

Courier

DCS/COMP/NM/113/2014-15

October 29, 2014

The Company Secretary / Compliance Officer
NRC Ltd
Ewart House
Homi Modi Street
Mumbai - 400001
Maharashtra

Dear Sir/Madam,

Sub: Audit Reports filed by listed companies

This has reference to the provisions of Clause 31(a) of the Listing Agreement and SEBI Circulars pertaining to the "Manner of Dealing with Audit Reports filed by Listed Companies" dated August 13, 2012 and June 05, 2013 which inter-alia mandated listed companies to submit either Form A (Unqualified / Matter of Emphasis Report) or Form B (Qualified / Subject to / Except for Audit Report) along with the company's Annual Report to the Stock Exchange.

As per the provisions of the said circulars, the qualifications raised by the Statutory Auditors in their Audit Report, would be scrutinized by the Qualified Audit Review Committee (QARC) constituted by SEBI.

Accordingly, after scrutiny and discussion by QARC and thereafter by FRRB and as directed by SEBI, you are advised to:

1. Suitably rectify / address the qualifications* contained in the report of the Statutory Auditors that is part of your Annual Report for the year 2012-13. Further, due care may be exercised by the company to ensure that the same qualification should not appear in the Audit Report for the next reporting period.
2. Restate the Financial Statements pertaining to Financial Year 2012-13 giving effect to the qualifications*, in terms of Clause 31A of the Listing Agreement and in terms of SEBI Circular No. CIR/CFD/DIL/7/2012 dated August 13, 2012 read with the SEBI's Clarificatory Circular CIR/CFD/DIL/9/2013 dated June 05, 2013.

(* Refer Annexure-I for details)

You are requested to take note of the same and comply accordingly, under information to the Exchange.

In case you need any clarifications on the above, you may please contact Mr.Nitesh Mhatre on 02222728880 / Ms. Dhara Barot on 22728559 / Mr. Rakesh Parekh on 22728307 (email rakesh.parekh@bseindia.com, dhara.barot@bseindia.com) for assistance.

Yours truly,



Netra Sahani
D.G..M - Listing Compliance



Abhijit Pai
A.G.M – Listing Compliance

ANNEXURE I:

NRC Ltd

Auditor Qualification:

The Company has incurred loss in the current year as well as in the preceding year and the accumulated losses as at the year-end has exceeded its entire net worth and on reference to the Board for Industrial and Financial Reconstruction; it has been declared a sick industrial Company. The financial statements have, however, been prepared by the management on a going concern basis as explained in note 20.4(a). This being a technical matter and in view of uncertainty, we are unable to express an opinion as to whether the Company can operate as a going concern and the extent of the effect of the resultant adjustments to the accumulated losses, assets and liabilities as at the year-end and losses for the year which is presently not ascertainable.

Action to be taken: Rectify / address the qualifications contained in the report of the Statutory Auditors that is part of your Annual Report for the year 2012-13. Please ensure that the same qualification should not appear in the Audit Report for the next reporting period.

The Company has not carried out impairment test as required by Accounting Standard (AS) 28 'Impairment of Assets', particularly in respect of Buildings, Plant and Equipment and Spare parts inventories as explained in note 20.4(b). We are unable to express an opinion as to when and to what extent the carrying value of Buildings and Plant & Equipment would be recovered because of lock-out at the plant, the impact whereof on the loss for the year, accumulated losses, assets and liabilities as at the year-end is presently not ascertainable.

Action to be taken: Restate the Financial Statements pertaining to Financial Year 2012-13 giving effect to the qualifications, in terms of Clause 31A of the Listing Agreement and in terms of SEBI Circular No. CIR/CFD/DIL/7/2012 dated August 13, 2012 read with the SEBI's Clarificatory Circular CIR/CFD/DIL/9/2013 dated June 05, 2013.

Liability as may arise towards interest/compound interest/penalty/ on delayed/nonpayment to certain Trade Payables /statutory dues is presently not ascertainable and therefore not provided for. (Refer note no. 20(1)(i)(e) of the financial statements).

Action to be taken: Restate the Financial Statements pertaining to Financial Year 2012-13 giving effect to the qualifications, in terms of Clause 31A of the Listing Agreement and in terms of SEBI Circular No. CIR/CFD/DIL/7/2012 dated August 13, 2012 read with the SEBI's Clarificatory Circular CIR/CFD/DIL/9/2013 dated June 05, 2013.