



**NILACHAL REFRACTORIES LIMITED**

CIN: L26939OR1977PLC000735

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

Date: 21.08.2019

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

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

Dear Sir,

**Sub: Submission of Annual Report for the Financial Year 2018-19**

In compliance with Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are forwarding herewith the Annual Report for the Financial Year 2018-19 along with notice of Annual General Meeting to be held on September 14, 2019.

Kindly take the same on record.

Thanking You,

Yours Faithfully,

**For Nilachal Refractories Limited**

Krishna  
Krishna Sharma  
Company secretary





**42nd**  
**ANNUAL REPORT**

**2018-2019**



**NILACHAL REFRACTORIES LIMITED**



# **NILACHAL REFRACTORIES LIMITED**

**as on 31-03-2019**

<b>BOARD OF DIRECTORS</b>	<b>Mr. Bhagawati Prasad Jalan</b> <b>Mr. Saravanan Asokan</b> <b>Mr. Vijay Kumar Agarwal</b> <b>Mr. Vimal Prakash</b> <b>Mr. Niraj Jalan</b> <b>Mr. Sribash Chandra Mishra</b> <b>Mr. Ramesh Kumar Dhandhanian</b> <b>Mr. Sundaresan Radhakrishnan</b> <b>Mr. Pradip Kumar Mohapatra</b> <b>Mrs. Bindu Jain</b>	<i>Chairman</i> <i>Whole-time Director</i>
<b>AUDITORS</b>	<b>T. More &amp; Co.</b> Chartered Accountants	
<b>BANKER</b>	<b>Canara Bank, L.C. Road Branch, Kolkata</b>	
<b>REGISTERED OFFICE</b>	<b>P/598/599, Lewis Road, Mahabir Nagar, Kedarnath Appartment, Bhubaneswar - 751 002, Odisha</b>	
<b>FACTORY</b>	<b>IPITATA Nagar Dhenkanal - 759 025, Odisha</b>	



## **NOTICE TO THE SHAREHOLDERS**

**NOTICE** is hereby given that the Forty Second (42) Annual General Meeting of the Members of NILACHAL REFRATORIES LIMITED will be held at 12.30 P.M. on Saturday, the 14<sup>th</sup> day of September, 2019 at the Hotel Pushpak, Kalpana Square, 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 31<sup>st</sup> March, 2019 and the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Bhagwati Prasad 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), 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 47<sup>th</sup> Annual General Meeting to be held for the financial year 2023-24 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 a **Special 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. Ramesh Kumar Dhandhanian (DIN: 00375424), Independent, Non-Executive Director of the Company who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and who is eligible for re-appointment be and is hereby appointed as an Independent Director of the Company to hold office for



another term of five consecutive years with effect from 14<sup>th</sup> September, 2019 to 13<sup>th</sup> September, 2024.”

“**RESOLVED FURTHER THAT** any of the directors 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 thought fit, to pass with or without modification(s) the following resolution as a **Special 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. Sribash Chandra Mishra (DIN: 01983910), Independent, Non-Executive Director of the Company who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and who is eligible for re-appointment be and is hereby appointed as an Independent Director of the Company to hold office for another term of five consecutive years with effect from 14<sup>th</sup> September, 2019 to 13<sup>th</sup> September, 2024.”

“**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.”

6. To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution:**

“**RESOLVED THAT,** pursuant to the provisions of Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the members be and is hereby accorded to the re-appointment of Mr. Sribash Chandra Mishra (DIN: 01983910) as an Independent, Non-Executive Director of the Company who has attained the age of seventy-six years for his second term as an Independent Director of the Company.”

By Order of the Board  
**Nilachal Refractories Limited**

Krishna Sharma  
(Company Secretary)

Place : Kolkata  
Date : August 14, 2019.



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 8<sup>th</sup> September, 2019 to 14<sup>th</sup> September, 2019 (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 Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

At the forty-first Annual General Meeting (AGM), members of the Company had approved the appointment of M/s. T. More & Co. Chartered Accountants (Firm Registration No: 327844E) as the Statutory Auditors of the Company which is valid till the forty-second AGM i.e. the ensuing AGM of the Company. M/s. T. More & Co. ("the firm") was constituted on 16<sup>th</sup> October, 2012 having Firm Registration No as 327844E. The office of the firm is at P-23, Lake Town, Block-B, 4<sup>th</sup> Floor, Kolkata-700089. The firm is presently engaged with the Audit for various Banks and Listed and Unlisted Companies in India.

In accordance with the Companies Act, 2013 and on the recommendation of the Audit Committee and in the best interest of the Company, the Board of Directors have considered and recommended the proposed appointment of M/s. T. More & Co. Chartered Accountants for a term of five years i.e. from the conclusion of the 42<sup>nd</sup> AGM till the conclusion of the 47<sup>th</sup> AGM. M/s. T. More & Co. Chartered Accountants have provided their consent and confirmed that their re-appointment, if made, would be within the limits specified under Section 143(g) of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014, as amended from time to time. The proposed fee to be paid for the financial year is Rs. 70,000/- (Rupees Seventy Thousand).

5. 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: Re-appointment of Mr. Ramesh Kumar Dhandhanian (DIN: 00375424) as an Independent Director of the Company**

Mr. Ramesh Kumar Dhandhanian (DIN: 00375424) is an Independent Non-Executive Director of the Company and the Chairman of the Nomination & Remuneration Committee and Shareholders/ Investors Grievances Committee.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a Special Resolution by the Company for another term of five consecutive years on the Board of a Company.

Based on recommendation of the Nomination and Remuneration Committee and in terms of provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and the Listing Regulations, Mr. Ramesh Kumar Dhandhanian (DIN: 00375424), being eligible for re-appointment as an independent director and offering himself for re-appointment, is proposed to be re-appointed as an Independent Director for another term of five consecutive years from 14<sup>th</sup> September, 2019 to 13<sup>th</sup> September, 2024.

In the opinion of the Board, Mr. Ramesh Kumar Dhandhanian fulfills the conditions specified under the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Regulation 16(1)(b) of the Listing Regulations for his re-appointment as an Independent Non-Executive Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Ramesh Kumar Dhandhanian as an Independent Non-Executive Director setting out terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during the normal business hours (9:00 am to 05:00 pm) on any day except Saturday, upto and including the date of AGM of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Ramesh Kumar Dhandhanian, as an Independent Director.

Accordingly, the Board recommends Special Resolution in relation to re-appointment of Mr. Ramesh Kumar Dhandhanian, as an Independent Director for another term of five consecutive years with effect from 14<sup>th</sup> September, 2019 to 13<sup>th</sup> September, 2024, for the approval by the shareholders of the Company.

Except Mr. Ramesh Kumar Dhandhanian, 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 & 6: Re-appointment of Mr. Sribash Chandra Mishra (DIN: 01983910) as an Independent Director of the Company**

Mr. Sribash Chandra Mishra (DIN: 01983910) is an Independent Non-Executive Director of the Company and the Chairman of the Audit Committee.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a Special Resolution by the Company for another term of five consecutive years on the Board of a Company.

Further as per Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years, unless a special resolution is passed to that effect. Mr. Sribash Chandra Mishra has attained the age of seventy-six years as on 27<sup>th</sup> March, 2019. In view of the same, the Board of Directors, recommends passing of Special Resolution under Item 6.

Based on recommendation of the Nomination and Remuneration Committee and in terms of provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and the Listing Regulations, Mr. Sribash Chandra Mishra (DIN: 01983910), being eligible for re-appointment as an independent director and offering himself for re-appointment, is proposed to be re-appointed as an Independent Director for another term of five consecutive years from 14<sup>th</sup> September, 2019 to 13<sup>th</sup> September, 2024.

In the opinion of the Board, Mr. Sribash Chandra Mishra fulfills the conditions specified under the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Regulation 16(1)(b) of the Listing Regulations for his re-appointment as an Independent Non-Executive Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Sribash Chandra Mishra as an Independent Non-Executive Director setting out terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during the normal business hours (9:00 am to 05:00 pm) on any day except Saturday, upto and including the date of AGM of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Sribash Chandra Mishra, as an Independent Director.

Accordingly, the Board recommends Special Resolution in relation to re-appointment of Mr. Sribash Chandra Mishra, as an Independent Director for another term of five consecutive years with effect from 14<sup>th</sup> September, 2019 to 13<sup>th</sup> September, 2024, for the approval by the shareholders of the Company.

Except Mr. Sribash Chandra Mishra, none of the Directors and Key Managerial Personnel of the Company and their relatives are interested, in the resolution set out at Item No. 5 and 6.





6. 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	Mr. Ramesh Kumar Dhandhania	Mr. Bhagwati Prasad Jalan	Mr. S.C. Mishra
Date of Birth	8 <sup>th</sup> February, 1952	02 <sup>nd</sup> February, 1946	27 <sup>th</sup> March, 1943

Qualifications	Bachelor of Commerce (Hons)	Bachelor of Commerce (Hons)	Bachelor of Chemical Engineering
Experience	He has experience of around 40 years in various fields of business including Refractory Industry, etc.	He has more than 50 years of experience in the business and industry especially the Iron & Steel Industry	He has more than 39 years of experience in process and mineral based industries. He has worked as an Executive Director with IRE. Currently he is engaged as a consultant in Process, Mineral based industries related to process problems and environmental issues.

7. 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.

8. Electronic copy of the Annual Report for the year 2018-19 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 2018-19 are being sent in the permitted mode.

9. 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.

10. 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.

11. 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 :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID</b>
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](http://www.evoting.nsdl.com).



- b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
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 are 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 11, 2019 (10:00 am) till September 13, 2019 (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](mailto:csrajansingh2014@gmail.com)) with a copy marked to [evoting@nsdl.co.in](mailto: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](http://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](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto: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. 7<sup>th</sup> September 2019.
6. The Results of the e-voting will be declared on or after the date of the AGM i.e. 14.09.2019. The declared Results, along with the Scrutinizer's Report, will be available on the Company's corporate website [www.nilachal.in](http://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 M/s. 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 14, 2019**

**Krishna Sharma  
(Company Secretary)**



## DIRECTOR REPORT

Dear Members

Your Directors are pleased to present the Forty second (42<sup>nd</sup>) Annual Report together with the Audited accounts of your Company for the year ended 31<sup>st</sup> March, 2019.

### FINANCIAL HIGHLIGHTS

(Rupees in crores)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Revenue from Operations	1.91	1.83
Profit/(Loss) before depreciation and taxation	(0.94)	(0.50)
Less: Depreciation	(0.70)	(0.71)
Profit/(Loss) before Taxation	(1.64)	(1.21)
Less: Tax Expense (Deferred Tax)	0.008	0.44
Profit/(Loss) after tax	(1.65)	(1.65)
Add: Balance B/F from the previous year	(24.31)	(22.66)
Less: Adjustment for Prior Period Depreciation	0	0
Balance Profit/ (Loss) C/F to the next year	(25.96)	(24.31)

### FINANCIAL REVIEW

Your Company is making all round efforts for its revival and the prospects of such efforts should bear fruits in the financial year 2019-20.

The Directors are quite hopeful that the operations of your Company will improve henceforth compared to past unforeseen 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, 2019.



## **TRANSFER TO RESERVES**

No amount was transferred to Reserves during the F.Y. 2018-19.

## **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. However approval of the shareholders was taken in the 41<sup>st</sup> Annual General Meeting of the Company for a material significant related party transaction upto a maximum of aggregate value of Rs. 15 Crores which was about to be undertaken by the Company but could not be made due to certain unavoidable circumstances.

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](http://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. The requirement of furnishing the requisite 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](http://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. Pradip Kumar Mohapatra who was appointed as the additional director (Non-Executive, Independent) w.e.f 14/02/2018 was appointed as an Independent Director for a term of five years at the 41<sup>st</sup> Annual General Meeting of the Company held on September 25, 2018.

In accordance with the provisions of the Companies Act, 2013, and Article 115 of the Article of Association of the Company, Mr. Bhagwati Prasad 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**

During the year under review, Mr. Sarvanan Asokan, Chief Executive Officer & Whole time 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.

Further kindly note that Mr. Mukti Kishor Sahoo was appointed as the Chief Financial Officer of the Company at the Board Meeting held on 20.04.2019 with immediate effect.





### **MEETINGS OF BOARD OF DIRECTORS**

During the financial year under review, the board met five times i.e. 30/05/18; 14/08/18; 21/08/18; 14/11/18 and 14/02/19. 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 there at 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 2018-19 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, 2019, 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, 2019, 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 was paid Rs. 1,32,670/- and the Company Secretary was paid Rs 2,15,608/-.

## **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 and 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 25.09.2018, M/s. T. More & Co., Chartered Accountants (Firm Registration No. 327844E) was appointed as the Statutory Auditor of the Company for the F.Y. 2018-19 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 for a term of five years i.e. from the conclusion of the ensuing Annual General Meeting until the conclusion of the 47<sup>th</sup> Annual General Meeting of the Company. 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, as the Secretarial Auditor 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.

## **COST RECORDS AND COST AUDIT**

Maintenance of cost records and cost audit as prescribed under the provisions of Section 148 (1) of the Companies Act, 2013 are not applicable to the Company.

## **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'18-19 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 HARRASMENT 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.



## **INTERNAL COMPLAINTS COMMITTEE**

During the year under review the Company has not employed any women and hence setting up of internal complaints committee is not required.

## **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](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 of 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:14/08/2019



## 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	2018-19	2017-18	2016-17
<b>1) Electricity</b>			
(a) Purchased Units( Kwh)	172524	208092	212664
Total Amount(Rs)	1685942	1872278	1899274
Rate per unit (in Rs./Kwh)	9.77	9.00	8.93
(b) OwnGeneration			
Through Diesel Generator	-	-	-
Unit (Kwh)	-	-	-
Unit per Ltr. of Diesel	-	-	-
oil Cost/Unit (Rs.)	-	-	-
Through Steam Turbine	-	-	-
Generator	-	-	-
<b>2) Steam Coal Grade 'B' and E used in Gas Producer</b>			
Quantity (Tonnes) Total	----	----	----
Cost (RS) Average	----	----	----
Rate(Rs/MT)	----	----	----
<b>3) Furnace Oil &amp; L.D.Oil Quantity (KL)</b>			
Total Amount(Rs.)	----	----	----
AverageRate	----	----	----
<b>LSHS Other InternalGeneration</b>			
	N.A.	N.A.	N.A.



**B. Consumption per unit of production**

Particulars	2018-19	2017-18	2016-17
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 innovation: N.A.**

For and on behalf of the Board

**Bhagwati Prasad Jalan**  
Chairman

Place: Kolkata

Date: 14/08/2019





## 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 31<sup>st</sup> March, 2019

*[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 **31<sup>st</sup> March 2019**, 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 herein after :

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 **31<sup>st</sup> March, 2019**, 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 to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- 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, 2015**;
  - 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 an 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, 2009**;
  - e) The **Securities and Exchange Board of India** (Employee Stock Option Scheme and Employee Stock Purchase Scheme) **Guidelines, 1999**;
  - f) The **Securities and Exchange Board of India** (Issue and Listing of Debt Securities) **Regulations, 2008**; (NOT APPLICABLE TO THE COMPANY DURING THE PERIOD UNDER AUDIT)
  - g) The **Securities and Exchange Board of India** (Delisting of Equity Shares) **Regulations, 2009**; (NOT APPLICABLE TO THE COMPANY DURING THE PERIOD UNDER AUDIT);
  - h) The **Securities and Exchange Board of India** (Buyback of Securities) **Regulations, 1998**; (NOT APPLICABLE TO THE COMPANY DURING THE PERIOD UNDER AUDIT);
  - i) The **Securities and Exchange Board of India** (Listing Obligations 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. The Changes in the composition of the Board of Directors that took place during the Audit Period was carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and related notes on agenda were sent atleast 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: 14/08/19

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 31.03.2019

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, Kedamath 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	49.88
3	Manufacture of refractory ceramic products	23913	-
4	Manufacture of other refractory articles	23919	28.63
5	Coal Tar	23999	0.11
6	Wholesale of waste and scrap and other products	4669	21.38

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 2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	3,772,657		3,772,657	18.53%	3,772,657		3,772,657	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.	10,604,959		10,604,959	52.08%	10,604,959		10,604,959	52.08%	0.00%
e) Banks / FI			-	0.00%			-	0.00%	0.00%
f) Any other			-	0.00%			-	0.00%	0.00%
<b>Sub Total (A) (1)</b>	<b>14,377,616</b>	<b>-</b>	<b>14,377,616</b>	<b>70.61%</b>	<b>14,377,616</b>	<b>-</b>	<b>14,377,616</b>	<b>70.61%</b>	<b>0.00%</b>
<b>(2) Foreign</b>									
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%
<b>Sub Total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>
<b>TOTAL (A)</b>	<b>14,377,616</b>	<b>-</b>	<b>14,377,616</b>	<b>70.61%</b>	<b>14,377,616</b>	<b>-</b>	<b>14,377,616</b>	<b>70.61%</b>	<b>0.00%</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
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%
<b>Sub-total (B)(1):-</b>	<b>50,000</b>	<b>-</b>	<b>50,000</b>	<b>0.25%</b>	<b>50,000</b>	<b>-</b>	<b>50,000</b>	<b>0.25%</b>	<b>0.00%</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	1700150	1900	1,702,050	8.36%	1700190	1900	1702090	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	34657	383100	417,757	2.05%	48467	369,250	417,717	2.05%	0.00%
ii) Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	3,813,638	0	3,813,638	18.73%	3,813,638	0	3,813,638	18.73%	0.00%
c) Others (specify)	389	0	389	0.00%	389	0	389	0.00%	0.00%
<b>Sub-total (B)(2):-</b>	<b>5,548,834</b>	<b>385,000</b>	<b>5,933,834</b>	<b>29.14%</b>	<b>5,562,684</b>	<b>371,150</b>	<b>5,933,834</b>	<b>29.14%</b>	<b>0.00%</b>
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>5,598,834</b>	<b>385,000</b>	<b>5,983,834</b>	<b>29.39%</b>	<b>5,612,684</b>	<b>371,150</b>	<b>5,983,834</b>	<b>29.39%</b>	<b>0.00%</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>			-	0.00%			-	0.00%	0.00%
<b>Grand Total (A+B+C)</b>	<b>19,976,450</b>	<b>385,000</b>	<b>20,361,450</b>	<b>100.00%</b>	<b>19,990,300</b>	<b>371,150</b>	<b>20,361,450</b>	<b>100.00%</b>	<b>0.00%</b>



**(ii) Shareholding of Promoters**

SN	Shareholder's Name	Shareholding at the beginning of the year 01-04-2018			Shareholding at the end of the year 31-03-2019			% 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	240,000	1.18%	0	240,000	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	165,000	0.81%	0	165,000	0.81%	0	0.00%
7	BHAGWATI PRASAD JALAN	550,584	2.70%	0	550,584	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	165,000	0.81%	0	165,000	0.81%	0	0.00%
14	NIKITA JALAN	150,000	0.74%	0	150,000	0.74%	0	0.00%
15	NIRAJ JALAN	640,000	3.14%	0	640,000	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	367,000	1.80%	0	367,000	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	140,000	0.69%	0	140,000	0.69%	0	0.00%
20	PIYUSH JALAN	665,000	3.27%	0	665,000	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	667,973	3.28%	0	667,973	3.28%	0	0.00%
24	JEKAY INTERNATIONAL TRACK LTD	500,000	2.46%	0	500,000	2.46%	0	0.00%
25	KESHAN POLYMERS PVT LTD	750,000	3.68%	0	750,000	3.68%	0	0.00%
26	LIKEWISE INVESTMENT & MANAGEMENT PVT LT	275,000	1.35%	0	275,000	1.35%	0	0.00%
27	MINICARFT ENTERPRISES PVT LTD	1,542,900	7.58%	0	1,542,900	7.58%	0	0.00%
28	PUSHPAK DEALCOM PVT LTD	300,000	1.47%	0	300,000	1.47%	0	0.00%
29	SEASON TRADING & INVESTMENT PVT LTD	1,500,000	7.37%	0	1,500,000	7.37%	0	0.00%
30	UNIMARK INTERNATIONAL PVT LTD	4,569,086	22.44%	0	4,569,086	22.44%	0	0.00%
31	GANAPATI INDUSTRIAL PVT LTD	500,000	2.46%	0	500,000	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	4/1/2018		14,377,616	70.61%	1,43,77,616	70.61%
	Changes during the year				0.00%		0.00%
					0.00%		0.00%
					0.00%		0.00%
	At the end of the year	3/31/2019		14,377,616	70.61%	1,43,77,616	70.61%



**(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		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	EYNTHIA TIE UP PRIVATE LIMITED				
	a) At the beginning of the year	1,700,000	8.35%		
	b) Changes during the year		(no changes during the year)		-
	c) At the end of the year			1,700,000	8.35%
2	SUSHIL KUMAR AGARWAL				
	a)At the beginning of the year	1,218,000	5.98%		
	b)Changes during the year		(no changes during the year)		-
	c) At the end of the year			1,218,000	5.98%
3	VINAY AGARWAL				
	a)At the beginning of the year	318,000	1.56%		
	b)Changes during the year		(no changes during the year)		-
	c) At the end of the year			318,000	1.56%
4	KARAN AGARWAL				
	a)At the beginning of the year	318,000	1.56%		
	b)Changes during the year		(no changes during the year)		-
	c) At the end of the year			318,000	1.56%
5	MANJU AGARWAL				
	a)At the beginning of the year	317,524	1.56%		
	b)Changes during the year		(no changes during the year)		-
	c) At the end of the year			317,524	1.56%
6	SAKET AGARWAL				
	a)At the beginning of the year	316,000	1.55%		
	b)Changes during the year		(no changes during the year)		-
	c) At the end of the year			316,000	1.55%
7	RITU AGARWAL				
	a)At the beginning of the year	111,084	0.55%		
	b)Changes during the year		(no changes during the year)		-
	c) At the end of the year			111,084	0.55%
8	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			50,000	0.25%
9	MOOSA HAJI MOHAMED MALKANI				
	a) At the beginning of the year	3,250	0.02%		
	b) Changes during the year		(no changes during the year)		
	c) At the end of the year			3,250	0.02%
10	MADHAV KUMAR DUJARI				
	a) At the beginning of the year	2,050	0.01%		
	b) Changes during the year		(no changes during the year)		
	c) At the end of the year			2,050	0.01%
		4,353,908	21.39%	4,353,908	21.39%



**(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	4/1/2018		550,584	2.70%		0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year	3/31/2019		550,584	2.70%	550,584	2.70%
2	Name : Mr. Niraj Jalan , Director ,     Din No. 00551970						
	At the beginning of the year	4/1/2018		640,000	3.14%		0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year	3/31/2019		640,000	3.14%	640,000	3.14%
3	Name : Mr. Vijay Kumar Agarwal , Director , Din No. 00121351						
	At the beginning of the year	4/1/2018		1,218,000	5.98%		0.00%
	Changes during the year			(2,970)	-0.01%		0.00%
	At the end of the year	3/31/2019		1,215,030	5.97%	1,215,030	5.97%

**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
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	1,404.94	-	1,404.94
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	1,404.94	-	1,404.94
<b>Change in Indebtedness during the financial year</b>				
* Addition	-	1.50	-	1.50
* Reduction	-	-	-	-
<b>Net Change</b>	-	1.50	-	1.50
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	1,406.44	-	1,406.44
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	1,406.44	-	1,406.44





**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		71,379.00	0.71
	(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		31,865.00	0.32
	EDUCATION ALLOWANCES		212.00	0.00
	GRADE ALLOWANCES		9,031.00	0.09
	SOFT FURNISHING ALLOWANCES		2,126.00	0.02
	SPECIAL ALLOWANCES		18,057.00	0.18
	Total (A)		132,670.00	1.33

**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 (Rs/Lac)
		Name Designation	CEO	CFO	CS
1	Gross salary		1.33	-	2.16
	(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		1.33	-	2.16



**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)
<b>A. COMPANY</b>					
Penalty	No PENALTIES /PUNISHMENT/COMPOUNDING OF OFFENCES UNDER COMPANIES ACT 1956 AND / OR 2013				
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty	No PENALTIES /PUNISHMENT/COMPOUNDING OF OFFENCES UNDER COMPANIES ACT 1956 AND / OR 2013				
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	No PENALTIES /PUNISHMENT/COMPOUNDING OF OFFENCES UNDER COMPANIES ACT 1956 AND / OR 2013				
Punishment					
Compounding					

For Nilachal Refractories Limited

Bhagwati Prasad Jalan  
Chairman



## 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.

### **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.

#### **5. Discussion on financial performance**

Your company is making all round efforts for its revival and the prospects of such efforts should bear fruits in the financial year 2019-20.

#### **6. Ratios where there has been a significant change from F.Y. 2017-18 to 2018-19**

There has not been any significant change in the key financial ratios from the financial year ended 31<sup>st</sup> March, 2018 to 31<sup>st</sup> March, 2019.

#### **7. Details of any change in return on net worth as compared to previous year**

There has not been any change in return on net worth as compared to previous year.

Place: Kolkata  
Dated: 14/08/2019

For and on behalf of the Board of Directors

Bhagwati 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 31<sup>st</sup> March, 2019 the Board comprised of Ten Directors, out of which Five are Independent Directors, Four are Non-Executive Directors and One is Whole time 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 director of the Company is 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 31<sup>st</sup> March, 2019 are given hereunder:

Name of the Director	Category	Relationship with Other Director	Date of Joining	No. of Board Meetings	Attendance of meetings during 2018-19		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, Non-Executive	Father of Niraj Jalan	19 <sup>th</sup> Dec 2005	5	5	No	0	0	0
Mr. Niraj Jalan Din No.00551970	Non-Executive Director	Son of Bhagwati Prasad Jalan	06 <sup>th</sup> May 2006	5	4	No	1	0	0
Mr. Vimal Prakash Din No. 00174915	Non-Executive Director		06 <sup>th</sup> May 2006	5	5	No	0	0	0
Mr. Vijay Kumar Agarwal Din No. 00121351	Non-Executive Director		19 <sup>th</sup> Dec 2005	5	3	No	2	0	0
Mr. Sribash Chandra Mishra Din No. 01983910	Independent Director		31 <sup>st</sup> Jan 2007	5	5	Yes	0	1	1
Mr. Ramesh Kumar Dhandhanian Din No.00375424	Independent Director		01 <sup>st</sup> Feb 2014	5	5	No	0	1	1
Mr. S.Asokan Din No. 07019583	CEO & Whole Time Director		25th Nov 2014	5	5	Yes	0	1	0
Mr. S. Radhakrishnan Din No. 00009818	Independent Director		25th Nov 2014	5	5	No	4	0	0
Mrs. Bindu Jain Din No. 07159504	Independent Director		25th March 2015	5	5	No	0	2	0
Mr. Pradip kr. Mahapatra Din No: 08067067	Independent Director		14th February 2018	5	5	Yes	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.

None of the Directors of the Company hold directorships in any other listed entity. Therefore the details for the same has not been furnished.

Details of equity shares held by the Directors of the Company is provided in MGT-9 annexed as Annexure-III to the Directors Report of the Company.



**(B) Board Procedures**

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

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

30-05-2018, 14-08-2018, 21-08-2018, 14-11-2018 and 14-02-2019

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, 2015. 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.

During the year, the Company has adopted the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI) in line with the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018. This policy includes policy and procedures for inquiry in case of leak of UPSI or suspected leak of UPSI. The Policy has been hosted on the website of the Company at

[http://nilachal.in/pdf/CODE\\_FOR\\_FAIR\\_DISCLOSURE\\_OF\\_UNPUBLISHED\\_PRICE\\_SENS.pdf](http://nilachal.in/pdf/CODE_FOR_FAIR_DISCLOSURE_OF_UNPUBLISHED_PRICE_SENS.pdf)

**(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](http://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.





### (G) Skills/Competence of Board of Directors

The list of core skills/expertise/competencies identified by the board of directors as required in the context of its business and sector, for it to function effectively and those actually available with the Board are mentioned below:

Sl. No.	Nature of key skills, expertise and competence and attributes	Whether such key skills, expertise and competence and attributes are available with the Company's Board
1.	Domain expertise in areas of iron and steel products, aluminum products	Yes
2.	Sound Knowledge and expertise in Finance, Accounting and Taxation matters	Yes
3.	Expertise in Legal, Compliance and Risk Management	Yes
4.	Experience in Business Development, Sales and Marketing	Yes
5.	Leadership Qualities and Management Expertise	Yes
6.	Experience in Administration and Human Resource	Yes

### 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 Kumar Dhandhaniania - Chairman	Mr. Ramesh Kumar Dhandhaniania- Chairman	Mr. Niraj Jalan  Chairman	Mr. Saravanan Asokan - Chairman	It is not applicable to the company.
Mr. Ramesh Kumar Dhandhaniania Member	Mr. S.C.Mishra Member	Mr. S.C.Mishra Member	Mr. Vimal Prakash Member	Mr. Mukti Kishor Sahoo - Member	
Mr. Saravanan Asokan Member	Mrs. Bindu Jain- 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, 2019 comprised of the following four directors:

- |                                 |          |
|---------------------------------|----------|
| 1. Mr. S.C. Mishra-             | Chairman |
| 2. Mr. Ramesh Kumar Dhandhania- | Member   |
| 3. Mr. Saravanan Asokan-        | Member   |
| 4. Mrs. Bindu Jain-             | Member   |

Company Secretary acts as the secretary to the committee. Mr. S.C. Mishra; Mr. Ramesh Kumar Dhandhania; Mrs. Bindu Jain are Independent Directors and Mr. Sarvanan Asokan is the Whole time 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 30<sup>th</sup> May, 2018, 14<sup>th</sup> August, 2018, 21<sup>st</sup> August, 2018 , 14<sup>th</sup> November, 2018 and 14<sup>th</sup> February 2019. The maximum gap between any two Meetings of Audit Committee 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	5
2	Mr. Ramesh Kumar Dhandhania.	Member	5
3	Mr. S Asokan	Member	5
4	Mrs. Bindu Jain	Member	5



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 31<sup>st</sup> March, 2019 comprised of:

1. Mr. Ramesh Kumar 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.

During the year under review the Committee met one time, the date of the meeting was 14.08.2018

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



## 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 Director        | - | Chairman |
| 2. | Mr. Mukti Kishor Sahoo, Chief Financial Officer- |   | Member   |

Company Secretary acts as the secretary to the committee

The Committee met on following occasion: 12-03-2019

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. In compliance with Sub-Regulation 2A of Regulation 20 of the SEBI (Listing Obligations Disclosure Requirements) (Amendment) Regulations, 2018, Mrs. Bindu Jain was appointed as a member of this Committee w.e.f February 14, 2019.

As on 31<sup>st</sup> March, 2019, the Committee comprised of the following three Directors.

- |                              |   |          |
|------------------------------|---|----------|
| Mr. Ramesh Kumar Dhandhanian | - | Chairman |
| Mr. S.C. Mishra              | - | Member   |
| Mrs. Bindu Jain              | - | 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 2018-19. The details of the Compliance officer is given below:



### Compliance Officer

Mr. Krishna Sharma, Company Secretary  
Mobile No:- +919748181833  
Email: [cs@nilachal.in](mailto:cs@nilachal.in)

During the period under review one meeting of the Committee was held on 12<sup>th</sup> March, 2019.

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 oversees 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 12<sup>th</sup> March 2019, 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 arm's length basis. However approval of the shareholders was taken in the 41st Annual General Meeting of the Company for a material significant related party transaction upto a maximum of aggregate value of Rs. 15 Crores which was about to be undertaken by the Company but could not be made due to certain unavoidable circumstances.

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 2/3<sup>rd</sup> of the Board should consist of retiring Directors, of these at least 1/3<sup>rd</sup> are required to retire every year.

Directors are liable to retire by rotation as per the provisions of the Companies Act, 2013. Mr. Bhagwati Prasad 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](http://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.

**(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
2015-16	Hotel Pushpak	Wednesday 28 <sup>th</sup> September 2016	12.30 PM
2016-17	Hotel Pushpak	Thursday 21 <sup>st</sup> September 2017	12.30 PM
2017-18	Hotel Pushpak	Tuesday, 25 <sup>th</sup> September, 2018	12:30 PM

#### **(J) Special Resolution and Resolution through Postal Ballots**

In the 41<sup>st</sup> Annual General Meeting of the Company held last year on 25<sup>th</sup> September, 2018, Special Resolution was passed for conversion of existing unsecured loan amounting to Rs. 14,04,92,000 into 0% Optionally Convertible Debentures of Rs. 1000 each. The details of the voting with respect to this agenda is given as follows:

Agenda	Type of Resolution	No. of Votes polled	Votes cast in favour		Votes cast against	
			No. of votes	%	No. of Votes	%
Approval for conversion of existing unsecured loan amounting to Rs. 14,04,92,000 into 0%, Optionally Convertible Debentures of Rs. 1000 each	Special	1,45,71,383	1,45,71,383	100	1,45,71,383	100

No Special resolutions have been passed during the annual general meetings held for the F.Y. 2015-16 and 2016-17.

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. Saravanan 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 Mr. S. Asokan , Chief Executive Officer and Mr. Mukti Kishor Sahoo, Chief Financial Officer, was placed before the Board of Directors at their meeting held on 14<sup>th</sup> August, 2019.



## (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	AGM: Date, Time & Venue	14 <sup>th</sup> September, 2019 At 12:30 P.M. 'Hotel Pushpak, Bhubaneswar'
2	Financial Year	The company follows April to March as the Financial Year. Tentative calendar of board meetings for consideration of financial results for the financial year ending March 31, 2020 is as under: 1. on or before August 14, 2019 2. on or before November 14, 2019 3. on or before February 14, 2020 4. on or before May 30, 2020
2	Date of Book Closure	8 <sup>th</sup> September, 2019 to 14 <sup>th</sup> September, 2019 (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: <a href="mailto:cs@nilachal.in">cs@nilachal.in</a> .

#### Stock Price Data

Year/ Month	BSE	
	(in Rs.)	
	High	Low
<b>2018</b>		
April	42.00	38.15
May	38.05	36.15
June	36.15	36.15
July	36.15	36.15
August	36.15	36.15
September	36.15	36.15
October	41.75	37.95
November	54.35	43.80
December	51.90	51.90
<b>2019</b>		
January	51.90	51.90
February	51.90	51.90
March	51.90	51.90



**Distribution of Shareholding as at 31<sup>st</sup> March 2019**

(i) According to Category of Holding:

Shareholders	As on 31 <sup>st</sup> March,2019		As on 31 <sup>st</sup> March,2018		As on 31 <sup>st</sup> March 2017	
	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)	1702090	8.36	1702050	8.36	1702040	8.36
Non-Resident Indian	389	0.00	389	0.00	389	0.00
Public	4231355	20.78	4231395	20.78	4231405	20.78
<b>Total</b>	<b>20361450</b>	<b>100</b>	<b>20361450</b>	<b>100</b>	<b>20361450</b>	<b>100</b>

(ii) According to Number of Shares held: 31-03-2019

Shareholding Range	No. of shareholders	% of Shareholders	No. of shares	% of Shareholding
1-500	2896	94.95	310400	1.52
501-1000	85	2.79	65398	0.32
1001-2000	26	0.85	37248	0.19
2001-3000	2	0.07	4100	0.02
3001-4000	1	0.03	3050	0.01
4001-5000	0	0	0	0
5001-10000	0	0	0	0
10001 and above	40	1.31	19941254	97.94
<b>Total</b>	<b>3050</b>	<b>100.00</b>	<b>20361450</b>	<b>100.00</b>

**Dematerialisation of Shares:**

Shares of Nilachal Refractories Ltd. are tradable in demat form. We have established connectivity with the National Securities Depository Limited and Central Depository Services (India) Limited through M/s. S.K. Infosolutions Pvt. Ltd., our registrar and share transfer agents. The International Securities Identification Number (ISIN) allotted to our shares under the Depository System is INE416N01013.

As on 31<sup>st</sup> March, 2019, 98.18% of our shares were held in dematerialised form and the rest in physical form.



## 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, We, S. Asokan , Chief Executive Officer and Mukti Kishor Sahoo, Chief Financial Officer hereby certify that

- a) We have reviewed the Financial Statement, and the Cash Flow Statement for the year 2018-2019 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) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we 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) We 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.
  - (iv) We affirm that we have not denied any personnel access to the audit committee of the Company (in respect of matters involving alleged misconduct) and we have provided protection to whistleblowers from unfair termination and other unfair or prejudicial employment practices.
  - (v) We further declare that all Board members and senior management personnel have affirmed compliance with the Code of Conduct and Ethics for the year covered by this report.

Yours Sincerely

S.Asokan  
(Chief Executive Officer)

M.K. Sahoo  
(Chief Financial Officer)

Place: Kolkata  
Date: 14/08/2019



**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 31<sup>st</sup> March, 2019, 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: 14/08/2019



### Affirmation of Compliance with Code of Conduct

To,  
The Board of Directors  
Nilachal Refractories Limited  
Bhubaneswar: 751002, 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: 14/08/2019  
Place: Kolkata

S.Asokan  
CEO & Whole time Director

### Board Confirmation

Based on the assessment carried out by the Board of Directors of the Company ('Board') and the declarations of independence submitted by the Independent Directors, this is to confirm that in the opinion of the Board, the Independent Directors fulfill the conditions specified in these regulations and are independent of the executive management of the Company.

Dated: 14/08/2019  
Place: Kolkata

S.Asokan  
CEO & Whole time Director



**INDEPENDENT AUDITORS' REPORT**  
**TO THE MEMBERS OF NILACHAL REFRATORIES LIMITED**

**Report on the Standalone Financial Statement**

**Opinion**

We have audited the standalone financial statements of **NILACHAL REFRATORIES LIMITED** ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, 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, of the state of affairs of the Company as at March 31, 2019, and profit, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity 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. This responsibility also includes





maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, Statement of Change in Equity 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.
- e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Place : KOLKATA

Dated, the 30th day of May, 2019

**TANISHA MORE**  
**Proprietor**  
**C.A. Membership No. 301569**  
**UDIN : 19301569AAAAAS6132**



## **ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT OF NILACHAL RE FRACTORIES 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, 2019, 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 underconsideration, 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, 2019 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, 2019 which have not been deposited on account of a dispute are as follows:

Nature of Statutes (nature of dues)	Fourm 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, Orrisa (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, 2019**

**TANISHA MORE  
Proprietor  
C.A. Membership No. 301569  
UDIN : 19301569AAAAAS6132**



## **ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT OF NILACHAL RE FRACTORIES 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, 2019 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 whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial 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, 2019 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, 2019

**TANISHA MORE  
Proprietor  
C.A. Membership No. 301569  
UDIN : 19301569AAAAAS6132**



**NILACHAL REFRACTORIES LIMITED**

**BALANCE SHEET**

<u>Particulars</u>	Note No.	<u>As At 31.03.2019</u>		<u>As At 31.03.2018</u>	
		<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>
<b>ASSETS</b>					
<b>(1) Non-current assets</b>					
(a) Property, Plant and Equipment	4		70,693,695		77,596,221
(b) Capital work-in-progress	4		314,703,511		314,703,511
{c) <u>Financial Assets</u>					
(i) Loans & Advances	5	134,966		7,677,946	
(ii) Security Deposits	6	<u>2,234,372</u>	2,369,338	<u>2,237,122</u>	9,915,068
(d) Deferred tax assets (net)	7		52,973,864		53,056,742
(e) Other non-current assets	8		316,358		439,543
<b>(2) Current assets</b>					
(a) Inventories	9		79,293,927		107,259,002
(b) <u>Financial Assets</u>					
(ii) Trade receivables	10	22,222,605		21,006,275	
(iii) Cash and cash equivalents	11	2,049,762		1,086,928	
(iv) Bank balances other than (iii) above	12	1,011,384		933,950	
(vi) Advances Recoverable in Cash or in Kind	13	<u>256,677</u>	25,540,428	<u>252,567</u>	23,279,720
{c) Other current assets	14		4,320,184		6,306,114
			<u>550,211,305</u>		<u>592,555,921</u>
<b>EQUITY AND LIABILITIES</b>					
<b><u>Equity</u></b>					
(a) Equity Share capital	15		203,614,500		203,614,500
(b) Other Equity	16		(122,959,267)		(106,450,457)
<b><u>Liabilities</u></b>					
<b>(1) Non-current liabilities</b>					
(a) Preference Shares Capital	17		283,717,100		283,717,100
(b) Other non-current liabilities	18		1,579,990		1,837,953
<b>(2) Current liabilities</b>					
(a) <u>Financial Liabilities</u>					
(i) Borrowings	19	140,643,288		140,493,996	
(ii) Trade payables	20	23,028,913		47,375,467	
(iii) Other financial liabilities	21	<u>20,586,781</u>	184,258,982	<u>21,746,934</u>	209,616,397
(b) Other current liabilities	22		-		220,428
Total Equity and Liabilities			<u>550,211,305</u>		<u>592,555,921</u>

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 & CO.**

Chartered Accountants  
Firm Registration No. 327844E

Niraj Jalan  
Director  
DIN : 00551970

Vijay Kr Agarwal  
Director  
DIN : 00121351

**TANISHA MORE**

Proprietor  
M. No. 301569

Place: Kolkata  
Date: 30/05/2019

Mukti Kishor Sahoo  
CFO

Krishna Sharma  
Company Secretary  
M.No. 50762

Saravanan Asokan  
Whole Time Director  
DIN : 07019583





**NILACHAL REFRACTORIES LIMITED**

**STATEMENT OF PROFIT AND LOSS**

Particulars	Note No.	For the Year Ended March 31, 2019		For the Year Ended March 31, 2018	
		Rs.	Rs.	Rs.	Rs.
I Revenue From Operations	23		19,140,599		18,308,547
II Other Income	24		16,812,115		14,793,760
III			<u>35,952,714</u>		<u>33,102,307</u>
III			<b>Total Income (I+II)</b>		<b>33,102,307</b>
IV EXPENSES					
Cost of materials consumed	25		2,147,260		2,257,752
Purchases of Stock-in-Trade	26		-		8,440,898
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	27		27,929,710		7,839,093
Employee benefits expense	28		2,119,157		1,919,993
Finance costs	29		-		4,724,429
Depreciation and amortization expense	4		7,010,786		7,170,603
Other expenses	30		13,171,733		12,839,075
			<u>52,378,646</u>		<u>45,191,843</u>
			<b>Total expenses (IV)</b>		<b>45,191,843</b>
V Profit/(loss) before exceptional items and tax (I-IV)			(16,425,932)		(12,089,536)
VI Exceptional Items			-		-
VII Profit/(loss) before tax (V-VI)			(16,425,932)	0	(12,089,536)
VIII Tax expense:					
Deferred tax			82,878		4,377,675
IX Profit (Loss) for the period from continuing operations (VII-VIII)			(16,508,810)		(16,467,211)
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)			(16,508,810)		(16,467,211)
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)			(16,508,810)		(16,467,211)
XVI Earnings per equity share (for continuing					
(1) Basic & Diluted			(0.81)		(0.81)

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 & CO.**

Chartered Accountants  
Firm Registration No. 327844E

Niraj Jalan  
Director  
DIN : 00551970

Vijay Kr Agarwal  
Director  
DIN : 00121351

**TANISHA MORE**

Proprietor  
M. No. 301569

Place: Kolkata  
Date: 30/05/2019

Mukti Kishor Sahoo  
CFO

Krishna Sharma  
Company Secretary  
M.No. 50762

Saravanan Asokan  
Whole Time Director  
DIN : 07019583

**NILACHAL REFRACTORIES LIMITED**Cash Flow Statement for the Year Ended March 31, 2019

	31-Mar-19 Rs.	31-Mar-18 Rs.
<b>A Cash flow from operating activities</b>		
Profit/(loss) before tax	(16,508,810)	(12,089,536)
Adjusted for :-		
- Depreciation and amortisation expense	7,010,786	7,170,603
- Interest income	(61,018)	(196,891)
- Finance cost	-	4,724,429
- (Profit)/loss on sale of property, plant and equipment (net)	-	259,241
	<u>(9,559,042)</u>	<u>(132,154)</u>
Operating profit/(loss) before working capital changes		
Adjusted for :		
- (Increase)/Decrease in trade receivables	(1,216,330)	20,969,823
- (Increase)/Decrease in inventories	27,965,075	9,243,353
- (Increase)/Decrease in other assets	9,826,577	(401,718)
- Increase/(Decrease) in trade payables	(24,346,554)	(24,155,242)
- Increase/(Decrease) in other liabilities	(1,638,544)	(6,171,671)
- Increase/(Decrease) in provisions	-	-
	<u>1,031,182</u>	<u>(647,609)</u>
Cash generated from operations		
Net Income taxes (paid) / refunds	(92,964)	(149,336)
Net cash from operating activities	<u>938,218</u>	<u>(796,945)</u>
<b>B Cash flow from investing activities</b>		
Capital expenditure on property, plant and equipments including capital advances	(108,260)	-
Sale of property, plant and equipments	-	226,884
Sales/ Purchases of investments	-	-
Interest received	61,018	196,891
Bank balances not considered as cash and cash equivalents	-	-
Net cash used in investing activities	<u>(47,242)</u>	<u>423,775</u>
<b>C Cash flow from financing activities</b>		
Repayment of short-term borrowings	149,292	4,697,086
Interest and finance charges paid	-	(4,724,429)
Issue of Preference Shares	-	-
Net cash used in financing activities	<u>149,292</u>	<u>(27,343)</u>
Net (decrease) / increase in cash and cash equivalents	1,040,268	(400,513)
Cash and cash equivalents as at the beginning of the year	2,020,878	2,421,391
Cash and cash equivalents as at the end of the year	3,061,146	2,020,878

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 & CO.**

Chartered Accountants

Firm Registration No. 327844E

Niraj Jalan

Director

DIN : 00551970

Vijay Kr Agarwal

Director

DIN : 00121351

**TANISHA MORE**

Proprietor

M. No. 301569

Krishna Sharma

Company Secretary

M.No. 50762

Saravanan Asokan

Whole Time Director

DIN : 07019583

Place: Kolkata

Date: 30/05/2019

Mukti Kishor Sahoo

CFO



## NILACHAL REFRATORIES LIMITED

### SIGNIFICANT ACCOUNTING POLICIES

#### 1. Reporting entity

NILACHAL REFRATORIES LIMITED (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

The Company's financial statements have been prepared in accordance with Indian Accounting Standards (Ind.AS), Ind.AS 101. 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**

Description of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As at 1st April 2018	Additions during the year	Sales/ Adjustment during the year	As at 31st March 2019	As at 31st March 2018	Adjusted With Retained Earnings	Provided during the year	Deduction Sales Adjustment	As at 31st March 2019	Net Value of Assets as at 31-Mar-19	Net Value of Assets as at 31-Mar-18
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
<b>TANGIBLE ASSETS</b>											
LAND (Freehold)	1,846,851	-	-	1,846,851	-	-	-	-	-	1,846,851	1,846,851
<i>(Previous year)</i>	<i>(1,846,851)</i>			<i>(1,846,851)</i>					-	<i>(1,846,851)</i>	
LAND (Leasehold) *	128,116	-	-	128,116	-	-	-	-	-	128,116	128,116
<i>(Previous year)</i>	<i>(155,000)</i>		<i>(26,884)</i>	<i>(128,116)</i>						<i>(128,116)</i>	
BUILDINGS	20,619,700	-	-	20,619,700	10,422,549	-	310,967	-	10,733,516	9,886,184	10,197,151
<i>(Previous year)</i>	<i>(20,619,700)</i>			<i>(20,619,700)</i>	<i>(10,111,582)</i>		<i>(310,967)</i>		<i>(10,422,549)</i>	<i>(10,197,151)</i>	
PLANT & MACHINERIES	153,190,054	108,260	-	153,298,314	89,025,007	-	6,483,152	-	95,508,159	57,790,155	64,165,047
<i>(Previous year)</i>	<i>(153,190,054)</i>			<i>(153,190,054)</i>	<i>(82,486,022)</i>		<i>(6,538,985)</i>		<i>(89,025,007)</i>	<i>(64,165,047)</i>	
FURNITURE & FITTINGS	6,117,126	-	-	6,117,126	5,687,252	-	21,831	-	5,709,083	408,043	429,874
<i>(Previous year)</i>	<i>(6,117,126)</i>			<i>(6,117,126)</i>	<i>(5,601,832)</i>		<i>(85,420)</i>		<i>(5,687,252)</i>	<i>(429,874)</i>	
VEHICLES	4,779,785	-	-	4,779,785	3,950,603	-	194,836	-	4,145,439	634,346	829,182
<i>(Previous year)</i>	<i>(5,731,944)</i>		<i>(952,159)</i>	<i>(4,779,785)</i>	<i>(4,208,290)</i>		<i>(235,231)</i>	<i>(492,918)</i>	<i>(3,950,603)</i>	<i>(829,182)</i>	
<b>TOTAL</b>	<b>186,681,632</b>	<b>108,260</b>	<b>-</b>	<b>186,789,892</b>	<b>109,085,411</b>	<b>-</b>	<b>7,010,786</b>	<b>-</b>	<b>116,096,197</b>	<b>70,693,695</b>	<b>77,596,221</b>
<b>TOTAL Previous Year</b>	<b>(187,660,675)</b>	<b>-</b>	<b>(979,043)</b>	<b>(186,681,632)</b>	<b>(102,407,726)</b>	<b>-</b>	<b>(7,170,603)</b>	<b>(492,918)</b>	<b>(109,085,411)</b>	<b>(77,596,221)</b>	
Capital Work in Progress	314,703,511	-	-	314,703,511	-	-	-	-	-	314,703,511	314,703,511
<i>(Previous year)</i>	<i>(314,703,511)</i>			<i>(314,703,511)</i>						<i>(314,703,511)</i>	
<b>Grand Total</b>	<b>501,385,143</b>	<b>108,260</b>	<b>-</b>	<b>501,493,403</b>	<b>109,085,411</b>	<b>-</b>	<b>7,010,786</b>	<b>-</b>	<b>116,096,197</b>	<b>385,397,206</b>	<b>392,299,732</b>
<b>(Grand Total Previous Year)</b>	<b>(502,364,186)</b>	<b>-</b>	<b>(979,043)</b>	<b>(501,385,143)</b>	<b>(102,407,726)</b>	<b>-</b>	<b>(7,170,603)</b>	<b>(492,918)</b>	<b>(109,085,411)</b>	<b>(392,299,732)</b>	

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





**NILACHAL REFRACTORIES LIMITED**

**NOTES TO ACCOUNTS**

	As At 31.03.2019		As At 31.03.2018	
	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>
<b>Notes No. 5</b>				
<b>Long Term Loans &amp; advances</b>				
<b>(Unsecured, Considered good)</b>				
Advances For Capital Goods		-		7,542,980
<u>Advances recoverable in cash or kind</u>				
Considered Good	134,966		134,966	
Considered Doubtful	-	134,966	-	134,966
		<u>134,966</u>		<u>7,677,946</u>
<b>Notes No. 6</b>				
<b>Security Deposits</b>				
(Unsecured, Considered good)		<u>2,234,372</u>		<u>2,237,122</u>
<b>Notes No. 7</b>				
<b>Recognised deferred tax assets and liabilities</b>				
Deferred tax assets and liabilities are attributable to the following :-				
<b>Deferred tax Asset</b>				
Tax impact on difference between book value of depreciable assets and written down value for tax purposes		62,038,160		62,368,817
<b>Deferred tax Liability</b>		9,064,297		9,312,075
Tax impact of expenses charged to statement of profit & loss but allowance under tax laws deferred				
<b>Net Deferred Tax Assets</b>		<u>52,973,864</u>		<u>53,056,742</u>
<b>Notes No. 8</b>				
<b>Recognised deferred tax assets and liabilities</b>				
<u>Other Non-Current Assets</u>				
(i) Interest accrued on deposits		254,469		377,654
(ii) Compensation on Land Acquired		61,889		61,889
		<u>316,358</u>		<u>439,543</u>
<b>Note :-</b>				
Government of Orissa had acquired 8.73 acres of unutilized portion of land of the Company for which the cost of the land has been proportionately reduced. Since the Government had not intimated the acquisition compensation of the land, 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.				
<b>Notes No. - 9</b>				
<b>Inventories</b>				
(As taken, valued and certified by the management)				
Stock of Stores and Spare Parts (At Cost)		2,996,092		2,996,092
Stock of Packing Material (At Cost)		2,045,394		2,046,307
Stock of By Products (At Net Relisable Value)		140,594		196,640
Stock of Raw Material (At Cost)		13,118,334		10,954,868
Stock of Finished Goods (At Lower of Cost or Net Realisable Value)		45,628,133		57,048,743
Stock of Work in Progress (At Cost)				
Refractories Brick		15,365,380		34,016,352
		<u>79,293,927</u>		<u>107,259,002</u>



**NILACHAL REFRACTORIES LIMITED**

**NOTES TO ACCOUNTS**

	<u>As At 31.03.2019</u>		<u>As At 31.03.2018</u>	
	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>
<b>Notes No. - 10</b>				
<b>Trade Receivables</b>				
<b>(Unsecured, Considered good)</b>				
Outstanding for a period exceeding six months	23,225,142		22,008,812	
Less: Provision for doubtful receivables	<u>(1,002,537)</u>	22,222,605	<u>(1,002,537)</u>	21,006,275
Other debts		-		-
		<u>22,222,605</u>		<u>21,006,275</u>
<b>Notes No. - 11</b>				
<b>Cash and Cash Equivalents</b>				
Cash in hand		12,194		5,607
Balances with banks				
- in current accounts	2,037,017		1,080,474	
- in debit Balance in Cash Credit A/c	<u>551</u>	2,037,568	<u>847</u>	1,081,321
		<u>2,049,762</u>		<u>1,086,928</u>
<b>Notes No. - 12</b>				
<b>Others bank Balances</b>				
- in EEFC account	309,314		288,817	
- in deposit account	<u>702,070</u>	1,011,384	<u>645,133</u>	933,950
		<u>1,011,384</u>		<u>933,950</u>
Notes :- Balances with banks include deposits amounting to Rs 3,44,652/- as margin monies.				
<b>Notes No. - 13</b>				
<b>Advances Recoverable in Cash or in Kind</b>				
<b>(Unsecured, Considered good)</b>				
Loans and advances to employees	256,677		252,567	
Less : Provision for doubtful advances	<u>-</u>	256,677	<u>-</u>	252,567
		<u>256,677</u>		<u>252,567</u>
<b>Notes No. - 14</b>				
<b>Other current assets</b>				
<u>Balance with statutory / government authorities</u>				
(i) Sales Tax Recoverable	1,443,841		1,258,441	
(ii) Cenvat credit receivable	2,173,423		2,555,410	
(iii) VAT tax credit receivable	196,970		196,970	
(iv) Export Benefit Receivable	-		1,882,307	
(v) Income Tax Refundable	146,000		146,000	
(vi) Advance Payment of Income Tax	<u>359,950</u>	4,320,184	<u>266,986</u>	6,306,114

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





**NILACHAL REFRACTORIES LIMITED**

**NOTES TO ACCOUNTS**

Notes No. 15

**SHARE CAPITAL**

	<b>As At 31-03-2019</b>		<b>As At 31-03-2018</b>	
	<b>Nos.</b>	<b>Rs.</b>	<b>Nos.</b>	<b>Rs.</b>
<b>(a) Capital Structure</b>				
<b><u>Authorised</u></b>				
Equity Shares of Rs.10/- each	<u>20400000</u>	<u>204,000,000</u>	<u>20400000</u>	<u>204,000,000</u>
<b><u>Issued</u></b>				
Equity Shares of Rs.10/- each	<u>20400000</u>	<u>204,000,000</u>	<u>20400000</u>	<u>204,000,000</u>
<b><u>Subscribed &amp; Paid up</u></b>				
Equity Shares of Rs.10/- each fully paid up	<u>20361450</u>	<u>203,614,500</u>	<u>20361450</u>	<u>203,614,500</u>
<b>(b) Share Capital Reconciliation</b>				
<b>Equity Shares</b>				
At the beginning of the period	20400000	204,000,000	20400000	204,000,000
Issued during the period	-	-	-	-
Outstanding at the end of the period	<u>20400000</u>	<u>204,000,000</u>	<u>20400000</u>	<u>204,000,000</u>

**(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.



**NILACHAL REFRACTORIES LIMITED**

**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
204,000,000	-	204,000,000

**B. Other Equity**

Amount in Rs.

	Reserves and Surplus				Equity Instruments through Other Comprehensive Income	Total
	Capital Reserve / Central Subsidy	Securities Premium Reserve	Share Forfeiture Money (38550 Equity Shares)	Retained Earnings		
<b>Balance as at 01.04.2017</b>	1,500,000	135,000,000	120,125	(226,603,371)	-	(89,983,246)
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				(16,467,211)		(16,467,211)
Dividends				-		-
Dividend Distribution Tax				-		-
Transfer to General Reserve				-		-
Others						-
<b>Balance as at 31.03.2018</b>	1,500,000	135,000,000	120,125	(243,070,582)	-	(106,450,457)

	Reserves and Surplus				Equity Instruments through Other Comprehensive Income	Total
	Capital Reserve / Central Subsidy	Securities Premium Reserve	Share Forfeiture Money (38550 Equity Shares)	Retained Earnings		
<b>Balance as at 01.04.2018</b>	1,500,000	135,000,000	120,125	(243,070,582)	-	(106,450,457)
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				(16,508,810)		(16,508,810)
Dividends				-		-
Dividend Distribution Tax				-		-
Transfer to General Reserve				-		-
Others						-
<b>Balance as at 31.03.2019</b>	1,500,000	135,000,000	120,125	(259,579,392)	-	(122,959,267)



**NILACHAL REFRACTORIES LIMITED**

**NOTES TO ACCOUNTS**

Notes N 17	<u>As At 31.03.2019</u>		<u>As At 31.03.2018</u>	
	<u>Nos.</u>	<u>Rs.</u>	<u>Nos.</u>	<u>Rs.</u>
<b>Ors Fin.Liabilities (Preference Shares)</b>				
<b>Redeemable Cumulative Preference Shares</b>				
11% Redeemable Cumulative Preference Shares Rs. 100/- each fully paid up	14,980	1,498,000	14,980	1,498,000
0% Redeemable Preference Shares of Rs. 100/- each fully paid up	2,822,191	282,219,100	2,822,191	282,219,100
		<u>283,717,100</u>		<u>283,717,100</u>

**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 LIMITED**

**NOTES TO ACCOUNTS**

	<u>As At 31.03.2019</u>		<u>As At 31.03.2018</u>	
	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>
<b>Notes No. 18</b>				
<b>Other Long Term Liabilities</b>				
Trade / Security Deposits	100,868		100,868	
Provision on Leave encashment & Gratuity Payable	1,479,122	1,579,990	1,737,085	1,837,953
<b>Notes No. 19</b>				
<b>Short Term Borrowings</b>				
<u>Unsecured Loans</u>				
Loan Repayable on Demand from Related Parties		140,643,288		140,493,996
<b>Notes :-</b>				
Unsecured Loans are repayable on Demand				
<b>Notes No. 20</b>				
<b>Trade payables</b>				
<u>Trade payables :-</u>				
Other than acceptances Micro, Small and Medium Enterprises others		23,028,913		47,375,467
<b>Notes No. 21</b>				
<b>Other Financial Liabilities</b>				
Statutory remittances	202,730		536,162	
Advance from customers	20,384,051	20,586,781	21,210,772	21,746,934
<b>Notes No. 22</b>				
<b>Other Current Liabilities</b>				
Creditors for Capital Work-in-Progress		-		220,428
		<u>For the year</u>		<u>For the year</u>
		2018-19		2017-18
<b>Notes 23</b>				
<b>Revenue from operations</b>				
<b>Sale of Products</b>				
Refractory Bricks	9,546,684		4,951,049	
Castables & Monolithic	5,479,332		5,275,668	
Coal Tar	22,000	15,048,016	34,680	10,261,397
<u>Others</u>				
Raw Materials		37,889		555,110
		15,085,905		10,816,507
<b>Other Operating Revenue</b>				
Sales of Scrap		4,054,694		7,597,718
		19,140,599		18,414,225
Less : Excise Duty		-		105,678
		19,140,599		18,308,547



**NILACHAL REFRACTORIES LIMITED**

**NOTES TO ACCOUNTS**

	<u>As At 31.03.2019</u>		<u>As At 31.03.2018</u>	
	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>
<b>Notes 24</b>				
<b>Other Income</b>				
<b>Interest Income</b>				
Interest (TDS Rs.)	61,018		195,976	
Interest on IT Refunds	-	61,018	915	196,891
<b>Other Non Operative Income</b>				
Liabilities / Provisions Written Back	12,500,000		55,234	
Sundry Balances Written Off	2,818,614		12,910,477	
Misc. Income - Insurance Claims Received	18,500		12,000	
Land Acquired Compensation Received	1,306,316		1,456,633	
Prior Period Adjustments	87,169		141,602	
Exchange Fluctuation	20,497		-	
Round off	1		-	
Other Non Operative Income	-	16,751,097	20,923	14,596,869
		<u>16,812,115</u>		<u>14,793,760</u>
<b>Notes 25</b>				
<b>Cost of Material Consumed</b>				
Opening Stock	10,954,868		12,330,826	
WIP (Transferred )	2,197,918		-	
Purchases	2,155,841		1,587,263	
	<u>15,308,627</u>		<u>13,918,089</u>	
Less: Cost of Material Sold	43,033	15,265,594	705,469	13,212,620
Closing Stock		13,118,334		10,954,868
Cost of Material Consumed		<u>2,147,260</u>		<u>2,257,752</u>
<b>Notes 26</b>				
<b>Purchases</b>				
Bricks		-		8,440,898
<b>Notes 27</b>				
<b>Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>				
<u>Inventories at the end of the year :-</u>				
Finished goods	45,628,133		57,048,743	
Work-in-progress	15,365,380		34,016,352	
By-Products	140,594	61,134,107	196,640	91,261,735
<u>Inventories at the Beginning of the year :-</u>				
Finished goods	57,048,743		61,825,718	
Work-in-progress	34,016,352		37,027,890	
Less : Tfd to Raw Materials	(2,197,918)		-	
By-Products	196,640	89,063,817	247,220	99,100,828
		<u>27,929,710</u>		<u>7,839,093</u>
<b>Notes 28</b>				
<b>Employee Benefits Expenses</b>				
Salaries ,Wages and other allowances		1,815,457		1,731,706
Contribution to provident and other funds		59,300		45,936
Staff welfare expenses		244,400		142,351
		<u>2,119,157</u>		<u>1,919,993</u>



**NILACHAL REFRACTORIES LIMITED**

**NOTES TO ACCOUNTS**

Notes	As At 31.03.2019		As At 31.03.2018	
	Rs.	Rs.	Rs.	Rs.
<b>29</b>				
<b>Finance costs</b>				
<b>Borrowing Cost</b>				
Interest Expenses on				
Unsecured Loans		-		4,724,429
<b>Notes No 30</b>				
<b>Other Expenses</b>				
Cost of Material Sold		43,033		705,469
Consumptions of Packing Materials		327,126		229,469
Consumptions of Stores & Spares		-		5,066
Electricity and Power		1,766,853		1,927,521
Manufacturing Expenses		560,024		286,348
Repairs & Maintenance :				
To Plant & Machinery	1,349,944		643,574	
To Building	177,616		68,121	
To Others	1,497,002	3,024,562	1,069,754	1,781,449
Carriage outward		121,200		247,534
Sales Promotion				-
Rent		401,668		778,904
Bank Charges		16,056		18,856
Rates & Taxes		2,500		9,200
Exchange Fluctuation (Net)		-		15,728
Telephone Charges		79,651		124,493
Insurance charges		128,375		129,843
Computer Expenses		25,196		9,671
Books & Periodicals		-		3,762
Printing & Stationery		92,133		100,583
Filing Fees		8,507		25,700
Postage & Courier Charges		77,710		50,260
Professional & Consultancy Charges		1,964,954		498,098
Conveyance, Tour & Travels		1,627,652		1,221,230
Prior Period Expenses/ Adjustments		4,100		67,900
Payment to auditors - Audit Fees*		60,000		60,000
Loss on Sales of Fixed Assets		-		259,241
General Expences		37,562		82,803
Listing Fees		250,000		613,088
Subscription Fees & Expenses		231,357		1,237,962
Watch & Ward		1,767,611		1,933,122
Office Maintenance		218,175		274,147
Miscellaneous Expenses		335,728		141,628
		<u>13,171,733</u>		<u>12,839,075</u>
<b>Notes :-</b>				
Payment to Auditors Comprise (net of service Tax, input Credit where applicable)				
As Auditors - Statutory Audit		60,000		60,000
For Company Law Matters		-		-
For Other Service		-		-
Certification Fees		-		-
		<u>60,000</u>		<u>60,000</u>
<b>Miscellaneous Expenses</b>				
Advertisement		-		16,917
TDS - Others Payments		11		
Guest House Expenses		15,312		15,024
Interest (other) A/c		98,798		13,712
Electricity Charges		156,242		75,465
Sales Promotion Expenses		27,800		-
Newspaper & Periodicals		1,965		-
Trademark Renewal Fees		10,000		-
Transport Charges A/c		25,600		20,510
		<u>335,728</u>		<u>141,628</u>



**NILACHAL REFRACTORIES LIMITED**

**NOTES TO ACCOUNTS**

Notes No. - 30	As At 31.03.2019		As At 31.03.2018	
	Rs. In Lakhs		Rs. In Lakhs	
<b>(a) Contingent Liabilities</b>				
Sales Tax		96.28		96.28
Water Charges		7.14		7.14
Suit Pending against the Company		9.94		9.94
Orissa Entry Tax		4.17		4.17
<b>(b) Commitments</b>				
Estimated amount of contract remaining to be executed on Capital account and not provided for Tangible assets		1,238.93		1,238.93
<b>(c) Details of unhedged foreign currency Exposures</b>				
	31-Mar-19		31-Mar-18	
	Receivable/ (Payable)	Receivable/ (Payable)	Receivable/ (Payable)	Receivable/ (Payable)
	Rs	\$	Rs	\$
Payable in foreign exchange	(12,198,576)	(184,032)	(19,980,516)	(303,610)
Receivable in foreign exchange	-	-	-	-
	<u>(12,198,576)</u>	<u>(184,032)</u>	<u>(19,980,516)</u>	<u>(303,610)</u>
<b>(d) Value of imports calculated on CIF basis :</b>				
		31-Mar-19		31-Mar-18
		Rs		Rs
Raw materials		-		-
<b>(e) Expenditure in foreign currency :</b>				
Royalty				
Professional and consultation fees		-		-
Interest		-		-
Other matters		-		-
<b>(f) Details of consumption of imported and indigenous items</b>				
		31-Mar-19		31-Mar-18
		%		%
		Rs		Rs
<b>Imported</b>				
Raw materials	0.00%	-	0.00%	-
Components	0.00%	-	0.00%	-
Spare parts	0.00%	-	0.00%	-
		-		-
<b>Indigenous</b>				
Raw materials	100.00%	2,147,260	100.00%	2,257,752
Components		-		-
Spare parts		-		-
		<u>2,147,260</u>		<u>2,257,752</u>
<b>(g) Earnings in foreign currency :</b>				
		31-Mar-18		31-Mar-17
		Rs		Rs
Export of finished goods calculated on FOB basis		0		0
		<u>0</u>		<u>0</u>
<b>(h) Earnings per share :</b>				
(a) <u>Continuing operations</u>				
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders		(16,508,810)		(16,467,211)
Weighted average number of equity shares		20,361,450		20,361,450
Par value per share		10		10
Earnings per share from continuing operations - Basic & Diluted		(0.81)		(0.81)
(b) <u>Total operations</u>				
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders		(16,508,810)		(16,467,211)
Weighted average number of equity shares		20,361,450		20,361,450
Par value per share		10		10
Earnings per share from continuing operations - Basic & Diluted		(0.81)		(0.81)



**NILACHAL REFRACTORIES LIMITED**

**NOTES TO ACCOUNTS**

Notes No. - 30 Contd...

**(i) Details of related parties**

<u>Description of relationship</u>	<u>Names of related parties</u>
Ultimate Holding Company	N.A.
Holding Company	N.A.
Ultimate Holding Company	N.A.
Subsidiaries	N.A.
Fellow Subsidiaries (to be given only if Associates	N.A.
Key Management Personnel (KMP)	N.A.
	Mr. Vimal Prakash, Mr. Vijay Kumar Agarwal Mr. S Asokan, Mr. Aditya Purohit, Mr. Avik Chakraborty, Mr. Tapas Tirtha, Mr. Krishna Sharma , Mr Mukti Kishor Sahoo
Relatives of KMP	Kamal Prakash (HUF), Raj Rani Agarwal, Vimal Prakash (HUF), Sushil Kumar Agrawal .
Company in which KMP / Relatives of KMP can exercise significant influence	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. Rajtilak Mercantile Pvt. Ltd.

Note: Related parties have been identified by the Management.

Details of related party transactions during the year ended on 31st March, 2019 and balances outstanding as at 31st March, 2019 (Figures in bracket pertain to the previous year)

Particulars	Relatives of KMP		KMP		Entities in which KMP / relatives of KMP have significant influence	
	2019	2018	2019	2018	2019	2018
<b>Sales</b>						
NRL Clayburn Ltd					6,727,142	4,974,000
<b>Remuneration</b>						
S Ashokan			132,670	94,067		
Avik Chakraborty			-	56,100		
Tapas Tirtha			-	62,254		
Krishna Sharma			215,608	85,670		
<b>Interest on Loans</b>						
Ambarella Cap Fin Private Limited					-	2,200,321
Think Finance Pvt. Ltd.					-	2,524,108
<b>Loan Taken</b>						
Pushpak Dealcom (P) Ltd					-	24,950,000
Rajtilak Mercantile Pvt. Ltd.					9,050,000	-
Ambarella Cap Fin Private Limited					150,000	455,000
<b>Loan Repaid</b>						
Bhumika Vintrade Pvt. Ltd.					-	11,800,000
Capricorn Complex Pvt. Ltd.					-	4,000,000
Chaturang commercial Pvt. Ltd.					-	3,500,000
Doon Valley Finance & Leasing Ltd.					-	3,250,000
Subhankar Mercantile Pvt. Ltd.					-	2,400,000
Sushil Kumar Agarwal			3,900,000	-		
Vijay Kumar Agarwal			5,150,708	-		
Vimal Prakash			-	52,125,000		
<b>Issue of 0% Preference Shares by conversion of Loan taken</b>						
Kamal Prakash HUF						
P P Suppliers & Agencies (P) Ltd.						
Vimal Prakash HUF			-	16,750,000		





## NILACHAL REFRACTORIES LIMITED

### 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, 2019. 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, 2017 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 & CO.**  
Chartered Accountants  
Firm Registration No. 327844E

Niraj Jalan  
Director  
DIN : 00551970

Vijay Kr Agarwal  
Director  
DIN : 00121351

**TANISHA MORE**  
Proprietor  
M. No. 301569

Place: Kolkata  
Date: 30/05/2019

Mukti Kishor Sahoo  
CFO

Krishna Sharma  
Company Secretary  
M.No. 50762

Saravanan Asokan  
Whole Time Director  
DIN : 07019583



**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 .....
- 5 .....
- 6 .....

Signed this ..... day of..... 2019

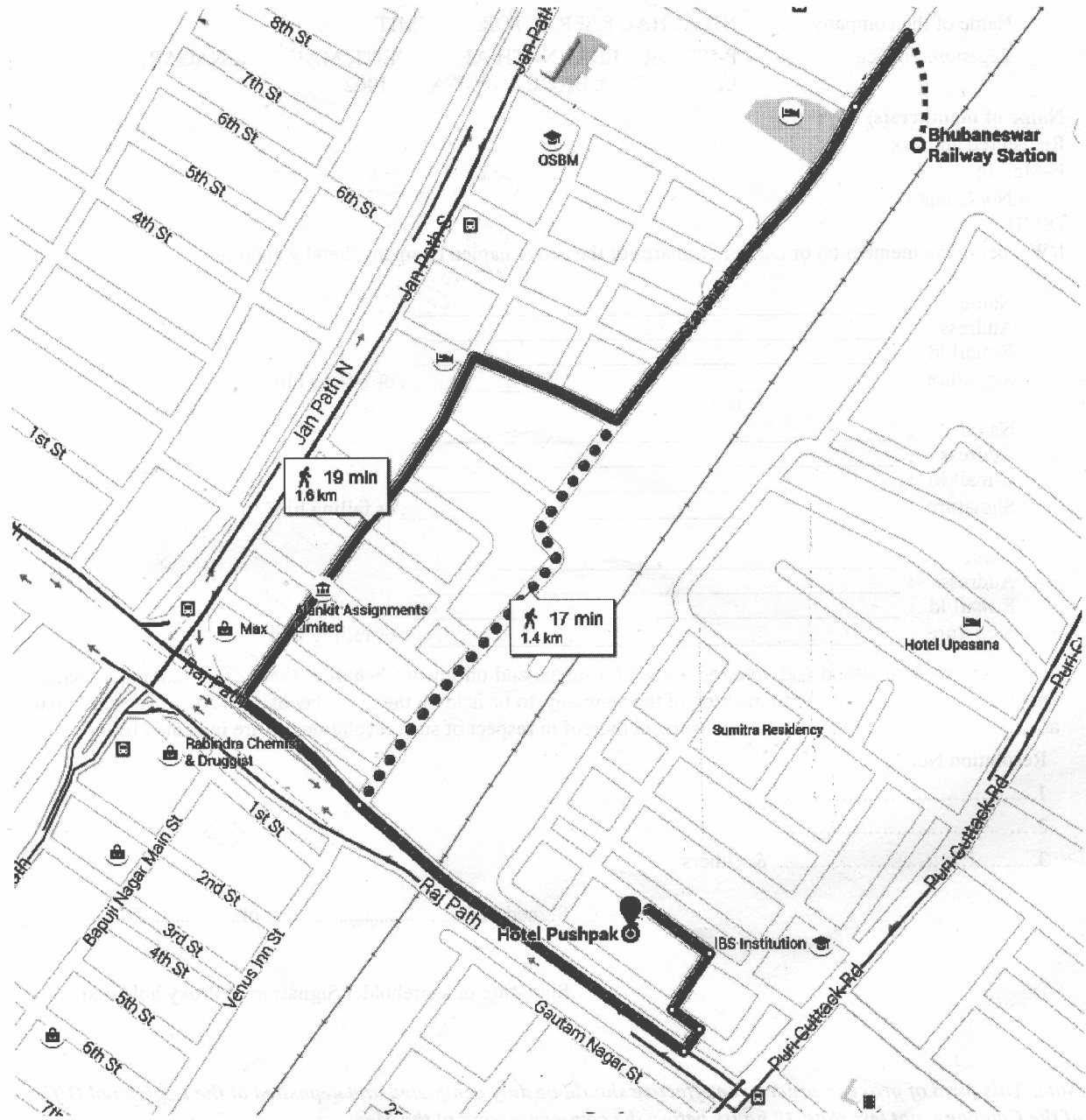
Signature of Shareholder

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





**SPEED POST**  
(PRINTED MATTER ONLY)



If undelivered, please return to :

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

Annual General Meeting

**NILACHAL REFRACTORIES LTD.**

**ATTENDANCE SLIP**

**Saturday 14<sup>th</sup> Sep, 2019, at 12.30 p .m.**

**CIN: L26939OR1977PLC000735**

**Registered Office: P-598/599, KEDARNATH APARTMENT, MAHABIR NAGAR,  
LEWIS ROAD, BHUBANESWAR: 751002. ODISHA**

**FOLIO NO//DP ID/CLI IND :**

**NAME OF THE SHARE HOLDER(S) :**

**ADDRESS**

**NO OF SHARES HELD :**

I/We hereby record my/our presence at the Annual General Meeting of the Company held on Saturday ,14<sup>th</sup> Sep, 2019 at 12.30 p.m. at Hotel Pushpak, Kalpana Chawk Bhubaneswar ,Odisha

.....  
Name of Proxy (In BLOCK LETTERS)

.....  
Signature of Shareholder/Proxy Present

Please cut here and bring the Attendance Slip duly signed, to the meeting and hand it over at the entrance. Duplicate slips will not be issued at the venue of the meeting.

**ELECTRONIC VOTING PARTICULARS**

EVEN (e-voting Even Number)	User ID	Password/PIN

Please refer to the AGM Notice for e-voting instructions.

Annual General Meeting

NILACHAL REFRACTORIES LTD.

PROXY FORM

Saturday 14<sup>th</sup> Sep, 2019, at 12.30 p .m.

CIN: L26939OR1977PLC000735

Registered Office: P-598/599, KEDARNATH APARTMENT, MAHABIR NAGAR,  
LEWIS ROAD, BHUBANESWAR: 751002. ODISHA,

I/We, being the member(s), holding ..... Shares of NILACHAL REFRACTORIES LTD. hereby appoint:

(1) Name ..... Address .....

E-mail Id: ..... Signature ..... or failing him/her,

(2) Name ..... Address .....

E-mail Id: ..... Signature ..... or failing him/her,

(3) Name ..... Address .....

E-mail Id: ..... Signature ..... or failing him/her

as my/our proxy to attend and vote (on poll) for me/us and on my/our behalf of the Annual General Meeting of the Company, to be held on Saturday, 14<sup>th</sup> Sep ,2019 at 12.30 p.m. at Hotel Pushpak, Kalpana Chawk, Bhubaneswar ,Odisha and any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Optional*	
		For	Against
1.	To receive, consider and adopt the Audited Annual Accounts of the Company for the year ended 31 <sup>st</sup> March, 2019 and the Report of the Directors and Auditors thereon .		
2.	To appoint a Director in place of Mr. Bhagwati Prasad Jalan who retires by rotation, and being eligible, offer himself for re-appointment .		
3	Reappointment of M/s. T.More & Co. as Statutory Auditor and fix their remuneration .		
4	Reappointment of Mr. Ramesh Kumar Dhandhanias as the Independent Director of the Company for five years		
5	Reappointment of Mr. Sribash Chandra Mishra as the Independent Director of the Company for five years		
6	Reappointment of Mr. Sribash Chandra Mishra pursuant to Regulation 17(1A) of SEBI (LODR) Regulations, 2015		


Member's Folio/DP ID-Client ID No..... Signature of Shareholder(s) .....

Signature of Proxy holder(s).....

Note: 1. 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.

2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the Annual General Meeting.

\*3. It is optional to put a '✓' in the appropriate column against the Resolution as indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.