



# NILACHAL REFRACTORIES LIMITED

Regd. Office : Plot No. P/597, BJB Nagar, Lewis Road, Bhubaneswar-751014

## NOTICE

**NOTICE** is hereby given that the Thirty Sixth (36<sup>th</sup>) Annual General Meeting of the Members of NILACHAL REFRACTORIES LIMITED will be held at 12.30 P.M. on Friday, the 20<sup>th</sup> September 2013 at the Hotel Sun Green , Bhubaneswar to transact the following business.

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Annual Accounts of the Company for the year ended 31<sup>st</sup> March, 2013 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Bhagwati Prasad Jalan who retires by rotation, and being eligible, offer himself for re-appointment.
3. To appoint a Director in place of Mr. Vijay Kumar Agarwal who retires by rotation, and being eligible, offer himself for re-appointment.
4. To appoint a Director in place of Mr. Sajjan Bhajanka who retires by rotation, and being eligible, offer himself for re-appointment.
5. To appoint a Director in place of Mr. Niraj Jalan who retires by rotation, and being eligible, offer himself for re-appointment.
6. To appoint Auditors and fix their remuneration and in this connection, to consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** M/s. P. Mukhopadhyay & Co. , Chartered Accountants, Kolkata, the retiring auditors be and is hereby appointed as Statutory Auditors of the Company to hold office as such from the conclusion of this meeting till the conclusion of next Annual General Meeting at such remuneration as may be fixed by the Board of Directors of the Company based on the recommendation of Audit Committee .

### SPECIAL BUSINESS

7. To appoint Mr.Amitava Chaudhury, CEO. of the company to appoint as Whole Time Director of company at such remuneration mentioned in Explanatory Notes.

By Order of the Board  
**Nilachal Refractories Limited**

**Aditya Purohit**  
**(Company Secretary)**

Place : Kolkata  
Date : June 30, 2013.

**NOTES:**

1. EVERY SHAREHOLDER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIS/HER AND SUCH PROXY NEED NOT BE A SHAREHOLDER. THE PROXY FORM COMPLETED IN EVERY RESPECT SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 (FORTY EIGHT) HOURS BEFORE THE TIME OF THE MEETING.
2. REGISTER OF MEMBERS AND SHARE TRANSFER WILL BE CLOSED FROM 15TH SEPTEMBER, 2013 TO 20TH SEPTEMBER, 2013 (BOTH DAYS INCLUSIVE).
3. Corporate Members are requested to send at Company's Registered Office , a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the AGM.
4. Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange , brief profile of the Directors seeking re-appointment at this Annual General Meeting is as follows :-

Name of Director	Bhagwati Prasad Jalan	Vijay Kumar Agarwal	Sajjan Bhajanka	Niraj Jalan
Date of Birth	2 <sup>nd</sup> Feb 1946	28 <sup>th</sup> Oct 1945	03 <sup>rd</sup> June 1952	14 <sup>th</sup> April 1973
Experience	B.Com Honours. He has experience of 40 years in Iron & Steel Industry.	B.Sc . He has experience of 40 years in Refractory Industry.	A Commerce Graduate and a renowned industrialist with more than 25 years of experience in industry.	B.Com Honours. He has experience of 10 years in Iron & Steel Industry.

5. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliance and has issued circular nos. 17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 which states that service of notice/documents including Annual Report can be sent by e-mail to its members. To support the said green initiative, members holding shares in demat form, who have not registered their e-mail address as of now, are requested to register the same with their respective Depository Participant and members holding shares in physical form are requested to register their valid e-mail address with the S.K.Infosolutions private limited, 34/1 A Sudhir Chatterjee Street, Kolkata 700 006. Telephone No. 033 2219 6797, Fax No. 033 2219 4815, mentioning their name and folio no.

**ANNEXURE TO THE NOTICE****EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956****Item: 7 : Appointment of Whole Time Director**

Mr. Amitava Chaudhury , CEO of the company is a B.Tech in chemical Engineering and has vast expertise in the field of Refractory Manufacturing and hence the board proposes to use the rich expertise the of Mr. Amitava Chaudhury and thereby benefit it self. Mr. Amitava Chaudhury's appointment and terms of remuneration is pursuant to article 135 of the Articles of Association of the Company and Section 198, 269, 309, 310, 311 and Schedule XIII of the Companies Act 1956 and all other applicable provisions of the said Act. His terms of appointment and remuneration as set out in the draft agreement and as mentioned in the proposed resolution will be subject to consent of Members in the ensuing Annual General Meeting. The terms and conditions of the appointment of Mr. Amitava Chaudhury as set out in the resolution may also be treated as an abstract of the terms of draft agreement .Mr. Amitava Chaudhury remuneration shall be as follows on yearly basis with effect from appointment.

<b>Particulars</b>	<b>Amount In Rs. (Per Annum)</b>
Basic Salary	960000.00
HRA	480000.00
Conveyance Allowance	9600.00
Education Allowance	144000.00
Grade Allowance	144000.00
Soft Furnishing Allowance	144000.00
Special Allowance	167460.00
LTA	170755.00
Medical Reimbursement	15000.00
Bonus/Ex-gratia	10000.00
PF.	115200.00
<b>Total</b>	<b>2360015.00</b>

**By order of the Board  
For Nilachal Refractories Limited**

**Place: Kolkata  
Date : June 30, 2013.**

**Aditya Purohit  
Company Secretary**



## **DIRECTORS REPORT**

Dear Members

Your Directors are pleased to present the Thirty Sixth (36th) Annual Report together with the Audited accounts of your Company for the year ended 31st March, 2013.

### **FINANCIAL HIGHLIGHTS**

(Rs. in crores)

<b>Particulars</b>	<b>2012-13</b>	<b>2011-2012</b>
Revenue from Operations (Net of Excise duty)	27.18	36.25
Other Income	0.13	0.92
Total Expenses	28.07	36.25
Profit /(Loss) before tax(PBT)	(0.76 )	0.92
Profit /(Loss) during the year	(0.54)	1.90

### **FINANCIAL REVIEW**

As can be observed from the above your Company's Operations were adversely affected mainly due to industrial slowdown and in amidst of the same the company's topline was maintained with esprit de corps and steady cautious measures . However your company is carrying forward a confirmed order book position of Rs 4000 Lacs as on 1.4.13 which are under execution . Your Company efforts for export of its products have started giving fruitful results and company have been rewarded with Export Order also.

The Directors are quite hopeful that the current year operations will be far better than the operation for the period under review .

Special Resolution Passed During the year : One Special Resolution Passed during the year under review in Extra-Ordinary General Meeting held on 20th July 2012.

### **DIVIDEND:**

In view of brought forward losses , your directors are unable to recommend any dividend for the financial year ended 31st March, 2013.

### **DIRECTORS**

In accordance with the provisions of the Companies Act, 1956, and Article 115 of the Article of Association of the Company, Shri Bhagwati Prasad Jalan ,Shri Vijay Kumar Agarwal, Shri Sajjan Bhajanka and Shri Niraj Jalan Directors of the Company are liable to retire by rotation at the ensuing Annual General Meeting , and being eligible, offer themselves for re-appointment. Notice Pursuant to section 257 of the Companies Act 1956 , together with Requisite Deposits have been received from some members proposing the candidature for being re-elected to the office of the directors.



## **DIRECTORS' RESPONSIBILITY STATEMENT**

In terms of the provisions of section 217(2AA) of the Companies Act, 1956, your Directors hereby confirm .

- i. That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departure ;
- 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 as at 31st March, 2013 and of the Loss of the Company for the year ended on that date.
- 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 directors had prepared the annual accounts on a going concern basis

## **PARTICULARS OF EMPLOYEES**

None of the employees of your Company come under the provisions of the section 217(2A)(a) of the companies (Particulars of Employees) Rules 1975 . As a result , no disclosure in this regard is necessary

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

Information pursuant to section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 in respect of conservation of Energy and Technology Absorption and Foreign Exchange Earning and Outgo is given in Annexure – I, forming part of this Report.

## **INDUSTRIAL RELATIONS**

The Company continued to maintain cordial relations with its industrial personnel. The Directors expressed their appreciation for very good co-operation received from all sections of industrial personnel at Odisha and Kolkata.

## **ISO CERTIFICATION**

Your Company is having a status of ISO 9001:2000 Certification. Your company is highly committed to the highest standard of quality.

## **CORPORATE GOVERNANCE**

The Company is committed in maintaining the highest standards of Corporate Governance and adheres to the stipulations prescribed under clause 49 of the Listing Agreement with the Stock Exchange. A Report on Corporate Governance & Shareholders Information together with a Auditors' Certificate regarding Compliance of the same are annexed as a part of this Annual Report.

## **MANAGEMENT DISCUSSION & ANALYSIS REPORT:**

In accordance with the Listing Agreement Requirements, Management Discussion & Analysis Report is presented in a separate section, forms a part of the Annual Report.

## **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Management continuously reviews the Internal Control Systems and procedures for the efficient conduct of the Company's business. The Company adheres to the prescribed guidelines with respect to the transactions, financial



reporting and ensures that all its assets are safeguarded and protected against losses. Internal Control System are implemented to safeguard the Company's assets from loss or damage, to keep a constant check on the cost structure, to prevent revenue leakages, to provide adequate financial and accounting controls and implement accounting standards.

The board have appointed a Chartered Accountants firm who are conducting the Internal Audit of the Company . The report thereof is placed before the Audit Committee.

## **INSURANCE**

The assets of the Company are adequately insured against the loss of fire and other risks which are considered necessary by the management.

## **FIXED DEPOSITS**

Your company has not accepted any public deposits within the meaning of the Section 58A of the Companies Act, 1956 during the year under review.

## **LISTING**

The equity shares of your Company continued to be listed on Bombay Stock Exchange Limited (BSE)and Calcutta Stock Exchange Limited (CSE).

## **CORPORATE SOCIAL RESPONSIBILITY:**

Corporate Social Responsibility is the continuing commitment by the business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.

As a part of its policy for corporate social responsibility, the Company undertakes a range of activities to improve living conditions of the people in the neighborhood of all its plants. In structuring its efforts to the various aspects of Corporate Social Responsibilities, the Company takes in account guidelines and statements issued by stakeholders and other regulatory bodies. Corporate Social Responsibility and Sustainable development will continue to be the leading priorities at the Company which it shall consistently strive to touch lives and makes a difference.

The Directors noted the observations made by Auditors with regard to method of accounting pursuant to Accounting Standard 15 and shall give the effect of the same in coming year .

## **APPRECIATION**

Your Directors record their sincere appreciation for the assistance, support and guidance provided by Company's Customer, Supplier, Government Authorities, Bankers, investors, financial institution and shareholders for their consistent support to the company. The Directors also commend the continuing commitment and dedication of the employees at all levels which has been critical for the Company's growth. The Directors look forward for their continuing support in future.

**For and on behalf of the Board**

Place: Kolkata  
Date: 30<sup>th</sup> June, 2013

**Bhagwati Prasad Jalan**  
Chairman



## ANNEXURES TO DIRECTORS' REPORT

Information under section 217(1)(e) read with the Companies ( Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31<sup>st</sup> March, 2013

### A. CONSERVATION OF ENERGY:

#### (a) Energy conservation measures taken:

The Company is committed to conserve energy and making best use of the resources. A considerable amount of time and effort was earmarked for conserving power across all our plants.

- (i) Idle running of Machines has been controlled
- (ii) Operating efficiency of Shaft Kiln has been improved.
- (iii) Successful simultaneous operation of two Gas producers to fire increased green production and bring down the specific consumption of coal.

#### (b) Additional investments and proposals, if any, being implemented for the reduction of consumption of energy:

No additional investment is proposed but all efforts are on to conserve energy by improving operation .

Constant reviews of operations and process is being done to identify energy saving areas.

#### (c) Impact of the measures at (a) and (b) above for reduction of energy consumption an consequent impact on cost of production of goods.

With the implementation of the above measures, there will be considerable reduction in energy consumption.

#### (d) Total energy consumption and energy consumption Impact of the measures at (a) and (b) above for reduction of energy consumption and energy consumption per unit of production as per Form A of the Annexure is annexed.

### B. TECHNOLOGY ABSORPTION:

The details of the efforts made towards absorption of technology are given separately in the Report in Form B

### C. FOREIGN EXCHANGE EARNING AND OUTGO:

Foreign Exchange Earning : Rs. 13,42,777.00

Foreign Exchange Out Go : Rs. 3,31,86,989.00



## Form- A

### FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

#### A. Power and fuel consumption:

Particulars	2012-13	2011-12
<b>1) Electricity</b>		
(a) Purchased		
Units( K wh)	2755584	2700744
Total Amount(Rs)	1,54,49,288	1,42,44,398
Rate per unit (in Rs./Kwh)	5.61	5.27
(b) Own Generation		
Through Diesel Generator		
Unit (Kwh)	37550	45310
Unit per Ltr. of Diesel oil	2.45	2.42
Cost/Unit (Rs.)	18.99	17.45
Through Steam Turbine Generator	NA	NA
<b>2) Steam Coal Grade 'B' and E used in Gas Producer.</b>		
Quantity (Tonnes)		
Total Cost (RS)	9565	8870
Average Rate (Rs/MT)	4,51,92,150	3,40,62,770
	4725	3840
<b>3) Furnace Oil &amp; L.D.Oil</b>		
Quantity (KL)		
Total Amount (Rs.)	344KL	398KL
Average Rate	1,25,31,296	1,55,41,119
	36,428	38,966
<b>4) LSHS Other Internal Generation</b>	NA	NA

#### B. Consumption per unit of production

Particulars	2012-2013	2011-2012
1) Refractories Produced (MT)	20137	22712
2) Electricity (KWH/Ton)	138	121
3) Furnace oil & L.D Oil (Litres/Ton)	17.08	17.52
4) LSHS (Kg/Ton)	NA	NA
5) Steam Coal (Gross) Grade B & E (KG/Ton)	475	391
6) Net Coal after dust (Kg/Ton)	338	225



## **Form B**

### **FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION**

#### **Research and Development (R&D)**

**1. Specific areas in which R & D was carried out by the Company:**

No R & D was carried out with in the meaning of applicable standard.

**2. Benefits derived as a results of the above R & D**

Not Applicable

**3. Future plan of action:**

Your Company recognizes the need for cleaner and greener environment by taking various conservation measures, reduction of emission of harmful substances in the environment, reduction in wastages and various other useful measures. It further plans to improve its productivity and quality.

**4. Expenditure on R & D**

Nil

**Technology absorption, adaption and innovation:** N.A.

**For and on behalf of the Board**

Place: Kolkata  
Date: 30<sup>th</sup> June 2013

**Bhagwati Prasad Jalan**  
Chairman





## ANNEXURE – A

### MANAGEMENT DISCUSSION AND ANALYSIS

#### 1. Industry structure and developments:

Fortune of your Company which is in refractory industry is directly linked to the performance of Steel Industry as it is the largest consumer of refractory products. The other consumers of refractory products are Cement, Copper, Glass, Aluminium and Petro-chemical industries etc. which are witnessing reasonable growth, All these factors will have a very positive impact on the growth of refractory industry in near future.

Nilachal Refractories Ltd. (NRL) is having its manufacturing unit in the State of Odisha near Dhenkanal. The Plant is strategically located and the Company hopes to take advantage of the boom in Steel and Aluminium industry in the region. You will be glad to note that with the strong brand image enjoyed by your Company and quality of its products the valuation of the Company will go up substantially which will have a positive impact on the Shareholders/Stakeholders Value.

#### 2. Opportunity, threats, risks and concerns:

Consequent upon technology advancement in steel making processes, major opportunity lies in manufacturing of continuous casting refractories, special monolithics viz. Castables, Plastic based ramming mass and gunning materials, etc. The Company has already taken initiatives in some of these areas which has started bearing positive results.

Demand for refractories has increased substantially due to increased steel and Aluminium production in India. The future of the Company is bright with huge steel and aluminum manufacturing capacities being created in India especially in Odisha and Jharkhand.

Competition in refractory industry is building up. Lot of consolidation and re-organization is taking place in refractory industry. Input costs mainly the increase in cost of raw materials is also a cause of concern for refractory industry. Cost reduction measures will play an important role in keeping the unit viable in the face of stiff competition. Your Company has taken several cost reduction measures for improving operations to bring down the cost of production and is hopeful to successfully meet the challenges of competition.

The turnover from refractories items is Rs. 2718.00 lacs during the year under review.

#### 3. Outlook:

Production in steel industry has increased and the demand for refractory products is also increasing. NRL will not be able to survive by basing its products mix on low-end products. For a sustained growth, NRL will have to go for high value products for which your Company has started taking initiatives.

There are many small and large Steel and Aluminium Plants coming up around Dhenkanal and Odisha State on the whole which will demand high-end products. With this we estimate a large requirement of quality products with high value which should boost our total turnover as well as bottom line. In order to face this challenge, your Company emphasis on Human Resource Management and Human Resource Development which will ensure a capable and motivated team in place

#### 4. Internal control system and their adequacy:

Information, reports, records, documents, transaction statements etc. are generated continuously in the organization and the inputs contained therein serve as a strong foundation for accelerated decision making. Great authenticity is lent to such inputs which represents the foundation for effective decisions. The Company has established proper internal control systems and procedures, which are compatible with size of its operation and business. The firm of Chartered Accountant is conducting internal audit of operations to ensure that the system are adhered to and controls are not flouted. Internal Audit Reports encompasses all aspects of operations, accounts, purchase, stores, production and marketing; all omission and deviation, if any are properly recorded for remedial action. Cost Auditor is separately appointed to audit Cost Accounts, the reports of Internal Auditors and Cost Audit Report monitors effectiveness and operational efficiency of internal control systems. The Audit Committee periodically provides valuable suggestions to improve the business processes, systems and internal controls and briefs the Board of Directors about areas of concern.

Place : Kolkata  
Dated: 30<sup>th</sup> June 2013

For and on behalf of the Board of Directors

Bhagawati Prasad Jalan  
(Chairman)



## ANNEXURE -B

### CORPORATE GOVERNANCE

#### Company's philosophy on code of governance

The basic objective of corporate governance policies adopted by the Company is to attain the highest levels of transparency, accountability and integrity. This objective extends not merely to meet with the statutory requirements but to go beyond them by putting into place procedures and systems, in accordance with best practices of governance. Your Company believes that Good Corporate Governance enhances the trust and confidence of all the stakeholders. Good practice in corporate behavior helps to enhance and maintain public trust in companies and stock market.

Your Company reviews its corporate governance practices to ensure that they reflect the latest developments in the corporate arena positioning itself to conform to the best corporate governance practice. Your Company is committed to pursue excellence in all its activities and maximize its shareholders' wealth.

The Company's corporate governance policies and practices focus on the following principles:-

1. To recognize the respective roles and responsibilities of the Board and Management.
2. To achieve the highest degree of transparency by maintaining a high degree of disclosure levels
3. To ensure and maintain high ethical standards in its functioning
4. To give the highest importance to investor relations
5. To ensure a sound system of risk management and internal controls
6. To ensure that employees of the Company subscribe to the corporate values and apply them in their conduct
7. To ensure that the decision making process is fair and transparent
8. To ensure that the company follows globally recognized Corporate governance practices

#### BOARD OF DIRECTORS:

The Company has Non-Executive Chairman (Promoter). As per clause 49 of the Listing Agreement, at least half of the Board should comprises of Non Executive Directors and if the Chairman is an Non-Executive Chairman (Promoter), at least half of the Board should consist of Independent Directors. The Board complies with clause 49. The board ensures the desired level of independence in functioning and decision making. More over all the Non – Executive Directors are eminent professionals, and bring the wealth of their professional expertise and experience to the management of the Company.

#### Composition of Board of Directors and details of their shareholding in the Company and external directorship and membership of the Board Committees

##### (A) The Composition of the Board of Directors

Name of the Director	Category	No. of Board Meetings	Attendance of meetings during 2012-13		No. of Directorships and Committee Memberships/ Chairmanships		
			Board Meeting	Last AGM	Other Directorships*	Committee Membership	Committee Chairmanship
Mr. Bhagwati Prasad Jalan	Chairman	9	6			---	---
Mr. Niraj Jalan	Director	9	6		1	---	---
Mr. Vimal Prakash	Director	9	5			---	---
Mr. Vijay Kumar Agarwal	Director	9	6		3	---	---
Mr.Sajjan Bhajanka	Independent Director	9	6		11	---	---
Mr.Kamal Kishore Sarda	Independent Director	9	2		10	---	---
Mr. Suresh Prasad Nepak	Managing Director	9	5	Yes		2	1
Mr. Raj Kumar Bajoria	Independent Director	9	7	Yes	1	2	1
Mr.Hari Krishna Chaudhury	Independent Director	9	3		4		---
Mr. Sribash Chandra Mishra	Independent Director	9	4	Yes		2	1

# excluding Foreign Companies, Private Companies and Section 25 companies



**# Note :Mr. Kamal Prakash** (attended last year Annual General Meeting ) & **Mr. Sakti Kumar Banerjee**, Ex-Directors of the company and have resigned during the year under review citing personal reasons . The Board extends their gratitude for the valuable support and guidance to the company.

All the independent directors of the Company furnishes a declaration at the time of their appointment as also annually that they qualify the conditions of their being independent. All such declarations were/are placed before the Board.

**(A) Board Procedures**

(a) Number of Board Meetings held, dates on which held

Nine board meetings were held during the financial year from 1<sup>st</sup> April 2012 to 31<sup>st</sup> March, 2013. The dates on which the meetings were held are as follows:

9<sup>th</sup> May 2012, 26<sup>th</sup> June 2012, 9<sup>th</sup> August 2012, 14<sup>th</sup> August 2012, 4<sup>th</sup> September 2012, 12<sup>th</sup> November 2012, 3<sup>rd</sup> Jan 2013, 14<sup>th</sup> Feb 2013 & 30<sup>th</sup> March 2013.

(b) The information made available to the Board includes the following

1. Annual Operating Plans and budgets and any updates.
2. Capital budgets and any updates
3. Quarterly results for the Company and its operating divisions or business segments.
4. Minutes of meetings of audit committee and other committees of the board.
5. Information on recruitment and remuneration of senior officers just below the board level including appointment or removal of CFO and the Company Secretary.
6. Show cause, demand, prosecution notices and penalty notices which are materially important.
7. Fatal or serious accidents or dangerous occurrences, any material effluent or pollution problems, if any
8. Any material default in financial obligations to and by the Company or substantial non payment for goods sold by the Company.
9. Any issue which involves possible public or product liability claims of substantial nature, including any judgement or order which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
10. Details of any joint venture, acquisition of companies or collaboration agreement.
11. Transaction that involves substantial payment towards goodwill brand equity or intellectual property.
12. Significant labour problems and their proposed solutions. Any significant development on Human Resource/ Industrial Relation front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
13. Sale of material nature, of investments, assets which is not in the normal course of business
14. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risk of adverse exchange rate movements, if material.
15. Non- Compliance of any regulatory, statutory or listing requirements and shareholders services such as non - payment of dividends, delay in share transfer etc.

The Board also periodically reviews compliance reports of all laws applicable to the Company, prepared by the designated employees as well as steps taken to rectify instances of non- compliance.

**(B) Code of Conduct for Board Members and Senior Management Personnel**

The Board of Directors had adopted a Code of Conduct for the Board Members and Senior Management Personnel. This Code helps the Company to maintain the Standard of Business Ethics and ensure compliance with the legal requirements, specifically under clause 49 of the Stock Exchange Listing Agreement of the Company. The Code is aimed at preventing any wrongdoing and promoting ethical conduct at the Board and Senior Management level.



The declaration regarding Compliance with the code of conduct as required under Clause 49 of the Listing Agreement with the Stock Exchange is appended to this report.

#### Code of Conduct for prevention of Insider Trading

The Company has adopted a code of conduct for prevention of insider trading in accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992. The Company Secretary of the Company is the Compliance Officer. All the Directors and Senior Management Personnel and such other designated employees of the Company who are expected to have the access to unpublished price sensitive information relating to the Company are covered under the said code. The Directors, their relatives, senior management personnel, designated employees etc. are restricted from purchasing, selling and dealing in the shares while being in possession of unpublished price sensitive information about the Company during certain prohibited periods.

#### C. Composition of Board Committees

Audit Committee	Shareholders/Investors Grievance Committee	Share Transfer Committee
Sri S.C.Mishra-Chairman	Sri Raj Kumar Bajoria – Chairman	Sri Suresh Prasad Nepak –Chairman
Sri Raj Kumar Bajoria-Member	Sri S.C.Mishra – Member	Sri Amulya Prasad Sahoo- Member
Sri Suresh Prasad Nepak-Member		

#### 1. AUDIT COMMITTEE

##### a) Composition of the Audit Committee:

The Company continued to derive immense benefit from the deliberations of the Audit Committee comprising of the following Independent Directors.

1. Sri S.C.Mishra , Chairman
2. Sri Raj Kumar Bajoria, Member
3. Sri Suresh Prasad Nepak, Member

The Committee comprises of eminent professionals with expert knowledge in corporate finance. The Minutes of each audit committee meeting are placed before and discussed by the Board of Directors of the Company.

##### b) Meeting of Audit Committee

The Audit committee met four times during the year on 9<sup>th</sup> May 2012,14<sup>th</sup> August 2012, 12<sup>th</sup> November 2012 & 14<sup>th</sup> Feb 2013.

Sl. No.	Name of the Member	Designation	Number of Meetings held	Number of Meetings attended
1	Sri S.C.Mishra	Chairman	4	4
2	Sri Raj Kumar Bajoria	Member	4	4
3	Sri Suresh Prasad Nepak	Member	4	4

##### c) Powers of the Audit Committee

The powers of the Audit Committee include the following:

1. To investigate any activity within its terms of reference
2. To seek information from any employee
3. To obtain outside legal or other professional advice
4. To secure attendance of outsiders with relevant expertise, if it considers necessary



#### **d) Function of Audit Committee**

The role of the Audit committee includes the following

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Reviewing with the management, the annual financial statements before submission to the board for approval, with particular reference to :
  - (i) Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
  - (ii) Changes, if any, in accounting policies and practices and reasons for the same
  - (iii) Compliance with listing and other legal requirements relating to financial statements
  - (iv) Disclosure of any related party transactions
3. Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
4. Discussion with internal auditors any significant findings and follow up
5. Reviewing, the findings of any internal investigations by the internal auditors
6. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post – audit discussion to ascertain any area of concern.
7. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee
8. The Audit Committee shall mandatorily review the following
  - i. Management discussion and analysis of financial condition and result of operation
  - ii. Statement of significant related party transactions ( as defined by the Audit Committee ), submitted by the management.
  - iii. Management letters/letters of internal control weakness issued by the statutory auditors;
  - iv. Internal audit reports relating to internal control weaknesses; and

#### **2. SHAREHOLDERS / INVESTORS COMMITTEE:**

##### **A) Share Transfer Committee:-**

The Share transfer Committee was constituted to deal with matters pertaining to Share Transfer /transmission , issue of duplicate Share Certificates, approving the split and consolidation request and other materials relating to transfer and registration of Shares.

The members of the committee are Sri Suresh Prasad Nepak , Managing Directors and Sri Amulya Prasad Sahoo, DGM Finance . The Committee met on following occasions 10<sup>th</sup> October 2012 & 30<sup>th</sup> November 2012.

##### **B) Shareholders / Investors GRIEVANCES Committee**

The Shareholders/Investors Grievance Committee specifically looks into issues such as redressing of shareholders' and investors' complaints such as transfer of shares, ensuring expeditious redressal.

The Shareholders/Investors Grievance Committee reviews and redress all the grievances periodically and meets as and when required . The Company have not received any grievances during the financial year 2012-13

This Committee comprises of the following two Directors.

Sri Raj Kumar Bajoria	–	Chairman
Sri S.C.Mishra	–	Member

The Company Secretary is designated as the Compliance Officer.



During the period under review one meeting of the Committee was held on 12<sup>th</sup> of March 2013.

#### **I. Subsidiaries**

As per clause 49 of the Stock Exchange Listing Agreement, your company does not have any Material non – listed Subsidiary Company whose turnover or net worth exceeds 20% of the consolidated turnover or net worth respectively of the Company and its subsidiaries in the Immediately preceding accounting year.

#### **II. Disclosures**

##### **(A) Related Party Transactions**

There were no materially significant related party transactions, pecuniary transaction or relationships between the Company and its directors, promoters or the management that may have potential conflict with the interest of the Company at large except the details of transactions disclosed in Point no.8 of note 24 on accounts forming part of the Accounts as required under Accounting Standard 18 of the Institute of Chartered Accountants of India, and all related party transactions are negotiated on an arms length basis.

All details relating to financial and commercial transactions, where directors may have potential interest are provided to the Board and the interested Directors neither participated in the discussion nor do they vote in such matters. The Audit Committee of the Company also reviews related party transactions periodically.

##### **(B) Accounting Treatment**

The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India and in preparation of financial statements, the Company has not adopted a treatment different from that prescribed in any Accounting Standard.

##### **(C) Management**

The Management's Discussion and Analysis Report is appended to this report.

##### **(D) Shareholders**

###### **(1) Disclosures regarding appointment or re-appointment of Directors**

As per the Companies Act, 1956 atleast 2/3<sup>rd</sup> of the Board should consist of retiring Directors, of these at least 1/3<sup>rd</sup> are required to retire every year.

Except the Managing Director all other Directors are liable to retire by rotation as per the provisions of the Companies Act, 1956. Sri Bhagwati Prasad Jalan, Sri Vijay Kumar Agarwal, Sri Sajjan Bhajanka and Sri Niraj Jalan will retire at the ensuing Annual General Meeting and being eligible offers himself for re appointment.

###### **(2) Communication to shareholders**

The unaudited quarterly/ half yearly financial statements are announced within forty five days of the end of the quarter. The aforesaid financial statements are taken on record by the Board of Directors and are communicated to the stock exchange where the shares of the company are listed. Once the stock exchange have been intimated these results are published within 48 hours in two leading newspaper – One in English and one in Odia.

The audited annual results are announced with in two months from the end of the last quarter as stipulated under the Listing Agreement with the Stock Exchange.

###### **(3) Investors' Grievances and Share Transfer**

As mentioned earlier, the Company has a Board-level Investors Grievance Committee to examine and redress shareholders and investors' complaints. The status on complaints and share transfers is reported to the Committee.



For matters regarding shares transferred in physical form, share certificates, change of address etc shareholders should send in their communications to S K Infosolutions Pvt.Ltd our registrar and share transfer agent. Their address is given in the section on shareholder information.

(4) Details of Non- Compliances

The company is regular in compliant to statutory rules and regulations and no penalties or strictures have imposed on the Company by the Stock Exchange or SEBI or any statutory authority, on any matter related to Capital Markets, during the last three years.

(5) General Body Meetings

The location, date and time of Annual General Meetings held during the preceding three years are given below:

Year	Venue	Day & Date	Time
2009-10	Hotel Shismo	Thursday, 30 <sup>st</sup> September, 2010	12:30 pm
2010-11	Hotel Swosti	Friday , 30 <sup>th</sup> September 2011	12:30 pm
2011-12	Hotel Sun Green	Friday , 28 <sup>th</sup> September 2012	12:30 pm

(6) Postal Ballots

During the year there were no ordinary or special resolutions passed by the members through Postal Ballot

**III. CEO/CFO Certification**

As required by clause 49 of the Listing Agreement, the certificate from Sri Amitava Choudhury, Chief Executive Officer, was placed before the Board of Directors at their meeting held on 30th June , 2013 .

**IV. Compliance with Corporate Governance Norms**

**Mandatory Requirements**

The Company has complied with all the mandatory requirements of Corporate Governance norms as enumerated in clause 49 of the Listing Agreement with the Stock Exchange.

The Company has not adopted non – mandatory requirements such as training of board members, mechanism for evaluating the non- executive board members and whistle blower policy. However the Company has fully complied with SEBI guidelines relating to Corporate Governance in respect of compliance of mandatory requirements.

**V. VII Auditors Report on Corporate Governance**

As required by clause 49 of the Listing Agreement, the auditors’ certificate is given as an annexure to the Directors Report

**3. MEANS OF COMMUNICATION:**

**a) Financial Results:**

Shareholders were intimated through the press about the quarterly performance and financial results of the Company. The quarterly and half-yearly unaudited financial results and the annual audited financial results are published in newspapers i.e. Indian Express Bhubaneswar (English) and Samay (Odia) and are also sent immediately to the stock exchange with which the shares of the Company are listed.

**b) Other information:**

The Company has email address [aditya@nilachal.in](mailto:aditya@nilachal.in) to interface with the investors.

**c) Management’s Discussion and Analysis Report:**

The Management’s Discussion and Analysis report forms part of the Annual Report.





**4. GENERAL SHAREHOLDERS' INFORMATION:**

**a) AGM: Date, Time & Venue – 20<sup>th</sup> September, 2013 at 12:30 P.M.  
'Hotel Sun Green, Bhubaneswar',**

As required under clause 49IV(G)(i), particulars of Directors seeking appointment/re- appointment are given in the Notice of the Annual General Meeting to be held on 20<sup>th</sup> September, 2013.

**b) Financial Year Calendar for 2013-14 (Tentative)**

Results for the quarter ending 30 <sup>th</sup> June, 2013	August, 2013
Results for the quarter ending 30 <sup>th</sup> September, 2013	November, 2013
Results for the quarter ending 31 <sup>st</sup> December, 2013	February, 2014
Results for the quarter ending 31 <sup>st</sup> March, 2014	May, 2014

**c) Date of Book Closure:**

The books will be closed for the Annual General Meeting from 15<sup>th</sup> September, 2013 to 20<sup>th</sup> September, 2013 (both days inclusive).

**d) Dividend Payment :-**

No dividend is recommended by the Board of Directors for the year.

**e) Listing on Stock Exchanges:**

The Company's equity Shares are listed on the Stock Exchange located at Mumbai and Kolkata	The Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers Dalal Street , Mumbai – 400 001  The Calcutta Stock Exchange Association. Limited 7, Lyons Range, Kolkata – 700 001
ISIN No. of company's equity Shares in Demat Form	INE416N01013
Depositories Connectivity	With Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL)

**f) Stock Code:**

The Calcutta Stock Exchange Association Limited - 19120  
The Bombay Stock Exchange Limited - 502294

**g) Registrar and Transfer Agent:**

**Physical & Demat:** S K infosolutions Pvt.Ltd  
34/1 Sudhir Chatterjee Street  
Kolkata – 700 006

**Share Transfer System:** All the shares are being transferred and returned within 15 days from the date of receipt, so long as the documents have been cleared in all respect.

**h) Distribution of Shareholding as at 31<sup>st</sup> March**

**(i) According to Category of Holding:**

Shareholders	As on 31 <sup>st</sup> March,2013		As on 31 <sup>st</sup> March,2012	
	No. of Shares	%	No. of Shares	%
Promoters	13378116	65.70	4378116	63.81
Financial Institutions	50000	0.25	50000	0.73
Private Corporate Bodies (Excluding Promoters)	1704502	8.37	2000	0.03
Public	5228832	25.68	2431334	35.43
<b>Total</b>	<b>20361450</b>	<b>100</b>	<b>6861450</b>	<b>100</b>





(ii) According to Number of Shares held:

Shareholding Range	No. of shareholders	% of Shareholders	No. of shares	% of Shareholding
1-500	2923	94.97	319423	1.57
501-10,00	81	2.63	62900	0.31
1001-2000	20	0.65	29100	0.14
2001-3000	1	0.03	2052	0.01
3001-4000	1	0.03	3250	0.02
4001-5000	-	-	-	-
5001-10000	-	-	-	-
10001 and above	52	1.69	19944725	97.95
<b>Total</b>	<b>3078</b>	<b>100.00</b>	<b>20361450</b>	<b>100.00</b>

i) Dematerialisation of Shares:

As stated earlier, the Company's shares are listed on the Stock Exchange. As per the SEBI notifications, trading in Company's shares has been made compulsorily in dematerialised form w.e.f. 26th December, 2000 and Company's Registrar & Transfer Agent have established connectivity with NSDL & CDSL.

- j) Address for Correspondence Registered Office : **Nilachal Refractories Limited**  
Plot No-P/597 BJB Nagar,  
Lewis Road , Bhubaneswar-751 014, Odisha
- k) Plant Location: **Nilachal Refractories Limited** ,  
Ipitata Nagar , Dhenkanal 759 013, Odisha

**CEO/CFO CERTIFICATION TO THE BOARD**

**To the Board of Directors**

**Nilachal Refractories Limited**

Pursuant to the provisions of Clause 49(V) of the Listing Agreement, I, Amitava Chaudhury , Chief Executive Officer hereby certify that

- (a) I have reviewed the Financial Statement, and the Cash Flow Statement for the year 2012-2013 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 present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- (c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that i have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and there have been no deficiencies in the design or operation of such internal control.
- (d) I have indicated to the Auditors and the Audit Committee;
- significant changes in internal control over financial reporting during the year;
  - Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Yours Sincerely

Place : Kolkata  
Dated : 30<sup>th</sup> June 2013

Amitava Chaudhury  
(Chief Executive Officer)



**Auditors Certificate on Compliance with the Condition of Corporate Governance under Clause 49 of the Listing Agreement**

To the members of  
**Nilachal Refractories Limited**

We have examined the compliance of conditions of corporate governance by **Nilachal Refractories LIMITED** (“the Company”) for the year ended 31<sup>st</sup> March, 2013, as stipulated in clause 49 of the Listing Agreement entered into by the Company with the stock exchange.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination has been limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of our information and according to the explanations given to us and the representation made by the Directors and the management, we certify that the Company has Complied with the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement.

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

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

Place: Kolkata,  
Dated: 30<sup>th</sup> June, 2013.

**Subhas Mukhopadhyay**  
Partner  
Membership No.- 050384



## **P.Mukhopadhyay & Co.,**

Chartered Accountants

12-B, Netaji Subhas Road, Kolkata – 700001 Phone 22309285, 22428856

### **INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF NILACHAL REFRACTORIES LTD**

#### **Report on the Financial Statement**

1. We have audited the accompanying financial statements of Nilachal Refractories Limited, (the "Company"), which comprise the Balance Sheet as at 31st March, 2013, the statement of Profit & Loss and the cash flow statement for the year ended and the summary of significant accounting policies and other explanatory information.

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

2. The company's management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting standard referred to in sub-section 3C of section 211 of the Companies Act, 1956 (the Act) and in accordance with the accounting principle generally accepted in India.. This responsibility includes the design, implementation and maintenance of Internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the standards on auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with the ethical requirement and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosure in the financial statements. The procedure selected depends on the Auditors' judgement, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessment the auditor considers the internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedure that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Opinion**

5. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, subject to the note in clause 5(d) of this report, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a) In the case of balance sheet, of the state of affairs of the company as at 31<sup>st</sup> March, 2013;



- b) In the case of the statement of profit and loss, of the profit of the company for the year ended as on that date; and
- c) In the case of cash flow statement, of the cash flows of the company for the year ended on that date.

**Report on Other Legal and regulatory Requirements**

- 6. As required by the companies (Auditor's Report) Order, 2003 (the "Order") issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the order.
- 7. As required by section 227(3) of the Companies Act 1956, we report that:
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) 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 & loss and cash flow statement dealt with by this report are in agreement with the books of account.
  - d) In our opinion, the balance sheet, the statement of profit and loss, and the cash flow statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the companies act, 1956.
  - e) The liability for Gratuity and leave encashment has been determined on basis other than actuarial valuation and which is not in conformity with AS-15 and remains unfunded.
  - f) On the basis of written representations received from the directors as on 31st March, 2013 and taken on record by the Board of Directors, that none of the directors is disqualified as on 31st March, 2013 from being appointed as a director of in terms of section 274(1) (g) of the Companies act, 1956

**For P. Mukhopadhyay & Co.**  
Chartered Accountants  
(Registration no. 302085E)

**(Subhas Mukhopadhyay)**  
Partner  
Membership Number : 050384

Place: Kolkata  
Dated : June 30, 2013



**ANNEXURE TO INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED  
31st MARCH, 2013 OF NILACHAL REFRATORIES LIMITED.**

(Referred to in paragraph 6 of our report of even date)

- i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
(b) As explained to us the assets have been physically verified by the management during the year where no material discrepancies were noticed.  
(c) The asset disposed off during the year is not significant and therefore do not affect the going concern assumption.
- (ii) (a) The inventory has been physically verified during the year by the management where no material discrepancies were noticed.  
(b) The procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.  
(c) The company is maintaining proper record of inventory.
- iii) (a) It is reported to us that the company has not granted any loan, secured or unsecured to companies, firms or other parties covered under section 301 of the Companies Act, 1956.  
(b) In view of our comment in paragraph iii(a) above, clause 3(b), 3(c) and 3(d) of paragraph iii of the aforesaid order are not applicable to the company.  
(c) The company has taken unsecured loans from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. The company, in order meet its financial commitment, has brought in further unsecured loan from the promoters/share holders amounting in total to Rs.1539.94 lakh involving 28 parties, transferred Rs. 2700 lakhs to share application money, against which 13500000 equity shares have been issued at a premium of Rs.10/- each share involving 27 parties, repaid a sum amounting to Rs.1499.74 lakh involving 21 parties, retaining a balance of Rs. 1202.56 lakh at the year end.  
(d) Interest has been charged on such loans during the year and other terms and conditions of the loans taken by the company, secured or unsecured are, prima facie, not prejudicial to the interest of the company.  
(e) The unsecured loan repayment is done on demand and during the year under review, the principal has been partly repaid to the tune of Rs.1499.74 lakhs involving 21 parties and the company is regular in payment of principal and interest.
- (iv) In our opinion and according to the information and explanations given to us and considering the status of the company mentioned elsewhere in this report, there are adequate internal control system commensurate with the size of the company and the nature of its business for the purchases of inventory and fixed assets and for the sale of goods and services. During course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- v) a) According to the information and explanations given to us, the particulars of contracts and arrangements referred in section 301 of the companies Act, 1956 other than as mentioned in clause (iii) above has been entered in the register maintained under that section.  
b) In our opinion and according to the information and explanations given to us, where each of such transactions is in excess of Rs.5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
- (vi) We inform that, the unsecured loan brought in by the promoters/shareholders are covered under Public Deposit pursuant to clause 2(b)(xi) of the Companies (Acceptance of deposits) Rules 1975.
- (vii) The company has an internal audit system by external agency, commensurate with its size and nature of its business.
- viii) Maintenance of cost records is being done as prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956 in respect of the company.
- (ix) a) The Company have paid undisputed statutory dues of Provident Fund, Employees State Insurance and Service Tax but there have been few instances for delayed payments in respect of the same, as regards to



other statutory dues like Income Tax, Sales Tax, Wealth Tax, Custom Duty Excise Duty, Cess and Investor Education and Protection Fund, no irregularities in deposit of undisputed dues were noticed.

- (b) According to the information and explanations given to us, the disputed tax liability of sales tax and entry tax assessment which have not been deposited is listed below:

Financial year to which the matter pertains	Forum where matter is pending	Amount Rs. In Lakhs
1999-00 to 2001-02	Additional Commissioner of Sales Tax, Central Zone, Orissa, Cuttack(Sales Tax)	72.18
2001-02	Assistant Commissioner of Commercial Tax, Range-II, Orissa, Cuttack (Entry Tax)	3.38
2002-03	Joint Commissioner of Commercial Tax, Angul Range, Angul, Orissa, (Entry Tax)	0.79
2002-03	Joint Commissioner of Commercial Tax, Angul Range, Angul, Orissa, (Sales Tax)	24.10

- (x) The accumulated losses of the company at the year end is less than fifty percent of its net worth at the year end. The company has incurred cash loss during the year covered under this audit and had not incurred cash loss in the immediately preceding year.
- (xi) As per the records and documents produced before us, we are of opinion that the company is regular in payment of dues to the Bank against Term Loan in the year under review.
- (xii) The company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The provisions of any special statute applicable to chit fund or a nidhi/mutual benefit fund/society are not applicable to the company.
- (xiv) The company is not dealing in or trading in shares, securities, debentures and other investments.
- (xv) As reported to us the company has not given any guarantee for loans taken by others.
- (xvi) No Term Loan was taken during the year under Audit.
- (xvii) According to the information and explanations given to us the fund brought in is being utilized for revival of the company and on an overall examination of the balance sheet of the company, we report that no funds raised on short term basis have been used for long term investment.
- (xviii) The Company has made preferential allotment of shares during the year to parties and companies covered under section 301 of the Act at a price as per valuation made by independent valuer and we believe that the price at which the shares have been issued is not apparently prejudicial to the interest of the company.
- (xix) The company has not issued any debenture during the year.
- (xx) The company has not raised money by public issue during the year.
- (xxi) In our opinion and according to the information and explanations given to us during the course of our audit, no fraud on or by the company has been noticed or reported during the year.

**For P Mukhopadhyay & Co.**  
Chartered Accountants  
(Registration no. 302085E)

**Subhas Mukhopadhyay**  
Partner  
Membership Number : 050384

Place: Kolkata  
Dated: June 30, 2013



**NILACHAL REFRACTORIES LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2013**

Particulars	NoteNo.	As at 31st March, 2013	As at 31st March, 2012
		₹	₹
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholder's Funds</b>			
(a) Share Capital	2	304,112,500	169,112,500
(b) Reserves and Surplus	3	31,985,014	(97,581,721)
<b>2 Non-Current Liabilities</b>			
(a) Long-term borrowings	4	504,665	3,729,269
(b) Other long-term liabilities	5	3,070,993	2,048,105
<b>3 Current Liabilities</b>			
(a) Short-term borrowings	6	216,379,799	450,959,109
(b) Trade Payables	7	124,269,202	102,713,214
(c) Other current liabilities	8	40,429,707	33,604,687
<b>TOTAL</b>		<b>720,751,880</b>	<b>664,585,163</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	9	105,093,496	26,548,934
(ii) CWIP		298,136,013	343,127,310
(b) Deferred tax assets (net)	24	28,285,215	26,166,967
(c) Long term loans and advances	10	10,122,247	10,233,388
(d) Other non-current assets	11	636,407	373,056
<b>2 Current assets</b>			
(a) Inventories	12	205,253,408	144,728,389
(b) Trade receivables	13	54,499,009	87,714,005
(c) Cash and cash equivalents	14	9,251,877	6,684,802
(d) Short-term loans and advances	15	9,474,208	19,008,312
<b>TOTAL</b>		<b>720,751,880</b>	<b>664,585,163</b>
<b>See Significant Accounting Policies &amp; Notes forming part of the financial statements</b>	1		

In terms of our report attached.  
**For P Mukhopadhyay & Co.**  
*Chartered Accountants*  
(Registration Number : 302085E)

For and on behalf of the Board of Directors

**Subash Mukhopadhyay**  
Membership no : 050384

\_\_\_\_\_  
**Suresh Prasad Nepak**  
Managing Director

\_\_\_\_\_  
**Aditya Purohit**  
Company Secretary

Place: Kolkata  
Date: 30th June, 2013

\_\_\_\_\_  
**Bhagwati Prasad Jalan**  
Director

\_\_\_\_\_  
**Vimal Prakash**  
Director



**NILACHAL REFRACTORIES LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013**

Particulars	Note No.	For the year ended 31st	For the year ended 31st
		March, 2013	March, 2012
		₹	₹
<b>A CONTINUING OPERATIONS</b>			
1 Revenue from operations (gross)	16	302,669,155	386,376,238
Less: Excise duty		30,827,448	23,891,705
Revenue from operations (net)		<u>271,841,707</u>	<u>362,484,533</u>
2 Other Income	17	1,307,505	9,176,199
<b>3 Total Revenue (1+2)</b>		<b><u>273,149,212</u></b>	<b><u>371,660,732</u></b>
<b>4 Expenses</b>			
Cost of materials consumed	18	228,451,105	200,625,053
Purchases of stock in Trade	19	-	48,076,415
Changes in inventories of finished goods, work-in-progress and stock-in-trade	20	(64,300,026)	(20,184,186)
Employee benefits expense	21	19,420,995	18,064,347
Finance costs	22	12,581,252	12,000,492
Depreciation and amortisation expense	9	2,832,016	2,286,397
Other expenses	23	81,715,383	101,607,232
<b>Total Expenses</b>		<b><u>280,700,725</u></b>	<b><u>362,475,750</u></b>
<b>5 Profit/ (Loss) before tax (3-4)</b>		<b><u>(7,551,513)</u></b>	<b><u>9,184,982</u></b>
6 Tax expense:			
(a) Current tax for current year		-	-
(b) Current tax expense relating to prior years		-	-
(c) Net Current tax expense		-	-
(d) Deferred tax		2,118,248	9,855,868
<b>7 Profit/(Loss) from operations (5+6)</b>		<b><u>(5,433,265)</u></b>	<b><u>19,040,850</u></b>
<b>8 Profit/(Loss) for the year (6+7)</b>		<b><u>(5,433,265)</u></b>	<b><u>19,040,850</u></b>
<b>9 Earnings per share (of Rs. 10/-each)</b>			
(a) Basic		<b>(0.57)</b>	2.78
(b) Diluted		<b>(0.57)</b>	2.78

**See Significant Accounting Policies & Notes forming part of the financial statements**

1

In terms of our report attached.  
**For P Mukhopadhyay & Co.**  
**Chartered Accountants**  
 (Registration Number : 302085E)

For and on behalf of the Board of Directors

**Subash Mukhopadhyay**  
 Membership no : 050384

**Aditya Purohit**  
 Company Secretary

**Suresh Prasad Nepak**  
 Managing Director

Place: Kolkata  
 Date: 30th June, 2013

**Bhagwati Prasad Jalan**  
 Director

**Vimal Prakash**  
 Director





**NILACHAL REFRACTORIES LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013**

	For the Year ended 31st March, 2013 Amount (Rs)	For the Year ended 31st March, 2012 Amount (Rs)
<b>A. Cash Flow from operating Activities</b>		
Net Profit/(Loss) before tax	(7,551,513)	9,184,982
<b>Adjustment for :</b>		
Depreciation	2,832,016	2,286,397
Interest Received	(794,565)	(1,389,776)
Interest Paid	12,581,252	14,618,703
<b>Operating Profit before working Capital Changes</b>	<b>7,067,190</b>	<b>22,082,095</b>
<b>Adjustment for :</b>		
Decrease/ (increase) in trade and other Receivable	32,951,644	(7,604,582)
Decrease/ (increase) in Loans and Advances (Excluding Income Tax)	9,536,894	135,189,204
Decrease/ (increase) in Inventories	(60,525,019)	(18,886,027)
(Decrease)/ increase in Trade and other payables including Deposits	29,403,896	11,367,415
<b>Cash Generated from Operations</b>	<b>18,434,605</b>	<b>147,152,269</b>
Taxes (Paid)/ Refund	108,351	101,517
<b>Net Cash (used)/ from operating Activities</b>	<b>18,542,956</b>	<b>147,253,786</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of fixed assets	(81,386,212)	(2,825,818)
Sale of Fixed Assets	9,635	-
Capital Work in Progress	44,991,297	(258,553,232)
Interest Received	794,565	(35,590,715)
<b>Net Cash (used)/ from Investing Activities</b>	<b>(35,590,715)</b>	<b>(259,989,274)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from Issues of Equity Shares with premium	270,000,000	-
Secured Loan Recd/ (paid)	16,626,982	(8,638,244)
Unsecured Loan (Repaid)/Received	(254,430,896)	121,674,947
Interest Paid	(12,581,252)	(12,000,492)
Dividend Paid (includes Tax paid on Dividend)	-	19,614,834
<b>Net Cash (used)/ from Financing Activities</b>	<b>19,614,834</b>	<b>101,036,211</b>
<b>Net Increase/ (decrease) in Cash and Cash equivalents (A+B+C)</b>	<b>2,567,075</b>	<b>(11,699,277)</b>
<b>Opening Cash and Cash equivalents</b>	<b>6,684,802</b>	<b>18,384,079</b>
<b>Closing Cash and Cash equivalents</b>	<b>9,251,877</b>	<b>6,684,802</b>

In terms of our report attached.

**For P Mukhopadhyay & Co.**

*Chartered Accountants*

(Registration Number : 302085E)

For and on behalf of the Board of Directors

**Subash Mukhopadhyay**

Membership no : 050384

**Aditya Purohit**

Company Secretary

**Suresh Prasad Nepak**

Managing Director

Place: Kolkata

Date: 30th June,2013

**Bhagwati Prasad Jalan**

Director

**Vimal Prakash**

Director



## NOTES NO. "1"

### **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.

###### **a) Depreciation:**

Depreciation is provided on a straight line basis applying the rates specified in Schedule XIV to the Companies Act, 1956.

###### **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, 1956.
- (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 unavailed 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.

In terms of our report attached.  
**For P Mukhopadhyay & Co.**  
*Chartered Accountants*  
(Registration Number : 302085E)

**Subash Mukhopadhyay**  
Membership no : 050384

**Aditya Purohit**  
Company Secretary

Place: Kolkata  
Date: 30th June, 2013

For and on behalf of the Board of Directors

**Suresh Prasad Nepal**  
Managing Director

**Bhagwati Prasad Jalan**  
Director

**Vimal Prakash**  
Director



## NILACHAL REFRACTORIES LIMITED

### Notes forming part of the financial statements

#### Note 2 : Share Capital

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	No. of shares	Rs.	No. of shares	Rs.
<b><u>(a) Authorised</u></b>				
Equity shares of Rs. 10 each with voting rights	2,95,00,000	29,50,00,000	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	10,35,000	10,35,00,000	10,35,000	10,35,00,000
	<b>3,05,50,000</b>	<b>40,00,00,000</b>	<b>3,05,50,000</b>	<b>40,00,00,000</b>
<b><u>(b) Issued</u></b>				
Equity shares of Rs. 10 each with voting rights	2,04,00,000	20,40,00,000	69,00,000	6,90,00,000
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	9,90,000	9,90,00,000	9,90,000	9,90,00,000
<b>Total</b>	<b>2,14,05,000</b>	<b>30,45,00,000</b>	<b>79,05,000</b>	<b>16,95,00,000</b>
<b><u>(c) Subscribed &amp; fully paid up</u></b>				
Equity shares of Rs. 10 each with voting rights	2,03,61,450	20,36,14,500	68,61,450	6,86,14,500
11% redeemable cumulative Preference Shares of Rs.100/- each	14,980	14,98,000	14,980	14,98,000
0% redeemable preference shares of Rs.100/- each	9,90,000	9,90,00,000	9,90,000	9,90,00,000
<b>Total</b>	<b>2,13,66,430</b>	<b>30,41,12,500</b>	<b>78,66,430</b>	<b>16,91,12,500</b>

#### **The rights , preference and restrictions including restrictions on the distribution of dividends and the repayment of capital :**

The Company have three class of shares i.e. Equity , 0% Preference & 11% Preference Shares carrying a nominal value of Rs 10 each for Equity Shares and Rs 100 each for Preference Share 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.



(i) Details of shares held by each shareholder holding more than 5% shares

Class of shares / Name of shareholder	As at 31st march, 2013		As at 31st march, 2012	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>Equity shares with voting rights</b>				
Bhagwati Prasad Jalan*		0.00	5,01,084	7.30
Niraj Jalan*		0.00	5,40,000	7.87
Piyush Jalan *		0.00	5,90,000	8.60
Unimark International Pvt.Ltd	52,69,086	25.88	20,19,086	29.43
Season Trading & Investment Pvt Ltd	15,00,000	7.37	0	0.00
Sushil Kumar Agarwal	17,18,000	8.44	0	0.00
Vijay Kumar Agarwal	17,18,000	8.44	0	0.00
Eynthia Tie-Up Pvt.Ltd	<b>17,00,000</b>	<b>8.35</b>	<b>0</b>	<b>0.00</b>

\* Note : Shareholding Percentage reduced to less than 5% due to Fresh Issue of Equity Capital

**Redeemable Preference Shares**

<b>11 % Redeemable cumulative preference shares of Rs.100/- each</b>	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
General Insurance Corporation of India	5000	33.38	5000	33.38
National Insurance Co. Ltd	5000	33.38	5000	33.38
United India Insurance Co. Ltd	4855	32.41	4855	32.41
<b>0% Redeemable Preference Shares of Rs.100/- each</b>	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Chetna Distributors Pvt Ltd	1,00,000	10.10	1,00,000	10.10
Eynthia Tie Up Pvt Ltd	2,30,000	23.23	2,30,000	23.23
Unimark International Pvt.Ltd	3,30,000	33.33	3,30,000	33.33
Metropolitan Commercial Pvt Ltd	50,000	5.05	50,000	5.05
Jeekay Rollings Mill Pvt Ltd	70,000	7.07	70,000	7.07
PP Suppliers & Agencies Pvt Ltd	65,000	6.57	65,000	6.57
Pushpak Dealcom Pvt Ltd	77,000	7.78	77,000	7.78

Notes:(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh Equity Share Issue during the year	Closing Balance
<u>Equity Shares with Voting Rights</u> Year ended 31.3.13 No. of Shares	6861450	13500000	2,03,61,450
<b>Amount</b>	<b>68614500</b>	<b>135000000</b>	<b>20,36,14,500</b>


**Note 3 : Reserve & Surplus**

Particulars	As at 31st March, 2013 Rs.	As at 31st March, 2012 Rs.
<b>(a) Central Subsidy</b>		
Opening balance	15,00,000	15,00,000
Add: Additions/transfers during the year		
Less: Utilised/transferred during the year		
Closing balance	15,00,000	15,00,000
<b>(b) Share Premium</b>		
Opening balance	-	
Add: Additions/transfers during the year	13,50,00,000	
Less: Utilised/transferred during the year		
Closing balance	13,50,00,000	
<b>(c) Share Forfeiture Money</b>	1,20,125	1,20,125
38,550 Number of Equity Shares with voting rights		
Closing balance	1,20,125	1,20,125
<b>(d) Surplus/(Deficit) in Statement of Profit/Loss</b>		
Opening balance	(9,92,01,846)	(11,82,42,696)
Add: Profit/(Loss) for the year	(54,33,265)	1,90,40,850
Amounts transferred from:		
General reserve	-	-
Less: Dividends proposed	-	-
Transferred to:		
General reserve	-	-
Other reserves	-	-
Closing balance	(10,46,35,111)	(9,92,01,846)
<b>Total</b>	<b>3,19,85,014</b>	<b>(9,75,81,721)</b>

**Note 4: Long Term Borrowings**

Particulars	As at 31st March, 2013 Rs.	As at 31st March, 2012 Rs.
<b>(a) Term loans</b>		
From banks		29,83,377
Secured (Refer Note)	-	
Unsecured	-	
	-	29,83,377
<b>(b) Long Term Maturities of finance lease obligations</b>		
Secured	5,04,665	7,45,892
Unsecured	-	-
	5,04,665	7,45,892
<b>Total</b>	<b>5,04,665</b>	<b>37,29,269</b>

Notes: (i) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings:

Particulars	Terms of repayment and security	As at 31st March, 2013		As at 31st March, 2012	
		Secured Rs.	Unsecured Rs.	Secured Rs.	Unsecured Rs.
Term loans from banks Canara Bank	The loan is repayable in quarterly installment. The loan is secured by hypothecation of all movable and charge on immovable assets.	0	0	2983377	0
<b>Total</b>		<b>0</b>	<b>0</b>	<b>2983377</b>	<b>0</b>



Long Term Maturities of finance lease obligations: Canara Bank Payable in equated monthly installment	5,04,665	0	745892	0
<b>Total</b>	<b>5,04,665</b>	<b>0</b>	<b>745892</b>	<b>0</b>

**Note 5 : Other long-term liabilities**

Particulars	As at 31st March, 2013 Rs.	As at 31st March, 2012 Rs.
(a) Others:		
(i) Trade / security deposits received	1,92,568	1,00,868
(ii) Provision for Gratuity and Leave encashment	28,78,425	19,47,237
<b>Total</b>	<b>30,70,993</b>	<b>20,48,105</b>

**Note 6 : Short Term Borrowings**

Particulars	As at 31st March, 2013 Rs.	As at 31st March, 2012 Rs.
(a) Loans repayable on demand From banks Cash Credit- Secured	9,26,47,706	6,36,20,233
	9,26,47,706	6,36,20,233
(b) Term loans From banks Secured (Refer Note) Unsecured	29,83,377	1,21,30,375
	29,83,377	1,21,30,375
(c) Loans and advances from related parties Secured Unsecured	12,02,55,663	37,46,86,559
	12,02,55,663	37,46,86,559
(d) Long Term Maturities of finance lease obligations Secured Unsecured	4,93,053	5,21,942
	-	-
	4,93,053	5,21,942
<b>Total</b>	<b>21,63,79,799</b>	<b>45,09,59,109</b>

Notes: (i) Details of security for the secured short term borrowings

Particulars	Terms of repayment and security	As at 31st March, 2013	As at 31st March, 2012
		Secured (Rs.)	Secured (Rs.)
<u>Loans repayable on demand from banks</u>			
Canara Bank- Cash Credit	Secured by Book Debt, Hypothecation of stock, first charge on the fixed assets of the company both present and future and personal guarantee of five directors.	9,26,47,706	6,36,20,233
<b>Total</b>		<b>9,26,47,706</b>	<b>6,36,20,233</b>



Notes:(i) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings:

Particulars	Terms of repayment and security	As at 31st March, 2013		As at 31st March, 2012	
		Secured Rs.	Unsecured Rs.	Secured Rs.	Unsecured Rs.
Term loans from banks Canara Bank	The loan is repayable in quarterly installment. The loan is secured by hypothecation of all movable and charge on immovable assets.	29,83,377	0	1,21,30,375	0
<b>Total</b>		<b>29,83,377</b>	<b>0</b>	<b>1,21,30,375</b>	<b>0</b>
<b>Loans and advances from related parties:</b>					
Bhagwati Prasad Jalan	The loan is repayable on demand and interest is payable at the rate of 12.00% p.a.	0	0	0	14,00,480
B P Jalan & Sons		0	0	0	35,01,199
D P Jalan & Others (HUF)		0	0	0	3,00,103
Eynthia Tie Up Pvt. Ltd.		0	43,49,480	0	1,61,95,072
Hasti Prasad Jalan & Others		0	0	0	8,00,274
Jeykey International Track Pvt. Ltd.		0	99,69,613	0	4,80,37,883
Keshan Polymers (P) Ltd.		0	4,91,67,796	0	4,95,36,511
Likewise Investment & Marketing Pvt. Ltd.		0	0	0	55,45,549
Minicraft Enterprises Pvt. Ltd.		0	0	0	1,47,78,366
Pankaj Jalan		0	1,70,07,748	0	0
Ganpati RV Tallers Alegria Track Pvt. Ltd.		0	3,40,44,789	0	0
P P Suppliers & Agencies Pvt. Ltd.		0	0	0	1,15,84,016
Puspak Dealcom Pvt. Ltd.		0	0	0	1,22,34,051
Seasons Trading & Investment Pvt. Ltd.		0	12,37,638	0	6,99,67,538
Sushil Kumar Agarwal		0	8,91,274	0	4,28,67,892
Unimark International Pvt. Ltd.	0	15,17,754	0	6,87,55,957	
Vijay Kumar Agarwal	0	20,69,571	0	2,91,81,668	
<b>Total</b>		<b>12,02,55,663</b>		<b>37,46,86,559</b>	

(ii) Details of long-term borrowings guaranteed by some of the directors or others:

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Rs.	Rs.
<b>Term loans from banks</b>	<b>29,83,377</b>	<b>1,21,30,375</b>

Pursuant to the Order of the Hon'ble BIFR, the promoters have brought in Unsecured loan amounting to Rs. 1540 Lacs (P.Y. Rs.2222 Lacs) to meet the rehabilitation cost. Since the said amount brought in by the Promoters in compliance with the order of the Hon'ble BIFR, the same is not covered under Public Deposit pursuant to Clause 2(b) (xi) of the Companies (Acceptance of Deposits) Rules, 1975. The Company has during the year converted unsecured loan of Rs.2700 Lacs to 1350000 Equity Shares of Rs.20/- each at premium of Rs.10/-




**Note 7 : Trade payables**

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Rs.	Rs.
(a) Trade payables: Other than acceptances Micro, Small and Medium Enterprises Others	- 12,42,69,202	- 10,27,13,214
<b>Total</b>	<b>12,42,69,202</b>	<b>10,27,13,214</b>

**Note 8 : Other current liabilities**

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Rs.	Rs.
(a) Other payables: (i) Statutory remittances (ii) Advance from customers (iii) Others - Book Overdraft	82,79,385 2,42,40,947 43,14,841	1,09,12,921 2,03,70,594 23,21,172
(b) Creditors for Capital Work-in-Progress	35,94,534	-
<b>Total</b>	<b>4,04,29,707</b>	<b>3,36,04,687</b>

**Note 9 : Fixed Assets**

A. Tangible assets	Gross block					
	Balance as at 1st April, 2012	Additions	Disposals	Borrowing cost capitalised	Other adjustments	Balance as at 31st March, 2013
	Rs	Rs	Rs	Rs	Rs	Rs
(a) Land Freehold	1,846,851	-	-	-	-	1,846,851
Leasehold *	155,000	-	-	-	-	155,000
(b) Buildings	20,568,710	50,990	-	-	-	20,619,700
(c) Plant and Equipment	73,477,158	81,011,947	-	-	-	154,489,105
(d) Furniture and Fixtures	5,803,851	323,275	10,000	-	-	6,117,126
(e) Vehicles (Refer Note 1.a)	6,416,789	-	-	-	-	6,416,789
<b>Total</b>	<b>108,268,359</b>	<b>81,386,212</b>	<b>10,000</b>	-	-	<b>189,644,571</b>
<b>Previous year</b>	<b>105,442,541</b>	<b>2,825,818</b>	-	-	-	<b>108,268,359</b>
<b>B. Capital Work in Progress</b>	<b>343,127,310</b>	<b>34,852,792</b>	-	-	<b>79,844,089</b>	<b>298,136,013</b>
A. Tangible assets	Accumulated depreciation and impairment			Net block		
	Balance as at 1st April, 2012	Depreciation/ amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31st March, 2013	Balance as at 31st March, 2013	Balance as at 31st March, 2012
	Rs	Rs	Rs	Rs	Rs	Rs
(a) Land Freehold	-	-	-	-	1,846,851	1,846,851
Leasehold	-	-	-	-	155,000	155,000
(b) Buildings	13,457,776	528,370	-	13,986,146	6,633,554	7,110,934
(c) Plant and Equipment	60,041,018	1,666,072	-	61,707,090	92,782,015	13,436,141
(d) Furniture and Fixtures	4,766,740	228,765	366	4,995,139	1,121,987	1,037,111
(e) Vehicles	3,453,892	408,808	-	3,862,700	2,554,089	2,962,897
<b>Total</b>	<b>81,719,426</b>	<b>2,832,015</b>	<b>366</b>	<b>84,551,075</b>	<b>105,093,496</b>	<b>26,548,934</b>
<b>Previous year</b>	<b>79,433,028</b>	<b>2,286,397</b>	-	<b>81,719,425</b>	<b>26,548,934</b>	<b>26,009,512</b>
<b>B. Capital Work in Progress</b>	-	-	-	-	<b>298,136,013</b>	<b>343,127,310</b>

\*Note: The leasehold land was acquired in 1980 for a term of 99 years. (1.a.) Details of Assets acquired under hire purchase agreement

Particulars	Gross Block		Net Block	
	Figures for the Year Ending 31st March 2013	Figures for the Year Ending 31st March 2012	Figures for the Year Ending 31st March 2013	Figures for the Year Ending 31st March 2012
	Rs	Rs	Rs	Rs
Vehicle	1,761,222	1,761,222	1,419,563	1,586,879



**NILACHAL REFRACTORIES LIMITED**  
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

**Note 10 : Long-term loans and advances**

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Rs.	Rs.
(a) Capital Advances		
Advances for Capital Goods	7,380,469	7,380,469
	7,380,469	7,380,469
(b) Security deposits:		
Unsecured, considered good	2,304,745	2,307,535
	2,304,745	2,307,535
(c) Advance income tax	302,067	410,418
(d) Other loans and advances (Trustees to Employee gratuity fund:		
Unsecured, considered good	134,966	134,966
	437,033	545,384
<b>Total</b>	<b>10,122,247</b>	<b>10,233,388</b>

**Note 11 : Other non-current assets**

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Rs.	Rs.
(a) Accruals:		
(i) Interest accrued on deposits	574,518	311,167
(b) Others:		
(i) Compensation on Land Acquired	61,889	61,889
<b>Total</b>	<b>636,407</b>	<b>373,056</b>

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, surplus/ 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.

**Note 12 : Inventories (At lower of cost and net realisable value)**

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Rs.	Rs.
(a) Raw Materials		
(At Cost)	33,524,852	39,736,747
(b) Work-in-progress		
(At Estimated Cost)	63,463,365	23,126,002
(c) Finished goods		
(At lower of cost or net realisable value)	102,142,525	78,161,362
(d) Packing Materials		
(At Cost)	2,920,200	642,731
(e) Stores & spares		
(At Cost)	3,000,966	2,841,547
(f) By Products		
(At net realisable value)	201,500	220,000
<b>Total</b>	<b>205,253,408</b>	<b>144,728,389</b>

**Notes: Details of inventory of work-in-progress**

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Rs.	Rs.
Refractories Brick	63,463,365	23,126,002
	63,463,365	23,126,002



**Note 13 : Trade receivables**

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Rs.	Rs.
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	53,282,225	22,594,439
Less: Provision for doubtful advances	1,002,536	1,002,536
	52,279,689	21,591,903
Other Trade Receivable		
Unsecured, considered good	2,219,320	66,122,102
	2,219,320	66,122,102
<b>Total</b>	<b>54,499,009</b>	<b>87,714,005</b>

**Note: Trade Receivable include debts due from:**

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Rs.	Rs.
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		
- Jekay International Track (P) Ltd.	287,163	287,163
Others		
- NRL Clayburn Ltd	4,618,236	37,926,447
- Associated Industrial Furnaces (P) Ltd	93,644	93,644
- Uniseven Engineering & Infrastructure Pvt. Ltd.	-	1,865,647
- Jiwanram Sheodutrai Pvt Ltd	25,000	78,000

**Note 14 : Cash and cash equivalents**

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Rs.	Rs.
(a) Cash in hand	251,624	116,016
(b) Balances with banks		
(i) In current accounts	1,159,970	557,785
(ii) In EEFC accounts	335,465	1,736,092
(iii) In deposit accounts	7,504,818	4,274,909
<b>Total</b>	<b>9,251,877</b>	<b>6,684,802</b>

Notes:

(i) All the above balances can be categorised as Cash and Cash Equivalents as per AS 3.

(ii) Balances with banks in deposit accounts includes Rs 6836461 as margin monies and are under lien

**Note 15 : Short-term loans and advances**

Particulars	As at 31st March, 2013	As at 31st March, 2012
	Rs.	Rs.



(a) Security deposits: Unsecured, considered good	50,000	50,000
	50,000	50,000
(b) Loans and advances to employees: Unsecured, considered good	276,765	144,055
Less: Provision for doubtful advances	91,049	91,049
	185,716	53,006
(c) Prepaid expenses- Unsecured, considered good	432,781	356,281
(d) Balances with government authorities Unsecured, considered good		
(i) Sales Tax Recoverable	653,441	653,441
(ii) Cenvat credit receivable	4,203,909	5,962,624
(iii) VAT tax credit receivable	548,293	-
(iv) Export Benefit Receivable	2,788,611	6,572,783
(v) Income Tax Refundable	162,253	-
(e) Others - Advance to creditors Unsecured, considered good	449,204	5,360,177
	9,238,492	18,905,306
<b>Total</b>	<b>9,474,208</b>	<b>19,008,312</b>

Note : Sales Tax Recoverable represents amount Rs.6.53 lacs (Previous Year Rs.6.53 Lacs) paid to Sales Tax authorities under dispute not acknowledged by the Company.

#### Note 16: Revenue from operations

Particulars	Figures for the Year Ending 31st March 2013	Figures for the Year Ending 31st March 2012
	Rs	Rs
(a) Sale of products (Refer Note (i))	277,577,340	380,255,002
(b) Other operating revenues (Refer Note (ii))	25,091,815	6,121,236
	302,669,155	386,376,238
less:		
(c) Excise duty	30,827,448	23,891,705
<b>Total</b>	<b>271,841,707</b>	<b>362,484,533</b>
Particulars	Figures for the Year Ending 31st March 2013	Figures for the Year Ending 31st March 2012
	Rs	Rs
(i) Sale of products comprises :		
<u>Manufactured goods</u>		
Refractory Bricks	151,463,706	172,921,865
Mortar	126,113,634	144,266,869
<b>Total-Sale of manufactured products</b>	<b>277,577,340</b>	<b>317,188,734</b>
<u>Traded goods</u>		
Refractory Bricks	-	63,066,268
<b>Total-Sale of traded products</b>	<b>-</b>	<b>63,066,268</b>
<b>Total Sale of Products</b>	<b>277,577,340</b>	<b>380,255,002</b>
(ii) <u>Other operating revenues</u>		
Sale of scrap	25,091,815	6,121,236
<b>Total-other operating revenues</b>	<b>25,091,815</b>	<b>6,121,236</b>



<b>Note 17: Other Income</b>		
Particulars	Figures for the Year Ending 31st March 2013	Figures for the Year Ending 31st March 2012
	Rs	Rs
(a) Interest income (Refer Note (i))	794,565	1,389,776
(b) Other non-operating income (net of expenses directly attributable to such income) (Refer Note (ii))	512,940	7,786,423
<b>Total</b>	<b>1,307,505</b>	<b>9,176,199</b>

**Notes:**

Particulars	Figures for the Year Ending 31st March 2013	Figures for the Year Ending 31st March 2012
	Rs	Rs
(i) Interest income comprises: Interest from banks on: deposits	766,680	1,389,776
I T Refund	27,885	-
<b>Total-Interest income</b>	<b>794,565</b>	<b>1,389,776</b>
(ii) Other non-operating income comprises: Liabilities/provisions no longer required written back	-	2,922,800
DEPB Credit	-	4,780,476
Miscellaneous income	512,940	83,147
<b>Total-other operating revenues</b>	<b>512,940</b>	<b>7,786,423</b>
<b>Total</b>	<b>1,307,505</b>	<b>9,176,199</b>

**Note 18: Cost of Materials Consumed**

Particulars	Figures for the Year Ending 31st March 2013	Figures for the Year Ending 31st March 2012
Opening stock	39,736,747	40,762,765
Add: Purchases	222,239,210	199,599,035
	<b>261,975,957</b>	<b>240,361,800</b>
Less: Closing stock	33,524,852	39,736,747
Cost of material consumed	<b>228,451,105</b>	<b>200,625,053</b>
Material consumed comprises:		
Plastic Clay	2,836,705	3,563,609
Raw Non-Plastic Clay	4,701,684	11,174,135
Grog	26,308,600	27,147,282
Calcined Clay	14,267,370	15,245,976
Silminite Sand	12,748,835	8,883,460
Raw Pyrophyllite Lumps	19,757,924	20,388,290
Dry Impervious Material	16,570,156	17,807,539
Others	73,536,385	47,395,106
Coal & Fuel	57,723,446	49,019,656
<b>Total</b>	<b>228,451,105</b>	<b>200,625,053</b>



**Note 19: Purchase of Stock in trade**

Particulars	Figures for the Year Ending 31st March 2013	Figures for the Year Ending 31st March 2012
Refractory Bricks	-	48,076,415
	-	48,076,415

**Note 20: Changes in inventories of finished goods, work-in-progress and stock-in-trade**

Particulars	Figures for the Year Ending 31st March 2013	Figures for the Year Ending 31st March 2012
Inventories at the end of the year:		
Finished goods	102,142,525	78,161,362
Work-in-progress	63,463,365	23,126,002
By-Products	201,500	220,000
	165,807,390	101,507,364
Inventories at the beginning of the year:		
Finished goods	78,161,362	56,721,094
Work-in-progress	23,126,002	24,290,084
By-Products	220,000	312,000
	101,507,364	81,323,178
<b>Net (increase)/decrease</b>	<b>(64,300,026)</b>	<b>(20,184,186)</b>

**Note 21: Employee Benefits Expense**

Particulars	Figures for the Year Ending 31st March 2013	Figures for the Year Ending 31st March 2012
(a) Salaries ,Wages and other allowances	17,356,479	15,311,263
(b) Contribution to provident and other funds	1,183,476	1,562,076
(c) Staff welfare expenses	881,040	1,191,008
<b>Total</b>	<b>19,420,995</b>	<b>18,064,347</b>

**Note 22: Finance Cost**

Particulars	Figures for the Year Ending 31st March 2013	Figures for the Year Ending 31st March 2012
(a) Interest expense on:		
(i) Borrowings	12,581,252	12,000,492
<b>Total</b>	<b>12,581,252</b>	<b>12,000,492</b>

**Note 23: Other Expenses**

Particulars	Figures for the Year Ending 31st March 2013	Figures for the Year Ending 31st March 2012
Consumption of stores and spare parts	5,458,755	5,356,977
Consumption of Packing Material	6,734,248	9,463,698
Electricity and Power	15,292,930	12,934,681
Manufacturing Expenses	22,023,529	19,141,504



Particulars	Figures for the Year Ending 31st March 2013	Figures for the Year Ending 31st March 2012
Consumption of Moulds	653,919	621,063
Repairs & Maintenance :		
To Plant & Machinery	9,826,879	8,758,148
To Others	488,652	147,463
To Building	493,019	542,425
Carriage outward	789,976	4,863,619
Sales Promotion	888,044	665,231
Advertisement Charges	224,324	827,093
Rent	293,584	413,950
Bank Charges	1,278,165	1,370,236
Royalty Paid	5,307,460	5,474,865
Rates & Taxes	2,500	409,785
Exchange Fluctuation Loss	1,959,124	833,927
Telephone Charges	541,377	659,778
Brokerage & Commission	-	14,029,609
Insurance charges	459,830	319,778
Computer Expenses	140,310	103,942
Books & Periodicals	12,958	9,144
Printing & Stationery	271,226	264,201
Postage & Courier Charges	111,323	77,301
Professional & Consultancy Charges	619,970	2,454,484
Conveyance, Tour & Travels	2,658,971	4,530,761
Prior Period Expenses (Refer Note (ii))	27,917	343,253
Payment to auditors (Refer Note (i))	46,000	40,000
Legal Charges	69,753	235,590
Listing Fees	262,691	674,798
Subscription Fees & Expenses	737,229	374,810
Testing Fees	70,824	65,188
Watch & Ward	1,917,246	1,528,971
Office Maintenance	245,174	357,269
Miscellaneous Expenses	1,807,476	3,713,690
<b>Total</b>	<b>81,715,383</b>	<b>101,607,232</b>

**Notes :**

Particulars	Figures for the Year Ending 31st March 2013	Figures for the Year Ending 31st March 2012
(i) Payment to the auditors comprises (net of service tax, input credit, where applicable)		
As auditors- statutory audit	40,000	35,000
For taxation matters	-	-
For company law matters	-	-
For management services	-	-
For other services	-	-
Certification Fees	6,000	5,000
<b>Total</b>	<b>46,000</b>	<b>40,000</b>

Particulars	Figures for the Year Ending 31st March 2013	Figures for the Year Ending 31st March 2012
(ii) Details of prior period items		
Prior period expenses	27,917	343,253
<b>Total</b>	<b>27,917</b>	<b>343,253</b>



**NILACHAL REFRACTORIES LIMITED**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 24 Additional information to the financial statements**

Note	Particulars	For the year ended 31st March,			
		2013	2012		
24.1	Contingent Liabilities not acknowledged	Rs (in lacs)			
	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		
24.2	Particulars	For the year ended 31st March,			
		2013	2012		
	Capital Commitments	Rs (in lacs)			
	Estimated amount of contract remaining to be executed on Capital account and not provided for Tangible assets (Net of advance paid)	1,044.43	997.80		
24.3	Particulars	For the year ended 31st March,			
		2013	2012		
	Details of unhedged foreign currency Exposures	Receivable/ (Payable)	Receivable/ (Payable)	Receivable/ (Payable)	Receivable/ (Payable)
		Rs	\$	Rs	\$
	Payable in foreign exchange	(12,356,312)	(224,865)	(20,482,682)	(402,727)
	Receivable in foreign exchange	2,125,648	39,661	1,794,004	34,864
		Rs	€	Rs	€
Payable in foreign exchange	(10,108,603)	(182,431)	(2,362,137)	(34,800)	
24.4	Particulars	For the year ended 31st March, 2013		For the year ended 31st March, 2012	
	Value of imports calculated on CIF basis :	Rs		Rs	
	Raw materials	32,046,485		42,385,709	
24.5	Expenditure in foreign currency :	For the year ended 31st March, 2013		For the year ended 31st March, 2012	
		Rs		Rs	
	Raw Materials	30,921,643		52,491,050	
	Travelling	141,574		620,020	
	Royalty	-		5,388,636	
	Advance for Capital Goods	-		9,894,380	
	Other matters	2,123,772		18,787,720	
Note : The above expenditure are on Cash Basis					





24.6	Details of consumption of imported and indigenous items :	For the year ended 31st March, 2013		
		Rs	%	
		<b>Imported</b>		
		Raw materials	39,803,253	23
			(23,312,281)	(12)
		Spare Parts	-	-
			(-)	(-)
		Total	39,803,253	23
			(23312281)	(12)
		For the year ended 31 March, 2013		
		Rs	%	
		<b>Indigenous</b>		
		Raw materials	130,924,549	77
			(177,312,773)	(88)
Spare parts	5,458,755	100		
	(5,356,977)	(100)		
Total	136,383,304	100		
	(182,669,750)	(100)		

Note: Figures / percentages in brackets relates to the previous year

24.7	Earnings in foreign currency	For the year ended 31st March,	For the year ended 31st March,
		2013	2012
		Rs	Rs
		Export of goods calculated on FOB basis	-
	Advance from Customer*	1,342,777	-
* Cash Basis			

Note: Related party transactions

24.8	<b>Details of related parties</b>	
	<b>Description of relationship</b>	<b>Names of related parties</b>
	Ultimate Holding Company	NA
	Holding Company	NA
	Ultimate Holding Company	NA
	Subsidiaries	NA
	Fellow Subsidiaries (to be given only if there are transactions)	NA
	Associates	Associated Industrial Furnaces Pvt. Ltd , Eynthia Tie Up Pvt. Ltd, Ganapati Rv Tallers Algeria Track Pvt. Ltd.,Jekay International Track Pvt. Ltd, Keshan Polymers (P) Ltd, Likewise Investment & Marketing P Ltd, Minicraft Enterprise Pvt. Ltd, NRL Clayburn Ltd, P.P Suppliers & Agencies Pvt. Ltd, Pushpak Dealcom Pvt. Ltd, Seasons Trading & Investments Pvt. Ltd, Unimark International Pvt. Ltd, Uniseven Engineering & Infrastructure,.



Key Management Personnel (KMP)	Mr. Bhagwati Prasad Jalan, Mr. Niraj Jalan ,Mr . Vijay Kumar Agarwal Mr. Suresh Prasad Nepak , Mr. Amitava Choudhury and S Asokan
Relatives of KMP	Aditi Jalan, Bela Jalan, Nidhi Jalan, Pankaj Jalan, Parwati Devi jalan , Piyush Jalan, Raj Rani Agarwal and Mr.Sushil Kumar Agarwal
Company in which KMP / Relatives of KMP can exercise significant influence	B P Jalan & Sons , Hasti Prasad Jalan and Others ,Arav Jalan Trust,Ishika Jalan Trust, D P Jalan and Others , Kamal Praksh (HUF), Niraj Jalan & Others (HUF), Pankaj Jalan & Others (HUF), Vimal Praksh (HUF) & (Alok Prakash HUF)

Note: Related parties have been identified by the Management.  
Details of related party transactions during the year ended 31st March, 2013 and balances outstanding as at 31st March, 2013:

Particulars	Associates	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence
<b>Sales</b>				
Associated Industrial Furnace Ltd	NIL (4806701)			
NRL Clayburn Ltd	125776413 (126953368)			
Uniseven Engineering Infrastructure Ltd	NIL (6667994)			
<b>Purchase</b>				
Uniseven Engineering Infrastructure Ltd	NIL (517920)			
<b>Remuneration</b>				
Suresh Prasad Nepak		718200 (1442440)		
Amitava Choudhary		2241065 (1714329)		
Saravanan Asokan		366642 (NIL)		
<b>Interest on Loan Taken</b>				
Aarav Jalan Trust				60125 (Nil)
Bhagwati Prasad Jalan		34431 (480)		
B.P Jalan & Sons				170898 (1199)
D.P Jalan & Others (HUF)				107089 (103)
Eynthia Tie Up Pvt. Ltd.	384654 (3581707)			
Ganpati Rv Talleres Alegria Track Pvt. Ltd.	1160877 (NIL)			
Hasti Prasad Jalan & Others				68144 (274)
Ishika Jalan Trust				60125 (NIL)
Jekay International Track Pvt. Ltd.	2038363 (5753636)			
Keshan Polymers (P) Ltd.	5441069 (5209196)			
Likewise Investment & Marketing P Ltd.	5688 (606165)			



Particulars	Associates	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence
Minicraft Enterprise Pvt. Ltd.	NIL (1531518)			
Nikita Jalan			8351 (NIL)	
Niraj Jalan		160341 (NIL)		
Niraj Jalan & Others (HUF)				100209 (NIL)
P.P Suppliers & Agencies Pvt. Ltd.	48269 (1169569)			
Pankaj Jalan			564164 (NIL)	
Pankaj Jalan & Others (HUF)				75157 (NIL)
Parwati Devi Jalan			25053 (NIL)	
Piyush Jalan			33403 (NIL)	
Pushpak Dealcom Pvt. Ltd.	492636 (1276989)			
Seasons Trading & Investments Pvt. Ltd.	1530194 (10096379)			
Sushil Kumar Agarwal		90668 (881901)		
Unimark International Pvt. Ltd.	19727 (7808880)			
Vijay Kumar Agarwal		153225 (609495)		
<b>Loan Taken</b>				
Aarav Jalan Trust				774112 (Nil)
Aditi Jalan			4000000 (Nil)	
Aloke Prakash HUF				1250000 (NIL)
Bela Jalan			2500000 (NIL)	
Bhagwati Prasad Jalan		Nil (1400480)		
B.P Jalan & Sons				Nil (3501199)
D.P Jalan & Others (HUF)				2596380 (300103)
Eynthia Tie Up Pvt. Ltd.	22154408 (54223536)			
Ganpati Rv Talleres Alegria Track Pvt. Ltd.	34044789 (NIL)			
Hasti Prasad Jalan & Others				NIL (800274)
Ishika Jalan Trust				774112 (NIL)
Jekay International Track Pvt. Ltd.	14364826 (12178272)			
Kamal Prakash (HUF)				1250000 (NIL)



Particulars	Associates	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence
Keshan Polymers (P) Ltd.	6096962 (17288276)			
Likewise Investment & Marketing P Ltd.	NIL (5545549)			
Minicraft Enterprise Pvt. Ltd.	5221634 (18378366)			
Nidhi Jalan			2500000 (NIL)	
Nikita Jalan			3107516 (NIL)	
Niraj Jalan		11844307 (NIL)		
Niraj Jalan & Others (HUF)				2290188 (NIL)
P.P Suppliers & Agencies Pvt. Ltd.	1143442 (11052612)			
P.Jalan & Others				NIL (300103)
Pankaj Jalan			20007748 (NIL)	
Pankaj Jalan & Others (HUF)				2467641 (NIL)
Parwati Devi Jalan			2322548 (NIL)	
Piyush Jalan			1930063 (NIL)	
Pushpak Dealcom Pvt. Ltd.	11343372 (12082514)			
Rajrani Agarwal			1250000 (NIL)	
Seasons Trading & Investments Pvt. Ltd.	4577175 (9086741)			
Sushil Kumar Agarwal			331601 (39793711)	
Unimark International Pvt. Ltd.	2761797 (11027992)			
Vijay Kumar Agarwal			1137903 (25548545)	
Vimal Prakash (HUF)				1250000 (NIL)
<b>Repayment of Loan</b>				
Aarav Jalan Trust				774112 (Nil)
Bhagwati Prasad Jalan		431468 (NIL)		
B.P Jalan & Sons				2155007 (NIL)
D.P Jalan & Others (HUF)				1396483 (NIL)
Eynthia Tie Up Pvt. Ltd.	NIL (42500000)			
Hasti Prasad Jalan & Others				861604 (NIL)



Particulars	Associates	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence
Ishika Jalan Trust				774112 (NIL)
Ganapati Industrial Pvt. Ltd.	Nil (402340)			
Jekay International Track Pvt. Ltd.	42432796 (17000000)			
Keshan Polymers (P) Ltd.	6465677 (NIL)			
Likewise Investment & Marketing P Ltd.	50668 (NIL)			
Metropolitan Commercial Pvt. Ltd.	Nil (16781)			
Minicraft Enterprise Pvt. Ltd.	NIL (3600000)			
Nidhi Jalan			NIL (35374)	
Nikita Jalan			107516 (NIL)	
Niraj Jalan		9844307 (NIL)		
Niraj Jalan & Others (HUF)				1290188 (NIL)
P.P Suppliers & Agencies Pvt. Ltd.	1227458 (NIL)			
Pankaj Jalan			Nil (18836)	
Pankaj Jalan & Others (HUF)				967641 (NIL)
Parwati Devi Jalan			322548 (22193)	
Piyush Jalan			430063 (9209)	
Pushpak Dealcom Pvt. Ltd.	17577423 (4933224)			
Seasons Trading & Investments Pvt. Ltd.	43307075 (29933224)			
Sushil Kumar Agarwal			14308219 (NIL)	
Unimark International Pvt. Ltd.	5000000 (2500000)			
Vijay Kumar Agarwal		250000 (NIL)		
<b>Loan Converted into Equity Shares</b>				
Aditi Jalan			4000000 (NIL)	
Aloke Prakash HUF				1250000 (NIL)
Bela Jalan			2500000 (NIL)	
Bhagwati Prasad Jalan		1000000 (NIL)		
B.P Jalan & Sons				1500000 (NIL)



Particulars	Associates	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence
D.P Jalan & Others (HUF)				1500000 (NIL)
Eynthia Tie Up Pvt. Ltd.	34000000 (NIL)			
Hasti Prasad Jalan & Others				274 (Nil)
Ganapati Industrial Pvt. Ltd.	Nil (402340)			
Jekay International Track Pvt. Ltd.	10000000 (NIL)			
Kamal Prakash (HUF)				1250000 (NIL)
Keshan Polymers (P) Ltd.	5209196 (1831372)			
Likewise Investment & Marketing P Ltd.	5500000 (NIL)			
Metropolitan Commercial Pvt. Ltd.	Nil (16781)			
Minicraft Enterprise Pvt. Ltd.	20000000 (NIL)			
Nidhi Jalan			2500000 (NIL)	
Nikita Jalan			3000000 (NIL)	
Niraj Jalan		2000000 (NIL)		
Niraj Jalan & Others (HUF)				1000000 (NIL)
P.P Suppliers & Agencies Pvt. Ltd.	11500000 (NIL)			
Pankaj Jalan			3000000 (NIL)	
Pankaj Jalan & Others (HUF)				1500000 (NIL)
Parwati Devi Jalan			2000000 (NIL)	
Piyush Jalan			1500000 (NIL)	
Pushpak Dealcom Pvt. Ltd.	6000000 (NIL)			
Rajrani Agarwal			1250000 (NIL)	
Seasons Trading & Investments Pvt. Ltd.	30000000 (NIL)			
Sushil Kumar Agarwal		28000000 (NIL)		
Unimark International Pvt. Ltd.	65000000 (NIL)			
Vijay Kumar Agarwal		28000000 (NIL)		
Vimal Prakash (HUF)			1250000 (NIL)	

Note: Figures in bracket relates to the previous year



24.9	Details of leasing Arrangements	For the year ended 31st March, 2013	For the year ended 31st March, 2012
	Reconciliation of minimum lease payments	Rs	Rs
	Future Minimum Lease Payments not later than one year	389,244	389,244
	later than one year and not later than five years	729,235	1,118,479
	later than five years	-	-
	Unmatured finance charges	1,118,479	1,507,723
		224570	450482
		893909	1057241
	Present value of minimum lease payments payable not later than one year	277423	277423
	later than one year and not later than five years	599829	918923
	later than five years	-	-
Note	Particulars	For the year ended 31st March,2013	For the year ended 31st March, 2012
		Rs	Rs
24.10	<b>Computation of Earnings per share :</b>		
	<b><u>Basic</u></b>		
24.10a	(i) Number of Equity Shares at the beginning of the year	68,61,450	68,61,450
	(ii) Number of Equity Shares at the end of the year	2,03,61,450	68,61,450
	(iii) Weighted average number of Equity Shares outstanding during the year	94,61,549	68,61,450
	(iv) Face value per share	10.00	10.00
24.10b	Profit/ (Loss) after Tax	(5,433,265)	19,040,850
24.10c	<b><u>Basic</u></b>		
	Basic Earning per Share (b/a(iii))	(0.57)	2.78
24.10d	<b><u>Diluted</u></b>		
	(i) Dilutive potential Equity shares	-	-
	(ii) Diluted Earning per Share (b/a(iii))	(0.57)	2.78



24.11	Deferred Tax (Liability) / Asset	For the year ended 31st March, 2013	For the year ended 31st March, 2012
		Rs	Rs
	<b><u>Tax effect of items constituting deferred tax liability</u></b>		
	On difference between book balance and tax balance of fixed asset	5,591,006	1,904,467
		5,591,006	1,904,467
	<b><u>Tax effect of items constituting deferred tax assets</u></b>		
	Provision for compensated absences, gratuity and other employee benefits	889,433	601,696
	Unabsorbed depreciation carried forward & brought forward business loss	32,986,788	27,469,738
		33,876,221	28,071,434
	Net Deferred Tax (liability) / asset	28,285,215	26,166,967
<b>24.12 Other Notes:</b>			
24.12.1	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.		
24.12.2	Confirmation of Parties concerned for amount due, receivable from and/or payable to them as per the accounts of the company has not been received. Necessary adjustment, if any, shall be done at the time of settlement of respective account.		
24.12.3	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.		
24.12.4	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, 2013. 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.		
24.12.5	In view of unabsorbed losses and unabsorbed depreciation brought forward, there being no tax liability no provision for current Income Tax have been made during the year.		
24.12.6	Previous year's figures have been regrouped / rearranged / recasted wherever considered necessary. Figure have been rounded off to the nearest rupee.		
24.12.7	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.		

In terms of our report attached.  
**For P Mukhopadhyay & Co.**  
**Chartered Accountants**  
 (Registration Number : 302085E)

**Subash Mukhopadhyay**  
 Membership no : 050384

**Aditya Purohit**  
 Company Secretary

Place: Kolkata  
 Date: 30th June, 2013

For and on behalf of the Board of Directors

**Suresh Prasad Nepak**  
 Managing Director

**Bhagwati Prasad Jalan**  
 Director

**Vimal Prakash**  
 Director