



# NILACHAL REFRACTORIES LIMITED

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

## NOTICE

**NOTICE** is hereby given that the Thirty Fifth (35<sup>th</sup>) Annual General Meeting of the Members of NILACHAL REFRACTORIES LIMITED will be held at 12.30 P.M. on Friday , the 28<sup>th</sup> September, 2012 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, 2012 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Kamal Prakash who retires by rotation, and being eligible, offer himself for re-appointment.
3. To appoint a Director in place of Mr. Vimal Prakash who retires by rotation, and being eligible, offer himself for re-appointment.
4. To appoint a Director in place of Mr. Sribash Chandra Mishra who retires by rotation, and being eligible, offer himself for re-appointment.
5. To appoint a Director in place of Mr. Raj Kumar Bajoria 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.

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

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

Place : Kolkata  
Date : September 4, 2012.



## 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 24<sup>th</sup> SEPTEMBER, 2012 TO 28<sup>TH</sup> SEPTEMBER, 2012 (BOTH DAYS INCLUSIVE).

3. 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	Vimal Prakash	Kamal Prakash	S. C. Mishra	Raj Kumar Bajora
Date of Birth	20-10-1951	15-04-1957	27-03-1944	02-02-1952
Experience	Ceramic Eng. with more than 35 yrs. of experience	BBA with more than 30 yrs. of experience	More than 40 yrs. of Industry experience	B.Com with more than 39 yrs. in finance & Corporate Management

4. 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.

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

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

Place : Kolkata

Date : September 4, 2012.



## DIRECTORS REPORT

*Dear Members*

Your Directors hereby present the Thirty Fifth (35<sup>th</sup>) Annual Report together with the Audited accounts of your Company for the year ended 31<sup>st</sup> March, 2012.

### FINANCIAL HIGHLIGHTS

(Rs. in crores)

Revenue from Operations (Net of Excise duty)	36.25	17.81
Other Income	0.92	1.75
Total Expenses	36.25	18.35
Profit before tax(PBT)	0.92	1.22
Profit during the year (Including Deferred Tax)	1.90	0.68

### FINANCIAL REVIEW

During the year under review your Company recorded a turnover growth of more than 100 % from Rs. 17.81 crores in FY 2010-11 to Rs. 36.25 Crores during FY 2011-12. However the Company's Profit before Tax during the year decreased by 24.5% from Rs 1.22 crores in the FY 2010-11 to Rs. 0.92 crores in the FY 2011-12 due to substantial increase in input cost of raw materials and rise in prices of power & fuel.

### DIVIDEND:

In view of brought forward accumulated losses and also with a view to conserve resources for future expansion and enhancing shareholders value by improving its performance in safety, quality, productivity, environment and people development through knowledge transmission, your board do not recommend any dividend for the financial year ended 31st March, 2012.

### DIRECTORS

In accordance with the provisions of the Companies Act, 1956, and Article 115 of the Article of Association of the Company, Shri Kamal Prakash, Shri Vimal Prakash, Shri Raj Kumar Bajoria and Shri Sribash Chandra Mishra Directors of the Company are liable to retire by rotation at the ensuing Annual General Meeting, and being eligible, offer himself for re-appointment.

### DIRECTORS' RESPOSIBILITY 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 31<sup>st</sup> March, 2012 and of the profit 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 performance of the Company during the year as reflected in the attached accounts could be made possible only with the positive response from all personnel. The Directors expressed their appreciation for co-operation received from all sections of industrial personnel.

### **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 Systems 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 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 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.

## **APPRECIATION**

Your Directors record their sincere appreciation for the assistance, support and guidance provided by Company's Customer, Suppliers, 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.

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

**Bhagwati Prasad Jalan**  
**(Director)**

Place : Kolkata

Date : September 4, 2012.



## **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, 2011**

### **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 fuel cost

#### **(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. 94363108.00  
Foreign Exchange Outgo : Rs. 73794626.00



**FORM – A**

**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY:**

**A. Power & Fuel consumption**

<b>Particulars</b>	<b>2011-12</b>	<b>2010-11</b>
<b>1. Electricity</b>		
(a) Purchased		
Unit (Kwh)	2700744	2405304
Total Amount (Rs.)	14244398	9077302
Rate Per Unit (in Rs./Kwh)	5.27	3.77
(b) Own Generation		
(i) Through Diesel Generator		
Unit (Kwh)	45310	81740
Unit per Ltr. of Diesel oil	2.42	2.46
Cost/Unit (Rs.)	17.45	15.93
(ii) Through Steam Turbine Generator	N.A	N.A
	2011-12	2010-11
<b>(2) Steam Coal Grade 'B' and 'E' used in Gas Producer.</b>		
Quantity (Tonnes)	8870	7617
Total Cost (Rs.)	34062770	32699862
Average Rate (Rs./MT)	3840	4293
<b>(3) Furnace Oil &amp; L.D Oil</b>		
Quantity (KL)	398KL	370 KL
Total Amount (Rs.)	15541119	10232370
Average Rate	38996	27655
<b>(4) LSHS Other Internal Generation</b>	N.A	N.A

**B. Consumption per unit of production.**

<b>Particulars</b>	<b>2011-12</b>	<b>2010-11</b>
(i) Refractories Produced (MT)	22712	17536
(ii) Electricity (KWH/Tonne)	121	142
(iii) Furnace oil & L.D Oil (Litres/Tonne)	17.52	21.10
(iv) LSHS (Kg/Tonne)	N.A	N.A
(v) Steam Coal (Gross) Grade B & E (Kg/Tonne)	391	434
(vi) Net Coal after dust (Kg/Tonne)	225	329



**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 wastage 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.**

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

**Bhagwati Prasad Jalan**  
**(Director)**

Place : Kolkata

Date : September 4, 2012.



## ANNEXURE –A

### MANAGEMENT DISCUSSION & 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 marginally due to increased steel and Aluminium production in India. The future of the Company is bright with huge steel and aluminium manufacturing capacities being created in India especially in Odisha , Jharkhand and Uttar Pradesh .

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.36.25 Crores during the year under review.

#### **3. Financial Performance**

The Company's overall operational performance has been satisfactory. During the financial year 2011-12, it achieved sales and other income of Rs37.17 crores as against last year's Rs19.56 crores, registering an impressive growth of nearly than 100 percent .Profit during the year under review increased to almost 25 percent.

#### **4. Internal Controls and Systems**

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.

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

**Bhagwati Prasad Jalan**  
**(Director)**

Place : Kolkata

Date : September 4, 2012.



## ANNEXURE – B

### REPORT ON CORPORATE GOVERNANCE

#### A. 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:-

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

#### B. 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 Directors	Catagory	No. of Board Meeting	Attendance of meetings during 2010-11		No. of Directorships and Committee Memberships/ Chairmanships		
			Board meeting	Last AGM	Other* Directorship	Committee Membership	Committee Chairmanship
Mr. Bhagwati Prasad Jalan	Chairman	6	6	Yes		---	---
Mr. Niraj Jalan	Director	6	2		1	---	---
Mr. Kamal Prakash	Director	6	5		1	---	---
Mr. Vimal Prakash	Director	6	2	Yes		---	---
Mr. Vijay Kumar Agarwal	Director	6	6		1	---	---
Mr. Sajjan Bhajanka	Independent Director	6	3		9	---	---



Name of Directors	Category	No. of Board Meeting	Attendance of meetings during 2010-11		No. of Directorships and Committee Memberships/ Chairmanships		
			Board meeting	Last AGM	Other* Directorship	Committee Membership	Committee Chairmanship
Mr. Kamal Kisshore Sarada	Independent Director	6	2		5		
Mr. Suresh Prasad Nepak	Managing Director	6	6	YES		2	1
Mr. Raj Kumar Bajoria	Independent Director	6	6	YES	2	2	1
Mr. Shakti Kumar Banerjee	Independent Director	6	1		1		1
Mr. Hari Krishna Chaudhury	Independent Director	6	1		1		
Mr. Hari Krishna Chaudhury	Independent Director	6	1				
Mr. Sribash Chandra Mishra	Independent Director	6	4			2	1

# Excluding Foreign Companies, Private Companies and Section 25 companies.

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

Six board meetings were held during the financial year from 1<sup>st</sup> April 2011 to 31<sup>st</sup> March, 2012. The dates on which the meetings were held are as follows:

14<sup>th</sup> May, 2011, 27<sup>th</sup> June, 2011, 14<sup>th</sup> August 2011, 7<sup>th</sup> September 2011, 7<sup>th</sup> November 2011, 11<sup>th</sup> February 2012.

(c) 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 good 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 Company Secretary has been appointed as the Compliance Officer and is responsible to ensure adherence to the Code by all concerned.

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.

**I. 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 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 Six times during the year on 14th May, 2011, 27th June, 2011, 14th August 2011, 7th September 2011, 7th November 2011, 11th February 2012 .

Sl. No.	Name of the Member	Designation	Number of Meetings held	Number of Meetings attended
1	Sri S.C.Mishra	Chairman	6	6
2	Sri Raj Kumar Bajoria	Member	6	6
3	Sri Suresh Prasad Nepak	Member	6	6

**a) 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

**b) 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

#### **1. 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 Director and Sri Amulya Prasad Sahoo , DGM Finance . The Committee met on two occasions i.e 4<sup>th</sup> October 2011 and 19<sup>th</sup> Dec 2011

##### **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 2011-12

This Committee comprises of the following three Directors.

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

During the period under review one meeting of the Committee was held on 6<sup>th</sup> of March 2012.

#### **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 Chairman and the Managing Director all other Directors are liable to retire by rotation as per the provisions of the Companies Act, 1956. Sri Kamal Prakash, Sri Vimal Prakash, Sri Raj Kumar Bajoria and Sri Sribash Chandra Mishra will retire at the ensuing Annual General Meeting and being eligible offers himself for re appointment.

A detailed resume of the Director liable to retire by rotation is provided as part of the Notice of the Annual General Meeting.

(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 with in 48 hours in two leading newspaper – One in English and one in Bengali.

(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

There are no non-compliance by the Company and no penalties or strictures have been 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
2008-09	Hotel Shismo	Tuesday, 30st September, 2009	12:30 PM
2009-10	Hotel Shismo	Thursday, 30th September 2010	12:30 PM
2010-11	Hotel Swosti	Friday, 30th September 2011	12:30 PM

(2) Postal Ballots

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



V. CEO/CFO Certification

As required by clause 49 of the Listing Agreement, the certificate from Sri Amitava Chowdhury Chief Executive Officer , was placed before the Board of Directors at their meeting held on 4th September , 2012.

VI. Compliance with Corporate Governance Norms

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.

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

1. 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 (Oriya) 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 [investorgriev@nilachal.in](mailto:investorgriev@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.

2. GENERAL SHAREHOLDERS' INFORMATION:

a) AGM: Date, Time & Venue – 28th September, 2012 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 Explanatory Statement to the Notice of the Annual General Meeting to be held on 28th September, 2012.

b) Financial Year Calendar for 2012-13 (Tentative)	
Results for the quarter ending 30 <sup>th</sup> June, 2012	August 2012
Results for the quarter ending 30 <sup>th</sup> September, 2012	November, 2012
Results for the quarter ending 31 <sup>st</sup> December, 2012	February, 2013
Results for the quarter ending 31 <sup>st</sup> March, 2013	May, 2013

c) Date of Book Closure:

The books will be closed for the Annual General Meeting from 24th September, 2012 to 28th September, 2012 (both days inclusive).

d) Dividend Payment :-

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



**e) Listing on Stock Exchanges:**

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

**j) Distribution of Shareholding as at 31<sup>st</sup> March 2012**

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

Shareholders	As on 31 <sup>st</sup> March, 2012		As on 31 <sup>st</sup> March, 2011	
	No. of Shares	%	No. of Shares	%
Promoters	4378116	63.81	4378116	63.81
Financial Institutions	50000	0.73	50000	0.73
Private Corporate Bodies (Excluding Promoters)	2000	0.03	2000	0.03%
Public	2431334	35.43	2431334	35.43
<b>Total</b>	<b>6861450</b>	<b>100.00</b>	<b>6861450</b>	<b>100.00</b>

**(ii) According to Number of Shares held :**

Shareholding Range	No. of shareholders	% of Shareholders	No. of shares	% of Shareholding
1-500	2950	95.29	313600	4.57
501-10,	90	2.92	69300	1.01
1001-2000	20	0.65	29300	0.43
2001-3000	1	0.03	2050	0.03
3001-4000	-	-	-	-
4001-5000	-	-	-	-
5001-10000	-	-	-	-
10001 and above	25	0.81	6447200	93.96
<b>Total:</b>	<b>3086</b>	<b>100.00</b>	<b>6861450</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. 26<sup>th</sup> December, 2000 and Company's Registrar & Transfer Agent have established connectivity with NSDL & CDSL and the process of getting shares converted to equity and tradable is under process.
- 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 2011-2012 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;
- (i) significant changes in internal control over financial reporting during the year;
- (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- (iii) 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

Amitava Chaudhury  
(Chief Executive Officer)

Place : Kolkata  
Dated : September 4, 2012



### **Certificate for compliance of Code of Conduct**

To  
The Board of Directors  
Nilachal Refractoris Limited  
P-597 BJB Nagar Lewis Road , Bhubaneswar 751014  
Odisha

Dear Sir,

I do hereby certify that all the Members of the Board of Directors of the Company and the Senior Management personnel have affirmed their compliance with the conduct laid down by the Board of Directors of the Company in their meeting held on 4<sup>th</sup> September 2012 .

This certificate is being given in compliance with the requirement of Clause 49(ID) of the Listing Agreement entered into with the Stock Exchanges.

Dated : 4<sup>th</sup> September 2012

Place : Kolkata

Suresh Prasad Nepak

Managing Director

### **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, 2012, 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*

**Subhas Mukhopadhyay**

Partner

Membership No.- 050384

Kolkata,



## AUDITORS REPORT

### TO THE MEMBERS OF NILACHAL REFRACTORIES LTD

1. We have audited the attached balance sheet of Nilachal Refractories Limited, as at 31st March, 2012, the Profit & Loss account and also the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis of our opinion.
3. As required by the companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. *The liability for Gratuity and leave salary payable to the staffs has been made as per actual liability as on 31<sup>st</sup> March' 2012 and not as per actuarial valuation and the liability remains non funded .*
5. Further to our comments in the Annexure referred to above and subject to note 4 above and read together with other notes in the schedule annexed to the financial statements for the year, 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 appears from our examination of our books.
  - c. The balance sheet, profit & loss account and cash flow statement dealt with by this report are in agreement with the books of account.
  - d. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the companies act, 1956.



- e. On the basis of written representations received from the directors and taken on record by the Board of Directors we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2012 from being appointed as a director of the company in terms of section 274(1)(g) of the companies act, 1956
- f. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the schedules and notes thereon and attached thereto 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:
- i. In the case of balance sheet, of the state of affairs of the company as at 31<sup>st</sup> March, 2012;
- ii. In the case of profit and loss account, of the profit for the year ended on that date; and
- iii. In the case of cash flow statement, of the cash flows for the year ended on that date.

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

Place : Kolkata  
Dated : September 4, 2012

(Subhas Mukhopadhyay)  
Partner  
Membership Number : 050384



**ANNEXURE TO AUDITOR'S REPORT FOR THE YEAR ENDED 31st MARCH, 2012 OF  
NILACHAL REFRACTORIES LIMITED.**

(Referred to in paragraph 3 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) The assets have been physically verified by the management during the year where no material discrepancies were noticed.
- (c) No fixed assets has been disposed off during the year.
- 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 have 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 3(a) above , clause 3(b) , 3(c) and 3(d) of the paragraph 3 of the aforesaid order are not applicable to the Company.
- (c) The company has taken loans, secured or unsecured from the companies, firms or other parties covered in the register maintained under section 301 of the Companies Act. In order to meet its financial commitment, unsecured loan from the promoters/share holders amounting to Rs.2222 lakh involving 15 parties has brought in further and have balance of Rs. 3747 lakh at the year end (31<sup>st</sup> March 2012) ,
- (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 un-secured are, prima facie, not prejudicial to the interest of the company.
- (e) The Term Loan repayment is done on demand and during the year under review, the principal has been partly repaid to the tune of Rs 1005 lakh involving 9 parties and hence principal and interest are regular in payment .
- (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 explanation 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 informed that, the unsecured loan brought in by the Promoters/shareholders are not 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, Customs 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 are more than fifty percent of its net worth at the year end. The company has not 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 not made any preferential allotment of shares during the year.
- (xix) The company has not issued any debenture during the year.
- (xx) The company has not raised money by public issue during the year.
- (xx) 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

Place : Kolkata  
Dated : September 4, 2012

Membership Number : 050384

**NILACHAL REFRACTORIES LIMITED****BALANCE SHEET AS AT 31st MARCH '2012**

Particulars	Note No.	As at 31st March, 2012	As at 31st March, 2011
		₹	₹
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholder's Funds</b>			
(a) Share Capital	2	169,232,625	169,232,625
(b) Reserves and Surplus	3	(97,701,846)	(116,742,696)
<b>2 Non-Current Liabilities</b>			
(a) Long-term borrowings	4	391,440,732	281,757,650
(b) Other long-term liabilities	5	100,868	613,778
<b>3 Current Liabilities</b>			
(a) Short-term borrowings	6	63,620,233	60,300,857
(b) Trade Payables	7	102,713,214	73,547,151
(c) Other current liabilities	8	35,551,924	47,799,253
<b>TOTAL</b>		<b>664,957,750</b>	<b>516,508,618</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	9	26,548,934	26,009,512
(ii) CWIP		343,127,310	84,574,078
(b) Deferred tax assets (net)		26,166,967	16,311,099
(c) Long term loans and advances	10	10,233,388	137,996,846
(d) Other non-current assets	11	745,643	651,149
<b>2 Current assets</b>			
(a) Inventories	12	144,728,389	125,842,362
(b) Trade receivables	13	87,714,005	80,203,918
(c) Cash and cash equivalents	14	6,684,802	18,384,079
(d) Short-term loans and advances	15	19,008,312	26,535,575
<b>TOTAL</b>		<b>664,957,750</b>	<b>516,508,618</b>

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)

**Subash Mukhopadhyay**

Membership no : 050384

**Aditya Purohit**

Company Secretary

Place: Kolkata

Date: September 4, 2012

For and on behalf of the Board of Directors

**Suresh Prasad Nepak**

Managing Director

**Bhagwati Prasad Jalan**

Director

**Kamal Prakash**

Director



**NILACHAL REFRACTORIES LIMITED**

**STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2012**

Particulars	Note No.	For the year	For the year
		ended 31st March, 2012	ended 31st March, 2011
		₹	₹
<b>A CONTINUING OPERATIONS</b>			
1 Revenue from operations (gross)	16	386,376,238	196,900,832
Less: Excise duty		23,891,705	12,302,675
Revenue from operations (net)		362,484,533	184,598,157
2 Other Income	17	9,176,199	11,060,059
3 <b>Total Revenue (1+2)</b>		371,660,732	195,658,216
4 Expenses			
Cost of materials consumed	18	200,625,053	130,108,136
Purchases of stock in Trade	19	48,076,415	-
Changes in inventories of finished goods, work-in-progress and stock-in-trade	20	(20,184,186)	(31,553,655)
Employee benefits expense	21	20,136,691	14,188,238
Finance costs	22	12,000,492	12,302,275
Depreciation and amortisation expense	8	2,286,397	2,687,500
Other expenses	23	99,534,888	56,115,246
<b>Total Expenses</b>		362,475,750	183,847,740
5 <b>Profit/ (Loss) before tax (3-4)</b>		9,184,982	11,810,476
6 <b>Tax expense:</b>			
(a) Current tax for current year		-	-
(b) Current tax expense relating to prior years		-	-
(c) Net Current tax expense		-	-
(d) Deferred tax		9,855,868	-5,006,530
7 <b>Profit/(Loss) from operations (5+6)</b>		19,040,850	6,803,946
8 <b>Profit/(Loss) for the year (6+7)</b>		19,040,850	6,803,946
9 <b>Earnings per share (of ₹ 10/-each)</b>			
(a) Basic		2.78	0.99
(b) Diluted		2.78	0.99

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

**Suresh Prasad Nepak**  
 Managing Director

**Aditya Purohit**  
 Company Secretary

Place: Kolkata  
 Date: September 4, 2012

**Bhagwati Prasad Jalan**  
 Director

**Kamal Prakash**  
 Director



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

	For the Year ended 31st March, 2012 Amount (₹)	For the Year ended 31st March, 2011 Amount (₹)
<b>A. Cash Flow from operating Activities</b>		
Net Profit/(Loss) before tax	9,184,982	11,810,476
<b>Adjust ment for :</b>		
Depreciation	2,286,397	2,687,500
Interest Received	(1,389,776)	(740,514)
Interest Paid	12,000,492	12,302,275
	<b>22,082,095</b>	<b>26,059,737</b>
<b>Operating Profit before working Capital Changes</b>		
<b>Adjust ment for :</b>		
Decrease/ (increase) in trade and other Receivable	(7,604,582)	(142,654,251)
Decrease/ (increase) in Loans and Advances (Excluding Income Tax)	135,189,204	-
Decrease/ (increase) in Inventories	(18,886,027)	(44,289,912)
(Decrease)/ increase in Trade and other payables including Deposits	16,371,579	125,070,174
	<b>147,152,269</b>	<b>33,188,191</b>
<b>Cash Generated from Operations</b>		
Taxes (Paid)/ Refund	101,517	-
<b>Net Cash (used)/ from operating Activities</b>	<b>147,253,786</b>	<b>(127,696,235)</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of fixed assets	(2,825,818)	(2,240,843)
Capital Work in Progress	(258,553,232)	(81,891,137)
Interest Received	1,389,776	740,514
	<b>(259,989,274)</b>	<b>(83,391,466)</b>
<b>Net Cash (used)/ from Investing Activities</b>		
<b>C. Cash Flow from Financing Activities</b>		
Secured Loan Recd/ (paid)	(8,638,244)	11,060,628
Unsecured Loan (Repaid)/Received	121,674,947	222,011,612
Interest Paid	(12,000,492)	(12,302,275)
Dividend Paid (includes Tax paid on Dividend)	-	101,036,211
	<b>101,036,211</b>	<b>220,769,965</b>
<b>Net Cash (used)/ from Financing Activities</b>		
<b>Net Increase/ (decrease) in Cash and Cash equivalents (A+B+C)</b>	<b>(11,699,277)</b>	<b>9,682,264</b>
<b>Opening Cash and Cash equivalents</b>	<b>18,384,079</b>	<b>8,701,815</b>
<b>Closing Cash and Cash equivalents</b>	<b>6,684,802</b>	<b>18,384,079</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

**Suresh Prasad Nepak**

Managing Director

**Aditya Purohit**

Company Secretary

Place: Kolkata

Date: September 4, 2012

**Bhagwati Prasad Jalan**

Director

**Kamal Prakash**

Director



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

**NOTE 2 : SHARE CAPITAL**

PARTICULARS	AS AT 31ST MARCH, 2012		AS AT 31ST MARCH, 2011	
	No. of shares	₹	No. of shares	₹
(A) AUTHORISED				
EQUITY SHARES OF ₹ 10 EACH WITH VOTING RIGHTS	29,500,000	295,000,000	29,500,000	295,000,000
11% REDEEMABLE CUMULATIVE PREFERENCE SHARES OF RS.100/- EACH	15,000	1,500,000	15,000	1,500,000
0% REDEEMABLE PREFERENCE SHARES OF '100/- EACH	1,035,000	103,500,000	1,035,000	103,500,000
<b>TOTAL</b>	<b>30,550,000</b>	<b>400,000,000</b>	<b>30,550,000</b>	<b>400,000,000</b>
(B) ISSUED				
EQUITY SHARES OF ' 10 EACH WITH VOTING RIGHTS	6,900,000	69,000,000	6,900,000	69,000,000
11% REDEEMABLE CUMULATIVE PREFERENCE SHARES OF RS.100/- EACH	15,000	1,500,000	15,000	1,500,000
0% REDEEMABLE PREFERENCE SHARES OF '100/- EACH	990,000	99,000,000	990,000	99,000,000
<b>TOTAL</b>	<b>7,905,000</b>	<b>169,500,000</b>	<b>7,905,000</b>	<b>169,500,000</b>
(C) SUBSCRIBED & FULLY PAID UP				
EQUITY SHARES OF ' 10 EACH WITH VOTING RIGHTS	6,861,450	68,614,500	6,861,450	68,614,500
11% REDEEMABLE CUMULATIVE PREFERENCE SHARES OF RS.100/- EACH	14,980	1,498,000	14,980	1,498,000
0% REDEEMABLE PREFERENCE SHARES OF '100/- EACH	990,000	99,000,000	990,000	99,000,000
<b>TOTAL</b>	<b>7,866,430</b>	<b>169,112,500</b>	<b>7,866,430</b>	<b>169,112,500</b>

**THE RIGHTS , PREFERENCE AND RESTRICTIONS INCLUDING RESTRICTIONS ON THE DISTRIBUTION OF DIVIDENDS AND THE REPAYMENT OF CAPITAL :**

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

11% Redeemable Cumulative Preference shares were redeemable before September 1995 by giving six months notice by such redemption to the holders thereof. However, as per the terms of the Sanctioned Rehabilitation Scheme, the preference Shares are to be continued with roll over option for another 5 years and no interest is payable during such rehabilitation period. Accordingly, no provision for any interest has been made during the year. Due to non-availability of profit, no provision has been made for payment of dividend to the Preference Shareholders; cumulative from the date of allotment i.e 20th September 1980 upto the due date of redemption amounting to ₹ 41.60 Lacs or the dividend payable thereafter.

The Preference Shares to carry 0% dividend, provided the rate of dividend shall be fixed by the Board of Directors once the company comes out from the preview of BIFR. The company may its discretion at any time after the passage of 36 months from the date of allotment redeem the shares. In case company does not come out of BIFR., preference shares are redeemable at the premium of 10% and in case the company comes out of BIFR the preference share shall be redeemed at the premium of 10% along with an additional payment of ₹ 10 for each completed financial year after 36 months.



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

Class of shares / Name of shareholder	As at 31st march, 2012		As at 31st march, 2011	
	Number of shares held	% holding in that class of shaers	Number of shares held	% held class of class of shares
<b>Equity shares with voting rights</b>				
Bhagwati Prasad Jalan	501,084	7.30	501,084	7.30
Niraj Jalan	540,000	7.87	540,000	7.87
Piyush Jalan	590,000	8.60	590,000	8.60
Unimark International Pvt.Ltd	2,019,086	29.43	2,019,086	29.43
<b>Redeemable Preference Shares</b>				
<b>0% redeemable preference shares of '100/- each</b>				
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>11% redeemable cumulative Preference Shares of Rs.100/- each</b>				
Chetna Distributors Pvt Ltd	100,000	10.10	100,000	10.10
Eynthia Tie Up Pvt Ltd	230,000	23.23	230,000	23.23
Unimark International Pvt.Ltd	330,000	33.33	330,000	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
<b>Details of forfeited Shares</b>	As at 31st march, 2012		As at 31st march, 2011	
	No. of shares	₹	No. of shares	₹
Equity Shares with voting rights	38,550	120,125	38,550	120,125
	38,550	120,125	38,550	120,125
<b>Note 3 : Reserve &amp; Surplus Particulars</b>	As at 31st March, 2012		As at 31st March, 2011	
	₹		₹	
(a) Central Subsidy				
Opening balance	1,500,000		1,500,000	
Add: Additions/transfers during the year	-		-	
Less: Utilised/transferred during the year	-		-	
Closing balance	1,500,000		1,500,000	
(b) Surplus/(Deficit) in Statement of Profit/Loss				
Opening balance	(118,242,696)		(125,046,642)	
Add: Profit/(Loss) for the year	19,040,850		6,803,946	
Amounts transferred from:				
General reserve	-		-	
Less: Dividends proposed	-		-	
Transferred to:				
General reserve	-		-	
Other reserves	-		-	
Closing balance	(99,201,846)		(118,242,696)	
<b>Total</b>	<b>(97,701,846)</b>		<b>(116,742,696)</b>	


**Note 4: Long Term Borrowings**

Particulars	As at 31st March, 2012	As at 31st March, 2011
	₹	₹
(a) Term loans		
From banks		
Secured (Refer Note)	15,113,752	27,894,809
Unsecured	-	-
	15,113,752	27,894,809
(b) Loans and advances from related parties		
Secured	-	-
Unsecured	374,686,559	253,011,612
	374,686,559	253,011,612
(c) Long Term Maturities of finance lease obligations		
Secured	1,640,421	851,229
Unsecured	-	-
	1,640,421	851,229
<b>Total</b>	<b>391,440,732</b>	<b>281,757,650</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, 2012		As at 31st March, 2011	
		Secured	Unsecured	Secured	Unsecured
		₹	₹	₹	₹
<b>Term loans from banks</b>					
Canara Bank	The loan is repayable in quarterly installment. The loan is secured by hypothecation of all movable and charge on immovable assets.	15,113,752	-	27,894,809	-
<b>Total</b>		<b>15,113,752</b>	<b>-</b>	<b>27,894,809</b>	<b>-</b>
<b>Loans and advances from related parties:</b>					
Bhagwati Prasad Jalan	The loan is repayable on demand and interest payable @ 12.50% p.a.		1,400,480		-
B P Jalan & Sons			3,501,199		-
D P Jalan & Others (HUF)			300,103		-
Eyntheia Tie Up Pvt. Ltd.			16,195,072		4,471,536
Hasti Prasad Jalan & Others			800,274		-
Jeykey International Track Pvt. Ltd.			48,037,883		52,859,611
Keshan Polymers (P) Ltd.			49,536,511		32,248,235
Likewise Investment & Marketing Pvt. Ltd.			5,545,549		-
Minicraft Enterprises Pvt. Ltd.			14,778,366		-
Nidhi Jalan			-		35,374
Parwati Devi Jalan			-		22,193
Piyush Jalan			-		9,209
P P Suppliers & Agencies Pvt. Ltd.			11,584,016		531,404
Puspak Dealcom Pvt. Ltd.			12,234,051		5,084,761
Seasons Trading & Investment Pvt. Ltd.		69,967,538		90,814,021	
Sushil Kumar Agarwal		42,867,892		3,074,181	
Unimark International Pvt. Ltd.		68,755,957		60,227,965	
Vijay Kumar Agarwal		29,181,668		3,633,122	
<b>Total</b>			<b>374,686,559</b>		<b>253,011,612</b>
<b>Long Term Maturities of finance lease obligations:</b>					
Canara Bank	Payable in equated monthly installment	1,640,421	-	851,229	-
<b>Total</b>			<b>1,640,421</b>	<b>-</b>	<b>851,229</b>



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

Particulars	As at 31st March, 2012	As at 31st March, 2011
	₹	₹
Term loans from banks	15,113,752.00	27,894,809.00
Long Term Financial Lease	840,000.00	

Pursuant to the Order of the Hon'ble BIFR, the promoters have brought in Unsecured loan amounting to ₹ 2222 Lacs (P.Y. ₹ 2655 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.

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

Particulars	As at 31st March, 2012	As at 31st March, 2011
	₹	₹
(a) Others:	-	-
(i) Trade / security deposits received	100,868	613,778
<b>Total</b>	<b>100,868</b>	<b>613,778</b>

**Note 6 : Short Term Borrowings**

Particulars	As at 31st March, 2012	As at 31st March, 2011
	₹	₹
(a) Loans repayable on demand		
From banks		
Secured	63,620,233	60,266,612
Unsecured	-	-
(b) Deposits		
Secured	-	-
Unsecured	-	34,245
<b>Total</b>	<b>63,620,233</b>	<b>60,300,857</b>

Notes:

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

Particulars	Terms of repayment and security	As at 31st March, 2012	As at 31st March, 2011
		Secured ₹	Secured ₹
Loans repayable on demand from banks			
Canara Bank	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.	63,620,233	60,266,612
<b>Total</b>		<b>63,620,233</b>	<b>60,266,612</b>


**Note 7 : Trade payables**

Particulars	As at 31st March, 2012	As at 31st March, 2011
	₹	₹
(a) Trade payables:		
Other than acceptances		
Micro, Small and		
Medium Enterprises	-	
Others	102,713,214	73,547,151
<b>Total</b>	<b>102,713,214</b>	<b>73,547,151</b>

**Note 8 : Other current liabilities**

Particulars	As at 31st March, 2012	As at 31st March, 2011
	₹	₹
(a) Other payables:		
(i) Statutory remittances	10,912,921	4,063,400
(ii) Advance from customers	20,370,594	41,253,988
(iii) Provision on Gratuity Payable	1,947,237	2,297,326
(iv) Others		
- Book Overdraft (Due to over issue of cheque)	2,321,172	184,539
<b>Total</b>	<b>35,551,924</b>	<b>47,799,253</b>

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

Particulars	As at 31st March, 2012	As at 31st March, 2011
	₹	₹
(a) Capital Advances		
Unsecured, considered good	7,380,469	134,994,042
	7,380,469	134,994,042
(b) Security deposits:		
Unsecured, considered good	2,307,535	2,355,903
	2,307,535	2,355,903
(c) Advance income tax	410,418	511,935
(e) Other loans and advances (Trustees to Employee gratuity fund) :		
Unsecured, considered good	134,966	134,966
	545,384	646,901
<b>Total</b>	<b>10,233,388</b>	<b>137,996,846</b>

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

Particulars	As at 31st March, 2012	As at 31st March, 2011
	₹	₹
(a) Accruals:		
(i) Interest accrued on deposits	311,167	380,968
(b) Others:		
(i) Compensation on Land Acquired	61,889	61,889
(ii) Interest Deferred on Car Loan	372,587	208,292
<b>Total</b>	<b>745,643</b>	<b>651,149</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, 2012	As at 31st March, 2011
	₹	₹
(a) Raw Materials (At Cost)	39,736,747	40,762,765
(b) Work-in-progress (At Estimated Cost)	23,126,002	24,290,084
(c) Finished goods (At lower of cost or net realisable value)	78,161,362	56,721,094
(d) Packing Materials (At Cost)	642,731	1,028,984
(d) Stores & spares (At Cost)	2,841,547	2,727,435
(f) By Products (At net realisable value)	220,000	312,000
<b>Total</b>	<b>144,728,389</b>	<b>125,842,362</b>

Notes: Details of inventory of work-in-progress

Particulars	As at 31st March, 2012	As at 31st March, 2011
	₹	₹
Refractories Brick	23,126,002	24,290,084

**Note 13 : Trade receivables**

Particulars	As at 31st March, 2012	As at 31st March, 2011
	₹	₹
Trade receivables outstanding for a period exceeding six months from the date they were due for payment Unsecured, considered good	22,594,439	32,342,584
Less: Provision for doubtful advances	1,002,536	1,002,536
	21,591,903	31,340,048
Other Trade Receivable Unsecured, considered good	66,122,102	48,863,870
	66,122,102	48,863,870
<b>Total</b>	<b>87,714,005</b>	<b>80,203,918</b>

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

Particulars	As at 31st March, 2012	As at 31st March, 2011
	₹	₹
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	37,926,447	22,896,678
- Associated Industrial Furnaces (P) Ltd	93,644	-
- Uniseven Engineering & Infrastructure Pvt. Ltd.	1,865,647	-
- Jiwanram Sheoduttrai Pvt Ltd	78,000	-

**Note 14 : Cash and cash equivalents**

Particulars	As at 31st March, 2012	As at 31st March, 2011
	₹	₹
(a) Cash in hand	116,016	502,153
(b) Balances with banks		
(i) In current accounts	557,785	6,521,572
(ii) In EEFC accounts	1,736,092	-
(iii) In deposit accounts	4,274,909	11,360,354
<b>Total</b>	<b>6,684,802</b>	<b>18,384,079</b>

**Notes:**

- (i) All the above balances can be categorised as Cash and Cash Equivalents as per AS 3.  
(ii) Balances with banks include deposits amounting to Rs 4586076 as margin monies.

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

Particulars	As at 31st March, 2012	As at 31st March, 2011
	₹	₹
(a) Security deposits:		
Unsecured, considered good	50,000	97,030
	50,000	97,030
(c) Loans and advances to employees:		
Unsecured, considered good	144,055	147,334
Less: Provision for doubtful advances	91,049	91,049
	53,006	56,285
(d) Prepaid expenses- Unsecured, considered good	356,281	208,378
(e) Balances with government authorities		
Unsecured, considered good		
(i) Sales Tax Recoverable	653,441	653,441
(ii) Cenvat credit receivable	5,962,624	5,185,270
(iii) VAT tax credit receivable	-	174,165
(iv) Export Benefit Receivable	6,572,783	1,792,307
(f) Others - Advance to creditors		
Unsecured, considered good	5360177	18,368,699
	18,905,306	26,382,260
<b>Total</b>	<b>19,008,312</b>	<b>26,535,575</b>

**Note :**

Sales Tax Recoverable include amount of ₹ 6.53 lacs (Previous Year ₹ 6.53 Lacs) collected by Sales Tax authorities against demand not acknowledged by the Company as a debt.



**Note 16: Revenue from operations**

Particulars	Figures for the Year Ending 31st March 2012	Figures for the Year Ending 31st March 2011
	₹	₹
(a) Sale of products (Refer Note (i))	380,255,002	190,414,072
(b) Other operating revenues (Refer Note (ii))	6,121,236	6,486,760
	<b>386,376,238</b>	<b>196,900,832</b>
less:		
(c) Excise duty	23,891,705	12,302,675
<b>Total</b>	<b>362,484,533</b>	<b>184,598,157</b>

Particulars	Figures for the Year Ending 31st March 2012	Figures for the Year Ending 31st March 2011
	₹	₹
(i) Sale of products comprises :		
Manufactured goods		
Refractory Bricks	172,921,865	97,334,092
Mortar	144,266,869	93,079,980
<b>Total-Sale of manufactured products</b>	<b>317,188,734</b>	<b>190,414,072</b>
Traded goods		
Refractory Bricks	63,066,268	-
<b>Total-Sale of traded products</b>	<b>380,255,002</b>	<b>190,414,072</b>
(ii) Other operating revenues		
Sale of scrap	6,121,236	6,486,760
<b>Total-other operating revenues</b>	<b>6,121,236</b>	<b>6,486,760</b>

**Note 17: Other Income**

Particulars	Figures for the Year Ending 31st March 2012	Figures for the Year Ending 31st March 2011
	₹	₹
(a) Interest income (Refer Note (i))	1,389,776	1,680,677
(b) Other non-operating income (net of expenses directly attributable to such income) (Refer Note (ii))	7,786,423	9,379,382
<b>Total</b>	<b>9,176,199</b>	<b>11,060,059</b>

Notes:

Particulars	Figures for the Year Ending 31st March 2012	Figures for the Year Ending 31st March 2011
	₹	₹
(i) Interest income comprises:		
Interest from banks on:		
deposits	1,389,776	740,514
Net gain on foreign currency transaction and translation	-	940,163
<b>Total-Interest income</b>	<b>1,389,776</b>	<b>1,680,677</b>
(ii) Other non-operating income comprises:		
Liabilities/provisions no longer required written back	2,922,800	9,163,005
DEPB Credit	4,780,476	
Miscellaneous income	83,147	216,377
<b>Total-other operating revenues</b>	<b>7,786,423</b>	<b>9,379,382</b>
<b>Total</b>	<b>9,176,199</b>	<b>11,060,059</b>



**Note 18: Cost of Materials Consumed**

Particulars	Figures for the Year Ending 31st March 2012	Figures for the Year Ending 31st March 2011
	₹	₹
Opening stock	40,762,765	27,948,919
Add: Purchases	199,599,035	142,921,982
	240,361,800	170,870,901
Less: Closing stock	39,736,747	40,762,765
<b>Cost of material consumed</b>	<b>200,625,053</b>	<b>130,108,136</b>
Material consumed comprises:		
Plastic Clay	3,563,609	2,473,935
Raw Non-Plastic Clay	11,174,135	13,318,020
Grog	27,147,282	10,642,923
Calcined Clay	15,245,976	12,145,693
Silminite Sand	8,883,460	5,924,299
Raw Pyrophilite Lumps	20,388,290	9,720,502
Dry Impervious Material	17,807,539	10,905,794
Others	47,395,106	22,044,738
Coal & Fuel	49,019,656	42,932,232
<b>Total</b>	<b>200,625,053</b>	<b>130,108,136</b>

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

Particulars	Figures for the Year Ending 31st March 2012	Figures for the Year Ending 31st March 2011
	₹	₹
Refractory Bricks	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 2012	Figures for the Year Ending 31st March 2011
	₹	₹
Inventories at the end 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
	101507364	81323178
Inventories at the beginning of the year:		
Finished goods	56,721,094	38,530,011
Work-in-progress	24,290,084	11,017,512
By-Products	312,000	222,000
	81323178	49769523
<b>Net (increase)/decrease</b>	<b>- 20,184,186</b>	<b>- 31,553,655</b>

**Note 21: Employee Benefits Expense**

Particulars	Figures for the Year Ending 31st March 2012	Figures for the Year Ending 31st March 2011
	₹	₹
(a) Salaries, Wages and other allowances	15,311,263	10,409,484
(b) Contribution to provident and other funds	3,634,420	3,146,900
(c) Staff welfare expenses	1,191,008	631,854
<b>Total</b>	<b>20,136,691</b>	<b>14,188,238</b>



**Note 22: Finance Cost**

Particulars	Figures for the Year Ending 31st March 2012 ₹	Figures for the Year Ending 31st March 2011 ₹
(a) Interest expense on: (i) Borrowings	12,000,492	12,302,275
<b>Total</b>	<b>12,000,492</b>	<b>12,302,275</b>

**Note 23: Other Expenses**

Particulars	Figures for the Year Ending 31st March 2012 ₹	Figures for the Year Ending 31st March 2011 ₹
Consumption of stores and spare parts	5,356,977	5,036,313
Consumption of Packing Material	9,463,698	5,027,753
Electricity and Power	12,934,681	9,094,074
Manufacturing Expenses	17,069,160	13,078,750
Consumption of Moulds	621,063	804,360
Repairs & Maintenance		
To Plant & Machinery	8,758,148	6,345,465
To Others	147,463	63,202
To Building	542,425	248,454
Carriage outward	4,863,619	1,801,953
Sales Promotion	665,231	123,879
Advertisement Charges	827,093	266,535
Rent	413,950	367,463
Bank Charges	1,370,236	611,458
Royalty Paid	5,474,865	3,620,124
Rates & Taxes	409,785	74,542
Exchange Fluctuation Loss	833,927	-
Charity and Donation	-	5,000
Telephone Charges	659,778	432,054
Brokerage & Commission	14,029,609	-
Insurance charges	319,778	192,701
Computer Expenses	103,942	62,246
Books & Periodicals	9,144	10,185
Printing & Stationery	264,201	307,143
Postage & Courier Charges	77,301	65,552
Professional & Consultancy Charges	2,454,484	577,646
Conveyance, Tour & Travels	4,530,761	1,858,252
Prior Period Expenses	343,253	380,947
Payment to auditors (Refer Note (i))	40,000	32,000
Legal Charges	235,590	65,722
Listing Fees	674,798	10,000
Subscription Fees & Expenses	374,810	524,292
Testing Fees	65,188	128,741
Watch & Ward	1,528,971	1,380,513
Office Maintenance	357,269	138,977
Miscellaneous Expenses	3,713,690	3,378,950
<b>Total</b>	<b>99,534,888</b>	<b>56,115,246</b>



Notes :

<b>Particulars</b>	<b>Figures for the Year Ending 31st March 2012</b>	<b>Figures for the Year Ending 31st March 2011</b>
	<b>₹</b>	<b>₹</b>
(i) Payment to the auditors comprises (net of service tax, input credit, where applicable)		
As auditors- statutory audit	<b>35,000</b>	30,000
For taxation matters	-	-
For company law matters	-	-
For management services	-	-
For other services	-	-
Certification Fees	<b>5,000</b>	2,000
<b>Total</b>	<b>40,000</b>	<b>32,000</b>

<b>Particulars</b>	<b>Figures for the Year Ending 31st March 2012</b>	<b>Figures for the Year Ending 31st March 2011</b>
	<b>₹</b>	<b>₹</b>
(ii) Details of prior period items (net)		
Prior period expenses	<b>343,253</b>	380,947
<b>Total</b>	<b>343,253</b>	<b>380,947</b>



## Note 9 : Fixed Assets

A.	Tangible assets	Balance as at 1st April, 2011	Addition	Disposals	Acquisitions through business combination	Reclassified as held for sale	Revaluation increase	Effect of foreign currency exchange differences	Borrowing cost capitalised	Other adjustments	Balance as at 31.03.2012
		₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
	(a) Land										
	Freehold	1,846,851	-	-	-	-	-	-	-	-	1,846,851
	Leasehold	155,000	-	-	-	-	-	-	-	-	155,000
	(b) Buildings	20,568,710	-	-	-	-	-	-	-	-	20,568,710
	(c) Plant and Equipment	72,346,312	1,130,846	-	-	-	-	-	-	-	73,477,158
	(d) Furniture and Fixtures	5,578,958	224,893	-	-	-	-	-	-	-	5,803,851
	(e) Vehicles	4,946,710	1,470,079	-	-	-	-	-	-	-	6,416,789
	<b>Total</b>	<b>105,442,541</b>	<b>2,825,818</b>	-	-	-	-	-	-	-	<b>108,268,359</b>
	<b>Previous year</b>	<b>103,201,698</b>	<b>2,240,843</b>	-	-	-	-	-	-	-	<b>105,442,541</b>
	<b>Capital Work in Progress</b>	<b>84,574,078</b>	<b>258,553,232</b>	-	-	-	-	-	-	-	<b>343,127,310</b>

A.	Tangible assets	Balance as at 1st April, 2011	Depreciation amortisation expense for the year	Eliminated on disposals of assets	Eliminated on reclassification as held for sale	Impairment losses recognised in statement of profit and loss	Reversal of impairment losses recognised in Statement of P & L	Other adjustments	Balance as at 31st March 2012	Balance as at 31st March 2012	Balance as at 31st March 2012
		₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
	(a) Land										
	Freehold	-	-	-	-	-	-	-	-	1,846,851	1,846,851
	Leasehold	-	-	-	-	-	-	-	-	155,000	155,000
	(b) Buildings	12,924,809	532,967	-	-	-	-	13,457,776	7,110,934	7,643,901	
	(c) Plant and Equipment	58,914,355	1,126,662	-	-	-	-	60,041,017	13,436,141	13,431,957	
	(d) Furniture and Fixtures	4,491,389	275,351	-	-	-	-	4,766,740	1,037,111	1,087,569	
	(e) Vehicles	3,102,475	351,417	-	-	-	-	3,453,892	2,962,897	1,844,234	
	<b>Total</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>Previous year</b>	<b>76,745,528</b>	<b>2,687,500</b>	-	-	-	-	<b>79,433,028</b>	<b>26,009,512</b>	<b>29,139,110</b>	
	<b>Capital Work in Progress</b>	-	-	-	-	-	-	-	<b>343,127,310</b>	<b>84,574,078</b>	

The leasehold land was acquired in 1980 for a term of 99 years

C. Details of assets acquired under hire purchase agreement					
	Particulars	Gross Block		Net Block	
		Figures for the Year Ending 31st March 2012	Figures for the year Ending 31st March 2011	Figures for the year Ending 31st March 2012	Figures for the year Ending 31st March 2011
		₹	₹	₹	₹
	Vehicle	1,761,222	1,761,222	1,586,879	781,715



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

Note	Particulars	For the year ended 31st March, 2012 ₹ (in lacs)	For the year ended 31st March, 2011 ₹ (in lacs)
24.1	<b>Contingent Liabilities</b>		
	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

Note	Particulars	For the year ended 31st March, 2012 ₹ (in lacs)	For the year ended 31st March, 2011 ₹ (in lacs)
24.2	<b>Commitments</b>		
	Estimated amount of contract remaining to be executed on Capital account and not provided for Tangible assets	997.80	1,992.27

Note	Particulars	For the year ended 31st March 2012		For the year ended 31st March 2012	
		Receivable/ (Payable)	Receivable/ (Payable)	Receivable/ (Payable)	Receivable/ (Payable)
24.3	<b>Details of unhedged foreign currency exposures</b>	₹	\$	₹	\$
	Payable in foreign exchange	(20,482,682)	(402,727)	(18,549,832)	(417,141)
	Receivable in foreign exchange	1,794,004	34,864	1,550,361	34,864
		₹	.	₹	.
	Payable in foreign exchange	(2,362,137)	(34,800)	-	-

Note	Particulars	For the year ended 31st March, 2012 ₹	For the year ended 31st March, 2011 ₹
24.4	<b>Value of imports calculated on CIF basis :</b>		
	Raw materials	42,385,709	15,764,343

Note	Particulars	For the year ended 31st March, 2012 ₹	For the year ended 31st March, 2011 ₹
24.5	<b>Expenditure in foreign currency :</b>		
	Raw Materials	52,491,050	16,515,545
	Travelling	620,020	2,536,476
	Royalty	5,388,636	4,893,625
	Advance for Capital Goods	9,894,380	128,205,418
	Other matters	18,787,720	5,441,411

24.6	Details of consumption of imported and indigenous items :	For the year ended 31st March, 2012	
		₹	%
	Imported		
	Raw materials	23,312,281	12
		(11,566,168)	(9)
	Spare Parts	-	-
		(-)	(-)
	<b>Total</b>	<b>23,312,281</b>	<b>12</b>
		<b>(11566168)</b>	<b>(9)</b>



Indigenous	For the year ended 31 March, 2012	
	₹	%
Raw materials	177,312,773	88
	(118,541,969)	(91)
Spare parts	5,356,977	100
	(5,036,313)	(100)
<b>Total</b>	<b>182,669,750</b>	<b>100</b>
	<b>(123,578,282)</b>	<b>(100)</b>

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

Note	Particulars	For the year ended 31st March, 2012 ₹	For the year ended 31st March, 2011 ₹
24.7	<b>Earnings in foreign currency :</b> Export of finished goods calculated on FOB basis Advance against sale	94,363,108 -	- 36,407,927

**Note Related party transactions**

24.8	Details of related parties Description of relationship	Names of related parties
	Ultimate Holding Company	N.A.
	Holding Company	N.A.
	Ultimate Holding Company	N.A.
	Subsidiaries	N.A.
	Fellow Subsidiaries (to be given only if there are transactions)	N.A.
	Associates	Associated Industrial Furnaces Pvt. Ltd , Eynthia Tie Up Pvt. Ltd, Ganapati Industrial Pvt. Ltd, Jekay International Track Pvt. Ltd, Keshan Polymers (P) Ltd, Likewise Investment & Marketing P Ltd, Metropolitan Commercial Pvt. 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 and Mr. Amitava Choudhury
	Relatives of KMP	B P Jalan & Sons , Hasti Prasad Jalan and Others , Nidhi Jalan , Pankaj Jalan , Parwati Devi jalan , Piyush Jalan , D P Jalan and Others , Mr.Sushil Kumar Agarwal
	Company in which KMP / Relatives of KMP can exercise significant influence	N.A.

Note: Related parties have been identified by the Management.



**Details of related party transactions during the year ended 31st March, 2012 and balances outstanding as at 31st March, 2012:**

Particulars	Associates	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence
Sales				
Associated Industrial Furnace Ltd	<b>4806701</b>			
	(1017280)			
NRL Clayburn Ltd	126953368			
	(77923156)			
Uniseven Engineering Infrastructure Ltd	6667994			
	(Nil)			
Purchase				
Uniseven Engineering Infrastructure Ltd	517920			
	(Nil)			
Remuneration				
Suresh Prasad Nepak	1442440			
	(1121460)			
Amitava Choudhary	1714329			
	(Nil)			
Interest on Loan Taken				
Bhagwati Prasad Jalan		480		
		(Nil)		
B.P Jalan & Sons				1199
				(Nil)
D.P Jalan & Others (HUF)				103
				(Nil)
Eynthia Tie Up Pvt. Ltd.				3581707
				(523929)
Hasti Prasad Jalan & Others				274
				(Nil)
Ganapati Industrial Pvt. Ltd.				Nil
				(402340)
Jekay International Track Pvt. Ltd.				5753636
				(1327511)
Keshan Polymers (P) Ltd.				5209196
				(1831372)
Likewise Investment & Marketing P Ltd.				606165
				(Nil)
Metropolitan Commercial Pvt. Ltd.				Nil
				(16781)
Minicraft Enterprise Pvt. Ltd.				1531518
				(Nil)
Nidhi Jalan			Nil	
			(110194)	
P.P Suppliers & Agencies Pvt. Ltd.				1169569
				(218553)
Pankaj Jalan			Nil	
			(18836)	
Parwati Devi Jalan			Nil	
			(24659)	
Piyush Jalan			Nil	
			(76443)	
Pushpak Dealcom Pvt. Ltd.				1276989
				(94179)
Seasons Trading & Investments Pvt. Ltd.				10096379
				(3015579)



Particulars	Associates	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence
Sushil Kumar Agarwal			881901 (360201)	
Unimark International Pvt. Ltd.				7808880 (3031072)
Vijay Kumar Agarwal		609495 (425691)		
Loan Taken				
Bhagwati Prasad Jalan		1400480 (Nil)		
B.P Jalan & Sons				3501199 (Nil)
D.P Jalan & Others (HUF)				300103 (Nil)
Eynthia Tie Up Pvt. Ltd.				54223536 (471536)
Hasti Prasad Jalan & Others				800274 (Nil)
Ganapati Industrial Pvt. Ltd.				Nil (5362106)
Jekay International Track Pvt. Ltd.				12178272
Keshan Polymers (P) Ltd.			(53694760)	
Likewise Investment & Marketing P Ltd.			(32248235)	17288276
Metropolitan Commercial Pvt. Ltd.				5545549 (Nil)
Minicraft Enterprise Pvt. Ltd.				Nil (1015103)
Nidhi Jalan			Nil (11099175)	18378366 (Nil)
P.P Suppliers & Agencies Pvt. Ltd.				11052612 (7696698)
Pankaj Jalan			Nil (2516952)	
Parwati Devi Jalan			Nil (2022193)	
Piyush Jalan			Nil (3568799)	
Pushpak Dealcom Pvt. Ltd.				12082514 (5084761)
Seasons Trading & Investments Pvt. Ltd.				9086741 (90814021)
Sushil Kumar Agarwal			39793711 (324181)	
Unimark International Pvt. Ltd.			(49227965)	11027992
Vijay Kumar Agarwal		25548545 (383122)		
Note: Figures in bracket relates to the previous year				



24.9 Details of leasing Arrangements	For the year ended 31st March, 2012 ₹	For the year ended 31st March, 2011 ₹
Reconciliation of minimum lease payments		
Future Minimum Lease Payments		
not later than one year	389,244	159,888
later than one year and not later than five years	1,118,479	639,545
later than five years	-	53,295
	<b>1,507,723</b>	852,729
Unmatured finance charges	450,482	209,790
	<b>1,057,241</b>	642,939
Present value of minimum lease payments		
payable not later than one year	184,742	76,164
later than one year and not later than five years	589,298	308,464
later than five years	-	8,353
Note	For the year ended 31st March, 2012 ₹	For the year ended 31st March, 2011 ₹
<b>24.10 Earnings per share :</b>		
Basic		
24.10.a Continuing operations		
Net profit / (loss) for the year from continuing operations	19,040,850	6,803,946
Less: Preference dividend and tax thereon	-	-
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	19,040,850	6,803,946
Weighted average number of equity shares	6,861,450	6,861,450
Par value per share	10.00	10.00
Earnings per share from continuing operations - Basic	2.78	0.99
24.10.b Total operations		
Net profit / (loss) for the year	19,040,850	6,803,946
Less: Preference dividend and tax thereon	-	-
Net profit / (loss) for the year attributable to the equity shareholders	19,040,850	6,803,946
Weighted average number of equity shares	6,861,450	6,861,450
Par value per share	10.00	10.00
Earnings per share - Basic	2.78	0.99
24.11 Deferred Tax (Liability)/ Asset	For the year ended 31st March, 2012 ₹	For the year ended 31st March, 2011 ₹
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed asset	1,904,467	1,757,337
	<b>1,904,467</b>	<b>1,757,337</b>



Tax effect of items constituting deferred tax assets		
Provision for compensated absences, gratuity and other employee benefits	<b>601,696</b>	709,874
Unabsorbed depreciation carried forward & brought forward business loss	<b>27,469,738</b>	17,358,562
	<b>28,071,434</b>	18,068,436
<b>Net Deferred Tax (liability) / asset</b>	<b>26,166,967</b>	16,311,099

**24.12 Other Notes:**

- 24.12.1 Voluntary Retirement Scheme (VRS) was introduced under which terminal date of employment was fixed as 31<sup>st</sup> 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 31<sup>st</sup> 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, 2012. 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 The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / rearranged / recasted wherever considered necessary. Figure have been rounded off to the nearest rupee.
- 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)

For and on behalf of the Board of Directors

**Subash Mukhopadhyay**  
 Membership no : 050384

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

Place: Kolkata  
 Date: September 4, 2012

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

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

\_\_\_\_\_  
**Kamal Prakash**  
 Director



**NOTES NO. "1"**  
**SIGNIFICANT ACCOUNT 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 shipping bills.

**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 re known/ materialized.

**1.11. Provision, Contingent Liabilities and Contingent Assets :**

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

**1.12. Retirement Benefits:**

- a) Contribution towards Provident Fund is being charged to revenue on accrual basis and is deposited to regional office of the concerned authority
- b) Provision for gratuity has been made on the method as prescribed in the respective act.
- c) Provision has been made for accrued leave salary due to the employees, computed with reference to un availed leave of the employee at the year end.

**1.13. Deferred Tax:**

Provision for Tax is made for current and deferred taxes. Current Tax is provided on the taxable income using applicable Tax rate 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 Asset:**

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

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

**Subash Mukhopadhyay**  
Membership no : 050384

Place: Kolkata  
Date: September 4, 2012

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

For and on behalf of the Board of Directors

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

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

\_\_\_\_\_  
**Kamal Prakash**  
Director



**NILACHAL REFRACTORIES LIMITED**  
**PROXY FORM**

I/We.....  
of ..... in the district of .....  
being a member/members of the above named Company hereby appoint .....  
.....  
of ..... in the district of .....  
or failing him .....  
of ..... in the district of .....  
as my/our proxy to vote for me/us on my/our behalf at the Thirty Fifth Annual General Meeting of the Company to be held on 28th day of September, 2012 and at any adjournment thereof.

Signature

Please  
affix Re.1  
Revenue  
Stamp

**NILACHAL REFRACTORIES LIMITED**

Member/Proxy\*

(in Block letters)

Name of Proxy .....  
(in Block letters, to be filled in if the Proxy attends instead of the Member)

No. of shares held .....

I hereby record my presence at the Annual General Meeting to be held on 28th day of September, 2012.

Signed this ..... day of ..... 2012.

Member's/Proxy's Signature \*\*

\* Delete whichever is not applicable

\*\* To be signed at the time of handing over this slip.

Note : 1 You are requested to sign and hand over this slip at the entrance of the meeting venue.



# 35TH ANNUAL REPORT

2011-2012



**NILACHAL REFRACTORIES LIMITED**



## **NILACHAL REFRATORIES LIMITED**

**as on 31-03-2012**

**BOARD OF DIRECTORS**

**Mr. Bhagawati Prasad Jalan** *Chairman*  
**Mr. Suresh Prasad Nepak** *Managing Director*  
**Mr. Vijay Kumar Agarwal**  
**Mr. Vimal Prakash**  
**Mr. Kamal Prakash**  
**Mr. Niraj Jalan**  
**Mr. Sajjan Bhajanka**  
**Mr. Kamal Kishore Sharda**  
**Mr. Hari Krishna Chaudhury**  
**Mr. Raj Kumar Bajoria**  
**Mr. Shakti Kumar Banerjee**  
**Mr. Sribash Chandra Mishra**

**AUDITORS**

**P. Mukhopadhyay & Co.**  
Chartered Accountants

**BANKER**

**Canara Bank**

**REGISTERED OFFICE**

**P/597, BJB Nagar, Lewis Road**  
**Bhubaneswar - 751 014, Odisha**

**FACTORY**

**IPITATA Nagar**  
**Dhenkanal - 759 013, Odisha**

**BOOK POST**  
(PRINTED MATTER ONLY)



*If undelivered, please return to :*

**NILACHAL REFRACTORIES LIMITED**  
**P/597, BJB Nagar, Lewis Road**  
**Bhubaneswar - 751 014**

