

# **P. Mukhopadhyay & Co.,**

**Chartered Accountants**

**12 B, Netaji Subhas Road, Kolkata - 700001, Phone 22309285, 22428856.**

## **Independent Auditor's Report**

### **To the Members of Nilachal Refractories Limited**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of **Nilachal Refractories Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the financial statements.



### **Basis for Qualified Opinion**

- i. *The Company has not provided for depreciation as required under sub section (2) of section 123 which constitutes a departure from the Accounting Standards referred to in Section 133 of the Act. However, in absence of necessary information being made available to us, impact of the same on the loss for the year of the company and corresponding effect on Fixed assets cannot be ascertained and quantified.*
- ii. *The company has made provision for gratuity and leave encashment liability as per the provisions of the relevant act and not as per actuarial valuation which constitutes a departure from the Accounting Standards referred to in Section 133 of the Act. However, in absence of necessary information being made available to us, impact of the same on the loss for the year of the company and corresponding effect on liability cannot be ascertained and quantified.*

### **Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, 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 31 March 2015
- b) In the case of Statement of Profit and Loss, of the Loss for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order.

2. As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 except for the effects of the matters described in the Basis for Qualified Opinion paragraph.



(e) On the basis of the written representations received from the Directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and

(f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has filed a writ petition in Honorable High Court of Kolkata against SEBI Circular no. CIR/MRD/DSA/31/2013 dated September 30, 2013 pursuant to arbitrary actions taken for reasons beyond the control of Company.

ii. The Company has made no provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as there are no such contracts prevailing ; and

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For P Mukhopadhyay & Co.

Chartered Accountants

Firm's registration number: 302085E

Suphas Mukhopadhyay

Partner

Membership number: 050384

31<sup>st</sup> May 2015



## **Annexure to the Independent Auditors' Report of Nilachal Refractories Ltd.**

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the Financial statements for the year ended 31 March 2015, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.

(ii) (a) The inventories have been physically verified at reasonable intervals by the management.

(b) In our opinion and according to the information and explanations given to us the procedure of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the company is maintaining proper records of its inventories and no material discrepancies have been noticed on physical verification of stocks as compared to book records.

(iii) (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the sub-clauses (a) and (b) are not applicable to the company.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.

(v) According to the information and explanation given to us, the Company has not accepted any deposits in terms of directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under.

(vi) We are informed that the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the products dealt in by the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities but there have been few instances of delayed deposit but we are informed that there are no arrears of outstanding statutory dues as at the last day of the financial year under audit for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no material dues of wealth tax, duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax, sales tax, service tax and value added tax have not been deposited by the Company on account of disputes:



Financial Year to which the matter pertains	Forum where matter is pending	Amount in Lacs
1999-00 to 2001-02	Additional Commissioner of Sales Tax, Central Zone, Orissa, Cuttack (Sales Tax)	72.18
2001-02	Additional Commissioner of Commercial Taxes, Range-II, Orissa, Cuttack (Entry Tax)	3.38
2002-03	Joint Commissioner of Commercial Tax, Angul Range, Angul, Orissa, (Entry Tax)	0.79
2002-03	Joint Commissioner of Commercial Taxes, Angul Range, Angul, Orissa, (sales Tax)	24.10

(c) According to the information and explanations given to us there were no amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.

(viii) The Company have accumulated losses at the end of the financial year but which are less than fifty percent of its net-worth and has incurred cash losses in the financial year under review and also in the immediately preceding financial year.

(ix) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions or banks.

(x) In our opinion and according to the information and the explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

(xi) According to the information and explanations given to us, the term loans obtained in earlier years have been applied for the purpose for which the loan were obtained.

(xii) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For P Mukhopadhyay & Co.  
Chartered Accountants  
Firm's registration number: 302085E

Subhas Mukhopadhyay  
Partner  
Membership number: 050384  
31<sup>st</sup> May 2015



**NILACHAL REFRACTORIES LIMITED**  
Balance Sheet as at 31st March, 2015

Particulars	Note No.	As at 31st March, 2015	As at 31st March, 2014
		Rs.	Rs.
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholder's Funds</b>			
(a) Share Capital	2	397,331,600	397,331,600
(b) Reserves and Surplus	3	(42,141,770)	(22,673,073)
<b>2 Non-Current Liabilities</b>			
(a) Long-term borrowings	4	84,540	208,081
(b) Other long-term liabilities	5	1,752,222	1,200,090
<b>3 Current Liabilities</b>			
(a) Short-term borrowings	6	191,251,550	146,538,887
(b) Trade Payables	7	87,101,268	90,113,874
(c) Other current liabilities	8	35,434,165	51,029,311
<b>TOTAL</b>		<b>670,813,577</b>	<b>664,148,772</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	9	99,015,065	99,015,084
(ii) CWIP		314,703,511	314,703,511
(b) Deferred tax assets (net)		46,698,236	34,208,912
(c) Long term loans and advances	10	9,829,057	10,237,479
(d) Other non-current assets	11	288,443	129,398
<b>2 Current assets</b>			
(a) Inventories	12	143,133,000	144,940,881
(b) Trade receivables	13	47,871,581	52,691,138
(c) Cash and cash equivalents	14	1,544,134	1,409,518
(d) Short-term loans and advances	15	7,730,550	6,812,871
<b>TOTAL</b>		<b>670,813,577</b>	<b>664,148,772</b>
See Significant Accounting Policies & Notes forming part of the financial statements	1		

In terms of our report attached:

For **P Mukhopadhyay & Co.**  
Chartered Accountants

(Registration Number : 302085E)

**Subhas Mukhopadhyay**  
Membership no : 050384  
Partner

Place: Kolkata

Date: 31-May 2015



**Aditya Purohit**  
Company Secretary

For and on behalf of the Board of Directors

**S. Asokan**

Whole Time Director Din No. 07019583

**Niraj Jatan**

Director

Din No. 00551970

**Vimal Prakash**

Director

Din No. 00174915

**NILACHAL REFRACTORIES LIMITED**  
Notes forming part of the financial statements

**2. Share Capital**

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	No. of shares	Rs.	No. of shares	Rs.
<b>(a) Authorized</b>				
Equity shares of Rs10 each with voting rights	29,500,000	295,000,000	29,500,000	295,000,000
11% redeemable cumulative Preference Shares of Rs.100/- each	15,000	1,500,000	15,000	1,500,000
0% redeemable preference shares of Rs100/- each	1,935,000	193,500,000	1,935,000	193,500,000
	<b>31,450,000</b>	<b>490,000,000</b>	<b>31,450,000</b>	<b>490,000,000</b>
<b>(b) Issued</b>				
Equity shares of Rs10 each with voting rights	20,400,000	204,000,000	20,400,000	204,000,000
11% redeemable cumulative Preference Shares of Rs 100/- each	15,000	1,500,000	15,000	1,500,000
0% redeemable preference shares of Rs100/- each	1,922,191	192,219,100	1,922,191	192,219,100
<b>Total</b>	<b>22,337,191</b>	<b>397,719,100</b>	<b>22,337,191</b>	<b>397,719,100</b>
<b>(c) Subscribed &amp; fully paid up</b>				
Equity shares of Rs10 each with voting rights	20,361,450	203,614,500	20,361,450	203,614,500
11% redeemable cumulative Preference Shares of Rs.100/- each	14,980	1,498,000	14,980	1,498,000
0% redeemable preference shares of Rs100/- each	1,922,191	192,219,100	1,922,191	192,219,100
<b>Total</b>	<b>22,298,621</b>	<b>397,331,600</b>	<b>22,298,621</b>	<b>397,331,600</b>
<b>The rights, preference and restrictions including restrictions on the distribution of dividends and the repayment of capital :</b>				
The Company have two class of shares i.e. Equity & Preference carrying a nominal value of Rs 10 each and Rs 100 each respectively. Each holder of equity Shares is entitled to one vote per share. The Company shall declare and pay dividend in Indian Rupees. When the company have distributable profit, the company shall propose dividend, subject to the approval of shareholders in annual general meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. Also the preference shares shall be redeemed only when the company have distributable profits which would otherwise be available for dividend or out of proceeds of fresh issue of shares made for the purpose of redemption, hence for the year under review the shares shall not be redeemed.				
11% Redeemable Cumulative Preference shares were redeemable before September 1995 by giving six months notice by such redemption to the holders thereof. However, as per the terms of the Sanctioned Rehabilitation Scheme, the preference Shares are to be continued with roll over option for another 5 years and no interest is payable during such rehabilitation period. Accordingly, no provision for any interest has been made during the year. Due to non-availability of profit, no provision has been made for payment of dividend to the Preference Shareholders; cumulative from the date of allotment i.e 20th September 1980 upto the due date of redemption amounting to Rs 41.60 Lacs or the dividend payable thereafter. Further 0% Redeemable Preference Shares shall be subject to redemption when the Company has distributable profit. Hence, for the year under review the Shares shall not be redeemed.				
<b>(i) Details of shares held by each shareholder holding more than 5% shares</b>				
Class of shares / Name of shareholder	As at 31st March, 2015		As at 31st March, 2014	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>Equity shares with voting rights</b>				
Unimark International Pvt.Ltd	5,769,088	28.33	5,769,088	28.33
Season Trading & Investment Pvt.Ltd	1,500,000	7.37	1,500,000	7.37
Sushil Kumar Agarwal	1,218,000	5.98	1,218,000	5.98
Vijay Kumar Agarwal	1,218,000	5.98	1,218,000	5.98
Eynitha Tie-up Pvt.Ltd	1,700,000	8.35	1,700,000	8.35



**NILACHAL REFRACTORIES LIMITED**  
Notes forming part of the financial statements

Redeemable Preference Shares	As at 31st March, 2015		As at 31st March, 2014	
11 % redeemable preference shares of Rs. 100/- each	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
General Insurance Corporation of India	5000	33.38	5000	33.38
National Insurance Co. Ltd	5000	33.38	5000	33.38
United India Insurance Co. Ltd	4855	32.41	4855	32.41
0% redeemable cumulative Preference Shares of Rs.100/- each				
Chelna Distilleries Pvt Ltd	100,000	10.10%	100,000	10.10%
Eynthia Tie Up Pvt Ltd	283,936	28.68%	283,936	28.68%
Unimark International Pvt.Ltd	330,000	33.33%	330,000	33.33%
Metropolitan Commercial Pvt.Ltd	50,000	5.05%	50,000	5.05%
Jeeky Rollings Mill Pvt Ltd	70,000	7.07%	70,000	7.07%
PP Suppliers & Agencies Pvt Ltd	65,000	6.57%	65,000	6.57%
Pushpak Dealcum Pvt Ltd	77,000	7.78%	77,000	7.78%
Ganpati Industrial Pvt Ltd	302,278	30.53%	302,278	30.53%
Ganpati RV Tailors Algeria Track Pvt.Ltd	380,280	38.41%	380,280	38.41%
Rukirash Belcom Pvt. Ltd	162,627	16.43%	162,627	16.43%

Notes:- i. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period.

Particulars	Opening Balance	Fresh Equity Share issue during the year	Closing Balance
Equity Shares with Voting Rights, Year ended 31.3.15, No. of shares	20,361,450	NIL	20,361,450
	20,361,450		20,361,450

**Note 3 : Reserve & Surplus**

Particulars	As at 31st March, 2015	As at 31st March, 2014
	Rs.	Rs.
(a) Central Subsidy		
Opening balance	1,500,000	1,500,000
Add: Additions/transfers during the year	-	-
Less: Utilised/transferred during the year	-	-
Closing balance	1,500,000	1,500,000
(b) Share Premium		
Opening balance	135,000,000	135,000,000
Add: Additions/transfers during the year	-	-
Less: Utilised/transferred during the year	-	-
Closing balance	135,000,000	135,000,000
(c) Share Forfeiture Money		
38550 Number of Equity Shares with voting rights	120,125	120,125
(d) Surplus/(Deficit) in Statement of Profit/Loss		
Opening balance	(159,293,188)	(104,635,111)
Add: Profit/(Loss) for the year	(19,468,697)	(54,658,087)
Amounts transferred from:		
General reserve	-	-
Less: Dividends proposed	-	-
Transferred to:		
General reserve	-	-
Other reserves	-	-
Closing balance	(178,761,885)	(159,293,198)
<b>Total</b>	<b>(42,141,770)</b>	<b>(22,673,073)</b>

**Note 4: Long Term Borrowings**

Particulars	As at 31st March, 2015	As at 31st March, 2014
	Rs.	Rs.
(a) Long Term Facilities of finance lease obligations		
Secured	84,540	208,081
<b>Total</b>	<b>84,540</b>	<b>208,081</b>



**NILACHAL REFRACTORIES LIMITED**  
Notes forming part of the financial statements

Notes:

(i) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings:

Particulars	Terms of repayment and security	As at 31st march, 2015		As at 31st march, 2014	
		Secured	Unsecured	Secured	Unsecured
		Rs.	Rs.	Rs.	Rs.
Long Term Maturities of finance lease obligations:					
Canara Bank	Payable in equated monthly instalment	84,540	0	208,081	-
Total		84,540	0	208,081	-

**Note 5 : Other long-term liabilities**

Particulars	As at 31st march, 2015	As at 31st march, 2014
	Rs.	Rs.
(a) Others:		
(i) Trade & security deposits received	100,868	192,568
(ii) Provision on Leave encashment & Gratuity Payable	1,651,354	1,007,522
Total	1,752,222	1,200,090

**Note 6 : Short Term Borrowings**

Particulars	As at 31st march, 2015	As at 31st march, 2014
	Rs.	Rs.
(a) Loans repayable on demand From banks		
Cash Credit - Secured	91,248,450	91,193,044
(b) Term Loan		
From Banks Secured (Refer Notes)		
(c) Loans and advances from related parties		
Unsecured	99,601,940	65,358,599
(d) Long Term Maturities lease finance		
Secured	401,160	369,244
Total	191,251,550	146,938,887

Notes:

(i) Details of security for the secured short term borrowings:

Particulars	Terms of repayment and security	As at 31st March, 2015	As at 31st March, 2014
		Secured	Secured
		Rs.	Rs.
Loans repayable on demand from banks			
Canara Bank- Cash Credit	Secured by Book Debt, hypothecation of stock, first charge on the fixed assets of the company both present and future and personal guarantee of five directors	91,248,450	91,193,044
Total		91,248,450	91,193,044

Notes:

(ii) Details of terms of repayment for the other short-term borrowings

Particulars	Terms of repayment and security	As at 31st March, 2015		As at 31st March, 2014	
		Secured	Unsecured	Secured	Unsecured
		Rs.	Rs.	Rs.	Rs.
Loans and advances from related parties:					
Bhumika Vinirada Pvt Ltd			11,800,000		0
Keshan Polymers (P) Ltd			0		59,790,928
Capricorn Complex (P) Ltd			4,000,000		0
P P Suppliers (P) Ltd			1,301,940		0
Purshpak Desai (P) Ltd			2,600,000		0
Subhankar Mercantile (P) Ltd			2,400,000		0
Vinai Prakash			77,500,000		4,565,671
Total			99,601,940		55,358,599



**NILACHAL REFRACTORIES LIMITED**  
Notes forming part of the financial statements

**Note 4: Trade payables**

Particulars	As at 31st March, 2015	As at 31st March, 2014
	Rs.	Rs.
Trade payables:		
Other than acceptances		
Micro, Small and Medium Enterprises		
Others	87,101,268	90,113,874
<b>Total</b>	<b>87,101,268</b>	<b>90,113,874</b>

**Note 5: Other current liabilities**

Particulars	As at 31st March, 2015	As at 31st March, 2014
	Rs.	Rs.
(a) Other payables:		
(i) Statutory remittances	283,339	3,375,719
(ii) Advance from customers	31,477,663	31,723,983
(iii) Compensation Payable	-	12,185,984
(iv) Others - Bank Overdraft	78,629	149,091
(b) Creditors for Capital Work-in-Progress	3,594,534	3,594,534
<b>Total</b>	<b>35,434,165</b>	<b>51,029,311</b>



**NILACHAL REFRACTORIES LIMITED**  
Notes forming part of the financial statements

**Note 9 : Fixed Assets**

A.	Tangible assets	Gross block				
		Balance as at 1st April, 2014	Additions	Disposals	Borrowing cost capitalised	Other adjustments
						Balance as at 31st March, 2015
(a) Land						
Freehold		1,846,851	-	-	-	1,846,851
Leasehold *		155,000	-	-	-	155,000
(b) Buildings		20,619,700	-	-	-	20,619,700
(c) Plant and Equipment		154,489,105	-	-	-	154,489,105
(d) Furniture and Fixtures		6,117,126	-	-	-	6,117,126
(e) Vehicles		6,416,789	-	-	-	6,416,789
<b>Total</b>		<b>189,644,571</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>189,644,571</b>
Previous year		189,644,571	-	-	-	189,644,571
B. Capital Work In Progress		314,703,511				314,703,511
Previous year		298,136,014	16,567,497			314,703,511

A.	Tangible assets	Accumulated depreciation and impairment			Net block	
		Balance as at 1st April, 2014	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Balance as at 31st March, 2015	Balance as at 31st March, 2014
(a) Land						
Freehold		-	-	-	1,846,851	1,846,851
Leasehold		-	-	-	155,000	155,000
(b) Buildings		14,505,320	-	-	6,114,380	6,114,380
(c) Plant and Equipment		66,822,864	-	-	87,866,241	87,866,241
(d) Furniture and Fixtures		5,229,814	-	-	887,312	887,312
(e) Vehicles		4,271,508	-	-	2,145,281	2,145,281
<b>Total</b>		<b>90,629,506</b>	<b>-</b>	<b>-</b>	<b>99,015,065</b>	<b>99,015,065</b>
Previous year		84,551,076	6,078,430	-	99,015,064	105,693,496
B. Capital Work In Progress		-	-	-	314,703,511	314,703,511
Previous year		298,136,014	16,567,497		314,703,511	298,196,013

\* Note :- The leasehold land was acquired in 1980 for a term of 99 years.



**Note 10 : Long-term loans and advances**

Particulars	As at 31st March, 2015	As at 31st March, 2014
	Rs.	Rs.
(a) Capital Advances		
Advance for Capital goods	7,380,469	7,380,469
	7,380,469	7,380,469
(b) Security deposits:		
Unsecured, considered good	2,313,622	2,391,445
	2,313,622	2,391,445
(c) Advance income tax	0	330,599
(e) Other loans and advances		
(Trustees to Employee gratuity fund:		
Unsecured, considered good	134,966	134,966
	134,966	465,565
<b>Total</b>	<b>9,829,057</b>	<b>10,237,479</b>

**Note 11 : Other non-current assets**

Particulars	As at 31st March, 2015	As at 31st March, 2014
	Rs.	Rs.
(a) Accruals:		
(i) Interest accrued on deposits	226,554	67,509
(b) Others:		
(i) Compensation on Land Acquired	61,889	61,889
<b>Total</b>	<b>288,443</b>	<b>129,398</b>

Government of Orissa had acquired 8.73 acres of unutilized portion of land of the Company for which the cost of the land has been proportionately reduced. Since the Government had not intimated the acquisition compensation of the land, surplus/ deficit will be recognized in revenue on receipt of such intimation from the Government. It was found out that the relevant department of the Government of Orissa has still not recorded the acquisition in their record.

**Note 12 : Inventories (At lower of cost and net realisable value)**

Particulars	As at 31st March, 2015	As at 31st March, 2014
	Rs.	Rs.
(a) Raw Materials (At Cost)	15,530,197	16,924,908
(b) Work-in-progress (At Estimated Cost)	41,763,792	41,763,792
(c) Finished goods (At lower of cost or net realisable value)	80,338,826	80,680,196
(d) Packing Materials (At Cost)	2,230,393	2,230,393
(d) Stores & spares (At Cost)	2,998,092	2,996,092
(f) By Products: (At net realisable value)	273,700	345,500
<b>Total</b>	<b>143,133,000</b>	<b>144,940,881</b>

Notes: Details of inventory of work-in-progress

Particulars	As at 31st March, 2015	As at 31st March, 2014
	Rs.	Rs.
Refractories Brick	41,763,792	41,763,792
	41,763,792	41,763,792

**Note 13 : Trade receivables**

Particulars	As at 31st March, 2015	As at 31st March, 2014
	Rs.	Rs.
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	47,188,346	52,126,504
Less: Provision for doubtful advances	1,002,537	1,002,537
	46,185,809	51,123,967
Other Trade Receivable		
Unsecured, considered good	1,685,772	1,567,171
	1,685,772	1,567,171
<b>Total</b>	<b>47,871,581</b>	<b>52,691,138</b>



**Note: Trade Receivable include debts due from:**

Particulars	As at 31st March, 2015	As at 31st March, 2014
	Rs.	Rs.
Private companies in which any director is a director or member: Trade receivables outstanding for a period exceeding six months from the date they were due for payment - Jekay International Track (P) Ltd.	287,163	287,163
Others: - NRL Clayburn Ltd - Associated Industrial Furnaces (P) Ltd - Jiwannam Sheodutrai Pvt Ltd	26,600	26,600

**Note 14 : Cash and cash equivalents**

Particulars	As at 31st March, 2015	As at 31st March, 2014
	Rs.	Rs.
(a) Cash in hand	105,813	41,092
(b) Balances with banks		
(i) In current accounts	237,256	339,244
(ii) In EEFC accounts	562,663	404,530
(iii) In deposit accounts	538,402	624,652
<b>Total</b>	<b>1,544,134</b>	<b>1,409,518</b>

**Notes:**

- (i) All the above balances can be categorised as Cash and Cash Equivalents as per AS 3.  
(ii) Balances with banks include deposits amounting to Rs 344652 as margin monies.

**Note 15 : Short-term loans and advances**

Particulars	As at 31st March, 2015	As at 31st March, 2014
	Rs.	Rs.
(a) Security deposits: Unsecured, considered good	50,000	50,000
	50,000	50,000
(c) Loans and advances to employees: Unsecured, considered good	839,803	457,565
Less: Provision for doubtful advances	91,049	91,049
	748,754	366,516
(d) Prepaid expenses- Unsecured, considered good	184,190	176,766
(e) Balances with government authorities: Unsecured, considered good		
(i) Sales Tax Recoverable	1,258,441	1,258,441
(ii) Cenvat credit receivable	2,596,440	2,228,960
(iii) VAT tax credit receivable	203,769	203,769
(iv) Export Benefit Receivable	1,892,307	1,892,307
(v) Income Tax Refundable	365,526	162,253
(vi) Advance Payment of Income Tax	122,184	-
(f) Others - Advance to creditors: Unsecured, considered good	308,939	473,859
	6,931,796	6,396,355
<b>Total</b>	<b>7,730,550</b>	<b>6,812,871</b>

**Note :**

Sales Tax Recoverable include amount of Rs 6.53 lacs (Previous Year Rs 6.53 Lacs) collected by Sales Tax authorities against demand not acknowledged by the Company.



**NILACHAL REFRACTORIES LIMITED**  
Statement of Profit and Loss for the year ended 31st March, 2015

Particulars	Note No.	For the year ended 31st March, 2015	For the year ended 31st March, 2014
		Rs.	Rs.
<b>A CONTINUING OPERATIONS</b>			
1 Revenue from operations (gross)	16	8,480,194	105,559,783
Less: Excise duty		170,553	8,803,333
Revenue from operations (net)		8,309,641	96,756,450
2 Other Income	17	1,200,695	1,809,000
3 <b>Total Revenue (1+2)</b>		9,510,336	98,565,450
4 <b>Expenses</b>			
Cost of materials consumed	18	-	29,099,454
Purchases of stock in Trade	19	1,485,289	1,774,246
Changes in inventories of finished goods, work-in-progress and stock-in-trade	20	413,170	43,017,902
Employee benefits expense	21	3,398,510	36,338,468
Finance costs	22	21,287,965	14,653,006
Depreciation and amortisation expense	9	-	6,078,430
Other expenses	23	14,621,895	28,185,728
<b>Total Expenses</b>		41,206,829	159,147,234
5 <b>Profit/ (Loss) before tax (3-4)</b>		(31,696,493)	(60,581,784)
6 <b>Tax expense:</b>			
(a) Current tax for current year		0	0
(b) Current tax expense relating to prior years		261,528	0
(c) Net Current tax expense		261,528	0
(d) Deferred tax		(12,489,324)	(5,923,697)
7 <b>Profit/(Loss) from operations (5+6)</b>		(19,468,697)	(54,658,087)
8 <b>Profit/(Loss) for the year (6+7)</b>		(19,468,697)	(54,658,087)
9 <b>Earnings per share (of ₹ 10/-each)</b>			
(a) Basic		(0.96)	(2.68)
(b) Diluted		(0.96)	(2.68)
See Significant Accounting Policies & Notes forming part of the financial statements	1		

In terms of our report attached:

For P Mukhopadhyay & Co.

Chartered Accountants

(Registration Number: 302085E)

Subhas Mukhopadhyay

Membership no. 050384

Partner

Place: Kolkata

Date: 31-May 2015



*Aditya Purohit*  
Aditya Purohit  
Company Secretary

For and on behalf of the Board of Directors

S. Asokan

Whole Time Director Din No. 07019583

*Niraj Jalan*  
Niraj Jalan

Director Din No. 00551970

*Vimal Prakash*  
Vimal Prakash

Director Din No. 00174915

**Note 16: Revenue from operations**

Particulars	Figures for the Year Ending 31st March 2015	Figures for the Year Ending 31st March 2014
	Rs	Rs
(a) Sale of products (Refer Note (i))	5,029,796	98,123,149
(b) Other operating revenues (Refer Note (ii))	3,450,398	7,436,634
	8,480,194	105,559,783
less:		
(c) Excise duty	170,553	8,803,333
<b>Total</b>	<b>8,309,641</b>	<b>96,756,450</b>

Particulars	Figures for the Year Ending 31st March 2015	Figures for the Year Ending 31st March 2014
	Rs	Rs
(i) Sale of products comprises:		
<u>Manufactured goods</u>		
Refractory Bricks	2,159,507	43,389,751
Coal Tar	259,194	-
Mortar	-	54,454,053
<b>Total-Sale of manufactured products</b>	<b>2,428,701</b>	<b>97,843,804</b>
<u>Traded goods</u>		
Refractory Bricks & Castable	2,601,095	279,345
<b>Total-Sale of traded products</b>	<b>2,601,095</b>	<b>279,345</b>
<b>Total Sale of Products</b>	<b>5,029,796</b>	<b>98,123,149</b>
(ii) <u>Other operating revenues</u>		
Sale of scrap	3,450,398	7,436,634
<b>Total-other operating revenues</b>	<b>3,450,398</b>	<b>7,436,634</b>

**Note 17: Other Income**

Particulars	Figures for the Year Ending 31st March 2015	Figures for the Year Ending 31st March 2014
	Rs	Rs
(a) Interest income (Refer Note (i))	392,458	351,481
(b) Other non-operating income (net of expenses directly attributable to such income) (Refer Note (ii))	808,237	1,457,519
<b>Total</b>	<b>1,200,695</b>	<b>1,809,000</b>

**Notes:**

Particulars	Figures for the Year Ending 31st March 2015	Figures for the Year Ending 31st March 2014
	Rs	Rs
(i) Interest income comprises:		
Interest from banks on:		
deposits	362,940	351,481
I T Refund	29,518	-
<b>Total-Interest income</b>	<b>392,458</b>	<b>351,481</b>
(ii) Other non-operating income comprises:		
Liabilities/ provision written back	532,387	-
Sundry Balances Writtenoff	18,849	-
Miscellaneous Income-Insurance Claim Received	257,001	1,457,519
<b>Total-other operating revenues</b>	<b>808,237</b>	<b>1,457,519</b>
<b>Total</b>	<b>1,200,695</b>	<b>1,809,000</b>

**Note 18: Cost of Materials Consumed**

Particulars	Figures for the Year Ending 31st March 2015	Figures for the Year Ending 31st March 2014
Opening stock	16,924,908	33,524,852
Add: Purchases	-	12,499,510
	16,924,908	46,024,362
Less: Cost of Material Sold	1,394,711	-
	15,530,197	46,024,362
Less: Closing stock	15,530,197	16,924,908
<b>Cost of material consumed</b>	<b>-</b>	<b>29,099,454</b>
<b>Material consumed comprises:</b>		
Plastic Clay	-	382,798
Raw Non-Plastic Clay	-	634,487
Crog	-	3,550,205
Calcined Clay	-	1,925,306
Silimnite Sand	-	1,720,587
Raw Pyrophilite Lumps	-	2,666,227
Dry Impervious Material	-	2,236,054
Others	-	5,194,538
Coal & Fuel	-	7,789,471
<b>Total</b>	<b>-</b>	<b>29,099,453</b>

**Note 19: Purchase of Stock in trade**

Particulars	Figures for the Year Ending 31st March 2015	Figures for the Year Ending 31st March 2014
Refractory Bricks & Castable	1,485,289	1,774,245
	1,485,289	1,774,245



**Note 20: Changes in inventories of finished goods, work-in-progress and stock-in-trade**

Particulars	Figures for the Year Ending 31st March 2015	Figures for the Year Ending 31st March 2014
Inventories at the end of the year:		
Finished goods	80,338,826	80,880,196
Work-in-progress	41,763,792	41,763,792
By-Products	273,700	345,500
	122,376,318	122,789,488
Inventories at the beginning of the year:		
Finished goods	80,680,196	102,142,525
Work-in-progress	41,763,792	63,463,365
By-Products	345,500	201,500
	122,789,488	165,807,390
<b>Net (increase)/decrease</b>	<b>413,170</b>	<b>43,017,902</b>

**Note 21: Employee Benefits Expense**

Particulars	Figures for the Year Ending 31st March 2015	Figures for the Year Ending 31st March 2014
(a) Salaries, Wages and other allowances	3,281,983	13,273,214
(b) Contribution to provident and other funds	65,739	800,072
(c) Staff welfare expenses	9,851	333,188
(c) Retrenchment Compensation	41,137	21,932,014
<b>Total</b>	<b>3,398,510</b>	<b>36,338,488</b>

**Note 22: Finance Cost**

Particulars	Figures for the Year Ending 31st March 2015	Figures for the Year Ending 31st March 2014
(a) Interest expense on:		
(i) Borrowings	14,890,848	14,653,006
(ii) un secured loan	6,397,117	-
<b>Total</b>	<b>21,287,965</b>	<b>14,653,006</b>

**Note 23: Other Expenses**

Particulars	Figures for the Year Ending 31st March 2015	Figures for the Year Ending 31st March 2014
Consumption of stores and spare parts	-	525,235
Consumption of Packing Material	-	2,093,318
Cost of Material Sold	1,394,711	-
Electricity and Power	2,154,823	3,650,544
Manufacturing Expenses	-	3,762,680
Consumption of Moulds	-	48,332
Repairs & Maintenance :		
To Plant & Machinery	3,400	1,159,503
To Building	36,084	95,258
To Others	618,161	330,407
Carriage outward	91,500	967,368
Sales Promotion	11,284	29,388
Advertisement Charges:		
Rent	635,668	1,072,001
Bank Charges	475,835	502,090
Royalty Paid	-	1,092,873
Rates & Taxes	56,180	-
Exchange Fluctuation Loss	161,025	1,237,157
Telephone Charges	137,432	322,150
Insurance charges	118,828	258,029
Computer Expenses	22,090	47,827
Books & Periodicals	5,717	7,130
Printing & Stationery	19,467	128,220
Filing Fees	781,026	19,000
Postage & Courier Charges	11,751	199,104
Professional & Consultancy Charges	456,321	453,584
Conveyance, Tour & Travels	2,670,986	4,012,671
Prior Period Expenses	12,709	892,490
Payment to auditors (Refer Note (i))	40,000	40,000
Legal Charges	43,850	131,657
Listing Fees	112,380	71,912
Subscription Fees & Expenses	21,662	561,402
Tasting Fees	-	40,800
Watch & Ward	2,793,534	2,461,836
Office Maintenance	490,809	221,775
Miscellaneous Expenses	1,544,702	1,710,665
<b>Total</b>	<b>14,621,895</b>	<b>28,185,728</b>



**NILACHAL REFRACTORIES LIMITED**  
Notes forming part of the financial statements

Notes			
Particulars		Figures for the Year Ending 31st March 2015	Figures for the Year Ending 31st March 2014
(i) Payment to the auditors comprises (net of service tax, input credit, where applicable)			
As auditors- statutory audit		40,000	40,000
For taxation matters		-	-
For company law matters		-	-
For management services		-	-
For other services		-	-
Certification Fees		-	-
<b>Total</b>		<b>40,000</b>	<b>40,000</b>
Particulars		Figures for the Year Ending 31st March 2015	Figures for the Year Ending 31st March 2014
(ii) Details of prior period items (net)			
Prior period expenses		12,709	832,490
<b>Total</b>		<b>12,709</b>	<b>832,490</b>



**NILACHAL REFRACTORIES LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015**

	For the Year ended 31st March, 2015		For the Year ended 31st March, 2014	
	Amount (₹)		Amount (₹)	
<b>A. Cash Flow from operating Activities</b>				
Net Profit/(Loss) before tax		(31,696,493)		(60,581,784)
Adjustment for:				
Depreciation			6,078,430	
Interest Received	(392,458)		(351,481)	
Interest Paid	21,287,965	20,895,507	14,653,006	20,379,956
<b>Operating Profit before working Capital Changes</b>		(10,800,986)		(40,201,829)
Adjustment for:				
Decrease/ (increase) in trade and other Receivable	4,819,558		2,314,880	
Decrease/ (increase) in Loans and Advances (Excluding Income Tax)	(673,444)		2,574,637	
Decrease/ (increase) in Inventories	1,807,881		60,312,527	
(Decrease)/ increase in Trade and other payables including Deposits	(18,055,620)	(12,101,825)	(25,426,627)	39,775,417
<b>Cash Generated from Operations</b>		(22,902,611)		(426,412)
Taxes (Paid)/ Refund		(256,385)		(28,532)
<b>Net Cash (used)/ from operating Activities</b>		(23,158,996)		(454,944)
<b>B. Cash Flow from Investing Activities</b>				
Purchase of fixed assets				
Sale of Fixed Assets				
Capital Work in Progress			(16,567,497)	
Interest Received	392,458	392,458	351,481	(16,216,016)
<b>Net Cash (used)/ from Investing Activities</b>		392,458		(16,216,016)
<b>C. Cash Flow from Financing Activities</b>				
Proceeds from Issues of Equity Shares with premium			93,219,100	
Secured Loan Recd/ (paid)	(56,219)		(296,584)	
Unsecured Loan (Repaid)/Received	44,245,341		(69,440,912)	
Interest Paid	(21,287,965)		(14,653,006)	
Dividend Paid (includes Tax paid on Dividend)		22,901,157		8,828,598
<b>Net Cash (used)/ from Financing Activities</b>		22,901,157		8,828,598
<b>Net Increase/ (decrease) in Cash and Cash equivalents (A+B+C)</b>		134,619		(7,842,362)
<b>Opening Cash and Cash equivalents</b>		1,409,515		9,251,877
<b>Closing Cash and Cash equivalents</b>		1,544,134		1,409,515

In terms of our report attached.  
For P Mukhopadhyay & Co.  
Chartered Accountants  
(Registration Number: 302066E)

Subhas Mukhopadhyay  
Membership no. 050384  
Partner

Place: Kolkata  
Date: 31-May-2015



Aditya Purkait  
Company Secretary

For and on behalf of the Board of Directors:

S. Asokan  
Whole Time Director Din No. 07019583

Niraj Jagan  
Director  
Din No. 00551970

Vimal Prakash  
Director Din No.  
00174915

Note 24 Additional information to the financial statements

Note	Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
24.1	<b>Contingent Liabilities</b>	<b>Rs (in lacs)</b>	<b>Rs (in lacs)</b>
	Sales Tax	98.28	98.28
	Water Charges	7.14	7.14
	Suit Pending against the Company	9.94	9.94
	Orissa Entry Tax	4.17	4.17

Note	Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
24.2	<b>Commitments</b>	<b>Rs (in lacs)</b>	<b>Rs (in lacs)</b>
	Estimated amount of contract remaining to be executed on Capital account and not provided for Tangible assets	1,238.93	1,238.93

Note	Particulars	For the year ended 31st March, 2015		For the year ended 31st March, 2014	
		Receivable/ (Payable) Rs	Receivable/ (Payable) Rs	Receivable/ (Payable) Rs	Receivable/ (Payable) Rs
24.3	<b>Details of unhedged foreign currency Exposures</b>				
	Payable in foreign exchange	(19,683,034)	(314,476)	(16,997,773)	(487,841)
	Receivable in foreign exchange	-	-	2,089,740	24,861
			€		€
	Payable in foreign exchange	(1,585,362)	(27,922)	(2,747,848)	(34,782)

Note	Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
24.4	<b>Value of imports calculated on CIF basis :</b>	<b>Rs</b>	<b>Rs</b>
	Raw materials	-	6,141,908

Note	Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
24.5	<b>Expenditure in foreign currency :</b>	<b>Rs</b>	<b>Rs</b>
	Raw Materials	-	600,750
	Traveling	-	-
	Royalty	-	-
	Advance for Capital Goods	-	-
	Other matters	-	-

Note	Particulars	For the year ended 31st March, 2015	
24.6	<b>Details of consumption of imported and indigenous items :</b>	<b>Rs</b>	<b>%</b>
	<b>Imported</b>		
	Raw materials	(2,236,054)	(8)
	Spare Parts	(-)	(-)
	<b>Total</b>	(2,236,054)	(8)
	<b>Indigenous</b>		
	Raw materials	(28,863,399)	(92)
	Spare parts	(525,235)	(100)
	<b>Total</b>	(27,388,634)	(100)

Note: Figures / percentages in brackets relates to the previous year

Note	Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
24.7	<b>Earnings in foreign currency :</b>		
	Export of finished goods calculated on FOB basis	2,501,095	5,039,211
	Advance from Customer*	-	-

\*Cash Basis



Note	Related party transactions				
24.8	<b>Details of related parties</b>		<b>Names of related parties</b>		
	<b>Description of relationship</b>				
	Ultimate Holding Company		N/A		
	Holding Company		N/A		
	Ultimate Holding Company		N/A		
	Subsidiaries		N/A		
	Fellow Subsidiaries (to be given only if there are transactions)		N/A		
	Associates		N/A		
Key Management Personnel (KMP)		Mr Vimal, Prakash Mr Vijay Kumar Agarwal, Mr S Ashokan, Mr Aditya Purohit			
Relatives of KMP		B P Jalan & Sons, Hasli Prasad Jalan and Others, Arav Jalan Trust, Ishika Jalan Trust, Aditi Jalan, Atok Prakash, Bela Jalan, Nidhi Jalan, Parikaj Jalan, Parvati Devi Jalan, Priyush Jalan, D P Jalan and Others, Kamal Prakash (HUF), Niraj Jalan & Others (HUF), Pankaj Jalan & Others (HUF), P. Jalan & Others, Raj Rani Agarwal, Vimal Prakash (HUF) and Mr Sushil Kumar Agarwal			
Company in which KMP / Relatives of KMP can exercise significant influence		Jekay International Track Pvt. Ltd, Keshan Polymers (P) Ltd, NRL Clayburn Ltd, P P Suppliers & Agencies Pvt. Ltd, Pushpak Dealcom Pvt. Ltd, Unimark International Pvt. Ltd.			
Note: Related parties have been identified by the Management.					
<b>Details of related party transactions during the year ended 31st March, 2015 and balances outstanding as at 31st March, 2015:</b>					
	<b>Particulars</b>	<b>Associates</b>	<b>KMP</b>	<b>Relatives of KMP</b>	<b>Entities in which KMP / relatives of KMP have significant influence</b>
	<b>Sales</b>				
	Associated Industrial Furnace Ltd.	0 (109105)			
	NRL Clayburn Ltd.	0 (32876047)			
	<b>Remuneration</b>				
	Amitava Choudhary		0 (2241065)		
	S Ashokan		148800 (148800)		
	A Purohit		103478 (335413)		
	<b>Particulars</b>	<b>Associates</b>	<b>KMP</b>	<b>Relatives of KMP</b>	<b>Entities in which KMP / relatives of KMP have significant influence</b>
	<b>Interest on Loan Taken</b>				
	Jekay International Track Pvt. Ltd.				9756 (NIL)
	Keshan Polymers (P) Ltd.				4960174 (NIL)
	P.P Suppliers & Agencies Pvt. Ltd.				357542 (NIL)
	Unimark International Pvt. Ltd.				475082 (NIL)
	Vijay Kumar Agarwal		0 (268045)		
	<b>Loan Taken</b>				
	Keshan Polymers (P) Ltd.				1120000 (50730928)
	P.P Suppliers & Agencies Pvt. Ltd.				5200000 (NIL)
	Pushpak Dealcom Pvt. Ltd.				2500000 (NIL)
	Unimark International Pvt. Ltd.				1200000 (4569571)
	Vimal Prakash				7750000 (NIL)
	<b>Loan Repaid</b>				
	P.P Suppliers & Agencies Pvt. Ltd.				868000 (NIL)
	Unimark International Pvt. Ltd.				5785571 (4665671)
	Keshan Polymers (P) Ltd.				6195028 (5279028)

Note: Figures in bracket relate to the previous year.



