

**64TH
ANNUAL REPORT
2011-12**



NRC LIMITED

BOARD OF DIRECTORS

MR. G. P. GOENKA	CHAIRMAN
MR. ASHOK GOENKA	DIRECTOR (Ceased w.e.f. 14/09/2011)
MR. MADHUKAR MISHRA	DIRECTOR
MR. P.K. MALLIK	DIRECTOR
MR. R.S. AGARWAL	DIRECTOR (Ceased w.e.f. 31/01/2012)
MR. K. N. BHANDARI	DIRECTOR
DR. P. P. SHASTRI	DIRECTOR (Appointed w.e.f. 19/10/2011)
MR. ARUN JAIN	MANAGING DIRECTOR

CORPORATE & REGISTERED OFFICE

EWART HOUSE , HOMI MODI STREET,
FORT, MUMBAI – 400 001

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UNIT : NRC LTD.	Attendance Slip/Proxy Form	
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		

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

Day	:	Tuesday
Date	:	September 25, 2012
Time	:	11.30 A.M.
Venue	:	Rama Watumull Auditorium, K. C. College, Dinshaw Wacha Road, Churchgate, Mumbai – 400 020.

to transact the following business :

ORDINARY BUSINESS

- To receive, consider and adopt the Audited Accounts for the year ended on 31st March, 2012 and the Reports of the Directors and the Auditors thereon.
- To appoint a Director in place of Shri P. K. Mallik who retires from the office by rotation and, being eligible, offers himself for re-appointment.
- 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:

- To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:
"RESOLVED THAT Dr. P. P. Shastri, 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."
- 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 subject to the approval of the Central Government and such other approvals as may be necessary, the Company hereby accords its approval and consent to the re-appointment of Shri. Arun Jain, as the Managing Director for a period of three years with effect from 25th January, 2011 on the terms and conditions including remuneration as set out in the explanatory statement annexed hereto be, subject to such conditions and modifications, if any, that may be imposed by the Central Government in granting their approval and as may be acceptable to the Board of Directors and Shri. Arun Jain."
"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 with such modifications as may be necessary on receipt of approval of the Central Government."

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 10TH September, 2012 to 25th September, 2012 (both dates inclusive).
- c) 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, 2005 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 31.3.2004 has been transferred to IEPF during 2010-2011 and that relating to the financial year ended 31.3.2005 are due for transfer to IEPF as per details given below : -

Financial Year	Date of Declaration of Dividend	Due date for transfer to IEPF
2004-05	16/09/2005	29/10/2012

- 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	Shareholding in the Company	Director of the Company since	Other Directorships	Committee Positions
1	Shri P. K. Malik	78	B.Com., C. A., (Scotland), F.C.A	Partner in Price Waterhouse from 1965 to 1993. President Institute of C.A. of India, Chairman, Director of the Banks, Public Companies in India Chairman of Educational Foundation engaged in Undergraduate Studies.	-	28/06/2007	Kesoram Industries Ltd. Nagarjuna Agrichem Ltd. International Combinations Ltd. Peerless Financial Services Ltd. CHNHB Association, SVC Super-chem Ltd. Veigapudi Steels Ltd. Unimers India Ltd. SINDT Women's University	6
2	Dr. P. P. Shastri	64	M. A., Ph.D.	Director of UTI Institute of Capital Markets, Head of Research, Planning and Board & Conference Departments etc. , On the panel of Experts to Institute of Banking Personnel.	-	19/10/2011		2

i) 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 secretarial@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 : May 23, 2012

By Order of the
Board of Directors

Arun Jain
Managing Director

Important Communication

The Ministry of Corporate Affairs, vide its Circular No.18/2011 dated 29th April, 2011, clarify that as a measure of "Green initiative in Corporate Governance" it will be in compliance, if the Annual Report i.e. documents listed in section 219(1) of the Companies Act, 1956) is sent through e-mail. To support this green initiative, members holding shares in demat form are requested to provide their e-mail ID to the depository through their concerned depository participant and members holding shares in physical form are requested to provide e-mail ID to the Company's Registrar & Share Transfer Agents, M/s. TSR Darashaw Limited by filling the form available on the Company's website and also update the e-mail address as and when there is any change.

EXPLANATORY STATEMENT

Item No.4

Dr. P. P. Shastri was appointed as an Additional Director of the Company by the Board of Directors effective from 19th October, 2011. 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, Dr. P. P. Shastri holds office of Director upto the date of 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 Dr. P. P. Shastri as a Director.

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

None of the Directors, except Dr. P. P. Shastri, himself, is interested in the Resolution.

Item No. 5

The Board of Directors reappointed Shri Arun Jain as Managing Director w.e.f. 25th January, 2011, for a period of three years to act as Managing Director of the Company, which was approved by members in the last AGM held on 14th Sept 2011, subject to approval of the Ministry of Corporate Affairs, New Delhi(MCA).The MCA vide their letter dated February 15, 2012 did not approve the re-appointment on procedural ground. The Board of Directors in its meeting held on 23rd May 2012 confirmed the reappointment. Consequently this resolution is put up for shareholders approval.

1	Period of Agreement	25.01.2011 to 24.01.2014
2	Remuneration of	Managing Director
A	Basic Salary	Rs.5,25,000/- p.m.
B	HRA	50% of the basic salary
C	Special Allowance	Rs.1,50,000 p.m.
D	Other Allowance	Rs.77,000/- p.m. in aggregate towards books and knowledge enrichment, servants and watchmen, Gas and Electricity and Soft furnishing.
E	Company maintained vehicle	Provision of two cars, all expenses to be borne by company.
F	Drivers and cleaner wages	At actual
G	Medical reimbursement	8.33% of the basic
H	Leave Travel Assistance	8.33% of the basic
I	Provident Fund	Companies contribution – 12% of basic salary, as per rules prevailing from time to time.
J	Gratuity	Payable at the rate of 15 days basic salary per year of service payable at the end of tenure. In computing the gratuity payable, the period of employment shall be considered from 25 th January, 2008, being the date of initial appointments.

K	Insurance coverage	As may be approved by the Board from time to time.
L	Club membership fee	Reimbursement of club Membership/ subscription fee for two clubs.
M	Earned/Privilege leave including encashment	As per the company's scheme and as may be decided from time to time by the Board.
3	Performance pay/ Commission	Such percentage of the net profit of the Company as may be decided by the board from time to time but not exceeding Rs.25 lacs per annum.
4	Calculation of value of perquisites	For the purpose of calculating the value of perquisites, the same shall be evaluated as per Income Tax Rules, 1962, wherever applicable.
5	Minimum Remuneration	In the event of any absence of inadequacy of net profits in any financial year, the remuneration as mentioned in para 2 shall be the minimum remuneration payable to the Managing Director.
6	Actual Business Expenditure	The Managing Director shall be entitled to the reimbursement of all actual expense or charges including travel, entertainment, communication (including reimbursement of Phone and other communication facilities at residence) or other out of pocket and incidental expenses incurred by him in furtherance of company's business and objectives.
7	Termination	The agreement for appointment may be terminated by either party by giving three months notice in writing or paying three months salary and applicable allowances in lieu thereof.

The Board therefore commends the resolution for the approval of the Shareholders.

This may be treated as an Abstract of the terms of the draft agreement proposed to be entered into between the Company and Mr. Arun Jain and Memorandum of Interest under Section 302 of the Companies Act, 1956.

The agreement already entered into between the Company and Mr. Arun Jain is available for the inspection of the Members at the Registered Office of the company during business hours on any working day between 10.30 a.m. and 1.00 p.m.

Registered Office:

Ewart House
Homi Modi Street
Mumbai 400 001.
Dated : May 23, 2012

By Order of the
Board of Directors

Arun Jain
Managing Director

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.6

I. General Information

- Nature of the Industry – Rayon, Nylon and Chemicals.
- Date of expected date of commencement of commercial production : N. A.
- In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus - N. A.
- Financial Performance - (Based on the audited Accounts for the year ended 31.3.2012)
(Rs. in Crores)
Turnover NIL
Net Profit/(Loss) before tax (54.78)
Total Expenditure 57.47
- Export performance and net foreign exchange collaborations : Exports Nil. There are no foreign collaborations.

6. Foreign Investments or Collaborators : NIL

II. Information about the Appointees:

- Information about Shri. Arun Jain, Managing Director :
Shri. Arun Jain is a B.Sc. and Chartered Accountant
Shri Arun Jain, did his B.Sc. and thereafter passed Chartered Accountant's examination with ranks.
Shri Arun Jain, (59), is having more than 31 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 31 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 15 years.
- Past Remuneration: Shri. Arun Jain was Executive Director in his previous Company and was drawing remuneration as was applicable to his position.
- Job profile and his suitability: The Job Profile is to look after day to day affairs of NRC Ltd. His foremost job is to revive the company and bring NRC in profit. His qualification and experience are very much suitable to handle job profile assigned to him.
- 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 64th Annual General Meeting.
- 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.
- 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.

III. Other information:

- Reasons of loss or inadequate profit : The inadequacy of profits in terms of Section 198 of the Companies Act, 1956 arise due to lockout in the Plant.
- Steps taken for improvement : Various initiatives have been taken by the Managing Director such as negotiation with various labour unions to get consensus over various issues and early receipt of the land sale proceeds.
- Expected increase in productivity and profits in measurable terms: The preparation of the Company's Rehabilitation Scheme is held up due to various matters pending with courts/BIFR. It is expected that the company would prepare the scheme after getting a direction for the same.

IV. Disclosures:

- The 'Abstract' containing details of remuneration paid/proposed to be paid to the Managing Director 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 as required under Section 173 of the Companies Act, 1956.
- All the relevant information pertaining to the Managing Directors, 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, Fort
Mumbai 400 001

By Order of the
Board of Directors
Arun Jain
Managing Director

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2012.

To

The Members,

Your Directors present the 64th Annual Report and Audited Accounts of the Company for the year ended 31st March, 2012.

FINANCIAL RESULTS

Rs.in lacs

	Year ended 31/03/2012	18 months period ended 31/03/2011
Gross Sales	0	69
Profit before Interest, Depreciation and Tax	(925)	(2580)
Interest	3027	3900
Profit before Depreciation and Tax	(3952)	(6480)
Depreciation	1526	2272
Profit/(Loss) before Exceptional items & Tax	(5478)	(8752)
Exceptional Items	223	858
Taxation	-	-
Profit/(Loss) After exceptional items and Tax	(5701)	(9610)
Surplus/(Deficit) from Previous Year	(44025)	(34414)
Profit/(Loss) available for Appropriation	(49726)	(44025)

PERFORMANCE AND PROSPECTS

- The lockout declared w.e.f. 15th November, 2009 is still in force. There were no manufacturing operations during the year; however the essential services remain in operation.
- To generate interest free funds for revival of operations the company entered into Agreement for sale of land with Raheja Universal Ltd.(RUL) in 2006-07. Subsequently, the company was declared a Sick Industrial Undertaking under Sick Industrial Companies (Special Provision) Act, 1985 (SICA). The Board For Industrial And Financial Reconstruction (BIFR) directed that being a sick company, the land will have to form part of Draft Rehabilitation Scheme (DRS) under Section 18(1)(d) of SICA and appointed Punjab National Bank (PNB) as Operating Agency (OA) for preparation of DRS u/s. 17(3) of SICA. Series of litigation followed the BIFR Order and culminated in the Hon. Supreme Court, which upheld the BIFR Order.
- The exercise of sanction of the Rehabilitation Scheme was delayed due to aforesaid litigations and is now expected to proceed in terms of the BIFR Order dated 16.7.2009. Further directions of BIFR regarding sale of land under Section 18 of SICA are awaited. In the meanwhile, the company is in the process of formulating the DRS based on estimated current valuation of land proposed to be sold in terms of Section 18 of SICA.
- The Company plan to recommence the operations as soon as proceeds from the sale of land under the aegis of BIFR are received and the Rehabilitation Scheme is sanctioned.

DIVIDEND

In view of the unavailability of the profit, the Directors regret their inability to recommend any dividend for the year ended 31st March, 2012.

DIRECTORS

During the year Shri Ashok Goenka, Director resigned w.e.f. 14/09/2011 and Shri R. S. Agarwal, Director resigned w.e.f. 31/01/2012. The Board places on record their appreciation

for the valuable services and contributions and guidance offered by both of them during their long tenure with the Company.

The Board resolved to appoint Dr. P. P. Shastri as an Additional Director with effect from the date of receipt of his consent to act as Director of the Company. As per the provisions of the Companies Act, 1956 the Director who hold office upto the 64th AGM his candidatures will be put before the 64th Annual General Meeting for appointment as Director subject to retire by rotation in terms of Section 257 of the Companies Act, 1956.

Further, in term of Articles of Association of the Company and Section 255 of the Companies Act, 1956 Shri P. K. Mallik retire by rotation at the forthcoming Annual General meeting and being eligible, offers himself for re-appointment.

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 year ended 31st March, 2012, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- 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 year as on 31st March, 2012 and of the loss 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, 2012 had been prepared on a going concern basis.

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. The records of the same are maintained.

INDUSTRIAL RELATIONS

Industrial Relations during the year under review continued to remain cordial and peaceful.

PUBLIC DEPOSITS

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

COST AUDIT

Since the plant is not in operation during the year, Exemption from the Cost Audit is being applied for the year ending 31st March, 2012 with the Central Government.

APPOINTMENT OF AUDITORS

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

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

Since the plant is not in operation during the year the 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 not prepared.

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 is appended.

REPORT ON CORPORATE GOVERNANCE

Pursuant to Revised 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.

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.

For and on behalf of the Board of Directors

Mumbai
May 23, 2012.

G. P. GOENKA
Chairman

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) Qualification (e) Experience (Years) (f) Date of Commencement of Employment (g) Last employment.

Jain Arun (a) Managing Director (b) 59 (c) Rs. 1,34,55,000* (d) B.Sc, Chartered Accountant (e) 33 years (f) 25.01.2008 (g) Executive Director- Zenith Birla (India) Ltd.

NOTES:

* The amount has been provided and will be paid after receipt of Central Govt. approval.

Remuneration includes Salary and Allowances, 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.

The above employee is not relative of any Director of the Company and the nature of their employment is contractual.

On behalf of Board,

G.P.Goenka
Chairman

Mumbai, 23rd May, 2012

MANAGEMENT DISCUSSION & ANALYSES

The Company has three strategic business units viz. Rayon, Nylon Tyre Cord & Chemicals. The Company also has a Captive Power Plant of 24 MW capacity.

A brief reporting on the market segments is as follows:

BUSINESS SEGMENT – RAYON

- Domestic VFY production increased by 3%. Imports increased by 12% i.e. 23066 MT during 2011-12 as against 20459 MT during 2010-11.
- Wood Pulp Price reduced gradually from the peak that is US\$ 2600 per M. T. to US\$ 1200 per M.T.
- The gap between demand and supply is met by Import from CHINA. However, Anti dumping duty @ 5.04% is imposed for China material with effect from 5th May, 2012.
- Average sales realization of the Industry improved by 17% that is from Rs.246/- per Kg. during 2010-11 to Rs.288/- per kg during 2011-12.
- Out look of VFY remain robust.

BUSINESS SEGMENT NYLON

- Nylon Tyrecord prices remain under pressure.
- China's Nylon Tyrecord Fabric is major Threats
- Major raw material for Nylon Tyre Cord is a petroleum based product Caprolactum which has increased cost of production.
- The production of the nylon Industrial/Tyre Yarn in decreased gradually from 65000 M. T. per annum in 2010-11 to 56000 M.T. per annum in 2011-12.

BUSINESS SEGMENT CHEMICALS:

A) CAUSTIC SODA

- Domestic Caustic Soda demand grew during the year on account of better demand for Alumins & paper segment.
- Out look of Caustic Soda is expected to remain good as prices are firm in the last Quarter of the year.

(B) CS2 Prices are in upward trend due to increased demand. Consumption continues to remain stable.

(C) H2SO4 : Prices of H2SO4 remain under pressure.

INTERNAL CONTROL SYSTEMS & ADEQUACY

The Company has adequate internal control procedures commensurate with its size and nature of business. It ensures that all assets are safeguarded and protected against improper use and that transactions are authorized, recorded and reported correctly.

The Internal Auditor carried out periodic checks to review the efficacy of the checks and balances in the organization. The management also independently carries out checks at its various branches and offices with a focus on adequate internal control. In addition, Audit

Committee of the Board of Directors also periodically reviews the internal control system and the Management carries out their suggestions for improvement.

There were no manufacturing operations during the year; however the essential services were in operation.

FINANCIAL & OPERATIONAL PERFORMANCE

Rs in Lacs

Particulars	2011-12 (12 months)	2009-11 (18 months)
Gross Turnover	0	69
Net Turnover	0	66
Profit / (Loss) before Int., Depn. & Tax	(925)	(2580)
Interest	3027	3900
Profit / (Loss) before Depn. & Tax	(3952)	(6480)
Depreciation	1526	2272
Profit/(Loss) before Tax and Extra-ordinary items	(5478)	(852)
Extra-ordinary Items	223	858
Deferred Tax Asset / (Asset Reverse)	-	-
Current Tax (FBT)	-	-
Profit / (Loss) for the year	(5701)	(9610)

HUMAN RESOURCES & INDUSTRIAL RELATIONS:

The Company strongly believes that its team of capable and committed manpower is the key factor behind its achievements and success. Efforts are being made to create and nurture an Organization that is highly motivated, result oriented and adaptable to the changing business environment. Our relationship with the employees continues to remain cordial.

CAUTIONARY STATEMENT

Any statements made in these analyses relating to Company's objectives, expectations, estimates, projections, etc. may be considered as "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results may differ from such estimates, projections, etc. whether expressed or implied. Factors which could make a significant difference to the Company's operations include climatic conditions, market price in the domestic and overseas markets, changes in Government regulations and tax laws, economic conditions affecting demand/supply and other environmental factors over which the Company does not have any control.

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31.03.2012.

(as required under Revised Clause 49 of the Listing Agreement(s) with the Stock Exchanges)

A: Mandatory Requirements:

Your Company continues to uphold good governance and practices. It has always been taking necessary steps to realign its corporate practices with the requirements of Listing Agreements. The Company is ever alert to the changing needs in the standards of corporate governance as 'stipulated from time to time by the Regulatory Bodies. Periodic review in the systems and procedures is being carried out.

I. Board of Directors:

The strength of the Board of Directors during 2011-12 was 5 (Five). The composition of the Board complies with the requirements of minimum number of independent directors and non-executive directors. All the Directors comply with the ceiling for holding maximum number of directorship and committee positions under various statutes. None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49(C)(ii)) across all the Companies in which he is a Director.

The detailed disclosure of the Board of Directors as required under the Code are as follows :-

Name	Category	No. of Board Meetings attended (out of 5 Board Meetings held) during the year ended 2011-2012	Whether attended AGM held on 14 th September, 2011.	*No. of Directorships in other companies	No. of Committee positions held in other companies	
					Chairman	Member
Shri. G. P. Goenka (Chairman)	Promoter (Non-Independent)	4	Yes	6	-	-
Shri. Ashok Goenka (upto 14.09.2011)	Independent (Non-Executive)	0	N.A.	-	-	-
Shri. Madhukar Mishra	Non-Independent (non- executive)	0	No	2	-	4
Shri P. K. Mallik (From 28.06.2007)	Independent (Non-Executive)	5	Yes	5	2	6
Shri R. S. Agarwal (upto 31.01.2012)	Independent (Non-Executive)	4	Yes	11	3	-
Shri K.N. Bhandari (from 19.10.2010)	Independent (Non-Executive)	5	Yes	1	1	2
Dr. P. P. Shastri (from 19.10.2011)	Independent (Non-Executive)	0	N. A.	4	1	1
Shri. Arun Jain Jt. Managing Director from 25.1.2008 and Managing Director from 22.2.2008	Executive (Non-Independent)	5	Yes	-	-	-

* Excluding directorship in Private Companies.

Five Board Meetings were held during 2011-12 and the gap between two meetings did not exceed four months. The dates on which Board meetings were held are: -

23rd May, 2011, 8th August, 2011, 14th September, 2011, 19th October, 2011 and 31st January, 2012.

None of the Executive or Non Executive Directors holds any Shares in the Company except Shri. G. P. Goenka (Non-Executive Chairman) who holds 47,271 equity shares in the Company.

II. Audit Committee:

The constitution, function and terms of reference of the Audit Committee are in conformity with Section 292 A of the Companies Act, 1956 and Clause 49 of the Listing Agreements with the Stock Exchanges.

Shri. P. K. Mallik, the Chairman of the Audit Committee was present at the 63rd Annual General Meeting held on 14th September, 2011.

The Composition of the Audit Committee and the details of meetings attended by the Audit Committee Members are given below:

Name of Members	Category	No. of Meetings attended (out of 4 Meetings held) during the year 2011-2012.
Shri P. K. Mallik (Chairman – from 28.6.2007)	Independent & Non-Executive	4
Shri. Ashok Goenka (upto 14.9.2011)	Independent & Non Executive	0
Shri R. S. Agarwal (upto 31.01.2012)	Independent & Non Executive	3
Shri K. N. Bhandari (from 19.10.2010)	Independent & Non Executive	4
Dr. P. P. Shastri (from 31.01.2012)	Independent & Non Executive	0

The Chief Financial Officer functioned as the Secretary of the Audit Committee. Audit Committee Meetings are attended by Chief Financial Officer. Representatives of Statutory Auditors and the Internal Auditors were invited to attend all the meetings. The Managing Director was also present as a special invitee at such meetings. The invitees have attended all the Audit Committee Meetings during the year ended 2011-12.

The Audit Committee Meetings were held on the following dates during the year ended 31.03.2012.

23rd May, 2011, 8th August, 2011, 19th October, 2011 and 31st January, 2012.

The necessary quorum was present at all the meetings.

III. Remuneration Committee:

The Remuneration Committee consists of 3 Non-executive and Independent Directors - Shri P. K. Mallik, Shri Ashok Goenka (upto 14/09/2011), Shri K. N. Bhandari and Dr. P. P. Shastri (from 31/01/2012). Shri P.K. Mallik is the Chairman of the Committee.

The Remuneration Committee meeting not held during the year 2011-12.