

N. R. INTERNATIONAL LTD.



17th Annual Report 2007-2008

17TH ANNUAL REPORT

2007-2008

Board of Directors

Mr. Nirmal Modi
Mr. Deepak Agarwal
Mr. V. K. Srivastava
Mr. Abhay Kumar
Mr. B. R. Nanda
Captain Ajay Chauhan

Company Secretary

Mr. Aswini Kumar Sahu

Auditors

V. Lohia & Co.
Chartered Accountants

Registered Office

3rd Floor, Drupadi Mainson,
11, Braubourne Road,
Kolkata – 700 001

Bankers

The Federal Bank Limited

Registrars & Share Transfer Agents

ABS Consultants Private Limited
Room No. – 99, 6th Floor
Stephen House, 4, B. B. D. Bag (East)
Kolkata – 700 001

N.R. INTERNATIONAL LIMITED**NOTICE**

Notice is hereby given that the 17th Annual General Meeting of the Members of M/s N. R. International Limited will be held on Saturday, August 9, 2008 at 10.00 a.m. at the Merchants Chamber of Commerce, 15-B, Hemanta Basu Sarani, Kolkata - 700 001 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2008 and the Profit & Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint Director in the place of Mr. Abhay Kumar who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their Remuneration and to pass, with or without modification, the following resolution, which will be proposed as an Ordinary Resolution:

"RESOLVED that M/s V. Lohia & Co., Chartered Accountants, be and are hereby appointed as Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and that the Audit Committee of the Board of Directors be and is hereby authorised to determine the remuneration payable to the Company's Auditor."

SPECIAL BUSINESS

4. To consider and if thought fit to pass with or without modification(s) the following resolution(s) as a Ordinary Resolution:

Appointment of **Mr. Biswa Ranjan Nanda** as Director of the Company:

"RESOLVED THAT pursuant to the provisions of Section 262 and other applicable provisions of the Companies Act, 1956, Mr. Biswa Ranjan Nanda, who was appointed as a Director to fill the casual vacancy arises due to resignation of Mr. B. K. Joshi, be and is hereby appointed as Director of the Company whose period of office will be liable to retire by rotation."

Appointment of **Capt. Ajay Singh Chauhan** as Director of the Company:

"RESOLVED THAT Capt. Ajay Singh Chauhan, whose term of office as an Additional Director of the Company expires at this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 from a member proposing the candidature of Capt. Ajay Singh Chauhan for the office of Director be and is hereby appointed as a Director of the Company, whose period of office will be liable to retire by rotation."

5. To consider and if thought fit to pass with or without modification(s) the following resolution(s) as a Special Resolution:

"RESOLVED THAT pursuant to the Guidelines issued by SEBI under the Securities and Exchange Board of India (Delisting of Securities) Guidelines-2003, dated 17th February 2003 and other applicable approvals and procedures which may become applicable hereafter, governing the matter, the Company be and is hereby authorised to voluntarily apply for delisting of its Equity Shares from Kolkata, Ahmedabad and Bhubaneswar Stock Exchanges, at such time as the Board (whether acting through any Director or any person authorised by the Board) may, in their absolute discretion, consider appropriate and proper without giving an exit option to the Shareholders of the respective Regions and the Board of Directors of the Company be and are hereby authorised to do all necessary acts in pursuance with the above matter."

"RESOLVED FURTHER THAT Mr. Biswa Ranjan Nanda, Director of the Company be and is hereby authorized to comply all formalities of listing agreement, SEBI Guidelines and other applicable enactments with regard to de-listing of securities from the Stock Exchanges as detailed in above resolution"

By Order of the Board

Place: Cuttack
Date: 01.07.2008

Sd/-
Aswini Kumar Sahu.
Company Secretary

N.R. INTERNATIONAL LIMITED

NOTES :-

1. A member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote on a poll instead of himself and such proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the commencement of the meeting.
2. The Share Transfer Books and Register of Members of the Company will remain closed from 01.08.2008 to 09.08.2008 (both days inclusive).
3. Members are requested to produce the enclosed Attendance Slip duly signed as per the specimen signature with the Company / Depository Participant for admission to the Meeting Hall.
4. Members who hold shares in de-materialised form, are requested to bring their Client ID and DP ID Nos. for easier identification of attendance at the Meeting.
5. Members holding shares in physical form, are requested to notify immediately any change in their address and bank particulars to the Company or its Share Transfer Agents and in case their shares are held in de-materialised form, this information should be passed on directly without any delay to their respective Depository Participants and not to the Company or the Share Transfer Agents.
6. In all correspondence with the Company, members are requested to quote their folio numbers and in case their shares are held in de-materialised form, they must quote their DP ID and Client ID Numbers.
7. Members holding shares in physical form can now avail the facility of nomination in respect of shares held by them pursuant to amendment in the Companies Act, 1956. The prescribed Form (Form-2B) can be obtained from the share department of the Company on request. Members desiring to avail this facility may send their nomination forms duly filled in to the Company or its Share Transfer Agents by quoting their respective Folio Numbers.
8. Investors / Shareholders are requested to kindly note that if physical documents viz. Demat Request Forms (DRF) and Share Certificates etc. are not received from their DP's by the Share Transfer Agents (STA) within a period of 15 days from the date of generation of the DRN for dematerialisation, the DRN will be treated as rejected / cancelled. Upon rejection / cancellation of the DRN a fresh DRF has to be forwarded along with the Share Certificate by the DP's to the STA. This note is only to caution investors / shareholders that they should ensure that their DP's do not delay in sending the DRF and share certificates to the STA after generating DRN.

EXPLANATORY STATEMENT UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956

Item No. - 4

Mr. Biswa Ranjan Nanda, a Company Secretary by profession, was appointed as a Director of the Company on 10.12.2007 to fill the casual vacancy arises due to resignation of Mr. B. K. Joshi before the expiry of his term of Office because of certain personal reasons. As per the provisions of the Companies Act, 1956 and other applicable provisions, Mr. Biswa Ranjan Nanda is hereby appointed as Director of the Company whose period of Office to be determined to retire by rotation.

Capt. Ajay Singh Chauhan, a Master Mariner by profession was appointed as an additional director of the Company on 10.03.2008 at the meeting of the Board of Directors of the Company. As per the provisions of Section 260 of the Companies Act, 1956, Capt. Chauhan holds office upto the date of forthcoming AGM. The Company has received notice in writing under Section 257 of the Companies Act, 1956 alongwith a requisite deposit, proposing his candidature to the office of the Director liable to retire by rotation.

Item No. - 5: De-Listing of Securities

The Company's shares are presently listed on Bombay, Calcutta, Ahmedabad & Bhubaneswar Stock Exchanges. SEBI through its Guidelines known as Securities and Exchange Board of India (Delisting of Securities) Guidelines-2003, dated 17/02/2003 has permitted Companies to voluntarily delist its shares from a Stock Exchange where the shares are listed for a period of more than three years provided, inter alia, the Company is authorised by the Shareholders for making such an application for delisting through Special Resolution. The Board of Directors has decided to take steps to have the equity shares of the Company delisted from Kolkata, Ahmedabad & Bhubaneswar Stock Exchanges as volume on these Stock Exchanges is NIL. The Bombay Stock Exchange Limited, Mumbai, where the Company's shares will continue to be listed, has also got nation wide trading terminals and the delisting from Kolkata, Ahmedabad & Bhubaneswar Stock Exchanges will therefore not affect the trading of these shares by the members located in any part of the Country.

The proposed resolution seeks the company's authority for the purpose, which the shareholders are requested to approve. None of the directors of the company are concerned or interested in the proposed resolution.

By Order of the Board

Sd/-

Aswini Kumar Sahu.
Company Secretary

Place: Cuttack
Date: 01.07.2008

N.R. INTERNATIONAL LIMITED

Chairman's Statement

Dear shareholders,

It gives me immense pleasure in welcoming you to the 17th Annual General Meeting of your Company. The Director's Report and Audited Accounts for the year ended 31st March, 2008 are already with you and with your permission, I take them as read. Before I take up the agenda for today's meeting, I would like to share with you some of my perception relating to the Coal & Steel Industry and the performance of NRIL, as well as the growth opportunities pursued by the Company.

The primary policy of the Company is production & productivity. During the financial year 2007-08 your Company has grabbed the opportunities both in coal & steel sector and the turnover of the Company has reached its all time highest to Rs. 103.25 Crores i.e. increased by around 46% in comparison to the last financial year. The profit after tax has also been increased from 62.95 Lacs to Rs. 73.43 Lacs in comparison to the last financial year.

During the financial year the Company has entered into a MOU with M/s Suryaa Sponge Iron Limited, having its 280 TPD Sponge Iron Plant at Jajpur, in the State of Orissa with 50% equity participation as backward integration to the existing business activities. Keeping that into consideration the Company has already started expansion of Induction Furnace Plants by installation of additional 8 tons capacity of Induction Furnace at Kushpangi, Orissa Site and 9900 MTPA capacity of Cupolla Furnace at Tangi, Orissa Site. The implementation of both the projects are in full swing and expected to commence commercial production during mid of current financial year. More specifically there will be no shortage of our primary raw material Sponge Iron after completion of both the expansion projects.

For all these expansion & diversification projects your Company seeks long term financial assistance from out sources i.e. either from Banks or Financial Institutions. Till date we are meeting the requirements out of the available reserves & surplus of the Company and the same has resulted inadequate surplus for recommendation of dividend for the financial year ended as on 31.03.2008.

Keeping all these factors into consideration, your Company will definitely expand its business activities in Steel Market to a large extent.

Last but not the least on 01.07.2008, your Company has obtained the trading permission from Bombay Stock Exchange Limited for trading of 4,96,275 equity shares issued & allotted on account of Merger of M/s Shree Maruti Steels & Castings Private Limited with the Company (NRIL).

On behalf of the Company and all of you, I take this opportunity to thank our valued customers, investors, suppliers, bankers, consultants, the Member of the Board, the Government of India, the Government of Orissa and in particular, the NRIL collective, for their excellent support and co-ordination to achieve yet another year of success for the Company. We are committed to strive together as a team to attain the main objective of the Company while ensuring our economical, social & moral commitments.

I once again welcome you and thank you for the confidence you have reposed on us.

Sd/-
Nirmal Modi
Chairman

N.R. INTERNATIONAL LIMITED**DIRECTOR'S REPORT**

To
The Members of
N. R. INTERNATIONAL LIMITED

Your Directors have pleasure in presenting their Seventeenth Annual Report together with the audited accounts of the Company for the year ended March 31, 2008.

FINANCIAL RESULTS

The performance of the Company for the financial year ended 31st March 2008 is summarized below:

	As at 31.03.2008 (Rs.)	As at 31.03.2007 (Rs.)
Working for the year yielded a Profit before depreciation, Interest, and tax	4,89,65,600	3,05,02,512
Less : Interest & Finance Charges	2,91,72,047	1,50,70,260
Profit before Depreciation	1,97,93,553	1,54,32,252
Less Depreciation	81,02,994	58,67,402
Profit before Tax	1,16,90,559	95,64,850
Less : Provision for taxation	13,17,600	10,63,043
Deferred Tax	28,65,361	21,16,860
Fringe Benefit Tax	1,16,548	90,310
Income Tax for earlier years	47,803	
Profit after tax	73,43,247	62,94,637
Less: Income Tax adjustment for earlier years	-	-
Add : Surplus brought forwards previous year	1,46,97,276	2,47,14,010
Add : Amount transferred pursuant to Scheme of Amalgamation	-	-
Add : Depreciation written back	-	9,88,436
Less: Transfer to General Reserve	-	1,72,99,807
Surplus carried to Balance Sheet	2,20,40,523	1,46,97,276
	=====	=====

DIVIDEND

With a view to plough back of earnings for the future growth of the company, your Directors do not recommend any dividend of for the year.

REVIEW OF OPERATION

During the Financial year 2007-08 the turnover of the Company has been increased by around 46% and profit after tax has been increased from Rs. 62.95 Lacs to Rs. 73.43 Lacs in comparison to the last year.

N.R. INTERNATIONAL LIMITED

FUTURE OUTLOOK

1. Expansion of existing Induction Furnace Plant situated at Kushpangi, Athagarh, Cuttack by installation of one additional 8 MT capacity of Induction Furnace.
2. Expansion of existing Induction Furnace Plant situated at Bainchua, Tangi, Cuttack by installation of one Cupola Furnace, Twin Blast System.
3. To set-up one 0.9 MTPA capacity of Coal Beneficiation Plant at Bainchua, Tangi, Cuttack.
4. To set-up well modernized Integrated Steel Plant in the State of Orissa & Jharkhand.

RESERVES

The total Reserves as on 31st March 2008 stood at Rs. 1802 Lacs as against Rs.2248 Lacs of last year, because of allotment of bonus shares at a ratio of 1 : 1 out of Company's Free Reserves & Share Premium account.

PARTICULARS OF EMPLOYEES

- Information as per section 217(2A) of Companies Act, 1956 has not been given as none of the employees are in receipt of remuneration in excess of the limits prescribed therein.

FIXED DEPOSITS

Your company has not accepted any deposits as such; no amount of principal or interest is outstanding on the date of the Balance Sheet.

DIRECTORS

Mr. Abhay Kumar, Directors, retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

AUDITORS

M/S. V. Lohia & Co., Chartered Accountants, Auditors of the Company retire at the conclusion of this Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received a certificate from them to the effect that their reappointment, if made, would be within the limits prescribed under section 224(1B) of the Companies Act, 1956.

AUDITORS' REMARKS

The notes to the accounts referred to in the Auditors Report are self-explanatory and therefore do not call any further comments.

DIRECTORS RESPONSIBILITY STATEMENT

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 departures;
- ii) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the company for that period;
- iii) that 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 directors had prepared the annual accounts on a going concern basis.

PARTICULARS OF ENERGY CONSERVATION, ETC.

Particulars with respect to conservation of energy as per section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosures of Particulars in report of Directors) Rules, 1988 are as under :

- | | |
|---------------------------|-----|
| 1. Conservation of energy | NIL |
| 2. Technology Absorption | NIL |

N.R. INTERNATIONAL LIMITED**3. Foreign Exchange Earning and out go**

a. Foreign Exchange Earning	Rs. NIL
b. Foreign Exchange Outgo	Rs. NIL

LISTING WITH STOCK EXCHANGES

The equity shares of the Company are listed in following Stock Exchanges as at 31.03.2008:

Name of Stock Exchanges	Trading approval Obtained on	Scrip Code
Calcutta St. Ex. Association Ltd., Kolkata.	24.03.2005	NIL
The Stock Exchange, Mumbai.	07.04.2005	532623
The BBSR St. Ex. Association Ltd, BBSR	07.04.2005	NIL
The Stock Exchange, Ahmedabad.	19.05.2005	41081

CORPORATE GOVERNANCE

As per Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section on Corporate Governance Practices followed by the Company together with a certificate from the Company's Auditors confirming compliance is set out in the Annexure forming part of this report.

DEMATERIALISATION OF SHARES

The Company has got the approval for dematerialisation of shares from National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby shareholders have option to dematerialize the shares with any Depository under demat ISIN Number for both NSDL & CDSL is INE605F01017. Out of 1,06,74,395 Nos. of Equity Shares, the total number of shares held under NSDL & CDSL folios as at 31.03.2008 is furnished as under:

NSDL Folio	:	54,76,082
CDSL Folio	:	4,03,799

ACKNOWLEDGEMENT

Your Directors would like to express their sincere thanks to various State and Central Government Departments, Bankers, Consultants, Advisors, Shareholders and Investors for their valuable co-operation and continued support throughout the year to the Company. Your Directors would also sincerely acknowledge the significant contribution made by the Executives, Staff and workers for their dedicated services to the company.

For and on behalf of the Board

Sd/-

Deepak Agarwal
Managing Director

The 1st day of July, 2008

N.R. INTERNATIONAL LIMITED**AUDITOR'S REPORT**

To
The Members of
N. R. INTERNATIONAL LIMITED

1. We have audited the attached Balance Sheet of **N. R. INTERNATIONAL LIMITED** as at 31st March 2008 and the related Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. 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 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 for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report), 2004 (together the 'Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of 'The Companies Act' 1956' of India (the 'Act') and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. Further to our comments in the Annexure referred in paragraphs 3 & 4 above, we report that:
 - 5.1 We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - 5.2 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 those books;
 - 5.3 The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - 5.4 In our opinion, the Balance Sheet, Profit & 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 Act;
 - 5.5 On the basis of the written representations received from the directors as at March 31, 2008, and taken on record by the Board of Directors, none of the directors of the Company is disqualified as at March 31, 2008, from being appointed as a director, in terms of clause (g) of sub-section (1) of Section 274 of the Act;
6. In our opinion, and to the best of our information and according to the explanations given to us, the said financial statements read together with the notes thereon and attached thereto, give, in the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - (a) in the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2008,
 - (b) in the case of the Profit & Loss Account, of the profit for the year ended on that date and
 - (c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

For **V. Lohia & Co.**
(Chartered Accountants)

Sd/-
VISHNU LOHIA, FCA
Partner
Membership No. :55683

Camp : Cuttack
Date : June 30, 2008

N.R. INTERNATIONAL LIMITED

ANNEXURE TO THE AUDITOR'S REPORT

(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 situations of its fixed assets.
- (b) As informed to us the Fixed assets of the company have been physically verified by the Management at the year end, which we consider reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification.
- (c) No substantial part of Fixed Assets has been disposed off during the year, which has bearing on the going concern assumption.
- ii) (a) The inventory of the Company has been physically verified at periodic intervals during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the company has maintained proper records of inventory. The discrepancies between the physical inventory and the book stocks were not material.
- iii) The Company has not granted any loans to any companies, firms or other Parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence comments under clauses iii (a), iii (b), iii (c) iii (d) of the Order are not required.

The Company has not taken any loans during the year from the Companies, Firms or Other Parties listed in the register maintained under section 301 of the Act. Hence comments under clauses iii (e), iii (f) & iii (g) of the Order are not required.

- iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and for the sale of goods and services. Further, during the course of our audit we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v) (a) On the basis of our examination of the books of account, the Company has entered the contracts or arrangements, particulars of which need to be entered in the register maintained under section 301 of the Act.
- (b) On the basis of our examination of the books of account, each of these contracts and arrangements made have been made at prices which are reasonable having regards to the prevailing market price at the relevant time.
- vi) The Company has not accepted any deposits under the provisions of Sections 58A, 58AA or any other relevant provisions of the Act and the rules framed there under.
- vii) In our opinion, the internal audit of the company is done by the management, which is commensurate with its size and nature of its business.
- viii) We have broadly reviewed the books of account maintained by the company pursuant to the rules prescribed by the central government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and are the opinion that prime facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- ix) (a) According to the records of the Company, Provident Fund (Rs. 1,18,811/-), Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax (Rs.1,55,048/-), Custom duty, Excise duty, Cess (Rs.4,652/-) and other material statutory dues applicable to it have been generally regularly deposited during the year with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect to above were in arrear, as at March 31, 2008 for a period of more than six months from the date on which they became payable.
- (b) According to the records of the Company, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess which have not been deposited on account of dispute.
- x) The Company has no accumulated losses as at 31st March 2008 and has also not incurred any cash losses during the financial year ended on that date and in the immediately preceding financial year.
- xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debentures holders.