserves and Surplus |                    |                  |                 | Retained earnings | Other comprehensive income | Total              |
|---|--------|----------------------|--------------------|------------------|-----------------|-------------------|----------------------------|--------------------|
|   |        | Capital Reserve      | Capital Redemption | Security Premium | Debt Redemption |                   |                            |                    |
| <b>Balance as at 1st April, 2016</b>          | 12(ii) | <b>180.41</b>        | <b>453.73</b>      | <b>999.60</b>    | <b>243.50</b>   | <b>16,150.00</b>  | <b>(72.90)</b>             | <b>(45,389.39)</b> |
| Loss for the year                             |        | -                    | -                  | -                | -               | -                 | -                          | (1,442.05)         |
| Other comprehensive income for the year (Net) |        | -                    | -                  | -                | -               | -                 | 774.14                     | 774.14             |
| <b>Balance as at 31st March, 2017</b>         | 12(ii) | <b>180.41</b>        | <b>453.73</b>      | <b>999.60</b>    | <b>243.50</b>   | <b>16,150.00</b>  | <b>701.24</b>              | <b>(46,057.30)</b> |
| Loss for the year                             |        | -                    | -                  | -                | -               | -                 | (672.70)                   | (672.70)           |
| Other comprehensive income for the year (Net) |        | -                    | -                  | -                | -               | -                 | 270.01                     | 270.01             |
| <b>Balance as at 31st March, 2018</b>         | 12(ii) | <b>180.41</b>        | <b>453.73</b>      | <b>999.60</b>    | <b>243.50</b>   | <b>16,150.00</b>  | <b>971.25</b>              | <b>(46,459.99)</b> |

**For and on behalf of the Board of Directors**

**As per our attached Report of even date For Bagaria & Co LLP Firm Registration no.113447W/W-100019 Chartered Accountants**

**Vinay Somani**  
Partner  
Membership No.143503

Place : Mumbai  
Dated: 24th May, 2018

**G. P. GOENKA**  
Chairman  
(DIN-030302)

**ARUN JAIN**  
Managing Director  
(DIN-0006007)

**M.C. NALWAYA**  
Chief Financial Officer  
(DIN-07038198)

**SAVITA ACHARAYA**  
Director  
(DIN-07394510)

**RASIKA NAKHAWA**  
Director  
(DIN-07394510)



## 2 Property, Plant and Equipment

| Particulars                       | Freehold Land    | Buildings | Plant & Equipment | Office Equipment | Furniture & Fixtures & Office Equipment/ Computers | Vehicles | Railway sidings/ Waterworks | Total            |
|-----------------------------------|------------------|-----------|-------------------|------------------|--|----------|-----------------------------|------------------|
| <b>Gross Carrying Amount :</b>    |                  |           |                   |                  |  |          |                             |                  |
| As at 1st April 2016              | 16,208.90        | -         | 2,152.19          | -                | 5.29   | -        | 40.59                       | 18,406.93        |
| Additions                         | -                | -         | 7.27              | -                | 0.59   | -        | -                           | 7.86             |
| Disposals                         | -                | -         | 0.05              | -                | -  | -        | -                           | 0.05             |
| Adjustment                        | -                | -         | 0.11              | -                | -  | -        | -                           | 0.11             |
| <b>As at 31st March 2017</b>      | <b>16,208.90</b> | <b>-</b>  | <b>2,159.29</b>   | <b>-</b>         | <b>5.88</b>  | <b>-</b> | <b>40.59</b>                | <b>18,414.63</b> |
| <b>Accumulated Depreciation :</b> |                  |           |                   |                  |  |          |                             |                  |
| As at 1st April 2016              | -                | -         | -                 | -                | -  | -        | -                           | -                |
| Depreciation charge for the year  | -                | -         | 380.59            | -                | 1.90   | -        | -                           | 382.49           |
| Disposals                         | -                | -         | -                 | -                | -  | -        | -                           | -                |
| <b>Adjustment</b>                 | <b>-</b>         | <b>-</b>  | <b>380.59</b>     | <b>-</b>         | <b>1.90</b>  | <b>-</b> | <b>-</b>                    | <b>382.49</b>    |
| <b>Net Carrying Amount :</b>      |                  |           |                   |                  |  |          |                             |                  |
| As at 1st April 2016              | 16,208.90        | -         | 2,152.19          | -                | 5.29   | -        | 40.59                       | 18,406.93        |
| As at 31st March 2017             | 16,208.90        | -         | 1,778.70          | -                | 3.99   | -        | 40.59                       | 18,032.26        |
| <b>Gross Carrying Amount :</b>    |                  |           |                   |                  |  |          |                             |                  |
| As at 1st April 2017              | 16,208.90        | -         | 2,159.29          | -                | 5.88   | -        | 40.59                       | 18,414.63        |
| Additions/adj                     | -                | -         | 0.05              | -                | 1.82   | -        | -                           | 1.87             |
| Disposals                         | -                | -         | -                 | -                | -  | -        | -                           | -                |
| Capitalised                       | -                | -         | -                 | -                | -  | -        | -                           | -                |
| <b>As at 31st March 2018</b>      | <b>16,208.90</b> | <b>-</b>  | <b>2,159.34</b>   | <b>-</b>         | <b>7.70</b>  | <b>-</b> | <b>40.59</b>                | <b>18,416.49</b> |
| <b>Accumulated Depreciation :</b> |                  |           |                   |                  |  |          |                             |                  |
| As at 1st April 2017              | -                | -         | 380.59            | -                | 1.90   | -        | -                           | 382.49           |
| Depreciation charge for the year  | -                | -         | 380.69            | -                | 1.69   | -        | -                           | 382.38           |
| Disposals                         | -                | -         | -                 | -                | -  | -        | -                           | -                |
| <b>As at 31st March 2018</b>      | <b>-</b>         | <b>-</b>  | <b>761.29</b>     | <b>-</b>         | <b>3.58</b>  | <b>-</b> | <b>-</b>                    | <b>764.87</b>    |
| <b>Net Carrying Amount :</b>      |                  |           |                   |                  |  |          |                             |                  |
| As at 31st March 2017             | 16,208.90        | -         | 1,778.70          | -                | 3.99   | -        | 40.59                       | 18,032.26        |
| As at 31st March 2018             | 16,208.90        | -         | 1,398.06          | -                | 4.12   | -        | 40.59                       | 17,651.69        |

Note : Refer Note 40 for the details in respect of certain property, plant and equipments hypothecated/mortgaged as security for borrowings.



| NRC LIMITED  |   |                 |                               |                 |                              |                 |
|--|---|-----------------|-------------------------------|-----------------|------------------------------|-----------------|
| Notes to the financial statements As at and For The Year Ended 31st March, 2018  |   |                 |                               |                 |                              |                 |
| Note 3 Investment  | (All amounts are in Rs. lakhs, unless stated otherwise) |                 |                               |                 |                              |                 |
|  | 31-Mar-18<br>No. of<br>Shares                           | Rs. In<br>Lakhs | 31-Mar-17<br>No. of<br>Shares | Rs. In<br>Lakhs | 1-Apr-16<br>No. of<br>Shares | Rs. In Lakhs    |
| Particulars  |   |                 |                               |                 |                              |                 |
| Quoted Investments( Fully paid-up)   |   |                 |                               |                 |                              |                 |
| Investment at Cost/Deemed Cost   |   |                 |                               |                 |                              |                 |
| Investment in Equity Instruments   |   |                 |                               |                 |                              |                 |
| Duncans Industries Ltd. *  | 14,361,24   | 861.35          | 14,361,24                     | 861.35          | 35,903,10                    | 861.35          |
| Kampur Fertilizers & Cements Ltd ****  | 35,903  | -               | 35,903                        | -               |                              | -               |
| Andhra Cements Limited **  |   |                 | 9,000,000                     | 1,289.29        | 9,000,000                    | 1,216.39        |
| Duncan Brothers & Co. Ltd.   | 5   | 0.01            | 5                             | 0.01            | 5                            | 0.01            |
| Bubna Major Biotech Ltd. (Re.1)  | 5,82,00   | -               | 5,82,00                       | -               | 5,82,00                      | -               |
| Shubh Shanti Services Ltd.   | 7,500   | -               | 7,500                         | -               | 7,500                        | -               |
| <b>Total (A)</b>   | <b>15,37,732</b>  | <b>861.36</b>   | <b>10,53,7732</b>             | <b>2,150.65</b> | <b>12,65,6015</b>            | <b>2,077.75</b> |
| Unquoted Investments( Fully paid-up)   |   |                 |                               |                 |                              |                 |
| Investment in Equity Instruments   |   |                 |                               |                 |                              |                 |
| Naracorp Co-op. Consumers' Society Ltd.  | 12,50   | 0.12            | 12,50                         | 0.12            | 12,50                        | 0.12            |
| Duncan Tobacco Co. Ltd.(Re.1)  | 400   | -               | 400                           | -               | 400                          | -               |
| Sarvottam Caps Ltd.  | 90,000  | 45.00           | 90,000                        | 45.00           | 90,000                       | 45.00           |
|  | 100   | 0.03            | 100                           | 0.03            | 100                          | 0.03            |
| <b>Total (B)</b>   | <b>91,750</b>   | <b>45.15</b>    | <b>91,750</b>                 | <b>45.15</b>    | <b>91,750</b>                | <b>45.15</b>    |
| Investment in Government Securities  |   |                 |                               |                 |                              |                 |
| <b>Total (C)</b>   |   |                 | 0                             | 0.00            | 0                            | 0.00            |
| <b>Grand Total( A+B+C)</b>   | <b>16,29,482</b>  | <b>906.52</b>   | <b>10,62,9482</b>             | <b>2,195.80</b> | <b>12,74,7765</b>            | <b>2,122.90</b> |
| <b>Less : Provision for Diminution in value of Investments</b>   |   | (906.52)        |                               | (1,385.45)      |                              | (1,461.45)      |
| <b>Net Total</b>   |   | <b>(0.00)</b>   |                               | <b>810.35</b>   |                              | <b>661.45</b>   |
| Aggregate amount of quoted Investments   |   | -               |                               | 2150.65         |                              | 2150.65         |
| Aggregate amount of unquoted Investments   |   | -               |                               | 45.15           |                              | 45.15           |
| Aggregate market value of quoted Investment  |   | -               |                               | 810.35          |                              | 734.35          |
| Aggregate provision for diminution in value of investment  |   | -               |                               | 1385.44         |                              | 1461.45         |
| Note: extent of holding is presently not available in respect of all the above investment.   |   |                 |                               |                 |                              |                 |
| * Pledged as a collateral security on behalf of body corporate for the loan taken by the third parties   |   |                 |                               |                 |                              |                 |
| ** Company had pledged its investment of 90 lac equity shares of Andhra Cements Ltd valued at Rs 810.56 lacs, against a short term loan from a Bank. The said Bank had invoked the pledge and informed that they had disposed the shares and adjusted the proceed against the short term loan. |   |                 |                               |                 |                              |                 |
| **** Under Rehabilitation sanctioned by BIFR share capital of DIL has been reduced to 40% and KFCIL shares were issued to DIL shareholder in the ratio 1:40  |   |                 |                               |                 |                              |                 |



**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018**  
(All amounts are in Rs. lakhs, unless stated otherwise)

| <b>Particulars</b>   | <b>31-Mar-18</b> | <b>31-Mar-17</b> | <b>1-Apr-16</b> |
|--|------------------|------------------|-----------------|
| <b>4 Other Financial Assets - Non Current</b>  |                  |                  |                 |
| <b><u>Non-current</u></b>  |                  |                  |                 |
| <b>Considered good</b>   |                  |                  |                 |
| Security Deposits with Govt. and Others(Net of Doubtful.fully provided, Rs 978.92 lacs: previous year Rs 978.92 lacs)                    | 114.58           | 137.72           | 292.97          |
| <b>Considered doubtful</b>   |                  |                  |                 |
| Other assets   |                  |                  | -               |
| Less: Allowance for bad and doubtful assets  |                  |                  | -               |
| Fixed Deposits with maturities more than one year against Guarantees etc.( Interest accrued Rs 13.95 Rs,previous year Rs 12.95 lacs)     | 482.78           | 350.36           | 297.84          |
| <b>Total</b>   | <b>597.36</b>    | <b>488.08</b>    | <b>590.81</b>   |
| <b>5 Other non - current assets</b>  |                  |                  |                 |
| Balances with Government authorities   | 579.34           | 587.47           | 564.64          |
| Loans and advances to employees/officers / Others( Net of doubtful,fully provided Rs.684.67 lacs,previous year Rs 684.67 lacs)           | 665.97           | 655.61           | 661.72          |
| <b>Total</b>   | <b>1,245.31</b>  | <b>1,243.08</b>  | <b>1,226.36</b> |
| <b>6 Trade receivables</b>   |                  |                  |                 |
| Unsecured Considered Good  |                  |                  |                 |
| Unsecured Considered doubtful  | 590.67           | 590.67           | 590.67          |
| Less: Allowance for bad and doubtful debts   | (590.67)         | (590.67)         | (590.67)        |
| <b>Total</b>   | <b>-</b>         | <b>-</b>         | <b>-</b>        |
| <b>7 Cash and cash equivalents</b>   |                  |                  |                 |
| <b>Balances with Banks</b>   |                  |                  |                 |
| - In current accounts  | 31.61            | 43.58            | 21.40           |
| Cash on hand   | 1.43             | 0.48             | 0.93            |
| <b>Total</b>   | <b>33.04</b>     | <b>44.06</b>     | <b>22.32</b>    |
| <b>8 Other Bank Balances</b>   |                  |                  |                 |
| Term deposits with original maturity of less than 12 months<br>( including interest accrued Rs 230.29 lacs,previous year Rs 228.84 lacs) | 4,007.75         | 3,802.47         | 3,573.63        |
| <b>Total</b>   | <b>4,007.75</b>  | <b>3,802.47</b>  | <b>3,573.63</b> |
| <b>9 Other financial assets - Current</b>  |                  |                  |                 |
| Interest Accrued on Fixed Deposit  | 10.75            | 12.95            | 12.86           |
| <b>Total</b>   | <b>10.75</b>     | <b>12.95</b>     | <b>12.86</b>    |





| Particulars  | 31-Mar-18       | 31-Mar-17       | 1-Apr-16        |
|--|-----------------|-----------------|-----------------|
| <b>10 Other current assets</b>   |                 |                 |                 |
| Prepaid expenses   | 0.36            | 0.49            | 0.34            |
| Advance to employee  | 1.49            | 1.08            | -               |
| <b>Total</b>   | <b>1.85</b>     | <b>1.57</b>     | <b>0.34</b>     |
| <b>11 Equity Share capital</b>   |                 |                 |                 |
| <b>Authorised</b>  |                 |                 |                 |
| <b>Equity shares, of Rs. 10 each</b>   |                 |                 |                 |
| 50,000,000 Nos. (31st March 17 - 50,000,000 Nos. & 1st April 16 - 50,000,000 Nos.)   | <b>5000.00</b>  | <b>5000.00</b>  | <b>5000.00</b>  |
| <b>Issued, subscribed and fully paid up</b>  |                 |                 |                 |
| <b>Equity shares, of Rs.10 each</b>  |                 |                 |                 |
| 37,237,413 Nos. (31st March 17 37,237,413 Nos. & 1st April 16 - 37,237,413 Nos.)   | 3723.74         | 3,723.74        | 3,723.74        |
| Forfeited Shares (31st March-2018 35678 Nos, 31st March 2017 35,678 Nos. & 1st April 16-35,678 Nos) Amount Originally paid-up. | 3.57            | 3.57            | 3.57            |
| <b>Total</b>   | <b>3,727.31</b> | <b>3,727.31</b> | <b>3,727.31</b> |

#### Rights of Equity Shareholders

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

#### Reconciliation of number of equity shares/preference shares

| Particulars                                | 31-Mar-18 | 31-Mar-17 | 1-Apr-16 |
|--|-----------|-----------|----------|
| Shares issued at the beginning of the year | 3723.74   | 3,723.74  | 3,723.74 |
| Shares issued during the year              | 0         | 0         | 0        |
| Shares bought back during the year         | 0         | 0         | 0        |
| Shares outstanding at the end of the year  | 3723.74   | 3723.74   | 3723.74  |

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

| Name of Shareholders          | 31 <sup>st</sup> March 2018 |              | 31 <sup>st</sup> March, 2017 |              | 1 <sup>st</sup> April, 2016 |              |
|-------------------------------|-----------------------------|--------------|------------------------------|--------------|-----------------------------|--------------|
|                               | No. of Shares held          | % of Holding | No. of Shares held           | % of Holding | No. of Shares held          | % of Holding |
| ISG Traders Limited           | 1,34,65,290                 | 36.07%       | 1,34,65,290                  | 36.07%       | 1,34,65,290                 | 36.07%       |
| Shubh Shanti Services Limited | 32,62,165                   | 8.84%        | 32,62,165                    | 8.84%        | 32,62,165                   | 8.84%        |

In the preceding five years, the Company had not issued bonus shares/ bought back shares/ issued shares for consideration other than cash.



**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018**  
(All amounts are in Rs. lakhs, unless stated otherwise)

**12 Other Equity**

**(i) Summary of other equity balance**

| <b>Particulars</b>           | <b>31-Mar-18</b>   | <b>31-Mar-17</b>   | <b>1-Apr-16</b>    |
|------------------------------|--------------------|--------------------|--------------------|
| Capital Reserve              | 180.41             | 180.41             | 180.41             |
| Capital Redemption Reserve   | 453.73             | 453.73             | 453.73             |
| Securities premium account   | 999.60             | 999.60             | 999.60             |
| Debenture Redemption Reserve | 243.50             | 243.50             | 243.50             |
| Revaluation Reserve          | 16150.00           | 16,150.00          | 16,150.00          |
| Retained Earnings            | (64,487.22)        | (64,084.54)        | (63,343.73)        |
| Other Comprehensive income   | -                  | -                  | (72.90)            |
| <b>Total</b>                 | <b>(46,459.98)</b> | <b>(46,057.30)</b> | <b>(45,389.39)</b> |

**(ii) Nature and purpose of Reserve**

- (a) Capital Reserve: surplus arises on amalgamation of Erstwhile Stage Investment Limited in 1996.
- (b) Capital Redemption Reserve: It is created for redeeming 8% and 4% Cumulative Redeemable Preference shares of Rs. 100 each.
- (c) Securities Premium: It is created as and when Equity shares are issued to IDBI and IFCI on conversion of Preference shares.
- (d) Debenture Redemption Reserve-It is created for redeeming Zero % Redeemable non-convertible Debenture of Rs.100 each.
- (e) Revaluation Reserve: it is created at the time of revaluing of Freehold land.

**13 Trade payables**

| <b>Particulars</b>  | <b>31-Mar-18</b> | <b>31-Mar-17</b> | <b>1-Apr-16</b>  |
|---|------------------|------------------|------------------|
| Due to micro enterprises and small enterprises (Refer Note 34)      | 276.82           | 276.82           | 276.82           |
| Due to creditors other than micro enterprises and small enterprises | 18,644.40        | 18,194.46        | 17,228.61        |
| <b>Total</b>  | <b>18,921.22</b> | <b>18,471.28</b> | <b>17,505.43</b> |

**14 Other financial liabilities**

**Overdue Borrowings**

**From Financial Institutions (Refer Note (a),(b) &(c))**

|  |        |        |        |
|--|--------|--------|--------|
| 3,16,800 (Previous Year 3,16,800) Zero% Secured Redeemable non- convertible Debenture of Rs. 100 each. | 316.80 | 316.80 | 316.80 |
|--|--------|--------|--------|

**Term loans from Banks (Refer Note (d),(e),(f) & (g) )**

|                                   |          |          |          |
|-----------------------------------|----------|----------|----------|
| Term Loan                         | 2096.68  | 2,096.68 | 2,096.68 |
| Funded Interest Term Loan (FITL)  | 1261.78  | 1,261.78 | 1,261.78 |
| Working Capital Term Loans (WCTL) | 2,857.00 | 2,857.00 | 2,857.00 |
| Short Term Loan *                 | 945.77   | 1,754.31 | 3,246.63 |



**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018**  
(All amounts are in Rs. lakhs, unless stated otherwise)

|  |                  |                  |                  |
|--|------------------|------------------|------------------|
| Working Capital Borrowing  | 1142.16          | 1,142.16         | 1,142.16         |
| <b>Term loans from Body Corporates (Asset Reconstruction Companies) Refer Note (d),(e),(f) &amp; (g) )</b> |                  |                  |                  |
| Term Loan  | 5,647.45         | 5,647.45         | 5,647.45         |
| Funded Interest Term Loan (FITL)   | 2,271.66         | 2,271.66         | 2,271.66         |
| Working Capital Term Loans (WCTL)  | 3,322.52         | 3,322.52         | 3,322.52         |
| Working Capital Borrowings   | 1,313.51         | 1,313.51         | 1,313.51         |
| <b>Unsecured</b>   |                  |                  |                  |
| <b>Other loan</b>  |                  |                  |                  |
| Promoters' Contribution (Refer Note (i) )  | 5,907.77         | 5,906.57         | 4,403.45         |
| <b>Preference shares</b>   |                  |                  |                  |
| 8% Cumulative Redeemable Preference Shares of Rs.100 each  | 245.53           | 245.53           | 245.53           |
| 4% Cumulative Redeemable Preference Shares of Rs.100 each  | 82.19            | 82.19            | 82.19            |
| Debenture Premium due thereon  | 152.20           | 152.20           | 152.20           |
| Interest accrued on debentures   | 268.91           | 268.91           | 268.91           |
| Interest Accrued on Promoters' contribution  | 134.53           | 134.53           | 134.53           |
| Interest accrued and due   | 9699.35          | 9,699.35         | 9,699.35         |
| Unclaimed redeemed preference shares   | 7.72             | 7.72             | 7.72             |
| Unclaimed - bonus share Coupons  | 1.80             | 1.80             | 1.80             |
| Deposits   | 170.45           | 170.59           | 169.29           |
| Payable towards employees  | 4.76             | 4.76             | 4.46             |
| <b>Total</b>   | <b>37,850.54</b> | <b>38,658.03</b> | <b>38,645.62</b> |

**Notes:**

- (a) 3,16,800 Zero% Secured Redeemable non-convertible Debentures privately placed with Financial Institutions were originally 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 and these are to be redeemed 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. redemption/conversion will be made as and when settlement is reached with lenders, workers and unsecured creditors.
- (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



**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018**

(All amounts are in Rs. lakhs, unless stated otherwise)

option to convert Rs. 316.80 Lacs (As at 31st March 2017 Rs.316.80 Lacs; As at 1st April, 2016 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.2,048 Lacs (As at 31st March 2017 Rs. 2,048 Lacs; As at 1st April, 2016 Rs.2,048 Lacs) from a bank assigned to an Asset Reconstruction Company is having exclusive charge on certain Plant & Machinery and all other Term loans from Banks are secured by mortgage /hypothecation of entire fixed assets of the Company (other than certain plant & machinery exclusively charged as referred above and a part of land, known as saleable land) having pari passu charge with the debentureholders. PNB Short-term Loan is further secured by pledge of investments )
- (e) Working Capital borrowings and non-fund based out standing of Rs. 291.13 Lacs (As at 31st March 2017 Rs.291.13 Lacs; As at 1st April,2016 Rs.291.13 Lacs) from the Banks are secured by hypothecation of inventories and book debts etc. and by second charge by way of mortgage on the immovable assets of the Company.(Excluding certain plant and machinery having specific charges as refer above and a part of land refer as saleable land)
- (f) Three bankers have assigned their Financial Assistance term loan and working capital aggregating to Rs.12,555.14 Lacs (As at 31st March 2017 Rs.12,555.14 Lacs; As at 1st April, 2016 Rs.2,048 Lacs) to asset reconstruction companies.
- (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: **Rs. in Lakhs**

| S. No | Particulars   | Period of default | As at 31st March, 2018 | As at 31st March, 2017 | As at 31st March, 2016 |
|-------|---|-------------------|------------------------|------------------------|------------------------|
| 1     | Principal amount                                      | 12-108 months     | 21175.34               | 21983.38               | 23476.21               |
| 2     | Interest on above loans (Including Debenture Premium) | 12-108 months     | 10120.46               | 10120.46               | 10120.46               |

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

- (i) PNB has disposed off some investments of the group companies (ISG Traders Limited of Rs.1268.47 lacs and Silent Valley Investment Limited of Rs.223.85 lacs) which were pledged to PNB, and adjusted the proceeds against PNB short term loan. Liability has been provided in the books regarding above mentioned group companies included in Promoters' Contribution in previous year. (Refer Note 19.5).



**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018**  
(All amounts are in Rs. lakhs, unless stated otherwise)

- (j) All the above borrowings are Non Performing Assets (NPA) and repayment of which along with interest, if any, as and when settlement is reached with lenders, workmen and unsecured creditors. **Refer Note 29 (c).**

**Terms of the Preference Shares**

- a) 2,45,525 8% Cumulative Redeemable Preference Shares were originally redeemable at par on 29th March, 2010.
- b) 82,192 4% Cumulative Redeemable Preference Shares were originally redeemable at par on 29th March, 2011.
- c) In terms of Section 47(2) of the Companies Act, 2013, each shareholder of preference shares is entitled to vote on all the resolutions placed before the Company as no dividend on preference shares has been paid for last two years.
- d) Preference Shares will be redeemed as and when settlement is reached with lenders, workmen and unsecured creditors.

| Particulars  | 31-Mar-18                                     | 31-Mar-17                                     | 1-Apr-16        |
|--|---|---|-----------------|
| <b>15 Other Current liabilities</b>                            |   |   |                 |
| Advance received towards sale of Land<br>(Refer Note No.26(d)) | 7425.92                                       | 7,425.92                                      | 7,425.92        |
| Advance from customers   | 130.23  | 130.23  | 130.23          |
| Statutory Dues   | 489.37  | 440.07  | 393.87          |
| <b>Total</b>   | <b>8,045.52</b>                               | <b>7,996.22</b>                               | <b>7,950.02</b> |
| <b>16 Provisions</b>   |   |   |                 |
| <b>Provision for employee benefits :</b>                       |   |   |                 |
| Provision for Gratuity   | 1272.51                                       | 1,382.67                                      | 1,861.95        |
| Provision for Compensated Absences                             | 264.94  | 281.15  | 294.80          |
| <b>Total</b>   | <b>1,537.45</b>                               | <b>1,663.81</b>                               | <b>2,156.76</b> |
| <b>Particulars</b>   | <b>For the Year ended<br/>31st March 2018</b> | <b>For the Year ended<br/>31st March 2017</b> |                 |
| <b>17 Revenue from Operations</b>                              |   |   |                 |
| Sales of Goods   | -   | -   | -               |
| Less GST/Excise Duty   | -   | -   | -               |
| <b>Total</b>   | <b>-</b>                                      | <b>-</b>                                      | <b>-</b>        |
| <b>18 Other income</b>   |   |   |                 |
| License Fees on immovable properties                           | 295.69  |   | 64.66           |
| Excess provision no longer required, Write Back                | 0.19  |   | 76.00           |
| Scraps sales   | 301.29  |   | 212.04          |
| Interest Income  | 259.38  |   | 289.34          |
| <b>Total</b>   | <b>856.55</b>                                 |   | <b>642.05</b>   |
| <b>19 Power,Fuel and Plant Expense</b>                         |   |   |                 |
| Consumption of stores and spare parts                          | 3.48  |   | 10.30           |

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018**

(All amounts are in Rs. lakhs, unless stated otherwise)

|   |               |                |
|---|---------------|----------------|
| Power and fuel                                  | 200.16        | 262.9          |
| Other Manufacturing and Operating expenses      | 52.11         | 56.1           |
| <b>Total</b>                                    | <b>255.75</b> | <b>329.4</b>   |
| <b>20 Employee benefits expense</b>             |               |                |
| Salaries and incentives                         | 357.87        | 357.7          |
| Contribution to provident funds and other funds | 274.92        | 707.4          |
| Staff welfare expenses                          | 4.01          | 4.8            |
| <b>Total</b>                                    | <b>636.79</b> | <b>1,069.8</b> |
| <b>21 Depreciation and amortization expense</b> |               |                |
| Depreciation on Property, Plant and Equipment   | 382.38        | 382.5          |
| Amortization on Intangible assets               |               |                |
| <b>Total</b>                                    | <b>382.38</b> | <b>382.49</b>  |
| <b>22 Other expenses</b>                        |               |                |
| Rent  | 0.23          | 0.24           |
| <b>Auditors' Remuneration :</b>                 |               |                |
| (i) Statutory audit                             | 2.25          | 3.00           |
| (ii) Tax audit                                  | 0.5           | 0.50           |
| (iii) Limited Review                            | 0.75          | 1.50           |
| Director's Fees                                 | 1.80          | 1.43           |
| Professional charges                            | 24.54         | 14.94          |
| Legal charges                                   | 57.19         | 69.30          |
| Security Expenses                               | 97.01         | 113.36         |
| Travelling & Conveyance                         | 46.27         | 58.73          |
| Office Expenses                                 | 12.32         | 12.57          |
| Bank Charges                                    | 2.47          | 0.04           |
| Advertisement & Entertainment                   | 2.30          | 1.88           |
| Listing/Filing fees                             | 0.95          | 0.41           |
| Government Fees                                 | 0.21          |                |
| Miscellaneous Expenses                          | 4.10          | 2.74           |
| <b>Total</b>                                    | <b>252.89</b> | <b>280.63</b>  |



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**SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018****A COMPANY OVERVIEW**

The NRC Limited ("the Company") is public limited company incorporated in the year 1946 and domiciled in India and has registered office at 67, Ground Floor, Surajmal Building, 75, Nakoda Street, Pydhone, Mumbai-400003 and its shares are listed on the Bombay Stock Exchange Limited and National Stock Exchange in India.

The NRC Limited (formerly known as National Rayon Corporation Ltd) is the one of the flag ship company of Duncan Goenka Group manufacturing Viscose Filament Yarn, Nylon tyre cord Fabric and Chemicals such as Caustic Soda, Sulphuric acid, Carbon-di-sulphide etc. The Company has its integrated plant situated at Kalyan, on the outskirts of Mumbai. The Company's plants are situated on freehold land of about 450 acres and have full infrastructure such as Railway-siding, Water works, Staffs and Officers colony, School, Hospital, Shopping complex. In June, 1999 Company has commissioned cogeneration captive D.G. Power Plant of 24 MW. The Company's operations were suspended since November 2009 due to lockout in the Plant.

**B SIGNIFICANT ACCOUNTING POLICIES****1 Basis of Preparation of Financial Statements**

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified under the Companies (Indian Accounting standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendments Rules 2016 prescribed under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014.

The financial statements of the Company are prepared and presented on accrual basis and under the historical cost convention, except for the following material items that have been measured at fair value as required by the relevant Ind AS:

- Ø Certain financial assets and liabilities are measured at Fair value (refer accounting policy on financial instruments - Refer note 9 below
- Ø Defined Benefit and other Long term Employee Benefits - Refer note 10 below

**2 Use of Estimates and Judgements**

The preparation of the financial statements requires that the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates.

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

All the assets and liabilities have been classified as current or non-current as per the company's normal operating cycle of twelve months and other criteria set out in Schedule III to the Companies Act, 2013.

**3 Property, Plant and Equipment & intangible assets**

Freehold land is carried at historical cost. All other items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Costs include freight, import duties, non-refundable purchase taxes and other expenses directly attributable to the acquisition of the asset.

**Intangible Assets**

Intangible assets are held on the balance sheet at cost less accumulated amortisation and impairment losses. Intangible assets developed or acquired with finite useful life are amortized on straight line basis over the useful life.

**Capital Work-in-progress and Pre-operative Expenses during Construction Period**

Capital Work-in-Progress includes expenditure during construction period incurred on projects under implementation treated as pre-operative expenses pending allocation to the assets. These expenses are apportioned to the respective fixed assets on their completion / commencement of commercial production.

**Depreciation/amortisation:**

Depreciation is provided on the straight line method applying the useful lives as prescribed in part C of Schedule II to the Companies Act, 2013.

The range of estimated useful lives of Property, Plant & Equipment's are as under:

Category Useful life

Building( including roads) 30 Years

Plant & Equipment 7 Years

Furniture & Fixture 10 Years

Office Equipment 5 Years

Computer 3 Years

The management believes that the useful life as given above the best represent the period over which the management expects to use these assets. The Company reviews the useful lives and residual value at each reporting date.

Depreciation on assets added/sold or discarded during the year is being provided on pro-rata basis up to the date on which such assets are added/sold or discarded.

Gains/Losses on disposals/de-recognition of property, plant and equipment are determined by comparing proceeds with carrying amount and these are recognized in statement of profit & Loss.

**4 Impairment of non financial assets**

The Company assesses at each reporting date whether there is any objective evidence that a non-financial asset or a group of non-financial assets are impaired. If any such indication exists, the Company estimates the amount of impairment loss. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made.



**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018**

(All amounts are in Rs. lakhs, unless stated otherwise)

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

**5 REVENUE RECOGNITION**

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have been transferred to the buyer either at the time of dispatch or delivery or when the risk of loss transfers. Damaged and Dented stocks are accounted / provided for as when inspected and destroyed. Claims are accounted for in the year of Exportsport sales are accounted for on the basis of the date of bill of lading/Mate Receipt and Exports benefit claims are accounted for in the year of Export.

Revenue from sale of goods is net of taxes and recovery of charges collected from customers like transport, packing etc. Provision is made for returns when appropriate. Revenue is measured at the fair value of consideration received or receivable and is net of price discounts, allowance for volume rebates and similar items.

**Other Income**

Interest income is recognized on a time proportionate basis taking into account the amounts invested and the rate of interest. For all financial instruments measured at amortised cost, interest income is recorded using the Effective interest rate method to the net carrying amount of the financial assets. Rental income is accounted on accrued basis.

**6 Government Grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Government grants related to revenue are recognised on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are deducted in reporting the related expense. When the grant relates to an asset, it is recognized as income over the expected useful life of the asset.

In case a non-monetary asset is given free of cost it is recognised at a fair value. When loan or similar assistance are provided by government or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is recognized as government grant. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received.

**7 INVENTORIES**

Inventories includes Raw Material, Work-in-Progress, Finished goods, Stores & spares, Consumables, Packing Materials, Goods for resale and commercial premises are valued at lower of cost and net realizable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale.

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018**

(All amounts are in Rs. lakhs, unless stated otherwise)

Cost of inventories is computed on moving weighted average basis. Finished goods and work-in-progress include cost of conversion and other cost incurred in bringing the inventories to their present location and condition. Adequate allowance is made for obsolete and slow moving items.

**8 FINANCIAL INSTRUMENTS****Financial assets - Initial recognition**

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets other than trade receivables are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the Statement of Profit and Loss.

**Subsequent measurement**

Financial assets, other than equity instruments, are subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:

- (a) the entity's business model for managing the financial assets and
- (b) the contractual cash flow characteristics of the financial asset.

**(a) Measured at amortised cost:**

A financial asset is measured at amortised cost, if it is held under the hold to collect business model i.e. held with an objective of holding the assets to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest on the principal outstanding. Amortised cost is calculated using the effective interest rate ("EIR") method by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. On derecognition, gain or loss, if any, is recognised to Statement of Profit and Loss

**(b) Measured at fair value through other comprehensive income (FVOCI):**

A financial asset is measured at FVOCI, if it is held under the hold to collect and sell business model i.e. held with an objective to collect contractual cash flows and selling such financial asset and the contractual cash flows are solely payments of principal and interest on the principal outstanding. It is subsequently measured at fair value with fair value movements recognised in the OCI, except for interest income which recognised using EIR method. The losses arising from impairment are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in the OCI is reclassified from the equity to Statement of Profit and Loss.

**(c) Measured at fair value through profit or loss (FVTPL):**

Investment in financial asset other than equity instrument, not measured at either amortised cost or FVOCI is measured at FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised in the Statement of Profit and Loss.

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018**  
(All amounts are in Rs. lakhs, unless stated otherwise)**Equity Instruments:**

All investments in equity instruments classified under financial assets are subsequently measured at fair value. Equity instruments which are held for trading are measured at FVTPL.

For all other equity instruments, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument shall be recognised in Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in the OCI. Amounts recognised in Other Comprehensive Income (OCI) are not subsequently transferred to Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised in Statement of Profit and Loss.

**Impairment**

The Company recognises a loss allowance for Expected Credit Losses (ECL) on financial assets that are measured at amortised cost and at FVOCI. The credit loss is difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. This is assessed on an individual or collective basis after considering all reasonable and supportable including that which is forward-looking.

The Company's trade receivables or contract revenue receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall, being simplified approach for recognition of impairment loss allowance.

Under simplified approach, the Company does not track changes in credit risk. Rather it recognizes impairment loss allowance based on the lifetime ECL at each reporting date right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables.

The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For financial assets other than trade receivables, the Company recognises 12-month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. If, in a subsequent period, credit quality of the instrument improves such that there is no longer significant increase in credit risks since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12 months ECL.

The impairment losses and reversals are recognised in Statement of Profit and Loss. For equity instruments and financial assets measured at FVTPL, there is no requirement for impairment testing.

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018**  
(All amounts are in Rs. lakhs, unless stated otherwise)**De-recognition**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers rights to receive cash flows from an asset, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

**Financial Liabilities****Initial Recognition and measurement**

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial liabilities are initially recognised at fair value net of transaction costs for all financial liabilities not carried at fair value through profit or loss.

The Company's financial liabilities includes trade and other payables, loans and borrowings including bank overdrafts and derivative instruments.

**Subsequent measurement**

Financial liabilities measured at amortised cost are subsequently measured at using EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

**Loans & Borrowings:**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using EIR method. Gains and losses are recognized in profit & loss when the liabilities are derecognized as well as through EIR amortization process.

**Financial Guarantee Contracts**

Financial guarantee contracts issued by the Company are those contracts that requires a payment to be made or to reimburse the holder for a loss it incurs because the specified debtors fails to make payment when due in accordance with the term of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee

Subsequently the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative adjustments.

**De-recognition**

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018**  
(All amounts are in Rs. lakhs, unless stated otherwise)

substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**9 FAIR VALUE MEASUREMENT:**

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- \* In the principal market for the asset or liability, or
- \* In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- \* Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- \* Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- \* Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018**

(All amounts are in Rs. lakhs, unless stated otherwise)

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**10 EMPLOYEE BENEFITS**

The Company has provides following post-employment plans:

- (a) Defined benefit plans such a gratuity and
- (b) Defined contribution plans such as Provident fund & Superannuation fund

**a) Defined-benefit plan:**

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of defined benefit obligations at the end of the reporting period less fair value of plan assets. The defined benefit obligations is calculated annually by actuaries through actuarial valuation using the projected unit credit method.

The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- (a) Service costs comprising current service costs, past-service costs, gains and losses on curtailment and non-routine settlements; and
- (b) Net interest expense or income

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. This cost is included in employee benefit expenses in the statement of the profit & loss.

Re-measurement comprising of actuarial gains and losses arising from

- (a) Re-measurement of Actuarial(gains)/losses
- (b) Return on plan assets, excluding amount recognized in effect of asset ceiling
- (c) Re-measurement arising because of change in effect of asset ceiling are recognised in the period in which they occur directly in Other comprehensive income. Re-measurement are not reclassified to profit or loss in subsequent periods.

Ind AS 19 requires the exercise of judgment in relation to various assumptions including future pay rises, inflation and discount rates and employee and pensioner demographics. The Company determines the assumptions in conjunction with its actuaries, and believes these assumptions to be in line with best practice, but the application of different assumptions could have a significant effect on the amounts reflected in the income statement, other comprehensive income and balance sheet. There may be also interdependency between some of the assumptions.

**b) Defined-contribution plan:**

Under defined contribution plans, provident fund, the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. Defined Contribution plan comprise of contributions to the employees' provident fund with the government, superannuation fund and certain state plans like Employees' State Insurance and Employees' Pension Scheme. The Company's payments to the defined contribution plans are recognised as expenses during the period in which the employees perform the services that the payment covers.

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018**  
(All amounts are in Rs. lakhs, unless stated otherwise)**c) Other employee benefits:**

- (a) Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the obligation as at the Balance sheet date determined based on an actuarial valuation.
- (a) Undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the period when the employee renders the related services.

**11 LEASES**

A lease is classified at the inception date as a finance lease or an operating lease. Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss

Other leases are treated as operating leases, with payments are recognised as expense in the statement of profit & loss on a straight-line basis over the lease term.

**12 FOREIGN CURRENCY TRANSACTIONS****a) Initial Recognition**

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss of the year.

**b) Measurement of Foreign Currency Items at the Balance Sheet Date**

Foreign currency monetary items of the Company are restated at the closing exchange rates. Non monetary items are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising out of these transactions are charged to the Statement of Profit and Loss.

**13 TAXES ON INCOME**

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

Current tax is based on taxable profit for the year. Taxable profit is different from accounting profit due to temporary differences between accounting and tax treatments, and due to items that are never taxable or tax deductible. Tax provisions are included in current liabilities. Interest and penalties on tax liabilities are provided for in the tax charge. The Company offsets, the current tax assets and liabilities (on a year on year basis) where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis or to realise the assets and liabilities on net basis.

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018**

(All amounts are in Rs. lakhs, unless stated otherwise)

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements. Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred tax assets are not recognised where it is more likely than not that the assets will not be realised in the future.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Minimum Alternative Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income-tax during the specified period.

**14 PROVISIONS AND CONTINGENCIES**

A provision is recognised if, as a result of a past event, the group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

**15 CASH AND CASH EQUIVALENTS**

Cash and Cash equivalents include cash and Cheque in hand, bank balances, demand deposits with banks and other short-term highly liquid investments that are readily convertible to known amounts of cash & which are subject to an insignificant risk of changes in value where original maturity is three months or less.

**16 CASH FLOW STATEMENT**

Cash flows are reported using the indirect method where by the profit before tax is adjusted for the effect of the transactions of a non-cash nature, any deferrals or accruals of past and future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.



**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018**  
(All amounts are in Rs. lakhs, unless stated otherwise)**17 BORROWING COST**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as a part of Cost of that assets, during the period till all the activities necessary to prepare the Qualifying assets for its intended use or sale are complete during the period of time that is required to complete and prepare the assets for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are recognized as an expense in the period in which they are incurred.

**18 EARNINGS PER SHARE**

Basic EPS is arrived at based on net profit after tax available to equity shareholders to the weighted average number of equity shares outstanding during the year.

The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless impact is anti-dilutive.

**19 SEGMENT REPORTING**

Operating segments are reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker (CODM).

The Company has identified its Managing Director as CODM which assesses the operational performance and position of the Company and makes strategic decisions.

**20 EXCEPTIONAL ITEMS**

When an item of income or expense within profit or loss from ordinary activity is of such size, nature or incidence that their disclosure is relevant to explain the performance of the Company for the year, the nature and amount of such items is disclosed as exceptional items.

**C RECENT ACCOUNTING PRONOUNCEMENTS:****Ind AS-115-Revenue from Contracts with Customers**

Ind AS 115, Revenue from Contracts with Customers was initially notified under the Companies (Indian Accounting Standards) Rules, 2015.

The standard applies to contracts with customers. The core principle of the new standard is that an entity should recognize revenue to depict transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, timing and uncertainty of revenues and cash flows arising from the entity's contracts with customers. The new standard offers a range of transition options. An entity can choose to apply the new standard to its historical transactions - and retrospectively adjust each comparative period. Alternatively, an entity can recognize the cumulative effect of applying the new standard at the date of initial application and make no adjustments to its comparative information. The chosen transition option can have a significant effect on revenue trends in the financial statements. A change in the timing of revenue recognition may require a corresponding change in the timing of recognition of related costs.



**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018**

(All amounts are in Rs. lakhs, unless stated otherwise)

**Amendment to Ind AS 21, Foreign currency transactions and advance consideration:**

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 effective from April 1, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The above standard is applicable from 1st April 2018 i.e. Financial Year 2018-19 and not expected to have any significant impact on the Company's Financial Statements.



**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018**  
(All amounts are in Rs. lakhs, unless stated otherwise)

**23** 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.

| <b>S. No</b> | <b>Disputed Matter</b>  | <b>As at 31st March, 2018</b> | <b>As at 31st March, 2017</b> |
|--------------|---|-------------------------------|-------------------------------|
| 1            | Electricity (Including electricity duty)                          | 4,675.28                      | 4,658.99                      |
| 2            | Water Charges *   | 17,471.26                     | 17,470.98                     |
| 3            | Open Land Tax (including interest thereon)                        | 5,019.91                      | 5,019.91                      |
| 4            | Interest on property tax other than on (3) above                  | 40.19                         | 40.19                         |
| 5            | Income Tax  | 1,861.39                      | 1,808.26                      |
| 6            | Others (Buyer's / Suppliers / Lenders / Quasi Govt. etc)          | 1,429.04                      | 1,429.04                      |
| 7            | Excise Duty   | 2,873.23                      | 2,873.23                      |
| 8            | Service Tax   | 105.02                        | 105.02                        |
| 9            | Disputed Sales Tax matters  | 3,325.70                      | 3,325.70                      |
| 10           | Rental Income   | 265.50                        | -                             |
| 11           | Financial Creditor's claim under NCLT                             | 20,498.42                     | -                             |
| 12           | BSE/NSE Liability (Including interest & penalty)                  | 89.23                         | -                             |
| 13           | Maintenance charges of railway sliding payable to Central Railway | 316.55                        | -                             |

- (b) Pledge of shares (Investment) for borrowing by an associate - -
- (c) Arrears of Preference Shares dividend (Including dividend tax) 316.22 288.62
- (d) In respect of other matters under litigation (including workmen claims pending at different stages.) Not ascertainable 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 Not ascertainable

\* By certain notifications issued by Government of Maharashtra, the water charges payable by the Company were sought to be enhanced by the Government of Maharashtra from 1991. The Company approached the Court, disputing such enhancement on the premise of non-applicability of the notification and/or classification to the Company, the matter is pending in the court. During the proceedings before Hon. Bombay High Court, the Company was interalia directed to give a 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.



**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018**  
(All amounts are in Rs. lakhs, unless stated otherwise)

The Company's pending litigations comprise claims mainly against the Company and proceedings pending with tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has made provisions to the extent ascertainable, wherever required and disclosed in the contingent liabilities, wherever applicable, in its financial statements. The Company does not reasonably expect the outcome of these proceedings to have a material impact on its financial statements.

| <b>24</b> | <b>Commitments</b>  | <b>As at 31st<br/>March, 2018</b> | <b>As at 31st<br/>March, 2017</b> |
|-----------|---------------------|-----------------------------------|-----------------------------------|
|           | Capital Commitments | Nil                               | Nil                               |
|           | Others Commitments  | Nil                               | Nil                               |

**25 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.

Regarding the mesne profit claim of Rs. 529.36 Lac by a Bank, for the differential rent for the vacated office premises. The Company is planning to take legal recourse after receipt of the demand notice, hence no liability was provided in Books, but disclosed in Contingent Liabilities.

- (b) The rental expense in respect of Operating Leases is charged as rent under Note 22. The rental income is included in other income.

**26 Rehabilitation Scheme and Sale of Land:**

- (a) The Company has been a Sick Industrial Undertaking within the meaning of Section 3(1) (0) of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) and registered with Board for Industrial and Financial Reconstruction (BIFR). As per the notification issued by Central Government the SICA is repealed and thus the reference, enquiry or Proceeding pending before BIFR under SICA stands abated with effect from 1<sup>st</sup> December 2016. The Company is in the process to take legal opinion for implication of the repealed Act and consequential future course of action for revival. The Labour Union has filed a writ petition with Hon'ble Bombay High Court seeking early disposal of surplus land and payment of dues which is pending.
- (b) The Company had entered into an Agreement for Sale with a developer in year 2007 for its 339 acres of land adjacent to its plant at Mohone, Dist. Thane, out of which possession of non-colony land of 272 acres was given to the developer pursuant to AAIFR's order in year 2010. Subsequently in the year 2011, Hon. Bombay High Court set aside the AAIFR order. Hon Supreme Court upheld Bombay High Court order in the year 2012. The possession is continuing with developer. The said Developer also started proceeding under Arbitration Act for specific performance of the Agreement for Sale in the year 2014 and the said proceeding is pending adjudication. Meanwhile on 1<sup>st</sup> Dec 2016, on the effective date of the SICA Repeal Act, 2003 the said developer executed the conveyance deed of the subject land, using the Power of Attorney given simultaneously with signing the Agreement for Sale in March 2007. The contention of the Company is that the said Agreement for sale became void and accordingly, the Power of Attorney stood revoked. The Company has consequently filed its counter

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018**

(All amounts are in Rs. lakhs, unless stated otherwise)

claim before the Arbitration Tribunal for cancellation of the deed of Conveyance illegally executed by the Developer and also for repossession of Land. Pending outcome of Arbitration, no effect is given in these financial Results.

- (c) Based on the Agreement for Sale ("AFS") dated 01.03.2007, the Sub Divisional Officer, Government of Maharashtra, without giving proper hearing, cancelled the allotment of the land (approx. 90 acre) allotted by the Government of Maharashtra to the Company, on the premise that the act of entering in to AFS violated the conditions of allotment of said land allotted by the Government and accordingly directed the restoration of the Land. The fact of such cancellation came to the knowledge of the Company later in 2017 and appeal before the appellate authority namely the Collector, Thane has been filed. Both the Hon'ble Bombay High court as well as Hon'ble Supreme Court, in relation to the said AFS, has held that it does not create any rights on the land and therefore the Company expect to succeed in the pending appeals and consequent restoration of the said Land.
- (d) The Company has received Rs 7425.92 lacs from a developer, towards advance against the disputed "Agreement for sale" of surplus land. Out of which Rs 2450 lacs (previous year Rs. 2450 lacs) are deposited and lying in no lien account with a bank.
- 27** There was no manufacturing operation during the year. The lockout declared by Company w.e.f. 15th November, 2009 is continued to be in force; Labour Union challenged the Lockout, which is pending at Industrial Court and the consequent liabilities, if any are not ascertainable.
- 28** (a) The Company is hopeful of revival of its activities by disposal of surplus land and settling dues of lenders, workmen and unsecured creditors. Accordingly, these Financial Statements have been prepared on a going concern basis.
- (b) In view of suspension of manufacturing operations, the impairment loss on assets if any, as required by Indian Accounting Standard (Ind AS) 36, "impairment of Assets" has not been dealt with in these Financial Statements.
- 29** (a) The remuneration payable to the Managing Director for the period December 2008 to January 2011 amounting to Rs 224.27 lacs was subject to Central Government approval, out of which approval for Rs. 82.15 Lacs was received. For the balance amount of Rs.142.10 lacs, the Company is proposing to apply to Central Government for waiver of its recovery and hopeful of receiving the same in due course.
- (b) Confirmation / reconciliation of balances of certain Banks, Loans & Advances, Other non-current assets, Trade Payables, Other liabilities and Lenders are also not available. However, on receipt of the same, will be reviewed by the Company. Consequential adjustments arising thereon, which are presently not ascertainable, will be made.
- (c) During the year, due to severe financial crunch, Company was not regular in payment of statutory dues. Since the management is hopeful of revival of its activities by disposal of surplus land and settling dues of lenders, workmen and unsecured creditors. Accordingly, 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.
- (d) In view of losses, no provision for minimum bonus liability has been made. The Company proposes to seek the exemption for the same as and when settlement is reached with



**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018**  
(All amounts are in Rs. lakhs, unless stated otherwise)

lenders, workmen and unsecured creditors.

- 30** 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. 8,355.89 lacs, and Rs.4,450 lacs, respectively. The total increase as a result of these revaluations was transferred to Revaluation Reserve in the respective years.

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

| <b>Name of Assets</b> | <b>As at 31.03.2018</b> | <b>As at 31.03.2017</b> | <b>As at 01.04.2016</b> |
|-----------------------|-------------------------|-------------------------|-------------------------|
| Freehold Land         | 16,158.90               | 16,158.90               | 16,158.90               |

  

| <b>Name of Assets</b> | <b>As at 31.03.2018</b> | <b>As at 31.03.2017</b> | <b>As at 01.04.2016</b> |
|-----------------------|-------------------------|-------------------------|-------------------------|
| Freehold Land         | 16,158.90               | 16,158.90               | 16,158.90               |

**31 Calculation in respect of Earnings per Share:**

| <b>Particulars</b>                               | <b>2017-18</b> | <b>2016-17</b> |
|--|----------------|----------------|
| Net Profit/(Loss) as per Profit and Loss Account | (672.70)       | (1442.05)      |
| Weighted average number of equity shares         | 37237413       | 37237413       |
| Nominal value per equity share (in Rs.)          | 10             | 10             |
| Basic and Diluted earning per share (in Rs.)     | (1.80)         | (3.87)         |

**32 Post retirement benefit plans**

As per Actuarial Valuation as on 31st March, 2018, 2017 and 1st April, 2016 and recognised in the financial statements in respect of Employee Benefit Schemes:

**DEFINED BENEFIT PLANS :**

**A. Balance Sheet** **Rs. in Lakhs**

| <b>Particulars</b>                | <b>As at 31st March'18</b> | <b>As at 31st March'17</b> | <b>As at 1st April'16</b> |
|-----------------------------------|----------------------------|----------------------------|---------------------------|
| Present value of plan liabilities | 1,272.55                   | 1,382.67                   | 1,861.95                  |
| Fair value of plan assets         | -                          | -                          | -                         |
| Plan liability net of plan assets | <u>1,272.55</u>            | <u>1,382.67</u>            | <u>1,861.95</u>           |

**B. Movements in plan assets and plan liabilities** **Rs. in Lakhs**

| <b>Particulars</b>          | <b>Plan Assets</b> | <b>Plan liabilities</b> | <b>Plan liability net of plan assets</b> |
|-----------------------------|--------------------|-------------------------|--|
| <b>As at 1st April 2017</b> | -                  | 1,382.67                | 1,382.67                                 |
| Interest Cost               | -                  | 98.45                   | 98.45                                    |
| Current service cost        | -                  | 51.45                   | 51.45                                    |
| Past service cost           | -                  | 10.00                   | 10.00                                    |
| Employee contributions      | -                  | -                       | -  |



**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018**  
(All amounts are in Rs. lakhs, unless stated otherwise)

|   |                    |                         |  |
|---|--------------------|-------------------------|--|
| Return on plan assets excluding amounts included in net               | -                  | -                       | -  |
| finance income/cost   | -                  | -                       | -  |
| Interest income   | -                  | -                       | -  |
| <b>Particulars</b>  | <b>Plan Assets</b> | <b>Plan liabilities</b> | <b>Plan liability net of plan assets</b> |
| Actuarial (gain)/loss arising from changes in demographic assumptions | -                  | -                       | -  |
| Actuarial (gain)/loss arising from changes in demographic assumptions | -                  | -                       | -  |
| Actuarial (gain)/loss arising from changes in financial assumptions   | -                  | (39.65)                 | (39.65)                                  |
| Actuarial (gain)/loss arising from experience adjustments             | -                  | (230.37)                | (230.37)                                 |
| Employer contributions  | -                  | -                       | -  |
| Benefit payments  | -                  | -                       | -  |
| <b>As at 31st March 2018</b>  | <b>-</b>           | <b>1,272.55</b>         | <b>1,272.55</b>                          |

|   | <b>Rs. in Lakhs</b> |                         |  |
|---|---------------------|-------------------------|--|
| <b>Particulars</b>  | <b>Plan Assets</b>  | <b>Plan liabilities</b> | <b>Plan liability net of plan assets</b> |
| <b>As at 1st April 2016</b>   | -                   | 1,861.95                | 1,861.95                                 |
| Interest cost   | -                   | 143.74                  | 143.74                                   |
| Current service cost  | -                   | 78.23                   | 78.23                                    |
| Past service cost   | -                   | -                       | -  |
| Employee contributions  | -                   | -                       | -  |
| Return on plan assets excluding amounts included in net               | -                   | -                       | -  |
| finance income/cost   | -                   | -                       | -  |
| Interest income   | -                   | -                       | -  |
| Actuarial (gain)/loss arising from changes in demographic assumptions | -                   | -                       | -  |
| Actuarial (gain)/loss arising from changes in financial assumptions   | -                   | (418.69)                | (418.69)                                 |
| Actuarial (gain)/loss arising from experience adjustments             | -                   | (282.57)                | (282.57)                                 |
| Employer contributions  | -                   | -                       | -  |
| Benefit payments  | -                   | -                       | -  |
| <b>As at 31st March 2017</b>  | <b>-</b>            | <b>1,382.67</b>         | <b>1,382.67</b>                          |



**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018**  
(All amounts are in Rs. lakhs, unless stated otherwise)

**C. Statement of Profit and Loss**

| Particulars  | Rs. in Lakhs                   |                                |
|--|--------------------------------|--------------------------------|
|  | Year ended 31st<br>March, 2018 | Year ended 31st<br>March, 2017 |
| <b>Employee Benefit Expenses:</b>  |                                |                                |
| Current service cost   | 51.45                          | 78.23                          |
| Past service cost  | 10.00                          | -                              |
| <b>Total</b>   | <b>61.45</b>                   | <b>78.23</b>                   |
| Finance cost/(income)  | <b>98.45</b>                   | <b>143.74</b>                  |
| <b>Net impact on the Profit / (Loss) before tax</b>                      | <b>159.90</b>                  | <b>221.97</b>                  |
| <b>Remeasurement of the net defined benefit liability:</b>               |                                |                                |
| Return on plan assets excluding amounts included in net                  | -                              | -                              |
| Actuarial gains/(losses) on obligation for the Period                    | (270.02)                       | (701.25)                       |
| Finance income/(cost)  | -                              | -                              |
| Actuarial gains/(losses) arising from changes in demographic assumptions | -                              | -                              |
| Actuarial gains/(losses) arising from changes in financial assumptions   | -                              | -                              |
| Actuarial (gain)/loss arising from experience adjustments                | -                              | -                              |
| Experience gains/(losses) arising on pension plan and other              | -                              | -                              |
| Benefit plan liabilities   | -                              | -                              |
| <b>Net impact on the Other Comprehensive Income before tax</b>           | <b>(270.02)</b>                | <b>(701.25)</b>                |

**D. Defined benefit plans Assets**

| Particulars                 | As at 31st<br>March'18 | As at 31st<br>March'17 |
|-----------------------------|------------------------|------------------------|
| Government Debt Instruments | -                      | -                      |
| Other Debt Instruments      | -                      | -                      |
| Total (A)                   | -                      | -                      |
| Unquoted                    | -                      | -                      |
| Other Debt Instruments      | -                      | -                      |
| Others                      | -                      | -                      |
| Total (B)                   | -                      | -                      |
| Total (A+B)                 | -                      | -                      |

**E. Assumptions**

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans and post retirement medical benefits at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date

The significant actuarial assumptions were as follows:





**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018**  
(All amounts are in Rs. lakhs, unless stated otherwise)

| Particulars   | As at 31st<br>March'18                         | As at 31st<br>March'17                         |
|---|--|--|
| <b>Financial Assumptions</b>                                  |  |  |
| Discount rate   | 7.71%  | 7.12%  |
| Salary Escalation Rate  | 0.00%  | 5.00%  |
| Number of Active Members                                      | 1904   | 2034   |
| Average Expected Future Service                               | 9  | 10   |
| Expected Return on Plan Assets                                | N.A.   | N.A.   |
| Rate of Employee Turnover                                     | 2.00%  | 2.00%  |
| Per month salary of active member                             | 8823.18  | 8866.07  |
| Weighted Average Duration of the Projected Benefit Obligation | 7  | 7  |
| <b>Demographic Assumptions</b>                                |  |  |
| Mortality Rate during Employment :                            | Indian Assured<br>Lives Mortality<br>(2006-08) | Indian Assured<br>Lives Mortality<br>(2006-08) |
| Mortality Rate after employment                               | N.A.   | N.A.   |

**F. Sensitivity**

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

| Current Year           | Change in<br>assumption | Increase in<br>assumption | Decrease in<br>assumption |
|------------------------|-------------------------|---------------------------|---------------------------|
| Discount rate          | 1.00%                   | -62.00%                   | 68.66%                    |
| Salary Escalation Rate | 1.00%                   | 73.48%                    | 0.00%                     |
| Employee Turnover      | 1.00%                   | 39.73%                    | -52.56%                   |
| <b>Previous Year</b>   |                         |                           |                           |
|                        | Change in<br>assumption | Increase in<br>assumption | Decrease in<br>assumption |
| Discount rate          | 1.00%                   | -67.46%                   | 75.04%                    |
| Salary Escalation Rate | 1.00%                   | 79.86%                    | 0.00%                     |
| Employee Turnover      | 1.00%                   | 40.97%                    | -44.07%                   |

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

**G. The defined benefit obligations shall mature after year end 31st March, 2018 as follows:**

| Year ending 31 March, | Rs. in Lakhs |
|-----------------------|--------------|
| 2019                  | 247.91       |
| 2020                  | 117.98       |
| 2021                  | 150.29       |
| 2022                  | 116.32       |
| 2023                  | 88.51        |
| Thereafter            | 1,341.15     |



**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018**  
(All amounts are in Rs. lakhs, unless stated otherwise)

**33 Disclosure on Related Party Transactions**

- (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 Silent Valley Investments Ltd.
  - ii Shri. Arun Jain Managing Director.
  - iii Shri M.C. Nalwaya Chief Financial Officer
  - iv Shri Sandip Mavkar Company Secretary (up to February 14, 2017)
  - v Ms Savita Acharya-Non-Executive Director
  - vi Ms Rasika Nakhawa-Non-Executive Director
  - vii Dr P P Shastri-Non-Executive Director (upto July 31, 2016)

The following transactions were carried out with the associates / group companies in the ordinary course of business and at arm's length:

| S. No                              | Name of Party                                 | 2017-18 | 2016-17  |
|------------------------------------|---|---------|----------|
| <b>Transaction during the Year</b> |   |         |          |
| 1                                  | <b>Managerial Remuneration –Mr.Arun Jain*</b> | 181.73  | 181.73   |
| 2                                  | Mr.M.C. Nalwaya                               | 23.64   | 23.10    |
| 3                                  | Mr.Sandip Mavkar                              | -       | 2.73     |
| 4                                  | <b>Promoters Contribution/Loan taken</b>      |         |          |
|                                    | ISG Traders Limited ***                       | -       | 1,279.27 |
| 5                                  | <b>Loan taken</b>                             |         |          |
|                                    | Silent Valley investments Ltd ***             | -       | 223.84   |
| 6                                  | <b>Sitting Fees</b>                           |         |          |
|                                    | Ms Savita Acharya                             | 0.90    | 0.90     |
|                                    | Ms Rasika Nakhawa                             | 0.90    | 0.30     |
|                                    | Dr. P P Shastri                               | -       | 0.23     |

| S. No          | Closing Balance of Related Parties       | As at 31.03.2018 | As at 31.03.2017 |
|----------------|--|------------------|------------------|
| <b>Payable</b> |  |                  |                  |
| 1              | Kavita Marketing Pvt. Ltd.               | 37.54            | 37.54            |
| 2              | Shubh Shanti Services Limited            | 2,382.81         | 2,382.81         |
| 3              | ISG Traders Ltd (Promoters Contribution) | 3,299.90         | 3,299.90         |
| 4              | Silent Valley Investments***             | 223.84           | 223.84           |
| 5              | Mr.Arun Jain – M D                       | 1,175.06         | 993.32           |
| 6              | Mr M.C. Nalwaya                          | 65.87            | 63.17            |
| 7              | Mr Sandip Mavkar                         | -                | 1.19             |

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

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018**

(All amounts are in Rs. lakhs, unless stated otherwise)

\*\*\* Company had a third party pledge of 10 Lacs shares of Star Papers Ltd against the above mentioned short term loan from a bank. The said bank had invoked the pledge, disposed the shares and adjusted the sale proceed against the said Loan; the effect of the same is taken in the accounts during the year.

(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

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

| S. No | Particulars   | As at<br>31.3.2018 | As at<br>31.3.2017 | As at<br>1.4.2016 |
|-------|---|--------------------|--------------------|-------------------|
| 1     | Principal amount remaining unpaid                           | 276.82             | 276.82             | 276.82            |
| 2     | Interest paid in terms of Section 16                        | -                  | -                  | -                 |
| 3     | Interest due and payable for the period of delay in payment | -                  | -                  | -                 |
| 4     | Interest accrued and remaining unpaid                       | -                  | -                  | -                 |
| 5     | Interest due and payable even in succeeding years           | -                  | -                  | -                 |

The Company has compiled the above information based on available information 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 at the time of final settlement Hence, no interest liability on the above category of creditors is provided / disclosed.

**35 As per Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 Every listed company shall have key managerial personnel. The Company is in process of appointing the whole-time company secretary.****36 Income Taxes****Tax expense recognized in the Statement of Profit and Loss**

| Particulars                              | For The Year Ended<br>31st March, 2018 | For The Year Ended<br>31st March, 2017 |
|--|--|--|
| Current tax                              | -                                      | -                                      |
| Taxation of earlier year                 | (1.44)                                 | (21.76)                                |
| MAT Credit Entitlement                   | -                                      | -                                      |
| Deferred tax                             | -                                      | -                                      |
| <b>Total income tax expense/(credit)</b> | <b>(1.44)</b>                          | <b>(21.76)</b>                         |

**A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarized below:**

| Reconciliation of effective tax rate                          | For The Year Ended<br>31st March, 2018 | For The Year Ended<br>31st March, 2017 |
|---|--|--|
| Profit before tax   | (671.30)                               | (1,420.30)                             |
| Enacted income tax rate in India                              | 25.75%                                 | 30.90%                                 |
| Computed Expected Tax Expense                                 | (172.90)                               | (438.90)                               |
| <b>Tax Expense Recognised in Statement of Profit and Loss</b> | <b>(172.90)</b>                        | <b>(438.90)</b>                        |



**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018**  
(All amounts are in Rs. lakhs, unless stated otherwise)

**Differences due to:**

|  |               |                |
|--|---------------|----------------|
| Taxation of earlier year                                   | (1.44)        | (21.76)        |
| Allowance for deferred tax assets not recognised on losses | 172.90        | 438.90         |
| <b>Total income tax expense/(credit)</b>                   | <b>(1.44)</b> | <b>(21.76)</b> |

**Deferred Tax**

| Particulars  | As at 31st<br>March, 2018 | As at 31st<br>March, 2017 | As at 31st<br>March, 2016 |
|--|---------------------------|---------------------------|---------------------------|
| Unabsorbed losses/depreciation                             | 9,166.75                  | 10,785.08                 | 7,553.18                  |
| Fixed assets (Depreciation/ amortisation)                  | 260.00                    | 314.76                    | 337.43                    |
| fair valuation of financial assets                         | -                         | 46.44                     | -                         |
| Remeasurements of net defined benefit plans                | 69.53                     | 216.69                    | -                         |
|  | <b>9,496.28</b>           | <b>11,362.97</b>          | <b>7,890.61</b>           |
| Allowance for deferred tax assets not recognised on losses | (9,496.28)                | (11,362.97)               | (7,890.61)                |
| <b>Total</b>   | <b>-</b>                  | <b>-</b>                  | <b>-</b>                  |

**Movement Deferred tax (assets)/liabilities during the year ended March 31, 2018 :**

| Particulars                                      | As at<br>1st April,<br>2017 | (Credit)/charge<br>in Statement of<br>Profit and Loss | (Credit)/<br>charge in Other<br>Comprehensive<br>Income | As at<br>31st March,<br>2018 |
|--|-----------------------------|---|---|------------------------------|
| Unabsorbed losses/depreciation                   | 10,785.1                    | (1,618.33)  | -   | 9,166.75                     |
| Fixed assets (Depreciation/ amortisation)        | 314.8                       | (54.76)   | -   | 260.0                        |
| fair valuation of financial assets               | 46.44                       |   | (46.44)   | -                            |
| Remeasurements of net defined benefit plans      | 216.69                      |   | (147.16)  | 69.53                        |
|  | 11,362.97                   | (1,673.09)  | (193.60)  | 9,496.28                     |
| Allowance for deferred tax assets not recognised | (11,362.97)                 | 1,673.09  | 193.60  | (9,496.28)                   |
| <b>Deferred Tax Liability/(Asset)</b>            | <b>-</b>                    | <b>-</b>  | <b>-</b>  | <b>-</b>                     |

**Movement Deferred tax (assets)/liabilities during the year ended March 31, 2017 :**

| Particulars                               | As at<br>1st April,<br>2016 | (Credit)/charge<br>in Statement of<br>Profit and Loss | (Credit)/<br>charge in Other<br>Comprehensive<br>Income | As at<br>31st March,<br>2017 |
|---|-----------------------------|---|---|------------------------------|
| Unabsorbed losses/depreciation            | 7,553.18                    | 3,231.90  | -   | 10,785.08                    |
| Fixed assets (Depreciation/ amortisation) | 337.43                      | (22.67)   | -   | 314.76                       |
| fair valuation of financial assets        | -                           | -   | -   | -                            |



**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018**

(All amounts are in Rs. lakhs, unless stated otherwise)

|  |            |            |          |             |
|--|------------|------------|----------|-------------|
| Remeasurements of net defined benefit plans      | -          | -          | 216.69   | 216.69      |
|  | 7,890.61   | 3,209.23   | 216.69   | 11,316.53   |
| Allowance for deferred tax assets not recognised | (7,890.61) | (3,209.23) | (216.69) | (11,316.53) |
| <b>Deferred Tax Liability/(Asset)</b>            | <b>-</b>   | <b>-</b>   | <b>-</b> | <b>-</b>    |

**37 Fair Value measurement**

Financial Instrument by category and hierarchy

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The fair values for loans, security deposits and investment in preference shares were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018**

(All amounts are in Rs. lakhs, unless stated otherwise)

**Financial Assets and Liabilities as at 31st March 2018**

| Particulars                  | Total         |                  |                  | Routed through P & L |         |         | Routed through OCI | Carrying at amortised cost | At Cost | Total            |
|------------------------------|---------------|------------------|------------------|----------------------|---------|---------|--------------------|----------------------------|---------|------------------|
|                              | Non Current   | Current          | Total            | Level 1              | Level 2 | Level 3 |                    |                            |         |                  |
| <b>Financial Assets</b>      |               |                  |                  |                      |         |         |                    |                            |         |                  |
| Investment                   | -             | -                | -                | -                    | -       | -       | -                  | -                          | -       | -                |
| Other Financial Assets       | 597.36        | 10.75            | 608.11           | -                    | -       | -       | -                  | 608.11                     | -       | 608.11           |
| Trade receivable             | -             | -                | -                | -                    | -       | -       | -                  | -                          | -       | -                |
| Cash and Cash equivalents    | -             | 33.04            | 33.04            | -                    | -       | -       | -                  | 33.04                      | -       | 33.04            |
| Other Bank Balance           | -             | 4,007.75         | 4,007.75         | -                    | -       | -       | -                  | 4,007.75                   | -       | 4,007.75         |
|                              | <b>597.36</b> | <b>4,051.54</b>  | <b>4,648.90</b>  | -                    | -       | -       | -                  | <b>4,648.90</b>            | -       | <b>4,648.90</b>  |
| <b>Financial Liabilities</b> |               |                  |                  |                      |         |         |                    |                            |         |                  |
| Borrowings                   | -             | -                | -                | -                    | -       | -       | -                  | -                          | -       | -                |
| Other Financial Liabilities  | -             | 37,850.54        | 37,850.54        | -                    | -       | -       | -                  | 37,850.54                  | -       | 37,850.54        |
| Trade Payables               | -             | 18,921.22        | 18,921.22        | -                    | -       | -       | -                  | 18,921.22                  | -       | 18,921.22        |
|                              | -             | <b>56,771.76</b> | <b>56,771.76</b> | -                    | -       | -       | -                  | <b>56,771.76</b>           | -       | <b>56,771.76</b> |

**Financial Assets and Liabilities as at 31st March 2017**

| Particulars                  | Total           |                  |                  | Routed through P & L |         |         | Routed through OCI | Carrying at amortised cost | At Cost | Total            |
|------------------------------|-----------------|------------------|------------------|----------------------|---------|---------|--------------------|----------------------------|---------|------------------|
|                              | Non Current     | Current          | Total            | Level 1              | Level 2 | Level 3 |                    |                            |         |                  |
| <b>Financial Assets</b>      |                 |                  |                  |                      |         |         |                    |                            |         |                  |
| Investment                   | 810.35          | -                | 810.35           | -                    | -       | -       | 810.35             | -                          | -       | 810.35           |
| Other Financial Assets       | 488.08          | 12.95            | 501.03           | -                    | -       | -       | -                  | 501.03                     | -       | 501.03           |
| Trade receivable             | -               | -                | -                | -                    | -       | -       | -                  | -                          | -       | -                |
| Cash and Cash equivalents    | -               | 44.06            | 44.06            | -                    | -       | -       | -                  | 44.06                      | -       | 44.06            |
| Other Bank Balance           | -               | 3,802.47         | 3,802.47         | -                    | -       | -       | -                  | 3,802.47                   | -       | 3,802.47         |
|                              | <b>1,298.43</b> | <b>3,859.49</b>  | <b>5,157.91</b>  | -                    | -       | -       | -                  | <b>4,347.57</b>            | -       | <b>4,347.57</b>  |
| <b>Financial Liabilities</b> |                 |                  |                  |                      |         |         |                    |                            |         |                  |
| Borrowings                   | -               | -                | -                | -                    | -       | -       | -                  | -                          | -       | -                |
| Other Financial Liabilities  | -               | 38,658.03        | 38,658.03        | -                    | -       | -       | -                  | 38,658.03                  | -       | 38,658.03        |
| Trade Payables               | -               | 18,471.28        | 18,471.28        | -                    | -       | -       | -                  | 18,471.28                  | -       | 18,471.28        |
|                              | -               | <b>57,129.31</b> | <b>57,129.31</b> | -                    | -       | -       | -                  | <b>57,129.31</b>           | -       | <b>57,129.31</b> |

**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018**

(All amounts are in Rs. lakhs, unless stated otherwise)

**Financial Assets and Liabilities as at 1st April, 2016**

| Particulars                               | Non Current     | Current          | Total            | Routed through P & L |         |         | Carrying at amortised cost | At Cost          | Total            |
|---|-----------------|------------------|------------------|----------------------|---------|---------|----------------------------|------------------|------------------|
|   |                 |                  |                  | Level 1              | Level 2 | Level 3 |                            |                  |                  |
| <b>Financial Assets</b>                   |                 |                  |                  |                      |         |         |                            |                  |                  |
| Investments in Joint Venture & Subsidiary | -               | -                | -                | -                    | -       | -       | -                          | -                | -                |
| Other Investment                          | 661.45          | -                | 661.45           | -                    | -       | -       | 661.45                     | -                | 661.45           |
| - Preference shares                       | -               | -                | -                | -                    | -       | -       | -                          | -                | -                |
| - Bonds and debentures                    | -               | -                | -                | -                    | -       | -       | -                          | -                | -                |
| - Mutual funds                            | -               | -                | -                | -                    | -       | -       | -                          | -                | -                |
| - Venture capital fund                    | -               | -                | -                | -                    | -       | -       | -                          | -                | -                |
| - Government Securities                   | -               | -                | -                | -                    | -       | -       | -                          | -                | -                |
| Loans                                     | -               | -                | -                | -                    | -       | -       | -                          | -                | -                |
| Other Financial Assets                    | 590.81          | 12.86            | 603.66           | -                    | -       | -       | -                          | 603.66           | 603.66           |
| Trade receivable                          | -               | -                | -                | -                    | -       | -       | -                          | -                | -                |
| Cash and Cash equivalents                 | -               | 22.32            | 22.32            | -                    | -       | -       | -                          | 22.32            | 22.32            |
| Other Bank Balance                        | -               | 3,573.63         | 3,573.63         | -                    | -       | -       | -                          | 3,573.63         | 3,573.63         |
|   | <b>1,252.26</b> | <b>3,608.81</b>  | <b>4,861.06</b>  | -                    | -       | -       | <b>661.45</b>              | <b>4,199.61</b>  | <b>4,861.06</b>  |
| <b>Financial Liabilities</b>              |                 |                  |                  |                      |         |         |                            |                  |                  |
| Borrowings                                | -               | -                | -                | -                    | -       | -       | -                          | -                | -                |
| Other Financial Liabilities               | -               | 38,645.62        | 38,645.62        | -                    | -       | -       | -                          | 38,645.62        | 38,645.62        |
| Trade Payables                            | -               | 17,505.43        | 17,505.43        | -                    | -       | -       | -                          | 17,505.43        | 17,505.43        |
|   | -               | <b>56,151.05</b> | <b>56,151.05</b> | -                    | -       | -       | -                          | <b>56,151.05</b> | <b>56,151.05</b> |



**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018**  
(All amounts are in Rs. lakhs, unless stated otherwise)

| Particulars                               | As at 31st March'18 |                  | As at 31st March'17 |                  | As at 1st April'16 |                  |
|---|---------------------|------------------|---------------------|------------------|--------------------|------------------|
|   | Carrying amount     | Fair Value       | Carrying amount     | Fair Value       | Carrying amount    | Fair Value       |
| <b>Financial Assets</b>                   |                     |                  |                     |                  |                    |                  |
| Investments in Joint Venture & Subsidiary | -                   | -                | -                   | -                | -                  | -                |
| Non-Current Investment                    | -                   | -                | 810.35              | 810.35           | 661.45             | -                |
| Other Financial Assets                    | 608.11              | 608.11           | 501.03              | -                | 603.66             | -                |
| Trade receivable                          | -                   | -                | -                   | -                | -                  | -                |
| Cash and Cash equivalents                 | 33.04               | 33.04            | 44.06               | 44.06            | 22.32              | 22.32            |
|   | <b>641.15</b>       | <b>641.15</b>    | <b>1,355.44</b>     | <b>854.41</b>    | <b>1,287.43</b>    | <b>22.32</b>     |
| <b>Financial Liabilities</b>              |                     |                  |                     |                  |                    |                  |
| Borrowings                                | -                   | -                | -                   | -                | -                  | -                |
| Other Financial Liabilities               | 37,850.54           | 37,850.54        | 38,658.03           | 38,658.03        | 38,645.62          | 38,645.62        |
| Trade Payables                            | 18,921.22           | 18,921.22        | 18,471.28           | 18,471.28        | 17,505.43          | 17,505.43        |
|   | <b>56,771.76</b>    | <b>56,771.76</b> | <b>57,129.31</b>    | <b>57,983.72</b> | <b>57,438.48</b>   | <b>56,173.37</b> |

**Basis of Fair Valuation:**

Above financial Assest and Liabilities are given at carrying cost.

**38 Financial risk management objectives and policies**

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits , foreign currency receivables, payables and loans and borrowings.

The Company is not carrying out manufacturing operations and it has declared lockout w.e.f. 15th November, 2009 is continued to be in force.

**i. Market Risk- Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company's fixed rate borrowings are carried at amortised cost. Considering the fact that the Company's borrowings are current in nature, they are therefore not subject to interest rate risks, since neither the carrying amount nor the future cash flows will fluctuate because of change in the market interest rate. (Refer Note No. 29(c))

**Exposure to interest rate risk**

| Particulars                                  | As at 31st March'18 | As at 31st March'17 | As at 1st April'16 |
|--|---------------------|---------------------|--------------------|
| Borrowings (Including Financial instruments) | 37,665.82           | 38,473.16           | 38,462.36          |





**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018**

(All amounts are in Rs. lakhs, unless stated otherwise)

**ii. Market Risk- Foreign cuurrency risk.**

The Company does not operate internationally and no portion of the business is transacted in foreign currencies and consequently the Company is not exposed to foreign exchange risk.

**iii. Credit risk**

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assess financial reliability of customes, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throught each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occuring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- i) Actual or expected significant adverse changes in business,
- ii) Actual or expected significant changes in the opertaing results of the counterparty,
- iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- iv) Significant increase in credit risk on other financial instruments of the same counterparty,
- v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements .

| <b>Exposure to the Credit risks</b>                      | <b>As at<br/>March 31, 2018</b> | <b>As at<br/>March 31, 2017</b> | <b>As at<br/>April 01, 2016</b> |
|--|---------------------------------|---------------------------------|---------------------------------|
| Trade receivables  | 590.67                          | 590.67                          | 590.67                          |
| Other receivables (Security deposits and Advances given) | 780.55                          | 394.88                          | 761.41                          |
| <b>Total</b>   | <b>1,371.22</b>                 | <b>985.55</b>                   | <b>1,352.08</b>                 |

**Ageing of Account receivables**

| <b>Particulars</b>      | <b>As at March<br/>31, 2018</b> | <b>As at March<br/>31, 2017</b> | <b>As at April 01,<br/>2016</b> |
|-------------------------|---------------------------------|---------------------------------|---------------------------------|
| Less than 12 month      | -                               | -                               | -                               |
| beyond 12 months        | 590.67                          | 590.67                          | 590.67                          |
| Provision for Bad debts | (590.67)                        | (590.67)                        | (590.67)                        |
| <b>Total</b>            | <b>-</b>                        | <b>-</b>                        | <b>-</b>                        |



**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018**  
(All amounts are in Rs. lakhs, unless stated otherwise)

**Movement in provisions of doubtful debts**

| Particulars   | As at March<br>31, 2018 | As at March<br>31, 2017 | As at April 01,<br>2016 |
|---|-------------------------|-------------------------|-------------------------|
| <b>Opening provision</b>  | 590.67                  | 590.67                  | 590.67                  |
| Add:- Additional provision made                                     | -                       | -                       | -                       |
| Less:- Provision write off/ reversed/<br>Utilised against Bad Debts | -                       | -                       | -                       |
| Add:- Additional provision made<br>routed through Exceptional Item  | -                       | -                       | -                       |
| Less:- Provision utilised against bad<br>debts                      | -                       | -                       | -                       |
| <b>Closing provision</b>  | <b>590.67</b>           | <b>590.67</b>           | <b>590.67</b>           |

**iv. Liquidity Risk**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time, or at a reasonable price. The Company's operational department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related such risk are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

**Financing arrangements**

**The company had access to following undrawn Borrowing facilities at end of reporting period:**

| Particulars   | As at 31st<br>March'18 | As at 31st<br>March'17 | As at 1st<br>April'16 |
|---|------------------------|------------------------|-----------------------|
| Variable Borrowing - Cash Credit<br>expires within 1 year | -                      | -                      | -                     |

**Maturity patterns of borrowings**

| Particulars  | As at 31st March'18 |              |              |                   | Total            |
|--|---------------------|--------------|--------------|-------------------|------------------|
|  | Overdue             | 0-1<br>years | 1-5<br>years | beyond<br>5 years |                  |
| Borrowings (Including current<br>maturity of long term debt) | 37,665.82           | -            | -            | -                 | 37,665.82        |
| <b>Total</b>   | <b>37,665.82</b>    | <b>-</b>     | <b>-</b>     | <b>-</b>          | <b>37,665.82</b> |

| Particulars  | As at 31st March'17 |              |              |                   | Total            |
|--|---------------------|--------------|--------------|-------------------|------------------|
|  | Overdue             | 0-1<br>years | 1-5<br>years | beyond<br>5 years |                  |
| Borrowings (Including current<br>maturity of long term debt) | 38,473.16           | -            | -            | -                 | 38,473.16        |
| <b>Total</b>   | <b>38,473.16</b>    | <b>-</b>     | <b>-</b>     | <b>-</b>          | <b>38,473.16</b> |



**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018**  
(All amounts are in Rs. lakhs, unless stated otherwise)

| Particulars   | Overdue          | As at 1st April'16 |           |                | Total            |
|---|------------------|--------------------|-----------|----------------|------------------|
|   |                  | 0-1 years          | 1-5 years | beyond 5 years |                  |
| Borrowings (Including current maturity of long term debt) | 38,462.36        |                    |           |                | 38,462.36        |
| <b>Total</b>  | <b>38,462.36</b> | <b>-</b>           | <b>-</b>  | <b>-</b>       | <b>38,462.36</b> |

**Maturity patterns of other Financial Liabilities**

| As at 31st March'18         | Overdue          | 0-3 months | 3-6 months | 6-12 months | beyond 12 months | Total            |
|-----------------------------|------------------|------------|------------|-------------|------------------|------------------|
| Trade Payable               | 18,921.22        |            |            |             |                  | 18,921.22        |
| Other Financial Liabilities | 37,850.54        |            |            |             |                  | 37,850.54        |
| <b>Total</b>                | <b>56,771.76</b> | <b>-</b>   | <b>-</b>   | <b>-</b>    | <b>-</b>         | <b>56,771.76</b> |

| As at 31st March'17         | Overdue          | 0-3 months | 3-6 months | 6 to 12 months | beyond 12 months | Total            |
|-----------------------------|------------------|------------|------------|----------------|------------------|------------------|
| Trade Payable               | 18,471.28        |            |            |                |                  | 18,471.28        |
| Other Financial Liabilities | 38,658.03        |            |            |                |                  | 38,658.03        |
| <b>Total</b>                | <b>57,129.31</b> | <b>-</b>   | <b>-</b>   | <b>-</b>       | <b>-</b>         | <b>57,129.31</b> |

| As at 1st April'16          | Overdue          | 0-3 months | 3-6 months | 6 to 12 months | beyond 12 months | Total            |
|-----------------------------|------------------|------------|------------|----------------|------------------|------------------|
| Trade Payable               | 17,505.43        |            |            |                |                  | 17,505.43        |
| Other Financial Liabilities | 38,645.62        |            |            |                |                  | 38,645.62        |
| <b>Total</b>                | <b>56,151.05</b> | <b>-</b>   | <b>-</b>   | <b>-</b>       | <b>-</b>         | <b>56,151.05</b> |

**39 Capital risk management**

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt

The Company's strategy is to maintain a gearing ratio within the industry average. The gearing ratios were as follows:

| Particulars            | 31st March 2018 | 31st March 2017 | 1 April, 2016 |
|------------------------|-----------------|-----------------|---------------|
| Net Debt               | 37,665.82       | 38,473.16       | 38,462.36     |
| Equity                 | (42,732.67)     | (42,329.99)     | (41,662.08)   |
| Total Capital Employed | (5,066.85)      | (3,856.83)      | (3,199.72)    |
| Gearing Ratio          | (7.43)          | (9.98)          | (12.02)       |



**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018**  
(All amounts are in Rs. lakhs, unless stated otherwise)

**40 Assets pledged as security**

The carrying amounts of assets pledged as security for current and non-current borrowings are:

| Particulars   | 31st March<br>2018 | 31st March<br>2017 | 1 April,<br>2016 |
|---|--------------------|--------------------|------------------|
| <b>Current Assets</b>                               |                    |                    |                  |
| Trade Receivable                                    | -                  | -                  | -                |
| Inventories   | -                  | -                  | -                |
| <b>Total Current assets offered as security</b>     | -                  | -                  | -                |
| <b>Non-Current Assets</b>                           |                    |                    |                  |
| Furniture, fitting & fixture                        | 4.12               | 3.99               | 5.29             |
| Plant & Equipment                                   | 1,398.06           | 1,778.70           | 2,152.19         |
| Freehold Land                                       | 3734.94            | 3734.94            | 3734.94          |
| Railway silding/ Water work                         | 40.59              | 40.59              | 40.59            |
| <b>Total non-current assets offered as security</b> | <b>5,177.71</b>    | <b>5,558.22</b>    | <b>5,933.01</b>  |
| <b>Total assets offered as security</b>             | <b>5,177.71</b>    | <b>5,558.22</b>    | <b>5,933.01</b>  |

**41 Reconciliation between opening and closing balances in the balance sheet liabilities and financial assets:**

| Particulars          | As on 31st<br>March, 2016 | Cash Flow    | As on 31st<br>March, 2017 | Cash Flow       | As on 31st<br>March, 2018 |
|----------------------|---------------------------|--------------|---------------------------|-----------------|---------------------------|
| Short Term Borrowing | 38,462.36                 | 10.80        | 38,473.16                 | (807.34)        | 37,665.82                 |
| <b>Total</b>         | <b>38,462.36</b>          | <b>10.80</b> | <b>38,473.16</b>          | <b>(807.34)</b> | <b>37,665.82</b>          |

**42 First-time adoption of Ind AS**

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1st April, 2017, with a transition date of 1st April, 2016. The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements for the year ended 31st March, 2018, be applied retrospectively and consistently for all financial years presented. However, in preparing these Ind AS financial statements, the Company has availed of certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity).

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

**A. Optional Exemptions**

**(a) Deemed Cost**

The Company has opted para D7 AA and accordingly considered the carrying value of property, plant and equipments and Intangible assets as deemed cost as at transition date.



**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018**  
(All amounts are in Rs. lakhs, unless stated otherwise)

**(c) Designation of previously recognised financial instruments**

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS.

The group has elected to apply this exemption for its investment in equity Investments.

**B. Mandatory Exceptions**

**(a) Estimates**

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies).

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Group made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Investment in equity instruments carried at FVPL or FVOCI;
- Impairment of financial assets based on expected credit loss model.

**(b) Classification and measurement of financial assets**

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

**C. Transition to Ind AS - Reconciliations**

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS in accordance with Ind AS 101:

- I. Reconciliation of Balance sheet as at April 1, 2016 (Transition Date)
- II. A. Reconciliation of Balance sheet as at March 31, 2017  
B. Reconciliation of Statement of total Comprehensive Income for the year ended March 31, 2017
- III. Reconciliation of Equity as at April 1, 2016 and March 31, 2017

The presentation requirements under Previous GAAP differs from Ind AS and hence Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The Regrouped Previous GAAP information is derived from the Financial Statements of the Company prepared in accordance with Previous GAAP.

**I. Reconciliation of Balance sheet as at April 1, 2016**

| Particulars                   | Previous GAAP | Ind AS adjustments/ Regrouping | Ind AS    |
|-------------------------------|---------------|--------------------------------|-----------|
| <b>ASSETS</b>                 |               |                                |           |
| <b>Non-current assets</b>     |               |                                |           |
| Property, Plant and Equipment | 18,406.93     | -                              | 18,406.93 |
| Investments                   | 734.35        | (72.90)                        | 661.45    |
| Other financial assets        | 590.81        | -                              | 590.81    |
| Other non-current assets      | 1,226.36      | -                              | 1,226.36  |
| <b>Current assets</b>         |               |                                |           |



**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018**  
(All amounts are in Rs. lakhs, unless stated otherwise)

|                                     |                  |                |                  |
|-------------------------------------|------------------|----------------|------------------|
| Trade receivables                   | -                | -              | -                |
| Cash and cash equivalents           | 22.32            | -              | 22.32            |
| Other Bank Balance                  | 3,573.63         | -              | 3,573.63         |
| Other financial assets              | 12.86            | -              | 12.86            |
| Current tax assets (net)            | 101.07           | -              | 101.07           |
| Other current assets                | 0.34             | -              | 0.34             |
| <b>TOTAL ASSETS</b>                 | <b>24,668.67</b> | <b>(72.90)</b> | <b>24,595.77</b> |
| <b>EQUITY AND LIABILITIES</b>       |                  |                |                  |
| <b>Equity</b>                       |                  |                |                  |
| Equity Share capital                | 3,727.31         | -              | 3,727.31         |
| Other Equity                        | (45,316.49)      | (72.90)        | (45,389.39)      |
| <b>LIABILITIES</b>                  |                  |                |                  |
| <b>Current liabilities</b>          |                  |                |                  |
| Borrowings                          | -                | -              | -                |
| Trade payables                      | 17,505.43        | -              | 17,505.43        |
| Other financial liabilities         | 38,645.62        | -              | 38,645.62        |
| Other current liabilities           | 7,950.02         | -              | 7,950.02         |
| Provisions                          | 2,156.76         | -              | 2,156.76         |
| <b>TOTAL EQUITY AND LIABILITIES</b> | <b>24,668.65</b> | <b>(72.90)</b> | <b>24,595.75</b> |

**I. Reconciliation of Balance sheet as at March 31, 2017**

| Particulars                   | Previous<br>GAAP | Ind AS<br>adjustments/<br>Regrouping | Ind AS           |
|-------------------------------|------------------|--------------------------------------|------------------|
| <b>ASSETS</b>                 |                  |                                      |                  |
| <b>Non-current assets</b>     |                  |                                      |                  |
| Property, Plant and Equipment | 18,032.26        | -                                    | 18,032.26        |
| Investments                   | 810.35           | -                                    | 810.35           |
| Other financial assets        | 488.08           | -                                    | 488.08           |
| Other non-current assets      | 1,243.08         | -                                    | 1,243.08         |
| <b>Current assets</b>         |                  |                                      |                  |
| Trade receivables             | -                | -                                    | -                |
| Cash and cash equivalents     | 44.06            | -                                    | 44.06            |
| Other Bank Balance            | 3,802.47         | -                                    | 3,802.47         |
| Other financial assets        | 12.95            | -                                    | 12.95            |
| Current tax assets (net)      | 24.53            | -                                    | 24.53            |
| Other non-current assets      | 1.57             | -                                    | 1.57             |
| <b>TOTAL ASSETS</b>           | <b>24,459.35</b> | <b>-</b>                             | <b>24,459.35</b> |
| <b>EQUITY AND LIABILITIES</b> |                  |                                      |                  |
| <b>Equity</b>                 |                  |                                      |                  |



**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018**  
(All amounts are in Rs. lakhs, unless stated otherwise)

| Particulars                         | Previous GAAP    | Ind AS adjustments/ Regrouping | Ind AS           |
|-------------------------------------|------------------|--------------------------------|------------------|
| Equity Share capital                | 3,727.31         | -                              | 3,727.31         |
| Other Equity                        | (46,057.30)      |                                | (46,057.30)      |
| <b>LIABILITIES</b>                  |                  |                                |                  |
| <b>Current liabilities</b>          |                  |                                |                  |
| Borrowings                          | -                | -                              | -                |
| Trade payables                      | 18,112.65        | 358.63                         | 18,471.28        |
| Other financial liabilities         | 38,658.03        | -                              | 38,658.03        |
| Other current liabilities           | 7,996.22         | -                              | 7,996.22         |
| Provisions                          | 2,022.44         | (358.63)                       | 1,663.81         |
| <b>TOTAL EQUITY AND LIABILITIES</b> | <b>24,459.35</b> |                                | <b>24,459.35</b> |

**II. B. Reconciliation of Statement of Profit and Loss for the year ended March 31, 2017**

| Particulars  | Previous GAAP   | Ind AS adjustments/ Regrouping | Ind AS            |
|--|-----------------|--------------------------------|-------------------|
| Revenue from Operations                              | -               | -                              | -                 |
| Other Income   | 642.04          | -                              | 642.04            |
| <b>Total</b>   | <b>642.04</b>   |                                | <b>642.04</b>     |
| <b>Expenses</b>                                      |                 |                                |                   |
| Power fuel & Plant Expense                           | 329.36          | -                              | 329.36            |
| Employee benefits expense                            | 368.59          | 701.25                         | 1,069.84          |
| Depreciation and amortization expense                | 382.49          | -                              | 382.49            |
| Other expenses                                       | 280.64          | -                              | 280.63            |
| <b>Total</b>   | <b>1,361.08</b> | <b>701.25</b>                  | <b>2,062.32</b>   |
| <b>Profit (Loss) before tax</b>                      | <b>(719.04)</b> | -                              | <b>(1,420.28)</b> |
| <b>Tax expense</b>                                   | -               |                                | -                 |
| Current tax  | -               | -                              | -                 |
| Taxation of earlier year                             | (21.76)         | -                              | (21.76)           |
| Deferred tax (net)                                   | -               | -                              | -                 |
| <b>Loss for the year (A)</b>                         | <b>(740.80)</b> | -                              | <b>(1,442.04)</b> |
| <b>Other Comprehensive Income</b>                    |                 |                                |                   |
| fair valuation of financial assets                   | 150.30          | -                              | 150.30            |
| Remeasurements of net defined benefit plans          | -               | 701.25                         | 701.25            |
| Taxes on above                                       | -               | -                              | -                 |
| Other Comprehensive Income for the year (B)          | (590.50)        | 701.25                         | (590.49)          |
| <b>Total Comprehensive Income for the year (A+B)</b> |                 |                                |                   |



**NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2018**  
(All amounts are in Rs. lakhs, unless stated otherwise)

**III A Reconciliation of Equity**

| <b>Particulars</b>                      | <b>31st March, 2017</b> | <b>1st April, 2016</b> |
|---|-------------------------|------------------------|
| <b>Total equity under GAAP</b>          | (42,329.99)             | (41,662.08)            |
| <b>Adjustments impact: Gain/ (Loss)</b> | -                       | -                      |
| Total IND AS adjustment                 | -                       | -                      |
| <b>Total equity under Ind AS</b>        | <b>(42,329.99)</b>      | <b>(41,662.08)</b>     |

**III B Reconciliation of Profit & loss Statement**

|                                 |  |                 |
|---------------------------------|--|-----------------|
| Loss after tax under local GAAP |  | (740.80)        |
| Adjustments Gain/ (Loss)        |  | 150.30          |
| <b>Total loss under Ind AS</b>  |  | <b>(590.50)</b> |

**Notes to first time adoption**

The following explains the material adjustments made while transition from previous accounting standards to IND AS:

**A Defined Benefit plan**

Under previous GAAP, cost relating to post employment benefit/ obligations including actuarial gain/ losses were recognized in Profit & loss A/c. Under Ind AS, actuarial gain/ losses under net defined benefit liability are recognized in other comprehensive income instead of Profit & loss A/c.

**43** Certain Financial / Operational creditors have initiated corporate insolvency process under the provisions of the insolvency and bankruptcy code 2016 against the Company and the matter is pending admission before the National Company Law Tribunal (NCLT).

Signatures to Notes 1 to 43 which form an integral part of the financial statements.

As per our attached Report of even date  
For Bagaria & Co LLP  
Firm Registration no.113447W/W-100019  
Chartered Accountants

**Vinay Somani**  
Partner  
Membership No.143503

Place : Mumbai  
Dated: 24th May, 2018

For and on behalf of the Board of Directors

**G. P. GOENKA**  
Chairman  
(DIN-030302)

**ARUN JAIN**  
Managing Director  
(DIN-0006007)

**M.C. NALWAYA**  
Chief Financial Officer

**SAVITA ACHARAYA**  
Director  
(DIN-07038198)

**RASIKA NAKHAWA**  
Director  
(DIN-07394510)





# NRC LIMITED

CIN No. L17120MH1946PLC005227

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

## PROXY FORM - MGT-11

|                        |  |
|------------------------|--|
| Name of the Member(s)  |  |
| Registered Address     |  |
| E-mail Id.             |  |
| Folio No. / Client Id. |  |
| DP ID                  |  |

I/We, being the Member(s) of ..... shares of NRC Limited hereby appoint,

Name

E-mail Id.

Address

Signature

or failing her/him;

Name

E-mail Id.

Address

Signature

or failing her/him;

Name

E-mail Id.

Address

Signature



As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 70<sup>th</sup> Annual General Meeting of the Company, to be held on 25<sup>th</sup> September, 2018 at 11.30 A.M. at Walchand Hirachand Hall, 4th floor, IMC Building, Churchgate, Mumbai – 400 020 in respect of such resolutions as are indicated below:

| Sr No. | Resolutions  | For | Against |
|--------|--|-----|---------|
| 1      | To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31 <sup>st</sup> March, 2018 together with the Reports of the Board of Directors and the Auditors thereon. |     |         |
| 2      | To appoint a director in place of Shri G.P. Goenka who retire from the office by rotation and being eligible, offers himself for re-appointment  |     |         |
| 3      | Sale of undertaking under Section 180 (1) (a) of the Companies Act, 2013.  |     |         |

Signed this ..... day of ..... 2018.

|  |
|--|
| Affix<br>Revenue<br>Stamp of not<br>less than<br>Re.1.00 |
|--|

Signature of Shareholder

Signature of Proxy holder(s)

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 (forty eight) hours before the meeting.
2. A proxy need not be a member of the Company.



**NRC LIMITED**



No. L17120MH1946PLC005227  
Registered Office: 67, Ground Floor, 75, Surajmal Building, Nakhoda Street, Pydhonie,  
Mumbai 400003.

**ATTENDANCE SLIP**

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

|  |  |
|--|--|
| Name Of The Shareholder (In Block Letters) |  |
| Signature Of The Shareholder               |  |
| Name Of The Proxy (In Block Letters)       |  |
| Signature Of The Proxy                     |  |

I/We hereby record my/our presence at the SEVENTEETH ANNUAL GENERAL MEETING of the Company held at Walchand Hirachand Hall, 4<sup>th</sup> floor, IMC Building, Churchgate, Mumbai – 400 020 on Tuesday, 25<sup>th</sup> day of September, 2018 at 11.30 a.m.

**Notes:**

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

**BY COURIER**

IN ORDER TO SAVE PAPER  
PLEASE MAIL YOUR E-MAIL ID TO OUR RTA



If undelivered, please return to:

**NRC LIMITED**

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