

# **20<sup>TH</sup> ANNUAL REPORT**

**2010-2011**

## *Board of Directors*

Mr. Nirmal Modi  
Mr. Deepak Agarwal  
Mr. V. K. Srivastava  
Mr. Abhishek Modi

## *Company Secretary*

Mr. Subrata Pradhan

## *Auditors*

Sanjay Jagdish & Co  
Chartered Accountants

## *Registered Office*

3<sup>rd</sup> 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, 6<sup>th</sup> Floor  
Stephen House, 4, B. B. D. Bag (East)  
Kolkata – 700 001

## NOTICE

Notice is hereby given that the 20<sup>th</sup> Annual General Meeting of the Members of M/s N. R. International Limited will be held on Saturday, September 24, 2011 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 31<sup>st</sup> March 2011 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. Vinod Kumar Srivastava who retire by rotation and being eligible, offer him for re-appointment.
3. To regularize the appointment of Additional Director.

**"RESOLVED THAT** pursuant to the provisions of Section 257 and other applicable provisions (including any modification or re-enactment thereof), if any, of the Companies Act, 1956, Mr. Abhishek Modi who was appointed as an Additional Director in the meeting of the Board of Directors held on 01.03.2011 and whose term and whose term expires at the ensuing Annual General Meeting of the company and for the appointment of whom the Company has received a notice in writing proposing his candidature for the office of the Director be and is hereby appointed as a Director of the Company whose period of office will be liable to determination by retirement of directors by rotation".

**"RESOLVED FURTHER THAT** Mr. Deepak Agarwal, Managing Director be and is hereby authorized to do all the acts, deeds and things which are necessary to give effect to the above said resolution."

4. 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 Sanjay Jagdish & Co., Chartered Accountants, be and are hereby appointed as Auditor 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."

By Order of the Board

Place: Cuttack  
Date: 24.08.2011

Sd/-  
Subrata Pradhan  
Company Secretary

**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 16.09.2011 to 24.09.2011 (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.

By Order of the Board

Place: Cuttack  
Date: 24.08.2011

**Sd/-**  
**Subrata Pradhan**  
**Company Secretary**

## Chairman's Message

Dear Shareholders,

It gives me immense pleasure in welcoming you to the 20<sup>th</sup> Annual General Meeting of your Company. The Director's Report and Audited Accounts for the year ended 31<sup>st</sup> March, 2011 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 Steel Industry and its allied industries like sponge iron suffered depressed prices which has put tremendous pressure on margin. As a commodity product sponge iron witnessed a reduction in selling price even as raw material prices were sky high, mirroring industry trends. N R International Limited also suffered the limitation of the economic scenario.

Due to continues precarious condition of the World Economy and especially Global Price Recession in steel, coal & coke sector the turnover of the Company has reduced from Rs. 85.21 Crores to Rs. 30.75 Crores. The loss before tax and after tax is Rs. 1.29 crores & Rs. 2.59 crores respectively, which restricts your Board of Directors for recommendation of dividend for the financial year ended as on 31.03.2011. In spite of adverse market condition for the steel, coal & coke sector, your Company did well by minimizing the loss before tax and also the cash loss as compared to the previous year 2009-10. Loss after tax has increased due to the provisioning of deferred taxation.

However it is heartening that despite above constraint, the Company now trying to consolidate its business activities to get back into a good track which will help to increase profit in future. The Company is also in the process of establishing the Coal Beneficiation Plant at Tangi, Cuttack, Orissa and the working of the plant will lead to good position for the company. Right now the Company is exploring other business opportunities wherein the growth will stable and consistent beside concentrating on Logistic , Handling and Coastal Sea Transportation business which will derive more earning for the future years.

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**

**DIRECTOR'S REPORT**

To  
The Members of  
**N. R. INTERNATIONAL LIMITED**

Your Directors have pleasure in presenting their 20<sup>th</sup> Annual Report together with the audited accounts of the Company for the year ended March 31, 2011.

**FINANCIAL RESULTS**

The performance of the Company for the financial year ended 31<sup>st</sup> March 2011 is summarized below:

	As at 31.03.2011 (Rs.)	As at 31.03.2010 (Rs.)
	-----	-----
Working for the year yielded a Profit before depreciation, Interest, and tax	42,406,822	21,997,403
Less : Interest & Finance Charges	4,46,59,416	42,039,245
	-----	-----
Profit before Depreciation and Tax	(22,52,594)	(20,041,842)
Less Depreciation	10,675,350	11,989,226
	-----	-----
Profit before Tax	(12,927,944)	(32,031,068)
Less : Provision for taxation		-
Deferred Tax	12,454,574	(9,719,452)
Current Tax	-	-
Income Tax for earlier years	5,27,625	-
	-----	-----
Profit after tax	(25,910,143)	(22,311,616)
Add : Surplus brought forwards previous year	4,233,759	26,545,375
	-----	-----
Surplus carried to Balance Sheet	<b>(21,676,384)</b>	<b>4,233,759</b>
	=====	=====

**DIVIDEND**

As the company has incurred loss during the current financial year, your directors could not recommend any dividend of for the year.

**REVIEW OF OPERATION**

Due to continues precarious condition of the World Economy and especially Global Price Recession in steel, coal & coke sector the turnover of the Company has reduced from Rs. 85.21 Crores to Rs. 30.75 Crores. Loss before taxation has reduced from Rs. 3.20 Crores to Rs. 1.29 Crores. However, net loss after taxation has increased due to provisioning for deferred taxation.

## **FUTURE OUTLOOK**

1. To set-up one 0.9 MTPA capacity of Coal Beneficiation Plant at Bainchua, Tangi, Cuttack.

## **RESERVES**

The total Reserves as on 31<sup>st</sup> March 2011 has been reduced from Rs.1601 Lacs to Rs. 1548 Lacs.

## **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**

- 1.Mr. Vinod Kumar Srivastava, Directors, retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.
2. Regularisation of Mr. Abhishek Modi, Additional Director at the ensuing Annual General Meeting as director.

## **AUDITORS**

M/s Sanjay Jagdish & Co, Chartered Accountants, Auditor 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 |

## 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 31.03.2011:

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 31.03.2011 is furnished as under:

NSDL Folio :	7,226,799	:	68% of the total Equity Shares
CDSL Folio :	3,93,621	:	4% of the total Equity Shares

**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 24th day of August, 2011

**Auditor's Report to the Members of**  
**M/s N. R. INTERNATIONAL LIMITED**

We have audited the annexed Balance Sheet of **N. R. INTERNATIONAL LIMITED** as at 31st March 2011 and also the Profit & Loss Account 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.

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.

As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of subsection (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matter specified in paragraphs 4 & 5 of the said Order.

1. Further to our Comments in the Annexure referred to above, 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 the books;
- c) The Balance Sheet, the Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, Balance Sheet, the Profit & Loss Account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e) On the basis of written representations received from the Directors, as on 31<sup>st</sup> March 2011, 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 2011 from being appointed as a Director in terms of clause (g) of subsection (1) of section 274 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 accounts give the information required by the companies Act, 1956 in the manner so required and give a true & fair view in conformity with the Accounting Principles Generally Accepted in India;
- i) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March 2011,
- ii) In the case of Profit & Loss of the loss of the Company 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 Sanjay Jagdish & Co*

Chartered Accountants

Sd/-

**Sanjay Kumar Agarwal**  
Proprietor

**Place : Kolkata**

**Date : 24<sup>th</sup> August, 2011**

**Re: N. R. INTERNATIONAL LIMITED**

- i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) As explained to us, the fixed assets of the company have been physically verified by the management at reasonable interval and no material discrepancies were noticed on such verification.**
- (c) *During the year, the company has disposed off the manufacturing unit situated at Kuspangi unit to M/s Mahabali Alloys P Ltd at College Square, Cuttack at a total consideration of Rs. 5.00 crore as per MOU dated 29.04.2010. However, it does not effect the going concern of the company. The company has earned a profit of Rs. 17,33,264.89 by this transaction.***
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification carried out at the end of the year.
- (iii) (a) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act and accordingly, paragraphs 4(iii), (b), (c) and (d) of the Order are not applicable.
- (iii)(e) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Act and accordingly, paragraph 4(iii) (f), (g) and (h) of the Order are not applica
- (iv) In our opinion there is an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of investments and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v)(a) According to information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanation given to us, the transactions in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs have been entered during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposit from the Public.