



57th

ANNUAL REPORT

2003-2004



NRC LIMITED

NRC LIMITED

BOARD OF DIRECTORS	GOENKA G.P.	<i>Chairman</i>
	VAIDYA V.C.	
	KAMTE V.N.	
	GHATALIA PRAVIN N.	
	GOENKA ASHOK	
	RAI BODHISHWAR	
	GOENKA SHRIVARDHAN	
	SHARMA P.S.	<i>Managing Director</i>

COMPANY SECRETARY PRASENJIT GUHA

**CORPORATE &
REGISTERED OFFICE** EWART HOUSE
HOMI MODI STREET
MUMBAI 400 001

PLANTS MOHONE 421 102
DIST. THANE
MAHARASHTRA STATE

BANKERS BANK OF BARODA
DENA BANK
PUNJAB NATIONAL BANK
CANARA BANK

AUDITORS LODHA & CO.
CHARTERED ACCOUNTANTS

**REGISTRAR &
SHARE TRANSFER
AGENTS** TATA SHARE REGISTRY LIMITED
UNIT: NRC LTD.,
ARMY & NAVY BUILDING,
148, MAHATMA GANDHI ROAD,
FORT, MUMBAI-400 001.
TELEPHONE : 022-56568484
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CONTENTS	Page No.
Notice	1
Directors' Report	4
Management Discussion & Analysis	9
Report on Corporate Governance	12
Auditors' Report	18
Balance Sheet	20
Profit and Loss Account	21
Cash Flow Statement	22
Schedules forming part of the Balance Sheet	23
Schedules forming part of the Profit and Loss Account	28
Significant Accounting Policies	32
Notes forming part of the Accounts	33
Balance Sheet Abstract	39
Attendance Slip/Proxy Form	Cover 3

NOTICE

NOTICE is hereby given that the FIFTY-SEVENTH ANNUAL GENERAL MEETING of the Members of NRC LIMITED will be held as scheduled below:

Date : Friday, 24th September, 2004
 Time : 3.30 p.m.
 Venue : Patkar Hall
 S.N.D.T. Women's University
 1, Nathibai Thackersey Road
 Mumbai - 400 020.

to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Accounts for the year ended 31st March, 2004 and the Reports of the Directors and the Auditors thereon.
2. To declare Dividends on 8% Cumulative Preference Shares & 4% Cumulative Preference Shares for the years 2000-2001, 2001-02, 2002-03, 2003-2004.
3. To declare a Dividend on Equity Shares.
4. To appoint a Director in place of Shri V. C. Vaidya, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri P. N. Ghatalia, who retires by rotation, and being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Shri Bodhishwar Rai who retires by rotation, and being eligible, offers himself for re-appointment.
7. To appoint M/s. Lodha & Co., Chartered Accountants, as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

NOTES:

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND THE MEETING AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
- (b) The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 10th September, 2004 to Friday, the 24th September, 2004 (both days inclusive).

- (c) Shareholders are requested to notify change in their addresses along with PIN CODE to the Company at its Registered Office or to the Registrars at Tata Share Registry Ltd, Army Navy Bldg, 148, Mahatma Gandhi Road, Mumbai - 400 001 quoting their Folio Numbers.
- (d) Members having multiple folios in identical or joint names in same order are requested to intimate the Registrars' and Share Transfer Agents to consolidated their holdings into a single folio.
- (e) Members desiring any information as regards accounts or operation of the Company are requested to send their queries to the Corporate & Registered Office of the Company in writing atleast seven days in advance of the date of the Meeting so as to enable the Management to keep the necessary information ready.
- (f) Preference Dividend as recommended by the Directors, if declared at the Annual General Meeting will be paid within the statutory period to the preference shareholders whose names appear in the Register of Members on 24th September, 2004.
 Equity Dividend as recommended by the Directors, if declared at the Annual General Meeting will be paid within the statutory period to those members whose names appear in the Register of Members on 24th September, 2004.
- (g) In respect of shares held in electronic form, the dividend will be payable to the Beneficial Owner of shares as at the end of business hours on 9th September, 2004 as per details furnished by the Depositories.
- (h) In the event the combined holding of Financial Institutions/Nationalised Banks/Insurance Companies etc. exceeds the limit prescribed in Section 224A of the Companies Act, 1956, the Resolution No. 7 will be proposed as a Special Resolution.

- (i) Pursuant to Section 205-A of the Companies Act, 1956, the unclaimed dividend upto the financial year ended 31.3.1995 has been transferred to the General Revenue Account of the Central Government. Shareholders who have not encashed the dividend warrants are requested to claim the amount from Registrar of Companies, Maharashtra, Hakoba Mills Compound, 2nd Floor, Dattaram Lad Marg, Kalachowki, Chinchpokli, Mumbai - 400 033.

Consequent on the amendment to Section 205-A by introduction of Section 205-C of the Companies (Amendment) Act, 1999, the amount of dividend remaining unpaid/unclaimed with effect from 31st March,

NRC LIMITED

1996 for a period of seven years from the date of transfer to unpaid dividend account of the Company was required to be transferred to the Investor Education & Protection Fund (IEPF) set up by the Government of India and no payments shall be made in respect of such claims by the Fund. Accordingly, the unclaimed dividend for the financial year ended 31.3.1996 has been transferred to IEPF during 2003-2004 and that relating to the financial year ended 31.3.1997 and 31.3.1998 are due for transfer to IEPF within a period of 30 days from the due dates as per details given below:

Financial Year	Date of Declaration of Dividend	Due date for transfer to IEPF
1996-97	24.9.1997	11.11.2004
1997-98	11.9.1998	28.10.2005

Members are requested to submit their claims for unpaid dividends for the aforesaid years at the earliest giving atleast one month's time before the due dates for transfer.

- (j) Members who are holding Company's Shares in dematerialised form are requested to bring details of their DP and Client ID numbers for identification.
- (k) Members desirous of making nomination in respect of their shareholding may approach the Company or to the Share Registrars for obtaining prescribed form and return the same duly filled in and signed for registration with the Company.

It is proposed to offer Electronic Clearing System (ECS) facilities in future for remittance of dividend. Members desirous of availing the facility may send their request through their DP's who are holding shares in demat form and to the Registrars and Share Transfer Agents those holding shares in physical form.

- (l) As required under the Listing Agreement with the Stock Exchanges the particulars of Directors who are proposed to be re-appointed are given below:

- I. (i) **Name:** Shri V. C. Vaidya
 (ii) **Age:** 84 years
 (iii) **Qualifications:** L.L.B. and Solicitor, Bombay
Experience: Ex-Chairman and Managing Director of New India Assurance Co. Ltd. Shri Vaidya is experienced in legal, insurance and investment fields.
 (iv) **Director of the Company since:** July, 1981
 (v) **Other Directorship:**
 1. ABC Bearings Ltd.
 2. Chika Pvt. Ltd.

3. Grover Vinyards Ltd.
 4. The Industrial Investment Trust Ltd.
 5. The Industrial & Prudential Investment Co. Ltd.
 6. Standard Industries Ltd.
 7. Tata Investment Corporation Ltd.
 8. Victoria Mills Ltd.
 Trustee of: GIC Mutual Fund

(vi) Membership/Chairmanship of Committees of public companies -

Audit Committee:

ABC Bearings Ltd. - Chairman
 Standard Industries Ltd.
 Tata Investment Corporation Ltd.
 Industrial Investment Trust Ltd.

Remuneration Committee

ABC Bearings Ltd.
 NRC Limited

Shareholders'/Investors' Grievance Committee

NRC Limited - Chairman.
 Standard Industries Ltd.

II. (i) **Name:** Shri Pravin N. Ghatalia

(ii) **Age:** 63 years

(iii) **Qualifications:** Degree in Accounting from Bombay University, Chartered Accountant

Experience:

Joined Price Waterhouse Mumbai in 1967. Worked in Price Waterhouse, London Office during 1976 on International Development Programme and was actively involved in the professional services to various multinational clients. Admitted as a Partner in 1978.

Industry Specialisation:

Partner responsible for Energy & Utilities and Mining Industry in India.

Client/Industry Specialisation:

Multinational engineering, Man-made fibres, Steel, Breweries, consumer Products, Power, Entertainment, Media & Communication, Airlines, Oil & Gas, Pharmaceuticals, Offshore Oil Extraction Drilling Companies and large size Foreign and Nationalised Banks.

Other Professional Appointments:

- Member of the Accounting Standards Committee of Securities and Exchange Board of India (SEBI).

- Member of the Management Committee of the Indian Merchants' Chamber (IMC).
- On the Board of Directors of various listed companies.
- On the Advisory Board of various academic institutions.

Present position:

Sr. Partner - Price Waterhouse.

(iv) **Director of the Company since:** May, 1995

(v) **Other Directorship/Partner:**

1. Star Paper Mills Ltd.
2. Gulf Oil Corporation Limited
3. Foseco India Ltd.
4. Schenectady Herdillia Ltd.
5. Choksey Bhargava & Co. - Partner
6. Price Waterhouse - Partner
7. Price Waterhouse & Co. - Partner

(vi) **Membership/Chairmanship of Committees of public companies -**

Audit Committee:

Foseco India Ltd.
Gulf Oil Corporation Ltd.
NRC Limited
Schenectady Herdillia Ltd.

Remuneration Committee

Foseco India Ltd.
Gulf Oil Corporation Ltd.

Shareholders'/Investors' Grievance Committee

Foseco India Ltd.
Gulf Oil Corporation Ltd.
Schenectady Herdillia Ltd.

III. (i) **Name:** Shri Bodhishwar Rai

(ii) **Age:** 69 years

(iii) **Qualifications:** B.Com. (Hons.) M.A.

Experience:

1. Chairman & Managing Director (Retired) Allahabad Bank, Kolkata.
2. Managing Director (Retired) SBI Mutual Fund, Mumbai.
3. Dy. Managing Director (Retired) SBI Central Office, Mumbai.
4. OSD, Ministry of Finance, Banking Division, Govt. of India, New Delhi.

(iv) **Director of the Company since:** April, 1998.

(v) **Other Directorship:**

1. Dhir & Dhir Asset Reconstruction Co. Ltd.
2. Domino's Pizza India Ltd.

3. H. B. Estates Ltd.
4. Hindustan Wires Ltd. - Nominee SBI
5. Jubilant Organosys Ltd.
6. Madhya Bharat Papers Ltd.
7. Magma Leasing Ltd.
8. Oriental Carbon & Chemical Ltd.
9. Shristi Infrastructure Development Corporation Ltd.
10. Suven Pharmaceuticals Ltd.
11. Sunil Synchem Ltd.
12. Sutlej Industries Ltd.
13. Texmaco Limited
14. West Coast Paper Mills Ltd.
15. Foresight Trust Capital Finance Pvt. Ltd.
16. Global Trust Capital Finance Pvt. Ltd.
17. Morgan Stanley Mutual Fund - Trustee

(vi) **Membership/Chairmanship of Committees of public companies -**

Audit Committee:

Suven Pharmaceuticals Ltd. - Chairman
Oriental Carbon & Chemical Ltd. - Chairman
Hindustan Wires Ltd. - Chairman
Jubilant Organosys Ltd. - Chairman
Madhya Bharat Papers Ltd. - Chairman
Magma Leasing Ltd.
Sunil Synchem Ltd.

Shareholders'/Investors' Grievance Committee:

Hindustan Wires Ltd.
Jubilant Organosys Ltd.

(m) The Company is registered with National Securities Depository Ltd. and Central Depository Services (India) Ltd. for dematerialisation of its Equity Shares with effect from 23.02.2001 and the ISIN number allotted to the Company's Equity Shares is INE 953C01018. Members are requested to note that pursuant to the SEBI Guidelines with effect from 26th March, 2001 trading and delivery of Company's Equity Shares is compulsorily in dematerialised form only.

Registered Office:
Ewart House
Homi Modi Street
Mumbai - 400 001

By Order of the
Board of Directors

Dated : 29th July, 2004

Prasenjit Guha
Company Secretary

NRC LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST MARCH, 2004

To The Members

Your Directors present the 57th Annual Report and Audited Accounts of the Company for the year ended 31st March, 2004.

FINANCIAL RESULTS

	Rs. in Lacs	
	2003-2004	2002-2003
Gross Sales	39575.65	35228.98
Profit before Interest, Depreciation and Tax Interest	4412.18 1516.15	3678.03 741.60
Profit before Depreciation and Tax	2896.03	2936.43
Depreciation	1112.42	1098.84
Profit/(Loss) before Exceptional items & Tax	1783.61	1837.59
Exceptional Item- Diminution in the value of long term investments	(500.00)	—
Taxation		
- Deferred Tax Asset /(Liability)	373.61	(378.06)
Profit/(Loss) after Tax	1657.22	1459.53
Surplus/(deficit) from Previous Year	— *	(6395.92)
Profit available for Appropriation	1657.22	(4936.39)
Appropriations recommended:		
Transfer to:		
- Capital Redemption Reserve	453.73	—
- Debenture Redemption Reserve	81.17	—
- Proposed Dividend on Preference Shares	148.32	—
- Corporate Dividend Tax	19.00	—
- Proposed Dividend on Equity Shares	178.09	—
- Corporate Dividend Tax	22.82	—
- Surplus/(Loss) carried forward to Balance Sheet,	754.09	(4936.39)
	(1657.22)	(4936.39)

* Adjusted against Reserves as per Order of High Court

PERFORMANCE AND PROSPECTS

The Company registered an all round improvement in production, sales volume, turn over and capacity utilization during the year under review. The operating profit increased by about 20% from Rs. 36.78 crores to Rs. 44.12 crores. However, the profit before exceptional items marginally reduced due to interest being higher as compared to the last year wherein the Company had got benefit of one time settlement with a Financial Institution. The Company has fully recognized the deferred tax assets in view of improvement in the performance however, no provision for current tax is required due to availability of tax losses and carry forward depreciation. The net profit after exceptional item and deferred tax is Rs. 16.57 crores.

The market conditions for Rayon yarn were adversely affected during the year due to lower domestic demand along with increased import of cheap material from China and reduction in import duty. Margins were under further pressure due to higher fuel cost and increase in cost of raw materials etc. The stock-build up during the end of last year and in the beginning of the current year due to protest by textile centres over imposition of Cenvat on looms in unorganised sector, was more or less carried through during the year at industry level. However, imports have now reduced due to pro-active approach of the manufacturers association to expose unethical practices of some of the Importers.

The market for Nylon Tyre Cord Fabric (NTCF) was satisfactory as far as demand is concerned. However, margins eroded substantially as on the one hand the NTCF prices remained under severe pressure due to dumping of cheap Chinese material along with abolition of SAD and reduction of import duty in the mini budget, on the other hand Caprolactum prices kept increasing throughout the year. However, with marginal firming up of international prices of NTCF the performances of the division is expected to be stable during the current year.

Further the demand of Caustic Soda and its by products was satisfactory and the realisation improved as compared to the last year. However, the manufacturing costs increased due to the higher fuel cost.

In spite of the above adverse market situation, the Company by sustained efforts in the areas of cost reduction, operating efficiency and better product mix could achieve a satisfactory performance which is expected to further improve in the current financial year.

DIVIDEND AND APPROPRIATIONS

Due to the losses incurred by the Company since 1998-99 resulting from difficult market conditions affecting the demand for Company's products and the realisation the Board was constrained not to recommend any dividend.

Now in view of the profits, your Directors are pleased to recommend a dividend of 5% on the Equity Shares amounting to Rs. 1.78 crores and dividend on Preference Shares of Rs. 1.48 crores (including arrears of Rs. 1.01 crores), which along with Corporate Dividend Tax of Rs. 0.42 crores will absorb in aggregate Rs. 3.68 crores. Further, appropriation towards capital redemption reserve of Rs. 4.53 crores and debenture redemption reserve of Rs. 0.81 crores have been proposed. The surplus of Rs. 7.54 crores has been carried forward in the Balance Sheet.

FINANCE

As per the approval granted by Shareholders at the 56th Annual General Meeting the Promoters have brought in

additional equity by subscribing to the Preferential Issue of 47,00,000 equity shares of Rs. 10/- each credited as fully paid-up issued at a premium of Rs. 9.75 per share aggregating to Rs. 9.28 crores. This resulted in increase in the paid-up capital to Rs. 35.65 crores and Securities Premium Account by Rs. 4.58 crores.

During the year, the Company has redeemed the debts earlier securitised by ICICI Bank Ltd. and also 8% Cumulative Redeemable Preference Shares of Rs. 4.54 crores being part of the securitisation agreement.

In view of the Auditors qualification in the accounts for 2002-03 and as a prudent measure, provision has been made for Rs. 5 crores in respect of the diminution in the value of long term strategic investments of the Company.

In terms of the Shareholders approval accorded at 56th Annual General Meeting held on 24th September, 2003, the Hon'ble Bombay High Court vide its order dated 4th March, 2004 approved the Scheme of Reduction for utilisation of the Securities Premium Account and Capital Redemption Reserve Account to write off the brought forward losses of Rs. 49.36 crores as on 1st April, 2003. The effect of the scheme has been given effect to and is reflected in the accounts for the year ended 31st March, 2004.

The Board places on record its deep appreciation to the Financial Institutions and Banks for extending support to the Company during the period.

EXPORTS

The total exports of Viscose Filament Yarn (VFY) during the year was higher at Rs. 7.38 crores compared to Rs. 1.10 crores in the previous year. Efforts are being made to develop new overseas markets and exports are expected to pick up during the current year. However, reduced export benefit and falling rupee have considerably reduced margins on exports.

DIRECTORS

The Board of Directors had appointed Shri Shrivardhan Goenka as a Whole-time Director w.e.f 1st October, 2003 for a period of three years. Due to his other preoccupations Shri Goenka was not able to devote much time in the day to day affairs of the Company and hence resigned as a Whole-time Director w.e.f. 13th January, 2004. Shri Goenka however has expressed his desire not to draw any remuneration for his brief tenure. Shri Goenka continues to be a Director of the Company.

In terms of the Articles of Association of the Company, Shri.V. C. Vaidya, Shri P. N. Ghatalia and Shri Bodhishwar

Rai retire by rotation at the forthcoming Annual General Meeting and are eligible for re-appointment.

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

Particulars of Energy conservation and research & development activities undertaken by the Company as required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are annexed and form part of the Directors' Report.

PARTICULARS OF EMPLOYEES

The particulars of Employees as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are appended.

REPORT ON CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, report on Corporate Governance Code and Auditors Certificate regarding compliance of the conditions of the Code and Management Discussion and Analysis are part of this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217 (2AA) of the Companies Act, 1956 as amended by the Companies (Amendment) Act, 2000 given below is the Directors' Responsibility Statement; The Board of Directors state:

- i) that in the preparation of the Annual Accounts for the year ended 31st March, 2004, 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 judgements 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 ended 31st March, 2004 and of the profit of the Company for that period.
- 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 Annual Accounts for the year ended 31st March, 2004 had been prepared on a going concern basis.

NRC LIMITED

SAFETY

Adequate safety measures and safe working practices have been implemented to ensure safety of workforce, plant and machinery as well as of the environment.

The working environment is periodically monitored by drawing samples and records are maintained.

INDUSTRIAL RELATIONS

Industrial Relations during the year under review remained cordial and peaceful.

PUBLIC DEPOSITS

The Company has not accepted any deposits from the public under Section 58A of the Companies Act, 1956.

STOCK EXCHANGE LISTINGS & DEMATERIALISATION OF EQUITY SHARES

Pursuant to approval of the Shareholders at the 56th Annual General Meeting held on 26th September, 2003 to delist the shares of the Company from the Pune Stock Exchange Ltd., The Stock Exchange, Ahmedabad and The Calcutta Stock Exchange Association Ltd., the Company has received delisting approval from Pune Stock Exchange Ltd. and The Stock Exchange, Ahmedabad effective from 16th January, 2004 and 8th March, 2004 respectively. The Calcutta Stock Exchange Association Ltd. have informed that the delisting application is under process and nothing further needs to be done by the Company and the approval is expected to be received in due course.

The Company continues to be listed at the Stock Exchange, Mumbai and National Stock Exchange Ltd., being the two prominent Exchanges having wide reach to the shareholders across the country. The Company confirms that it has paid

annual listing fees to the above Stock Exchanges for the year 2004-05.

COST AUDIT

M/s. R. Nanabhoy & Co., Cost Accountants have been appointed as Cost Auditors to conduct the audit of Cost Accounts of the Company relating to Rayon Yarn, Nylon Tyre Cord, Caustic Soda and Sulphuric Acid for the financial year ended 31st March, 2004 with the approval of the Central Government.

AUDITORS' REPORT

The notes to the Accounts referred to by the Auditors in their Report are self-explanatory.

APPOINTMENT OF AUDITORS

M/s. Lodha & Co., Chartered Accountants, the Auditors of the Company retire at the forthcoming Annual General Meeting and are eligible for re-appointment. Members are requested to appoint the Auditors and to fix their remuneration.

ACKNOWLEDGEMENTS

Your Company and its Directors acknowledge with gratitude the support received from the Government Agencies, Financial Institutions, Banks, Investors, Business Associates and Employees of the Company and look forward to their continued support.

On behalf of the Board

Mumbai
29th April, 2004.

G. P. GOENKA
Chairman

INFORMATION UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

A. CONSERVATION OF ENERGY

2003-2004 2002-2003

(a) Energy conservation measures taken:

- Installation of energy efficient cooling tower for Rayon Spinbath recovery evaporators.
- Installation of Inverters on F D fans of Boiler.
- Design and Installation of Hot water recovery system in D G Power Plant.
- Adding 4th effect evaporator in the recovery plant of Nylon division to improve steam economy.
- Modification of Pot Motors, in phases, in Rayon Spinning to reduce power consumption.
- Installation of FRP blades in spinning exhaust fan.
- Replacement of old Pumps and Motors with new energy efficient ones.

(b) Following proposals are being implemented:

- Replacement of Steam based crystallisers by Acid absorption crystallisers for steam savings.
- Use of energy efficient Poly V Belts for identified equipments.
- Replace electrical heating by direct oil fired heating system for thermic fluid.
- Installation of variable frequency drives in Bleach process and in Caustic Soda Plant

(c) Impact of the measures taken for saving the energy consumption is reflected in the per tonne consumption figures.

(ii) Through Diesel Generator

Units (KWH in Thousands) **5** 10

Fuel Cost/Unit (Rs.) **7.82** 7.25

(iii) Through Steam Turbine

Generator by Coal/Oil Units (KWH in Thousands) **1,57,12** 1,22,03

Fuel Cost/Unit (Rs.) **0.85** 0.79

2. Coal

Quantity in M.T. **57,213** 46,359

Total Cost (Rs. in Lacs) **1,289.54** 1,006.14

Average Rate (Rs./M.T.) **2,254** 2,170

3. Furnace Oil

Quantity in K.Ltrs. **1,529** 1,506

Total Cost (Rs. in Lacs) **172.27** 162.30

Average Rate (Rs./K.Ltrs.) **11,267** 10,780

4. L S H S

Quantity in M.T. **37,327** 36,691

Total Cost (Rs. in Lacs) **4,367.06** 4,301.29

Average Rate (Rs./M.T.) **11,700** 11,723

5. Others — Internal Generation

— —

II. Consumption per unit of Production

1. Electricity (KWH/M.T.)

Viscose Rayon Yarn **4,667** 5,359

Nylon Tyre Cord **4,095** 4,298

Caustic Soda **3,044** 2,979

Sulphuric Acid **54** 64

Carbon-di-Sulphide **1,363** 1,507

2. Coal (M.T./M.T.)

Viscose Rayon Yarn **3.66** 3.61

Nylon Tyre Cord **1.10** 1.04

Caustic Soda **0.04** 0.04

Sulphuric Acid **0.06** 0.08

Carbon-di-Sulphide **0.75** 0.73

3. Furnace Oil (K.Ltrs./M.T.)

Viscose Rayon Yarn — 0.05

Nylon Tyre Cord — 0.01

Carbon-di-Sulphide — 0.01

4. L S H S/Furnace Oil (M.T./Th.KWH.)

D G Power Plant **0.220** 0.219

The total energy consumption and energy consumption per unit of production

2003-2004 2002-2003

I. Power and Fuel Consumption

1. Electricity:

(a) Purchased Units **1,66,23** 91,19

(KWH in Thousands)

Total amount (Rs. in Lacs) **646.85** 486.50

Rate/Unit (Rs.) **3.89** 5.33

includes maximum

demand charges

(b) Own Generation:

(i) Through D G Power Plant

Units (KWH in Thousands) **17,22,53** 16,73,80

Fuel Cost/Unit (Rs.) **2.57** 2.57

NRC LIMITED

B. RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

- a) Specific areas in which R & D carried out by the Company:
- Development of Knotless/Spliced Yarn for Velvet & Warping Segment..
 - Use of speciality chemicals/finish for improving dyeability, softness and feel of Viscose Filament Yarn for Export.
 - Use of special additive for reducing CS2 addition during xanthation stage.
 - Development of new shades of Viscose Filament Yarn suitable for carpet manufacturing for overseas buyers.
 - Use of Blooming agent for enhancing colour depth/brightness of Viscose Filament Yarn.
- b) Future Plan of Action:
- Continuous improvement in product quality and process.
 - Development of cellulose derivatives and CS2 based chemicals.
 - Development of better coning oil, guides, and funnels to improve Viscose Filament Yarn quality.

c) Technology Absorption:

Efforts, in brief, made towards technology absorption, adaptation and innovation:

- Use of Tube Spinning Technology in Viscose Filament Yarn and Spin draw Technology in Nylon Tyre-cord.

d) Expenditure on R & D:

An expenditure of Rs. 1.66 Crores of revenue nature (Previous Year Rs. 1.55 Crores) representing 0.42% (Previous Year 0.44%) of the total turnover was incurred during the year. There was no capital expenditure.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange earnings amounted to Rs. 7.38 Crores (Previous Year Rs. 1.10 Crores). Total Foreign Exchange outgo amounted to Rs. 10.00 Crores (Previous Year Rs. 8.07 Crores).

On behalf of the Board

G. P. GOENKA
Chairman

Mumbai, 29th April, 2004.

PARTICULARS OF EMPLOYEES UNDER SECTION 217 (2A) OF THE COMPANIES ACT, 1956.

Name (a) Designation/Nature of Duties (b) Age (Years) (c) Remuneration (Rs.) (d) Qualifications (e) Experience (Years) (f) Date of Commencement of Employment (g) Last Employment.

Sharma P. S. (a) Managing Director (b) 62 (c) 40,93,397 (d) B.E. (Chem.) (e) 39 (f) 09.08.1999 (g) Executive Director, DCM Shriram Industries Ltd.

NOTES: (a) Remuneration includes Salary, Leave Travel Assistance, Medical Expenses, Performance Related Pay, Company's Contribution to Provident and Superannuation Funds and other facilities/benefits the monetary value of which has been evaluated as per Income-tax Rules.

- (b) The above employee is not a relative of any Director of the Company and the nature of his employment is contractual.

On behalf of the Board

G. P. GOENKA
Chairman

Mumbai, 29th April, 2004