



63rd
ANNUAL REPORT
2009 - 2011



NRC LIMITED

BOARD OF DIRECTORS

MR. G. P. GOENKA	<i>CHAIRMAN</i>
MR. ASHOK GOENKA	<i>DIRECTOR</i>
MR. MADHUKAR MISHRA	<i>DIRECTOR</i>
MR. P.K. MALLIK	<i>DIRECTOR</i>
MR. R.S. AGARWAL	<i>DIRECTOR</i>
MR. K. N. BHANDARI	<i>DIRECTOR (w.e.f.19-10-2010)</i>
MR. ARUN JAIN	<i>MANAGING DIRECTOR</i>

COMPANY SECRETARY

MR. ASHISH PANDEY (upto 20.12.2010)

CORPORATE & REGISTERED OFFICE

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

	CONTENTS	Page No.
	Notice	1
	Directors' Report	7
	Management Discussion & Analyses	12
	Report on Corporate Governance	16
PLANTS	Auditors' Report	27
MOHONE 421 102	Balance Sheet	32
DIST THANE	Profit and Loss Account	33
MAHARASHTRA STATE	Cash Flow Statement	34
	Schedules forming part of the Balance Sheet	35
BANKERS	Schedules forming part of the Profit and Loss Account	41
BANK OF BARODA	Significant Accounting Policies	45
PUNJAB NATIONAL BANK	Notes forming part of the Financial Statements	47
DENA BANK	Balance Sheet Abstract	55
CANARA BANK	List of Group Companies	56
INDIAN OVERSEAS BANK	Attendance Slip/Proxy Form	
AUDITORS		
LODHA & CO.		
CHARTERED ACCOUNTANTS		
REGISTRAR & 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		

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

Day	: Wednesday
Date	: September 14, 2011
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

- To receive, consider and adopt the Audited Accounts for the 18 months period ended 31st March, 2011 and the Reports of the Directors and the Auditors thereon.
- To appoint a Director in place of Shri. Madhukar Mishra who retires from the office by rotation and, being eligible, offers himself for re-appointment.
- To appoint a Director in place of Shri. R. S. Agarwal 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 authorize 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 Shri K. N. Bhandari, 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, liable to retire by rotation".
- 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 6th September, 2011 to 14th September, 2011 (both days 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.4 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, 2004 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 31.3.2004 are due for transfer to IEPF as per details given below :-
- | Financial Year | Date of Declaration of Dividend | Due date for transfer to IEPF |
|----------------|---------------------------------|-------------------------------|
| 2003-04 | 24/09/2004 | 29/10/2011 |
- 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 Kailash Nath Bhandari	69	B.A., L.L.B.	Held Senior Position in Various public insurance Companies like: Chairman cum MD of New India Assurance Company Ltd., United India Insurance Co. Ltd., Chairman GIPSA Member, Tariff Advisory Committee and various Committee of IRDA, Secretary-General Insurance Company of India.	-	19/10/2010	Andhra Cements Ltd., Agriculture Ins.Co. of India Ltd., Credence Logistics Ltd., Spat Energy Ltd., Hindalco Industries Ltd., Su-Raj Diamonds and Jewellery Ltd., Saurashtra Cement Ltd., Shirsi Infrastructure Development Corp. Ltd., Magma HDI General Insurance Co. Ltd., Jay Bharat Textile & Real Estate Ltd., KSL Industries Ltd., Star Papers Mills Ltd., Duncans Tea Ltd.	M - Audit CH - Audit M - Audit
2	Shri Madhukar Mishra	54	B.Sc. DMS (Mgd)	Shri Madhukar Mishra has wide range of industries Experience like pharmaceuticals, chemicals, food ingredients, Cement, Synthetic Fibres, etc. He is a member of advisory committee of IIT Roorkee, Saharanpur Campus.	-	30/11/2006	Madras Cements Ltd., Torrent Cables Ltd., Deccan Cements Ltd., GVK Jaipur Expressway (P) Ltd., Suryalaxmi Cotton Mills Ltd., Suryalata Spinning Mills Ltd., Unimorse India Ltd., Eligent Marbles & Grani. Industries Ltd.	SIGC-M
3	Shri R. S. Agarwal	69	B.Sc. B.E. (Chem. Engg.) Dip. In Ind. Engineering	9-12 years Industrial Experience Executive Director of IDBI for 3 years, Nominee Director of Dabhol Power Co. Experience in the various Govt./Semi Govt. Companies.	-	30/07/2007		SIGC/Audit Committee

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's 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 : 23rd May, 2011

By Order of the
Board of Directors
Arun Jain
Managing Director

Important Communication
<p>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.</p>

EXPLANATORY STATEMENT
Item No.5

Shri K. N. Bhandari was appointed as an Additional Director of the Company by the Board of Directors effective from 19th October, 2010. 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 K. N. Bhandari 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 Shri K. N. Bhandari as a Director.

The Board of Directors is of the view that the vast experience of Shri K. N. Bhandari 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 K. N. Bhandari, himself, is interested in the Resolution.

Item No. 6

The Board of Directors of the Company at its meeting held on 20th January, 2011, has re-appointed Shri Arun Jain, as the Managing Director of the Company for a period of three years with effect from 25th January, 2011, subject to the approvals of the Company in general meeting and of the Central Government, if applicable, and subject to any other approvals as may be necessary on the following terms and conditions: -

In accordance with the provisions of Section 302 of the Companies Act, 1956, 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, are given below:

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	Company's contribution – 12% of basic salary, as per rules prevailing form 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 form 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 absence or 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 draft agreement proposed to be 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, Fort
Homi Modi Street
Mumbai 400 001.
Dated : 23rd May, 2011

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 18 months period ended 31.3.2011)

	(Rs. in Crores)
Turnover	0.69
Net Profit/(Loss) before tax	(87.51)
Total Expenditure	89.10
- Export performance and net foreign exchange collaborations : Exports Nil. There are no foreign collaborations.
- 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, (58), is having more than 30 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 30 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. 6 to the Notice of the 63rd 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 EIGHTEEN MONTHS PERIOD ENDED 31ST MARCH, 2011.
**To
The Members,**

Your Directors present the 63rd Annual Report and Audited Accounts of the Company for the 18 months period ended 31ST March, 2011.

FINANCIAL RESULTS
Rs. in lacs

	18 months period ended 31/03/2011	15 months period ended 30/09/2009
Gross Sales	69	3032
Profit / Loss before Interest, Depreciation and Tax	(2580)	(9400)
Interest	3900	3047
Profit / Loss before Depreciation and Tax	(6480)	(12447)
Depreciation	2272	1974
Profit/(Loss) before Exceptional items & Tax	(8752)	(14421)
Exceptional Items	(858)	(82)
Taxation		
- Current Tax (including MAT/FBT)	-	(9)
Profit/(Loss) After exceptional items and Tax	(9610)	(14512)
Surplus /(Deficit) from Previous Year	(34414)	(19902)
Profit/(Loss) available for Appropriation	(44024)	(34414)

OPERATIONS AND PERFORMANCE

Due to prevailing situations your Company was constraint to declare lockout w.e.f. 15.11.2009. Since then the Company is continuously under the lockout and thus there is no operations during the relevant period.

REFERENCE TO BIFR/AAIFR

The appeal filed with AAIFR against the BIFR Order was decided on 28.5.2010. The AAIFR order that the Section 22(A) of SICA will not applicable on land sale Agreement, but the balance land sale proceed became ways and means of finance of DRS. To implement the AAIFR Order Company entered into a supplementary Agreement with the Purchaser. The Purchaser preponed and paid Rs.24.50 lakhs which are kept in a No Lien Account. The Company given possession of the non colony land to the Purchaser.

Aggrieved by the AAIFR order dated 28.05.2010, the Company, the labour & staff union and a group of workers filed Writ Petitions in Bombay High Court. Same are pending.

The Company will prepare & file DRS and take further necessary steps towards revival of the Company.

FINANCE

Due to delay in receipt of land sale proceeds, the Company could not meet its liabilities including payment to banks, employees and other creditors. With the cooperation of secured lenders, employees, recognized labour unions and all other stake holders Management is confident of restarting the plant and implementing the revival scheme to be sanctioned by BIFR.

DIVIDEND

In view of the losses, your Directors regret their inability to recommend any dividend for the 18 months period ended 31st March, 2011.

DIRECTORS

The Board has re-appointed Mr. Arun Jain, as Managing Director of the Company for a period of three years with effect from 25th January, 2011 subject to the approval of the Shareholders and the Central Government, if necessary. The detailed terms and conditions of the re-appointment are given in the Notice of the forthcoming Annual General Meeting.

In compliance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company Shri Kailash Nath Bhandari has been appointed as additional Director of the Company w.e.f. 19/10/2010.

Further, in terms of the Articles of Association of the Company and Section 256 of the Companies Act, 1956 Shri Madhukar Mishra & Shri R. S. Agarwal 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 the 18 months period ended 31st March, 2011, 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 the period of 18 months ended 31st March, 2011 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 18 months period ended 31st March, 2011 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 period under review continued to remain cordial and peaceful barring few instances involving certain groups of workmen and the Company is under Lock-out w.e.f. 15.11.09.

PUBLIC DEPOSITS

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

COST AUDIT

M/s. R. Nanabhoy & Co., Cost Accountants have been appointed as Cost Auditors to conduct the audit of Cost Accounts of the Company relating to Rayon Yarn, Nylon Tyre Cord, Caustic Soda and Sulphuric Acid for the period of 18 months ended 31st March, 2011 subject to the approval of 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 is eligible for re-appointment. Members are requested to re-appoint auditors and authorize the Board of Directors to fix their remuneration.

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

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

PARTICULARS OF EMPLOYEES

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

REPORT ON CORPORATE GOVERNANCE

Report on Corporate Governance as stipulated under the Revised Clause 49 of the Listing Agreement with the Stock Exchanges forms part of Annual report. A certificate from Auditors of the Company confirming compliance of conditions of Corporate Governance as per aforesaid clause 49 is annexed to this Report. Management Discussion and Analysis report is also part of this Annual Report.

ACKNOWLEDGEMENTS

Your Directors would like to express their grateful appreciation for assistance and cooperation received from the Government Agencies, Financial Institutions, Banks, Investors and Business Associates and look forward to their continued support. Your Directors also wish to place on record their deep sense of appreciation for the committed services of the employees of the Company.

For and on behalf of the Board of Directors

Mumbai ,
23/05/2011.

G. P. GOENKA
Chairman

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

- a) Energy conservation measures taken:
 - As the Plant was under Lock out during the period, no such measures could be taken other than maintaining the power factor.
- b) Following proposals are being implemented:
 - As the plant is not in operation all the energy saving / measures / proposal are kept under abeyance.

The total energy consumption and energy consumption per unit of production:

	2009 - 11	2008 - 09
I. Power and Fuel Consumption:		
1. Electricity:		
a) Purchased Units (KWH in Thousands)	7,085	25,183
Total amount (Rs. In Lacs)	188.02*	1,584.20

Rate/Unit (Rs.) includes maximum demand charges	7.74	6.30
b) Own Generation:		
i) Through D G Power Plant		
Units (KWH in Thousands)	1	2,010
Fuel Cost / Unit (Rs.)		6.08
ii) Through Diesel Generator		
Units (KWH in Thousands)	0	0
Fuel Cost / Unit (Rs.)	0.00	0.00
iii) Through Steam Turbine Generated by Coal/Oil		
Units (KWH in Thousands)	0	12,804
Fuel Cost / Unit (Rs.)	0.00	1.12
2. Coal		
Quantity in M.T.	-	9,756
Total Cost (Rs. In Lacs)	-	366.09
Average Rate (Rs./M.T.)	-	3,753
3. Furnace Oil		
Quantity in K. Ltrs.	-	19,914
Total Cost (Rs. In Lacs)	-	5.48
Average Rate (Rs./M.T.)	-	27,519
4. L S H S		
Quantity in M.T.	-	-
Total Cost (Rs. In Lacs)	-	-
Average Rate (Rs./M.T.)	-	-

* Excludes earlier years credit of Rs. 390 lacs

II. Consumption per unit of Production:

During Current FY the plant was under lock out.

	2009 - 11	2008 - 09
1. Electricity (KWH/M.T.)		
Viscose Rayon Yarn	0	5,800
Nylon Tyre Cord-Old Plant	0	0
Nylon Tyre Cord-New Plant	0	0
Caustic Soda	0	2,959
Sulphuric Acid	0	68
Carbon-di-Sulphide	0	1,516
2. Coal (M.T./M.T.)		
Viscose Rayon Yarn	0	5.69
Nylon Tyre Cord-Old Plant	0	-
Nylon Tyre Cord-New Plant	0	-
Caustic Soda	0	0.05
Sulphuric Acid	0	0.09

Carbon-di-Sulphide	0	0.97
3. Furnace Oil (M.T./M.T.)		
Viscose Rayon Yarn	0	-
Nylon Tyre Cord	0	-
Carbon-di-Sulphide	0	-
4. L S H S / Furnace Oil (M.T./Th. KWH)		
D G Power Plant	0	0.270

B. RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

a) Specific area in which R & D carried out by the company:

- As the plant is under lockout all the R&D measures / proposals are kept under abeyance.

b) Future plan of action: NIL

c) Technology absorption: NIL

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange earnings amounted to Rs. Nil (Previous Year Rs. Nil lacs). Total Foreign Exchange outgo amounted to Rs. Nil (Previous Year Rs. Nil lacs).

On behalf of the Board

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.

Arun Jain (a) Managing Director (b) 57 (c)1,55,17,280 (d) B.Sc, C.A. (e) 32 (f) 25.01.2008 (g) Executive Director- Zenith Birla (India) Ltd.

NOTES:

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, 2011

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. All units are under lockout from 15.11.2009.

A brief reporting on the market segments is as follows:

BUSINESS SEGMENT – RAYON

A. INDUSTRY STRUCTURE & DEVELOPMENTS:

During the period there was a steep rise in the price of major raw material. Price viz. wood pulp with the result the Avg. price of VFY also increased by 12% to 20%. The domestic demand continue to be higher than domestic production and the gap is met by imports, which stood at 19588 MT (approx) during the year 2010.

B. Opportunities, Threat & Risk:-

Our plant continues to remain under lockout. This has resulted in decrease in Industry's stock from 23 days to 11 days. Import from China also meeting the supply and demand gap.

C. Rayon performance :-

Due to lockout in the Plant all the operational activities were stopped during the period under review.

D. Outlook:-

The total consumption of VFY in the country is likely to remain at about 5000 MT to 5100 MT.

BUSINESS SEGMENT - NYLON:

A. INDUSTRY STRUCTURE & DEVELOPMENTS:

- Total Indian N6 Tyre cord production capacity is at about 110,000 TPA.
- There are only two manufacturers of N6 Tyre cord fabrics in India and they cover over 65% of the Indian market needs. Remaining quantity is imported.
- The tyre majors as well as the medium tyre manufacturers strongly prefer Spin Draw yarn.
- Demand for dipped fabric has been rising.

B. Opportunities, Threat & Risk

Threats:

- Radialisation of Truck and Bus Tyres with improved road conditions and vehicle design.

- Improvements in share of cargo services by trains and other means.

- Opportunity:

- Global demand especially in developing and underdeveloped countries of Asia, Africa and West Asia region will continue to have N6 tyre cord as major Tyre reinforcement.

Chinese prices of NTC Fabric seems to be insulated and remain major threat.

Caprolactum (Raw Material for NTC Fabric) is a petroleum related product and so is the case regarding captive power generation. This increases the susceptibility to high cost of production.

C. Performance –

Production in Nylon Plant remained suspended during the period under review.

D. Out Look -

Outlook for industry is good but each player has to be very competitive in cost and quality to sustain variations in pricing structures.

The current global economic meltdown has severally affected the economies of the world. There is a credit crunch in the markets.

Demand is slowing down, Indian economy and Industry is no exception to this. Auto Industry has been very badly affected. This has direct impact on the Tyre Industry, & forced to cut production. This has cascading affect on the NTC Fabric manufacturers who are reeling with massive cuts in orders and piling up of stocks. The short term and medium term scenario seems to be bleak.

BUSINESS SEGMENT – CHEMICALS:

A. INDUSTRY STRUCTURE & DEVELOPMENTS:

On the whole the market was satisfactory for our chemicals. The demand and realization were normal.

During the period under review the Caustic Soda Plant remained closed.

Carbon di Sulphide (CS₂) is one of the critical raw materials for Rayon, fungicide and rubber chemicals industries. Due to high price of CS₂, major consumers of CS₂ started importing material from European Country. Sulphuric Acid market was stable during the year under review. The prices of Sulphuric Acid and CS₂ have become remunerative due to reduction in raw material price i.e. sulphur.

B. OPPORTUNITIES THREATS & RISKS

Though demand for CS Lye is growing. The CS Lye industry has geared up to meet the demand. Imports of CS Lye continues to be a cause of worry. High energy costs continue to effect the high energy consuming products – CS Lye and CS₂, thus affecting the margins.

However, Chlorine market is stable.

C. SEGMENT PERFORMANCE.

Due to lockout in the plant, chemical plant remained non-operative.

D. OUTLOOK.

It seems that Indian economy will keep growing @ 7% during the current year. These augers well for the Indian Industry.

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.

The operations being labour intensive, there is constant monitoring by the Management with regard to planning, deployment of workers, recording and checking of attendance of workers, payment of wages, etc. Procedures for purchase and distribution of stores, identification of obsolete and non-moving materials, sale of unusable / scrap machinery, control over assets are also being regularly reviewed by the Management and wherever necessary, improvements effected.

FINANCIAL & OPERATIONAL PERFORMANCE

Rs in Crores

Particulars	2009-11 (18 months)	2008-09 (15 months)
Gross Turnover	0.69	30.32
Net Turnover	0.66	27.29
Profit / (Loss) before Int., Depn. & Tax	(25.80)	(94.00)
Interest	39.00	30.47
Profit/ (Loss) before Depn. & Tax	(64.80)	(124.47)
Depreciation	22.72	19.74
Profit/(Loss) before Tax and Extra-ordinary items	(87.52)	(144.21)
Extra-ordinary Items	(8.58)	(0.82)
Deferred Tax Asset / (Asset Reverse)	-	-
Current Tax (FBT)	-	(0.09)
Profit / (Loss) for the year	(96.10)	(145.12)

The Operation during the period was stopped due to lockout declared w.e.f. 15.11.2009

HUMAN RESOURCES & INDUSTRIAL RELATIONS:

Although the company is under Lock Out with effect from 15.11.2009, but, the industrial relations remained cordial, as Management has constantly interacted with the employees representative in a very cordial atmosphere regarding action plan to implement and to come out from the present crisis.

Efforts are being made to retain committed team of manpower to achieve the positive desired goal and success, so that plant can restart smoothly after lifting the lockout.

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 18 months period ended 31.03.2011

(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 2009-11 (Period of 18 months ended 31.03.2011) was 7 (seven). 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 7 Board Meetings held) during the period of 18 months ended 2009-2011	Whether attended AGM held on 17 th March, 2010.	*No. of Directorships in other companies	No. of Committee positions held in other companies	
					Chairman	Member
Shri. G. P. Goenka (Chairman)	Promoter (Non-Independent)	6	Yes	7	-	2
Shri. Ashok Goenka	Independent (Non-Executive)	3	No	1	-	1
Shri. Madhukar Mishra	Non-Independent (non-executive)	0	No	2	-	1
Shri P. K. Mallik	Independent (Non-Executive)	6	Yes	5	3	6
Shri R. S. Agarwal	Independent (Non-Executive)	6	Yes	11	3	5
Shri K. N. Bhandari (from 19/10/2010)	Independent (Non-Executive)	2	N. A.	12	1	2
Shri. Arun Jain Re-appointed as Managing Director w.e.f. 25.1.2011.	Executive (Non-Independent)	7	Yes	-	-	-

* Excluding directorship in Private Companies.

Seven Board Meetings were held during 2009-11 and the gap between two meetings did not exceed four months. The dates on which Board meetings were held are: -

31st October, 2009, 05th February, 2010, 17th March, 2010, 26th April, 2010, 28th July, 2010, 19th October, 2010, and 20th January, 2011.

None of the Executive or Non Executive Directors hold any Shares in the Company except Shri. G. P. Goenka (Non-Executive Chairman) who holds 47,271 shares and Shri Arun Jain, Managing Director who holds 25,000 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 62nd Annual General Meeting held on 17th March, 2010.

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 6 Meetings held) during the 18 months period 2009-2011
Shri P. K. Mallik (Chairman)	Independent & Non-Executive	5
Shri Ashok Goenka	Independent & Non Executive	3
Shri Madhukar Mishra (upto 19/10/2010)	Non-Independent & Non Executive	0
Shri R. S. Agarwal	Independent & Non Executive	6
Shri K. N. Bhandari (from 19/10/2010)	Independent & Non Executive	1

The Company Secretary functioned as the Secretary of the Audit Committee. Audit Committee Meetings are attended by Chief Financial Officer/Company Secretary 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 2009-11 (18 months).

The Audit Committee Meetings were held on the following dates during the period of 18 months ended 31.03.2011.

31st October, 2009, 05th February, 2010, 26th April, 2010, 28th July, 2010, 19th October, 2010 and 20th January, 2011.

The necessary quorum was present at all the meetings.

III. Remuneration Committee:

The Remuneration Committee consists of 4 Non-executive and Independent Directors - Shri P. K. Mallik, Shri Ashok Goenka, Shri R. S. Agarwal (upto 19/10/2010) and Shri K. N. Bhandari (from 19/10/2010). Shri P. K. Mallik is the Chairman of the Committee.

The Remuneration Committee meeting held on 19th October, 2010 during period of 2009-11 (18 months).

The scope and function of the Remuneration Committee covers the requirements of the Code of Corporate Governance of the Listing Agreement and the provisions of Schedule XIII and other provisions, if any, of the Companies Act, 1956.

Remuneration to Directors

- Non-Executive Directors:

Besides sitting fees, no other remuneration is paid to non-executive Directors.

Sitting Fees Paid to Directors

S. No.	Name of Director	Amount Rs.
1	Shri G. P. Goenka	45,000
2	Shri Ashok Goenka	60,000
3	Shri Madhukar Mishra	Nil
4	Shri P. K. Mallik	1,27,500
5	Shri R. S. Agarwal	1,12,500
6	Shri K. N. Bhandari	22,500

- Executive Directors:

Details of remuneration paid to the Managing Director for the period of 18 months ended 31st March, 2011:-

Sr. No.	Name	Salary	Special Allowance	Perks* & Allowances	Co's contribution to P.F. & Superannuation funds
1	Shri. Arun Jain, M. D.	74,78,225	19,11,290	52,30,378	8,97,387

* All perquisites are evaluated as per the Income-tax Rules, 1962 and in the absence of any such rules evaluations are made at actual cost

Severance Fees :	Nil. The Contract may be terminated by either party giving the other party three month's notice or paying three months' salary and applicable allowances in lieu thereof.
Stock Option :	Nil

The Company did not have any pecuniary relationship or transactions with Non-Executive Directors during the period of 18 months ended 31st March, 2011 except payment of sitting fee, reimbursement of expenses incurred for traveling etc. for attending Board/ Committee Meetings.

IV. Shareholders'/Investors' Grievance Committee:

The Shareholders'/Investors' Grievance Committee (SIGC) meets at periodic intervals to approve transfers and look into the redressal of investor complaints. In addition, to expedite the process of transfer and other related matters, the Committee of Executives meets at regular intervals. The transfers approved by the Committee of Executives are ratified and noted by the SIGC at its meetings.

The Shareholders'/Investors' Grievance Committee met six times during 2009-2011 (18 months) i.e. on 31st October, 2009, 5th February, 2010, 26th April, 2010, 30th July, 2010, 19th October, 2010 and 20th January, 2011.

The composition of the Shareholders'/Investors' Grievance Committee and details of the meetings attended by the Directors are given below: -

Name of Member	Category	No. of Meetings attended
Shri P. K. Mallik (Chairman)	(Non-Executive and Independent)	5
Shri Ashok Goenka (upto 19/10/2010)	-do-	3
Shri R. S. Agarwal (from 19/10/2010)	- do -	1
Shri Arun Jain	(Executive non-independent)	6

During the period of 18 months, 78 meetings of the Committee of Executives were held for approving transfers and other related matters. The composition of the Committee of Executives and details of the meetings attended by the Members are as under:-

Name of Member	No. of Meetings during 18 months period ended 2009-11	
	Held	Attended
Shri Arun Jain (M.D.)	78	78
Shri M. C. Nalwaya (C.F.O.)	78	78
Shri Ashish Pandey (C.S) (upto 20/12/2010)	78	68

Name, designation & address of Compliance Officer: -

Shri. M. C. Nalwaya, - (from 20/01/2011)

Chief Financial Officer

Ewart House, Homi Modi Street, Fort, Mumbai - 400001

Phone : (022) 22652490 Extn.210 Fax: 22651347

E-mail : secretarial@nrclimited.com

No. of Shareholders' complaints received during 2009-2011 (18 months): - 3

No. of complaints solved to the satisfaction of the Shareholders' :- 3

No. of pending Share Transfer/s as on 31st March, 2011 :- 0

V. General Body Meetings :

(i) Location and time, where last three AGMs were held :

The last three AGMs were held on – 21st September, 2007 at 11.00 a.m. and 18th December, 2008 at 11.00 a.m. all at Patkar Hall, Marine Lines, Mumbai - 400 020 and 17th March, 2010 at 11.00 a.m. at Rama Watumull Auditorium, Dinshaw Wacha Road, K. C. college Hall, Churchgate, Mumbai – 400 020.

(ii) Whether special resolutions passed in the previous 3 AGMs : No

(iii) Whether special resolutions passed last year through postal ballot: No

(iv) Person who conducted the postal ballot exercise – N.A.

(v) Whether any special resolutions are proposed to be conducted through postal ballot – No

(vi) Procedure for postal ballot – N.A.

VI. Disclosures:

- (i) During the year under review, besides the transactions reported elsewhere in the Accounts, there were no other related party transactions of material nature by the Company with its promoters, directors, the management and their associates/ groups companies or relatives etc. that had a potential conflict with the interests of the Company at large.
- (ii) The Company has complied with various rules and regulations prescribed by Stock Exchanges, Securities and Exchange Board of India or any other Statutory authority relating to the capital markets during the last three years. No penalties or strictures have been imposed by them on the Company.
- (iii) The Company has duly complied with all the mandatory requirements.
- (iv) Compliance with non-mandatory requirements is furnished separately under the head 'Non-mandatory requirements'.

VII. Means of Communication:
Quarterly Results –

Which newspapers normally published	:	Free Press Journal (English) & in Navshakti (Marathi)
Any website, where displayed	:	www.nrclimited.com & www.sebiedifar.nic.in (official site of SEBI)
Whether it also displays official news releases, and the presentations made to the institutional investors or to analysts.	:	The website is updated periodically with major news and events. No special presentations have been made to the institutional investors or to analysts.
Whether Management Discussion & Analysis is part of Annual Report	:	Yes

VIII. Code for Prevention of Insider Trading Practices:

In accordance, with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, the Board of Directors of the Company formulated the NRC Code of Conduct for Prevention of Insider Trading in the shares and securities of the Company by its employees. The NRC Code, inter alia, prohibits purchase/sale of shares by employees, while in possession of unpublished price sensitive information in relation to the Company. Shri M. C. Nalwaya, Chief Financial Officer has been appointed as the Compliance Officer by the Board of Directors to implement the provisions of the aforesaid Insider Trading Regulations.

IX. Code of Conduct:

The Board of Directors has laid down a Code of Conduct for all the Board Members and Senior Management Personnel of the Company to ensure adherence to a high ethical professional conduct by them in the discharge of their duties. The Code of Conduct has also been posted onto the website of the Company. All the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the period of 18 months ended 31.03.2011.

X. General Shareholders Information:

Annual General Meeting	:	
Date	:	September 14, 2011.
Time	:	11.00 a.m.
Location	:	Patkar Hall, S. N. D. T. Women's University, 1, Nathibai Thackersey Road, Mumbai – 400 020.

As required under Clause 49(IV)(G) particulars of Directors seeking appointment/ reappointment are annexed to the Notice of the Annual General Meeting to be held on September 14, 2011.

Financial Calendar	:	18 month period ending March 31, 2011.
Annual General Meeting	:	14 th September, 2011.
Date of Book Closure	:	6 th September, 2011 to 14 th September, 2011.
Listing of Stock Exchanges and Stock Code	:	The Company's securities are listed on the following two Stock Exchanges in India
		- Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400 001.
		- National Stock Exchange of India Ltd. Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051.
Stock Code - Physical	:	BSE - 503780 NSE – NRC
Company's ISIN No.- Demat with NSDL & CDSL	:	INE953C01018

Note:

1. Listing fee for the year 2011-12 (upto 31st March, 2012) has been paid to the respective Stock Exchanges.
2. The Company had applied in the year 2003-2004 for delisting of shares from the Calcutta Stock Exchange. The said delisting application is under process of the said Exchange.

**MARKET PRICE DATA :
PERFORMANCE IN COMPARISON TO BROAD BASED INDICES SUCH AS BSE,
NSE NIFTY SENSEX.**

BOMBAY STOCK EXCHANGE

MONTHLY HIGH AND LOW QUOTATIONS DURING THE PERIOD OF 18 MONTHS ENDED 2009-2011.

Month	High Rs.	Low Rs.	Sensex	
			High	Low
October 2009	9.80	7.29	17493.17	15805.20
November	10.94	6.81	17290.48	15330.56
December	14.13	8.75	17530.94	16577.78
January 2010	18.00	11.66	17790.33	15982.08
February	13.00	10.60	16669.25	15651.99
March	12.50	9.80	17793.01	16438.45
April	12.00	9.53	18047.86	17276.80
May	10.19	8.00	17536.86	15960.15
June	12.96	7.95	17919.62	16318.39
July	11.50	9.30	18237.56	17395.58
August	11.35	9.25	18475.27	17819.99
September	10.70	8.99	20267.98	18027.12
October	10.50	9.23	20854.55	19768.96
November	13.85	8.80	21108.64	18954.82
December	10.78	7.27	20552.03	19047.57
January 2011	10.90	5.81	20664.80	18038.48
February	7.20	5.03	18690.97	17295.62
March	6.80	5.01	19575.16	17792.17

**NATIONAL STOCK EXCHANGE - NIFTYSENSEX
MONTHLY HIGH AND LOW QUOTATIONS DURING THE PERIOD OF 18 MONTH
ENDED 2009-2011**

Month	High Rs.	Low Rs.	Sensex	
			High	Low
October 2009	9.70	7.05	5181.95	4687.50
November	10.95	6.80	5138.00	4538.50
December	14.35	8.60	5221.85	4943.95
January 2010	18.40	11.70	5310.85	4766.00
February	13.50	10.65	4992.00	4675.40
March	12.60	9.85	5329.55	4935.35
April	12.00	9.50	5399.65	5160.90
May	10.05	8.00	5278.70	4786.45
June	13.15	8.00	5366.75	4961.05
July	11.55	9.20	5477.50	5225.60
August	11.30	9.20	5549.80	5348.90
September	11.00	8.80	6073.50	5403.05
October	10.65	9.05	6284.10	5937.10
November	14.00	9.00	6338.50	5690.35
December	11.20	7.15	6147.30	5721.15
January 2011	10.90	6.00	6181.05	5416.65
February	7.35	5.05	5599.25	5177.70
March	6.80	4.45	5872.00	5348.20

Performance in comparison to broad-based indices such as BSE Sensex, CRISIL, index etc.	:	The Comparison of market price high-low quotations vis-à-vis BSE Sensex, which was high at 21108.64 low at 15330.56 and average 18219.60 may not be relevant.
Share Transfer System	:	Share transfers in physical form can be lodged with TSR Darashaw Ltd or at their branch offices addresses of which are available on their website. The transfers are normally processed within three weeks from the date of receipt if the documents are complete in all respects.

Distribution of Shareholding as on 31st March, 2011:

Number of Ordinary Shares held	Number of Shareholders as on 31.03.2011	% as on 31.03.2011	Number of Shareholders as on 30.09.2009	% as on 30.09.2009
1 to 500	23939	82.77	24923	83.81
501 to 1000	2570	8.89	2585	8.69
1001 to 10000	2222	7.68	2058	6.92
10001 and above	192	0.66	173	0.58
Total	28923	100.00	29739	100.00

Shareholding Pattern as on 31st March, 2011:

Category	% Shareholding		Number of Ordinary Shares held	
	31.03.2011	30.09.2009	31.03.2011	30.09.2009
Promoter Group*	48.06	38.69	17894108	14406108
Financial Institutions	3.08	16.11	1146179	5999333
Non-Resident	1.45	0.58	541298	214379
Govt. Companies	0.00	0.00	150	150
Mutual Funds	0.00	0.00	1013	1013
FII's	0.00	0.00	0	0
Bodies Corporate	6.52	6.83	2428260	2543971
Directors & Relatives	0.07	0.07	25000	25000
General Public	40.82	37.72	15201405	14047459
Total	100.00	100.00	37237413	37237413

* Includes 40,00,000 shares pledged by ISG Traders Limited to one of the Banks were invoked by the bank and 4,60,000 shares transferred in the name of a Bank for pledge of the same.

Outstanding DRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity : Not Applicable

Plant Location

Mohone - 421 102

: Dist. Thane, Maharashtra

Address for correspondence
(i) Corporate & Registered Office

: NRC Limited
Ewart House, Homi Modi Street
Fort, Mumbai - 400 001.

Tel. (022) 22652490 , Fax (022) 22651347

Email:secretarial@nrclimited.com

Website: www.nrclimited.com

(ii) Registrar and Transfer Agents

: TSR Darashaw Ltd.
6-10, Haji Moosa Patrawala
Industrial Estate, 20, Dr. E. Moses Road,
Mahalaxmi, Mumbai – 400 011
Tel : 91 22 66568484 , Fax : 91 22 66568494
Email ID: csg-unit@tsrdarashaw.com
Website : www.tsrdarashaw.com

Dematerialisation of shares and liquidity:

The Company has arrangements with National Securities Depository Ltd. (NSDL) as well as the Central Depository Services (India) Ltd. (CDSL) for demat facility. Out of total share capital, 95.69 % is dematerialized as on 31.03.2011.

Trading in Equity Shares of the Company is permitted only in dematerialized form w.e.f. 23.2.2001 as per the Notification issued by Securities & Exchange Board of India.

Risk Management Framework:

The Company has laid down procedures to inform Board Members about the risk assessment

and minimization procedures. These procedures are being reviewed periodically to ensure that the executive management controls risk through means of a properly defined framework.

Management Discussion & Analyses Report:

Management Discussion & Analyses Report given as a separate section after Directors Report.

B: Non-mandatory requirements:**(a) Shareholder Rights**

Mailing of the half – yearly financial performance including summary of the significant events in the past six months to each household of shareholders would be taken up for implementation at an appropriate time.

(b) Postal Ballot

Compliance with the Companies (Postal Ballot) Rules, 2001 will be made for obtaining shareholders' approval to any items covered under the Rules and as required under the Act.

(c) Other Non-Mandatory Requirements

Restricting the tenure of independent Directors in the aggregate to a period of nine years on the Board of the Company, training of Board Members in the business model of the Company, mechanism of evaluating non-executive Board Members & establishing a Whistle Blower Policy.

These would be complied with at an appropriate time.

DECLARATION BY CHIEF EXECUTIVE OFFICER

I, Shri Arun Jain, Managing Director, of NRC LIMITED having Registered Office at Ewart House, Homi Modi Street, Mumbai 400 001 hereby certify and acknowledge that all the members of the Board of Directors and the Senior Management Personnel of the Company have complied with the Code of Conduct of the Company and have already given the Annual Affirmation of the Compliance with the Code of Conduct.

For NRC LIMITED

Arun Jain

MANAGING DIRECTOR

Place: Mumbai

Date : 23/05/2011.

CERTIFICATE

We, the Managing Director and the Chief Financial Officer of NRC Limited, the certifying authorities, hereby certify that to the best of our knowledge and belief:

1. The Financial Statements including the Cash Flow Statement of NRC Ltd., for 18 months period ended as on 31st March, 2011 –
 - i. do not contain any materially untrue statement or omit any material fact or contains statements that might be misleading;
 - ii. present a true and fair view of Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are no transactions entered into by the Company during the year, which are

fraudulent, illegal or violative to the Company's code of conduct.

3. Based on our observance and on the basis of submissions received through sub-certification process, We certify that internal controls for financial reporting are established, maintained and are effective considering the nature and size of the business requirement. Further, no deficiencies have been observed in design or operation of such internal controls for the period covered by this Report.
4. During the period under review, no significant changes were observed in the internal controls over financial reporting and accounting policies of the Company. Furthermore, no instance of fraud was found by the management or employees having a significant role in the Company's internal control system over financial reporting.

M. C. Nalwaya
Chief Financial Officer

Arun Jain
Managing Director

Place: Mumbai

Date : May 23, 2011.

CERTIFICATE**To the Members of
NRC Limited**

We have examined the compliance of the conditions of Corporate Governance by NRC LIMITED ("the Company"), for eighteen months period ended on 31st March, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges of India.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations given by the management of the Company, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For LODHA & COMPANY
Chartered Accountants

A. M. HARIHARAN
Partner
Membership No.038323
Firm Registration No.301051E

Place : Mumbai
Date : 23rd May, 2011.

AUDITORS' REPORT**To
The Members,
NRC Limited**

1. We have audited the attached Balance Sheet of NRC Limited as at 31st March, 2011, the Profit and Loss Account annexed thereto and also the Cash Flow Statement for the eighteen months period ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 (hereinafter referred to as the 'Act'), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (a) *The Company has incurred loss in the current period as well as in the preceding period and the accumulated losses as at the period end have 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 accounts have, however, been prepared by the management on a going concern basis as explained in note 4(a) in Schedule 23. 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, the extent of the effect of the resultant adjustments to the accumulated losses, assets and liabilities as at the period end and losses for the period is presently not ascertainable.*
 - (b) *The Company has not carried out impairment test as required by Accounting Standard (AS) 28 'Impairment of Assets', particularly in respect of factory building and Plant and Machinery as explained in note 4(b) in Schedule 23. We are unable to express an opinion as to when and to what extent the carrying value of Building and Plant & Machinery would be recovered in view of the suspension of all manufacturing activities, the impact whereof on the loss for the period, accumulated losses, assets and liabilities as at the period end is presently, not ascertainable.*
 - (c) *The accounts of certain Debtors, Creditors and lenders are also subject to confirmations, reconciliations, and adjustments, if any, having consequential impact on the loss for the period, accumulated losses, assets and liabilities as at the period end, the amounts whereof are presently not ascertainable (Refer note 6(a) of Schedule 23).*

- (d) *The company has not determined and accounted for gain accruing on handing over part possession of vacant land during this period pursuant to the relevant agreement for sale. (Refer note – 7(b) in schedule 23).*
- (e) Liability as may arise towards interest/compound interest/penalty/ on delayed/non-payment to certain sundry creditors/statutory dues has not been ascertained. (Refer note 1 (g) in Schedule 23.)
5. (a) Subject to what is stated in para 4 (c) and (e) above, we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) Subject to what is stated in para 4 (b),(c),(d) and (e) above, in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches not visited by us;
- (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to section 211(3C) of the Act except as stated in Para 4(b) above;
- (e) On the basis of written representations received from Directors as on 31st March, 2011 and taken on record by the Board of Directors, wherever applicable, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as a Director of the Company in terms of Section 274(1)(g) of the Act;
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements subject to what is stated in para 4 above, the effect of which on the financial statements could not be determined and read together with note 14 b in schedule 23, regarding remuneration of Rs.22.74 lacs payable to Managing Director being subject to approval of the shareholders and Central Government and other notes appearing in Schedule 22 & 23 of Significant Accounting Policies and Notes to Accounts and those appearing elsewhere in the financial statements give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
- (b) in the case of the Profit and Loss Account, of the Loss for the eighteen months period ended on that date; and
- (c) in the case of the Cash Flow Statement, of the Cash Flows for the eighteen months period ended on that date.

For LODHA & CO.
Chartered Accountants
A.M. HARIHARAN
Partner
Membership No.38323
Firm Registration No-301051 E

Mumbai,
Date : 23/05/2011

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF AUDITORS' REPORT OF EVEN DATE TO THE MEMBERS OF NRC LIMITED ON THE FINANCIAL STATEMENTS FOR THE 18 MONTHS ENDED 31st MARCH 2011

On the basis of such checks as we considered appropriate and in terms of information and explanations given to us during the course of audit, we state that:

- 1 (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. There is a phased programme of physical verification of all physical assets over a period of three years based on which physical verification of certain fixed assets was carried out during the period. The phased programme of verification is considered reasonable having regard to the size of the Company and nature of its fixed assets. The discrepancies noticed on such verification have been dealt with in these financial statements.
- (b) No substantial part of fixed assets has been disposed off by the Company during the period.
- 2 (a) The inventory has been physically verified by the management at reasonable intervals during the period and / or at the close of the period. Inventory lying with third parties and in-transit as on 31st March, 2011 have been verified with reference to confirmations and subsequent receipt of the goods.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintained proper records of inventory. The discrepancies notified on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of account.
- 3 During the period, the Company has not taken / granted any loans, secured or unsecured, from / to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- 4 In our opinion and according to the information and explanations given to us and having regard to the fact that some of the items purchased are of a special nature in respect of which suitable alternative source do not exist for obtaining comparable quotations, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weaknesses have been noticed in the aforesaid internal control system.
- 5 According to the information and explanations given to us, there are no contracts or arrangements that need to be entered in to the register maintained under the Section 301 of the Act.
6. The Company has not accepted any deposits within the meaning of the Section 58A, 58AA or any other relevant provisions of the Act and rules framed there under.
7. In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.

8. As explained to us, due to lock out and stoppage of production in the plant, the cost records have not been maintained.
9. (a) The Company is not regular in depositing the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Cess and other material statutory dues applicable to it with the appropriate authorities except Investor Education and Protection Fund, Sales Tax, Value Added Tax, Service Tax, Customs Duty and Excise Duty, Wealth Tax. According to the information and explanations given to us, there are no undisputed statutory dues outstanding as at 31st March, 2011 for a period of more than six months from the date they became payable except:

(Amount Rs. In lakhs)

TDS	159.11
Professional Tax	74.11
Water Cess	31.80
Employer's Contribution to Provident Fund	44.57
Employees State Insurance	79.31

- (b) According to the records of the Company and information and explanations given to us by the management, the details of disputed Excise Duty, Custom Duty, Service Tax, Income Tax, Wealth Tax and Cess which have not been deposited are as under:

Nature of Dues	Forum where dispute is pending	Amount (Rs. in lakhs)	Period
Excise duty	Supreme Court, High Court, CESTAT, Commissioner (Appeals)/ Mumbai	3542.29	1986 to 2009
Service Tax	Supreme Court / Commissioner	55.26	2005 to 2009
Water Cess	Assessing authority, MPCB, Mumbai	68.47	2005

There are no disputed dues of Sales tax that have not been deposited.

10. The Company's accumulated losses as at 31st March, 2011 exceeds fifty percent of its net worth and have incurred cash losses during the financial period ended on that date and as also in the immediately preceding financial period.
11. After considering what was approved in the Corporate Debt Restructuring package, the Company has during the period defaulted in repayment of dues to financial institutions and banks as per details below:

Sr. No.	Nature of Dues	Period of Default	Amount of Default (Rs. In lakhs)
a)	PNB Short Term Loan	12 months	3336.00
b)	Repayment of Term Loan, WCTL and Funded Interest	6 months (average)	5980.49
c)	Interest on these Loans	9 months (average)	3586.15

12. During the period, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi /mutual benefit fund/ society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. During the period, the Company has not given any guarantee for loans taken by others from the bank or financial institution.
16. According to the information and explanations given to us, the term loans were applied for the purpose for which the loans were obtained.
17. Based on the information and explanations given to us and on an overall examination of the balance sheet of the Company, in our opinion, short term funds raised have not been utilized for long term investment.
18. During the period, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
19. The Company has not issued any debenture during the period and in the recent past.
20. The Company has not raised any money by way of public issue during the period or in the recent past.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the period, nor have we been informed of such case by the management.

For LODHA & CO.
Chartered Accountants
A.M. HARIHARAN
Partner

Mumbai,
Date : 23/05/2011

Membership No.38323
Firm Registration No-301051 E

BALANCE SHEET AS AT MARCH 31, 2011

Rs. in Lacs

	Schedule	As at 31.03.2011	As at 30.09.2009
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS			
Share Capital	1	4,055.03	4,055.03
Reserves and Surplus	2	19,659.41	19,753.91
		<u>23,714.44</u>	<u>23,808.94</u>
LOAN FUNDS			
Secured Loans	3	30,238.95	26,082.62
Unsecured Loans	4	2,675.32	740.00
		<u>32,914.27</u>	<u>26,822.62</u>
TOTAL		<u>56,628.71</u>	<u>50,631.56</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	5	55,266.73	55,240.48
Less: Depreciation		23,598.80	21,253.33
Net Block		<u>31,667.93</u>	<u>33,987.15</u>
		<u>31,667.93</u>	<u>33,987.15</u>
INVESTMENTS	6	1,564.31	275.02
CURRENT ASSETS, LOANS AND ADVANCES			
Inventories	7	565.73	1,062.30
Sundry Debtors	8	352.00	493.29
Cash and Bank Balances	9	3,128.28	326.65
Other Current Assets	10	130.81	2,775.54
Loans and Advances	11	1603.55	1,547.94
		<u>5780.37</u>	<u>6,205.72</u>
Less: Current Liabilities and Provisions			
Liabilities	12	23150.72	20,673.26
Provisions	13	3257.83	3,577.29
		<u>26408.55</u>	<u>24,250.55</u>
Net Current Assets		<u>(20,628.18)</u>	<u>(18,044.83)</u>
PROFIT & LOSS ACCOUNT (Loss)		<u>44,024.65</u>	<u>34,414.22</u>
TOTAL		<u>56,628.71</u>	<u>50,631.56</u>

 Significant Accounting Policies and
Notes on Financial Statements

22 to 23

 As per our attached report of even date
For LODHA & CO.
Chartered Accountants
A.M. HARIHARAN
Partner
Mumbai, 23rd May, 2011

 M.C.NALWAYA
Chief Financial Officer

 G.P. GOENKA
ARUN JAIN
P.K. MALLIK
R.S. AGARWAL
K.N. BHANDARI
Chairman
Managing Director
Director
Director
Director

PROFIT AND LOSS ACCOUNT FOR THE EIGHTEEN MONTHS ENDED MARCH 31, 2011

Rs. in Lacs

	Schedule	18 months Period ended 31.03.2011	15 months Period ended 30.09.2009
INCOME			
Sales	14	69.12	3,032.15
Less: Excise Duty		3.03	302.85
		<u>66.09</u>	<u>2,729.30</u>
Other Income	15	267.11	1,572.91
Increase/(Decrease) in Stocks	16	(174.82)	(1,592.93)
TOTAL		<u>158.38</u>	<u>2,709.28</u>
EXPENDITURE			
Raw Materials Consumed	17	103.18	1,154.34
Manufacturing and Other Expenses	18	585.35	4,362.97
Employees' Cost	19	1,238.69	5,174.61
Administrative and Selling Expenses	20	811.56	1,417.75
Interest/Debt Redemption Premium	21	3,899.42	3,046.86
TOTAL		<u>6,638.20</u>	<u>15,156.53</u>
Profit/(Loss) Before Depreciation		<u>(6,479.82)</u>	<u>(12,447.25)</u>
Depreciation	2,366.35		2,051.90
Less: Transfer from Revaluation Reserve	94.50		78.31
		<u>2,271.85</u>	<u>1,973.59</u>
Profit/(Loss) before Tax and exceptional items		<u>(8,751.67)</u>	<u>(14,420.84)</u>
- Less : Exceptional Items (Refer note 5 in Schedule 23)		<u>(858.76)</u>	<u>(82.00)</u>
Profit/ (Loss) Before Taxation		<u>(9,610.43)</u>	<u>(14,502.84)</u>
Taxation - Current Tax (FBT)		-	(9.18)
Profit/(Loss) After Taxation		<u>(9,610.43)</u>	<u>(14,512.02)</u>
Balance of Profit/(Loss) brought forward		<u>(34,414.22)</u>	<u>(19,902.20)</u>
Surplus/(Deficit) Carried to Balance Sheet		<u>(44,024.65)</u>	<u>(34,414.22)</u>
Earnings per Equity Share of Rs.10 each			
Basic-Before Exceptional itmes		(23.50)	(38.72)
Diluted-Before Exceptional itmes		(23.50)	(38.77)
Basic-After Exceptional itmes		(25.81)	(38.97)
Diluted-After Exceptional itmes		(25.81)	(39.02)

 Significant Accounting Policies and
Notes on Financial Statements

22 to 23

 As per our attached report of even date
For LODHA & CO.
Chartered Accountants
A.M. HARIHARAN
Partner
Mumbai, 23rd May, 2011

 M.C.NALWAYA
Chief Financial Officer

 G.P. GOENKA
ARUN JAIN
P.K. MALLIK
R.S. AGARWAL
K.N. BHANDARI
Chairman
Managing Director
Director
Director
Director

CASH FLOW STATEMENT

	Rs. in Lacs	
	18 months Period ended 31.03.2011	15 months Period ended 30.09.2009
I. Cash Flow from Operating Activities		
Net Profit / (Loss) before Tax	(9,610.43)	(14,502.84)
Adjustments for :		
Depreciation (Net)	2,271.85	1,973.59
Interest/Debtenture Premium	4,076.39	3,210.46
Lease Rentals	-	-
Interest/Dividend earned	(176.97)	(163.60)
Sundry Balances (Net) written back	(551.94)	-
Provision for Doubtful Debts and Advances	148.90	737.86
Diminution in the value of investment	-	82.00
(Profit)/Loss on sale/discard of Fixed Assets (Net)	-	-
Reversal of Profit on Sale of Investment	1,410.71	(1,453.46)
Operating Profit/(Loss) before Working Capital changes	(2,431.49)	(10,115.99)
Adjustments for :		
Trade and other Receivables including Loans and Advances	(374.30)	1482.65
Inventories	496.57	2,450.53
Trade Payables	(505.28)	2,949.07
Cash Generated From Operations	(2,814.50)	(3,233.74)
Income Tax Paid (Incl FBT & MAT)	-	(9.18)
Net Cash from Operating Activities	(2,814.50)	(3,242.92)
II. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(53.72)	(0.64)
Sale/discarding of Fixed Assets	6.60	83.51
Profit on Sale of Investment	-	1,453.46
Reversal of Profit on Sale of Investment /recovery of bad debts	(858.77)	-
Advance received towards sale of land	3,250.00	-
Advance received towards sale of Investment	-	-
Interest/Dividend Received	176.97	163.60
Investment	(1,289.29)	1,397.34
Net Cash from Investing Activities	1,231.79	3,097.27
III. Cash Flow from Financing Activities		
Issue of Share Capital	-	50.15
Redemption of preference share capital	-	(70.57)
Security Premium	-	37.37
Proceeds from Borrowings (net of repayment)	6,091.64	3,166.79
Repayment of Finance Lease Liabilities	-	-
Interest Paid	(4,076.39)	(3,210.46)
Net Cash from Financing Activities	2,015.25	(26.72)
IV. Net Increase/(Decrease) in Cash and Cash Equivalents	432.54	(172.37)
V. Cash and Cash Equivalents		
Opening Balance	0.63	173.00
Closing Balance	433.17	0.63

1 THE ABOVE CASH FLOW STATEMENT HAS BEEN PREPARED BY USING THE INDIRECT METHOD AS PER ACCOUNTING STANDARD 3- CASH FLOW STATEMENT ISSUE BY THE INSTITUTE OF CHARTERED ACCOUNTANT OF INDIA
2 PREVIOUS YEARS FIGURE HAVE BEEN REGROUPED \ RECAST, WHEREVER NECESSARY.

Significant Accounting Policies and Notes on Financial Statements

22 to 23

As per our attached report of even date

For LODHA & CO.	M.C.NALWAYA	G.P. GOENKA	Chairman
Chartered Accountants	Chief Financial Officer	ARUN JAIN	Managing Director
A.M. HARIHARAN		P.K. MALLIK	Director
Partner		R.S. AGARWAL	Director
Mumbai, 23rd May, 2011		K.N. BHANDARI	Director

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

		Rs.in Lacs	
		As at 31.03.2011	As at 30.09.2009
1. SHARE CAPITAL			
AUTHORISED			
25,00,000	Cumulative Redeemable Preference Shares of Rs.100 each	2,500.00	2,500.00
5,00,00,000	Equity Shares of Rs.10 each	5,000.00	5,000.00
		7,500.00	7,500.00
ISSUED			
3,73,31,731	(Previous Year 37331731) Equity Shares of Rs.10 each	3,733.17	3,733.17
2,45,525	(Previous Year 245525) 8% Cumulative Redeemable Preference Shares of Rs.100 each	245.53	245.53
82,192	4% Cumulative Redeemable Preference Shares of Rs.100 each	82.19	82.19
SUBSCRIBED AND PAID UP			
3,72,37,413	(Previous Year 37237413) Equity Shares of Rs.10 each	3,723.74	3,723.74
	Add: Forfeited Shares	3.57	3,727.31
	(Amount originally paid-up)	3,727.31	3,727.31
2,45,525	(Previous Year 245525) 8% Cumulative Redeemable Preference Shares of Rs.100 each	245.53	245.53
82,192	4% Cumulative Redeemable Preference Shares of Rs.100 each	82.19	82.19
		4,055.03	4,055.03

Note:

- 1) Out of the above, (a) 13,55,330 Equity Shares were allotted as Bonus Shares by capitalisation of Reserves and Share Premium Account and (b) 12,76,386 Equity Shares were allotted for consideration other than cash.
- 2) a) 2,45,525 8% Cumulative Redeemable Preference Shares were redeemable at par on, 29th March, 2010.
b) 82,192, 4% Cumulative Redeemable Preference Shares were redeemable at par on 29th March, 2011.
c) As per approved CDR package sanctioned by CDR-EG redemption of Preference Shares has been extended for the period of three years from the date of redemption.

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011 **Rs.in Lacs**

2. RESERVES AND SURPLUS	As at 31.03.2011	As at 30.09.2009
CAPITAL RESERVE		
As per last Account	180.41	180.41
REVALUATION RESERVE		
As per last Account	17,876.66	17,954.97
Less: Transfer to Profit and Loss Account	94.50	78.31
	17,782.16	17,876.66
CAPITAL REDEMPTION RESERVE		
As per last Account	453.73	453.73
DEBENTURE REDEMPTION RESERVE		
As per last Account	243.51	243.51
SECURITIES PREMIUM ACCOUNT		
As per last Account	999.60	962.23
Add: On further allotment of 5,01,528 Equity Shares arising out of conversion of Preference Shares	-	37.37
	999.60	999.60
	19,659.41	19,753.91
3. SECURED LOANS		
From Financial Institutions		
3,16,800 (Previous Year 316800) Zero% Secured Redeemable non-convertible Debentures of Rs.100 each	316.80	316.80
Debenture Premium due thereon	152.20	152.20
Interest accrued on overdue payment	202.66	103.28
From Banks		
Term Loan	8,019.61	8,019.61
Funded Interest Term Loan (FITL)	4,253.00	4,210.97
Working Capital Term Loan	6,386.70	6,386.69
Working Capital Borrowings	2,752.09	2,865.07
PNB Short Term Loan	3,333.33	3,333.33
Interest accrued and due thereon	4,822.56	694.67
	30,238.95	26,082.62

Notes:

- (a) 3,16,800 Zero% Secured Redeemable non-convertible Debentures privately placed with Financial Institutions were redeemable in three equal yearly installments commencing from 29th March, 2007 and at a premium of 25% of the outstanding amount on respective redemption dates. However, as per approved CDR package dt.21.01.2008., redemption of debentures has been rescheduled. As per CDR

- 40% out of second tranche of land sale proceeds of Rs. 48.90 crore
- 60% out of third and last tranche of Rs. 72.50 crore
- Redemption premium due on debentures as per existing terms to be paid pro-rata along with redemption of debentures.

- (b) Debentures are secured by mortgage/hypothecation of all the immoveable and/or movable assets of the Company, present and future, ranking pari passu subject to the prior charges of the Company's Bankers for working capital borrowings.
- (c) The Financial Institutions have, under certain circumstances of default by the Company, an option to convert Rs. 316.80 Lacs (Previous Year Rs.316.80 Lacs) out of Debentures into fully paid-up Equity Shares of the Company at par at any time during the currency of these Debentures.
- (d) Term Loan of Rs.2080.78 Lacs (Previous Year Rs.2080.78) from a bank is having exclusive charge on certain Plant & Machinery and all other Term loans from Banks are secured by mortgage /hypothecation of entire fixed assets of the Company (other than certain plant& machinery exclusively charged as referred above and a part of land) having pari passu charge with the debenture holders. PNB Short Term Loan is further secured by pledge of investments (Refer note 3 of Schedule 6)
- (e) Working Capital borrowings and non-fund based out standing of Rs. 913.88 Lacs (Previous Year Rs.851.10 Lacs) from the Banks are secured by hypothecation of inventories and book debts etc. and by second charge by way of mortgage on the immovable assets of the Company.
- (f) One of the bank has assigned it's Financial Assistants (Term and working Capital aggregating to Rs.4651 lacs) to a asset reconstruction company at the year end.
- (g) All the above loans are further secured by personal guarantee of a Director of the Company.

4. UNSECURED LOANS	As at 31.03.2011	As at 30.09.2009
Promoters' Contribution	740.00	740.00
Loan from Other companies (Short term)	1,935.32	-
	2,675.32	740.00

5. FIXED ASSETS		Rs. in Lacs							
		GROSS BLOCK - COST/BOOK VALUE		DEPRECIATION		NET BLOCK			
Description	As at 01.10.2009	Additions	Sales/Transfer/Adjustment	As at 31.03.2011	Upto 30.09.2009	For the Year Adjustment	Upto 31.03.2011	As at 31.03.2011	As at 30.09.2009
(a) Land - Freehold *	16,158.90	50.00	-	16,208.90	-	-	-	16,208.90	16,158.90
(b) Buildings	6,757.31	-	-	6,757.31	3,081.34	245.63	3,326.97	3,430.34	3,675.99
(c) Plant and Machinery	31,555.81	-	21.78	31,534.03	17,509.62	2,079.12	19,572.86	11,961.17	14,046.24
(d) Railway Siding, Water Works etc.	160.41	-	4.87	155.54	114.94	4.73	115.04	40.50	45.47
(e) Furniture, Fittings and Equipments	472.16	3.72	0.82	475.06	440.52	20.58	460.74	14.32	31.59
(f) Vehicles	135.89	-	-	135.89	106.90	16.29	123.19	12.70	28.97
TOTAL	55,240.48	53.72	27.47	55,266.73	21,253.32	2,366.35	23,598.80	31,667.93	33,987.16
Previous Year	55,182.36	494.13	436.01	55,240.48	19,553.92	2,051.90	21,253.33	33,987.16	

* Addition represents amount spent on eviction of encroachment on vacant land.
(Refer Note No.7 of Schedule no.23)

6. INVESTMENTS		Rs. in Lacs			
		Face Value (Rs.)	As at 31.03.2011		As at 30.09.2009
		No. of Shares	Book Value	No. of Shares	Book Value
QUOTED					
Others					
Fully paid-up Equity Shares :					
Duncans Industries Ltd. \$	10	3590310	861.35	3590310	861.35
Andhra Cements Limited **	10	9000000	1,289.29	-	-
Duncan Brothers & Co. Ltd.	100	5	0.01	5	0.01
Bubna Major Biotech Ltd. (Re.1)	10	58200	-	58200	-
Shubh Shanti Services Ltd.	10	7,500	-	7,500	-
			<u>2,150.65</u>		<u>861.36</u>
Provision for Diminution in the Value of Investments			(632.00)		(632.00)
			<u>1,518.65</u>		<u>229.36</u>
UNQUOTED					
Government Securities *					
Others			0.51		0.51
Fully paid-up Equity Shares :					
Naracorp Co-op. Consumers' Society Ltd.	10	1250	0.12	1250	0.12
Duncan Tobacco Co. Ltd.(Re.1)	100	400	-	400	-
Sarvottam Caps Ltd.	10	90000	45.00	90000	45.00
The Shamrao Vitthal Co-op Bank Ltd.	25	100	0.03	100	0.03
Aggregate book value of unquoted investments			<u>45.66</u>		<u>45.66</u>
			<u>1,564.31</u>		<u>275.02</u>
Aggregate Market value of quoted investments			1,810.25		408.95

- Notes : 1. All Investments are long term and other than trade.
 2.\$ Pledged as a collateral security on behalf of body corporates for the loans taken by third parties.
 3.** Pledged with FI's/bank as a collateral security for the loans taken.
 (Also refer note No.5 of Schedule 23)
 4.* Deposited with Government Authorities.

	Rs.in Lacs	
7. INVENTORIES	As at 31.03.2011	As at 30.09.2009
(As taken, valued and certified by the Management)		
Stores and Spares	565.73	784.30
Raw Materials	-	103.18
Finished Goods	-	164.36
Work-in-Process	-	10.46
	<u>565.73</u>	<u>1,062.30</u>
8. SUNDRY DEBTORS		
Unsecured and considered good unless otherwise stated		
Exceeding Six Months		
Considered Doubtful	653.71	504.81
Less: Provisions	<u>653.71</u>	<u>504.81</u>
Considered Good	352.00	408.76
Others	-	84.53
	<u>352.00</u>	<u>493.29</u>
9. CASH AND BANK BALANCES		
Cash on hand	0.71	0.63
Balances with Scheduled Banks in:		
Current Account	22.09	-
Interest bearing No Lien A/C (Refer Note No.2 in Schedule 23)	2,450.10	-
Deposit Account against Guarantees etc.	237.50	318.41
Deposit Account	410.37	-
Unpaid Dividend Account	7.51	7.61
	<u>3,128.28</u>	<u>326.65</u>
10. OTHER CURRENT ASSETS		
Interest receivable on deposits and others	130.81	75.54
(Net of doubtful, fully provided 0.88 Lacs ; Previous Year Rs. 0.88 Lacs)		
Proceeds recoverable in respect of Sale of Investment	-	2,700.00
(Refer Note No.5 (a) of Schedule 23)	<u>130.81</u>	<u>2,775.54</u>
11. LOANS AND ADVANCES		
Unsecured and considered good unless otherwise stated		
Advance Income Tax [Net of provision of Rs.NIL Lacs	9.32	17.69
(Previous Year Rs.42.32 Lacs)]		
Advances recoverable in cash or in kind or for value to be received	1298.27	1,195.43
(Net of doubtful, fully provided Rs.679.40 Lacs;		
Previous Year Rs.692.99 Lacs)		
Balances with Excise and Customs	6.69	7.12
Deposits	289.27	327.70
(Net of doubtful, fully provided Rs.978.92 Lacs;		
Previous Year Rs.978.92 Lacs)	<u>1603.55</u>	<u>1,547.94</u>

	Rs.in Lacs	
12. LIABILITIES	As at 31.03.2011	As at 30.09.2009
Sundry Creditors (Refer note 17 in Schedule 23	10,648.19	10,082.35
in respect of Micro, Small and Medium Enterprises)		
Advance received towards sale of Land	7,425.92	4,175.92
Other Liabilities	4,842.18	5,964.25
Interest Accrued but not due	234.43	450.74
	<u>23,150.72</u>	<u>20,673.26</u>
13. PROVISIONS		
Gratuity	2,782.55	3,043.58
Leave Entitlement	469.04	524.87
Fringe Benefit Tax (net of advance of Rs.2.94 Lacs)	6.24	8.84
(previous year Rs.14.84 Lacs)		
	<u>3,257.83</u>	<u>3,577.29</u>

**SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT
'FOR EIGHTEEN MONTHS ENDED MARCH 31,2011**

14. SALES	18 months Period ended 31.03.2011		15 months Period ended 30.09.2009	
	Quantity M.T.	Amount Rs. in Lacs	Quantity M.T.	Amount Rs. in Lacs
Viscose Rayon Yarn \$	117	67.62	711	1,159.56
Nylon Tyre Cord	-	-	109	175.04
Caustic Soda	-	-	2165	512.49
Sulphuric Acid	-	-	3181	292.50
Carbon-di-Sulphide	-	-	1844	575.88
By-Products				
Liquid Chlorine		0.10	2094	66.80
Hydrochloric Acid (Commercial about 32%)		-	955	12.39
Sodium Sulphate Anhydrous		-	2	0.25
Compressed Hydrogen *		-	355	80.11
Miscellaneous Sales		1.40		157.13
		<u>69.12</u>		<u>3,032.15</u>

* Quantity in Thousands of Cubic Metres.

\$ Includes 31MT shortage / discarded written off.

	Rs.in Lacs	
15. OTHER INCOME	18 months Period ended 31.03.2011	15 months Period ended 30.09.2009
Income from Long Term investment		
- Profit/(Loss) on Sale	-	1,453.46
Income from sale of DEPB licences	59.95	-
Miscellaneous Income	<u>207.16</u>	<u>119.45</u>
	<u>267.11</u>	<u>1,572.91</u>

16. INCREASE/(DECREASE) IN STOCKS

Opening Stock		
Finished Goods	164.36	1,477.68
Work-in-Process	<u>10.46</u>	<u>290.07</u>
Total	<u>174.82</u>	<u>1,767.75</u>
Closing Stock		
Finished Goods	-	164.36
Work-in-Process	-	10.46
Total	<u>-</u>	<u>174.82</u>
Increase/(Decrease) in Stock	<u>(174.82)</u>	<u>(1,592.93)</u>

STOCKS AS ON

PARTICULARS	1.7.2008		30.09.2009		31.03.2011	
	Qty. M.T.	Amount Rs. in Lacs	Qty. M.T.	Amount Rs. in Lacs	Qty. M.T.	Amount Rs. in Lacs
A. FINISHED GOODS :						
Viscose Rayon Yarn	664	1,189.44	117	132.31	-	-
Nylon Tyre Cord	108	206.32	-	-	-	-
Caustic Soda	252	46.10	229	6.06	-	-
Sulphuric Acid	59	5.97	83	0.35	-	-
Carbon-di-Sulphide	33	20.15	74	23.87	-	-
By-Products :						
Liquid Chlorine	4	0.30	4	0.13	-	-
Hydrochloric Acid (Commercial about 32%)	43	1.22	3	0.05	-	-
Sodium Sulphate Anhydrous	1	0.13	-	-	-	-
Sodium Sulphide	2	0.34	2	0.30	-	-
Compressed Hydrogen*		0.03		0.10	-	-
Others		<u>7.68</u>		<u>1.19</u>	-	-
		1,477.68		164.36	-	-
B. WORK-IN-PROCESS		<u>290.07</u>		<u>10.46</u>	-	-
		<u>1,767.75</u>		<u>174.82</u>	-	-

* Quantity in Thousands of Cubic Metres.

	Rs.in Lacs	
17. RAW MATERIALS CONSUMED	18 months Period ended 31.03.2011	15 months Period ended 30.09.2009
Opening Stock	103.18	294.49
Purchases	-	963.03
	<u>103.18</u>	<u>1,257.52</u>
Closing Stock	0.00	103.18
Consumption	<u>103.18</u>	<u>1,154.34</u>

(Refer Note 15 in schedule 23)

CONSUMPTION OF RAW MATERIALS	Quantity	Amount	Quantity	Amount
	M.T.	Rs. in Lacs	M.T.	Rs. in Lacs
Pulp	31	9.83	12	6.21
Caprolactum/Chips	4	4.53	-	-
Sulphur	862	17.76	4680	762.96
Salt	1042	9.45	7705	141.37
Charcoal	82	6.12	936	134.82
Chemicals	-	55.49	-	108.98
TOTAL		<u>103.18</u>		<u>1,154.34</u>

CIF VALUE OF IMPORTS

Components and Spares	-	-
TOTAL	<u>-</u>	<u>-</u>

VALUE OF RAW MATERIALS CONSUMED

	Amount Rs. in Lacs	% to Total	Amount Rs. in Lacs	% to Total
Imported	-	-	-	-
Indigenous	103.18	100.00%	1,154.34	100.00%
TOTAL	<u>103.18</u>	<u>100.00%</u>	<u>1,154.34</u>	<u>100.00%</u>

VALUE OF STORES AND SPARES AND COMPONENTS CONSUMED *

Imported	-	-	-	-
Indigenous	194.18	100.00%	1,232.87	100.00%
TOTAL	<u>194.18</u>	<u>100.00%</u>	<u>1,232.87</u>	<u>100.00%</u>

		Rs.in Lacs	
18. MANUFACTURING AND OTHER EXPENSES	18 months Period ended 31.03.2011	15 months Period ended 30.09.2009	
Stores and Spares*	194.18	1,232.87	
Power, Fuel and Water*(Refer Note No.15 in Schedule 23)	298.46	2,435.83	
Insurance	59.32	77.57	
Repairs and Maintenance :			
Machinery	24.51	120.28	
Buildings	<u>1.08</u>	<u>9.06</u>	
	25.59	129.34	
Rates and Taxes	1.48	406.04	
Discarded Fixed Assets written off	6.32	81.32	
	<u>585.35</u>	<u>4,362.97</u>	
19. EMPLOYEES' COST			
Salaries, Wages, Gratuity, Bonus and Incentive	1,046.11	4,819.38	
Contribution to Provident and Other Funds	104.93	231.57	
Welfare Expenses	87.65	123.66	
	<u>1,238.69</u>	<u>5,174.61</u>	
20. ADMINISTRATIVE AND SELLING EXPENSES			
Rent	24.62	58.76	
Auditors' Remuneration :			
Audit Fees	6.75	5.63	
Tax Audit Fees	1.30	0.97	
For Certifications	1.20	4.22	
Out of pocket expenses (including service tax)	0.22	0.32	
Directors' Sitting Fees	3.68	3.23	
Professional Fees	329.59	358.95	
Security Expenses/House keeping expenses	98.80	70.92	
Conveyance/Travelling expenses	66.69	52.24	
Telephone expenses	11.19	-	
Rates & Taxes	12.49	-	
Electric Charges	13.21	-	
Office Maintainance	16.65	-	
Variation Excise Duty on closing stock	(3.03)	(101.22)	
Commission on Sales	-	10.81	
Cash Discount	-	9.30	
Freight and Forwarding	-	34.87	
Provision for Doubtful Debts and Advances	148.90	737.86	
Miscellaneous Expenses	79.30	170.89	
	<u>811.56</u>	<u>1,417.75</u>	
21. INTEREST/DEB. REDEMPTION PREMIUM			
Premium on redemption of debentures	-	3.54	
Interest on - Fixed Loans	99.39	102.40	
- Others	3,977.00	3,104.52	
	<u>4,076.39</u>	<u>3,206.92</u>	
Less: Interest Income (Tax deducted at source Rs.0.56 lacs, Previous Year Rs.6.57 lacs)	<u>(176.97)</u>	<u>(163.60)</u>	3,043.32
	<u>3,899.42</u>	<u>3,043.32</u>	<u>3,046.86</u>

22. SIGNIFICANT ACCOUNTING POLICY
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORMING PART OF THE BALANCE SHEET AS AT AND PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31st MARCH, 2011.
SIGNIFICANT ACCOUNTING POLICIES
1 BASIS OF ACCOUNTING

- The financial statements are prepared on historical cost convention (except for certain fixed assets which have been revalued), on the basis of a going concern and in accordance with the applicable accounting standards.
- The Company follows the mercantile system of accounting and recognises income and expenditure on the accrual basis except those with significant uncertainties interalia, including non-accrual of income on assets where principal / accrued income is fully provided as doubtful.

2. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets & liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for the period. Actual results may sometimes differ from these estimates. Any revision to accounting estimates is recognised prospectively.

3 FIXED ASSETS

Fixed Assets are stated at cost less depreciation except Land and Buildings which have been revalued and are stated at revalued cost less depreciation, where applicable. Cost comprises of all expenses incurred upto commissioning/putting the assets to use. In line with the basis followed for assets acquired on ownership, interest and other direct expenses incurred during pre-operative period of the assets obtained under Finance Lease arrangements are capitalised.

4. IMPAIRMENT OF ASSETS

The Company assesses at each Balance Sheet date whether there is any indication that any asset may be impaired. If any such indication exists, the carrying value of such asset is reduced to its recoverable amount and the impairment loss is charged to profit and loss account. If at the Balance Sheet date there is any indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to that effect.

5. DEPRECIATION / AMORTISATION

- Depreciation is calculated at the rates and in the manner specified under Schedule XIV to the Companies Act, 1956 on straight line method except in respect of Laboratory Equipments pertaining to the Rayon Plant (included in item 'c' of Schedule 5), Railway Siding and Water Works, Furniture and Vehicles, which has been calculated on written down value method. Continuous process plant as defined in Schedule XIV has been taken on technical assessment.
- In the case of increase on account of revaluation of Buildings, depreciation is computed on the basis of the residual life as estimated by the valuers.

- c Depreciation on spares purchased subsequently for specific machinery and having irregular use is provided prospectively over the residual life of the specific machinery.

6. INVESTMENTS

Long Term Investments are stated at cost. Provision other than of temporary nature is made for diminution in the value of investments.

7. VALUATION OF INVENTORIES

Inventories are valued at the lower of the cost and estimated net realisable value. Cost of Inventories is computed on moving weighted average basis. Finished goods and work in process include cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

8. REVENUE RECOGNITION

- a Sale of goods is recognised when the property and all the significant risks and rewards of ownership are transferred to the buyer and no significant uncertainty exists regarding the amount of consideration that is derived from the sale of goods. Sales includes Excise duty and are net off Discounts/Margins(as considered appropriate by the management) sales tax and damaged and detained stocks .Damaged and Dented stocks are accounted / provided for as when inspected and destroyed.
- b. Export sales are accounted for on the basis of the date of Bill of Lading / Mates Receipt
- c. Export Benefits Claims are accounted for in the year of Export.

9. TRANSACTION OF FOREIGN CURRENCY ITEMS:

- a Foreign Currency transactions are recorded at the rate of exchange prevailing on the date of the transaction.
- b. Foreign Currency transactions remaining unsettled as on the last day of the financial year are translated at the exchange rate prevailing as on the date of Balance Sheet. The resultant difference, if any, is dealt with in the Profit and Loss Account. Premium in respect of forward exchange contracts is recognised over the life of the contracts.

10. BORROWING COST

Borrowing costs attributable to acquisition and construction of qualifying assets are capitalized as a part of the cost of such assets up to the date when such asset is ready for its intended use. Other borrowing costs are charged to profit and loss account.

11. TAXATION

Current Tax is recognised as per Income Tax Act, 1961.

Timing differences in respect of Accounting Income and Taxable income are recognised as Deferred Tax. Deferred Tax assets are recognised to the extent there is reasonable / virtual certainty that sufficient future taxable income will be available against which such Deferred Tax assets can be realised.

The Provision of Fringe Benefit Tax has been made in respect of employee's benefits and other specified expenses as determined under the Income Tax Act, 1961.

12. EMPLOYEE BENEFITS
a) Gratuity:

Liability under the payment of Gratuity Act,1972 is a defined benefit obligation and is

provided for on the basis of the actuarial valuation made at the end of each financial year.

b) Provident Fund:

Retirement benefits in the form of Provident Fund / Pension Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.

c) Leave Entitlement:

Liability towards Leave Entitlement Benefit is provided for as at the Balance Sheet date as per the actuarial valuation taken at the end of the year.

Actuarial gains/ losses are immediately taken to Profit and Loss account and are not deferred.

13. PROVISIONS , CONTINGENT / LIABILITIES

A provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation. Contingent liabilities, if material, are disclosed by way of notes to accounts. Disputed show cause notices / show cause-cum-demand notices are not considered as contingent liabilities. Contingent assets are not recognized or disclosed in the financial statements.

23. NOTES FORMING PART OF THE FINANCIAL STATEMENTS	31.03.2011	30.09.2009
----------------------------------------------------	------------	------------

1. Contingent Liabilities not provided for in respect of (including interest up to the date of Demand/claim):		
---------------------------------------------------------------------------------------------------------------	--	--

- | | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|
| (a) Claims against the Company not acknowledged as debts (excluding claims where amounts not ascertainable / the cases where the possibility of any outflow on settlement / decision is remote) | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|

	Rs.Lacs	Rs.Lacs
i. Electricity	2571.76	2571.76
ii. Water charges	2806.85	2759.16
iii. Open Land Tax	638.57	638.57
iv. Others (Buyer's / Suppliers / Lenders / Quasi Govt. etc)	1622.94	902.59

(b) Disputed Excise duty and Service Tax matters		
--------------------------------------------------	--	--

i. Excise Duty.	3542.29	3542.29
ii. Service Tax	55.26	55.26

(c) Disputed Sales Tax matters	423.25	423.25
--------------------------------	--------	--------

(d) Pledge of shares (Investment) for borrowing by an associate	248.74	-
-----------------------------------------------------------------	--------	---

(e) Arrears of Preference Shares dividend (Including dividend tax)	126.29	103.18
--------------------------------------------------------------------	--------	--------

(f) In respect of other matters under litigation (including workmen claims pending at different stages.)	Unascertainable	
----------------------------------------------------------------------------------------------------------	-----------------	--

(g) Interest /Compound interest /penalty on delayed /non payment Of statutory dues / to creditors.	Unascertainable	
----------------------------------------------------------------------------------------------------	-----------------	--

23. NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- 2 In a reference made to the Board for Industrial and Financial Reconstruction (BIFR), the company has been declared as sick industrial undertaking by BIFR under section 3 (1) (o) of Sick Industrial companies (Special Provisions) Act, 1985 (SICA) vide order dated 16.07.2009 with a direction to submit Draft Rehabilitation Scheme (DRS) under Section 18. The Company being aggrieved on certain portion of the Order passed by BIFR had filed an appeal before the Appellate Authority for Industrial and Financial Reconstruction (AAIFR). The AAIFR approved the land sale transaction but has restricted the utilisation of sale proceeds of Rs.24.50 Cr lying in No lien Account and further proceeds before sanction of the Rehabilitation Scheme by BIFR. The Company has filed a writ petition before Bombay High Court against AAIFR order and the same is pending.
- 3 The Company's plants are under lock-out since 15th Nov 2009 and there was no production thereafter.
- 4 (a) Pending receipt of balance land sale proceeds and submission and sanction of the DRS to BIFR, these accounts have been prepared on a going concern basis.
(b) In view of suspension of manufacturing operations, pending receipt of balance land sale proceeds and submission and sanction of DRS, the impairment loss on assets if any, as required by Accounting Standard 28, has not been dealt with in these Financial Statements.
- 5 (a) The AAIFR, in its order upheld that sale of long term investments required prior approval of BIFR. Accordingly the contracted sale of long term investments made in the previous period with an associate company as per the provision of restructuring package approved by CDR empowered group became infructuous. Consequently, the Company has during the current period, reversed the profit on sale of long term investment of Rs.1410.71 lacs (disclosed as an exceptional item) and reinstated the long term investment of Rs.1289.29.
(b) 'Exceptional items' in the current period also comprises of excess provision made in the earlier years and written back as also Bad debts written off earlier and recovered during the period.
(c) In the previous period exceptional item of Rs.82 lacs represents provision for diminution in the value of long term investment
- 6 (a) Confirmation / reconciliation of balances under certain Debtors, Creditors and Lenders are also not available. However, necessary action in this regard is already initiated and on receipt of the same and review thereof by the company, consequential adjustments arising thereon, if any, which are presently not ascertainable, will be appropriately dealt with.
(b) During the period, due to severe financial crunch, Company was not regular in payment of statutory dues and was constraint to default in payment of interest / installments to lenders.
- 7 (a) Land and Buildings of the Company were re-valued as on 31st December 1984 on market value / replacement cost basis using Standard indices as assessed by the approved valuer. Further the land was again re-valued on 31st March 2005 and 25th January 2006 considering their prevailing market prices as per valuation report submitted by the approved valuer appointed for the purpose. The revaluations of March 2005 and January, 2006 has resulted in a net increase in the book value by Rs.8355.89 lacs, and Rs.4450 lacs respectively. The total increase as a result of these revaluations was transferred to Revaluation Reserve in the respective years.

The following re-valued amounts (net of withdrawals) remain substituted for the historical cost in the gross block of fixed assets:

	Rs. in lacs	
Land	16158.90	16158.90
Buildings	4518.92	4518.92

- (b) As per terms of Agreement for Sale of land entered into in March 2007 and AAIFR Order, the Company has given part possession of the vacant land to the buyer for which conveyance is still pending. The gain to be accrued on such deal is not determinable, presently.
- 8 The Company is in the process of appointing a new Company Secretary as the incumbent resigned from office w.e.f 20th December 2010.
- 9 Power and Fuel as disclosed in the Schedule-18, is net of Rs.77.58 lacs credit allowed by MSEDCL during the period on account of certain charges relating to earlier years.
- 10 Deferred Tax Assets / (Liabilities)

Timing Differences on account of :	As on 31.03.2011	As on 30.09.2009
Unabsorbed losses and depreciation	10352.69	8367.61
Difference between book depreciation and tax depreciation	(344.32)	(1654.54)
Gratuity and other expenses	814.71	1116.00
Deferred Tax Assets (Net)	10823.08	7829.07

As a matter of prudence, the management has not recognised the net deferred tax assets for the current period.

11 Calculation in respect of Earnings Per Share:

a.	Numerator:	For the 18 months Period ended 31st March, 2011	For the 15 months Period ended 30th Sep, 2009
	Net Profit/(Loss) as per Profit & Loss Account	(9610.43)	(14512.02)
	Numerator for Basic EPS Calculation	(9610.43)	(14512.02)
	Numerator for Diluted EPS Calculation	(9610.43)	(14512.02)
b.	Denominator:		
	Number of Weighted Equity Shares outstanding		
	-Basic	37237413	37237413
	-Diluted	37237413	37194817
c.	Earnings per share before exceptional item:		
	-Basic	(23.50)	(38.72)
	-Diluted	(23.50)	(38.77)
	Earnings per share after exceptional item:		
	-Basic	(25.81)	(38.97)
	-Diluted	(25.81)	(39.02)
d.	Nominal value per Equity Share	10	10

12 Related party Disclosure pursuant to Accounting Standard – 18

Key Management Personnel :

- a) Shri Arun Jain (Managing Director)
- b) Associates / Group Companies with whom the Company has entered into transactions during the period:

ISG Traders Ltd, Unimers India Ltd, Shubh Shanti Services Ltd, Kavita Marketing Private Limited, Boydell Media Private Limited, Duncan Industries Limited, Gujarat Carbon Industries Limited and Odyssey Travels Limited.

The following transactions were carried out with the associates / group companies in the ordinary course of business and at arm's length:

Rs. in Lacs

Sri. No.	Name of the Party	2009-11	2008-09
1	Receiving of Services		
	Kavita Marketing Pvt Ltd	31.50	26.25
2	Services Rendered		
	Duncan Industries Ltd	6.48	-
3	Debt Recovered		
	Gujarat Carbon Industries Ltd.	180.00	-
4	Interest Received/Receivable		
	Shubh Shanti Services Ltd	-	10.16
	ISG Traders Ltd	-	37.49
5	Managerial Remuneration –Mr.Arun Jain	155.02	123.87
6	Sale of Investments		
	ISG Traders	(2700.00)**	2850.80
7	Deposit Received		
	Shubh Shanti Services Ltd	--	--
8	Promoters Contribution		
	ISG Traders Limited	-	390.00

** Ref Note No-5 of Schedule no 23.

Sr. No.	CLOSING BALANCE OF RELATED PARTIES	As at 31st March, 2011	As at 30 th September, 2009
1	Payable		
	Duncan Industries Ltd	--	39.15
	Kavita Marketing Pvt Ltd	45.84	30.05
	Shubh Shanti Services Limited	0.98	-
	Boydell Media Pvt Ltd (Promoters Contribution)	350.00	350.00
	ISG Traders Ltd (Promoters Contribution)	390.00	390.00
	Guarantees (Pledge of Shares-Duncan Industries Limited)	248.74	--
	Mr.Arun Jain	31.91	9.17
2	Receivable		
	Gujarat Carbon Industries Ltd	--	3.21
	Shubh Shanti Services Ltd	--	48.80
	ISG Traders Ltd	--	2710.47
	Odyssey Travels Ltd	7.38	7.38

(a) Related parties have been identified by the Management and relied upon by the auditors

(b) No amount in respect of related parties have been written off/written back / provided for during the period/year.

13 Disclosure in respect of Operating leases:

Assets taken on lease:

(a) The Company has taken various residential /commercial premises under cancellable Operating Leases. The Lease Agreements are usually renewable by mutual consent on mutually agreeable terms.

(b) The rental expenses in respect of Operating Leases are charged as rent under Schedule 20.

14 Managing Directors' remuneration:

Rs. in Lacs Rs.in Lacs

		31.03.2011	30.09.2009
(a)	Salary and Allowances	140.47	112.25
(b)	Contributions to Provident and Superannuation Funds	8.96	7.20
(c)	Other perquisites (Including Gratuity)	5.62	4.42
	Total	155.05	123.87

Note: a) Monetary value of the perquisites have been evaluated as per Income-Tax rules, wherever necessary.

b) Includes Rs.22.74 lacs being remuneration for the period 25/01/2011 to 31/03/2011 is subject to shareholders approval and consent from Central Government.

15 During the period, arising out of the suspension of production for a considerable time, the management has further carried out a thorough review (both qualitative and quantitative) of the potential realisable value of certain assets in a prudent manner. Accordingly, the following provisions/ write-offs have been made, as considered appropriate by the management, in the light of the changed prevailing scenario as a matter of abundant caution. :

(a) Provided on account of obsolete/non moving/slow moving stock:

(Rs. in Lacs)

Particulars	As on 31 st March , 2011 (18 Months)	As on 30 th September, 2009 (15 Months)
Raw Material	103.18	60.00
Work- in-process	10.46	20.00
Finished Goods	90.00	45.00
Stores and Spares (Including Fuel)	218.57	600.00

(b) Provided towards doubtful debts and debit balance of sundry creditors:

(Rs. in Lacs)

Particulars	As on 31 st March, 2011 (18 Months)	As on 30 th September, 2009(15 Months)
Sundry Debtors	148.90	378.95
Creditors (Debit Balance)	--	185.00

(c) Written off Rs.6.27 lacs (Gross Block Rs.26.78 lacs; Accumulated Depreciation Rs.20.51 lacs) net book value of fixed assets , being not usable. (Refer schedule 5).

16 The Company has determined the liability for Employee Benefits as at March 31, 2011 in Defined benefit plans – As per Actuarial Valuation on March 31, 2011.

	Gratuity Amount (Rs) 2009-2011	Gratuity (Amt in Rs.) 2008-2009
A Expenses Recognized in the statement of Profit & Loss Account for the period ended March 31, 2011		
1 Current Service Cost	12639370	20745502
2 Past Service Cost	--	-
3 Interest Cost	19494791	32577547
4 Expected Return on Plan Assets	--	(100577)
5 Net Actuarial (Gain)/ Loss recognized for the period	(60310952)	(53697538)
6 Expenses recognized in statement of P&L A/c	(28176791)	(475066)
B Net Asset / (Liability) recognized in the Balance Sheet		
1 Present Value of Obligation	278255000	304357961
2 Fair Value of Plan Assets	--	808834
3 Funded Status	--	-
4 Unrecognised Actuarial Gain/ (Loss)	--	-
5 Net Assets / (Liability) recognized in the Balance Sheet	208123705	(303549127)
C Changes in present value of obligations		
1 Present Value of Obligation as at April 01, 2010	236300496	305039966
2 Interest Cost	19494791	32577547
3 Current Service Cost	12639370	20745502
4 Benefits Paid	0	0
5 Actuarial (Gain)/Loss on Obligation	(60310952)	(53995055)
6 Present Value of Obligation as at March 31, 2011	208123705	304357961
D Changes in Fair Value of Plan Assets		
1 Fair Value of Plan Assets as at April 01, 2010	--	1005773
2 Expected Return on Plan Assets	--	100577
3 Contributions	--	0
4 Benefits Paid	--	0
5 Actuarial Gain / (Loss) on plan assets	--	(297516)
5 Fair Value of Plan Assets as at March 31, 2011	--	808834
E Fair Value of Plan Assets		
1 Fair Value of Plan Assets as at April 01, 2007	--	1005773
2 Actual Return on Plan Assets	--	(196939)
3 Contributions	--	0
4 Benefits Paid	--	0
5 Fair Value of Plan Assets as at June 30, 2008	--	808834
6 Funded Status	--	0
7 Excess of Actual over estimated return on Plan Assets	--	(297516)

F Actuarial Gain / (Loss) Recognized		
1 Actuarial Gain/(Loss) for the period (Obligation)	--	53995055
2 Actuarial Gain/(Loss) for the period (Plan Assets)	--	(53697538)
3 Total Gain / (Loss) for the period	--	297516
4 Actuarial Gain / (Loss) recognized for the period	--	297516
5 Unrecognized Actuarial Gain / (Loss) at June 30, 2008	--	0
G Movements in the Liability recognized in Balance Sheet		
1 Opening Net Liability	236300496	304024193
2 Expenses recognized in Profit & Loss A/c	(28176791)	(475066)
3 Contribution Paid	0	0
4 Closing Net Liability	208123705	303549127
H Actuarial Assumptions		
1 Mortality	LIC(1994-96) Ultimate	LIC(1994-96) Ultimate
2 Discount Rate as at September 30, 2009	8.00 %	8.00 %
3 Discount Rate as at March 31, 2011	8.25%	8.00%
4 Rate of Increase in Compensation	2.00%	5.00%
5 Expected Rate Of Return on Plan Assets	8.25%	8.00%

17 Disclosure in accordance with Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006.

Sr.No.	Particulars	31.03.2011 Rs.Lacs	30.09.2009 Rs.Lacs
a)	Principal amount remaining unpaid	286.59	296.38
b)	Interest paid in terms of Section 16	-	-
c)	Interest due and payable for the period of delay in payment	-	-
d)	Interest accrued and remaining unpaid	-	-
e)	Interest due and payable even in succeeding years	-	-

The Company has compiled the above information based on verbal confirmations from suppliers. As at the period end, no supplier has intimated the Company about its status as a Micro or Small and Medium Enterprise Development Act, 2006. No interest payment is likely to be paid to unsecured creditors under the DRS as referred in note 2 above and hence, no interest liability on the above category of creditors is provided / disclosed.

18 Previous period's figures have been rearranged / regrouped, wherever necessary to conform to the current period's presentation. However these are not comparable as the current accounting period is for 18 months and previous accounting period was for 15 months.

24. INFORMATION FOR EACH CLASS OF GOODS MANUFACTURED

PRODUCTS	Installed Capacity		Actual Production		Captive Consumption	
	Per Annum		Period/Year ended		Period/Year ended	
	31.03.2011	30.09.2009	31.03.2011	30.09.2009	31.03.2011	30.09.2009
Viscose Rayon Yarn	16,000	16,000	-	169	-	5
Nylon Filament Yarn/ Industrial Yarn/Tyre Cord	12,000	12,000	-	-	-	-
Caustic Soda	52,000	52,000	-	2,936	-	794
Sulphuric Acid	58,000	58,000	-	3,228	-	18
Carbon-di-Sulphide	9,000	9,000	-	1,885	-	-
By-products :						
Liquid Chlorine	43,700	43,700	-	2,119	-	25
Hydrochloric Acid	26,400	26,400	-	1,364	-	449
Sodium Sulphate Anhydrous	11,880	11,880	-	1	-	-
Sodium Sulphide	360	360	-	-	-	-
Compressed Hydrogen (In '000 Cubic Metres)	6,000	6,000	-	355	-	-

Notes :

- (a) Installed Capacity is as certified by the Management and relied upon by the auditors, being a technical matter.
- (b) As per the present licensing policy in force, all the above products are exempt from licensing requirements except Liquid Chlorine for which the Licensed Capacity is 35,850 M.T.

As per our attached report of even date

For LODHA & CO. Chartered Accountants A.M. HARIHARAN Partner Mumbai, 23rd May, 2011	M.C.NALWAYA Chief Financial Officer	G.P. GOENKA ARUN JAIN P.K. MALLIK R.S. AGARWAL K.N. BHANDARI	Chairman Managing Director Director Director Director
-------------------------------------------------------------------------------------------------	----------------------------------------	--------------------------------------------------------------------------	-------------------------------------------------------------------

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE			
I. Registration details :			
Registration No.	State Code	Balance Sheet Date	
5227	11	31.03.2011	
II. Capital Raised during the Year : Rs.in Lacs			
Public Issue	Rights Issue	Bonus Issue	Private Placement
Nil	Nil	Nil	-
III. Position of Mobilisation and Deployment of Funds : Rs. in Lacs			
Total Liabilities	56,628.71	Total Assets	56,628.71
Sources of Funds			
Paid-up Capital	4,055.03	Reserves and Surplus	19,659.41
Secured Loans	30,238.95	Unsecured Loans	2,675.32
Application of Funds			
Net Fixed Assets	31,667.93	Investments	1,564.31
Net Current Assets	(20,628.18)	Deferred Tax Assets	-
Accumulated Losses	44,024.65		
IV. Performance of the Company : Rs. in Lacs			
Turnover (Including Other Income)	333.20	Total Expenditure	9943.63
Profit before Tax	(9610.43)	Profit after Tax	(9,610.43)
Earnings per Share - Basic (Rs.)	(25.81)	Dividend Rate (%)	-
V. Generic Names of Three Principal Products of the Company :			
Item Code No. (ITC Code)	5,403	5,402	2,815
Product Description	Viscose Rayon Yarn	Nylon Tyre Cord	Caustic Soda

As per our attached report of even date

For LODHA & CO. Chartered Accountants A.M. HARIHARAN Partner Mumbai, 23rd May, 2011	M.C.NALWAYA Chief Financial Officer	G.P. GOENKA ARUN JAIN P.K. MALLIK R.S. AGARWAL K.N. BHANDARI	Chairman Managing Director Director Director Director
-------------------------------------------------------------------------------------------------	----------------------------------------	--------------------------------------------------------------------------	-------------------------------------------------------------------

LIST OF GROUP COMPANIES

Name of certain companies the disclosure of which is made in view of the disclosure requirement of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 in relation is inter-se transfer of share , amongst group companies:

1	Albert Trading Co. Private Limited,
2	Andhra Cements Ltd,
3	Bargate Communications Pvt. Ltd.,
4	Boydell Media Private Limited ,
5	Continuous Forms (Calcutta) Limited,
6	Dail Consultants Limited,
7	Duncan Agro Chemicals Limited
8	Duncans Tea House Pvt Ltd,
9	Duncans Industries Limited,
10	Duncans Tea Ltd,
11	Gujarat Carbon Industries Limited
12	Infratech Software Services Pvt. Ltd.,
13	ISG Traders Limited
14	Julex commercial Co Ltd.
15	Kavita Marketing Pvt.Limited
16	Leyden Leasing & Financial Services Limited.,
17	Marleybone Travels and Resorts Pvt. Ltd.,
18	North India Fertilizer Ltd,
19	Napier Softech Pvt Ltd
20	Octave Technologies Pvt. Ltd.,
21	Odyssey Travels Limited.
22	Orchards Holdings Private Limited
23	Pentonville Software Limited
24	Sewand Investments Private Limited,
25	Santipara Tea Co. Limited,
26	Shubh Shanti Services Ltd,
27	Silent Valley Investment Co.Ltd,
28	Skylight Trading Co. Ltd,
29	Sprint Trading Co.Ltd,
30	Star Paper Mills Limited
31	Stone India Limited
32	Stone International Pvt Limited
33	Unimers India Ltd,



Corporate & Registered Office: Ewart House,
Homi Modi Street, Fort, Mumbai 400 001

R. F. No.	
DP-ID No.	
Client-ID No.	
No. of Shares held	

ATTENDANCE SLIP

I/We hereby record my/our presence at the SIXTY-THIRD ANNUAL GENERAL MEETING of the Company held at Patkar Hall, S.N.D.T Women's University, 1, Nathibai Thackersey Road, Mumbai – 400 020, on Wednesday, the 14th September, 2011 at 11.00 a.m.

NAME OF THE SHAREHOLDER (IN BLOCK LETTERS)	
SIGNATURE OF THE SHAREHOLDER	
NAME OF THE PROXY (IN BLOCK LETTERS)	
SIGNATURE OF THE PROXY	

Notes:

1. Shareholders/Proxies are requested to bring this Attendance Slip with them when they come to the Meeting and hand it over at the gate duly signed.
2. Shareholders/Proxies desiring to attend the Meeting should bring their copy of the Annual Report for reference at the Meeting.

-----TEAR HERE-----



Corporate & Registered Office: Ewart House, Homi Modi Street,
Fort, Mumbai 400 001

PROXY FORM

I/We _____ of _____ in the district of _____ being a Member/ Members of the above-named Company hereby appoint Shri _____ of _____ in the district of _____ or failing him Shri _____ of _____ in the district of _____ or failing him Shri _____ of _____ in the district of _____ as my/our proxy to vote for me/us on my/our behalf at the SIXTY-THIRD ANNUAL GENERAL MEETING of the Company to be held on Wednesday, the 14th September, 2011 at 11.00 a.m. and at any adjournment thereof.

Signed this _____ day of _____ 2011.

R. F. No.	
DP-ID No.	
Client-ID No.	
No. of Shares held	

Affix
Re.1
Revenue
Stamp

Signature

NOTE: The Proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Corporate & Registered Office of the Company not less than 48 hours before the time for holding the aforesaid Meeting.

BOOK POST



If undelivered, please return to :

NRC LIMITED

*Corporate & Registered Office :
Ewart House, Homi Modi Street,
Mumbai 400 001*

rivera systems