

NILACHAL REFRACTORIES LIMITED

Balance Sheet as at 31st March, 2017

EQUITY & LIABILITIES	Note	As at 31st March, 2017		As at 31st March, 2016	
		Rs.	Rs.	Rs.	Rs.
Shareholders' Funds					
(a) Share Capital	2	48,73,31,600		39,73,31,600	
(b) Reserve and Surplus	3	<u>(8,99,83,246)</u>	39,73,48,354	<u>(8,96,85,484)</u>	30,76,46,116
Non-Current Liabilities					
(a) Other Long-Term Liabilities	4		18,06,560		17,32,982
Current Liabilities					
(a) Short-Term Borrowings	5	13,57,96,910		20,98,98,904	
(b) Trade Payables	6	7,15,30,708		8,65,85,809	
(c) Other Current Liabilities	7	<u>2,81,70,426</u>	23,54,98,044	<u>3,80,82,451</u>	33,45,67,164
TOTAL			<u>63,46,52,958</u>		<u>64,39,46,262</u>
ASSETS					
Non-Current Assets					
(a) Fixed Assets					
(i) Tangible Assets	8	8,52,52,949		9,90,21,169	
(ii) CWIP		31,47,03,511		31,47,03,511	
(b) Deferred Tax Assets (Net)		5,74,34,417		3,25,67,768	
(c) Long-Term Loans and Advances	9	99,17,068		99,19,568	
(d) Other Non Current Assets	10	<u>3,80,356</u>	46,76,88,301	<u>3,51,231</u>	45,65,63,247
Current Assets					
(a) Inventories	11	11,65,02,354		13,93,85,473	
(b) Trade Receivables	12	4,19,76,098		4,01,41,500	
(c) Cash and Cash Equivalents	13	24,21,391		11,44,939	
(d) Short-Term Loans and Advances	14	<u>60,64,814</u>	16,69,64,657	<u>67,11,103</u>	18,73,83,015
			<u>63,46,52,958</u>		<u>64,39,46,262</u>

Summary of significant accounting policies 1

The accompanying notes are an integral part of the financial statements.

As per our Report of even date

For and on behalf of the Board of Directors

For P Mukhopadhyay & Co.

Firm Registration No. 302085E

Chartered Accountants

Vijay Kr. Agarwal

Director

DIN : 00121351

(Subhas Mukhopadhyay)

(Partner)

(M. No. 050384)

Saravanan Asokan

Whole Time Director

DIN : 07019583

Niraj Jalan

Director

DIN : 00551970

Place: Kolkata

Date: 30/05/2017

NILACHAL REFRACTORIES LIMITED

Statement of Profit and Loss for the year ended 31st March 2017

	Note	For the Year 2016-17		For the Year 2015-16	
		Rs.	Rs.	Rs.	Rs.
CONTINUING OPERATIONS					
I. Revenue from operations					
Sale of Products	15	2,48,96,673		49,85,685	
Less : Excise Duty		<u>17,70,651</u>	2,31,26,022	<u>2,79,961</u>	47,05,724
II. Other Income	16		1,56,74,056		29,20,580
III. Total Revenue (I + II)			<u>3,88,00,078</u>		<u>76,26,304</u>
IV. Expenses:					
(a) Cost of Material Consumed / Sold	17		14,69,315		23,18,826
(b) Purchase of Stock			0		0
(c) (Increase)/ Decrease in Inventories of Finished Goods and Work-in-Progress	18		2,18,00,697		14,74,793
(d) Employee Benefits Expense	19		16,92,747		29,41,240
(e) Finance costs	20		1,10,60,964		1,74,63,757
(f) Depreciation and amortization expense	8		72,20,648		0
(g) Other expenses	21		<u>1,42,06,788</u>		<u>1,68,40,934</u>
Total expenses			<u>5,74,51,159</u>		<u>4,10,39,550</u>
V Profit / (Loss) before Tax			(1,86,51,081)		(3,34,13,246)
VI Tax Expenses					
Deferred Tax			<u>(2,48,66,649)</u>		<u>1,41,30,468</u>
VII Profit/(Loss) for the Period			62,15,568		(4,75,43,714)
VIII Earning per Equity Share (Nominal Value of Share Rs.10/-)					
(a) Basic	22.9		0.31		(2.33)
(b) Diluted	22.9		0.31		(2.33)

The accompanying notes are an integral part of the financial statements

As per our Report of even date

For and on behalf of the Board of Directors

For P Mukhopadhyay & Co.
Firm Registration No. 302085E
Chartered Accountants

Vijay Kr. Agarwal
Director
DIN : 00121351

(Subhas Mukhopadhyay)
(Partner)
(M. No. 050384)

Saravanan Asokan
Whole Time Director
DIN : 07019583

Niraj Jalan
Director
DIN : 00551970

Place: Kolkata
Date: 30/05/2016

Nilachal Refractories Ltd

SIGNIFICANT ACCOUNTING POLICIES

1. ACCOUNTING POLICY

Accounts are maintained under the mercantile system of accounting, adopting historical cost convention. The significant accounting policies are :-

1.1. Revenues :-

a) Sales are inclusive of excise duty. Bonus claims, linked to operating efficiency of products, are recognized upon crystallization.

b) Export Incentive under the Duty Entitlement Pass Book Scheme are recognized on the basis of credits afforded in the pass book.

1.2. Claims :-

Claims of the Company towards loss, damage and escalation are accounted when there is a certainty that the claim is realizable

1.3. Valuation of Inventories :-

Raw materials, semi finished products and goods-in-process are valued at cost. Finished products are carried at lower of cost and net realizable value. Stores and spares are carried at cost. Cost for the purpose of valuation is generally ascertained on weighted average basis.

1.4. Fixed Assets :-

Fixed assets are valued at original cost of acquisition including taxes, duties, freight and other incidental expenses relating to acquisition and installation. Net Changes on foreign exchanges contracts and adjustments arising from exchange rate variations attributable to the fixed assets are capitalized.

a) Depreciation: Depreciation is systematically allocated over the useful life of an asset as specified in part C of schedule II of Company Act, 2013.

b) Impairment of Assets : The company reviews the carrying value of the assets for any possible impairment on each balance sheet date. Impairment loss, if any, is recognized in the year in which impairment takes place.

1.5. Foreign Currency :-

Transactions in foreign currency are accounted for at the prevailing rate on the transaction date. The year end balances in foreign currency are re-stated at the closing rate and the resultant difference is carried to Profit & Loss Account.

1.6. Borrowing Cost :-

The borrowing costs those are directly attributable to the acquisition, construction or production of a qualifying assets are capitalized.

1.7. Research and Development Expenditure :-

Revenue expenditure on Research and Development is charged out in the year in which it is incurred. Expenditure, which results in creation of assets, is included in fixed assets and depreciation is provided on such assets are applicable.

1.8. Intangible Assets :-

Expenditure incurred is treated in accordance with the provisions of Accounting Standard-26 "Intangible Assets" issued by the ICAI.

1.9. Basis of Preparation of Financial Statements :-

(i) The financial statements are prepared under the historical cost convention, except for certain fixed assets which are revalued, in accordance with generally accepted accounting principles in India and the provisions of the Companies Act, 2013.

(ii) The Company generally follows the mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.

1.10 Use of Estimates :-

The preparation of financial statements requires estimates and assumption to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

1.11. Provision, Contingent Liabilities and Contingent Assets :-

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

1.12 Retirement Benefits :-

a. Contribution towards Provident Fund is being charged to revenue on accrual basis and is deposited to regional office of the concerned authority

b. Provision for gratuity has been made on the method as prescribed in the respective act.

c. Provision has been made for accrued leave salary due to the employees, computed with reference to un-availed leave of the employee at the year end.

1.13. Deferred Tax :-

Provision for Tax is made for current and deferred taxes. Current taxes is provided on the taxable income using applicable tax rates and tax laws. Deferred Tax Assets and Liabilities arising on account of timing differential and which are capable of reversal in subsequent periods are recognized using the Tax rates and Tax Laws that have been enacted or substantively enacted till the date of the Balance Sheet. Deferred Tax Assets are not recognized unless there is "Virtual Certainty" that Sufficient future taxable income will be available against which such Deferred Tax Assets will be realized.

1.14. Impairment of Assets :-

The carrying amount of assets are reviewed at each balance sheet date, if there is an Indication of impairment based on the internal and external factors.

NILACHAL REFRACTORIES LIMITED

Notes to the Financial Statements for the year ended 31 March, 2017

2 SHARE CAPITAL

(a) Capital Structure

	31 March 2017		31 March 2016	
	Nos.	Rs.	Nos.	Rs.
Authorised				
Equity Shares of Rs.10/- each	2,04,00,000	20,40,00,000	2,95,00,000	29,50,00,000
11% Redeemable Cumulative Preference Shares of Rs. 100/- each	15,000	15,00,000	15,000	15,00,000
0% Redeemable Preference Shares of Rs. 100/- each	28,45,000	28,45,00,000	19,35,000	19,35,00,000
		49,00,00,000		49,00,00,000
Issued				
Equity Shares of Rs.10/- each	2,04,00,000	20,40,00,000	2,04,00,000	20,40,00,000
11% Redeemable Cumulative Preference Shares Rs. 100/- each	15,000	15,00,000	15,000	15,00,000
0% Redeemable Preference Shares of Rs. 100/- each	28,22,191	28,22,19,100	19,22,191	19,22,19,100
		48,77,19,100		39,77,19,100
Subscribed & Paid up				
Equity Shares of Rs.10/- each fully paid up	2,03,61,450	20,36,14,500	2,03,61,450	20,36,14,500
11% Redeemable Cumulative Preference Shares Rs. 100/- each fully paid up	14,980	14,98,000	14,980	14,98,000
0% Redeemable Preference Shares of Rs. 100/- each fully paid up	28,22,191	28,22,19,100	19,22,191	19,22,19,100
		48,73,31,600		39,73,31,600

(b) Share Capital Reconciliation

	31 March 2017		31 March 2016	
	Nos.	Rs.	Nos.	Rs.
Equity Shares				
At the beginning of the period	2,04,00,000	20,40,00,000	2,04,00,000	20,40,00,000
Issued during the period	0	0	0	0
Outstanding at the end of the period	2,04,00,000	20,40,00,000	2,04,00,000	20,40,00,000
11% Redem.Cum.Preference Share				
At the beginning of the period	15,000	15,00,000	15,000	15,00,000
Issued during the period	0	0	0	0
Outstanding at the end of the period	15,000	15,00,000	15,000	15,00,000
0% Redem.Preference Share				
At the beginning of the period	19,22,191	19,22,19,100	19,22,191	19,22,19,100
Issued during the period	9,00,000	9,00,00,000	0	0
Outstanding at the end of the period	28,22,191	28,22,19,100	19,22,191	19,22,19,100

(c) Particulars of Equity Shareholders holding more than 5% Shares at Balance Sheet date Equity Shares of Rs.10/- each fully paid

	31 March 2017		31 March 2016	
	Nos.	% holding in the Class	Nos.	% holding in the Class
Unimark International Pvt.Ltd	57,69,086	28.33%	57,69,086	28.33%
Season Trading & Investment Pvt.Ltd	15,00,000	7.37%	15,00,000	7.37%
Sushil Kumar Agarwal	12,18,000	5.98%	12,18,000	5.98%
Vijay Kumar Agarwal	12,18,000	5.98%	12,18,000	5.98%
Eynthia Tie-up Pvt.Ltd	17,00,000	8.35%	17,00,000	8.35%

(d) Particulars of Preference Shareholders holding more than 5% Shares at Balance Sheet date 11% Redeemable Preference Share of Rs 100/- fully paid up

	31 March 2017		31 March 2016	
	Nos.	% holding in the Class	Nos.	% holding in the Class
General Insurance Corporation of India	5,000	33.38%	5,000	33.38%
National Insurance Co. Ltd	5,000	33.38%	5,000	33.38%
United India Insurance Co. Ltd	4,855	32.41%	4,855	32.41%

(e) Particulars of Preference Shareholders holding more than 5% Shares at Balance Sheet date 0% Redeemable Cumulative Preference Share of Rs 100/- fully paid up

	31 March 2017		31 March 2016	
	Nos.	% holding in the Class	Nos.	% holding in the Class
Chetna Distributors Pvt Ltd	1,00,000	3.54%	1,00,000	5.20%
Eynthia Tie Up Pvt Ltd	2,83,936	10.06%	2,83,936	14.77%
Unimark International Pvt.Ltd	3,30,000	11.69%	3,30,000	17.17%
Ganpati Industrial Pvt.Ltd.	3,02,276	10.71%	3,02,276	15.73%
Ganpati RV Tallers Algeria Track Pvt.Ltd	3,80,280	13.47%	3,80,280	19.78%
Rudraksh Belcom Pvt. Ltd	1,62,627	5.76%	1,62,627	8.46%
Vimal Prakash HUF	1,67,500	5.94%	0	0.00%
Kamal Prakash HUF	1,67,500	5.94%	0	0.00%
Raj Rani Agrawal	1,67,500	5.94%	0	0.00%
Think finance (P) Ltd	2,88,700	10.23%	0	0.00%

(e) The rights, preference and restrictions including restrictions on the distribution of dividends and the repayment of capital :-

The Company have two class of shares i.e. Equity & Preference carrying a nominal value of Rs 10 each and Rs 100 each respectively. Each holder of equity Shares is entitled to one vote per share. The Company shall declare and pay dividend in Indian Rupees. When the company have distributable profit, the company shall propose dividend, subject to the approval of shareholders in annual general meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. Also the preference shares shall be redeemed only when the company have distributable profits which would otherwise be available for dividend or out of proceeds of fresh issue of shares made for the purpose of redemption, hence for the year under review the shares shall not be redeemed.

11% Redeemable Cumulative Preference shares were redeemable before September 1995 by giving six months notice by such redemption to the holders thereof. However, as per the terms of the Sanctioned Rehabilitation Scheme, the preference Shares are to be continued with roll over option for another 5 years and no interest is payable during such rehabilitation period. Accordingly, no provision for any interest has been made during the year. Due to non-availability of profit, no provision has been made for payment of dividend to the Preference Shareholders; cumulative from the date of allotment i.e 20th September 1980 upto the due date of redemption amounting to Rs 41.60 Lacs or the dividend payable thereafter. Further 0% Redeemable Preference Shares shall be subject to redemption when the Company has distributable profit. Hence, for the year under review the Shares shall not be redeemed

Issue of Shares :

9,00,000 0% Redemmmable Preference Share of Rs. 100/- at par has been issued and allotted by the Company by conversion of unsecured Loans. The Preference Shares shall from the date of allotment rank pari-passu in all respects with all other preference shares of similar category in the Company then on issue. The Preference shares shall be redeemed before the expiry of 20 years when the company has distributable profits and upon mutual consent of the allottees and company with an option to redeem at the sole discretion of the company at any time after the expiry of thirty six month from the date of the allotment, at par or at a premium out of the distributable profits of the company.

3 RESERVE & SURPLUS	31 March 2017		31 March 2016	
	Rs.	Rs.	Rs.	Rs.
(a) Central Subsidy				
Balance as per last financial statements	15,00,000		15,00,000	
Add :- Additions / Transfers during the year	0		0	
Less :- Utilisation/ Transferred during the year	0	15,00,000	0	15,00,000
(b) Share Premium				
Balance as per last financial statements	13,50,00,000		13,50,00,000	
Add :- Additions / Transfers during the year	0		0	
Less :- Utilisation/ Transferred during the year	0	13,50,00,000	0	13,50,00,000
(c) Share Forfeiture Money (38550 Equity Shares)				
Balance as per last financial statements	1,20,125		1,20,125	
Add :- Additions / Transfers during the year	0		0	
Less :- Utilisation/ Transferred during the year	0	1,20,125	0	1,20,125
(d) Surplus/(Deficit) in the statement of Profit and Loss				
Balance as per last financial statements	(22,63,05,609)		(17,87,61,895)	
Add : Profit/Loss for the year	62,15,568		(4,75,43,714)	
Less : Depreciation for prior period	(65,13,330)	(22,66,03,371)	0	(22,63,05,609)
Total Reserves & Surplus		(8,99,83,246)		(8,96,85,484)

NILACHAL REFRACTORIES LIMITED

Notes to the Financial Statements for the year ended 31 March, 2017

	<u>31-03-17</u> <u>Rs.</u>	<u>31-03-16</u> <u>Rs.</u>
4 Other Long Term Liabilities		
Trade / Security Deposits	1,00,868	1,00,868
Provision on Leave encashment & Gratuity Payable	17,05,692	16,32,114
	<u>18,06,560</u>	<u>17,32,982</u>
5 Short Term Borrowings		
<u>Secured</u>		
Cash Credit Limit From Canara Bank	0	7,27,74,886
<u>Unsecured Loans</u>		
Loan Repayable on Demand from Related Parties	13,57,96,910	13,71,24,018
Notes :-	<u>13,57,96,910</u>	<u>20,98,98,904</u>

(1) Security :-

Loan Repayable on Demand from Canara Bank (Cash Credit) Secured by Secured by Book Debt, hypothecation of stock, first charge on the fixed assets of the company both present and future and personal guarantee of the directors.

(2) Details of terms of repayment for the other short term borrowings.

<u>Particulars</u>	<u>31-03-17</u>	<u>31-03-17</u>	<u>31-03-16</u>	<u>31-03-16</u>
	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>
	<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
<u>Loan Repayable on Demand</u>				
Ambarella Cap Fin Private Limited	0	2,51,27,914	0	29,33,997
Bhumika Vintrade Pvt. Ltd.	0	1,18,00,000	0	1,18,00,000
Capricon Complex Pvt. Ltd	0	40,00,000	0	40,00,000
Doon Vally Finance And Leasing Ltd.	0	32,50,000	0	32,50,000
Metropoliton Commercial (p) Ltd	0	35,00,000	0	37,00,000
P P Supplier & Agencies Pvt Ltd	0	3,29,22,648	0	1,26,01,940
Pushpak Dealcom Pvt. Ltd	0	34,00,000	0	28,50,000
Rudraksha Dealcom (P) Ltd	0	1,23,00,000	0	0
Subhankar Mercantile Pvt. Ltd	0	24,00,000	0	24,00,000
Sushil Kumar Agrawal	0	39,00,000	0	0
Think Finance Pvt Ltd	0	2,80,45,640	0	4,62,13,081
Vimal Prakash	0	0	0	4,73,75,000
Vijay Agrawal	0	51,50,708	0	0
	<u>0</u>	<u>13,57,96,910</u>	<u>0</u>	<u>13,71,24,018</u>
6 Trade payables				
<u>Trade payables :-</u>				
Other than acceptances Micro, Small and Medium Enterprises others		<u>7,15,30,708</u>		<u>8,65,85,809</u>
7 Other Current Liabilities				
<u>(a) Other payables</u>				
(i) Statutory remittances	7,49,928		1,84,245	
(ii) Advance from customers	<u>2,34,16,901</u>	2,41,66,829	<u>3,38,94,609</u>	3,40,78,854
<u>(b) Creditors for Capital Work-in-Progress</u>		<u>40,03,597</u>		<u>40,03,597</u>
		<u>2,81,70,426</u>		<u>3,80,82,451</u>

NILACHAL REFRACTORIES LIMITED

Notes to the Financial Statements for the year ended 31 March, 2017

Note – 8

A Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As at 1st April 2016	Additions during the year	Sales/ Adjustment during the year	As at 31st March 2017	As at 31st March 2016	Adjusted With Retained Earnings	Provided during the year	Deduction Sales Adjustment	As at 31st March 2017	Net Value of Assets as at 31.03.2017	Net Value of Assets as at 31.03.2016
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
TANGIBLE ASSETS											
LAND (Freehold)	18,46,851	0	0	18,46,851	0	0	0	0	0	18,46,851	18,46,851
LAND (Leasehold) *	1,55,000	0	0	1,55,000	0	0	0	0	0	1,55,000	1,55,000
BUILDINGS	2,06,19,700	0	0	2,06,19,700	1,45,05,320	(47,04,700)	3,10,962	0	1,01,11,582	1,05,08,118	61,14,380
PLANT & MACHINERIES	15,31,90,054	0	0	15,31,90,054	6,53,17,709	1,06,29,332	65,38,981	0	8,24,86,022	7,07,04,032	8,78,72,345
FURNITURE & FITTINGS	61,17,126	0	0	61,17,126	52,29,814	2,86,602	85,416	0	56,01,832	5,15,294	8,87,312
VEHICLES	64,16,789	0	6,84,845	57,31,944	42,71,508	3,02,096	2,85,289	6,50,603	42,08,290	15,23,654	21,45,281
TOTAL:	18,83,45,520	0	6,84,845	18,76,60,675	8,93,24,351	65,13,330	72,20,648	6,50,603	10,24,07,726	8,52,52,949	9,90,21,169
Previous Year figures	18,96,44,571	6,604	13,05,655	18,83,45,520	9,06,29,506	0	0	13,05,155	8,93,24,351	9,90,21,169	
B Capital Work in Progress	31,47,03,511	0	0	31,47,03,511	0	0	0	0	0	31,47,03,511	31,47,03,511
Previous Year figures	31,47,03,511	0	0	31,47,03,511	0	0	0	0	0	31,47,03,511	

* - Note :- The Leasehold land was acquired in 1980 for a term of 99 years

NILACHAL REFRACTORIES LIMITED

Notes to the Financial Statements for the year ended 31 March, 2017

	31-Mar-17		31-Mar-16	
	Rs.	Rs.	Rs.	Rs.
9 Long Term Loans & advances				
(Unsecured, Considered good)				
Advances For Capital Goods		75,42,980		75,42,980
Security Deposit		22,39,122		22,41,622
<u>Advances recoverable in cash or kind</u>				
Considered Good	1,34,966		1,34,966	
Considered Doubtful	0	1,34,966	0	1,34,966
		<u>99,17,068</u>		<u>99,19,568</u>
10 Loans & advances				
<u>Other Non-Current Assets</u>				
(i) Interest accrued on deposits		3,18,467		2,89,342
(ii) Compensation on Land Acquired		61,889		61,889
		<u>3,80,356</u>		<u>3,51,231</u>

Note :- Government of Orissa had acquired 8.73 acres of unutilized portion of land of the Company for which the cost of the land has been proportionately reduced. Since the Government had not intimated the acquisition compensation of the land, deficit will be recognized in revenue on receipt of such intimation from the Government. It was found out that the relevant department of the Government of Orissa has still not recorded the acquisition in their record.

11 Inventories

(As taken, valued and certified by the management)

Stock of Stores and Spare Parts (At Cost)		29,96,092		29,96,092
Stock of Packing Material (At Cost)		20,74,608		22,76,485
Stock of By Products (At Net Relisable Value)		2,47,220		2,73,700
Stock of Raw Material (At Cost)		1,23,30,826		1,32,11,371
Stock of Finished Goods (At Lower of Cost or Net Realisable Value)		6,18,25,718		7,90,65,578
<u>Stock of Work in Progress (At Cost)</u>				
Refractories Brick		3,70,27,890		4,15,62,247
		<u>11,65,02,354</u>		<u>13,93,85,473</u>

12 Trade Receivables

(Unsecured, Considered good)

Outstanding for a period exceeding six months	4,05,39,012		4,11,44,037	
Less: Provision for doubtful receivables	<u>(10,02,537)</u>	3,95,36,475	<u>(10,02,537)</u>	4,01,41,500
Other debts		<u>24,39,623</u>		<u>0</u>
		<u>4,19,76,098</u>		<u>4,01,41,500</u>

Note :- Private companies in which any director is a director or member: Trade receivables outstanding for a period exceeding six months from the date they were due for payment :- (a) Jekay International Track (P) Ltd. Current Year Rs. 2,87,163/- (Previous year Rs. 2,87,163/-) (b) Jiwanram Sheodutrai Pvt Ltd. Rs. 26,600/- (Previous Year Rs. 26,600/-).

13 Cash and Cash Equivalents

Cash in hand		58,699		10,915
Balances with banks				
- in current accounts	14,27,895		2,16,818	
- in EEFC account	2,88,817		2,78,804	
- in deposit account	6,45,133		6,38,402	
- Debit Balance in Cash Credit A/c	847	<u>23,62,692</u>	0	<u>11,34,024</u>
		<u>24,21,391</u>		<u>11,44,939</u>

Notes :- Balances with banks include deposits amounting to Rs 3,44,652/- as margin monies.

NILACHAL REFRACTORIES LIMITED

Notes to the Financial Statements for the year ended 31 March, 2017

	31-Mar-17		31-Mar-16	
	Rs.	Rs.	Rs.	Rs.
14 Short Term, Loans & Advances				
(Unsecured, Considered good)				
Security Deposit		50,000		50,000
Loans and advances to employees	3,75,200		5,31,394	
Less : Provision for doubtful advances	(91,049)	2,84,152	(91,049)	4,40,346
Prepaid Expenses		0		58,978
Advance to creditors		5,000		1,02,732
<u>Balance with statutory / government authorities</u>				
(i) Sales Tax Recoverable	12,58,441		12,58,441	
(ii) Cenvat credit receivable	21,25,094		24,46,797	
(iii) VAT tax credit receivable	1,96,170		2,02,507	
(iv) Export Benefit Receivable	18,82,307		18,82,307	
(v) Income Tax Refundable	1,46,000		1,46,000	
(vi) Advance Payment of Income Tax	1,17,650		1,22,585	
(vii) Entry Tax Receivable	0	57,25,662	410	60,59,047
		<u>60,64,814</u>		<u>67,11,103</u>
Notes :-				
Sales Tax Recoverable include amount of Rs 6.53 lacs (Previous Year Rs 6.53 Lacs) collected by Sales Tax authorities against demand not acknowledged by the Company.				
15 Revenue from operations				
Sale of Products				
<u>Sales of Manufactured Goods</u>				
Refractory Bricks	1,30,62,934		34,90,877	
Castables & Monolithic	65,57,502		6,00,000	
Coal Tar	22,950		0	
	<u>1,96,43,386</u>		<u>40,90,877</u>	
<u>Others</u>				
Raw Materials	24,360	1,96,67,746	0	40,90,877
		<u>1,96,67,746</u>		<u>40,90,877</u>
Other Operating Revenue				
Sales of Scrap		52,28,927		8,94,808
		<u>2,48,96,673</u>		<u>49,85,685</u>
Less : Excise Duty		17,70,651		2,79,961
		<u>2,31,26,022</u>		<u>47,05,724</u>
16 Other income				
<u>Interest</u>				
Interest (Gross) {TDS Rs. 17,650/-, PY Rs. 22,585/-}	1,85,957		2,34,309	
Interest on IT Refunds	785	1,86,742	1,000	2,35,309
<u>Other Non Operative Income</u>				
Liabilities / Provisions Written Back	1,52,33,439		23,746	
Sundry Balances Written Off	0		17,435	
Misc. Income - Insurance Claims Received	0		1,71,000	
Discount Received	0		3,23,590	
Prior Period Adjustments	14,390		0	
Exchange Fluctuation (Net)	1,70,002		0	
Profit on Sales of Fixed Assets	69,483	1,54,87,314	21,49,500	26,85,271
		<u>1,56,74,056</u>		<u>29,20,580</u>
17 Cost of Material Consumed				
Opening Stock	1,32,11,371		1,55,30,197	
Purchases	6,08,540		0	
	<u>1,38,19,911</u>		<u>1,55,30,197</u>	
Less: Cost of Material Sold	19,770	1,38,00,141	0	1,55,30,197
Closing Stock		<u>1,23,30,826</u>		<u>1,32,11,371</u>
Cost of Material Consumed		<u>14,69,315</u>		<u>23,18,826</u>

NILACHAL REFRACTORIES LIMITED

Notes to the Financial Statements for the year ended 31 March, 2017

	31-Mar-17		31-Mar-16	
	Rs.	Rs.	Rs.	Rs.
18 Changes in inventories of finished goods, work-in-progress and stock-in-trade				
<u>Inventories at the end of the year :-</u>				
Finished goods	6,18,25,718		7,90,65,578	
Work-in-progress	3,70,27,890		4,15,62,247	
By-Products	2,47,220	9,91,00,828	2,73,700	12,09,01,525
<u>Inventories at the Beginning of the year :-</u>				
Finished goods	7,90,65,578		8,03,38,826	
Work-in-progress	4,15,62,247		4,17,63,792	
By-Products	2,73,700	12,09,01,525	2,73,700	12,23,76,318
		2,18,00,697		14,74,793
19 Employee Benefits Expenses				
Salaries ,Wages and other allowances		16,08,762		24,08,750
Contribution to provident and other funds		49,390		94,494
Staff welfare expenses		24,595		13,308
Retrenchment Compensation		10,000		4,24,688
		16,92,747		29,41,240
20 Finance costs				
Borrowing Cost				
<u>Interest Expenses on</u>				
(i) Borrowings	61,95,625		1,57,10,010	
(ii) Unsecured Loans	45,50,853	1,07,46,478	12,46,753	1,69,56,763
Processing Charges		3,14,486		5,06,994
		1,10,60,964		1,74,63,757
21 Other Expenses				
Cost of Material Sold		19,770		0
Consumptions of Packing Materials		10,33,965		65,862
Consumptions of Stores & Spares		0		22,052
Electricity and Power		19,42,205		18,52,425
Manufacturing Expenses		5,51,217		1,61,548
<u>Repairs & Maintenance :</u>				
To Plant & Machinery	3,37,810		1,04,988	
To Building	2,73,498		11,06,638	
To Others	11,60,094	17,71,402	4,38,992	16,50,618
Carriage outward		5,26,216		1,33,200
Sales Promotion		22,412		0
Rent		7,73,248		15,83,817
Bank Charges		53,360		32,479
Rebate & Discount		0		34,71,937
Rates & Taxes		58,500		68,500
Exchange Fluctuation (Net)		0		10,63,959
Telephone Charges		1,15,534		1,24,385
Insurance charges		1,50,010		2,20,498
Computer Expenses		23,863		29,423
Books & Periodicals		2,987		3,944
Printing & Stationery		88,755		1,66,661
Filing Fees		25,200		7,800
Postage & Courier Charges		1,09,208		1,57,640
Professional & Consultancy Charges		15,06,074		6,39,194
Conveyance, Tour & Travels		15,04,307		19,44,465
Prior Period Expenses/ Adjustments		0		6,47,791
Payment to auditors - Audit Fees*		46,000		46,000
Legal Charges		0		1,99,110
General Expences		11,15,957		9,20,432
Listing Fees		1,00,000		0
Subscription Fees & Expenses		3,17,116		1,35,568
Watch & Ward		19,36,699		9,70,137
Office Maintenance		1,13,895		3,26,926
Miscellaneous Expenses		2,98,888		1,94,563
		1,42,06,788		1,68,40,934

Notes :-*

Payment to Auditors Comprise (net of service Tax, inputCredit where applicable)

As Auditors - Statutory Audit	46,000	46,000
For Company Law Matters	0	0
For Management Service	0	0
For Other Service	0	0
Certification Fees	0	0
	<u>46,000</u>	<u>46,000</u>

Miscellaneous Expenses

Advertisement	0	33,326
TDS - Others Payments	2,139	0
Guest House Expenses	13,686	60,361
Interest (other) A/c	1,78,075	10,026
Electricity Charges	60,470	84,970
Sundry Balances Written Off	138	0
Packing Expenses	0	5,880
Transport Charges A/c	44,380	0
	<u>2,98,888</u>	<u>1,94,563</u>

NILACHAL REFRACTORIES LIMITED

Notes to the Financial Statements for the year ended 31 March, 2017

22 Additional information to the financial statements	31-Mar-17 Rs. in Lacs	31-Mar-16 Rs. in Lacs
22.1 Contingent Liabilities		
Sales Tax	96.28	96.28
Water Charges	7.14	7.14
Suit Pending against the Company	9.94	9.94
Orissa Entry Tax	4.17	4.17
Fine imposed by BSE not acknowledged by the Co.	0.00	22.22

22.2 Commitments		
Estimated amount of contract remaining to be executed on Capital account and not provided for Tangible assets	1,238.93	1,238.93

22.3 Details of unhedged foreign currency Exposures	31-Mar-17		31-Mar-16	
	Receivable/ (Payable) Rs	Receivable/ (Payable) \$	Receivable/ (Payable) Rs	Receivable/ (Payable) \$
Payable in foreign exchange	(1,99,64,788)	(3,03,610)	(2,01,24,777)	(3,03,610)
Receivable in foreign exchange	0	0	0	0
	<u>(1,99,64,788)</u>	<u>(3,03,610)</u>	<u>(2,01,24,777)</u>	<u>(3,03,610)</u>
	Rs	€	Rs	€
Payable in foreign exchange	<u>(18,85,362)</u>	<u>(27,922)</u>	<u>(18,85,362)</u>	<u>(27,922)</u>

22.4 Value of imports calculated on CIF basis :	31-Mar-17 Rs	31-Mar-16 Rs
Raw materials	0	0

22.5 Expenditure in foreign currency :		
Royalty		
Professional and consultation fees	0	0
Interest	0	0
Other matters	0	0

22.6 Details of consumption of imported and indigenous items	31-Mar-17		31-Mar-16	
	%	Rs	%	Rs
Imported				
Raw materials	0.00%	0	12.49%	2,89,611
Components	0	0		
Spare parts	0	0		0
		<u>0</u>		<u>2,89,611</u>
Indigenous				
Raw materials	100.00%	14,69,315	87.51%	20,29,215
Components	0	0		0
Spare parts	0	0		0
		<u>14,69,315</u>		<u>20,29,215</u>

22.7 Earnings in foreign currency :	31-Mar-17 Rs	31-Mar-16 Rs
Export of finished goods calculated on FOB basis	0	0
	<u>0</u>	<u>0</u>

22.8 Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016

Particulars	SBNs	Other denomination notes	Total
1 Closing cash in hand as on 08.11. 2016	2,62,500	0	1,56,186
2 (+) Permitted receipts	0	0	6,06,750
3 (-) Permitted payments	0	0	6,41,838
4 (-) Amount deposited in Banks	2,62,500	0	2,62,500
5 Closing cash in hand as on 30.12. 2016	0	0	1,21,098

NILACHAL REFRACTORIES LIMITED

Notes to the Financial Statements for the year ended 31 March, 2017

22 Additional information to the financial statements.. Contd..

	31-Mar-17	31-Mar-16
	<u>Rs</u>	<u>Rs</u>
22.9 Earnings per share :		
(a) <u>Continuing operations</u>		
Net profit / (loss) for the year from continuing operations	62,15,568	(4,75,43,714)
Less: Preference dividend and tax thereon	0	0
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	62,15,568	(4,75,43,714)
Weighted average number of equity shares	2,03,61,450	2,03,61,450
Par value per share	10	10
Earnings per share from continuing operations - Basic & Diluted	0.31	(2.33)
(b) <u>Total operations</u>		
Net profit / (loss) for the year from continuing operations	62,15,568	(4,75,43,714)
Less: Preference dividend and tax thereon	0	0
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	62,15,568	(4,75,43,714)
Weighted average number of equity shares	2,03,61,450	2,03,61,450
Par value per share	10	10
Earnings per share from continuing operations - Basic & Diluted	0.31	(2.33)

22.10 Deferred Tax (Liability) / Asset

Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed asset	1,13,26,271	1,30,11,332
	<u>1,13,26,271</u>	<u>1,30,11,332</u>
Tax effect of items constituting deferred tax assets		
Provision for compensated absences, gratuity and other employee benefits	5,27,059	5,04,323
Unabsorbed depreciation carried forward & brought forward business loss	6,82,33,629	4,50,74,777
	<u>6,87,60,688</u>	<u>4,55,79,100</u>
Net Deferred Tax (liability) / asset	<u>5,74,34,417</u>	<u>3,25,67,768</u>

22.11 Other Notes :-

- 1 Voluntary Retirement Scheme (VRS) was introduced under which terminal date of employment was fixed as 31st July 2002. Provision for unpaid compensation has been made for the employees who have not taken the same. Modified Golden Handshake Schemes containing similar benefits as that of Voluntary Separation Scheme were introduced (in respect of ex-employees who were separated under the Golden Handshake Scheme 3 & 4) wherein cut off date for computation of compensation was kept as 31st July 2002. Provision for unpaid lump sum payment has been made for the ex-employees who have not taken the same.
- 2 Confirmation of Parties concerned for amount due, receivable from and/or payable to them as per the accounts of the company were not received. Necessary adjustment, if any, shall be done at the time of settlement of respective account.
- 3 The financial result of the company pertains to operations related to refractories which is the only significant business segment of the Company as per AS-17 issued by the ICAI.
- 4 There are no Micro, Small and Medium enterprises to whom the company owes dues, which are outstanding for more than 45 days as at March 31, 2017. The above information regarding micro, small and medium enterprises have been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors.

- 5 In view of unabsorbed losses and unabsorbed depreciation brought forward, there being no tax liability, hence no provision for current Income Tax have been made during the year.
- 6 The Schedule III has become effective from 1 April, 2014 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / rearranged / recasted wherever considered necessary. Figure have been rounded off to the nearest rupee.
- 7 In the opinion of the management, aggregate value of current assets and other loans and advances on realization in the ordinary course of business will not be less than the amount at which these are stated in the balance sheet.
- 8 BSE has initiated proceeding against the company by imposing a fine of Rs. 22.22 Lacs for non-compliance of clause 41 of the listing agreement during the period of lockout, the company has moved a petition before the hon'ble Securities Appeal Tribunal and also sent a representation to the BSE Ltd. The hon'ble panel of BSE Ltd passed an order dated 03.10.2016 waiving the said fine imposed earlier.
- 9 During the year under consideration, there was a reclassification of the Authorised Share Capital of the Company effecting the following Changes:

	<u>Before Reclassification</u>		<u>After Reclassification</u>	
	<u>Nos.</u>	<u>Rs.</u>	<u>Nos.</u>	<u>Rs.</u>
Equity Shares of 10 each	2,95,00,000	29,50,00,000	2,04,00,000	20,40,00,000
11 % Redeemable Cumulative Preference shares of Rs. 100 each	15,000	15,00,000	15,000	15,00,000
0 % Redeemable Preferenceshares of Rs. 100 each	19,35,000	19,35,00,000	28,45,000	28,45,00,000

As per our Report of even date

For and on behalf of the Board of Directors

For P Mukhopadhyay & Co.
Firm Registration No. 302085E
Chartered Accountants

Vijay Kr. Agarwal
Director
DIN : 00121351

(Subhas Mukhopadhyay)
(Partner)
(M. No. 050384)

Place: Kolkata
Date: 30/05/2016

Saravanan Asokan
Whole Time Director
DIN : 07019583

Niraj Jalan
Director
DIN : 00551970

NILACHAL REFRACTORIES LIMITED

Notes to the Financial Statements for the year ended 31 March, 2017

22 Additional information to the financial statements Contd...

22.8 Details of related parties

<u>Description of relationship</u>	<u>Names of related parties</u>
Ultimate Holding Company	N.A.
Holding Company	N.A.
Ultimate Holding Company	N.A.
Subsidiaries	N.A.
Fellow Subsidiaries (to be Associates)	N.A.
Key Management Personnel (KMP)	Mr. Vimal Prakash, Mr .Vijay Kumar Agarwal Mr. S Ashokan, Mr. Aditya Purohit
Relatives of KMP	Kamal Praksh (HUF), Raj Rani Agarwal, & Vimal Praksh (HUF)
Company in which KMP / Relatives of KMP can exercise significant influence	Jekay International Track Pvt Ltd., Ambarella Cap Fin Private Limited NRL Clayburn Ltd., P P Suppliers & Agencies (P) Ltd., Pushpak Dealcom (P) Ltd, Unimark International (P) Ltd,

Note: Related parties have been identified by the Management.

Details of related party transactions during the year ended on 31st March, 2016 and balances outstanding as at 31st March, 2017 (Figures in bracket pertain to the previous year)

Particulars	Associates		KMP		Entities in which KMP / relatives of KMP have significant influence	
	2017	2016	2017	2016	2017	2016
Sales						
NRL Clayburn Ltd					67,00,941	6,00,000
Remuneration						
S Ashokan			70,105	8,94,585		
A Purohit			-	3,31,650		
Interest on Loan Taken						
Ambarella Cap Fin Private Limited					9,92,454	65,552
Loan Taken						
Vimal Prakash				99,07,500		
Ambarella Cap Fin Private Limited					2,88,18,917	1,16,25,000
P P Suppliers & Agencies (P) Ltd.					3,25,00,708	1,13,00,000
Pushpak Dealcom (P) Ltd					5,50,000	23,82,500
Loan Repaid						
Ambarella Cap Fin Private Limited					66,25,000	87,50,000
P P Suppliers & Agencies (P) Ltd.					13,00,000	-
Pushpak Dealcom (P) Ltd					-	21,32,500
Vimal Prakash			5,21,25,000	4,00,32,500		
Issue of 0% Preference Shares by conversion of Loan taken						
Kamal Praksh HUF					1,67,50,000	
P P Suppliers & Agencies (P) Ltd.					1,08,80,000	
Vimal Prakash HUF			1,67,50,000			

NILACHAL REFRACTORIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

	For the Year 2016-17 <u>Rs</u>	For the Year 2015-16 <u>Rs</u>
A. Cash Flow from operating Activities		
Net Profit/(Loss) before tax	(1,86,51,081)	(3,34,13,246)
Adjust ment for :		
Depreciation	72,20,648	0
Interest Received	(1,86,742)	(2,35,309)
Interest Paid	1,10,60,964	1,74,63,757
	<u>1,80,94,870</u>	<u>1,72,28,448</u>
Operating Profit before working Capital Changes	(5,56,211)	(1,61,84,798)
Adjust ment for :		
Decrease/ (increase) in trade and other Receivable	(18,34,598)	77,30,081
Decrease/ (increase) in Loans and Advances (Excluding Income Tax)	6,14,728	6,47,023
Decrease/ (increase) in Inventories	2,28,83,119	37,47,527
(Decrease)/ increase in Trade and other payables including Deposits	<u>(2,48,93,548)</u>	<u>21,13,585</u>
	<u>(32,30,299)</u>	<u>1,42,38,216</u>
Cash Generated from Operations	(37,86,509)	(19,46,582)
Taxes (Paid)/ Refund	4,935	2,19,125
Prior Period Income	0	0
Net Cash (used)/ from operating Activities	(37,81,574)	(17,27,457)
B. Cash Flow from Investing Activities		
Purchase of fixed assets	0	(6,604)
Sale of Fixed Assets	34,242	500
Capital Work in Progress	0	0
Interest Received	1,86,742	2,35,309
Net Cash (used)/ from Investing Activities	2,20,984	2,29,205
C. Cash Flow from Financing Activities		
Secured Loan Recd/ (paid)	(7,27,74,886)	(1,89,59,264)
Unsecured Loan (Repaid)/Received	(13,27,108)	3,75,22,078
Interest Paid	(1,10,60,964)	(1,74,63,757)
Issue of Preference Shares	9,00,00,000	0
Net Cash (used)/ from Financing Activities	48,37,042	10,99,057
Net Increase/ (decrease) in Cash and Cash equivalents (A+B+C)	12,76,452	(3,99,195)
Opening Cash and Cash equivalents	11,44,939	15,44,134
Closing Cash and Cash equivalents	24,21,391	11,44,939

As per our Report of even date

For and on behalf of the Board of Directors

For P Mukhopadhyay & Co.
Firm Registration No. 302085E
Chartered Accountants

Vijay Kr. Agarwal
Director
DIN : 00121351

(Subhas Mukhopadhyay)
(Partner)
(M. No. 050384)

Saravanan Asokan
Whole Time Director
DIN : 07019583

Niraj Jalan
Director
DIN : 00551970

Place: Kolkata
Date: 30/05/2016