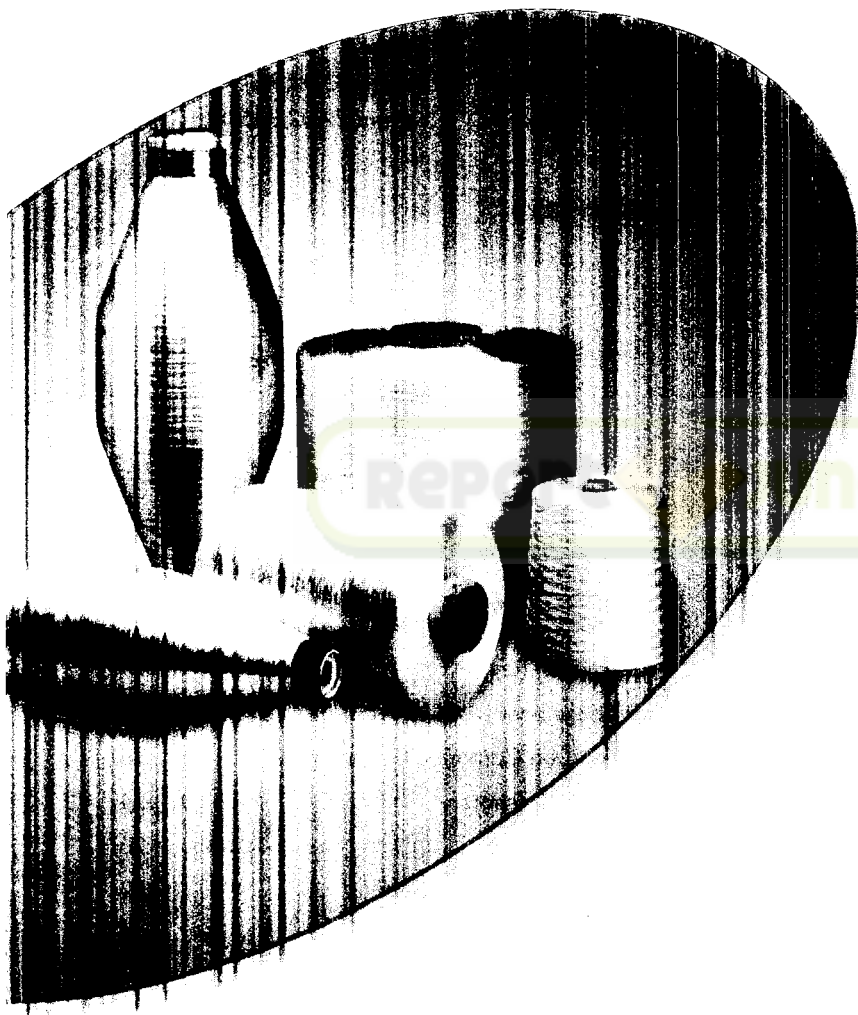


DUNEL WOTNKA



61st

ANNUAL REPORT 2007-2008

NRC LIMITED

BOARD OF DIRECTORS	GOENKA G. P.	Chairman	
	GOENKA ASHOK	Director	
	RAI BODHISHWAR	Director	(upto 16.10.2008 due to sad demise)
	MISHRA MADHUKAR	Director	
	MALLIK P. K.	Director	
	AGARWAL R. S.	Director	
	LUKE A. K.	Managing Director	(upto 13.12.2007)
	MEHTA L. S.	Managing Director	(upto 21.02.2008)
	JAIN ARUN	Managing Director	(from 22.02.2008)

COMPANY SECRETARY AJIT P. WALWAIKAR (upto 31.03.2008)

**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
INDIAN OVERSEAS BANK

AUDITORS LODHA & CO.
CHARTERED ACCOUNTANTS

**REGISTRARS &
SHARE TRANSFER
AGENTS** TSR DARASHAW LIMITED
UNIT: NRC LTD.
6-10, HAJI MOOSA PATRAWALA
INDUSTRIAL ESTATE,
20, DR. E. MOSES ROAD,
MAHALAXMI,
MUMBAI 400 011
Tel. : 9122-66568484
Fax : 9122-66568494
Email : csg-unit@tsrdarashaw.com
Website : www.tsrdarashaw.com

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NOTICE

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

Day : Thursday
 Date : 18th December, 2008
 Time : 11.00 a.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 15 months period ended on 30th June, 2008 and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Shri. Ashok Goenka who retires from the office by rotation and, being eligible, offers himself for re-appointment.
3. 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.

SPECIAL BUSINESS:

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

"RESOLVED THAT Shri Arun Jain, who was appointed as an Additional Director of the Company by the Board of Directors and who holds office upto the date of the Annual General Meeting and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under Section 257 of the Companies Act, 1956 proposing his candidature for office of Director, be and is hereby appointed a Director of the Company."

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and in pursuance of the approval of the Central Government received in this behalf subject to passing of this resolution and subject to such other approvals as may be necessary, the Company hereby accords its approval and consent to the appointment of Shri. Arun Jain as Jt. Managing Director for a period of three years with effect from 25th January, 2008 who has since been re-designated as Managing Director with effect from 22nd February, 2008 on the same terms and conditions including remuneration as set out in the explanatory statement annexed hereto."

"RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any year during the tenure of the Managing Director, Shri. Arun Jain shall be paid the remuneration including the perquisites as minimum remuneration as set out in the Explanatory Statement annexed hereto."

"RESOLVED LASTLY THAT the Board of Directors be and is hereby authorised to do and perform all such acts, deeds, matters and things as may be considered desirable or expedient to give effect to the above resolutions including but not limited to entering into an agreement with Shri. Arun Jain."

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

"RESOLVED THAT the appointment of Shri L. S. Mehta as an Additional Director of the Company by the Board of Directors from 13.12.2007 and his appointment to act as Managing Director of the Company from the same date and his rendering services as Managing Director up to 21.02.2008 be and are hereby approved."

"RESOLVED FURTHER THAT pursuant to the provisions of Sections 198, 269, 309 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government and subject to such other approvals as may be necessary, the Company hereby accords its approval and consent to the appointment of Shri. L. S. Mehta as the Managing Director for a period from 13.12.2007 to 21.02.2008 on the terms and conditions including remuneration as set out in the explanatory statement annexed hereto."

"RESOLVED FURTHER THAT, pursuant to the absence of profits in the year during the tenure of the Managing Director, Shri. L. S. Mehta shall be deemed to have been paid the remuneration including the perquisites as minimum remuneration as set out in the Explanatory Statement annexed hereto."

"RESOLVED FURTHER THAT, in terms of proviso (ii) to clause (c) of Part I of Schedule XIII to the Companies Act, 1956, approval of the members be and is hereby given to the appointment of Shri. L. S. Mehta as Managing Director irrespective of his attaining the age of more than 70 years."

"RESOLVED FURTHER THAT whereas an application for approval of the Central Government had been made by the Company and whereas the said approval of the Central Government has not been received, till date, recovery of the remuneration of Rs. 17,35,250/- paid, on pro rata basis, to Shri. L. S. Mehta for the period from 13.12.2007 to 21.02.2008, in the absence of the approval of the Central Government to the remuneration, be and is hereby waived subject to the permission of the Central Government in terms of Section 309 (5B) of the Companies Act, 1956."

NRC LIMITED

“RESOLVED LASTLY THAT the Board of Directors be and is hereby authorised to do and perform all such acts, deeds, matters and things as may be considered desirable or expedient to give effect to the above resolutions including making application to the Central Government for the waiver of recovery of the remuneration, if need be.”

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

“RESOLVED THAT whereas appointment of Shri. A. K. Luke as Managing Director and the remuneration payable to him from 20.02.2007 had been approved by the members of the Company in their 60th Annual General Meeting held on 21.09.2007 and whereas an application for approval of the Central Government to the remuneration of Shri. A. K. Luke had been made by the Company and whereas the said approval of the Central Government has not been received, till date, and whereas Shri. A. K. Luke has ceased to be Managing Director w.e.f. 13.12.2007, recovery of the remuneration of Rs. 45,79,855/- paid to Shri. A. K. Luke, on pro rata basis, for the period from 20.02.2007 to 13.12.2007, in the absence of the approval of the Central Government to the remuneration, be and is hereby waived subject to the permission of the Central Government in terms of Section 309 (5B) of the Companies Act, 1956.”

“RESOLVED LASTLY THAT the Board of Directors be and is hereby authorised to do and perform all such acts, deeds, matters and things as may be considered desirable or expedient to give effect to the above resolutions including making application to the Central Government for the waiver of recovery of the remuneration, if need be.”

NOTES:

- (a) The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item nos. 4 to 7 are annexed hereto.
- (b) 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.
- (c) The Register of Members and Share Transfer Books of the Company will remain closed from 6th December, 2008 to 18th December, 2008 (both dates inclusive).
- (d) Shareholders, holding shares in physical form, are requested to notify change in their addresses along with PIN CODE to the Company at its Registered Office or to the Registrars: TSR Darashaw Ltd. 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai – 400 011 quoting their Folio Numbers.

The Shareholders holding shares in demat form may notify change in address to their respective Depository Participants.

- (e) Members having multiple folios in relation to physical shares in identical or joint names in same order are requested to intimate the Registrars and Share Transfer Agents to consolidate their holdings into a single folio.
- (f) 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 at least seven days in advance of the date of the Meeting so as to enable the Management to keep the necessary information ready at the Meeting.
- (g) 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. 3 will be proposed as a Special Resolution.
- (h) Pursuant to Section 205-A of the Companies Act, 1956, the unclaimed dividend upto the financial year ended 31.3.1996 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, 1997 for a period of seven years from the date of transfer to unpaid dividend account of the Company is 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(s) ended 31.3.1998 has been transferred to IEPF during 2005-2006 and that relating to the financial year ended 31.3.1999, 31.3.2000 and 31.03.2001 there is no dues required to be transferred to IEPF.
- (i) Members who are holding Company's Shares in dematerialised form are requested to bring details of their DP and Client ID numbers for identification at the meeting.
- (j) Members holding shares in physical form, 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. The Members holding shares in demat form may register their nominations with their respective DPs.
- (k) As required under the Listing Agreement with the Stock Exchanges the particulars of Director/s who is/are proposed to be re-appointed are given below:

Sr. No.	Name	Age	Qualifications	Experience	Share-holding in the Company	Director of the Company since	Other Directorships	Committee Positions
1.	Shri Ashok Goenka	77	B. A. (Eco. Hons) MBA	Former Chairman, General Insurance Corporation of India, Economic Advisor, UNCTAD, Geneva,. Faculty member of Nanyang Technology University, Singapore. Mr. Goenka has wide experience in the Insurance Sector and is also an academican with background in economics and management studies.	—	17th April, 1998	—	—
2.	Shri Arun Jain	55	B.Sc., C.A	27 years wide range of experience in the public Companies as Executive Director handling various financial & commercial matters	25,000	25th January, 2008	—	—

- (l) 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 trading and delivery of Company's Equity Shares are compulsorily in dematerialised form only.
- (m) The Company has created e-mail address to enable the Members to e-mail their complaints to the Company. The said e-mail address is redressal@nrclimited.com. The members may use this speedier mode of communication.
- (n) All documents referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office of the Company between 10.30 a.m. and 1.00 p.m. on any working day prior to the date of the Meeting.

Registered Office:
Ewart House
Homi Modi Street
Mumbai 400 001

Dated : 31st October, 2008

By Order of the
Board of Directors

Arun Jain
Managing Director

Item No. 4

Shri Arun Jain was appointed as an Additional Director of the Company by the Board of Directors effective from 25th January, 2008. According to the provisions of Section 260 of the Companies Act, 1956 (the Act) read with Regulation 138 of the Articles of Association of the Company, Shri Arun Jain holds office of Director the ensuing Annual General Meeting of the Company. A notice has been received from a member as required by Section 257 of the Act signifying his intention to propose the appointment of Shri Arun Jain as a Director.

Shri. Arun Jain has also been appointed, in the first instance, as Jt. Managing Director w.e.f. 25th January, 2008 for a period of three years and re-designated as Managing Director on 22nd February, 2008. He is sought to be appointed as non-rotational director.

The Board of Directors is of the view that the vast experience of Shri Arun Jain in diverse fields would be of immense benefits to the Company and hence recommends his appointment for your approval.

None of the Directors, except Shri Arun Jain, himself, is interested in the Resolution.

Item No. 5

The Board of Directors of the Company at its meeting held on 25th January, 2008, appointed Shri Arun Jain (55), as the Jt. Managing Director of the Company for a period of three years with effect from 25th January, 2008 and subsequently re-designated as Managing Director w.e.f. 22nd February, 2008, on the same terms and conditions, subject to the approvals of the Company in general meeting and of the Central Government, if applicable, and subject to any other approvals

EXPLANATORY STATEMENT

The following Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 sets out the material facts relating to the business at Item Nos. 4 to 7 of the accompanying Notice dated 31st October, 2008.

NRC LIMITED

as may be necessary. An abstract of the terms of appointment including remuneration as recommended by the Remuneration Committee of the Board of Directors and approved by the Board of Directors, is given below:

(1) **Salary:**

Rs. 4,00,000/- per month.

(2) **Special Allowance:**

Rs. 1,00,000/- per month.

(3) **Perquisites & Allowances:**

In addition to the salary, perquisites in the form of rent free furnished residential accommodation or house rent allowance Limited to Rs. 22 Lacs P.A. together with allowance/reimbursement of expenses for operation of 2 cars, utilities such as gas, electricity, Business Expenses, Club Membership Fee, Leave encashment, soft furnishings, servant allowance, books and periodicals, medical reimbursement, leave travel assistance. P. F. Gratuity at 15 days' basic salary per year and such other perquisites as per the rules of the Company applicable to the Senior Management Staff, aggregate value whereof, inclusive of FBT, to be restricted to an amount not exceeding 64.88% of the annual salary. For computing the foregoing ceiling, all perquisites to be evaluated as per the Income-tax Rules, 1962. In the absence of any such rule, evaluations will be at actual cost and that the following shall not be included in computing the ceiling on perquisites as aforesaid:

- (a) Residential Accommodation/HRA;
- (b) Cars/Telephone for official use;
- (c) Company's contribution to Provident Fund to the extent not taxable under the Income Tax Act, 1961;
- (d) Gratuity payable as per Rules of the Company;
- (e) Encashment of leave at the end of tenure.

Minimum Remuneration:

In the event of absence or inadequacy of profits in any financial year during the tenure, the Managing Director shall be paid the same remuneration as stated hereinabove including perquisites as minimum remuneration.

- (4) The Managing Director so long as he functions as such shall not be paid any sitting fees for attending meetings of the Board of Directors or Committee thereof.
- (5) Either party shall be entitled to determine the Agreement by giving three months' notice in writing to the other party without assigning any reason and on the expiry of the period of such notice, the Agreement shall stand determined. The Company shall be entitled to give three months' salary and perquisites in lieu of notice.

- (6) The Managing Director shall not be entitled to any compensation in cases mentioned in Section 318(3) of the Companies Act, 1956.

- (7) The Managing Director shall not be entitled to supplement his earnings under the Agreement with any buying and selling commission and any other commission or become interested or concerned directly or through his wife and/or minor children, relatives in any selling agency of the Company, without the prior approval of the Central Government.

The Company preferred an application to the Central Government which has since been approved and approval of the Central Government was received vide its Letter No. A33457458 – CL.VII dated 10th July, 2008 up to this Annual General Meeting of the Company and approval for the remaining period will be considered on submission of this Special Resolution when passed by the Members of the Company.

No other Director, except Shri Arun Jain, is concerned or interested in the said appointment

All documents referred above are available for inspection as stated in Note No. (n) to this Notice.

The Board of Directors commends the Resolution for your approval.

Item No. 6

Shri. Lalit Singh Mehta (74) was appointed additional director and Managing Director w.e.f. 13th December, 2007. He had been appointed for two years from 13th December, 2007 to 12th December, 2009. However, he resigned on 21st February, 2008 for personal reasons. Shri L. S. Mehta has postgraduate qualification in the fibre & chemistry and has rich business experience of over 43 years in the Rayon Industry at a very senior management position.

Shri L. S. Mehta was entitled to the remuneration and was governed by the terms and conditions, stated below, in his services as Managing Director of the Company, as recommended by the Remuneration Committee, and approved by Board of Directors at its meeting held for this purpose.

(1) **Salary:**

Rs. 4,50,000/- per month.

(2) **Performance Pay:**

As may be decided by the Board for year to year subject to a ceiling of Rs. 12 Lacs per annum (payable half yearly).

(3) **Perquisites & Allowances:**

In addition to the salary and performance pay, perquisites in the form of rent free furnished residential accommodation

or house rent allowance together with allowance/ reimbursement of expenses for Car operation, utilities such as gas, electricity, soft furnishings, servant salaries, books and periodicals, medical reimbursement, leave travel assistance and such other perquisites as per the rules of the Company, applicable to the Senior Management Staff, aggregate value whereof, inclusive of FBT, to be restricted to an amount not exceeding 73% of the annual salary. For computing the foregoing ceiling, all perquisites to be evaluated as per the Income-tax Rules, 1962. In the absence of any such rule, evaluations will be at actual cost and that the following shall not be included in computing the ceiling on perquisites as aforesaid:

- (a) Residential Telephone;
 - (b) Cars for official use;
 - (c) Company's contribution to Provident Fund to the extent not taxable under the Income Tax Act, 1961;
 - (d) Gratuity payable as per Rules of the Company;
 - (e) Encashment of leave at the end of tenure.
- (4) The Managing Director so long as he functions as such shall not be paid any sitting fees for attending meetings of the Board of Directors or Committee thereof.
 - (5) The Company shall reimburse to the Managing Director entertainment, traveling and other expenses incurred by him for the business of the Company.
 - (6) Either party shall be entitled to determine the Agreement by giving two months' notice in writing to the other party without assigning any reason and on the expiry of the period of such notice the Agreement shall stand determined. The Company shall be entitled to give two months' salary and perquisites in lieu of notice.
 - (7) The Managing Director shall not be entitled to any compensation in cases mentioned in Section 318(3) of the Companies Act, 1956.
 - (8) The Managing Director shall not be entitled to supplement his earnings under the Agreement with any buying and selling commission and any other commission or become interested or concerned directly or through his wife and/or minor children, relatives in any selling agency of the Company, without the prior approval of the Central Government.
 - (9) In the event of loss or inadequacy of profits of the Company in any financial year during the term of Shri L. S. Mehta's appointment hereunder, he shall be entitled to the consolidated salary and perquisites as laid down above being the minimum remuneration."

Moreover, approval from the members is also sought for his appointment irrespective of his attaining age of more than 70 years in terms of clause (c) of Part I of Schedule XIII to the Companies Act, 1956 which state that the managerial personnel should not have attained the age of more than 70 years and if so, shall obtain approval of the Central Government.

The Company also referred an application for approval of his remuneration to the Central Government. However, till date, the approval has not been received. In the meantime, Shri. L. S. Mehta was paid remuneration on pro-rata basis amounting to Rs. 17,35,250/- from the date of appointment till his leaving the position. Since, no remuneration is payable to a managerial personnel without prior sanction of the Central Government in terms of Section 309 (5A) of the Companies Act, 1956 and if any amounts are paid to the managerial personnel without prior sanction of the Central Government, he shall refund such sums to the company and until such sum is refunded, holds it in trust for the company. Moreover, in terms of Section 309 (5B), the company shall not waive the recovery of any sum refundable to it under sub-section (5A), unless permitted by the Central Government.

In light of above and since the Company has stopped pursuing the said application, it is sought to request the Central Government to waive the recovery of the sum stated above with the approval of the shareholders of the Company.

Thus, in addition to the approval of the Shareholders to the remuneration of Shri. L. S. Mehta, an approval to the waiver of recovery of the sums paid to Shri. L. S. Mehta is also sought. Based on this approval for waiver by the shareholders, a request would be made to the Central Government to waive the recovery of the above sums paid to Shri. L. S. Mehta.

No Director is concerned or interested in the said Resolution.

All documents referred above are available for inspection as stated in Note No. (n) to this Notice.

The Board of Directors commend the Resolution for your approval.

Item No. 7

Shri. Alexander K. Luke (58) had been appointed Managing Director of the Company from 20th February, 2007 and his remuneration had been approved by the members of the Company in their 60th Annual General Meeting held on 21st September, 2007. However, he resigned from the Company for personal reasons w.e.f. 13th December, 2007.

NRC LIMITED

The Company also referred an application for approval of his remuneration to the Central Government. However, till date, the approval has not been received. In the meantime, Shri. A. K. Luke was paid remuneration on pro-rata basis amounting to Rs. 45,79,855/- from the date of appointment till his leaving the position. Since, no remuneration is payable to a managerial personnel without prior sanction of the Central Government in terms of Section 309 (5A) of the Companies Act, 1956 and if any amounts are paid to the managerial personnel without prior sanction of the Central Government, he shall refund such sums to the company and until such sum is refunded, holds it in trust for the company. Moreover, in terms of Section 309 (5B), the company shall not waive the recovery of any sum refundable to it under sub-section (5A), unless permitted by the Central Government.

In light of above and since the Company has stopped pursuing the said application, it is sought to request the Central Government to waive the recovery of the sum stated above with the approval of the shareholders of the Company.

Thus, an approval to the waiver of recovery of the sums paid to Shri. A. K. Luke is sought. Based on this approval for waiver by the shareholders, a request would be made to the Central Government to waive the recovery of the above sums paid to Shri. A. K. Luke.

No Director is concerned or interested in the said Resolution.

All documents referred above are available for inspection as stated in Note No. (n) to this Notice.

The Board of Directors commends the Resolution for your approval.

Registered Office:
Ewart House
Homi Modi Street
Mumbai 400 001

Dated : 31st October, 2008

By Order of the
Board of Directors

Arun Jain
Managing Director

Report  Junction.com

STATEMENT CONTAINING INFORMATION REQUIRED TO BE GIVEN UNDER SCHEDULE XIII AS REQUIRED BY NOTIFICATION REF. G.S.R. 36(E) DATED JANUARY 16, 2002 ISSUED BY GOVERNMENT OF INDIA, MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS, DEPARTMENT OF COMPANY AFFAIRS, NEW DELHI FOR ITEM NO. 4 AND 6.

I. General Information:

1. Nature of the Industry – Rayon, Nylon and Chemicals.
2. Date of expected date of commencement of commercial production: N. A.
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: N. A.
4. Financial Performance: (Based on the audited Accounts for the 15 months period ended 30.6.2008).

	(Rs. in Crores)
Turnover	355.97
Net Profit/(Loss) before tax	(165.11)
Total Expenditure	433.15

5. Export performance and net foreign exchange collaborations: Exports Rs. 12.77 crores. There are no foreign collaborations.
6. Foreign Investments or Collaborators: NIL.

II. Information about the Appointees:

- (A) Information about Shri. Arun Jain, Managing Director

1. *Shri. Arun Jain is a B.Sc. and A.C.A.:*

Shri Arun Jain, did his B.Sc. and thereafter passed Chartered Accountant's examination and is a qualified Chartered Accountants.

Shri Arun Jain, (55), is having more than 27 years of wide range of rich experience in the public Companies. As Executive Director, he was responsible for performance of the group Companies with the Yash Birla Group of Companies. He was associated with the aforesaid Companies for last 15 years in various capacities and had played a key role in Company's turn around and growth.

He has been actively associated with day to day management and techno commercial decisions making and planning for more than 27 years.

2. *Past Remuneration:*

Shri. Arun Jain was Executive Director in his previous Company and was drawing remuneration as was applicable to his position.

3. *Job profile and his suitability:*

The Job Profile is to look after day to day affairs of NRC Ltd. His foremost job is to control losses and bring NRC in profits. His qualification and experience are very much suitable to handle job profile assigned to him.

4. *Remuneration proposed:*

The Abstract containing details of remuneration proposed to be paid to the Managing Director is contained in the Explanatory Statement No. 5 to the Notice of the 61st Annual General Meeting.

5. *Comparative remuneration profile with respect to industry, size of the Company, profile of the position and the person.*

The remuneration proposed is comparable with the emoluments of Managerial Personnel of like industries operating in India taking into consideration the experience of Shri. Arun Jain.

6. *Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel if any:*

Shri. Arun Jain, does not have any pecuniary transactions with the Company except by way of his contract of employment with the Company nor he has any relationship with any other Director of the Company.

- (B) Information about Shri. L. S. Mehta, previous Managing Director

1. *Shri. L. S. Mehta is a post graduate in Organic Chemistry and also in Fibre Technology from Czechoslovakia.*

He has been actively associated with Man Made Fiber Industry for the last 44 years. Having experience in Tyre Cord Plant from the date of inception. He was also working as Advisor for Century Rayon.

In addition to above he was also looking after all the activities related to Production, Quality Control, Engineering, Finance and Personnel functions.

NRC LIMITED

For updation of knowledge, in Man Made Fiber Technology, he has traveled to Europe and US. He has upgraded the technology of manufacturing in Rayon Yarn.

He is also Chairman of the Governing Council of Birla College of Arts, Science and Commerce, Kalyan.

2. *Past Remuneration:*

Shri. L. S. Mehta was President and thereafter Advisor and was drawing remuneration as was applicable to his position.

3. *Job profile and his suitability:*

The Job Profile was to look after day to day affairs of NRC Ltd. His foremost job was to control losses and bring NRC in profits. His qualification and experience were very much suitable to the job.

4. *Remuneration proposed:*

The Abstract containing details of remuneration proposed to be paid to the Managing Director is contained in the Explanatory Statement No. 6 to the Notice of the 61st Annual General Meeting.

5. *Comparative remuneration profile with respect to industry, size of the Company, profile of the position and the person.*

The remuneration proposed was comparable with the emoluments of Managerial Personnel of like industries operating in India taking into consideration the experience of Shri. L. S. Mehta.

6. *Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel if any:*

Shri. L. S. Mehta did not have any pecuniary transactions with the Company except by way of his contract of employment with the Company nor he had any relationship with any other Director of the Company.

III. Other information:

1. *Reasons of loss or inadequate profit:*

The inadequacy of profits in terms of Section 198 of the Companies Act, 1956 arise due to less realization

from finished products of the Company by reason of import, by Company's regular domestic customers, from China at cheap price with reduced customs duty. The high fuel cost has also contributed to the loss.

2. *Steps taken for improvement:*

Various initiatives have been taken by the Managing Director such as Plants to run with full capacity, carryout maintenance and repairs of all the plants, improve labour efficiency, attentive about customer complaints, monitoring of collections, cut down in unit cost of production. Such steps when adopted with determination, commitment and imagination then Company would slowly but surely come out of its present adverse situation and move towards health, growth and strength.

3. *Expected increase in productivity and profits in measurable terms:*

The Company expects to achieve an additional turnover and start making profit after adopting the revival strategy very seriously, at all levels, after the additional capacity and facilities become operational on completion of the ongoing revival programme. The rayon and chemical divisions alongwith Nylon I & II divisions are also expected to achieve satisfactory performance in the coming financial years.

IV. Disclosures:

1. The 'Abstract' containing details of remuneration paid/proposed to be paid to the Managing Director and previous Managing Directors under Section 302 of the Companies Act, 1956 had been circulated among the Shareholders of the Company and is contained in the Explanatory Statement Nos. 5 and 6 as required under Section 173 of the Companies Act, 1956.

2. All the relevant information pertaining to the Managing Directors, past and present, and required to be disclosed in the Directors' Report under the heading "Corporate Governance", are attached to the Annual Report.

Registered Office:
Ewart House
Homi Modi Street
Mumbai 400 001

Dated : 31st October, 2008

By Order of the
Board of Directors

Arun Jain
Managing Director