



NILACHAL REFRACTORIES LIMITED

CIN : L26939OR1977PLC000735

30, J.L. Nehru Road, Kolkata – 700016, W.B. Ph. : 033-224 96507, Telefax : 033 – 224 99511

Date: 03.10.2018

To
BSE Limited
Department of Corporate services
Phiroze Jee Jeebhoy Towers
Dalal Street
Mumbai-400001
Scrip Code: 502294

To
CSE Limited
7, Lyons Range, Dalhousie
B B D Bagh, Kolkata
West Bengal-700001
Scrip code- 10019120

Dear Sir/Madam,

Sub: Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached a copy of notice of AGM along with Annual Report of the Company for FY 2017-18 as approved and adopted by the members of the Company in their 41st Annual General Meeting held on September 25, 2018 at Hotel Pushpak, Kalpana Chowk, Bhubaneswar.

This is for your information and record.

Thanking You,
Yours Faithfully,

For Nilachal Refractories Limited

Krishna Sharma
Krishna Sharma
Company Secretary



41st ANNUAL REPORT

2017-2018



NILACHAL REFRATORIES LIMITED



NILACHAL REFRACTORIES LIMITED

as on 31-03-2018

BOARD OF DIRECTORS

Mr. Bhagawati Prasad Jalan

Chairman

Mr. Saravanan Asokan

Whole-time Director

Mr. Vijay Kumar Agarwal

Mr. Vimal Prakash

Mr. Niraj Jalan

Mr. Sribash Chandra Mishra

Mr. Ramesh Dhandhan

Mr. Sundaresan Radhakrishnan

Mr. Pradip Kumar Mohapatra

Mrs. Bindu jain

AUDITORS

T. More & Co.

Chartered Accountants

BANKER

Canara Bank, L.C. Road Branch, Kolkata

REGISTERED OFFICE

**P/598/599, Lewis Road, Mahabir Nagar,
Kedarnath Appartment, Bhubaneswar - 751 002,
Odisha**

FACTORY

IPITATA Nagar

Dhenkanal - 759 025, Odisha



Notice to the Shareholders

NOTICE is hereby given that the Forty First (41) Annual General Meeting of the Members of NILACHAL REFRACTORIES LIMITED will be held at 12.30 P.M. on Tuesday, the 25th September 2018 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, 2018 and the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Niraj Jalan who retires by rotation, and being eligible, offer himself for re-appointment.
3. 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), and subject to approval of shareholders at the general meeting, the Company hereby reappoint M/s. T More & Company, Chartered Accountant (Firm Registration No. 327844E), whose term of office expires at the ensuing Annual General Meeting 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 2018-19 on such remuneration as may be determined by the Board of Directors.”

SPECIAL BUSINESS

4. 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 149, 152 and other applicable provisions if any, of the Companies Act, 2013 (‘the Act’) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. Pradip Kumar Mohapatra (DIN 08067067), who was appointed as an additional director of the Company by the Board of Directors with effect from 14th February, 2018 in terms of Section 161 of the Act and the Articles of Association of the Company and eligible for appointment in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company with effect from September 25, 2018 up to September 24, 2023 .”

“RESOLVED FURTHER THAT any of the director of the company be and is hereby authorized to do all such acts, deeds and things as may be required for the above resolution.”

5. To consider and if though fit, to give assent/dissent to the following resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to provisions of sections 42, 62, 71 and all other applicable provisions, if any, of the Companies Act, 2013 read with rules made there under (including any statutory modification(s), amendments or re-enactment(s) thereof for the time being in force) and subject to the provisions of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s), amendments or re-enactment(s) thereof for the time being in force) and other applicable laws (including any statutory modification(s) or re-enactment thereof for the time being in force) and in accordance with the provisions of the Memorandum and Articles of Association of the Company and based on the recommendation of the Audit Committee, and subject to the approvals, permissions, sanctions from any regulatory and other appropriate authorities (including but not limited to the SEBI, RBI, the Government of India, etc.) and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, sanctions and consents, which may be agreed to by the Board of Directors (hereinafter referred to as the “Board”, which term shall be deemed to include any committee which the Board has constituted or may constitute to exercise its powers, including the powers conferred by this resolution), the consent of the shareholders be and is hereby accorded for the conversion of existing unsecured Loan of Rs. 14,04,92,000 (Rupees Fourteen Crores Four Lakhs Ninety Two Thousand only) of the below mentioned lenders (herein after referred to as Lenders) into 0% Optionally Convertible Debentures of Rs. 1000/- (Rupees One Thousand) each (hereinafter referred to as the “OCDs”) and on such other terms and conditions *inter alia* as enumerated in Item No. 5 of the Explanatory Statement as enclosed herewith forming part of the Notice.

Name of the Lenders	Amount of Loan (Rs.)
Ambarella Cap Fin Pvt. Ltd.	Rs. 2,75,53,000
P P Suppliers & Agencies Pvt. Ltd.	Rs. 3,29,22,000
Pushpak Dealcom Pvt. Ltd.	Rs. 2,83,50,000
Rudraksh Dealcom Pvt. Ltd.	Rs. 1,23,00,000
Think Finance Pvt. Ltd.	Rs. 3,03,17,000
Rajtilak Mercantile Pvt. Ltd.	Rs. 90,50,000

RESOLVED FURTHER THAT the subscription money in respect of OCDs to be offered to the Lenders has already been paid by them respectively by way of conversion of the Lender’s loan into OCDs. The payment of consideration for the allotment of OCDs shall be by appropriation of the outstanding loan due to the Lenders.

RESOLVED FURTHER THAT each OCD of Rs.1000/- may be converted into such number of equity shares of Rs.10/- each at fair value being not lower than the face value, as arrived at for the purpose of conversion as per the applicable laws in force, which can be exercised by the debenture holders after the expiry of the 5th year from the date of

allotment of OCDs and that the transfer of OCDs is restricted only to a company and cannot be made without the prior written consent of the Company.

RESOLVED FURTHER THAT the OCDs which are not converted and outstanding on the expiry of the tenure of the respective OCDs from the date of subscription shall subject to such terms and conditions as may be applicable, be redeemed at a premium as stated in the Terms.

RESOLVED FURTHER THAT the Equity Shares as allotted upon conversion of OCDs as aforesaid shall rank *pari-passu* in all respects with the existing Equity Shares of the Company.

RESOLVED FURTHER THAT the equity shares to be issued as a result of conversion of OCDs shall be listed and traded on BSE & CSE where the equity shares of the Company are currently listed.

RESOLVED FURTHER THAT the 'Relevant Date' for the purpose of determination of issue price of the equity shares arising out of conversion of OCDs, shall be determined pursuant to applicable law including Companies Act and the extant guidelines/regulations of SEBI and the RBI.

RESOLVED FURTHER THAT subject to the requirement under the SEBI ICDR Regulations and other applicable laws and regulation, the allotment of the equity shares as a result of conversion of OCDs shall be made only in dematerialized form or in such form as may be mutually agreed upon between the Company and the allottee or as per the terms as stipulated in the SPML S4A Agreement/document and in accordance with applicable law.

RESOLVED FURTHER THAT in accordance with the SEBI ICDR Regulations, 2009 including any amendment thereto, & the provisions of the Companies Act, 2013, the Company shall complete the allotment of the OCDs on or before the expiry of 12 months from the date of passing of the resolution by the shareholders or on receipt of the in-principal approval(s), if any, from the regulatory authority whichever is later.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board (which includes its Committee) be and is hereby authorized to agree, make and accept all such term(s), condition(s), modification(s) and alteration(s) as it may deem fit, including, condition(s), modification(s) and alteration(s) stipulated or required by any relevant authorities or their bye-laws, rules, regulations or guidelines, and the Board is also hereby authorized to resolve and settle all questions, difficulties or doubts that may arise in regard to such offer, issue and allotment, to finalize and execute all agreements, documents and writings and to do all acts, deeds and things in this connection and incidental as the Board in its absolute discretion deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given approval thereto expressly by the authority of this resolution including deciding the dates of allotment, allotment in consonance with the SEBI ICDR Regulations, listing of the equity shares to be issued and allotted as a result of conversion of OCDs, and to modify, accept and give effect to any modifications to the terms and conditions of the issue, conversion of OCDs into equity shares of the Company, as may be required by the statutory, regulatory and other appropriate authorities including but not limited to SEBI, the RBI, etc. and such other approvals as

may be agreed by the Board, and to settle all questions, difficulties or doubts that may arise in the proposed issue, pricing of the issue, allotment and listing of the equity shares and to execute all such deeds, documents, writings, agreements, applications, forms in connection with the proposed issue as the Board may in its absolute discretion deem necessary or desirable.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers conferred herein to any principle officer or Committee of Directors.”

6. To consider and if thought fit, to give assent/dissent to the following resolution as Ordinary Resolution:

“**RESOLVED** that pursuant to the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and other applicable provisions, if any, of the Companies Act, 2013 (Act), and other applicable Rules, if any, and the Company’s policy on Related Party Transactions, the approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with the Lenders as mentioned in item no. 3 of the explanatory statement, who are related party of the Company within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for conversion of unsecured loan into Optionally Convertible Debentures on such term(s) and condition(s) as mentioned in item no. 3 of the explanatory statement, up to a maximum aggregate value of Rs. 15 crores provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm’s length basis and in the ordinary course of business of the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to the Audit Committee of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.”

By Order of the Board
Nilachal Refractories Limited

Krishna Sharma
(Company Secretary)

Place : Kolkata

Date : August 21, 2018.

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 aggregate not more than ten percent of the total share capital of the Company carrying voting rights. 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 19th September, 2018 To 25th September, 2018 (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. Explanatory Statement as per Section 102 of the Companies Act, 2013 is mentioned below:

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item no. 4: Appointment of Mr. Pradip Kumar Mohapatra (DN:08067067) as an Independent Director of the Company

Mr. Pradip Kumar Mohapatra (DIN No-08067067) who has been appointed as an Additional Director of the Company pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company effective from 14th February, 2018 holds office upto the date of this Annual General Meeting and is eligible for appointment as an Independent Director.

Mr. Pradip Kumar Mohapatra is not disqualified from being appointed as Director in terms of Section 164 of Companies Act, 2013 and has given his consent to act as Director. Further Mr. Pradip Kumar Mohapatra fulfills the conditions of independence as specified in Section 149 of the Companies Act, 2013.

Accordingly, the Board recommends the resolution in relation to appointment of Mr. Pradip Kumar Mohapatra as Independent Director, for the approval by the shareholders of the Company.

Except Mr. Pradip Kumar Mohapatra, none of the Directors and Key Managerial Personnel of the Company and their relatives are interested, in the resolution set out at Item No. 4.

Item no. 5: Approval of conversion of Unsecured Loan into 0% Optionally Convertible Debentures (OCDs)

Your Company has borrowed Rs. 14,04,92,000/- (Rupees Fourteen Crores Four Lakhs Ninety Two Thousand only) from time to time from the Lenders as an unsecured loan. In this regard, the Company has requested the Lenders to convert the said Unsecured Loan into Optionally Convertible Debentures(“OCDs”) on such terms and conditions as may be mutually agreed between the Company and the Lenders and the same was accepted by the respective Lender Companies. Accordingly, the Board of Directors of the Company at its meeting held on 21st August, 2018 has given consent, subject to approval of Members by way of Special Resolution, to convert Unsecured Loan of Rs.14,04,92,000 (Rupees Fourteen Crores Four Lakhs Ninety Two Thousand only) into 1,40,492 unrated, unlisted, unsecured, 0% Optionally Convertible Debentures of Rs.1,000/- (Rupees One Thousand only) each on such terms and Conditions as mutually agreed by the Company & the Lenders, and incorporated in the Terms of Issue, a draft of which is open for inspection at the Registered Office of the Company during the office hours on any working days, except Saturdays and Sundays, between 10 a.m. and 5 p.m. up to the date of Annual General Meeting of the Company, and also at the Meeting.

The following disclosures as required under section 42 read with Rule 13(2) (d) of the Companies (Share Capital and Debentures) Rules, 2014 and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (SEBI ICDR Regulations) and other applicable laws are as follows:

- (i) **Object of the Issue-** The Company has drawn plans to restructure its existing debt and to carry out its business activities, has requested the Lenders for conversion of their existing loan into Zero Coupon Optionally Convertible Debentures (OCDs) with face value of Rs.1000/-each at par for an amount aggregating to Rs. 14,04,92,000 (Rupees Fourteen Crores Four Lakhs Ninety Two Thousand only) for a period of 10 years as stated below.
- (ii) **Name of the Lenders, number of OCDs to be issued, amount to be raised** - The Board of Directors of the Company have proposed to make an offer of the Zero Coupon Optionally Convertible Debentures (OCDS) on the terms and conditions specified to the following Lenders. Further, since the transaction is that of conversion of loan, therefore, there is no fresh amount raised by way of such issue of OCDs. Further, the percentage of shares to be held by the allottees individually cannot be determined today since the same is subject to exercise of the option to convert by the debenture holders and the valuation of shares of the Company on the ‘Relevant Date’.

Name of the Lenders	Amount of Loan (Rs.)	Number of OCDs	Face Value	Tenure
Ambarella Cap Fin Pvt. Ltd.	Rs. 2,75,53,000	27,553	Rs. 1000/-	10 Years
P p Suppliers & Agencies Pvt. Ltd.	Rs. 3,29,22,000	32,922	Rs. 1000/-	10 Years
Pushpak Dealcom Pvt. Ltd.	Rs. 2,83,50,000	28350	Rs. 1000/-	10 Years

Rudraksh Dealcom Pvt. Ltd.	Rs. 1,23,00,000	12300	Rs. 1000/-	10 Years
Think Finance Pvt. Ltd.	Rs. 3,03,17,000	30317	Rs. 1000/-	10 Years
Rajtilak Mercantile Pvt. Ltd.	Rs. 90,50,000	9050	Rs. 1000/-	10 Years

- (iii) **Relevant Date-** The ‘Relevant Date’ under SEBI ICDR Regulations for the purpose of determination of issue price of the Equity Shares on the conversion of OCD’s shall be reckoned as per Regulation 71(b) which shall be 30 days prior to the Entitlement Date
- (iv) **Pricing and valuation of the preferential issue -** In accordance with Regulation 76A of Chapter VII of the SEBI ICDR Regulations, the Equity Shares to be issued and allotted (including as a result of conversion of securities) on a preferential basis shall be made at a price determined by the issuer after taking in to account valuation parameters including book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies and the same will be done in accordance with the SEBI ICDR Regulations and other applicable laws, if any.

The upfront equity shares shall be issued at a price not lower than the price as on the Relevant Date, determined as per SEBI ICDR Regulations.

The equity shares (arising out of conversion of OCDs) shall be issued at an issue price (including premium, if any) not lower than the price as on the Relevant Date determined in accordance with SEBI ICDR Regulations.

- (v) **Terms for Issue of OCDs of the Company as executed by the Company:**
- The OCDs will be convertible into Equity Shares at the option of the debenture-holders to be exercised any time after expiry of the 5th year from date of allotment, but before the same is due for redemption in terms hereof. The debentures shall be redeemed in the ratio of 30:30:40 on expiry of the 8th, 9th and 10th year respectively. The Debentures shall be redeemed at a premium of 20% on face value in proportion of the redeemed value. The Company may, however, redeem the debentures at any time after expiry of three years from date of allotment in one or more tranches, with the concurrence of debenture holders.
 - On option being exercised, the debenture-holders shall be entitled to allotment of such number of fully paid up equity shares of Rs. 10/- each against debentures held by them respectively, as shall be determined as per the valuation which is to be derived as per the applicable laws including the Companies Act and the extant regulations/guidelines by the SEBI as arrived at on the time of conversion.

- The said OCDs are restricted for sale or transfer without the prior written consent of the Company. The same can be transferred only to a Company with the prior written consent of the Company.
- (vi) The allotment of OCDs is proposed to be made to the Lenders and the break-up of same is already mentioned herein above.
- (vii) Since this is the conversion of loan into Debentures there is no offer period and no application.
- (viii) No allotment of any kind of securities on preferential basis has been made by the Company during the financial year 2017-18 till date and further presently there are no securities as issued are pending.
- (ix) The proposed allotment of OCDs of Rs.1,000 (One Thousand) each is not to be made for consideration other than cash.
- (x) The Shareholding Pattern of the Company (Pre and Post Preferential Allotment of the Securities):

Sl. No.	Category	Pre-Issue		Post-Issue#	
		No. of Shares	% of Shareholding	No. of Shares	% of Shareholding
A.	Promoter's Holding				
1.	Indian				
	Individuals/HUF	37,72,657	18.53		
	Bodies Corporate	1,06,04,959	52.08		
	Sub-Total (A1)	1,43,77,616	70.61		
2.	Foreign Promoters	-	-		
	Sub-Total (A2)	1,43,77,616	70.61		
	Sub-Total (A)= (A1)+ (A2)	1,43,77,616	70.61		
B.	Non-Promoter's Holding				
1.	Institutional Investors	50,000	0.25		
2.	Non-Institutional Investors				
	Bodies Corporate	17,02,040	8.36		
	Directors and Relatives	27,52,000	13.52		
	Indian Public	14,79,355	7.27		
	Others (including NRIs)	439	0.00		
	Sub-Total (B)	5983834	29.39		
	Grand Total	2,03,61,450	10.00		

#Since the conversion of OCD is at the option of the Debenture Holders at a future price, which will be determined as per applicable laws including the Companies Act, 2013 and the extant regulations/guidelines by the SEBI, therefore it is not possible to determine and disclose the post issue shareholding pattern.

- (xi) **The identity of the natural persons who are the ultimately beneficial owners of the shares proposed to be allotted and/or who ultimately control the Lenders, the percentage of post preferential issue capital that may be held by them:** Not possible to disclose in view of clause (vi) above.
- (xii) **Change in control, if any, in the Company consequent to the preferential issue:** There shall be no change in the management or control of the Company pursuant to the issue and allotment of the OCDs of the Company. However, pursuant to conversion of the OCDs into equity shares of the Company, the shareholding pattern would undergo change accordingly.
- (xiii) **Proposal of the Promoters, Directors, Key Managerial Personnel of the Company to Subscribe to the Offer-** Since the present transaction is of conversion of loan into OCDs, there is no subscription to the offer.
- (xiv) **Lock-in-** The Equity Shares to be issued and allotted as a result of conversion of OCDs, shall be subject to lock-in in accordance with the provisions of the SEBI ICDR Regulations, from the date of trading approval granted for the equity shares allotted pursuant to exercise of the conversion option attached to OCDs without prejudice to the right of the Lenders to transfer the OCDs or the equity shares as allotted before the completion of the said lock-in period subject to continuation of the lock in for remaining period with the transferee.
- (xv) **Certificate from Statutory Auditor-** A certificate from the statutory auditors of the Company, certifying that the proposed preferential issue is being made in accordance with the extant regulations/guidelines by the SEBI and the Companies Act, 2013 and that the same shall be placed before the shareholders at the Annual General Meeting of the shareholders of the Company.
- (xvi) **Undertaking to re-compute the price-** The Company hereby undertakes that it shall re-compute the price of the OCDs and equity shares specified above in terms of the provisions of the SEBI ICDR Regulations, where it is required to do so.
- (xvii) **Undertaking to put under Lock-in till the recomputed price is paid-** The Company hereby undertakes that if the amount payable on account of the re-computation of price is not paid within the time stipulated in the SEBI ICDR Regulations, the specified securities shall continue to be locked- in till the time such amount is paid by the Lenders. Neither the issuer nor any of its promoters or directors is a wilful defaulter.
- (xviii) **Proposed time within which allotment will be completed-** The allotment of aforesaid OCDs of Rs.1,000 each on a preferential/private placement basis made pursuant to the above proposed Special Resolution shall be completed within the time period as per the applicable provisions of the Companies Act, 2013 read with the extant SEBI Guidelines.

- (xix) The said OCDs of Rs.1000/- each are offered on a private placement basis with an option of conversion into equity shares. The price of the resultant shares will be determined at the time of conversion as per the applicable laws.
- (xx) The Directors consider that the Resolution is in the interest of the Company and its shareholders.
- (xxi) Your Directors recommend the Resolution for your approval as a Special Resolution.
- (xxii) Except Mr. Vimal Prakash, Bhagwati Prasad Jalan, Niraj Jalan and Mr. Vijay Kumar Agarwal and their relatives, none of the directors or the manager or Key Managerial Persons (KMPs) or their relatives shall be concerned or interested whether financial or otherwise, if any, in respect of the special resolution proposed at Item no-5.
- (xxiii) The Company has disclosed all the related information and to the best of understanding of the Board of Directors no other information and facts are required to be disclosed that may enable members to understand the meaning, scope and implications of the items of business and to take decision thereon.

Item no 6: Approval for Material Related Party Transaction(s)

Your Company has borrowed Rs. 14,04,92,000/- (Rupees Fourteen Crores Four Lakhs Ninety Two Thousand only) from time to time from the Lenders as an unsecured loan. In this regard, the Company has requested the Lenders to convert the said Unsecured Loan into Optionally Convertible Debentures (“OCDs”) on such terms and conditions as may be mutually agreed between the Company and the Lenders and the same was accepted by the respective Lender Companies. Accordingly, the Board of Directors of the Company at its meeting held on 21st August, 2018, has given consent, subject to approval of Members by way of Special Resolution, to convert Unsecured Loan of Rs.14,04,92,000 (Rupees Fourteen Crores Four Lakhs Ninety Two Thousand only) into 1,40,492 unrated, unlisted, unsecured, 0% Optionally Convertible Debentures of Rs. 1,000/- (Rupees One Thousand) only each on such terms and Conditions as mutually agreed by the Company & Lenders, and incorporated in the Terms of Issue, a draft of which is open for inspection at the Registered Office of the Company during the office hours on any working days, except Saturdays and Sundays, between 10 a.m. and 5 p.m up to the date of Annual General Meeting of the Company, and also at the Meeting.

The Lenders are the related parties of the Company pursuant to section 2(76) of the Companies Act, 2013 read with Regulation 2(1)(zb) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Explanation to Regulation 23(1) of the Listing Regulations expressly provides that a transaction with a Related Party shall be considered Material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity. The aggregate value of transaction(s) with the Lenders will exceed the said threshold limit. Hence, approval of the shareholders is being sought for the said Material Related Party Transaction(s) proposed to be entered into by your Company with the Lenders in the financial year 2018-19. Accordingly, the

Company seeks approval of the members by way of an Ordinary Resolution. Further, all the related parties of the Company shall abstain from voting on this resolution.

Pursuant to clause 3(ii)(a)(iii) of Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, particulars of the transactions with related parties are as follows:

Name of the Related Party	Name of the Directors or KMP who are related	Nature of Relationship	Nature, material terms, monetary value and particulars of the contract or arrangement Contract
Ambarella Cap Fin Pvt. Ltd.	Mr. Vimal Prakash	Shareholding in Ambarella Cap Fin Pvt. Ltd.	Conversion of Unsecured Loan amounting to Rs. 2,75,53,000 into 27,553 0%, OCDs of Rs. 1,000 each
P P Suppliers & Agencies Pvt. Ltd.	Mr. Bhagwati Prasad Jalan and Mr. Niraj Jalan	Directorship and Shareholding in P P Suppliers & Agencies Pvt. Ltd	Conversion of Unsecured Loan amounting to Rs. 3,29,22,000 into 32,922 0%, OCDs of Rs. 1,000 each
Pushpak Dealcom Pvt. Ltd.	Mr. Bhagwati Prasad Jalan and Mr. Niraj Jalan	Mrs. Nidhi Jalan, Director of Pushpak Dealcom Pvt. Ltd. is relative of both Mr. Bhagwati Prasad Jalan and Mr. Niraj Jalan, Directors of the Company and Mrs. Aditi Jalan, Director of Pushpak Dealcom Pvt. Ltd is relative of Mr. Bhagwati Prasad Jalan. The aforesaid mentioned directors are also related with respect to their shareholding in Pushpak Dealcom Pvt. Ltd.	Conversion of Unsecured Loan amounting to Rs. 2,83,50,000 into 28,350 0% OCDs of Rs. 1,000 each
Rudraksh Dealcom Pvt. Ltd.	Mr. Vijay Kumar Agarwal	Mr. Saket Agarwal, Director of Rudraksh Dealcom Pvt. Ltd. is a relative of Mr. Vijay Kumar Agarwal, Director of the Company.	Conversion of Unsecured Loan amounting to Rs. 1,23,00,000 into 12,300 0% OCDs of Rs. 1,000 each
Rajtiklak Mercantile Pvt. Ltd.	Mr. Vijay Kumar Agarwal	Mr. Saket Agarwal, Director of Rajtilak Mercantile Pvt. Ltd. is a relative of Mr. Vijay Kumar Agarwal, Director of the Company. Further relatives of Mr. Vijay Kumar Agarwal, Director of the Company also holds shares in the aforesaid metioned Company	Conversion of Unsecured Loan amounting to Rs. 90,50,000 into 9,050 0% OCDs of Rs. 1,000 each

The material terms of the proposed contract are mentioned in explanatory statement to item no. 5 of this notice

None of the directors or the manager or Key Managerial Persons (KMPs) of the Company or their respective relatives, other than those mentioned above, is concerned or interested, financially or otherwise, in the Resolution. The Board of Directors recommends passing of the resolution as Ordinary Resolution.

5. Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 , brief profile of the Directors seeking appointment at this Annual General Meeting is as follows :-

Name of Director	Pradip Kumar Mohapatra	Niraj Jalan
Date of Birth	30 th October, 1952	14 th April 1973
Qualifications	Bachelor of Science (Mechanical Engineering); Master of Business Administration- University of Hull, U.K.	Bachelor of Commerce (Hons)
Experience	He is a consultant & Procurement Specialist. He has varied experience of around 40 years in this field. He was associated with ONGC for 6 years and then with NALCO for 30 years as an Executive Director. Recently he worked as a consultant to Housing & Urban Development Department, Government of Odisha.	He has more than 15 years of experience in Iron & Steel Industry

6. 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.
7. SEBI has decided that securities of listed companies can be transferred only in dematerialized form from 05th December, 2018. In view of the above and to avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Shareholders holding shares in electronic format, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Shareholders holding shares in physical form may submit their PAN details to the Company or to S.K. Infosolutions Private Limited.
9. Electronic copy of the Annual Report for the year 2017-18 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 2017-18 are being sent in the permitted mode.

10. 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.

11. 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. Rajan Singh (Membership No. ACS- 34691), 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.

12. The procedure with respect to e-voting is provided below in two steps:-

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. *Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and then you can proceed to Step 2 i.e. Cast your vote electronically.*
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your

	user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
- c) How to retrieve your ‘initial password’?
 - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
 - (ii) If your email ID is not registered, your ‘initial password’ is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:

- a) Click on “[Forgot User Details/Password?](#)”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b) [Physical User Reset Password?](#)” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

7. Now, you will have to click on “Login” button.
8. After you click on the “Login” button, Home page of e-Voting will open.

Details on Step 2 is given below:

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
9. Members can cast their vote online from September 21, 2018 (10:00 am) till September 24, 2018 (05:00 pm)

Note: E-voting shall not be allowed beyond the said time

General Guidelines for shareholders

1. 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to csrajansingh2014@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct

- password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.
 4. Every Client ID No. / Folio No. shall have one e-vote, irrespective of the number of joint holders.
 5. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Member as on cutoff date. i.e. 18th September 2018.
 6. The Results of the e-voting will be declared on or after the date of the AGM i.e. 25.09.2018. The declared Results, along with 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.
 7. 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 21, 2018

Krishna Sharma
(Company Secretary)

DIRECTOR REPORT

Dear Members

Your Directors are pleased to present the Forty first (41st) Annual Report together with the Audited accounts of your Company for the year ended 31st March, 2018.

FINANCIAL HIGHLIGHTS

(Rupees in crores)

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Turnover	3.31	3.88
Profit/(Loss) before depreciation and taxation	(0.50)	(1.15)
Less: Depreciation	(0.71)	(0.72)
Profit/(Loss) before Taxation	(1.21)	(1.87)
Less: Tax Expense (Deferred Tax)	0.44	(2.49)
Profit/(Loss) after tax	(1.65)	0.62
Add: Balance B/F from the previous year	(22.66)	(22.63)
Less: Adjustment for Prior Period Depreciation	0	(0.65)
Balance Profit/ (Loss) C/F to the next year	(24.31)	(22.66)

FINANCIAL REVIEW

The impact of labour problem during F.Y. 2013-14 and 2014-15 has haunted your company's operation during the year under review. Your Company is poised to do well and prospects and outlook of your Company for the future therefore appear to be encouraging.

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

During the year, there has been no change in the nature of business of the Company.

DIVIDEND:

In view of brought forward losses, your directors are unable to recommend any dividend for the financial year ended 31st March, 2018.

TRANSFER TO RESERVES

No amount was transferred to Reserves during the F.Y. 2017-18.

HOLDING, SUBSIDIARY, ASSOCIATE COMPANIES

The Company has no holding, subsidiary or associate Company therefore disclosures in this regard have not been provided in this Report.

MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which the financial statements relate and the date of this report.

ADOPTION OF INDIAN ACCOUNTING STANDARDS

The Company adopted the Indian Accounting Standards ("IndAS") notified under the Companies (Indian Accounting Standards) Rules, 2015 during the year for preparation and presentation of these Financial Statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All related party transactions that were entered during the year were in the ordinary course of business and were on arm's length basis. There were no materially significant related party transactions entered by the Company during the year with the Promoters, Directors, Key Managerial Personnel or other persons which may have a potential conflict with the interest of the Company.

The policy on related party transactions as approved by the Audit Committee and the Board of Directors is hosted on the website of the Company i.e. www.nilachal.in.

Since all related party transactions entered into by the Company were in the ordinary course of business and were on arm's length basis, therefore the requirement of furnishing the details in Form AOC-2 is not applicable to the Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

During the year under review the Company has not provided any loan, given any guarantee or made any investment governed under Section 186 of the Companies Act, 2013.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS AND TRIBUNALS

No significant and material order has been passed by the regulators, courts, regulators, tribunals impacting the going concern status of the Company's operation in future.

RISK MANAGEMENT

The Company has laid down a comprehensive Risk Assessment and Minimization procedure which is reviewed by the Board from time to time.

The Company has also set up a Risk Management Committee (Composition of the Committee is hosted on its website i.e. www.nilachal.in) for monitoring and reviewing the risk management plan as framed by the Board with an aim to mitigate risks.

DIRECTORS

During the year under Review Mr. Tej Bahadur Singh (Non-Executive; Independent Director) ceased to be a Director of the Company w.e.f. 28.11.2017, owing to his personal reasons. The Board of directors had on the recommendation of the Nomination and Remuneration Committee appointed Mr. Pradip Kumar Mohapatra as the additional director (Non-executive, Independent) w.e.f. 14.02.2018 pursuant to the provisions of Companies Act, 2013 and SEBI Regulations. In terms of section 161(1) of the Act, Mr. Pradip Kumar Mohapatra shall hold office upto ensuing Annual General Meeting of the Company. The Company has received a requisite notice in writing from a member proposing his appointment for the office of director in the ensuing AGM.

In accordance with the provisions of the Companies Act, 2013, and Article 115 of the Article of Association of the Company, Mr. Niraj Jalan, Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting, and being eligible, offer himself for re-appointment.

The independent directors have submitted the declaration of independence, pursuant to Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

KEY MANAGERIAL PERSONNEL

Mr. Sarvanan Asokan, Chief Executive Officer & Wholetime Director and Mr. Krishna Sharma, Company Secretary are Key Managerial Personnel of the Company in accordance with the provisions of Section(s) 2(51), 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

During the year under review, Mr. Avik Chakraborty resigned from the post of Company Secretary of the Organisation w.e.f. 17/07/2017 and Mr. Tapas Tirtha, an Associate Member of the ICSI (Membership No: A51479) was appointed as the Company Secretary with effect from the same date. On the 1st day of November, 2017, Mr. Tapas Tirtha resigned from the post of Company Secretary of the Company owing to serious illness of his mother and Mr. Krishna Sharma, an Associate Member of the ICSI (Membership No: A50762) was appointed in his place with effect from the same date.

MEETINGS OF BOARD OF DIRECTORS

During the financial year under review, the board met seven times i.e. 30/05/17; 17/07/17; 14/09/17; 01/11/17; 14/11/17; 28/11/17; 14/02/18. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

The details with respect to Committee Meetings and attendance thereat have been provided in the Corporate Governance Report forming part of the Annual Report.

EXTRACT OF ANNUAL RETURN

The extract of Annual Return, in format MGT -9, for the Financial Year 2017-18 has been

enclosed with this report.

INDUSTRIAL RELATIONS

Industrial relations at Dhenkanal Plant of the Company remained harmonious and cordial during the year under review. The Directors wish to convey their sincere appreciation for the cooperation and support provided by the employees of the Company.

DIRECTORS' RESPONSIBILITY 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, 2018, 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, 2018, 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. 90,467/- and the Company Secretary is paid Rs 2,04,024/-.

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 and 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.

Fraud Reporting (Required by Companies Amendment Bill, 2014)

No case of fraud has been reported to the Audit Committee or Board during the year.

AUDIT AND AUDITOR'S REPORT

In the last AGM held on 21.09.2017 M/s. T. More & Co., Chartered Accountants (Firm Registration No. 327844E) was appointed as the Statutory Auditor of the Company for the F.Y. 2017-18 and his term of office expires at the ensuing AGM. The Board proposes the reappointment of M/s. T. More & Company as statutory auditors of the company based on the recommendation of the Audit Committee to hold office from the conclusion of the ensuing Annual General Meeting until the conclusion of the next Annual General Meeting. The appointing auditors have given their consent for appointment. The Company has received a certificate under Rule 4(1) of the Companies (Audit & Auditors) Rule, 2014 from the Auditors that their reappointment, if made, will be in accordance with the limits as specified in section 141(3) (g) of the Companies Act, 2013.

Secretarial Audit Report

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

BOARD'S COMMENTS ON AUDITOR'S REPORT

The Auditor's observations and remarks are self-explanatory and hence does not require any

clarifications.

COMPOSITION OF AUDIT COMMITTEE

The constitution of the Audit Committee, Terms of Reference and the dates on which meetings of the Audit Committee were held are mentioned in the Corporate Governance Report for FY'17-18 forming a part of this Annual Report.

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.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

Your Company is committed to provide a work environment which ensures that every woman employee is treated with dignity, respect and equality. There is zero-tolerance towards sexual harassment and any act of sexual harassment invites serious disciplinary action. During the year under review there were no cases of sexual harassment reported to the Company.

VIGIL MECHANISM

Pursuant to Section 177 of the Companies Act, 2013 and the rules framed there under and pursuant to provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has established a mechanism through which all the stakeholders can report the suspected frauds and genuine grievances to the appropriate authority. The Whistle Blower Policy which has been approved by the Board of Directors of the Company has been hosted on the website of the Company (http://nilachal.in/investor_relation.html). During the year under review, the Company has not received any complaint(s) under this policy.

CORPORATE GOVERNANCE

The Company is committed in maintaining the highest standards of Corporate Governance and adheres to the stipulations prescribed under SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015. A Report on Corporate Governance & Shareholders Information together with an Auditors' Certificate regarding Compliance of the same are annexed as a part of this Annual Report.

MANAGEMENT DISCUSSION & ANALYSIS REPORT:

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 has appointed a Chartered Accountant 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.

DEPOSITS

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

CAPITAL STRUCTURE

During the year under review, your Company has neither increased its authorized capital nor issued any shares.

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.

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.

For and on behalf of the Board

Bhagwati Prasad Jalan
Chairman

Place: Kolkata
Date:14/08/2018

Chairman

ANNEXURES TO DIRECTORS ' REPORT

ANNEXURE-I

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, 2018

A. CONSERVATION OF ENERGY :-

(a) Energy conservation measures taken:

The Company is committed to conserve energy and making best use of its 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:**

Paticulars	2017-18	2016-17	2015-16
1) Electricity			
(a) Purchased Units(K wh)	208092	212664	198144
Total Amount(Rs)	1872278	1899274	1838445
Rate per unit (in Rs./Kwh)	9.00	8.93	9.28
(b) Own Generation			
Through Diesel Generator	-	-	-
Unit (Kwh)	-	-	-
Unit per Ltr. of Diesel	-	-	-
oil Cost/Unit (Rs.)	-	-	-
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.	N.A.
LSHS Other Internal Generation			

B. Consumption per unit of production

Particulars	2017-18	2016-17	2015-16
1) Refractories Produced (MT)	----	----	----
2) Electricity (KWH/Ton)	----	----	----
3) Furnace oil & L.D Oil (Litres/Ton)	----	----	----
4) LSHS (Kg/Ton)	----	----	----
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 within 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

Nil

5. Technology absorption, adaption and innovationN.A.

For and on behalf of the Board

Place: Kolkata
Date: 14/08/2018

Bhagwati Prasad Jalan
Chairman

ANNEXURE-II

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, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 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 2018**, 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, 2018**, according to the provisions 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 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) Regulations,
- e) The Securities and Exchange Board of India (Listing obligation and Disclosure Requirements) Regulations, 2015.

During the period under review the company has complied with the provisions of Acts, Rules, Regulations, Guidelines and 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: 14/08/18

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

ANNEXURE-III

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2018

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 Exchange Limited
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	26.89
3	Manufacture of refractory ceramic products	23913	-
4	Manufacture of other refractory articles n.e.c.	23919	28.65
5	Coal Tar	23999	0.19
6	Wholesale of waste and scrap and other products n.e.c.	4669	44.27

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
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 1st April 2018]				No. of Shares held at the end of the year [As on 31st March 2018]				% 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) FIs			-	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)(1):-	50,000	-	50,000	0.25%	50,000	-	50,000	0.25%	0.00%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1700140	1900	17,02,040	8.36%	1700150	1900	1702050	8.36%	0.00%
ii) Overseas			-	0.00%	0	0	-	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	31147	383650	4,14,797	2.04%	34657	3,83,100	4,17,757	2.05%	0.00%
ii) Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	38,16,608	0	38,16,608	18.74%	3813638	0	38,13,638	18.73%	-0.08%
c) Others (specify)	389	0	389	0.00%	389	0	389	0.00%	0.00%
Sub-total (B)(2):-	55,48,284	3,85,550	59,33,834	29.14%	55,48,834	3,85,000	59,33,834	29.14%	0.00%
Total Public Shareholding (B)= (B)(1)+(B)(2)	55,98,284	3,85,550	59,83,834	29.39%	55,98,834	3,85,000	59,83,834	29.39%	0.00%
C. Shares held by Custodian for GDRs & ADRs			-	0.00%				0.00%	0.00%
Grand Total (A+B+C)	1,99,75,900	3,85,550	2,03,61,450	100.00%	1,99,76,450	3,85,000	2,03,61,450	100.00%	0.00%

(ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year 01-04-2017			Shareholding at the end of the year 31-03-2018			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% 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	5,50,584	2.70%	0	5,50,584	2.70%	0	0.00%
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%
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	7,50,000	3.68%	0	7,50,000	3.68%	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	15,42,900	7.58%	0	15,42,900	7.58%	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	45,69,086	22.44%	0	45,69,086	22.44%	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)

SN	Particulars	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
	At the beginning of the year	01-04-2017		1,43,77,616	70.61%		0.00%
	Changes during the year				0.00%		0.00%
					0.00%		0.00%
					0.00%		0.00%
	At the end of the year	31-03-2018		1,43,77,616	70.61%		0.00%

(iv) Shareholding Pattern of top ten Shareholders*(Other than Directors, Promoters and Holders of GDRs and ADRs):*

SN	For each of the Top 10 shareholders	Shareholding at the beginning of the year	
		No. of shares	% of total shares of the Company
1	EYNTHIA TIE UP PRIVATE LIMITED		
	a) At the beginning of the year	17,00,000	8.35%
	b) Changes during the year		(no changes during the year)
2	SUSHIL KUMAR AGARWAL		
	a)At the beginning of the year	12,18,000	5.98%
	b)Changes during the year		(no changes during the year)
	c) At the end of the year		
3	VIJAY KUMAR AGARWAL		
	a)At the beginning of the year	12,18,000	5.98%
	b)Changes during the year		(no changes during the year)
	c) At the end of the year		
4	VINAY AGARWAL		
	a)At the beginning of the year	3,18,000	1.56%
	b)Changes during the year		(no changes during the year)
	c) At the end of the year		
5	KARAN AGARWAL		
	a)At the beginning of the year	3,18,000	1.56%
	b)Changes during the year		(no changes during the year)
	c) At the end of the year		
6	MANJU AGARWAL		
	a)At the beginning of the year	3,17,524	1.56%
	b)Changes during the year		(no changes during the year)
	c) At the end of the year		
7	SAKET AGARWAL		
	a)At the beginning of the year	3,16,000	1.55%
	b)Changes during the year		(no changes during the year)
	c) At the end of the year		
8	RITU AGARWAL		
	a)At the beginning of the year	1,11,084	0.55%
	b)Changes during the year		(no changes during the year)
	c) At the end of the year		
9	LIFE INSURANCE CORPORATION OF INDIA		
	a)At the beginning of the year	50,000	0.25%
	b)Changes during the year		(no changes during the year)
	c) At the end of the year		
10	MOOSA HAJI MOHAMED MALKANI		
	a) At the beginning of the year	3,250	0.02%
	c) Changes during the year		(no changes during the year)

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	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	01-04-2017		5,50,584	2.70%		0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year	31-03-2018		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	01-04-2017		6,40,000	3.14%		0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year	31-03-2018		6,40,000	3.14%	6,40,000	3.14%
3	Name : Mr. Vijay Kumar Agarwal , Director Din No. 00121351						
	At the beginning of the year	01-04-2017		12,18,000	5.98%		0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year	31-03-2018		12,18,000	5.98%	12,18,000	5.98%

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	-	1,357.97	-	1,357.97
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	1,357.97	-	1,357.97
Change in Indebtedness during the financial year				
* Addition	-	4.55	-	4.55
* Reduction	-	-	-	-
Net Change	-	4.55	-	4.55
Indebtedness at the end of the financial year				
i) Principal Amount	-	1,362.52	-	1,362.52
ii) Interest due but not paid	-	42.42	-	42.42
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	1,404.94	-	1,404.94

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	MR. SARAVANAN ASOKAN . WHOLE TIME DIRECTOR. No. 07019583	Din	Total Amount in Lacs
1	Gross salary	50,611.00		0.51
	(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	22,594.00		0.23
	EDUCATION ALLOWANCES	151.00		0.00
	GRADE ALLOWANCES	6,401.00		0.06
	SOFT FURNISHING ALLOWANCES	1,507.00		0.02
	SPECIAL ALLOWANCES	12,803.00		0.13
	Total (A)	94,067.00		0.94
	Ceiling as per the Act			

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				
	Overall Ceiling as per the Act				

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

SN.	Particulars of Remuneration		Name of Key Managerial Personnel			Total Amount
	Name					(Rs/Lac)
	Designation	CEO	CFO	CS		
1	Gross salary	0.94	-	2.04		2.98
	(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	0.94	-	2.04		2.98

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	No PENALTIES /PUNISHMENT/COMPOUNDING OF OFFENCES UNDER COMPANIES ACT 1956 AND / OR 2013				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	No PENALTIES /PUNISHMENT/COMPOUNDING OF OFFENCES UNDER COMPANIES ACT 1956 AND / OR 2013				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	No PENALTIES /PUNISHMENT/COMPOUNDING OF OFFENCES UNDER COMPANIES ACT 1956 AND / OR 2013				
Punishment					
Compounding					

ANNEXURE - IV

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, Aluminum 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 the company is continuously pursuing for some large orders from the consumers in India and overseas and also trying to rope in companies of repute to introduce new product categories for manufacture of its Dhenkanal plant.

The turnover from refractories items is Rs. 1.83 Crores 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, this 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. 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: 14-08-2018

For and on behalf of the Board of Directors

Bhagawati Prasad Jalan
(Chairman)



ANNEXURE -V 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 Board is headed by a Non-Executive Chairman (Promoter). As on 31st March, 2018 the Board comprised of Ten Directors, out of which Five are Independent Directors, Four are Non-Executive Directors and One is Wholetime Director. The Composition of the Board of Directors is in conformity with the Corporate Governance code. None of the Director is a member of more than ten committees or Chairman of more than five committees, across all the Companies in which he is a Director. None of the independent director is a director of more than seven listed companies and the Whole time director of the Company is not designated as an independent director in any listed company. The Board functions as a full Board and through committees. The Board of Directors and Committee meet at regular intervals. Every directors of the Company are over twenty one years of age. The Board ensures the desired level of independence in functioning and decision-making. Moreover 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

The details of composition of the Board, Director's attendance at the Board Meetings and at the last Annual General Meeting, other Directorships and the Board Committee Memberships as on 31st March, 2018 are given hereunder:

Name of the Director	Category	Relationship with Other Director	Date of Joining	No. of Board Meetings	Attendance of meetings during 2016-17		No. of Directorships and Committee Memberships/ Chairmanships**		
					Board Meeting	Last AGM	Other Directorships*	Committee Membership	Committee Chairmanship
Mr. Bhagwati Prasad Jalan Din No. 00551459	Chairman	Father of Niraj Jalan	19 th Dec 2005	7	7	No	0	0	0
Mr. Niraj Jalan Din No.00551970	Director	Son of Bhagwati Prasad Jalan	06 th May 2006	7	4	No	1	0	0
Mr. Vimal Prakash Din No. 00174915	Director		06 th May 2006	7	6	No	0	0	0
Mr. Vijay Kumar Agarwal Din No. 00121351	Director		19 th Dec 2005	7	7	No	2	0	0
Mr. Sribash Chandra Mishra Din No. 01983910	Independent Director		31 st Jan 2007	7	6	Yes	0	1	1
Mr. Ramesh Dhandhanian Din No.00375424	Independent Director		01 st Feb 2014	7	6	Yes	0	1	1
Mr. S.Asokan Din No. 07019583	CEO & Whole Time Director		25th Nov 2014	7	7	Yes	0	1	0
Mr. S. Radhakrishnan Din No. 00009818	Independent Director		25th Nov 2014	7	7	No	4	0	0
Mr. Tej Bahadur Singh Din No. 02047801	Independent Director		25th March 2015	6	4	No	0	0	0
Mrs. Bindu Jain Din No. 07159504	Independent Director		25th March 2015	7	7	No	0	1	0
Mr. Pradip kr. Mahapatra Din No: 08067067	Independent Director (Additional)		14th February 2018	1	1		0	0	0

* excluding Foreign Companies, Private Companies and Section 8 Companies

** Excludes Committees other than Audit Committee and Stakeholders Relationship Committee of Public Limited Companies.

All the Independent directors of the Company have provided declaration 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

During the year under review, Seven board meetings were held, the dates on which the meetings were held are as follows:

30-05-2017, 17-07-2017, 14-09-2017, 01-11-2017, 14-11-2017, 28-11-2017 and 14-02-2018

The maximum gap between any two Board Meetings held during the year was not more than one hundred and twenty days.

(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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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.

(E) Code of Conduct

The Company has adopted a code of conduct for the Board of Directors and the senior management of the Company and all of them has affirmed compliances of the same. The Policy has also been hosted on the website of the Company (www.nilachal.in).

(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.

I. 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
Mr. S.C.Mishra- Chairman	Mr. Ramesh Dhandhanian - Chairman	Mr. Ramesh Dhandhanian- Chairman	Mr. Niraj Jalan Chairman	Mr. Saravanan Asokan - Chairman	It is not applicable to the company.
Mr. Ramesh Dhandhanian Member	Mr. S.C.Mishra Member	Mr. S.C.Mishra Member	Mr. Vimal Prakash Member	Mr. Mukti Kishore Sahoo - Member	

Mr. Saravanan Asokan Member		Mr. S.Radhakrishnan Member	Mr. Saravanan Asokan Member		
Mrs. Bindu Jain Member					

AUDIT COMMITTEE

a) Composition of the Audit Committee:

The Audit Committee as on 31st March, 2018 comprised of the following four directors:

- | | |
|----------------------------|----------|
| 1. Mr. S.C.Mishra- | Chairman |
| 2. Mr. Ramesh Dhandhanian- | Member |
| 3. Mr. Saravan Asokan- | Member |
| 4. Mrs. Bindu Jain- | Member |

Company Secretary acts as the secretary to the committee. Mr. S.C. Mishra; Mr. Ramesh Dhandhanian; Mrs. Bindu Jain are Independent Directors and Mr. Sarvanan Asokan is the Wholetime Director of the Company.

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

During the year under review, the Committee held four meetings, the dates of the meetings being 30th May 2017, 14th September 2017, 14th November 2017 and 14th February 2018. The maximum gap between any two Meetings of Audit held during the year was not more than one hundred and twenty days.

Sl. No.	Name of the Member	Designation	Number of Meetings attended
1	Mr. S.C.Mishra	Chairman	4
2	Mr. Ramesh Dhandhanian.	Member	4
3	Mr. S Asokan	Member	4
4	Mrs. Bindu Jain	Member	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 Section 134(5) of the Companies Act, 2013.
 - (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

As per sec 178 of the Companies Act 2013 and regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board has set up a Nomination & Remuneration Committee whose roles are:

- i) Formulation of criteria for determining qualification, positive attributes and independence of a director and recommends to the Board a policy relating to the remuneration of directors, key managerial persons and other employees
- ii) Formulation of criteria for evaluation of Independent Director and the Board.
- iii) Identifying persons who are qualified to become directors and who may be appointed in the senior management.
- iv) Devising a policy on Board diversity.

The Nomination & Remuneration Committee as on 31st March, 2018 comprised of:

- | | |
|----------------------------|----------|
| 1. Mr. Ramesh Dhandhanian- | Chairman |
| 2. Mr. S.C. Mishra- | Member |
| 3. Mr. S Radhakrishnan- | Member |

Company Secretary acts as the secretary to the committee

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 companies.
- 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

During the year under review the Committee met three times, the dates of the meetings being 01st November, 2017; 28th November 2017 and 14th February 2018.

Sl. No.	Name of the Member	Designation	Number of Meetings attended
1	Mr. Ramesh Dhandhanian.	Chairman	3
2	Mr. S.C.Mishra	Member	3
3	Mr. S Radhakrishnan	Member	3

Evaluation of Performance of the Board, its Committees and Directors

Details with regard to evaluation of performance of the Board, its Committees and Directors has been furnished in the Directors' Report.

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:

- | | |
|---|----------|
| 1. Mr. Saravanan Asokan, Whole time Directors- | Chairman |
| 2. Mr. Mukti Kishore Sahoo, Deputy Manager, Accounts- | Member |

Company Secretary acts as the secretary to the committee

The Committee met on following occasion 22-03-2018

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

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.

This Committee comprises of the following two Directors.

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

Company Secretary acts as the secretary to the committee

The Shareholders/Investors Grievance Committee reviews and redresses all the grievances periodically and meets as and when required. The Company has not received any grievances during the financial year 2017-18. The details of the Compliance officer is given below:

Compliance Officer

Mr. Krishna Sharma, Company Secretary

Mobile No:- +919748181833

Email: cs@nilachal.in, info@nilachal.in

During the period under review one meeting of the Committee was held on 23rd March, 2018.

The Company has appointed M/s S K Infosolutions Pvt Ltd, as its Share Transfer Agent for both physical and demat segment of equity shares.

The Company obtains half-yearly certificate from a Company Secretary in Practice confirming the issue of certificates for transfer, sub-division, consolidation etc., and submits a copy thereof to the Stock Exchanges in terms of Regulation 40(9) of SEBI (LODR) Regulations, 2015. Further, the Compliance Certificate under Regulation 7(3) of the SEBI (LODR) Regulations, 2015 confirming that all activities in relation to both physical and electronic share transfer facility are maintained by Registrar and Share Transfer Agent registered with the Board is also submitted to the Stock Exchanges on a half yearly basis.

RISK MANAGEMENT COMMITTEE

The Board of your company has formulated a risk management policy in connection with the risk that the organization faces in its day to day business such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory etc. The Company has also constituted a risk management committee to oversee and implement the policy. The board reviews the policy in regular interval. The Risk Management Committee Comprises of :-

1. Mr. Niraj Jalan; Chairman
2. Mr. Vimal Prakash, Member
3. Mr. Saravanan Asokan, Member

INDEPENDENT DIRECTORS MEETING

During the year under review, separate Meeting of the Independent Directors was held on 24th March 2018, without the attendance of Non-Independent Directors and members of the Management, inter alia, to evaluate:

- Performance of Non-Independent Directors and the Board as a whole;
- Performance of the Chairperson of the Company, taking into account the views of Executive Director and Non-Executive Directors;
- The quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors attended the Meeting.

SUBSIDIARY COMPANIES

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

OTHER 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. (i) of note 30 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. The policy for dealing with related party transactions has been hosted on the website of the Company. The weblink for the same is:

<http://nilachal.in/pdf/Policy%20On%20Dealing%20With%20Related%20Party%20Transactions.pdf>

(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's Discussion and Analysis Report

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

(D) Directors

As per the Companies Act, 2013 at least 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. Niraj Jalan will retire at the ensuing Annual General Meeting and being eligible offers himself for re appointment.

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

There were 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.

The audited annual results are announced within two months from the end of the last quarter as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Both the unaudited as well as the audited financial results of the Company are also hosted on its website i.e. www.nilachal.in

(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 complying with 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. But due to in accessibility to its factory and records the Company was not able to comply with Clause 41 of Erstwhile Listing Agreement. Owing to which the trading in equity shares of your Company was suspended at Bombay Stock Exchange Ltd. However the suspension in trading of equity shares of your Company was revoked with effect from 29th Jan, 2018 as a result of the continuous efforts made by the Company towards revocation of suspension in trading of equity shares.

(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
2014-15	Hotel Pushpak	Tuesday 22 nd September 2015	12.30 PM
2015-16	Hotel Pushpak	Wednesday 28 th September 2016	12.30 PM
2016-17	Hotel Pushpak	Thursday 21 st September 2017	12:30 PM

(J) Special Resolution and Resolution through Postal Ballots

No Special resolutions have been passed during the previous three annual general meetings. Also there were no ordinary or special resolutions passed by the members through Postal Ballot.

Further there is no proposal to pass any resolution through Postal Ballot during this year.

(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.

(M) CEO/CFO CERTIFICATION

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the certificate from Sri S. Asokan , Chief Executive Officer , was placed before the Board of Directors at their meeting held on 14th August, 2018.

(N) Compliance with Corporate Governance Norms

The Company has complied with all the mandatory requirements of Corporate Governance norms as enumerated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(O) Auditors Report on Corporate Governance

As required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the auditors' certificate is given as an annexure to the Directors Report

1. GENERAL SHAREHOLDERS' INFORMATION:

1	<i>AGM: Date, Time & Venue</i>	<i>25TH September, 2018 At 12:30 P.M. 'Hotel Pushpak, Bhubaneswar'</i>
2	Date of Book Closure	19 th September, 2018 to 25 th September, 2018 (both days inclusive)
3	Dividend Payment	No dividend is recommended by the Board of Directors for the year
4	Listing on Stock Exchanges	The Company's equity Shares are listed on the following Stock Exchanges- 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
5.	Annual Listing Fees	The annual listing fees has been paid to the aforesaid Stock Exchanges for the Financial Year 2018-19.
5	Stock code	Calcutta Stock Exchange -19120 Bombay Stock Exchange -502294
6	ISIN No. allotted to equity Shares	INE416N01013
7	Depositories Connectivity	With: 1. Central Depository Services (India) Limited (CDSL)

		2:National Securities Depository Limited (NSDL)
8	Registrar and Transfer Agent: Physical & Demat	S K Infosolutions Pvt.Ltd. 34/1A Sudhir Chatterjee Street Kolkata – 700 006
9	Registered Office	Plot No- P598/599 , Kedarnath Apartment, Mahabir Nagar,Lewis Road , Bhubaneswar-751 002,Odisha
10	Plant Location	Nilachal Refractories Limited , Ipitata Nagar , Dhenkanal 759 025 Odisha
11	Address for investors' correspondences	Investors/shareholders can correspond with the RTA and directly to the Registered Office /Corporate Office of the company or may e-mail to the Company in this mail id: cs@nilachal.in

Stock Price Data

Year/ Month	BSE	
	(in Rs.)	
	High	Low
2017		
April	Trading in equity shares was suspended. The suspension in trading of equity shares of your company was revoked with effect from 29 th January, 2018	
May		
June		
July		
August		
September		
October		
November		
December		
2018		
January	33.10	30.05
February	42.25	33.25
March	46.00	40.00

Distribution of Shareholding as at 31st March 2018

(i) According to Category of Holding:

Shareholders	As on 31 st March,2018		As on 31 st March,2017		As on 31 st March 2016	
	No. of Shares	%	No. of Shares	%	No of Shares	%
Promoters	14377616	70.61	14377616	70.61	14377616	70.61
Financial Institutions	50000	0.25	50000	0.25	50000	0.25
Private Corporate Bodies (Excluding Promoters)	1702050	8.36	1702040	8.36	1701826	8.36
Non-Resident Indian	389	0.00	389	0.00	389	0.00
Public	4231395	20.78	4231405	20.78	4231619	20.78
Total	20361450	100	20361450	100	20361450	100

(ii) According to Number of Shares held: 31-03-2018

Shareholding Range	No. of shareholders	% of Shareholders	No. of shares	% of Shareholding
1-500	2911	95.10	314457	1.54
501-1000	84	2.74	65089	0.32
1001-2000	23	0.75	33400	0.16
2001-3000	2	0.07	4100	0.02
3001-4000	1	0.03	3150	0.02
4001-5000	0	0	0	0
5001-10000	0	0	0	0
10001 and above	40	1.31	19941254	97.94
Total	3061	100.00	20361450	100.00

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.

CEO/CFO CERTIFICATION TO THE BOARD

**To the Board of Directors
Nilachal Refractories Limited**

Pursuant to the provisions of Regulation 17(8) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, I, S. Asokan , Chief Executive Officer hereby certify that

- (a) I have reviewed the Financial Statement, and the Cash Flow Statement for the year 2017-2018 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

S.Asokan
(Chief Executive Officer)

Place : Kolkata
Date : 14.08.2018

**Auditors Certificate on compliance with the conditions of Corporate Governance
Code under (LODR) Regulations, 2015**

To
The members of
Nilachal Refractories Limited

We have examined the compliance of conditions of corporate governance by **Nilachal Refractories LIMITED** for the year ended 31st March, 2018, as stipulated in the SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015.

Management's Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

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.

Opinion

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 SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015.

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 T. More & Co.
Chartered Accountants
Registration No:- 327844E

Tanisha More
Proprietor
Membership No: 301569
Kolkata
Date: 14th August, 2018

Affirmation of Compliance with Code of Conduct

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 SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015.

Dated: 14.08.2018
Place: Kolkata

S.Asokan
CEO & Whole time Director



INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF NILACHAL REFRACTORIES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **NILACHAL REFRACTORIES LIMITED** (the Company), which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss, 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 Standalone Financial Statements.

The Company's Board of Directors is responsible for the matter stated in Section 134(5) of the Companies Act, 2013 (the Act) with respect to the preparation and presentation of these standalone 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 judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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.



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We conducted our audit in accordance with the standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the institute of Chartered Accountants of India. Those Standards and pronouncements 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 judgement, 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

- i. 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.

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 31st March, 2018
- b) In the case of Statement of Profit & 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.



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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 & 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 standalone financial statements comply with the accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 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 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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, refer 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.



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- i. The Company has disclosed the impact of pending litigation on its financial position in its financial statements. Refer Note 5 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 Funds by the Company.

**For T. MORE & CO.
Chartered Accountants
Firm Regn. No. 327844E**

Place : KOLKATA

Dated, the 30th day of May, 2018

**TANISHA MORE
Proprietor
C.A. Membership No. 301569**



**ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT OF
NILACHAL REFRACTORIES LIMITED**

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 standalone financial statements for the year ended 31st March, 2018, 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, were mortgaged with the lenders and confirmation was obtained from them during the audit of the preceding year and from the documents verified by us, it was held in the erstwhile name of the company as at the preceding 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, were mortgaged with the tenders and confirmation is obtained from them during the audit of the preceding year and from the documents verified by us, the land lease agreement was in the erstwhile name of Company, where the company is the lessee in the agreement as at the preceding Balance Sheet date.

However at the time of audit during the year under consideration, we are informed that the loans have been repaid in full and the tenders are in the process of releasing the title documents for which the documents could not be physically verified by us.

- (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 verification
- (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, wealth tax, customs duty, excise duty, cess and other material statutory dues in arrears as on 31st March, 2018 for period of more than six months from the date they became payable. The particulars of dues of sales tax and Entry tax as at March 31, 2018 which have not been deposited on account of a dispute are as follows:

Nature 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, Cuttack, Orissa (Sales Tax)	1999-2000 to 2001-02	72.18	72.18
Entry Tax	Additional Commissioner of Commercial Taxes, Range – II, Cuttack, Orissa (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 Tax, Angul Range, Angul, Orissa (Entry Tax)	2002-03	24.10	24.10



- (vii) 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.
- (viii) 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.
- (ix) 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.
- (x) 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
- (xi) The company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable
- (xii) 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.
- (xiii) 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.
- (xiv) The company is not required to be registered under section 45-1 of the Reserve Bank of India Act, 1934.

**For T. MORE & CO.
Chartered Accountants
Firm Regn. No. 327844E**

Place : KOLKATA

Dated, the 30th day of May, 2018

**TANISHA MORE
Proprietor
C.A. Membership No. 301569**



**ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT OF
NILACHAL REFRACTORIES LIMITED**

Report 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, 2018 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 or 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 of 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 whetheradequate 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 statement 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 these 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, 2018 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 T. MORE & CO.
Chartered Accountants
Firm Regn. No. 327844E**

Place : KOLKATA

Dated, the 30th day of May, 2018

**TANISHA MORE
Proprietor
C.A. Membership No. 301569**

NILACHAL REFRACTORIES LTD

BALANCE SHEET

Particulars	Note No.	As At 31.03.2018		As At 31.03.2017		As At 01.04.2016	
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
ASSETS							
(1) Non-current assets							
(a) Property, Plant and Equipment	4		7,75,96,221		8,52,52,949		9,90,21,170
(b) Capital work-in-progress	4		31,47,03,511		31,47,03,511		31,47,03,511
{c} Financial Assets							
(i) Loans & Advances	5	76,77,946		76,77,946		76,77,946	
(ii) Security Deposits	6	22,37,122	99,15,068	22,89,122	99,67,068	22,91,622	99,69,568
(d) Deferred tax assets (net)	7		5,30,56,742		5,74,34,417		3,25,67,768
(e) Other non-current assets	8		4,39,543		3,80,356		3,51,231
(2) Current assets							
(a) Inventories	9		10,72,59,002		11,65,02,354		13,93,85,473
(b) Financial Assets							
(ii) Trade receivables	10	2,10,06,275		4,19,76,098		4,01,41,500	
(iii) Cash and cash equivalents	11	10,86,928		14,87,441		2,27,733	
(iv) Bank balances other than (iii) above	12	9,33,950		9,33,950		9,17,206	
(vi) Advances Recoverable in Cash or in Kind	13	2,52,567	2,32,79,720	2,89,152	4,46,86,641	6,02,055	4,18,88,494
{c} Other current assets	14		63,06,114		57,25,662		60,59,047
			59,25,55,921		63,46,52,958		64,39,46,262
EQUITY AND LIABILITIES							
Equity							
(a) Equity Share capital	15		48,73,31,600		48,73,31,600		39,73,31,600
(b) Other Equity	16		(10,64,50,457)		(8,99,83,246)		(8,96,85,484)
LIABILITIES							
(1) Non-current liabilities							
(a) Other non-current liabilities	17		18,37,953		18,06,560		17,32,982
(2) Current liabilities							
(a) Financial Liabilities							
(i) Borrowings	18	14,04,93,996		13,57,96,910		20,98,98,904	
(ii) Trade payables	19	4,73,75,466		7,15,30,708		8,65,85,809	
(iii) Other financial liabilities	20	2,17,46,934	20,96,16,397	2,41,66,829	23,14,94,447	3,40,78,854	33,05,63,567
(b) Other current liabilities	21		2,20,428		40,03,597		40,03,597
Total Equity and Liabilities			59,25,55,921		63,46,52,958		64,39,46,262

See accompanying note nos. 4 to 30 forming part of the financial statements

As per our Report of even date

For and on behalf of the Board of Directors

For T More & Company

Firm Registration No. 327844e

Chartered Accountants

(Tanisha More)

(Proprietor)

(M. No. 301569)

Place: Kolkata

Date: 30/05/2018

Krishna Sharma
Company Secretary
M.No. 50762

Saravanan Asokan
Whole Time Director
DIN : 07019583

Vijay Kr Agarwal
Director
DIN : 00121351

Niraj Jalan
Director
DIN : 00551970

NILACHAL REFRACTORIES LTD

STATEMENT OF PROFIT AND LOSS

Particulars	Note No.	For the Year Ended March 31, 2018		For the Year Ended March 31, 2017	
		Rs.	Rs.	Rs.	Rs.
I Revenue From Operations	22		1,83,08,547		2,31,26,022
II Other Income	23		1,47,93,760		1,56,74,056
III Total Income (I+II)			<u>3,31,02,307</u>		<u>3,88,00,078</u>
IV EXPENSES					
Cost of materials consumed	24		22,57,752		14,69,315
Purchases of Stock-in-Trade	25		84,40,898		-
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	26		78,39,093		2,18,00,697
Employee benefits expense	27		19,19,993		16,92,747
Finance costs	28		47,24,429		1,10,60,964
Depreciation and amortization expense	4		71,70,603		72,20,648
Other expenses	29		<u>1,28,39,075</u>		<u>1,42,06,788</u>
Total expenses (IV)			<u>4,51,91,843</u>		<u>5,74,51,159</u>
V Profit/(loss) before exceptional items and tax (I- IV)			(1,20,89,536)		(1,86,51,081)
VI Exceptional Items			-		-
VII Profit/(loss) before tax (V-VI)			(1,20,89,536)		(1,86,51,081)
VIII Tax expense:					
(1) Current tax		-	-	-	-
(2) Deferred tax		43,77,675		(2,48,66,649)	
(3) Income Tax Adjustments for Earlier Years		<u>-</u>	<u>43,77,675</u>	<u>-</u>	<u>(2,48,66,649)</u>
IX Profit (Loss) for the period from continuing operations (VII-VIII)			(1,64,67,211)		62,15,568
X Profit/(loss) from discontinued operations			-		-
XI Tax expense of discontinued operations			-		-
XII Profit/(loss) from Discontinued operations (after tax) (X-XI)			-		-
XIII Profit/(loss) for the period (IX+XII)			(1,64,67,211)		62,15,568
XIV Other Comprehensive Income			-		-
A (i) Items that will not be reclassified to profit or loss			-		-
(ii) Income tax relating to items that will not be reclassified to profit or loss			-		-
B (i) Items that will be reclassified to profit or loss			-		-
(ii) Income tax relating to items that will be reclassified to profit or loss			-		-
XV Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and Other Comprehensive Income for the period)			(1,64,67,211)		62,15,568
XVI Earnings per equity share (for continuing					
(1) Basic & Diluted			(0.81)		0.31

See accompanying note nos. 4 to 30 forming part of the financial statements

As per our Report of even date

For and on behalf of the Board of Directors

For T More & Company

Firm Registration No. 327844e
Chartered Accountants

Vijay Kr Agarwal
Director
DIN : 00121351

(Tanisha More)

(Proprietor)
(M. No. 301569)

Place: Kolkata
Date: 30/05/2018

Krishna Sharma
Company Secretary
M.No. 50762

Saravanan Asokan
Whole Time Director
DIN : 07019583

Niraj Jalan
Director
DIN : 00551970

NILACHAL REFRACTORIES LTD

Cash Flow Statement for the Year Ended March 31, 2018

	31-03-18 <u>Rs.</u>	31-03-17 <u>Rs.</u>
A Cash flow from operating activities		
Profit/(loss) before tax	(1,20,89,536)	(1,86,51,081)
Adjusted for :-		
- Depreciation and amortisation expense	71,70,603	72,20,648
- Interest income	(1,96,891)	(1,86,742)
- Finance cost	47,24,429	1,10,60,964
- (Profit)/loss on sale of property, plant and equipment (net)	2,59,241	-
	<u>(1,32,154)</u>	<u>(5,56,211)</u>
Operating profit/(loss) before working capital changes		
Adjusted for :		
- (Increase)/Decrease in trade receivables	2,09,69,823	(18,34,598)
- (Increase)/Decrease in inventories	92,43,353	2,28,83,119
- (Increase)/Decrease in other assets	(4,01,718)	6,14,728
- Increase/(Decrease) in trade payables	(2,41,55,242)	(1,50,55,101)
- Increase/(Decrease) in other liabilities	(61,71,671)	(98,38,447)
- Increase/(Decrease) in provisions	-	-
	<u>(6,47,609)</u>	<u>(37,86,510)</u>
Cash generated from operations		
Net Income taxes (paid) / refunds	(1,49,336)	4,935
Net cash from operating activities	<u>(7,96,945)</u>	<u>(37,81,575)</u>
B Cash flow from investing activities		
Capital expenditure on property, plant and equipments including capital advances	-	-
Sale of property, plant and equipments	2,26,884	34,242
Sales/ Purchases of investments	-	-
Interest received	1,96,891	1,86,742
Bank balances not considered as cash and cash equivalents	-	-
Net cash used in investing activities	<u>4,23,775</u>	<u>2,20,984</u>
C Cash flow from financing activities		
Repayment of short-term borrowings	46,97,086	(7,41,01,994)
Interest and finance charges paid	(47,24,429)	(1,10,60,964)
Issue of Preference Shares	-	9,00,00,000
Net cash used in financing activities	<u>(27,343)</u>	<u>48,37,042</u>
Net (decrease) / increase in cash and cash equivalents	(4,00,513)	12,76,452
Cash and cash equivalents as at the beginning of the year	24,21,391	11,44,939
Cash and cash equivalents as at the end of the year	20,20,878	24,21,391

See accompanying note nos. 4 to 30 forming part of the financial statements

As per our Report of even date

For and on behalf of the Board of Directors

For T More & Company

Firm Registration No. 327844e

Chartered Accountants

Vijay Kr Agarwal

Director

DIN : 00121351

(Tanisha More)

(Proprietor)

(M. No. 301569)

Place: Kolkata

Date: 30/05/2018

Krishna Sharma
Company Secretary
M.No. 50762

Saravanan Asokan
Whole Time Director
DIN : 07019583

Niraj Jalan
Director
DIN : 00551970

Nilachal Refractories Ltd

SIGNIFICANT ACCOUNTING POLICIES

1. Reporting entity

Nilachal Refractories Ltd (the 'Company') is an Indian Company and its registered office situated at P-598/599 Lewis Road, Kedarnath Apartment, Mahabir Nagar Bhubaneswar 751002 Odisha. The Company has been incorporated under the provisions of Indian Companies Act and its equity shares are listed on the Bombay Stock Exchange (BSE) and Calcutta Stock Exchange Association (CSE) in India. The Company is primarily engaged in the business of Refractories items

2. Basis of preparation

A Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act

The financial statements up to and for the year ended 31 March 2017 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act

As these are the Company's first standalone financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance is provided in Note

Details of the Company's accounting policies are included in Note 3.

B Functional and presentation currency

These standalone financial statements are presented in Indian Rupees, which is also the Company's functional currency. All amounts have been rounded-off to the nearest rupee, unless otherwise indicated.

C Use of Estimates and Judgments

The preparation of the financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented.

3. Significant Accounting Policies

Revenue recognition

- 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.

Claims :-

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

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.

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.

Transition to Ind AS :- On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as on 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual value using straight line

method over the useful lives of assets and in the manner specified in schedule II of the Companies Act, 2013. Depreciation is calculated on pro-rata basis on additions and deletions of fixed assets during the year.

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

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.

Borrowing Cost :-

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

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.

Intangible Assets :-

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

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.

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.

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.

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 un-availed leave of the employee at the year end.

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.

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.

NILACHAL REFRACTORIES LIMITED
Property, Plant and Equipments
Note – 4

	GROSS BLOCK				DEPRECIATION				NET BLOCK		
Description of Assets	As at 1st April 2017	Additions during the year	Sales/ Adjustment during the year	As at 31st March 2018	As at 31st March 2017	Adjusted With Retained Earnings	Provided during the year	Deduction Sales Adjustment	As at 31st March 2018	Net Value of Assets as at 31.03.2018	Net Value of Assets as at 31.03.2017
	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>
TANGIBLE ASSETS											
LAND (Freehold)	18,46,851	-	-	18,46,851	-	-	-	-	-	18,46,851	18,46,851
(Previous year)	(18,46,851)			(18,46,851)					-	(18,46,851)	(18,46,851)
LAND (Leasehold) *	1,55,000	-	26,884	1,28,116	-	-	-	-	-	1,28,116	1,55,000
(Previous year)	(1,55,000)		-	(1,55,000)						(1,55,000)	(1,55,000)
BUILDINGS	2,06,19,700	-	-	2,06,19,700	1,01,11,582	-	3,10,967	-	1,04,22,549	1,01,97,151	1,05,08,118
(Previous year)	(2,06,19,700)			(2,06,19,700)	(1,45,05,320)	47,04,700	(3,10,962)		(1,01,11,582)	(1,05,08,118)	(61,14,380)
PLANT & MACHINERIES	15,31,90,054	-	-	15,31,90,054	8,24,86,022	-	65,38,985	-	8,90,25,007	6,41,65,047	7,07,04,032
(Previous year)	(15,31,90,054)			(15,31,90,054)	(6,53,17,709)	(1,06,29,332)	(65,38,981)		(8,24,86,022)	(7,07,04,032)	(8,78,72,345)
FURNITURE & FITTINGS	61,17,126	-	-	61,17,126	56,01,832	-	85,420	-	56,87,252	4,29,874	5,15,294
(Previous year)	(61,17,126)			(61,17,126)	(52,29,814)	(2,86,602)	(85,416)		(56,01,832)	(5,15,294)	(8,87,312)
VEHICLES	57,31,944	-	9,52,159	47,79,785	42,08,290	-	2,35,231	4,92,918	39,50,603	8,29,182	15,23,654
(Previous year)	(64,16,789)		(6,84,845)	(57,31,944)	(42,71,508)	(3,02,096)	(2,85,289)	(6,50,603)	(42,08,290)	(15,23,654)	(21,45,281)
TOTAL	18,76,60,675	-	9,79,043	18,66,81,632	10,24,07,726	-	71,70,603	4,92,918	10,90,85,411	7,75,96,221	8,52,52,949
TOTAL Previous Year	(18,83,45,520)	-	(6,84,845)	(18,76,60,675)	(8,93,24,351)	(65,13,330)	(72,20,648)	(6,50,603)	(10,24,07,726)	(8,52,52,949)	(9,90,21,170)
Capital Work in Progress	31,47,03,511	-	-	31,47,03,511	-	-	-	-	-	31,47,03,511	31,47,03,511
(Previous year)	(31,47,03,511)		-	(31,47,03,511)	-	-	-	-	-	(31,47,03,511)	
Grand Total	50,23,64,186	-	9,79,043	50,13,85,143	10,24,07,726	-	71,70,603	4,92,918	10,90,85,411	39,22,99,732	39,99,56,460
(Grand Total Previous Year)	(50,30,49,031)	-	(6,84,845)	(50,23,64,186)	(8,93,24,351)	(65,13,330)	(72,20,648)	(6,50,603)	(10,24,07,726)	(39,99,56,460)	

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

NILACHAL REFRACTORIES LTD

NOTES TO ACCOUNTS

Notes No.	5	As At 31.03.2018		As At 31.03.2017		As At 01.04.2016	
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	Long Term Loans & advances						
	(Unsecured, Considered good)						
	Advances For Capital Goods		75,42,980		75,42,980		75,42,980
	<u>Advances recoverable in cash or kind</u>						
	Considered Good	1,34,966		1,34,966		1,34,966	
	Considered Doubtful	-	1,34,966	-	1,34,966	-	1,34,966
			<u>76,77,946</u>		<u>76,77,946</u>		<u>76,77,946</u>

Notes No.	6						
	Security Deposits						
	(Unsecured, Considered good)		<u>22,37,122</u>		<u>22,89,122</u>		<u>22,91,622</u>

Notes No.	7						
	Recognised deferred tax assets and liabilities						
	Deferred tax assets and liabilities are attributable to the following :-						
	Particulars	Deferred tax assets		Deferred tax liabilities		Deferred tax (liabilities) / asset, net	
		31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
	Property, plant and equipment	5,74,34,417	5,74,34,417	43,77,675	-	5,30,56,742	5,74,34,417
	Tax impact on difference between book value of depreciable assets and written down value for tax purposes						
		<u>5,74,34,417</u>	<u>5,74,34,417</u>	<u>43,77,675</u>	<u>-</u>	<u>5,30,56,742</u>	<u>5,74,34,417</u>

Notes No.	8						
	Recognised deferred tax assets and liabilities						
	<u>Other Non-Current Assets</u>						
	(i) Interest accrued on deposits		3,77,654		3,18,467		2,89,342
	(ii) Compensation on Land Acquired		61,889		61,889		61,889
			<u>4,39,543</u>		<u>3,80,356</u>		<u>3,51,231</u>

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.

Notes No.	9						
	Inventories						
	(As taken, valued and certified by the management)						
	Stock of Stores and Spare Parts (At Cost)		29,96,092		29,96,092		29,96,092
	Stock of Packing Material (At Cost)		20,46,307		20,74,608		22,76,485
	Stock of By Products (At Net Relisable Value)		1,96,640		2,47,220		2,73,700
	Stock of Raw Material (At Cost)		1,09,54,868		1,23,30,826		1,32,11,371
	Stock of Finished Goods (At Lower of Cost or Net Realisable Value)		5,70,48,743		6,18,25,718		7,90,65,578
	Stock of Work in Progress (At Cost)						
	Refractories Brick		3,40,16,352		3,70,27,890		4,15,62,247
			<u>10,72,59,002</u>		<u>11,65,02,354</u>		<u>13,93,85,473</u>

NILACHAL REFRACTORIES LTD

NOTES TO ACCOUNTS

	As At 31.03.2018		As At 31.03.2017		As At 01.04.2016	
	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>
Notes No. - 10						
Trade Receivables						
(Unsecured, Considered good)						
Outstanding for a period exceeding six months	2,20,08,812		4,05,39,012		4,11,44,037	
Less: Provision for doubtful receivables	<u>(10,02,537)</u>	2,10,06,275	<u>(10,02,537)</u>	3,95,36,475	<u>(10,02,537)</u>	4,01,41,500
Other debts		-		24,39,623		-
		<u>2,10,06,275</u>		<u>4,19,76,098</u>		<u>4,01,41,500</u>

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. Rs. 2,87,163/- (31.03.2017 Rs. 2,87,163/-, 31.03.2016 Rs. 2,87,163/-) (b) Jiwanram Sheodutrai Pvt Ltd. Rs. Nil (31.03.2017 Rs. 26,600/-, 31.03.2016 Rs. 26600/-)

Notes No. - 11						
Cash and Cash Equivalents						
Cash in hand		5,607		58,699		10,915
Balances with banks						
- in current accounts	10,80,474		14,27,895		2,16,818	
- in debit Balance in Cash Credit A/c	<u>847</u>	10,81,321	<u>847</u>	14,28,742	-	2,16,818
		<u>10,86,928</u>		<u>14,87,441</u>		<u>2,27,733</u>

Notes No. - 12						
Others bank Balances						
- in EEFC account	2,88,817		2,88,817		2,78,804	
- in deposit account	<u>6,45,133</u>	9,33,950	<u>6,45,133</u>	9,33,950	<u>6,38,402</u>	9,17,206
		<u>9,33,950</u>		<u>9,33,950</u>		<u>9,17,206</u>

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

Notes No. - 13						
Advances Recoverable in Cash or in Kind						
(Unsecured, Considered good)						
Loans and advances to employees	2,52,567		3,75,200		5,31,394	
Less : Provision for doubtful advances	-	2,52,567	<u>-91,049</u>	2,84,152	<u>-91,049</u>	4,40,345
Prepaid Expenses		-		-		58,978
Advance to creditors		-		5,000		1,02,732
		<u>2,52,567</u>		<u>2,89,152</u>		<u>6,02,055</u>

Notes No. - 14						
Other current assets						
<u>Balance with statutory / government authorities</u>						
(i) Sales Tax Recoverable	12,58,441		12,58,441		12,58,441	
(ii) Cenvat credit receivable	25,55,410		21,25,094		24,46,797	
(iii) VAT tax credit receivable	1,96,970		1,96,170		2,02,507	
(iv) Export Benefit Receivable	18,82,307		18,82,307		18,82,307	
(v) Income Tax Refundable	1,46,000		1,46,000		1,46,000	
(vi) Advance Payment of Income Tax	2,66,986		1,17,650		1,22,585	
(vii) Entry Tax Receivable	-	63,06,114	-	57,25,662	410	60,59,047

Notes :-

Sales Tax Recoverable include amount of Rs 6.53 lacs (31.03.2017 Rs 6.53 Lacs, 31.03.2016 Rs. 6.53 Lacs)) collected by Sales Tax authorities against demand not acknowledged by the Company.

NILACHAL REFRACTORIES LTD

NOTES TO ACCOUNTS

Notes No. 15

SHARE CAPITAL

(a) Capital Structure

Authorised

	As At 31-03-2018		As At 31-03-2017		As At 01.04.2016	
	Nos.	Rs.	Nos.	Rs.	Nos.	Rs.
Equity Shares of Rs.10/- each	20400000	20,40,00,000	20400000	20,40,00,000	29500000	29,50,00,000
11% Redeemable Cumulative Preference Shares	15000	15,00,000	15000	15,00,000	15000	15,00,000
0% Redeemable Preference Shares of Rs. 100/- each	2845000	28,45,00,000	2845000	28,45,00,000	1935000	19,35,00,000
		<u>49,00,00,000</u>		<u>49,00,00,000</u>		<u>49,00,00,000</u>

Issued

Equity Shares of Rs.10/- each	20400000	20,40,00,000	20400000	20,40,00,000	20400000	20,40,00,000
11% Redeemable Cumulative Preference Shares	15000	15,00,000	15000	15,00,000	15000	15,00,000
0% Redeemable Preference Shares of Rs. 100/- each	2822191	28,22,19,100	2822191	28,22,19,100	1922191	19,22,19,100
		<u>48,77,19,100</u>		<u>48,77,19,100</u>		<u>39,77,19,100</u>

Subscribed & Paid up

Equity Shares of Rs.10/- each fully paid up	20361450	20,36,14,500	20361450	20,36,14,500	20361450	20,36,14,500
11% Redeemable Cumulative Preference Shares	14980	14,98,000	14980	14,98,000	14980	14,98,000
0% Redeemable Preference Shares of Rs. 100/- each	2822191	28,22,19,100	2822191	28,22,19,100	1922191	19,22,19,100
		<u>48,73,31,600</u>		<u>48,73,31,600</u>		<u>39,73,31,600</u>

(b) Share Capital Reconciliation

Equity Shares

At the beginning of the period	20400000	20,40,00,000	20400000	20,40,00,000	20400000	20,40,00,000
Issued during the period	-	-	-	-	-	-
Outstanding at the end of the period	<u>20400000</u>	<u>20,40,00,000</u>	<u>20400000</u>	<u>20,40,00,000</u>	<u>20400000</u>	<u>20,40,00,000</u>

11% Redem.Cum.Preference Share

At the beginning of the period	15000	15,00,000	15000	15,00,000	15000	15,00,000
Issued during the period	-	-	-	-	-	-
Outstanding at the end of the period	<u>15000</u>	<u>15,00,000</u>	<u>15000</u>	<u>15,00,000</u>	<u>15000</u>	<u>15,00,000</u>

0% Redem.Preference Share

At the beginning of the period	2822191	28,22,19,100	1922191	19,22,19,100	1922191	19,22,19,100
Issued during the period	-	-	900000	9,00,00,000	-	-
Outstanding at the end of the period	<u>2822191</u>	<u>28,22,19,100</u>	<u>2822191</u>	<u>28,22,19,100</u>	<u>1922191</u>	<u>19,22,19,100</u>

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

	Nos.	the Class	Nos.	the Class	Nos.	the Class
Unimark International Pvt.Ltd	57,69,086	28.33%	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%	15,00,000	7.37%
Sushil Kumar Agarwal	12,18,000	5.98%	12,18,000	5.98%	12,18,000	5.98%
Vijay Kumar Agarwal	12,18,000	5.98%	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%	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

	Nos.	the Class	Nos.	the Class	Nos.	the Class
General Insurance Corporation of India	5,000	33.38%	5,000	33.38%	5,000	33.38%
National Insurance Co. Ltd	5,000	33.38%	5,000	33.38%	5,000	33.38%
United India Insurance Co. Ltd	4,855	32.41%	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

	Nos.	the Class	Nos.	the Class	Nos.	the Class
Chetna Distributors Pvt Ltd	1,00,000	3.54%	1,00,000	3.54%	1,00,000	5.20%
Eynthia Tie Up Pvt Ltd	2,83,936	10.06%	2,83,936	10.06%	2,83,936	14.77%
Unimark International Pvt.Ltd	3,30,000	11.69%	3,30,000	11.69%	3,30,000	17.17%
Ganpati Industrial Pvt.Ltd.	3,02,276	10.71%	3,02,276	10.71%	3,02,276	15.73%
Ganpati RV Tallers Algeria Track Pvt.Ltd	3,80,280	13.47%	3,80,280	13.47%	3,80,280	19.78%
Rudraksh Belcom Pvt. Ltd	1,62,627	5.76%	1,62,627	5.76%	1,62,627	8.46%
Vimal Prakash HUF	1,67,500	5.94%	1,67,500	5.94%	-	-
Kamal Prakash HUF	1,67,500	5.94%	1,67,500	5.94%	-	-
Raj Rani Agrawal	1,67,500	5.94%	1,67,500	5.94%	-	-
Think finance (P) Ltd	2,88,700	10.23%	2,88,700	10.23%	-	-

(e) 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

Issue of Shares :- 9,00,000 0% Redemmable Preference Share of Rs. 100/- at par has been issued and allotted by the Company by conversion of unsecured Loans during the financial year ended on 31st March 2017. The Preference Shares shall from the date of allotment rank pari-passu in all respects with all other preference shares of similar category in the Company then on issue. The Preference shares shall be redeemed before the expiry of 20 years when the company has distributable profits and upon mutual consent of the allottees and company with an option to redeem at the sole discretion of the company at any time after the expiry of thirty six month from the date of the allotment, at par or at a premium out of the distributable profits of the company.

NILACHAL REFRACTORIES LTD

STATEMENT OF CHANGES IN EQUITY

Note No. 16

A. Equity Share Capital

Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
20,40,00,000	-	20,40,00,000

B. Other Equity

Amount in Rs.

	Reserves and Surplus					Equity Instruments through Other Comprehensive Income	Other items of Other Comprehensive Income (specify nature)	Total
	Capital Reserve / Central Subsidy	Securities Premium Reserve	Share Forfeiture Money (38550 Equity Shares)	General Reserve	Retained Earnings			
Balance as at 01.04.2016	15,00,000	13,50,00,000	1,20,125		(22,63,05,609)			(8,96,85,484)
Changes in accounting policy or prior period errors					(65,13,330)			(65,13,330)
Restated balance at the beginning of the reporting period								-
Transfer From retained earnings			-	-				-
Total Comprehensive Income for the year								-
Net profit after tax for the year					62,15,568			62,15,568
Dividends					-			-
Dividend Distribution Tax					-			-
Transfer to General Reserve					-			-
Others								-
Balance as at 31.03.2017	15,00,000	13,50,00,000	1,20,125	-	(22,66,03,371)	-	-	(8,99,83,246)

	Reserves and Surplus					Equity Instruments through Other Comprehensive Income	Other items of Other Comprehensive Income (specify nature)	Total
	Capital Reserve / Central Subsidy	Securities Premium Reserve	Share Forfeiture Money (38550 Equity Shares)	General Reserve	Retained Earnings			
Balance as at 01.04.2017	15,00,000	13,50,00,000	1,20,125	-	(22,66,03,371)	-	-	(8,99,83,246)
Changes in accounting policy or prior period errors					-			-
Restated balance at the beginning of the reporting period								-
Transfer From retained earnings			-	-				-
Total Comprehensive Income for the year								-
Net profit after tax for the year					(1,64,67,211)			(1,64,67,211)
Dividends					-			-
Dividend Distribution Tax					-			-
Transfer to General Reserve					-			-
Others								-
Balance as at 31.03.2018	15,00,000	13,50,00,000	1,20,125	-	(24,30,70,582)	-	-	(10,64,50,457)

NILACHAL REFRACTORIES LTD

NOTES TO ACCOUNTS

	As At 31.03.2018		As At 31.03.2017		As At 01.04.2016	
	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>
Notes No. 17						
Other Long Term Liabilities						
Trade / Security Deposits	1,00,868		1,00,868		1,00,868	
Provision on Leave encashment & Gratuity Payable	<u>17,37,085</u>	<u>18,37,953</u>	<u>17,05,692</u>	<u>18,06,560</u>	<u>16,32,114</u>	<u>17,32,982</u>
Notes No. 18						
Short Term Borrowings						
<u>Secured</u>						
Cash Credit Limit From Canara Bank		-		-		7,27,74,886
<u>Unsecured Loans</u>						
Loan Repayable on Demand from Related Parties	<u>14,04,93,996</u>		<u>13,57,96,910</u>		<u>13,71,24,018</u>	
	<u>14,04,93,996</u>		<u>13,57,96,910</u>		<u>20,98,98,904</u>	
Notes :-						
<u>(1) Security :-</u>						
Loan Repayable on Demand from Canara Bank (Cash Credit) Secured by 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.						
<u>(2) Unsecured Loans are repayable on Demand</u>						
Notes No. 19						
Trade payables						
<u>Trade payables :-</u>						
Other than acceptances Micro, Small and Medium Enterprises others	<u>4,73,75,466</u>		<u>7,15,30,708</u>		<u>8,65,85,809</u>	
Notes No. 20						
Other Financial Liabilities						
Statutory remittances	5,36,162		7,49,928		1,84,245	
Advance from customers	<u>2,12,10,772</u>	<u>2,17,46,934</u>	<u>2,34,16,901</u>	<u>2,41,66,829</u>	<u>3,38,94,609</u>	<u>3,40,78,854</u>
Notes No. 21						
Other Current Liabilities						
Creditors for Capital Work-in-Progress	<u>2,20,428</u>		<u>40,03,597</u>		<u>40,03,597</u>	
Notes 22						
Revenue from operations			<u>For the year</u>		<u>For the year</u>	
			<u>2017-18</u>		<u>2016-17</u>	
Sale of Products						
Refractory Bricks			49,51,049		1,30,62,934	
Castables & Monolithic			52,75,668		65,57,502	
Coal Tar			<u>34,680</u>	<u>1,02,61,397</u>	<u>22,950</u>	<u>1,96,43,386</u>
<u>Others</u>						-
Raw Materials				5,55,110		24,360
				<u>1,08,16,507</u>		<u>1,96,67,746</u>
Other Operating Revenue						
Sales of Scrap			<u>75,97,718</u>		<u>52,28,927</u>	
			1,84,14,225		2,48,96,673	
Less : Excise Duty			<u>1,05,678</u>		<u>17,70,651</u>	
			<u>1,83,08,547</u>		<u>2,31,26,022</u>	

NILACHAL REFRACTORIES LTD

NOTES TO ACCOUNTS

Notes	23	For the year 2017-18		For the year 2016-17	
		Rs.	Rs.	Rs.	Rs.
	Other Income				
	Interest Income				
	Interest (TDS Rs. 166986/- PY Rs.17650/-)	1,95,976		1,85,957	
	Interest on IT Refunds	915	1,96,891	785	1,86,742
	Other Non Operative Income				
	Liabilities / Provisions Written Back	55,234		1,52,33,439	
	Sundry Balances Written Off	1,29,10,477		-	
	Misc. Income - Insurance Claims Received	12,000		-	
	Land Acquired Compensation Received	14,56,633		-	
	Prior Period Adjustments	1,41,602		14,390	
	Exchange Fluctuation (Net)	-		1,70,002	
	Other Non Operative Income	20,923	1,45,96,869	69,483	1,54,87,314
			<u>1,47,93,760</u>		<u>1,56,74,056</u>
Notes	24				
	Cost of Material Consumed				
	Opening Stock	1,23,30,826		1,32,11,371	
	Purchases	15,87,263		6,08,540	
		<u>1,39,18,089</u>		<u>1,38,19,911</u>	
	Less: Cost of Material Sold	7,05,469	1,32,12,620	19,770	1,38,00,141
	Closing Stock		1,09,54,868		1,23,30,826
	Cost of Material Consumed		<u>22,57,752</u>		<u>14,69,315</u>
Notes	25				
	Purchases				
	Bricks		<u>84,40,898</u>		<u>-</u>
Notes	26				
	Changes in inventories of finished goods, work-in-progress and stock-in-trade				
	<u>Inventories at the end of the year :-</u>				
	Finished goods	5,70,48,743		6,18,25,718	
	Work-in-progress	3,40,16,352		3,70,27,890	
	By-Products	1,96,640	9,12,61,735	2,47,220	9,91,00,828
	<u>Inventories at the Beginning of the year :-</u>				
	Finished goods	6,18,25,718		7,90,65,578	
	Work-in-progress	3,70,27,890		4,15,62,247	
	By-Products	2,47,220	9,91,00,828	2,73,700	12,09,01,525
			<u>78,39,093</u>		<u>2,18,00,697</u>
Notes	27				
	Employee Benefits Expenses				
	Salaries ,Wages and other allowances		17,31,706		16,08,762
	Contribution to provident and other funds		45,936		49,390
	Staff welfare expenses		1,42,351		24,595
	Retrenchment Compensation		-		10,000
			<u>19,19,993</u>		<u>16,92,747</u>

NILACHAL REFRACTORIES LTD

NOTES TO ACCOUNTS

Notes	28	For the year 2017-18		For the year 2016-17	
		Rs.	Rs.	Rs.	Rs.
Finance costs					
Borrowing Cost					
<u>Interest Expenses on</u>					
(i) Borrowings		-		61,95,625	
(ii) Unsecured Loans		47,24,429	47,24,429	45,50,853	1,07,46,478
Processing Charges			-		3,14,486
			47,24,429		1,10,60,964
Notes No 29					
Other Expenses					
Cost of Material Sold			7,05,469		19,770
Consumptions of Packing Materials			2,29,469		10,33,965
Consumptions of Stores & Spares			5,066		-
Electricity and Power			19,27,521		19,42,205
Manufacturing Expenses			2,86,348		5,51,217
Repairs & Maintenance :					
To Plant & Machinery		6,43,574		3,37,810	
To Building		68,121		2,73,498	
To Others		10,69,754	17,81,449	11,60,094	17,71,402
Carriage outward			2,47,534		5,26,216
Sales Promotion			-		22,412
Rent			7,78,904		7,73,248
Bank Charges			18,856		53,360
Rates & Taxes			9,200		58,500
Exchange Fluctuation (Net)			15,728		-
Telephone Charges			1,24,493		1,15,534
Insurance charges			1,29,843		1,50,010
Computer Expenses			9,671		23,863
Books & Periodicals			3,762		2,987
Printing & Stationery			1,00,583		88,755
Filing Fees			25,700		25,200
Postage & Courier Charges			50,260		1,09,208
Professional & Consultancy Charges			4,98,098		15,06,074
Conveyance, Tour & Travels			12,21,230		15,04,307
Prior Period Expenses/ Adjustments			67,900		-
Payment to auditors - Audit Fees*			60,000		46,000
Loss on Sales of Fixed Assets			2,59,241		-
General Expences			82,803		11,15,957
Listing Fees			6,13,088		1,00,000
Subscription Fees & Expenses			12,37,962		3,17,116
Watch & Ward			19,33,122		19,36,699
Office Maintenance			2,74,147		1,13,895
Miscellaneous Expenses			1,41,628		2,98,888
			1,28,39,075		1,42,06,788
Notes :-					
Payment to Auditors Comprise (net of service Tax, input Credit where applicable)					
As Auditors - Statutory Audit			60,000		46,000
For Company Law Matters			-		-
For Management Service			-		-
For Other Service			-		-
Certification Fees			-		-
			60,000		46,000
Miscellaneous Expenses					
Advertisement			16,917		-
TDS - Others Payments			-		2,139
Guest House Expenses			15,024		13,686
Interest (other) A/c			13,712		1,78,075
Electricity Charges			75,465		60,470
Sundry Balances Written Off			-		138
Transport Charges A/c			20,510		44,380
			1,41,628		2,98,888

NILACHAL REFRACTORIES LTD

NOTES TO ACCOUNTS

	As At 31.03.2018 Rs. In Lakhs	As At 31.03.2018 Rs. In Lakhs	As At 31.03.2018 Rs. In Lakhs
Notes No. - 30			
(a) Contingent Liabilities			
Sales Tax	96.28	96.28	96.28
Water Charges	7.14	7.14	7.14
Suit Pending against the Company	9.94	9.94	9.94
Orissa Entry Tax	4.17	4.17	4.17
Fine imposed by BSE not acknowledged by the Co.	-	-	22.22
(b) Commitments			
Estimated amount of contract remaining to be executed on Capital account and not provided for Tangible assets	1,238.93	1,238.93	1,238.93
(c) Details of unhedged foreign currency Exposures			
	31-Mar-18	31-Mar-17	31-Mar-16
	Receivable/ (Payable) Rs	Receivable/ (Payable) Rs	Receivable/ (Payable) Rs
	Receivable/ (Payable) \$	Receivable/ (Payable) \$	Receivable/ (Payable) \$
Payable in foreign exchange	(1,99,80,067)	(1,99,64,788)	(2,01,24,777)
Receivable in foreign exchange	-	-	-
	<u>(1,99,80,067)</u>	<u>(1,99,64,788)</u>	<u>(2,01,24,777)</u>
	Rs	Rs	Rs
	€	€	€
Payable in foreign exchange	-	(18,85,362)	(18,85,362)
	<u>-</u>	<u>(27,922)</u>	<u>(27,922)</u>
(d) Value of imports calculated on CIF basis :	31-Mar-18 Rs	31-Mar-17 Rs	31-Mar-16 Rs
Raw materials	-	-	-
(e) Expenditure in foreign currency :			
Royalty			
Professional and consultation fees	-	-	-
Interest	-	-	-
Other matters	-	-	-
(f) Details of consumption of imported and indigenous items			
	31-Mar-18	31-Mar-17	31-Mar-16
	%	%	%
	Rs	Rs	Rs
Imported			
Raw materials	0.00%	0.00%	12.49%
Components	-	-	2,89,611
Spare parts	0.00%	0.00%	-
	<u>-</u>	<u>-</u>	<u>2,89,611</u>
Indigenous			
Raw materials	100.00%	100.00%	87.51%
Components	22,57,752	14,69,315	20,29,215
Spare parts	-	-	-
	<u>22,57,752</u>	<u>14,69,315</u>	<u>20,29,215</u>
(g) Earnings in foreign currency :	31-Mar-18 Rs	31-Mar-17 Rs	31-Mar-16 Rs
Export of finished goods calculated on FOB basis	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
(h) Earnings per share :			
(a) Continuing operations			
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	(1,64,67,211)	62,15,568	(4,75,43,714)
Weighted average number of equity shares	2,03,61,450	2,03,61,450	2,03,61,450
Par value per share	10	10	10
Earnings per share from continuing operations - Basic & Diluted	(0.81)	0.31	(2.33)
(b) Total operations			
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	(1,64,67,211)	62,15,568	(4,75,43,714)
Weighted average number of equity shares	2,03,61,450	2,03,61,450	2,03,61,450
Par value per share	10	10	10
Earnings per share from continuing operations - Basic & Diluted	(0.81)	0.31	(2.33)

NILACHAL REFRACTORIES LTD

NOTES TO ACCOUNTS

Notes No. - 30 Contd...

(i) Details of related parties

Description of relationship

Ultimate Holding Company
Holding Company
Ultimate Holding Company
Subsidiaries
Fellow Subsidiaries (to be given
Associates
Key Management Personnel
(KMP)

Relatives of KMP

Company in which KMP /
Relatives of KMP can exercise
significant influence

Names of related parties

N.A.
N.A.
N.A.
N.A.
N.A.
N.A.
Mr. Vimal Prakash, Mr. Vijay Kumar Agarwal, Mr. S Asokan, Mr. Aditya Purohit, Mr. Avik Chakraborty, Mr. Tapas Tirtha, Mr. Krishna Sharma

Kamal Prakash (HUF), Raj Rani Agarwal, Vimal Prakash (HUF), Sushil Kumar Agrawal .

Jekay International Track Pvt Ltd., Ambarella Cap Fin Private Limited, NRL Clayburn Ltd., P P Suppliers & Agencies (P) Ltd., Pushpak Dealcom (P) Ltd, Unimark International (P) Ltd, Think Finance Pvt. Ltd., Bhumika Vintrade Pvt. Ltd., Capricorn Complex Pvt. Ltd, Chaturang Commercial Pvt. Ltd, Doon Valley Finance & Leasing Ltd, Subhankar Mercantile Pvt. Ltd.

Note: Related parties have been identified by the Management.

Details of related party transactions during the year ended on 31st March, 2018 and balances outstanding as at 31st March, 2017 (Figures in bracket pertain to the previous year)

Particulars	Relatives of KMP			KMP			Entities in which KMP / relatives of KMP have significant influence		
	2018	2017	2016	2018	2017	2016	2018	2017	2016
Sales									
NRL Clayburn Ltd							4974000	6700941	600000
Remuneration									
S Ashokan				94067	70105	894585			
A Purohit					0	331650			
Avik Chakraborty				56100					
Tapas Tirtha				62254					
Krishna Sharma				85670					
Interest on Loans									
Ambarella Cap Fin Private Limited							2200321	992454	65552
Think Finance Pvt. Ltd.							2524108		
Loan Taken									
Vimal Prakash						9907500			
P P Suppliers & Agencies (P) Ltd.								32500708	11300000
Pushpak Dealcom (P) Ltd							24950000	550000	2382500
Sushil Kumar Agrawal		3900000	0						
Vijay Kumar Ageawal					5150708	0			
Ambarella Cap Fin Private Limited							455000	28818917	11625000
Loan Repaid									
Bhumika Vintrade Pvt. Ltd.							11800000		
Capricorn Complex Pvt. Ltd.							4000000		
Chaturang commercial Pvt. Ltd.							3500000		
Doon Valley Finance & Leasing Ltd.							3250000		
Subhankar Mercantile Pvt. Ltd.							2400000		
Ambarella Cap Fin Private Limited								6625000	8750000
P P Suppliers & Agencies (P) Ltd.								1300000	0
Pushpak Dealcom (P) Ltd								0	2132500
Vimal Prakash					52125000	40032500			
Issue of 0% Preference Shares by conversion of Loan taken									
Kamal Prakash HUF								16750000	
P P Suppliers & Agencies (P) Ltd.								10880000	
Vimal Prakash HUF					16750000				

NILACHAL REFRACTORIES LTD

NOTES TO ACCOUNTS

Notes No. - 30 Contd...

- (j) 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.
- (k) Confirmation of Parties concerned for amount due, receivable from and/or payable to them as per the accounts of the company were not received. Necessary adjustment, if any, shall be done at the time of settlement of respective account.
- (l) 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.
- (m) 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, 2018. 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
- (n) In view of unabsorbed losses and unabsorbed depreciation brought forward, there being no tax liability, hence no provision for current Income Tax have been made during the year.
- (o) Ind AS has become effective from 1 April, 2018 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.
- (p) 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.

As per our Report of even date

For and on behalf of the Board of Directors

For T More & Company

Firm Registration No. 327844e

Chartered Accountants

Vijay Kr Agarwal

Director

DIN : 00121351

(Tanisha More)

(Proprietor)

(M. No. 301569)

Place: Kolkata

Date: 30/05/2018

Krishna Sharma
Company Secretary
M.No. 50762

Saravanan Asokan
Whole Time Director
DIN : 07019583

Niraj Jalan
Director
DIN : 00551970

NILACHAL REFRACTORIES LIMITED

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 the member(s) :
Registered address :
E-mail Id :
Folio No/Client Id :
DP ID :

I/ We being the member of, holding.....shares, 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 Annual General Meeting of members of the Company, to be held on 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

4 & others

Signed this day of..... 2018

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

