

**65TH
ANNUAL REPORT
2012-13**



NRC LIMITED

**BOARD OF DIRECTORS**

MR. G. P. GOENKA	CHAIRMAN
MR. MADHUKAR MISHRA	DIRECTOR
MR. P.K. MALLIK	DIRECTOR
MR. K. N. BHANDARI	DIRECTOR
DR. P. P. SHASTRI	DIRECTOR
MR. ARUN JAIN	MANAGING DIRECTOR

CORPORATE & REGISTERED OFFICE

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

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REGISTRAR & SHARE TRANSFER AGENTS:-TSR DARASHAW LIMITED		
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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		
	<u>Attendance Slip/Proxy Form</u>	

**NOTICE**

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

Day	:	Monday
Date	:	September 23, 2013
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

1. To receive, consider and adopt the Audited Accounts for the year ended on 31st March, 2013 and the Reports of the Directors and the Auditors thereon.
2. To resolve not to fill in for the present, the vacancy of Mr. Madhukar Mishra, Director, who retires by rotation and does not wish to seek reappointment.
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.

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 9TH September, 2013 to 23rd September, 2013 (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 Pvt. 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 31.3.2005 has been transferred to the General Revenue Account of the Central Government..
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 31.3.2005 has been transferred to IEPF during 2011-2012 and that relating to the financial year ended 31.3.2006 the Company has not declared any dividend for the said year.

- 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) In terms of circulars issued by SEBI, it is now mandatory to quote Permanent Account Number (PAN) for participating in the securities market. Therefore, Members holding shares in dematerialized form are requested to submit the PAN details to their depository Participants, whereas Members holding shares in physical form are requested to submit the PAN details to the Registrar & Share Transfer Agents of the Company.
- 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 dematerialized 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 29 , 2013

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.

**REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST MARCH, 2013.**

To The Members,

Your Directors present the 65th Annual Report and Audited Accounts of the Company for the year ended 31st March, 2013.

FINANCIAL RESULTS

Rs.in lacs

	Year ended 31/03/2013	Year ended 31/03/2012
Gross Sales	0	0
Profit before Interest, Depreciation and Tax	(801)	(925)
Interest	0	3027
Profit before Depreciation and Tax	(801)	(3952)
Depreciation	1495	1526
Profit/(Loss) before Exceptional items & Tax	(2296)	(5478)
Exceptional Items	(449)	223
Taxation	0	-
Profit/(Loss) After exceptional items and Tax	(2745)	(5701)
Surplus/(Deficit) from Previous Year	(49726)	(44025)
Profit/(Loss) available for Appropriation	(52471)	(49726)

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 its part land with a developer 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 follows the BIFR Order and culminated in the Hon. Supreme Court, which upheld the BIFR Order. The exercise of submission of Draft Rehabilitation Scheme is delayed due to the series of litigations.
- 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, 2013.

DIRECTORS

In term of Articles of Association of the Company and Section 255 of the Companies Act, 1956 Shri Madhukar Mishra retire by rotation at the forthcoming Annual General Meeting.

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:

- that in the preparation of the Annual Accounts for year ended 31st March, 2013, 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, 2013 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, 2013 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.

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. The Company has granted exemption from Cost Audit by Central Government for the year ending 31st March 2012. Exemption for the year ending 31st March, 2013 is being applied 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. The company has received the requisite certificate pursuant to section 224(1B) of the Companies Act, 1956.

AUDITORS REPORT

Management's clarifications to the Auditor's Qualifications are given in the Notes referred in and are self explanatory.

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.

Mumbai
May 29, 2013.

For and on behalf of the Board of Directors
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) 60 (c) Rs.1,48,55,000* (d) B.Sc, Chartered Accountant (e) 34 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, 29th May, 2013

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 remain same. Imports decrease by 30% i.e. 15622 MT during 2012-13 as against 22440 MT during 2011-12.
- The prices of key raw material that is Imported Rayon grade wood pulp remain at same level that is US\$ 1200 per M. T. during 2012-13.
- 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 is in upward trend during this year.
- Out look of VFY remain robust.

BUSINESS SEGMENT NYLON

- Nylon Tyrecord prices remain under pressure.
- China's Nylon Tyercord Fabric is major Threats
- Major raw material for Nylon Tyre Cord is a petroleum based product Caprolactum which has increased cost of production.

BUSINESS SEGMENT CHEMICALS:**A) CAUSTIC SODA**

- Domestic Caustic Soda demand stagnant during the year.
- Out look of Caustic Soda is expected to remain sluggish as prices under pressure 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 stable.

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	2012-13	2011-12
Gross Turnover	0	0
Net Turnover	0	0
Profit / (Loss) before Int., Depn. & Tax	(801)	(925)
Interest	0	3027
Profit / (Loss) before Depn. & Tax	(801)	(3952)
Depreciation	1495	1526
Profit/(Loss) before Tax and Extra-ordinary items	(2296)	(5478)
Extra-ordinary Items	449	223
Deferred Tax Asset / (Asset Reverse)	-	-
Current Tax (FBT)	-	-
Profit / (Loss) for the year	(2745)	(5701)

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 31.03.2013.

(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 2012-13 was 6 (Six). 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 2012-2013	Whether attended AGM held on 25 th September, 2012.	*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	5	0	1
Shri. Madhukar Mishra	Non-Independent (non- executive)	0	No	2	0	1
Shri P. K. Mallik	Independent (Non-Executive)	4	Yes	5	3	6
Shri K.N. Bhandari	Independent (Non-Executive)	5	Yes	9	1	3
Dr. P. P. Shastri	Independent (Non-Executive)	4	Yes	2	0	1
Shri. Arun Jain Managing Director	Executive (Non-Independent)	5	Yes	-	-	-

* Excluding directorship in Private Companies.

Five Board Meetings were held during 2012-13 and the gap between two meetings did not exceed four months. The dates on which Board meetings were held are: -

23rd May, 2012, 7th August, 2012, 25th September, 2012, 10th November, 2012 and 7th February, 2013.