



Notice to the Shareholders

NOTICE is hereby given that the Thirty nine (39) Annual General Meeting of the Members of NILACHAL REFRACTORIES LIMITED will be held at 12.30 P.M. on Wednesday, the 28th September 2016 at the Hotel Pushpak , Bhubaneswar to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Annual Accounts of the Company for the year ended 31st March, 2016 and the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Vimal Prakash who retires by rotation, and being eligible, offer himself for re-appointment.
3. To appoint a Director in place of Mr. Vijay Kumar Agarwal who retires by rotation, and being eligible, offer himself for re-appointment.
4. To Ratify appointment of Auditors and fix their remuneration and in this connection, to consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

“RESOLVED that pursuant to the provisions of Section 139 and all other applicable provisions of the Companies Act, 2013 (the “Act”) read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby ratifies the appointment of M/s. P Mukhopadhyay & Co., Chartered Accountants (Firm Registration No. 302085E), as the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the Annual General Meeting to be held for the financial year 2016 17 on such remuneration as may be determined by the Board of Directors.”

Special Business

5. Reclassification of Authorized Share Capital

To consider and, if thought fit, to pass with or without modification(s), the following resolution for reclassification of Authorised Capital of the company as a Special Resolution ;



“ RESOLVED THAT pursuant to the provisions of Sections 13, 61 and all other applicable provisions, if any, under the Companies Act, 2013, (including any amendment thereto or re-enactment thereof) the existing Authorised Share Capital of the Company of Rs 49,00,00,000 divided into i) 29,50,000 Equity Shares of Rs 10 [Rupees Ten Each] ii) 15,000 11% Redeemable Cumulative preference Shares of Rs 100/- each & iii) 19,35,000 0% Redeemable Preference Shares of Rs 100/- each be and is hereby reclassified to Rs 49,00,00,000 divided into i) 20,40,000 Equity Shares of Rs 10

[Rupees Ten Each] ii) 15,000 11% Redeemable Cumulative preference Shares of Rs 100/- each & iii) 28,45,000 0% Redeemable Preference Shares of Rs 100/-”

“ **RESOLVED FURTHER THAT** the Memorandum of Association of the Company be and is hereby altered by substituting the existing Clause V thereof by the following new Clause Vas under:

V. The Authorised Share Capital of the Company is Rs. 49,00,00,000 (Forty Nine Crores Only) divided into i) 20,40,000 Equity Shares of Rs 10 [Rupees Ten Each] ii) 15,000 11% Redeemable Cumulative preference Shares of Rs 100/- each & iii) 28,45,000 0% Redeemable Preference Shares of Rs 100/-

6. To convert unsecured Loan to Preference Shares

To consider and if thought fit, to pass with or without modification(s), the following Resolution as Special Resolution

“**RESOLVED THAT** pursuant to section 62(1A) and other applicable provisions of the Companies Act, 2013 and subject to all the necessary approvals, consents, permission and or sanctions of the Government of India and the enabling provisions of the Memorandum of Association and Articles of Association of the Company and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, consents, permissions or sanctions and which may be agreed to by the Board of Directors of the Company (herein referred as “the Board” which expression shall include any committee which may constitute to exercise its powers including the powers conferred by this resolution), the consent and the approval of the Company be and is hereby accorded to the Board and the Board be and is hereby authorised in its absolute discretion to offer , issue and allot on preferential basis up to 900000 number of 0% Preference shares of face value Rs 100/- each to the lenders / loanee’s standing in the Company’s book as on cut off date i.e 15th day of November 2016 and those who have consented for conversion .

“ **RESOLVED THAT** the purpose of this preferential issue is to convert unsecured loan to Preference Shares.



“ RESOLVED THAT the Board be and is hereby authorised to decide and approve the other terms and conditions of the issue and also vary, alter or modify any of the terms and conditions in the proposal as may be required by the agencies/ authorities involved in such issues but subject to such conditions prescribed by statutory authorities and as may be agreed by the Board.

“ RESOLVED THAT the Preference Shares to be so created, offered, issued and allotted shall be subject to provisions of the Memorandum and Association of the Company.

“ RESOLVED FURTHER THAT for the purpose of creating, issuing offering and allotting Preference Shares of the Company as aforesaid, the Board be and is hereby authorised to do and perform all acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedite, desirable or appropriate to give effect to this resolution in all respects and in particular to settle any questions, difficulties or doubts that may arise in this regard to the offering, issuing, allotting and utilizing the issue proceeds of the Preference Shares of the Company, as it may, in its absolute discretion, deem proper and fit.

“ RESOLVED FURTHER THAT the Board be and is hereby authorized at its discretion, any other member of the Board and Committee, to do all the necessary, deeds, matters, things as it may, in its absolute discretion, deem necessary, expedient, desirable or appropriate to give effect to this resolution”.

By Order of the Board
Nilachal Refractories Limited

Bhagwati Prasad Jalan
(Chairman)

Place : Kolkata
Date : August 13, 2016.



NOTES:

1. EVERY SHAREHOLDER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIS/HER AND SUCH PROXY NEED NOT BE A SHAREHOLDER. THE PROXY FORM COMPLETED IN EVERY RESPECT SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 (FORTY EIGHT) HOURS BEFORE THE TIME OF THE MEETING.

A Person can act as proxy on behalf of members not exceeding fifty and holding 1 the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A members holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder

2. REGISTER OF MEMBERS AND SHARE TRANSFER WILL BE CLOSED FROM 22nd September, 2016 To 28th September, 2016 (BOTH DAYS INCLUSIVE).
3. Corporate Members are requested to send at Company's Registered Office , a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the AGM.
4. Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange , brief profile of the Directors seeking re appointment at this Annual General Meeting is as follows :-

Name of Director	Vimal Prakash	Vijay Kumar Agawl
Date of Birth	28 th October 1951	28 th October 1945
Experience	Ceramic Engineer, He has more than 35 years of experience.	B.Sc. He has experience of 40 years in Refractory Industry

5. Members are requested to notify promptly any change in their address to the Company's Registrar and Share Transfer Agent, M/s. S. K. Infosolutions Pvt. Ltd. The members are also requested to send all correspondence relating to shares, including transfers and transmissions to the Registrar and Share Transfer Agent.
6. Electronic copy of the Annual Report for the year 2015-16 is being sent to all the members whose email IDs are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for the year 2015-16 are being sent in the permitted mode.



7. Electronic copy of the Notice of the Annual General Meeting of the Company along with Attendance Slip and Proxy Form are being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the Annual General Meeting of the Company along with Attendance Slip and Proxy Form are being sent in the permitted mode.
8. In terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company has engaged the services of NSDL to provide the facility of electronic voting ('e-voting') in respect of the Resolutions proposed at this AGM. The Board of Directors of the Company has appointed Mr. Rajashri Ghosh (Membership No. ACS-17717), as the Scrutinizer for this purpose.

The Scrutinizer shall, at least three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a scrutinizer's report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

- a. The procedure with respect to e-voting is provided below:-

The procedure to login to e-Voting website is given below:

- i. Open the attached PDF file "**e-Voting.pdf**" giving your Client ID (in case you are holding shares in demat mode) or Folio No. (In case you are holding shares in physical mode) as password, which contains your "User ID" and "Password for e-voting". Please note that the password is an initial password. You will not receive this PDF file if you are already registered with NSDL for e-voting.
- ii. Launch internet browser by typing the URL <https://www.evoting.nsdl.com/>
- iii. Click on "Shareholder - Login".
- iv. Put User ID and password as initial password noted in step (1) above and Click Login. If you are already registered with NSDL for e-voting then you can use your existing user ID and password. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com
- v. Password Change Menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof.
- vi. Home page of remote "e Voting" opens. Click on e Voting: Active Voting Cycles.



- vii. Select "EVEN" of Nilachal Refractories Limited . Members can cast their vote online from September 24, 2016 (5:00 am) till September 27, 2016 (05:00 pm).

Note: e-Voting shall not be allowed beyond said time.

- viii. Now you are ready for "e-Voting" as "Cast Vote" page opens.
- ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm", when prompted.
- x. Institutional shareholders (i.e., other than Individuals, HUF, NRI etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail (rajaghosh2002@gmail.com) with a copy marked to evoting@nsdl.co.in.
- j. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
- (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL:
<https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder - Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote-e voting opens. Click on remote e voting: Active Voting Cycles.
 - (vii) Select "EVEN" of "Nilachal Refractories Limited".
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.



- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e mail to rajaghosh2002@gmail.com with a copy marked to evoting@nsdl.co.in

A. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM/ EGM/ EOGM :

EVEN (Remote e-voting Event Number) USER ID PASSWORD/PIN

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

General Information

- (i) Every Client ID No. / Folio No. shall have one e-vote, irrespective of the number of joint holders.
- (ii) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Member as on cut off date i.e. 21st September, 2016.
- (iii) E-voting right cannot be exercised by a proxy.
- (iv) The Results of the e-voting will be declared on or after the date of the AGM i.e. 28.09.2016. The declared Results, alongwith the Scrutinizer's Report, will be available on the Company's corporate website www.nilachal.in under the section 'Investor Information' and on the website of NSDL; such Results will also be forwarded to the Stock Exchange where the Company's shares are listed.



9. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliance and has issued circular nos. 17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 which states that service of notice/documents including Annual Report can be sent by e-mail to its members. To support the said green initiative, members holding shares in demat form, who have not registered their e-mail address as of now, are requested to register the same with their respective Depository Participant and members holding shares in physical form are requested to register their valid e-mail address with the S.K.Infosolutions private limited 34/1 A Sudhir Chatterjee Street, Kolkata 700 006. Telephone No. 033 2219 6797, Fax No. 033 2219 4815, mentioning their name and folio no.

By order of the Board
For Nilachal Refractories Limited

Place: Kolkata
Date : August 13, 2016

Bhagwati Prasad Jalan
(Chairman)

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT SETS OUT ALL MATERIAL FACTS RELATING TO THE BUSINESS MENTIONED UNDER ITEM NO. 5 OF THE ACCOMPANYING NOTICE DATED 13-08-2016.

Item 5:

Reclassification of Authorised Share Capital and Consequent Alteration of Memorandum of Association. The present authorised capital of the Company is Rs 49,00,00,000 divided into i) 29,50,000 Equity Shares of Rs 10 [Rupees Ten Each] ii) 15,000 11% Redeemable Cumulative preference Shares of Rs 100/- each & iii) 19,35,000 0% Redeemable Preference Shares of Rs 100/- each . A separate proposal for Preferential Issue of 900000 (Nine Lac) Preference Shares of face value of Rs. 100 each has been submitted for the approval of Shareholders under item no. 5 of this Notice. The preference capital component of authorised capital is sought to be reclassified to enable this issue. As per the provisions of Sections 13 of the Companies Act, 2013, a Company can alter the Share Capital Clause of its Memorandum of Association with the consent of Shareholders. On reclassification of authorised capital, it would be necessary to amend Clause V of the Memorandum of Association. The Resolution seeks approval of Members to reclassify the Share Capital and to amend the said Clause. The Board of Directors recommends the passing of this Resolution by special resolution. None of the Directors / key managerial persons of the Company or their relatives is interested, financially or otherwise, in the aforesaid resolution

Explanatory Statement sets out all material facts relating to the business mentioned under Item No. 6 of the accompanying Notice dated 13-08-2016.



ITEM 6:

The Company's financials does not permit repayment of outstanding amount and payment of interest on an ongoing basis, the Management of the Company has made arrangement whereby the outstanding amount payable from the promoter and the fellow group Company(ies) would be settled through converting the outstanding amount to Preference shares through preferential allotment.

The Board of Directors of the Company in its meeting held on 13-08-2016 have received the in-principle consent and confirmation from the proposed persons for converting the outstanding amount to Preference Shares of the Company. This allows the Company to carry out its operations smoothly as the Company would not be required to discharge its liability by making the cash payment to this loan and the conversion of loan to Preference Shares, which will in turn improve the performance / profitability in long run and also improve the current ratio of the Company. The unsecured loan is already utilised by the Company for the working capital requirements and also to avoid the adverse effect on the fund flow of the Company.

By order of the Board
For Nilachal Refractories Limited

Bhagwati Prasad Jalan
(Chairman)

Place: Kolkata
Date: August 13, 2016



DIRECTORS REPORT

Dear Members

Your Directors are pleased to present the Thirty Nine (39th) Annual Report together with the Audited accounts of your Company for the year ended 31st March, 2016.

FINANCIAL HIGHLIGHTS

(Rupees in crores)

Particulars	Year ended 31st March 2016	Year ended 31st March 2015
Turnover	0.47	0.83
Profit/(Loss) before taxation	(3.34)	(3.17)
Less: Tax Expense	1.41	1.22
Profit/(Loss) after tax	(4.75)	(1.95)
Add: Balance B/F from the previous year	(17.88)	(15.92)
Balance Profit / (Loss) C/F to the next year	(22.63)	(17.88)

FINANCIAL REVIEW

The impact of labour problem over the past two years has haunted your company's operation during the year under review. However the management is working hard to regain the confidence of its set of customers. Continues efforts are being made to further increase the momentum.

The Directors are quite hopeful that the operations of your Company will improve henceforth compared to past unforeseen difficult period.

There was no change in the nature of the business of the company during the year.

DIVIDEND:

In view of brought forward losses, your directors are unable to recommend any dividend for the financial year ended 31st March, 2016.

DIRECTORS:

In accordance with the provisions of the Companies Act, 2013, and Article 115 of the Article of Association of the Company, Shri Vimal Prakash and Sri Vijay Kumar Agarwal Directors of the Company are liable to retire by rotation at the ensuing Annual General Meeting, and being eligible, offer themselves for re-appointment.

EXTRACT OF ANNUAL RETURN

The extract of Annual Return, in format MGT -9, for the Financial Year 2015-16 has been enclosed with this report.

DIRECTORS' RESPOSIBILITY STATEMENT

In terms of the provisions of section 134(5) of the Companies Act, 2013, your "Directors" hereby confirm

- a) In the preparation of the annual accounts for the financial year ended 31st March, 2016, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) 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 as at 31st March, 2016, and of the profit/loss of the Company for that period;
- c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) The directors had prepared the annual accounts on a going concern basis;
- e) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;
- f) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;



PARTICULARS OF EMPLOYEES

The Whole Time Director of the Company is only in the receipt of remuneration from the Company as approved by Nomination and remuneration committee. further the same was approved by Shareholders in the Annual General Meeting held on 30-06-2015. Your Company comes under the provisions of the rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, thereby the Wholetime Director of the Company is paid Rs. 8,94,585/- and the Company Secretary is paid Rs 3,31,650/-.

FORMAL ANNUAL EVALUATION HAS BEEN MADE BY THE BOARD OF ITS OWN PERFORMANCE, ITS DIRECTORS, AND THAT OF ITS COMMITTEES

The Companies Act 2013, and revised Clause 49 of the Listing Agreement stipulates the performance evaluation of the Directors including Chairman, Board and its committees Considering the said provisions the Company has devised the process and the criteria for the performance evaluation which has been recommended by the Nomination Committee and approved by the Board.

The Criteria for performance evaluation are as under:-for CEO, WTD, Non-executive Directors.

Attendance at meeting; Participation and Contribution; Responsibility towards stakeholders; Contribution in Strategic Planning; Compliance and Governance; Participation, Updation of Knowledge; Leadership; Relationships and Communications; resources; Conduct of Meetings.

Performance Evaluation of Board:-

Composition and Diversity of Board; Committees of the Board; Board & Committee Meetings; Understanding of the Business of the Company and Regulatory environment; Contribution to effective corporate governance and transparency in Company's Operation; deliberation/decisions on the Company's Strategies; Monitoring and implementation of the strategies and the executive management performance and quality of decision making and Board's Communication with all stakeholders.

Performance Evaluation of the Board Level Committees:-

The Performance and effectiveness of the Committee. Frequency and duration; spread of talent and diversity in the Committee; Understanding of regulatory environment and development; interaction with the board.

Auditors and Auditor's Report

M/s. P Mukhopadhyay & Co., Chartered Accountants (Firm Registration No. 302085E) Auditors of the Company, retire and being offer themselves for re-appointment. The notes on Accounts referred to in the Auditor's Report are self – explanatory and therefore do not call for further explanation.

Secretarial Audit Report

The Company has appointed Mr. Biswanath Khandelwal, Company Secretary in Practice as Secretarial Auditor and his report is annexed herewith

ENERGY , TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE ETC

Information pursuant to section 134(3)(m) of the Companies Act, 2013 read with rule 8 of Companies (Accounts) Rules, 2014 in respect of conservation of Energy and Technology Absorption and Foreign Exchange Earning and Outgo is given in Annexure – I, forming part of this Report.

INDUSTRIAL RELATIONS

The Company has always aimed to maintain cordial relations with its industrial personnel and will continue to do in future.

ISO CERTIFICATION

Your Company is having a status of ISO 9001:2000 Certification. Your company is highly committed to the highest standard of quality.

CORPORATE GOVERNANCE

The Company is committed in maintaining the highest standards of Corporate Governance and adheres to the stipulations prescribed under clause 49 of the Listing Agreement with the Stock Exchange. A Report on Corporate Governance & Shareholders Information together with a Auditors' Certificate regarding Compliance of the same are annexed as a part of this Annual Report.



MANAGEMENT DISCUSSION & ANALYSIS REPORT:

In accordance with the Listing Agreement Requirements, Management Discussion & Analysis Report is presented in a separate section, forms a part of the Annual Report.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Management continuously reviews the Internal Control Systems and procedures for the efficient conduct of the Company's business. The Company adheres to the prescribed guidelines with respect to the transactions, financial reporting and ensures that all its assets are safeguarded and protected against losses. Internal Control System are implemented to safeguard the Company's assets from loss or damage, to keep a constant check on the cost structure, to prevent revenue leakages, to provide adequate financial and accounting controls and implement accounting standards.

The Board have appointed a Chartered Accountants firm who are conducting the Internal Audit of the Company . The report thereof is placed before the Audit Committee.

INSURANCE

The assets of the Company are adequately insured against the loss of fire and other risks which are considered necessary by the management.

FIXED DEPOSITS

Your company has not accepted any public deposit during the year under review.

LISTING

The equity shares of your Company continued to be listed on Bombay Stock Exchange Limited (BSE) and Calcutta Stock Exchange Limited (CSE).

CORPORATE SOCIAL RESPONSIBILITY:

Corporate Social Responsibility is the continuing commitment by the business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large.

As a part of its policy for corporate social responsibility, the Company undertakes a range of activities to improve living conditions of the people in the neighborhood of all its plants. In structuring its efforts to the various aspects of Corporate Social Responsibilities, the Company takes account in guidelines and statements issued by stakeholders and other regulatory bodies. Corporate Social Responsibility and Sustainable development will continue to be the leading priorities at the Company which it shall consistently strive to touch lives and make a difference.

The Directors noted the observations made by Auditors with regard to method of accounting pursuant to Accounting Standard 15 and will give the effect of the same in coming year. Further the Directors also noted the Auditors comment on non-charging of Depreciation in accounts. Since there was no production in plant, and it was completely idle, the Company has not charged depreciation and the machines were not put to use during the year under review.

APPRECIATION

Your Directors record their sincere appreciation for the assistance, support and guidance provided by Company's Customers, Suppliers, Government Authorities, Bankers, investors, financial institution and shareholders for their consistent support to the company. The Directors also commend the continuing commitment and dedication of the employees at all levels which has been critical for the Company's growth. The Directors look forward for their continuing support in future.

Place: Kolkata
Date: 13.08.2016

For and on behalf of the Board
Bhagwati Prasad Jalan
Chairman



ANNEXURE S TO DIRECTORS ' REPORT

Information under section 134 3(m) read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2016

A. CONSERVATION OF ENERGY :-

(a) Energy conservation measures taken:

The Company is committed to conserve energy and making best use of ~~the~~ resources. A considerable amount of time and effort will be earmarked for conserving power across all our plants.

- (i) Idle running of Machines has been controlled
- (ii) Operating efficiency of Shaft Kiln has been improved.
- (iii) Successful simultaneous operation of two Gas producers to fire increased green production and bring down the specific consumption of coal.

(b) Additional investments and proposals, if any, being implemented for the reduction of consumption of energy:

No additional investment is proposed but all efforts are on to conserve energy by improving operation .

Constant reviews of operations and process is being done to identify energy saving areas.

(c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on cost of production of goods.

With the implementation of the above measures, there will be considerable reduction in energy consumption .

(d) Total energy consumption and energy consumption impact of the measures at (a) and (b) above for reduction of energy consumption and energy consumption per unit of production as per Form A of the Annexure is annexed.

B. TECHNOLOGY ABSORPTION :

The details of the efforts made towards absorption of technology are given separately in the Report in Form B



C. FOREIGN EXCHANGE EARNING AND OUTGO:

Foreign Exchange Earning : Rs. NIL
Foreign Exchange Out Go : Rs. NIL

Form- A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. Power and fuel consumption:

Particulars	2015 -16	2014 -15	2013-14
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1) Electricity			
(a) Purchased			
Units(K wh)	198144	243528	489096
Total Amount(Rs)	1838445	2037447	3834801
Rate per unit (in Rs./Kwh)	9.28	8.36	7.84
(b) Own Generation			
Through Diesel Generator			
Unit (Kwh)	-	-	5590
Unit per Ltr. of Diesel oil	-	-	1.47
Cost/Unit (Rs.)	-	-	36.93
Through Steam Turbine Generator	-	-	-
2) Steam Coal Grade 'B' and E used in Gas Producer.	---	---	---
Quantity (Tonnes)	---	---	---
Total Cost (RS)	---	---	---
Average Rate (Rs/MT)	---	---	---
3) Furnace Oil & L.D.Oil	---	---	---
Quantity (KL)	---	---	---
Total Amount (Rs.)	---	---	---
Average Rate	---	---	---
	N.A	N.A	NA
4) LSHS Other Internal Generation			

**B. Consumption per unit of production**

Particulars	2015-16	2014-15	2013 -14
1) Refractories Produced (MT)	—	—	1197.45
2) Electricity (KWH/Ton)	—	—	172.49
3) Furnace oil & L.D Oil (Litres/Ton)	—	—	—
4) LSHS (Kg/Ton)	—	—	NA
5) Steam Coal (Gross) Grade B & E (KG/Ton)	—	—	—
6) Net Coal after dust (Kg/Ton)	—	—	—

Form B**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION****Research and Development (R&D)****1. Specific areas in which R & D was carried out by the Company:**

No R & D was carried out with in the meaning of applicable standard.

2. Benefits derived as a results of the above R & D

Not Applicable

3. Future plan of action:

Your Company recognizes the need for cleaner and greener environment by taking various conservation measures, reduction of emission of harmful substances in the environment, reduction in wastages and various other useful measures. It further plans to improve its productivity and quality.

4. Expenditure on R & D

NII



Technology absorption, adaption and innovation N.A.

For and on behalf of the Board

Place: Kolkata
Date: 13.08.2016

Bhagwati Prasad Jalan
Chairman

B.N. Khandelwal

Company Secretary
Saha Court
5th Floor, Room No. 33
8, Ganesh Chandra Avenue
Kolkata- 700 013
Phone No. : 22364634

Secretarial Audit Report

For The Financial Year Ended 31st March, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
Nilachal Refractories Limited
P-598/599, Lewis Road Mahabir Nagar,
Kedarnath Apartment, Bhubaneswar-751002
Odisha

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practice by Nilachal Refractories Limited (hereinafter called "the company"). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts /statutory compliances and expressing my opinion thereon. Based on my verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the financial year ended **31st March 2016**, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the secretarial compliance based on the books, papers, minute books, forms and returns filed and other records maintained by Nilachal Refractories Limited ("the Company"), for the financial year ended on **31st March, 2016**, according to the provision of:



- 1) The Companies Act, 2013 (the Act) and the rules made thereunder
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) The Foreign Exchange Management Act, 1999 & the rules made thereunder
- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:-
 - a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c) The Securities and Exchange Board of India (Registrars to a Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - d) The Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulation
 - e) The Securities and Exchange Board of India (Listing obligation and Disclosure Requirements) Regulation 2015.

During the period under review the company has complied with the provisions of Act, Rules, Regulations, Guidelines, Standards etc. as mentioned above.

I have relied on the representation made by the Company and its officers for system and mechanism formed by the Company for compliances under the other act, laws and regulations applicable to the Company

I further report that the Board of Directors of the Company is duly constituted with proper balance of, Non-Executive Directors and Executive Directors, Independent Directors with one Woman Director. No changes in the composition of Board of Directors took place during the financial year under report.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and related notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place : Kolkata
Date : 7th July, 2016

B.N. Khandelwal
Company Secretary in Practice
ACS: 1614
CP: 1148



FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2016

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.**

I. REGISTRATION & OTHER DETAILS:

1	CIN	L26939OR1977PLC000735
2	Registration Date	30-06-1977
3	Name of the Company	Nilachal Refractories Limited
4	Category/Sub-category of the Company	Public Company
5	Address of the Registered office & contact details	P598/ 599, Kedarnath Apartment, Mahabir Nagar, Lewis Road, Bhubaneswar, Orissa, 751002
6	Whether listed company	Listed on Bombay Stock Exchange Limited and Calcutta Stock
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. S K Infosolutions Private Limited. Mr. Dilip Bhattacharya Cell No. 9830070123 34/1A Sudhir Chatterjee Street, Kolkata : 700 006. Telephone No. 033 2219 6797. Fax No. 033 2219 4815.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacture of refractory mortars, concretes etc	23911	-
2	"Manufacture of refractory bricks, blocks tiles and similar refractory ceramic constructional goods [including traded goods]"	23912	34,90,877.00
3	Manufacture of refractory ceramic products	23913	-
4	Manufacture of other refractory articles n.e.c.	23919	6,00,000.00
5	Coal Tar	23999	-
6	Wholesale of waste and scrap and other products n.e.c.	4669	8,94,808.00

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
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NOT APPLICABLE



IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	"No. of Shares held at the beginning of the year [As on 31-March-2015]"				"No. of Shares held at the end of the year [As on 31-March-2016]"				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	37,72,657		37,72,657	18.53%	37,72,657		37,72,657	18.53%	-0.00%
b) Central Govt			-	0.00%			-	0.00%	0.00%
c) State Govt(s)			-	0.00%			-	0.00%	0.00%
d) Bodies Corp.	1,06,04,959		1,06,04,959	52.08%	1,06,04,959		1,06,04,959	52.08%	0.00%
e) Banks / FI			-	0.00%			-	0.00%	0.00%
f) Any other			-	0.00%			-	0.00%	0.00%
Sub Total (A) (1)	1,43,77,616	-	1,43,77,616	70.61%	1,43,77,616	-	1,43,77,616	70.61%	0.00%
(2) Foreign									
a) NRI Individuals	-		-	0.00%	-		-	0.00%	0.00%
b) Other Individuals	-		-	0.00%	-		-	0.00%	0.00%
c) Bodies Corp.	-		-	0.00%	-		-	0.00%	0.00%
d) Any other	-		-	0.00%	-		-	0.00%	0.00%
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%	0.00%
TOTAL (A)	1,43,77,616	-	1,43,77,616	70.61%	1,43,77,616	-	1,43,77,616	70.61%	0.00%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds			-	0.00%	-		-	0.00%	0.00%
b) Banks / FI	50,000		50,000	0.25%	50,000		50,000	0.25%	0.00%
c) Central Govt			-	0.00%	-		-	0.00%	0.00%
d) State Govt(s)			-	0.00%	-		-	0.00%	0.00%
e) Venture Capital Funds			-	0.00%	-		-	0.00%	0.00%
f) Insurance Companies			-	0.00%	-		-	0.00%	0.00%
g) FII's			-	0.00%	-		-	0.00%	0.00%
h) Foreign Venture Capital Funds			-	0.00%	-		-	0.00%	0.00%
i) Others (specify)			-	0.00%	-		-	0.00%	0.00%
Sub-total (B)(I):-	50,000	-	50,000	0.25%	50,000	-	50,000	0.25%	0.00%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	17,01,735	2,000	17,03,735	8.37%	17,00,215	2,000	17,02,215	8.36%	0.09%
ii) Overseas			-	0.00%	0	0	-	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	27,402	3,85,700	4,13,102	2.03%	30,172	3,84,450	4,14,622	2.04%	-0.37%



Category of Shareholders	"No. of Shares held at the beginning of the year [As on 31-March-2015]"				"No. of Shares held at the end of the year [As on 31-March-2016]"				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	38,16,608		38,16,608	18.74%	38,16,608		38,16,608	18.74%	0.00%
c) Others (specify)									
Non Resident Indians	389		389	0.00%	389		389	0.00%	0.00%
Overseas Corporate Bodies			-	0.00%	-		-	0.00%	0.00%
Foreign Nationals			-	0.00%	0		-	0.00%	0.00%
Clearing Members			-	0.00%	0		-	0.00%	0.00%
Trusts			-	0.00%	0		-	0.00%	0.00%
Foreign Bodies- DR			-	0.00%	0		-	0.00%	0.00%
Sub-total (B)(2):-	55,46,134	3,87,700	59,33,834	29.14%	55,47,384	3,86,450	59,33,834	29.14%	0.00%
Total Public (B)	55,96,134	3,87,700	59,83,834		55,97,389	3,86,450	59,83,834	29.39%	0.00%
C. Shares held by Custodian for									
Grand Total (A+B+C)	1,99,73,750	3,87,700	2,03,61,450	100.00%	1,99,75,000	3,86,450	2,03,61,450	100.00%	0.00%

(ii) Shareholding of Promoter

Shareholder's Name	Shareholding at the beginning of the year 01-04-2015			Shareholding at the end of the year 31-03-2016			% change in share holding during the year
	No. of Shares	No. of Shares	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1 AARAV JALAN	44,000	0.22%	0	44,000	0.22%	0	0.00%
2 ADITI JALAN	2,40,000	1.18%	0	2,40,000	1.18%	0	0.00%
3 ALOK PRAKASH HUF	62,500	0.31%	0	62,500	0.31%	0	0.00%
4 ANUBHUTI PRAKASH	19,250	0.09%	0	19,250	0.09%	0	0.00%
5 ANUPAMA PRAKASH	19,250	0.09%	0	19,250	0.09%	0	0.00%
6 BELA JALAN	1,65,000	0.81%	0	1,65,000	0.81%	0	0.00%
7 BHAGWATI PRASAD JALAN	5,51,084	2.71%	0	5,50,584	2.70%	0	0.09%
8 BHAGWATI PRASAD & SONS	75,000	0.37%	0	75,000	0.37%	0	0.00%
9 DP JALAN & OTHERS (HUF)	75,000	0.37%	0	75,000	0.37%	0	0.00%
10 ISHIKA JALAN	44,000	0.22%	0	44,000	0.22%	0	0.00%
11 KAMAL PRAKASH HUF	62,500	0.31%	0	62,500	0.31%	0	0.00%
12 MADHU AGARWAL	19,250	0.09%	0	19,250	0.09%	0	0.00%
13 NIDHI JALAN	1,65,000	0.81%	0	1,65,000	0.81%	0	0.00%
14 NIKITA JALAN	1,50,000	0.74%	0	1,50,000	0.74%	0	0.00%
15 NIRAJ JALAN	6,40,000	3.14%	0	6,40,000	3.14%	0	0.00%
16 NIRAJ JALAN & OTHERS (HUF)	50,000	0.25%	0	50,000	0.25%	0	0.00%
17 PANKAJ JALAN	3,67,000	1.80%	0	3,67,000	1.80%	0	0.00%
18 PANKAJ JALAN & OTHERS (HUF)	75,000	0.37%	0	75,000	0.37%	0	0.00%
19 PARWATI DEVI JALAN	1,40,000	0.69%	0	1,40,000	0.69%	0	0.00%
20 PIYUSH JALAN	6,65,000	3.27%	0	6,65,000	3.27%	0	0.00%
21 RAJ RANI AGARWAL	81,823	0.40%	0	81,823	0.40%	0	0.00%
22 VIMAL PRAKASH HUF	62,500	0.31%	0	62,500	0.31%	0	0.00%



Shareholder's Name	Shareholding at the beginning of the year 01-04-2015			Shareholding at the end of the year 31-03-2016			% change in shareholding during the year
	No. of Shares	No. of Shares	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
23 P P SUPPLIERS & AGENCIES PVT LTD	6,67,973	3.28%	0	6,67,973	3.28%	0	0.00%
24 JEKAY INTERNATIONAL TRACK LTD	5,00,000	2.46%	0	5,00,000	2.46%	0	0.00%
25 KESHAN POLYMERS PVT LTD	92,900	0.46%	0	92,900	0.46%	0	0.00%
26 LIKEWISE INVESTMENT & MANAGEMENT PVT LTD	2,75,000	1.35%	0	2,75,000	1.35%	0	0.00%
27 MINICARFT ENTERPRISES PVT LTD	10,00,000	4.91%	0	10,00,000	4.91%	0	0.00%
28 PUSHPAK DEALCOM PVT LTD	3,00,000	1.47%	0	3,00,000	1.47%	0	0.00%
29 SEASON TRADING & INVESTMENT PVT LTD	15,00,000	7.37%	0	15,00,000	7.37%	0	0.00%
30 UNIMARK INTERNATIONAL PVT LTD	57,69,086	28.33%	0	57,69,086	28.33%	0	0.00%
31 GANAPATI INDUSTRIAL PVT LTD	5,00,000	2.46%	0	5,00,000	2.46%	0	0.00%

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

At the beginning of the year					0.00%
Changes during the year	No Change			0.00%	0.00%
				0.00%	0.00%
				0.00%	0.00%
At the end of the year				0.00%	0.00%

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Name						
	At the beginning of the year				0.00%		0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year				0.00%		0.00%
2	Name						
	At the beginning of the year				0.00%		0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year				0.00%		0.00%

(v) Shareholding of Directors and Key Managerial Personnel:

	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Name: Bhagwati Prasad Jalan Director, Din No. 00551459						
	At the beginning of the year	01/04/15		5,50,584	2.70%		0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year	31/03/16		5,50,584	2.70%	5,50,584	2.70%
2	Name : Mr. Niraj Jalan Director, Din No. 00551970						
	At the beginning of the year	01/04/15		6,40,000	3.14%		0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year	31/03/16		6,40,000	3.14%	6,40,000	3.14%



V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amt. Rs./Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	916.50	996.02		1,912.52
ii) Interest due but not paid	-	-		-
iii) Interest accrued but not due	-	-		-
Total (i+ii+iii)	916.50	996.02	-	1,912.52
Change in Indebtedness during the financial year				
* Addition	-	375.22		375.22
* Reduction	188.75	-		188.75
Net Change	(188.75)	375.22	-	186.47
Indebtedness at the end of the financial year				
i) Principal Amount	727.75	1,371.24		2,098.99
ii) Interest due but not paid	-	-		-
iii) Interest accrued but not due	-	-		-
Total (i+ii+iii)	727.75	1,371.24	-	2,098.99

C. Remuneration of directors and Key Managerial Personnel

Particulars of Remuneration	MR. SARAVANAN ASOKAN WHOLE TIME DIRECTOR. Din No. 07019583	Total Amount in Laes
1. Gross salary	4,81,314.00	4.81
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2. Stock Option	-	-
3. Sweat Equity	-	-
4. Commission	-	-
- as % of profit	-	-
- others, specify	-	-
5. Others, please specify		-
HRA	2,14,872.00	2.15
EDUCATION ALLOWANCES	1,432.00	0.01
GRADE ALLOWANCES	60,881.00	0.61
OFT FURNISHING ALLOWANCES	14,325.00	0.14
SPECIAL ALLOWANCES	1,21,761.00	1.22
Total (A)	8,94,585.00	8.95



B. Remuneration to other Directors

NOT APPLICABLE . As Company is not paying except to Wholetime director

SN.	Particulars of Remuneration	Name of Directors			Total Amount (Rs/Lac)
1.	Independent Directors	-			
	Fee for attending board committee meetings Commission	-			-
	Others, please specify	-			-
	Total (1)	-	-	-	-
2.	Other Non-Executive Directors				
	Fee for attending board committee meetings Commission	-			-
	Others, please specify	-			-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration				8.95
	Overall Ceiling as per the Act				

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTM

SN.	Particulars of Remuneration Name	Name of Key Managerial Personnel			Total Amount (Rs/Lac)
	Designation	CEO	CFO	CS	
1.	Gross salary	8.95	-	3.32	12.26
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	8.95	-	3.32	12.26

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: No PENALTIES /PUNISHMENT/COMPOUNDING OF OFFENCES UNDER COMPANIES ACT 1956 AND / OR 2013

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority (RD / NCLT/ COURT)	Appeal made, if any (give Details)
A. COMPANY Penalty Punishment Compounding		No PENALTIES /PUNISHMENT/COMPOUNDING OF OFFENCES UNDER COMPANIES ACT 1956 AND / OR 2013			
B. DIRECTORS Penalty Punishment Compounding		No PENALTIES /PUNISHMENT/COMPOUNDING OF OFFENCES UNDER COMPANIES ACT 1956 AND / OR 2013			
C. OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding		No PENALTIES /PUNISHMENT/COMPOUNDING OF OFFENCES UNDER COMPANIES ACT 1956 AND / OR 2013			



ANNEXURE – A

MANAGEMENT DISCUSSION AND ANALYSIS

1. Industry structure and developments:

Fortune of your Company which is in refractory industry is directly linked to the performance of Steel Industry as it is the largest consumer of refractory products. The other consumers of refractory products are Cement, Copper, Glass, Aluminium and Petro-chemical industries etc. which are witnessing reasonable growth. All these factors will have a very positive impact on the growth of refractory industry in near future.

Nilachal Refractories Ltd. (NRL) is having its manufacturing unit in the State of Odisha near Dhenkanal. The Plant is strategically located and the Company hopes to take advantage of the boom in Steel and Aluminium industry in the region in times to come.

2. Opportunity, threats, risks and concerns:

Consequent upon technology advancement in steel making processes, major opportunity lies in manufacturing of continuous casting refractories, special monolithics viz. Castables, Plastic based ramming mass and gunning materials, etc. The Company is having its vision in line to this technology change.

Demand for refractories has increased substantially due to increased steel and Aluminium production in India. The future of the Company is bright with huge steel and aluminum manufacturing capacities being created in India especially in Odisha and Jharkhand.

Competition in refractory industry is building up. Lot of consolidation and re-organization is taking place in refractory industry. Input costs mainly the increase in cost of raw materials is also a cause of concern for refractory industry. Cost reduction measures will play an important role in keeping the unit viable in the face of stiff competition. Your Company has taken several cost reduction measures for improving operations to bring down the cost of production and is hopeful to successfully meet the challenges of competition.

Further during the year under review there have been continuous labour unrest and which took its toll on company's financial position and this is one of serious concerns of the company as on date for which remedial actions are already in place. The Company shall commence its production afresh and will be back at dominant position. The Company at present is at consolidation stage post all these problems.

The turnover from refractories items is Rs. 49.86 lacs during the year under review.

3. Outlook:

Production in steel industry has increased and the demand for refractory products is also increasing. NRL will not be able to survive by basing its products mix on low-end products. For a sustained growth, NRL will have to go for high value products for which your Company has started taking initiatives.

There are many small and large Steel and Aluminium Plants coming up around Dhenkanal and Odisha State on the whole which will demand high-end products. With this we estimate a large requirement of quality products with high value which should boost our total turnover as well as bottom line. In order to face this challenge, your Company emphasis on Human Resource Management and Human Resource Development which will ensure a capable and motivated team in place post settlement of all these labour issues. The Company is going to start afresh and shall have a new horizon.

4. Internal control system and their adequacy:

Information, reports, records, documents, transaction statements etc. are generated continuously in the organization and the inputs contained therein serve as a strong foundation for accelerated decision making. Great authenticity is lent to such inputs which represents the foundation for effective decisions. The Company has established proper internal control systems and procedures, which are compatible with size of its operation and business. The firm of Chartered Accountant is conducting internal audit of operations to ensure that the system are adhered to and controls are not flouted. Internal Audit Reports encompasses all aspects of operations, accounts, purchase, stores, production and marketing; all omission and deviation, if any are properly recorded for remedial action. Cost Auditor is separately appointed to audit Cost Accounts, the reports of Internal Auditors and Cost Audit Report monitors effectiveness and operational efficiency of internal control systems. The Audit Committee periodically provides valuable suggestions to improve the business processes, systems and internal controls and briefs the Board of Directors about areas of concern.

Place : Kolkata
Dated: 13-08-2016

For and on behalf of the Board of Directors

Bhagawati Prasad Jalan
(Chairman)



ANNEXURE – B

CORPORATE GOVERNANCE **Company's philosophy on code of governance**

The basic objective of corporate governance policies adopted by the Company is to attain the highest levels of transparency, accountability and integrity. This objective extends not merely to meet with the statutory requirements but to go beyond them by putting into place procedures and systems, in accordance with best practices of governance. Your Company believes that Good Corporate Governance enhances the trust and confidence of all the stakeholders. Good practice in corporate behavior helps to enhance and maintain public trust in companies and stock market.

Your Company reviews its corporate governance practices to ensure that they reflect the latest developments in the corporate arena positioning itself to conform to the best corporate governance practice. Your Company is committed to pursue excellence in all its activities and maximize its shareholders' wealth.

The Company's corporate governance policies and practices focus on the following principles:-

- To recognize the respective roles and responsibilities of the Board and Management.
- To achieve the highest degree of transparency by maintaining a high degree of disclosure levels
- To ensure and maintain high ethical standards in its functioning
- To give the highest importance to investor relations
- To ensure a sound system of risk management and internal controls
- To ensure that employees of the Company subscribe to the corporate values and apply them in their conduct
- To ensure that the decision making process is fair and transparent
- To ensure that the company follows globally recognized Corporate governance practices

1) BOARD OF DIRECTORS :

The Company has Non-Executive Chairman (Promoter). As per clause 49 of the Listing Agreement, at least half of the Board should comprises of Non Executive Directors and if the Chairman is an Non-Executive Chairman (Promoter), at least half of the Board should consist of Independent Directors. The Board complies with clause 49. The board ensures the desired level of independence in functioning and decision making. More over all the Non – Executive Directors are eminent professionals, and bring the wealth of their professional expertise and experience to the management of the Company.

Composition of Board of Directors and details of their shareholding in the Company and external directorship and membership of the Board Committees

(A) The Composition of the Board of Directors

Name of the Director	Category	Relationship with Other Director	Date of Joining	No. of Board Meetings	Attendance of meetings during 2015-16		No. of Directorships and Committee Memberships/ Chairmanships		
					Board Meeting	Last AGM	Last AGM Other Directorships*	Committee Membership	Committee Chairmanship
Mr. Bhagwati Prasad Jalan Din No. 00551499	Chairman	Father of Suraj Jalan	19th Dec 2003	4	4				
Mr. Nitaj Jalan Din No.00551970	Director	Son of Bhagwati Prasad Jalan	06th May 2006	4	3		1	1	
Mr. Vimal Prakash Din No. 00574915	Director		06th May 2006	4	3			1	
Mr. Vijay Kumar Agarwal Din No. 00121351	Director		19th Dec 2005	4	4		1		
Mr. Subash Chandra Mishra Din No. 01903910	Independent Director		31st Jan 2007	4	4	Yes		3	
Mr. Ramesh Dhandhama Din No.00375424	Independent Director		01st Feb 2014	4	4	Yes		3	
Mr. S.Asokan Din No. 07019583	CEO & Whole Time Director		25th Nov 2014	4	4	Yes		3	
Mr. S. Radhakrishnan Din No. 00609818	Independent Director		25th Nov 2014	4	4			1	
Mr. Tej Bahadur Singh Din No. 02947801	Independent Director		25th March 2015	4	3				
Mrs. Binoti Jain Din No. 07159504	Independent Director		25th March 2015	4	4				

excluding Foreign Companies, Private Companies and Section 25 companies

All the Independent directors of the Company furnishes a declaration at the time of their appointment as also annually that they qualify the conditions of their being independent. All such declarations were/are placed before the Board.



(B) Board Procedures

(a) Number of Board Meetings held, dates on which held

Four board meetings were held during the financial year from 1st April 2015 to 31st March, 2016. The dates on which the meetings were held are as follows:

31-05-2015, 14-08-2015, 14-11-2015, & 13-02-2016

(b) The information made available to the Board includes the following

1. Annual Operating Plans and budgets and any updates.
2. Capital budgets and any updates
3. Quarterly results for the Company and its operating divisions or business segments.
4. Minutes of meetings of audit committee and other committees of the board.
5. Information on recruitment and remuneration of senior officers just below the board level including appointment or removal of CFO and the Company Secretary.
6. Show cause, demand, prosecution notices and penalty notices which are materially important.
7. Fatal or serious accidents or dangerous occurrences, any material effluent or pollution problems, if any
8. Any material default in financial obligations to and by the Company or substantial non payment for goods sold by the Company.
9. Any issue which involves possible public or product liability claims of substantial nature, including any judgement or order which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
10. Details of any joint venture, acquisition of companies or collaboration agreement.
11. Transaction that involves substantial payment towards goodwill brand equity or intellectual property.
12. Significant labour problems and their proposed solutions. Any significant development on Human Resource/ Industrial Relation front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
13. Sale of material nature, of investments, assets which is not in the normal course of business
14. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risk of adverse exchange rate movements, if material.
15. Non- Compliance of any regulatory, statutory or listing requirements and shareholders services such as non - payment of dividends, delay in share transfer etc.

The Board also periodically reviews compliance reports of all laws applicable to the Company, prepared by the designated employees as well as steps taken to rectify instances of non- compliance.

(C) Code of Conduct for Board Members and Senior Management Personnel

The Board of Directors had adopted a Code of Conduct for the Board Members and Senior Management Personnel. This Code helps the Company to maintain the Standard of Business Ethics and ensure compliance with the legal requirements, specifically under clause 49 of the Stock Exchange Listing Agreement of the Company. The Code is aimed at preventing any wrongdoing and promoting ethical conduct at the Board and Senior Management level.

The declaration regarding Compliance with the code of conduct as required under Clause 49 of the Listing Agreement with the Stock Exchange is appended to this report.

(D) Code of Conduct for prevention of Insider Trading

The Company has adopted a code of conduct for prevention of insider trading in accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992. The Company Secretary of the Company is the Compliance Officer. All the Directors and Senior Management Personnel and such other designated employees of the Company who are expected to have the access to unpublished price sensitive information relating to the Company are covered under the said code. The Directors, their relatives, senior management personnel, designated employees etc are restricted from purchasing, selling and dealing in the shares while being in possession of unpublished price sensitive information about the Company during certain prohibited periods.

1. Composition of Board Committees.

Audit Committee	Shareholders/Investors Grievance Committee	Remuneration and Nomination Committee	Risk Management Committee	Share Transfer Committee	Corporate Social Responsibility (CSR) Committee
Sri S.C.Mishra Chairman	Mr. Ramesh Dhandhanis Chairman	Mr. Ramesh Dhandhanis Chairman	Mr. Niraj Jalan	Sri Saravanan Asokan Chairman	It is not applicable to the company.
Mr. Ramesh Dhandhanis since then	Sri S. C. Mishra Member	Sri S.C.Mishra	Mr.VimalPrakash	Sri Mukti Kishore Sahoo - Member	
Sri Saravanan Asokan Member		Mr. S.Radhakrishnan	Mr. Saravanan Asokan		

**(E) Code of Conduct**

The Company has adopted a code of conduct for the Board of Directors of the same and senior management of the Company and all of them have affirmed compliances of the same.

(F) Whistle Blower Policy

The Company has formulated a whistle blower policy with a view to provide a mechanism for employees of the Company to approach the Chairman of Audit Committee. The Identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under the law. The functioning of the policy mechanism is reviewed audit committee on half yearly basis and by board on annual basis.

AUDIT COMMITTEE**A) Composition of the Audit Committee:**

The Company continued to derive immense benefit from the deliberations of the Audit Committee comprising of the following Independent Directors.

1. Sri S.C.Mishra , Chairman
2. Sri Ramesh Dhandhanania, Member
3. Sri Saravan Asokan
4. Smt. Bindu Jain

The Committee comprises of eminent professionals with expert knowledge in corporate finance. The Minutes of each audit committee meeting are placed before and discussed by the Board of Directors of the Company.

B) Meeting of Audit Committee

The Audit committee met four times during the year on 31-05-2015, 14-08-2015, 14-11-2015, & 13-02-2016.

Sl. No.	Name of the Member	Designation	Number of Meetings held	Number of Meetings attended
1	Sri S.C.Mishra	Chairman	4	4
2	Mr. Ramesh Dhandhanania	Member	4	4
3	Mr. S Asokan	Member	4	4
4	Mrs. Bindu Jain	Member	4	4

C) Powers of the Audit Committee

The powers of the Audit Committee include the following:

1. To investigate any activity within its terms of reference
2. To seek information from any employee
3. To obtain outside legal or other professional advice
4. To secure attendance of outsiders with relevant expertise, if it considers necessary

D) Function of Audit Committee

The role of the Audit committee includes the following

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.

2. Reviewing with the management, the annual financial statements before submission to the board for approval, with particular reference to :

(i) Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (2AA) of section 217 of the Companies Act, 1956.

(ii) Changes, if any, in accounting policies and practices and reasons for the same

(iii) Compliance with listing and other legal requirements relating to financial statements

(iv) Disclosure of any related party transactions

3. Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems.

4. Discussion with internal auditors any significant findings and follow up

5. Reviewing, the findings of any internal investigations by the internal auditors

6. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post – audit discussion to ascertain any area of concern.

7. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee

8. The Audit Committee shall mandatorily review the following



- i. Management discussion and analysis of financial condition and result of operation
- ii. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management.
- iii. Management letters/letters of internal control weakness issued by the statutory auditors;
- iv. Internal audit reports relating to internal control weaknesses;

Nomination & Remuneration Committee Policy

As laid down in sec 178 of the Companies Act 2013, every Listed Company and Companies having paid up Capital of more than 10 Crores, Turnover of more than 100 Crores or outstanding loan/ borrowing or debentures or deposits of more than 50 crores are required to form an Nomination & Remuneration Committee Policy comprising minimum three Non –Executive Directors of which majority should be Independent Directors . In the Company the Nomination & Remuneration Committee comprises of

- | | |
|---------------------------|------------------------|
| 1) Mr. Ramesh Dhandhanian | - Independent Director |
| 2) Mr. S C Mishra | - Independent Director |
| 3) Mr. S.Radhakrishnan | - Independent Director |

The Company is in Compliance of the same and the Committee oversees the following

a) To oversee the framing, review and implementation of Company's overall compensation structure and related policies on remuneration packages payable to the WTDs/ MD & CEO and other staff including performance linked incentives, perquisites etc. with a view to attracting, motivating and retaining employees and review compensation levels vis-à-vis other company's.

b) The committee shall work in close coordination with the Risk Management Committee of the Company's, in order to achieve effective alignment between remuneration

Details pertaining to constitution of the Committee and its terms of reference in brief to be provided

The key points of the Policy formulated by NRC on director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters as specified u/s 178(3) of the CA, 2013 to be disclosed. [Applicable only to Listed Companies and select public companies]

Listing Agreement Compliance:

- The Company shall disclose the criteria for performance evaluation as laid down by NRC, in the Board Report
- Further, Weblink of familiarization programme undertaken for IDs

SHAREHOLDERS / INVESTORS COMMITTEE :

A) SHARE TRANSFER COMMITTEE :-

The Share transfer Committee was constituted to deal with matters pertaining to Share Transfer /transmission, issue of duplicate Share Certificates, approving the split and consolidation request and other materials relating to transfer and registration of Shares.

The members of the committee are Sri Saravanan Asokan , Whole time Directors and Sri Mukti Kishore Sahoo, Deputy Manager Accounts . The Committee met on following occasions 14-11-2014 and 25-03-2016.

B) SHAREHOLDERS / INVESTORS GRIEVANCES COMMITTEE

The Shareholders/Investors Grievance Committee specifically looks into issues such as redressing of shareholders' and investors' complaints such as transfer of shares, ensuring expeditious redressal.

The Shareholders/Investors Grievance Committee reviews and redress all the grievances periodically and meets as and when required . The Company have not received any grievances during the financial year 2015-16.

This Committee comprises of the following two Directors.

- | | |
|------------------------|------------|
| Sri Ramesh Dhandhanian | - Chairman |
| Sri S. C.Mishra | - Member |

The Company Secretary is designated as the Compliance Officer.

During the period under review one meeting of the Committee was held on 25th of March 2016.

SUBSIDIARY COMPANIES

The company does not have any subsidiary/subsidiaries within the meaning of the Companies act, 2013.

RISK MANAGEMENT

A statement indicating the development and implementation of the risk management policy of the company, identifying the elements of risks, if any, which in the opinion of the board, may threaten the existence of the company.



Moreover, in case the Company has constituted a risk management committee, then the constitution and the terms of reference of the same to be disclosed. The Risk Management Committee Comprises of :-
Mr. Niraj Jalan , Mr. Vimal Prakash and Mr. Saravanan Asokan.

DISCLOSURES

(A) Related Party Transactions

There were no materially significant related party transactions, pecuniary transaction or relationships between the Company and its directors, promoters or the management that may have potential conflict with the interest of the Company at large except the details of transactions disclosed in Point no.8 of note 24 on accounts forming part of the Accounts as required under Accounting Standard 18 of the Institute of Chartered Accountants of India, and all related party transactions are negotiated on an arms length basis.

All details relating to financial and commercial transactions, where directors may have potential interest are provided to the Board and the interested Directors neither participated in the discussion nor do they vote in such matters. The Audit Committee of the Company also reviews related party transactions periodically.

(B) Disclosure of Accounting Treatment

The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India and in preparation of financial statements, the Company has not adopted a treatment different from that prescribed in any Accounting Standard.

(C) Management

The Management's Discussion and Analysis Report is appended to this report.

(D) Directors

Disclosures regarding appointment or re-appointment of Directors

As per the Companies Act, 1956 atleast 2/3rd of the Board should consist of retiring Directors, of these at least 1/3rd are required to retire every year.

Directors are liable to retire by rotation as per the provisions of the Companies Act, 2013. Mr. Vimal Prakash and Mr. Vijay Kumar Agrawal Directors will retire at the ensuing Annual General Meeting and being eligible offers themselves for re appointment.

(E) Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

Their where no case or incident under the said act .

(F) Communication to shareholders

The unaudited quarterly/ half yearly financial statements are announced within forty five days of the end of the quarter. The aforesaid financial statements are taken on record by the Board of Directors and are communicated to the stock exchange where the shares of the company are listed. Once the stock exchange have been intimated these results are to be published within 48 hours in two leading newspaper – One in English and one in Oriya.

The audited annual results are announced with in two months from the end of the last quarter as stipulated under the Listing Agreement with the Stock Exchange.

(G) Investors' Grievances and Share Transfer

As mentioned earlier, the Company has a Board-level Investors Grievance Committee to examine and redress shareholders and investors' complaints. The status on complaints and share transfers is reported to the Committee.

For matters regarding shares transferred in physical form, share certificates, change of address etc shareholders should send in their communications to S K Infosolutions Pvt.Ltd our registrar and share transfer agent. Their address is given in the section on shareholder information.

(H) Details of Non- Compliances

The company is regular in compliant to statutory rules and regulations and no penalties or strictures have imposed on the Company by the Stock Exchange or SEBI or any statutory authority, on any matter related to Capital Markets, during the last three years. But due to in accessibility to its factory and records the Company was not able to comply with Clause 41 and hence pursuance to SEBI circular no. CIR/MRD/DSA/31/13 dated 30th September, 2013 actions have been initiated by Bombay Stock Exchange Limited against the same actions have been taken at Honourable High Court of Kolkata . The Court in its order dates 23th July 2015 , asked the Company to move to Securities Appellate Tribunal.

**(I) General Body Meetings**

The location, date and time of Annual General Meetings held during the preceding three years are given below:

Year	Venue	Day & Date	Time
2011-12	Hotel Sun Green	Friday , 28th September 2012	12:30 PM
2012-13	Hotel Sun Green	Friday, 20th September, 2013	12:30 PM
2013-14	Hotel Pushpak	Tuesday, 30th June, 2015	12:30PM
2014-15	Hotel Pushpak	Tuesday 22nd September 2015	12.30 PM

(J) Postal Ballots

During the year there were no ordinary or special resolutions passed by the members through Postal Ballot.

(K) Proceeds from public Issue/ Preferential Allotment

During the year under review there was no issue brought out by the Company.

(L) Remuneration Policy

The Company is paying only to Professional Director Mr. Saravana Asokan as a part of his yearly emolument as approved by Share Holders, other directors are not paid.

V. CEO/CFO Certification

As required by clause 49 of the Listing Agreement, the certificate from Sri S.Asokan , Chief Executive Officer , was placed before the Board of Directors at their meeting held on 13th August 2016.

VI. Compliance with Corporate Governance Norms**(i) Mandatory Requirements**

The Company has complied with all the mandatory requirements of Corporate Governance norms as enumerated in clause 49 of the Listing Agreement with the Stock Exchange.

VII. Auditors Report on Corporate Governance

As required by clause 49 of the Listing Agreement, the auditors' certificate is given as an annexure to the Directors Report

4. MEANS OF COMMUNICATION:**a) Financial Results :-**

The impact of labour problem over the past two years has haunted your company's operation during the year under review. However the management is working hard to regain the confidence of its set of customers. Continues efforts are being made to further increase the momentum.

b) Other information:

The Company has email address cs@nilachal.in to interface with the investors.

c) Management's Discussion and Analysis Report:

The Management's Discussion and Analysis report forms part of the Annual Report.

5. GENERAL SHAREHOLDERS' INFORMATION:

a) AGM: Date, Time & Venue – 28th September, 2016 at 12:30 P.M.

'Hotel Pushpak, Bhubaneswar'.

As required under clause 49IV(G)(i), particulars of Directors seeking appointment/re- appointment are given in the Notice of the Annual General Meeting to be held on 28th September, 2016.

b) Financial Year Calendar for 2016-17 (Tentative)

Results for the quarter ending 30th June, 2016	August, 2016
Results for the quarter ending 30th September, 2016	November, 2016
Results for the quarter ending 31st December, 2016	February, 2017
Results for the quarter ending 31st March, 2017	May, 2017

c) Date of Book Closure:

The books will be closed for the Annual General Meeting from 22nd September, 2016 to 28th September, 2016 (both days inclusive).

d) Dividend Payment :-

No dividend is recommended by the Board of Directors for the year.



e) Listing on Stock Exchanges:

The Company's equity Shares are listed on the Stock Exchange located at Mumbai and Kolkata

The Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers
Dalal Street , Mumbai – 400 001

The Calcutta Stock Exchange Association. Limited
7, Lyons Range
Kolkata – 700 001

ISIN No. of company's equity Shares in Demat Form

INE416N01013

Depositories Connectivity

With Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL)

f) Stock Code:

The Calcutta Stock Exchange Association Limited - 19120
The Bombay Stock Exchange Limited - 502294

g) Registrar and Transfer Agent:

Physical & Demat: S K infosolutions Pvt.Ltd
34/1A Sudhir Chatterjee Street
Kolkata – 700 006

Share Transfer System: All the shares are being transferred and returned within 15 days from the date of receipt, so long as the documents have been cleared in all respect.

h) Distribution of Shareholding as at 31st March 2016

(i) According to Category of Holding:

Shareholders	No. of Shares	%	No. of Shares	%	No of Shares	%
Promoters	14377616	70.61	14377616	70.61	14378116	70.71
Financial Institutions	50000	0.25	50000	0.25	50000	0.25
Private Corporate Bodies (Excluding Promoters)	1702215	8.30	1703735	8.37	1703326	8.37
Public	4231619	20.78	4230099	20.77	4230008	20.77
Total	20361450	100	20361450	100	20361450	100

(ii) According to Number of Shares held: 31-03-2016

Shareholding Range	No. of shareholders	% of Shareholders	No. of shares	% of Shareholding
1-500	2936	95.23	316972	1.56
501-10,00	84	2.73	64604	0.32
1001-2000	21	0.68	30350	0.15
2001-3000	1	0.03	2050	0.01
3001-4000	1	0.03	3250	0.02
4001-5000	-	-	-	-
5001-10000	-	-	-	-
10001 and above	40	1.30	19944224	97.94
Total	3083	100.00	20361450	100.00

i) Dematerialisation of Shares: As stated earlier, the Company's shares are listed on the Stock Exchange. As per the SEBI notifications, trading in Company's shares has been made compulsorily in dematerialised form w.e.f. 26th December,



2000 and Company's Registrar & Transfer Agent have established connectivity with NSDL & CDSL. But Subsequent to lock out being declared and company not able to comply with requirements of listing agreement, the Company's Scrip has been suspended for trading on BSE w.e.f 28th Nov 2014 and aggrieved by the order the Company has filed a writ petition against the same in Honorable High Court Of Calcutta. Pursuant to hearing of the same the Honorable Court ordered to Move to Securities Appellate Tribunal.

j) Address for Correspondence Nilachal Refractories Limited
Registered Office : Plot No- P598/599 , Kedarnath Apartment, Mahabir Nagar
Lewis Road , Bhubaneswar-751 002

Odisha

k) Plant Location: Nilachal Refractories Limited ,
Ipitata Nagar , Dhenkanal 759 013

Odisha

CEO/CFO CERTIFICATION TO THE BOARD

To the Board of Directors
Nilachal Refractories Limited

Pursuant to the provisions of Clause 49(V) of the Listing Agreement, I, S.Asokan, Chief Executive Officer hereby certify that

(a) I have reviewed the Financial Statement, and the Cash Flow Statement for the year 2015-2016 and that to the best of our knowledge and belief;

(i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) these statements present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.

(c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that i have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and there have been no deficiencies in the design or operation of such internal control.

(d) I have indicated to the Auditors and the Audit Committee:

(i) significant changes in internal control over financial reporting during the year;

(ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Yours Sincerely

Place : Kolkata
Dated : 13.08.2016

S.Asokan
(Chief Executive Officer)



Auditors Certificate on Compliance with the Condition of Corporate Governance under Clause 49 of the Listing Agreement

To the members of
Nilachal Refractories Limited

We have examined the compliance of conditions of corporate governance by **Nilachal Refractories LIMITED** ("the Company") for the year ended 31st March, 2014, as stipulated in clause 49 of the Listing Agreement entered into by the Company with the stock exchange.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination has been limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of our information and according to the explanations given to us and the representation made by the Directors and the management, we certify that the Company has Complied with the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement.

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

For P. Mukhopadhyay & Co.

Chartered Accountants

Registration No. 302085E

Subhas Mukhopadhyay

Partner

Membership No. - 050384

Kolkata,

To

The Board of Directors

Nilachal Refractories Limited

Bhubaneswar: 751014, Odisha

Dear Sir(s)

I do hereby certify that all the members of the Board of the Directors of the Company and the senior management personnel (incl. Key Managerial Personnel) have affirmed their compliance with the code of conduct laid down by the Board of the Directors.

Further all Board Members and Core Management Personnel of the Company are adhering Code of Conduct for Prevention of Insider Trading under the Securities and Exchange Board of India (Prevention of Insider Trading) Regulations, 2015 and also in compliance of Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, under the Securities and Exchange Board of India (Prevention of Insider Trading) Regulations, 2015.

This certificate is given in compliance with the requirements of the Clause 49 of the listing agreement entered into with the Stock Exchanges.

Dated : 13.08.2016

Place : Kolkata

S. Asokan

CEO & Whole time Director



P. MUKHOPADHYAY & CO.,

CHARTERED ACCOUNTANTS

12-B, NETAJI SUBHAS ROAD, KOLKATA – 700001 PHONE 22309285, 22428856

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NILACHAL REFRACTORIES LTD

Report on the Financial Statement

We have audited the accompanying financial statements of Nilachal Refractories Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2016, 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 matter stated in section 134 sub section 5 of the Companies Act 2013 ("the Act") with respect to 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone 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 there under and the order under section 143(11) of the Act.

We conducted our audit of the standalone financial statement 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. 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 standalone financial statements

Basis for Qualified Opinion

1. 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.
2. The company has made provision for gratuity and leave 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 aforesaid standalone 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 2016
- 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, 2016 ("the Order") issued by the Central Government of India in terms of 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 consider appropriate and according to the information and explanations given to us, we give in the Annexure "A", 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 purpose 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, as applicable 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 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and the operating effectiveness of such controls, referred to our separate report in the Annexure "B".
- (g) 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 disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 9 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which they were any material foreseeable losses and
 - iii. There is no amount which was required to be transferred, to the Investor Education and Protection Fund by the Company.

For P Mukhopadhyay & Co.

Chartered Accountants
Registration No.- 302085E

Subhas Mukhopadhyay

Partner
Membership No.- 050384



Annexure "A" to the Independent Auditors' Report of Nilachal Refractories Ltd.

The Annexure referred to in Paragraph 1 under 'report on other legal and regulatory requirements' section of our report of even date to In our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2016, we report that:

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

(b) The fixed assets have been physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us we report that, the title deed, comprising all the immovable properties of land and building which are freehold, are mortgaged with the lenders and confirmation is obtained from them and from the documents verified by us, it is held in the erstwhile name of the company as at the Balance Sheet date. In respect of immovable properties of self constructed buildings on leasehold land which are disclosed as fixed assets in the financial statements, are mortgaged with the lenders and confirmation is obtained from them and from the documents verified by us, the land lease agreement is in the erstwhile name of Company, where the company is the lessee in the agreement.

(ii) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on physical verifications.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) The Company has not granted any loans, made investments or provided guarantee and hence reporting under clause (iv) of the CARO 2016 is not applicable.

(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) According to the information and explanations given to us in respect of statutory dues :

(a) The company has been regular in depositing undisputed statutory dues, including provident fund, employee state insurance, income tax, sales tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it to the appropriate authorities. There have been few instances of delayed deposit.

(b) There were no undisputed amount payable in respect of provident fund, employee state insurance, income tax, sales tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues in arrears as on 31st March 2016 for period of more than six months from the date they became payable.

(c) 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:

Name of statutes (nature of dues)	Forum where dispute is pending	Period to which the amount relates	Amount involved Rs.in lakhs	Amount unpaid Rs.in lakhs
Sales Tax	Additional Commissioner of Sales Tax, Central Zone, Orissa, Cuttack (Sales Tax)	1999-00 to 2001 - 02	72.18	72.18
Entry Tax	Additional Commissioner of Commercial Taxes, Range -II, Orissa, Cuttack (Entry Tax)	2001-02	3.38	3.38
Entry Tax	Joint Commissioner of Commercial Tax, Angul Range, Angul, Orissa, (Entry Tax)	2002-03	0.79	0.79
Sales Tax	Joint Commissioner of Commercial Taxes, Angul Range, Angul, Orissa, (sales Tax)	2002-03	24.10	24.10

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions, bank and Government.

(ix) The company has not raised money by way of initial public offer or further public offer of equity shares, convertible securities and debt securities hence reporting under clause (ix) of the CARO 2016 order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and the explanations given to us, the company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.

(xiii) In our opinion and according to the information and the explanations given to us, the company is in compliance with section 188 and 177 of the Companies Act 2013, where applicable, for all transaction with the related parties and the details of related party transaction have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) During the year the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the company.

(xv) In our opinion and according to the information and the explanations given to us, during the year the company has not entered into any non cash transactions with its directors or persons connected with him and hence provisions section 192 of the Companies Act 2013 are not applicable.



(xvi) The company is not required to be registered under section 45-I of the Reserve Bank of India Act 1934.

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

Subhas Mukhopadhyay
Partner
Membership number: 050384



Anneuxure B to the Independent Auditors's Report of Even Date on the Financial Statements of Nilachal Refractories Limited
Reports on Internal Financial Controls Over Financial Reporting under Clause (i) of Sub section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Nilachal Refractories Limited ("The Company") as of 31st March 2016 in conjunction with our audit of the standalone financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of the internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of Internal Financial Control. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For P. Mukhopadhyay and Co.
Chartered Accountants
(Firm's Registration No. 302085E)

Subhas Mukhopadhyay
Membership No 050384
(Partner)

Date : 27th May 2016
Place: Kolkata



NILACHAL REFRACTORIES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2016

	Particulars	Note No.	As at		As at
A	EQUITY AND LIABILITIES		31st March, 2016 Rs.₹		31st March, 2015 Rs.₹
1	Shareholders' Funds				
	(a) Share Capital	2	39,73,31,600	39,73,31,600	
	(b) Reserves and Surplus	3	(-8,96,85,484)	(-4,21,41,770)	35,51,89,830
2	Non-Current Liabilities				
	(a) Long-Term Borrowings	4	-	84,540	
	(b) Other Long-Term Liabilities	5	17,32,982	17,52,222	18,36,762
3	Current Liabilities				
	(a) Short-Term Borrowings	6	20,98,98,904	19,12,51,550	
	(b) Trade Payables	7	8,65,85,809	8,71,01,270	
	(c) Other Current Liabilities	8	3,80,82,451	3,54,34,165	31,37,86,985
	TOTAL		64,39,46,262		67,08,13,577
B	ASSETS				
1	Non-Current Assets				
	(a) Fixed Assets				
	(i) Tangible Assets	9	9,90,21,169	9,90,15,065	
	(ii) CWIP		31,47,03,511	31,47,03,511	
	(c) Deferred Tax Assets (Net)		3,25,67,768	4,66,98,236	
	(c) Long-Term Loans and Advances	10	99,19,568	98,29,057	
	(d) Other Non Current Assets	11	3,51,231	2,88,443	47,05,34,312
2	Current Assets				
	(a) Inventories	12	13,93,85,473	14,31,33,000	
	(b) Trade Receivables	13	4,01,41,500	4,78,71,581	
	(c) Cash and Cash Equivalents	14	11,44,939	15,44,134	
	(d) Short-Term Loans and Advances	15	67,11,103	77,30,550	20,02,79,265
	TOTAL		64,39,46,262		67,08,13,577
	<i>Summary of significant accounting policies</i>	1			

The accompanying notes are an integral part of the financial statements.

For and on behalf of the Board of Directors

As per our Report of even date

For P Mukhopadhyay & Co.
Firm Registration No. 302085E
Chartered Accountants

(Subhas Mukhopadhyay)
(Partner)
(M. No. 050384)

Vimal Prakash
Director
DIN : 00174915

Place: Kolkata
Date: 27/05/2016

Saravanan Asokan
Whole Time Director
DIN : 07019583

Niraj Jalan
Director
DIN : 00551970



NILACHAL REFRACTORIES LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

	Particulars	Note No.	For the year Ended 31st, March, 2016 Rs.₹		For the year Ended 31st, March, 2015 Rs.₹	
	CONTINUING OPERATIONS					
I.	Revenue from operations					
	Sale of Products	16	49,85,685		84,80,194	
	Less : Excise Duty		2,79,961	47,05,724	1,70,553	83,09,641
II.	Other Income	17		29,20,580		12,00,695
III.	Total Revenue (I + II)			76,26,304		95,10,336
IV.	Expenses:					
	(a) Cost of Material Consumed / Sold	18		23,18,826		-
	(b) Purchase of Stock (Increase)/ Decrease in	19		-		14,85,289
	(c) Inventories of Finished Goods and Work-in-Progress	20		14,74,793		4,13,170
	(d) Employee Benefits Expense	21		29,41,240		33,98,510
	(e) Finance costs	22		1,74,63,757		2,12,87,965
	(f) Depreciation and amortization expense	9		-		-
	(g) Other expenses	23		1,68,40,934		1,46,21,895
	Total Expenses			4,10,39,550		4,12,06,829
V.	Profit / (Loss) before Tax			(-3,34,13,246)		(-3,16,96,493)
VI.	Tax Expenses					
	(a) Tax Adjustments for Earlier years			-	2,61,528	
	(b) Current Tax			-	-	
	(c) Deferred Tax		1,41,30,468	1,41,30,468	(-1,24,89,324)	(-1,22,27,796)
VII.	Profit/(Loss) for the Period			(-4,75,43,714)		(-1,94,68,697)
VIII.	Earning per Equity Share (Nominal Value of Share Rs.10/-)					
	(a) Basic	24.9		(-2.33)		(-0.96)
	(b) Diluted	24.9		(-2.33)		(-0.96)

The accompanying notes are an integral part of the financial statements

For and on behalf of the Board of Directors

As per our Report of even date

For P Mukhopadhyay & Co.
Firm Registration No. 302085E
Chartered Accountants

Vimal Prakash
Director
DIN : 00174915

(Subhas Mukhopadhyay)
(Partner)
(M. No. 050384)

Saravanan Asokan
Whole Time Director
DIN : 07019583

Niraj Jalan
Director
DIN : 00551970

Place: Kolkata
Date: 27/05/2016



NILACHAL REFRACTORIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

	For the Year 2015-16	For the Year 2014-15
A. Cash Flow from operating Activities		
Net Profit/(Loss) before tax	(3,34,13,246)	(3,16,96,493)
Adjustment for :		
Depreciation	-	-
Interest Received	(2,35,309)	(3,92,458)
Interest Paid	1,74,63,757	2,12,87,965
	1,72,28,448	2,08,95,507
Operating Profit before working Capital Changes	(1,61,84,798)	(1,08,00,986)
Adjustment for :		
Decrease/ (increase) in trade and other Receivable	77,30,081	48,19,556
Decrease/ (increase) in Loans and Advances (Excluding Income Tax)	6,47,023	(6,73,444)
Decrease/ (increase) in Inventories	37,47,527	18,07,881
(Decrease)/ increase in Trade and other payables including Deposits	21,13,585	(1,80,55,620)
	1,42,38,216	(1,21,01,627)
Cash Generated from Operations	(19,46,582)	(2,29,02,613)
Taxes (Paid)/ Refund	2,19,125	(2,56,383)
Prior Period Income	-	-
Net Cash (used)/ from operating Activities	(17,27,457)	(2,31,58,996)
B. Cash Flow from Investing Activities		
Purchase of fixed assets	(6,604)	-
Sale of Fixed Assets	500	-
Capital Work in Progress	-	-
Interest Received	2,35,309	3,92,458
Net Cash (used)/ from Investing Activities	2,29,205	3,92,458
C. Cash Flow from Financing Activities		
Secured Loan Recd/ (paid)	(1,89,59,264)	(56,219)
Unsecured Loan (Repaid)/Received	3,75,22,078	4,42,45,341
Interest Paid	(1,74,63,757)	(2,12,87,965)
Dividend Paid (includes Tax paid on Dividend)	-	-
Net Cash (used)/ from Financing Activities	10,99,057	2,29,01,157
Net Increase/ (decrease) in Cash and Cash equivalents (A+B+C)	(3,99,195)	1,34,619
Opening Cash and Cash equivalents	15,44,134	14,09,515
Closing Cash and Cash equivalents	11,44,939	15,44,134

As per our Report of even date

For and on behalf of the Board of Directors

For P Mukhopadhyay & Co.
Firm Registration No. 302085E
Chartered Accountants

(Subhas Mukhopadhyay)
(Partner)
(M. No. 050384)

Place: Kolkata
Date: 27/05/2016

Saravanan Asokan
Whole Time Director
DIN : 07019583

Vimal Prakash
Director
DIN : 00174915

Niraj Jalan
Director
DIN : 00551970



NILACHAL REFRACTORIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2016

Note 2 : SHARE CAPITAL		as at 31st Mar 2016		as at 31st Mar 2015	
		No. of Share	Rs. ₹	No. of Share	Rs. ₹
(A) Capital Structure					
Authorised					
Equity Shares of Rs.10/- each	2,95,00,000	29,50,00,000	2,95,00,000	29,50,00,000	
11% Redeemable Cumulative Preference Shares of Rs. 100/- each	15,000	15,00,000	15,000	15,00,000	
0% Redeemable Preference Shares of Rs. 100/- each	19,35,000	19,35,00,000	19,35,000	19,35,00,000	
		49,00,00,000		49,00,00,000	
Issued					
Equity Shares of Rs.10/- each	2,04,00,000	20,40,00,000	2,04,00,000	20,40,00,000	
11% Redeemable Cumulative Preference Shares Rs. 100/- each	15,000	15,00,000	15,000	15,00,000	
0% Redeemable Preference Shares of Rs. 100/- each	19,22,191	19,22,19,100	19,22,191	19,22,19,100	
		39,77,19,100		39,77,19,100	
Subscribed & Paid up					
Equity Shares of Rs.10/- each fully paid up	2,03,61,450	20,36,14,500	2,03,61,450	20,36,14,500	
11% Redeemable Cumulative Preference Shares Rs. 100/- each fully paid up	14,980	14,98,000	14,980	14,98,000	
0% Redeemable Preference Shares of Rs. 100/- each fully paid up	19,22,191	19,22,19,100	19,22,191	19,22,19,100	
		39,73,31,600		39,73,31,600	
(B) Share Capital Reconciliation					
Equity Shares At the beginning of the period	2,04,00,000	20,40,00,000	2,04,00,000	20,40,00,000	
Issued during the period	-	-	-	-	
Outstanding at the end of the period	2,04,00,000	20,40,00,000	2,04,00,000	20,40,00,000	
11% Redem.Cum.Preference Share At the beginning of the period	15,000	15,00,000	15,000	15,00,000	
Issued during the period	-	-	-	-	
Outstanding at the end of the period	15,000	15,00,000	15,000	15,00,000	
0% Redem.Preference Share At the beginning of the period	19,22,191	19,22,19,100	19,22,191	19,22,19,100	
Issued during the period	-	-	-	-	
Outstanding at the end of the period	19,22,191	19,22,19,100	19,22,191	19,22,19,100	

(c) Particulars of Equity Shareholders holding more than 5% Shares at Balance Sheet date Equity Shares of Rs.10/- each fully paid

	as at 31st Mar 2016		as at 31st Mar 2015	
	Nos.	% holding in the Class	Nos.	% holding in the Class
Unimark International Pvt.Ltd	57,69,086	28.33	57,69,086	28.33
Season Trading & Investment Pvt.Ltd	15,00,000	7.37	15,00,000	7.37
Sushil Kumar Agarwal	12,18,000	5.98	12,18,000	5.98
Vijay Kumar Agarwal	12,18,000	5.98	12,18,000	5.98
Eynthia Tie-up Pvt.Ltd	17,00,000	8.35	17,00,000	8.35



(d) Particulars of Preference Shareholders holding more than 5% Shares at Balance Sheet date 11% Redeemable Preference Share of Rs 100/- fully paid up

	As at 31st March 2016		As at 31st March 2015	
	Nos.	% holding in the Class	Nos.	% holding in the Class
General Insurance Corporation of India	5,000	33.38	5,000	33.38
National Insurance Co. Ltd	5,000	33.38	5,000	33.38
United India Insurance Co. Ltd	4,855	32.41	4,855	32.41

(e) Particulars of Preference Shareholders holding more than 5% Shares at Balance Sheet date 0% Redeemable Cumulative Preference Share of Rs 100/- fully paid up

	As at 31st March 2016		As at 31st March 2015	
	Nos.	% holding in the Class	Nos.	% holding in the Class
Chetna Distributors Pvt Ltd	1,00,000	5.20	1,00,000	5.20
Eynthia Tie Up Pvt Ltd	2,83,936	14.77	2,83,936	14.77
Unimark International Pvt.Ltd	3,30,000	17.17	3,30,000	17.17
Ganpati Industrial Pvt.Ltd.	3,02,276	15.73	3,02,276	15.73
Ganpati RV Tallers Algeria Track Pvt.Ltd	3,80,280	19.78	3,80,280	19.78
Rudraksh Belcom Pvt. Ltd	1,62,627	8.46	1,62,627	8.46

(D) The rights, preference and restrictions including restrictions on the distribution of dividends and the repayment of capital :

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

3. RESERVES & SURPLUS	As at 31st March 2016		As at 31st March 2015	
	RS. ₹	RS. ₹	RS. ₹	RS. ₹
(a) Central Subsidy				
Balance as per last financial statements	15,00,000		15,00,000	
Add :- Additions / Transfers during the year	-		-	
Less :- Utilisation/ Transferred during the year	-	15,00,000	-	15,00,000
(b) Share Premium				
Balance as per last financial statements	13,50,00,000		13,50,00,000	
Add :- Additions / Transfers during the year	-		-	
Less :- Utilisation/ Transferred during the year	-	13,50,00,000	-	13,50,00,000
(c) Share Forfeiture Money (38550 Equity Shares)				
Balance as per last financial statements	1,20,125		1,20,125	
Add :- Additions / Transfers during the year	-		-	
Less :- Utilisation/ Transferred during the year	-		-	
(d) Surplus/(Deficit) in the statement of Profit and Loss		1,20,125		1,20,125
Balance as per last financial statements	(17,87,61,895)		(15,92,93,198)	
Add : Profit/Loss for the year	(4,75,43,714)		(1,94,68,697)	
Less : Provisions/ Adjustments	-	(22,63,05,609)	-	(17,87,61,895)
Total Reserves & Surplus		8,98,85,484		4,21,41,770



4	Long-Term Borrowings	Non-current portion		Current Maturities	
	Term Loans:	31-Mar-16 Rs. ₹	31-Mar-15 Rs. ₹	31-Mar-16 Rs. ₹	31-Mar-15 Rs. ₹
	Secured				
	From Canara Bank				
	Finance Lease Obligation	-	84,540	-	4,01,160
	Sub Total	-	84,540	-	4,01,160
	Amount disclosed under the head				
	Other Current Liabilities (Note 6)	-	-	-	4,01,160
	Total	-	84,540	-	-
	Terms of Repayment and Security :- Long Term maturities of Finance Lease Obligations of Canara Bank, Payable in equated monthly installment				
5	Other Long Term Liabilities		31-Mar-16	31-Mar-15	
			Rs. ₹		Rs. ₹
	Trade / Security Deposits		1,00,868		1,00,868
	Provision on Leave encashment & Gratuity Payable		16,32,114		16,51,354
			17,32,982		17,52,222
6	Short Term Borrowings				
	Secured				
	Cash Credit Limit From Canara Bank	7,27,74,886		9,12,48,450	
	Finance Lease Obligation - Current Maturities	-	7,27,74,886	4,01,160	9,16,49,610
	Unsecured Loans				
	Loan Repayable on Demand from Related Parties		13,71,24,018		9,96,01,940
			20,98,98,904		19,12,51,550

Notes :- (1) Security :- Loan Repayable on Demand from Canara Bank (Cash Credit) is Secured by Book Debt, hypothecation of stock, first charge on the fixed assets of the company both present and future and personal guarantee of the directors.

(2) Details of terms of repayment for the other short term borrowings.

	Particulars	31-Mar-16 Rs. ₹	31-Mar-16 Rs. ₹	31-Mar-15 Rs. ₹	31-Mar-15 Rs. ₹
	Loan Repayable On Demand	Secured	Unsecured	Secured	Unsecured
	Ambarella Cap Fin Private Limited	-	29,33,997	-	-
	Bhumika Vintrade Pvt. Ltd.	-	1,18,00,000	-	1,18,00,000
	Capricorn Complex Pvt. Ltd.	-	40,00,000	-	40,00,000
	Doon Vally Finance And Leasing Ltd.	-	32,50,000	-	-
	Metropolitan Commercial (P) Ltd	-	37,00,000	-	-
	P P Supplier & Agencies Pvt Ltd	-	1,26,01,940	-	13,01,940
	Pushpak Dealcom Pvt. Ltd	-	28,50,000	-	26,00,000
	Think Finance Pvt Ltd	-	4,62,13,081	-	-
	Subhankar Mercantile Pvt. Ltd	-	24,00,000	-	24,00,000
	Vimal Prakash	-	4,73,75,000	-	7,75,00,000
		-	13,71,24,018	-	9,96,01,940
7	Trade payables				
	Trade payables :-				
	Other than acceptances Micro, Small and Medium Enterprises others		8,65,85,809		8,71,01,270
8	Other Current Liabilities				
	(a) Other payables				
	(i) Statutory remittances	1,84,245		2,83,339	
	(ii) Advance from customers	3,38,94,609		3,14,77,663	
	(iv) Others - Bank Overdraft (Book)	-	3,40,78,854	78,629	3,18,39,631
	(b) Creditors for Capital Work-in-Progress		40,03,597		35,94,534
			3,80,82,451		3,54,34,165



9. FIXED ASSETS:

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
Description of Assets	As at 1st April 2015	Additions during the year	Sales/ Adjustment during the year	As at 31st March 2016	As at 31st March 2015	Provided during the year	Deduction Sales Adjustment	As at 31st March 2016	Net Value of Assets as at 31.03.2016	Net Value of Assets as at 31.03.2015
A. TANGIBLE ASSETS	Rs. ₹	Rs. ₹	Rs. ₹	Rs. ₹	Rs. ₹	Rs. ₹	Rs. ₹	Rs. ₹	Rs. ₹	Rs. ₹
LAND (Freehold)	18,46,851	-	-	18,46,851	-	-	-	-	18,46,851	18,46,851
LAND (Leasehold) *	1,55,000	-	-	1,55,000	-	-	-	-	1,55,000	1,55,000
BUILDINGS	2,06,19,700	-	-	2,06,19,700	1,45,05,320	-	-	1,45,05,320	61,14,380	61,14,380
PLANT & MACHINERIES	15,44,89,105	6,604	13,05,655	15,31,90,854	6,66,22,864	-	13,05,155	6,53,17,709	8,78,72,345	8,78,66,241
FURNITURE & FITTINGS	61,17,126	-	-	61,17,126	52,29,814	-	-	52,29,814	8,87,312	8,87,312
VEHICLES	64,16,789	-	-	64,16,789	42,71,508	-	-	42,71,508	21,45,281	21,45,281
TOTAL:	18,96,44,571	6,604	13,05,655	18,83,45,520	9,06,29,506	-	13,05,155	8,93,24,351	9,90,21,169	9,90,15,065
Previous Year figures	18,96,44,571	-	-	18,96,44,571	9,06,29,506	-	-	9,06,29,506	9,90,15,065	-
B. Capital Work in Progress	31,47,03,511	-	-	31,47,03,511	-	-	-	-	31,47,03,511	31,47,03,511
Previous Year figures	31,47,03,511	-	-	31,47,03,511	-	-	-	-	31,47,03,511	-

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

		31-Mar-16		31-Mar-15	
10.	Long Term Loans & advances (Unsecured, Considered good)	Rs. ₹	Rs. ₹	Rs. ₹	Rs. ₹
	Advances For Capital Goods		75,42,980		73,80,469
	Security Deposit		22,41,622		23,13,622
	Advances recoverable in cash or kind				
	Considered Good		1,34,966		1,34,966
			99,19,568		98,29,057
11.	Loans & Advances Other Non-Current Assets				
	(i) Interest accrued on deposits		2,89,342		2,26,554
	(ii) Compensation on Land Acquired		61,889		61,889
			3,51,231		2,88,443

Note :- 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, 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.

12.	Inventories (As taken, valued and certified by the management)	Rs. ₹	Rs. ₹	Rs. ₹	Rs. ₹
	Stock of Stores and Spare Parts (At Cost)		29,96,092		29,96,092
	Stock of Packing Material (At Cost)		22,76,485		22,30,393
	Stock of By Products (At Net Realisable Value)		2,73,700		2,73,700
	Stock of Raw Material (At Cost)		1,32,11,371		1,55,30,197
	Stock of Finished Goods		7,90,65,578		8,03,38,826
	(At Lower of Cost or Net Realisable Value)				
	Stock of Work in Progress (At Cost)				
	Refractories Brick		4,15,62,247		4,17,63,792
			13,93,85,473		14,31,33,000



13. Trade Receivables:

(Unsecured, Considered good)	Rs. ₹	Rs. ₹	Rs. ₹	Rs. ₹
Outstanding for a period exceeding six months	4,11,44,037		4,71,88,346	
Less: Provision for doubtful advances	(10,02,537)	4,01,41,500	(10,02,537)	4,61,85,809
Other debts		-		16,85,772
		4,01,41,500		4,78,71,581

Note :- 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 :- (a) Jekay International Track (P) Ltd. Current Year Rs. 2,87,163/- (Previous year Rs. 2,87,163/-) (b) Jiwanram Sheoduttrai Pvt Ltd. Rs. 26,600/- (Previous Year Rs. 26,600/-)

14. Cash and Cash Equivalents	Rs. ₹	Rs. ₹	Rs. ₹	Rs. ₹
Cash in hand		10,915		1,05,813
Balances with banks				
- in current accounts	2,16,818		2,37,256	
- in EEFC account	2,78,804		5,62,663	
- in deposit account	6,38,402	11,34,024	6,38,402	14,38,321
		11,44,939		15,44,134

Notes :- Balances with banks include deposits amounting to Rs 3,44,652/- as margin monies.

	31-Mar-16		31-Mar-15	
15. Short Term, Loans & Advances (Unsecured, Considered good)	Rs. ₹	Rs. ₹	Rs. ₹	Rs. ₹
Security Deposit		50,000		50,000
Loans and advances to employees	5,31,395		8,39,803	
Less : Provision for doubtful advances	(91,049)	4,40,346	(91,049)	7,48,754
Prepaid Expenses		58,978		1,84,190
Advance to creditors		1,02,732		3,08,939
Balance with statutory / government authorities				
(i) Sales Tax Recoverable	12,58,441		12,58,441	
(ii) Cenvat credit receivable	24,46,797		25,96,440	
(iii) VAT tax credit receivable	2,02,507		2,03,769	
(iv) Export Benefit Receivable	18,82,307		18,92,307	
(v) Income Tax Refundable	1,46,000		3,65,526	
(vi) Advance Payment of Income Tax	1,22,585		1,22,184	
(vii) Entry Tax Receivable	410	60,59,047	-	64,38,667
		67,11,103		77,30,550

Notes :- 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.

16. Revenue from operations	Rs. ₹	Rs. ₹	Rs. ₹	Rs. ₹
Sale of Products				
Sales of Manufactured Goods				
Refractory Bricks	34,90,877		21,59,507	
Castables & Monolithic	6,00,000		-	
Coal Tar	-		2,69,194	
	40,90,877		24,28,701	
Sales of Traded Goods				
Refractory Bricks & Castables	-	40,90,877	26,01,095	50,29,796
Other Operating Revenue				
Sales of Scrap		8,94,808		34,50,398
		49,85,685		84,80,194
Less : Excise Duty		2,79,961		1,70,553
		47,05,724		83,09,641



17.	Other income	31-Mar-16		31-Mar-15	
		Rs. ₹	Rs. ₹	Rs. ₹	Rs. ₹
	Interest				
	Interest (TDS Rs. 22585/- PY Rs. 22184/-)	2,34,309		3,62,940	
	Interest on IT Refunds	1,000	2,35,309	29,518	3,92,458
	Other Non Operative Income				
	Liabilities / Provisions Written Back	23,746		5,32,387	
	Sundry Balances Written Off	17,435		18,849	
	Misc. Income - Insurance Claims Received	1,71,000		2,57,001	
	Discount Received	3,23,590		-	
	Profit on Sales of Fixed Assets	21,49,500	26,85,271	-	8,08,237
			29,20,580		12,00,695
18.	Cost of Material Consumed				
	Opening Stock	1,55,30,197		1,69,24,908	
	Purchases	-		-	
		1,55,30,197		1,69,24,908	
	Less: Cost of Material Sold	-	1,55,30,197	13,94,711	1,55,30,197
	Closing Stock		1,32,11,371		1,55,30,197
	Cost of Material Consumed		23,18,826		-
19.	Purchases of Stock in Trade				
	Refractory Bricks & Castables		-		14,85,289
20	Changes in inventories of finished goods, work-in-progress and stock-in-trade				
	Inventories at the end of the year :-				
	Finished goods	7,90,65,578		8,03,38,826	
	Work-in-progress	4,15,62,247		4,17,63,792	
	By-Products	2,73,700	12,09,01,525	2,73,700	12,23,76,318
	Inventories at the Beginning of the year :-				
	Finished goods	8,03,38,826		8,06,80,196	
	Work-in-progress	4,17,63,792		4,17,63,792	
	By-Products	2,73,700	12,23,76,318	3,45,500	12,27,89,488
			14,74,793		4,13,170
21	Employee Benefits Expenses				
	Salaries ,Wages and other allowances		24,08,750		32,81,983
	Contribution to provident and other funds		94,494		65,739
	Staff welfare expenses		13,308		9,651
	Retrenchment Compensation		4,24,688		41,137
			29,41,240		33,98,510
22	Finance Costs, Borrowing Costs				
	Interest Expenses on				
	(i) Borrowings	1,57,10,010		1,48,90,848	
	(ii) Unsecured Loans	12,46,753	1,69,56,763	63,97,117	2,12,87,965
	Processing Charges		5,06,994		-
			1,74,63,757		2,12,87,965



		31-Mar-16		31-Mar-15	
		Rs. ₹	Rs. ₹	Rs. ₹	Rs. ₹
23	Other Expenses				
	Cost of Material Sold		-		13,94,711
	Consumptions of Packing Materials		65,862		-
	Consumptions of Stores & Spares		22,052		-
	Electricity and Power		18,52,425		21,54,523
	Manufacturing Expenses		1,61,548		-
	Repairs & Maintenance :				
	To Plant & Machinery	1,04,988			3,400
	To Building	11,06,638		36,094	
	To Others	4,38,992	16,50,618	5,18,161	5,57,655
	Carriage outward		1,33,200		91,500
	Sales Promotion		-		11,284
	Rent		15,83,817		5,35,668
	Bank Charges		32,479		4,75,835
	Rebate & Discount		34,71,937		-
	Rates & Taxes		68,500		56,180
	Exchange Fluctuation (Net)		10,63,959		1,51,025
	Telephone Charges		1,24,385		1,37,432
	Insurance charges		2,20,498		1,18,928
	Computer Expenses		29,423		22,090
	Books & Periodicals		3,944		5,717
	Printing & Stationery		1,66,661		19,457
	Filing Fees		7,800		7,91,026
	Postage & Courier Charges		1,57,640		11,751
	Professional & Consultancy Charges		6,39,194		4,56,321
	Conveyance, Tour & Travels		19,44,465		25,70,966
	Prior Period Expenses/ Adjustments		6,47,791		12,709
	Payment to auditors - Audit Fees*		46,000		40,000
	Legal Charges		1,99,110		43,850
	Listing Fees		-		1,12,360
	Subscription Fees & Expenses		1,35,568		21,862
	Watch & Ward		9,70,137		27,93,534
	Office Maintenance		3,26,926		4,90,809
	Miscellaneous Expenses		11,14,995		15,44,702
			1,68,40,934		1,46,21,895

Notes :-

Payment to Auditors Comprise (net of service Tax, inputCredit where applicable)

As Auditors - Statutory Audit	46,000	40,000
For Company Law Matters	-	-
For Management Service	-	-
For Other Service	-	-
Certification Fees	-	-
	46,000	40,000
Miscellaneous Expenses		
Advertisement	33,326	-
Books & Periodicals	-	1,765
Clearing & Forwarding Expenses	-	51,041
Donation & Subscription	-	5,400
Electricity Charges	84,970	-
Excess/Short Provision Adjustment	-	70,020
General Expenses	9,20,432	4,19,831
Guest House Expenses	60,361	2,02,247
Interest - Others	10,026	2,41,744
Loading & Unloading Charges	-	3,49,885
Misc Expenses	-	17,415
Packing Expenses	-	2,830
Transport Charges	5,880	50,950
	11,14,995	14,13,128



24 Additional information to the financial statements		31-Mar-16	31-Mar-15
		Rs. in Lacs	Rs. in Lacs
24.1	Contingent Liabilities		
	Sales Tax	96.28	96.28
	Water Charges	7.14	7.14
	Suit Pending against the Company	9.94	9.94
	Orissa Entry Tax	4.17	4.17
	Fine imposed by BSE Not Acknowledged by the co.	22.22	-
24.2	Commitments		
	Estimated amount of contract remaining to be executed on Capital account and not provided for Tangible assets	1238.93	1238.93

		31-Mar-16		31-Mar-15	
		Receivable/ (Payable) Rs.	Receivable/ (Payable) \$	Receivable/ (Payable) Rs.	Receivable/ (Payable) \$
24.3	Details of unhedged foreign currency Exposures				
	Payable in foreign exchange	(2,01,24,777)	(3,03,610)	(1,96,83,034)	(3,14,475)
	Receivable in foreign exchange	-	-	-	-
		(2,01,24,777)	(3,03,610)	(1,96,83,034)	(3,14,475)
		Rs	€	Rs	€
	Payable in foreign exchange	(18,85,362)	(27,922)	(18,85,362)	(27,922)

		31-Mar-16	31-Mar-15
		Rs.	Rs.
24.4	Value of imports calculated on CIF basis :		
	Raw materials	-	-

		31-Mar-16	31-Mar-15
		Rs.	Rs.
24.5	Expenditure in Foreign Currency :		
	Royalty	-	-
	Professional and consultation fees	-	-
	Interest	-	-
	Other matters	-	-

		31-Mar-16		31-Mar-15	
		%	Rs	%	Rs
24.6	Details of consumption of imported & indigenous items				
	Imported				
	Raw materials	12.49%	2,89,611	-	-
	Components	-	-	-	-
	Spare parts	-	-	-	-
			2,89,611		-
	Indigenous				
	Raw materials	87.51%	20,29,215	-	-
	Components	-	-	-	-
	Spare parts	-	-	-	-
			20,29,215		-

		31-Mar-16	31-Mar-15
		Rs.	Rs.
24.7	Earnings in foreign currency :		
	Export of finished goods calculated on FOB basis	-	26,01,095
		-	26,01,095



24.8 Details of related parties

List of Related Parties with whom the Company has entered into transactions during the year

Description of relationship

(a) Controlling Companies

(b) Subsidiaries & Fellow Subsidiaries

(c) Associates Companies

(d) Joint Ventures

(e) Key Management Personnel (KMP)

(f) Relatives of Key Management Personnel KMP

(g) Company in which KMP / Relatives of KMP can exercise significant influence

Names of related parties

There is no Controlling Company

There is no Subsidiaries & Fellow Subsidiaries Company

There is no Associate Company

Nil

Mr. Vimal Prakash

Mr. S Ashokan

Mr Aditya Purohit

Nil

Jekay International Track Pvt Ltd

Ambarella Cap Fin Private Limited

(Formerly Keshan Polymers (P) Ltd.)

NRL Clayburn Ltd. P P Suppliers & Agencies (P) Ltd.

Pushpak Dealcom (P) Ltd

Unimark International (P) Ltd

Industrial Associates

During the year, the following transactions were carried out with related parties and relative of Key Management Personnel in the Ordinary course of the business

Amount in Rs.						
Particulars	Associates		KMP		Company in which KMP / Relatives of KMP can exercise significant influence	
For the year ended on	2016	2015	2016	2015	2016	2015
Sales						
NRL Clayburn Ltd.					6,00,000	-
Industrial Associates					-	9,94,552
Purchases						
Industrial Associates					-	10,52,689
KMP Remuneration						
Salary & Perquisites						
Mr. S Ashokan			8,94,585	14,98,800		
Mr Aditya Purohit			3,31,650	1,03,476		
Interest Paid						
Ambarella Cap Fin Private Limited (Formerly Keshan Polymers (P) Ltd.)					65,552	55,11,971
P P Suppliers & Agencies (P) Ltd.					-	3,97,269
Loan Taken						
Ambarella Cap Fin Private Limited (Formerly Keshan Polymers (P) Ltd.)				1,16,25,000	1,12,00,000	
P P Suppliers & Agencies (P) Ltd.				1,13,00,000	1,02,00,000	
Pushpak Dealcom (P) Ltd					23,82,500	26,00,000
Unimark International (P) Ltd					-	1,20,000
Vimal Prakash			99,07,500	7,75,00,000		
Loan Repaid						
Ambarella Cap Fin Private Limited (Formerly Keshan Polymers (P) Ltd.)					87,50,000	6,19,90,928
P P Suppliers & Agencies (P) Ltd.					-	88,98,060
Pushpak Dealcom (P) Ltd					21,32,500	57,65,671
Vimal Prakash			4,00,32,500	-		

	31-Mar-16 Rs.	31-Mar-15 Rs.
24.9 Earnings per share :		
(a) Continuing operations		
Net profit / (loss) for the year from continuing operations	(4,75,43,714)	(1,94,68,697)
Less: Preference dividend and tax thereon	-	-
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	(4,75,43,714)	(1,94,68,697)
Weighted average number of equity shares	(2,03,61,450)	(2,03,61,450)
Par value per share	10	10
Earnings per share from continuing operations - Basic & Diluted	(2.33)	(0.96)



		31-Mar-16 Rs.	31-Mar-15 Rs.
(b)	Total operations		
	Net profit / (loss) for the year from continuing operations	(4,75,43,714)	(1,94,68,697)
	Less: Preference dividend and tax thereon	-	-
	Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	(4,75,43,714)	(1,94,68,697)
	Weighted average number of equity shares	2,03,61,450	2,03,61,450
	Par value per share	10	10
	Earnings per share from continuing operations - Basic & Diluted	(2.33)	(0.96)
24.10	Deferred Tax (Liability) / Asset		
	Tax effect of items constituting deferred tax liability		
	On difference between book balance and tax balance of fixed asset	1,30,11,332	65,34,215
	Tax effect of items constituting deferred tax assets	1,30,11,332	65,34,215
	Provision for compensated absences, gratuity and other employee benefits	5,04,323	5,10,268
	Unabsorbed depreciation carried forward & brought forward business loss	4,50,74,777	5,27,22,183
		4,55,79,100	5,32,32,451
	Net Deferred Tax (liability) / asset	3,25,67,768	4,66,98,236

24.11 Other Notes :-

1. Voluntary Retirement Scheme (VRS) was introduced under which terminal date of employment was fixed as 31st July 2002. Provision for unpaid compensation has been made for the employees who have not taken the same. Modified Golden Handshake Schemes containing similar benefits as that of Voluntary Separation Scheme were introduced (in respect of ex-employees who were separated under the Golden Handshake Scheme 3 & 4) wherein cut off date for computation of compensation was kept as 31st July 2002. Provision for unpaid lump sum payment has been made for the ex-employees who have not taken the same.
2. Confirmation of Parties concerned for amount due, receivable from and/or payable to them as per the accounts of the company has not been received. Necessary adjustment, if any, shall be done at the time of settlement of respective account.
3. The financial result of the company pertains to operations related to refractories which is the only significant business segment of the Company as per AS-17 issued by the ICAI.
4. There are no Micro, Small and Medium enterprises to whom the company owes dues, which are outstanding for more than 45 days as at March 31, 2016. The above information regarding micro, small and medium enterprises have been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors.
5. In view of unabsorbed losses and unabsorbed depreciation brought forward, there being no tax liability no provision for current Income Tax have been made during the year.
6. The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / rearranged / recasted wherever considered necessary. Figure have been rounded off to the nearest rupee.
7. During the year under review the company has not charged depreciation on fixed assets of the company as the company was not in production.
8. In the opinion of the management, aggregate value of current assets and other loans and advances on realization in the ordinary course of business will not be less than the amount at which these are stated in the balance sheet.
9. BSE has initiated proceeding against the company by imposing a time of Rs. 22.22 lac for non-compliance of clause 41 of the listing agreement during the period of lockout. the company has moved writ petition in the hon'ble kolkata High court and the matter is subjudice.

For and on behalf of the Board of Directors

As per our Report of even date

(Subhas Mukhopadhyay)

(Partner)

(M. No. 050384)

Place: Kolkata
Date: 27/05/2016

For P Mukhopadhyay & Co.

Firm Registration No. 302085E

Chartered Accountants

Saravanan Asokan

Whole Time Director, DIN : 07019583

Vimal Prakash

Director, DIN : 00174915

Niraj Jalan

Director, DIN : 00551970



SIGNIFICANT ACCOUNTING POLICIES

1. ACCOUNTING POLICY

Accounts are maintained under the mercantile system of accounting, adopting historical cost convention. The significant accounting policies are :-

1.1. Revenues :-

- a) Sales are inclusive of excise duty. Bonus claims, linked to operating efficiency of products, are recognized upon crystallization.
- b) Export Incentive under the Duty Entitlement Pass Book Scheme are recognized on the basis of credits afforded in the pass book.

1.2. Claims :-

Claims of the Company towards loss, damage and escalation are accounted when there is a certainty that the claim is realizable

1.3. Valuation of Inventories :-

Raw materials, semi finished products and goods-in-process are valued at cost. Finished products are carried at lower of cost and net realizable value. Stores and spares are carried at cost. Cost for the purpose of valuation is generally ascertained on weighted average basis.

1.4. Fixed Assets :-

Fixed assets are valued at original cost of acquisition including taxes, duties, freight and other incidental expenses relating to acquisition and installation. Net Changes on foreign exchanges contracts and adjustments arising from exchange rate variations attributable to the fixed assets are capitalized.

- a) Depreciation: Depreciation is systematically allocated over the useful life of an asset as specified in part C of schedule II of Company Act, 2013.
- b) Impairment of Assets : The company reviews the carrying value of the assets for any possible impairment on each balance sheet date. Impairment loss, if any, is recognized in the year in which impairment takes place.

1.5. Foreign Currency :-

Transactions in foreign currency are accounted for at the prevailing rate on the transaction date. The year end balances in foreign currency are re-stated at the closing rate and the resultant difference is carried to Profit & Loss Account.

1.6. Borrowing Cost :-

The borrowing costs those are directly attributable to the acquisition, construction or production of a qualifying assets are capitalized.

1.7. Research and Development Expenditure :-

Revenue expenditure on Research and Development is charged out in the year in which it is incurred. Expenditure, which results in creation of assets, is included in fixed assets and depreciation is provided on such assets are applicable.

1.8. Intangible Assets :-

Expenditure incurred is treated in accordance with the provisions of Accounting Standard-26 "Intangible Assets" issued by the ICAI.

1.9. Basis of Preparation of Financial Statements :-

- (i) The financial statements are prepared under the historical cost convention, except for certain fixed assets which are revalued, in accordance with generally accepted accounting principles in India and the provisions of the Companies Act, 2013.



(ii) The Company generally follows the mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.

1.10 Use of Estimates :-

The preparation of financial statements requires estimates and assumption to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

1.11. Provision, Contingent Liabilities and Contingent Assets :-

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

1.12 Retirement Benefits :-

- a. Contribution towards Provident Fund is being charged to revenue on accrual basis and is deposited to regional office of the concerned authority
- b. Provision for gratuity has been made on the method as prescribed in the respective act.
- c. Provision has been made for accrued leave salary due to the employees, computed with reference to unavailed leave of the employee at the year end.

1.13. Deferred Tax :-

Provision for Tax is made for current and deferred taxes. Current taxes is provided on the taxable income using applicable tax rates and tax laws. Deferred Tax Assets and Liabilities arising on account of timing differential and which are capable of reversal in subsequent periods are recognized using the Tax rates and Tax Laws that have been enacted or substantively enacted till the date of the Balance Sheet. Deferred Tax Assets are not recognized unless there is "Virtual Certainty" that Sufficient future taxable income will be available against which such Deferred Tax Assets will be realized.

1.14. Impairment of Assets :-

The carrying amount of assets are reviewed at each balance sheet date, if there is an Indication of impairment based on the internal and external factors.

As per our Report of even date

For and on behalf of the Board of Directors

For P Mukhopadhyay & Co.
Firm Registration No. 302085E
Chartered Accountants

Vimal Prakash
Director
DIN : 00174915

(Subhas Mukhopadhyay)
(Partner)
(M. No. 050384)

Niraj Jalan
Director
DIN : 00551970

Place: Kolkata
Date: 28/05/2016

Saravanan Asokan
Whole Time Director
DIN : 07019583



NILACHAL REFRACTORIES LIMITED

PROXY FORM

Form No. MGT-11

Proxy form [Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L26939OR1977PLC000735
Name of the company : NILACHAL REFRACTORIES LIMITED
Registered office : P-598/599, KEDARNATH APARTMENT, MAHABIR NAGAR,
LEWIS ROAD, BHUBANESWAR 751002

Name of members(s) :
Registered address :
E-Mail Id :
Folio No/ Client Id :
DP ID :

I/We, being the member (s) of shares of the above named company, hereby appoint

Name :
Address :
E-mail Id :
Signature :, or failing him

Name :
Address :
E-mail Id :
Signature :, or failing him

Name :
Address :
E-mail Id :
Signature :, or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at theAnnual general meeting/ Extraordinary general meeting of the company, to be held on the day of..... At..... a.m. / p.m. at.....(place) and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

- 1.....
- 2.....
- 3..... & Others

Signed this.....day of.....,2016

Signature of shareholder Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

ROUTE MAP



