

**Balance Sheet & Profit and Loss Account
For F.Y.2015-16**

NILACHAL IRON & POWER LIMITED

S. K. AGRAWAL & CO.

Chartered Accountants
FRN: 306033E

SUITE NOS.: 606-608, THE CHAMBERS
1865, RAJDANGA MAIN ROAD, KASBA
KOLKATA- 700 107
PHONE: 033 - 4008 9902 / 9903 / 9904
WEBSITE: www.skagrawal.co.in

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NILACHAL IRON & POWER LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **NILACHAL IRON & POWER LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the



assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 31st March, 2016, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- I. 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 Act, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- II. 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 accounts 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 and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the Directors as on 31st March, 2016 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.



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- 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 has disclosed the impact of pending litigations on its Financial Position in its financial statements – Refer Note 24 of the Financial Statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There is no such sum which is required to be transferred, to the Investor Education and Protection Fund by the Company.

For, S. K. AGRAWAL & CO.
Chartered Accountants
Firm's Registration Number- 306033E


(J.K. Choudhury)

Partner

Membership No: 009367

Place: Kolkata

Dated: May 28, 2016



Annexure -A to the Independent Auditors' Report

The Annexure referred to in our Independent Auditor's Report to the members of **NILACHAL IRON & POWER LIMITED** ("the Company"), on the financial statements for the year ended on 31st March 2016. We report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The inventories have been physically verified during the year by the management at regular intervals. In our opinion and according to the information and explanations given to us, no material discrepancies were noticed on physical verification.
- iii. The Company has not granted any loans, secured or unsecured to companies/firms/limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- iv. The Company has not granted any loans as per Section 185 of The Companies Act, 2013 and also has not made any loans, investments, guarantees, and security as per Section 186 of Companies Act, 2013.
- v. The Company has not accepted any deposits from the public. Accordingly, paragraph 3(v) of the Order is not applicable.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under section 148 (1) of the Act, and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- vii. According to the information and explanations given to us in respect of statutory dues:
 - (a) *The Company has not been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Service Tax, Value Added Tax, duty of Excise, Cess and other statutory dues with the appropriate authorities during the year.*



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According to the information and explanations given to us, the following undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2016 for a period of more than six months from the date they became payable:-

Name of the Statute	Nature of Dues	Amount Due (₹ in lacs)	Relating to the year
The Income Tax Act, 1961	Tax Deducted at Source	0.94	2013-14
The Income Tax Act, 1961	Tax Deducted at Source	4.17	2014-15
The Income Tax Act, 1961	Tax Deducted at Source	2.15	2015-16
The Employees' Provident Funds and Miscellaneous Provisions	Provident Fund	11.65	2013-14
The Employees' Provident Funds and Miscellaneous Provisions	Provident Fund	30.86	2014-15
The Employees' Provident Funds and Miscellaneous Provisions	Provident Fund	24.53	2015-16
Employees' State Insurance	ESIC	1.32	2014-15
Employees' State Insurance	ESIC	9.01	2015-16
Directorate of Commercial Taxes, Govt. of Jharkhand	Professional Tax	0.26	2014-15
Directorate of Commercial Taxes, Govt. of Jharkhand	Professional Tax	0.05	2015-16
Jharkhand Value Added Tax Act, 2005	Works Contract Tax	1.66	2012-13

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

Name of the Statute	Nature of Dues	Amount (₹ in Lacs)	Relating to the year	Forum where dispute pending
Central Excise Act, 1944	Disallowance of Cenvat Credit of Excise Duty	68.97	2005- 2006	CESTAT – Appeal Hearing Pending
Central Excise Act, 1944	Duty demand on scrap on Fabrication of Kiln & Cooler	69.38	2006- 2007	Commissioner of Central Excise
Central Excise Act, 1944	Passage of Illegal Benefit to TISCO	62.21	2005- 2006	CESTAT - Appeal Hearing Pending



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Central Excise Act, 1944	Irregular Availment of Service Tax	2.63	2005- 2006	Remand from CESTAT
Central Excise Act, 1944	Irregular Availment of Cenvat Credit on inputs / equipments	83.15	2006- 2007	CESTAT
Central Excise Act, 1944	Availment of Cenvat Credit relating to low grade Sponge iron	39.09	2005- 2006	Commissioner (Appeal) – Remand from CESTAT
Central Excise Act, 1944	Availment of Cenvat Credit in respect of bought out Low Grade Sponge Iron	30.75	2005- 2006	Commissioner of Central Excise (Appeal) – Remand from CESTAT
Central Excise Act, 1944	Duty demand in respect of scrap arose from fabrication of Kiln & Cooler	6.94	2005- 2006	CESTAT
Central Excise Act, 1944	Availment of Cenvat Credit in respect of bought out Iron ore Pallet	78.64	2010- 2011	CESTAT
Central Excise Act, 1944	Service Tax on Mutual Fund Distribution (Sub-Brokerage)	50.22	2005-2006 & 2006-2007	CESTAT – Appeal Hearing Pending

- viii. *In our opinion and according to information and explanations given by the management, we are of the opinion that the Company has defaulted in the repayment of dues to banks during the year as mentioned below :-*

(₹ in lacs.)

Banks	Period	Default of Principal	Default of Interest
State Bank of India	June'15 to March'16	204.99	348.47
Canara Bank	June'15 to March'16	44.00	70.21
Axis Bank	June'15 to March'16	86.64	146.37
UCO Bank	June'15 to March'16	49.26	188.48
Total		384.89	753.53

- ix. To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the Company were applied by the Company for the purposes for which the loans were obtained. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year.

- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.



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- xi. According to the information and explanations given to us, the Company has not paid/provided for managerial remunerations in accordance with the requisite approvals mandated by the provisions of Sec 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For, S. K. AGRAWAL & CO.
Chartered Accountants
Firm's Registration Number- 306033E


(J.K. Choudhury)

Partner

Membership No: 009367

Place: Kolkata

Dated: May 28, 2016



Annexure -B to the Independent Auditors' Report

Report on the Internal Financial Controls 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 M/s Nilachal Iron & Power Limited ("the Company") as of 31st March 2016 in conjunction with our audit of the 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 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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



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Meaning of Internal Financial Controls over Financial Reporting

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

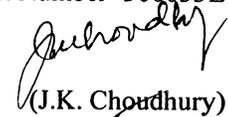
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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, 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 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For, S. K. AGRAWAL & CO.
Chartered Accountants
Firm's Registration Number- 306033E


(J.K. Choudhury)

Partner

Membership No: 009367

Place: Kolkata
Dated: May 28, 2016



NILACHAL IRON & POWER LIMITED
Balance Sheet as at March 31, 2016

(₹ in lacs)

	Notes	As at March 31, 2016	As at March 31, 2015
EQUITY AND LIABILITIES			
Shareholders' Fund			
Share Capital	3	3,494.87	3,494.87
Reserves and Surplus	4	<u>672.53</u>	<u>3,011.87</u>
		4,167.40	6,506.74
Non Current Liabilities			
Long Term Borrowings	5	7,127.66	7,198.51
		<u>7,127.66</u>	<u>7,198.51</u>
Current Liabilities			
Short Term Borrowings	6	3,190.45	1,651.11
Trade Payables	7	2,136.90	1,225.06
Other Current Liabilities	7	4,216.58	3,196.27
Short Term Provisions	8	<u>32.90</u>	<u>31.64</u>
		9,576.83	6,104.08
TOTAL		<u><u>20,871.89</u></u>	<u><u>19,809.33</u></u>
ASSETS			
Non Current Assets			
Fixed Assets			
Tangible Assets	9	10,481.68	11,099.49
Capital Work in Progress	9	1,483.33	1,483.33
Non Current Investments	10	26.86	26.86
Long Term Loans and Advances	11	189.40	177.27
Deferred Tax Assets (Net)	12	<u>1,631.59</u>	<u>1,631.59</u>
		13,812.86	14,418.54
Current Assets			
Inventories	13	4,671.24	3,178.64
Trade Receivables	14	592.66	807.86
Cash and Bank Balances	15	190.96	243.31
Short Term Loans and Advances	11	1,591.02	1,160.98
Other Current Assets	16	<u>13.15</u>	<u>-</u>
		7,059.03	5,390.79
TOTAL		<u><u>20,871.89</u></u>	<u><u>19,809.33</u></u>
Significant Accounting Policies	2		

The accompanying notes are an integral part of the financial statements
As per our report of even date

For and on behalf of the Board of Directors

For S.K. Agrawal & Co.

Chartered Accountants

Firm Regn. No.30603AE

J.K. Choudhury
CA J.K. Choudhury

Partner

Membership No. : 009367

Place : Kolkata

Date : 28th May, 2016

Aashish Jajodia
Aashish Jajodia
Wholtime Director

Aditya Jajodia
Aditya Jajodia
Director

Sanjiv Jajodia
Sanjiv Jajodia
Director

Puja Chourasia
Puja Chourasia
Company Secretary



NILACHAL IRON & POWER LIMITED

Statement of Profit and Loss for the period ended March 31, 2016

(₹ in lacs)

	Notes	As at March 31, 2016	As at March 31, 2015
INCOME			
Revenue from Operations (Gross)	17	860.64	3,909.67
Less: Excise Duty	17	94.12	353.82
Revenue from Operations (Net)		766.52	3,555.85
Other Income	18	23.50	44.57
Total Revenue (I)		790.02	3,600.42
EXPENSES			
Cost of Materials Consumed	19	1,335.56	3,782.28
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	20	(332.45)	(12.16)
Employee Benefits Expense	21	185.57	390.94
Finance Costs	22	1,050.85	888.64
Depreciation and Amortization Expense	9	618.57	827.28
Less: Transfer from State Capital Subsidy		(16.49)	(36.04)
Other Expenses	23	271.26	451.39
Total Expenses (II)		3,112.87	6,292.33
Profit / (Loss) before Tax (I-II)		(2,322.85)	(2,691.91)
Tax Expenses:			
Current Tax Expenses		-	-
Provision (Write Back) relating to earlier year		-	2.34
Less : MAT Credit Entitlement		-	-
Net Current Tax Expenses		-	2.34
Deferred Tax		-	(776.01)
Total Tax Expense		-	(773.67)
Profit/(Loss) for the period		(2,322.85)	(1,918.24)
Earnings per Equity Share:(Nominal Value per Share ₹10)			
Basic & Diluted		(6.65)	(5.49)
Significant Accounting Policies	2		

The accompanying notes are an integral part of the financial statements
As per our report of even date

For and on behalf of the Board of Directors

For S.K. Agrawal & Co.

Chartered Accountants

Firm Regn. No.306033E

CA J.K. Choudhury

Partner

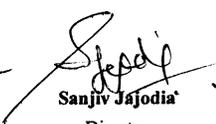
Membership No. : 009367

Place : Kolkata

Date : 28th May, 2016


Aashish Jajodia
Wholtime Director


Aditya Jajodia
Director


Sanjiv Jajodia
Director


Puja Chourasia
Company Secretary



NILACHAL IRON & POWER LIMITED

(₹ in lacs)

CASH FLOW STATEMENT FOR THE YEAR ENDED	As at March 31, 2016	As at March 31, 2015
PARTICULARS		
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit Before Tax as per Statement Profit & Loss	(2,322.88)	(2,691.91)
Interest on fixed deposit with Banks/Loans ,Advances etc	(23.50)	
Depreciation /Amortisation	602.08	791.24
Finance Charges	1,050.85	888.64
Prior Period Expenditure	47.76	38.14
Liabilities no Longer required Write Back	-	(19.24)
PROFIT FROM OPERATIONS BEFORE WORKING CAPITAL CHANGES	(645.68)	(993.13)
ADJUSTMENTS FOR WORKING CAPITAL CHANGES		
Decrease/(Increase) in inventory	(1,492.60)	(160.60)
Decrease/(Increase) in trade & other receivable	215.20	(105.15)
Decrease/(Increase) in loans and advances Other Current Assets	(443.81)	(288.25)
(Decrease)/Increase in trade payables & other liabilities	1,882.90	1,571.22
(Decrease)/Increase in Gratuity & Other Provision	1.26	-
Direct Tax paid /Refundable	0.62	(2.12)
NET CASH GENERATED FROM WORKING CAPITAL CHANGES	163.57	1,015.10
NET CASH FROM OPERATING ACTIVITIES (A)	(482.12)	21.97
B. CASH FLOW FROM INVESTMENT ACTIVITIES:		
Capital Expenditure		
Fixed assets	0.76	(23.02)
Interest on fixed deposit with Banks/Loans ,Advances etc	23.50	
(Increase)/Decrease in Long Term Loans and Advances & Other Non Current Assets	(12.13)	
NET CASH FROM INVESTMENT ACTIVITIES (B)	12.13	(23.02)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Increase/(Decrease) in Term Loan	(70.85)	
Increase/(Decrease) in Unsecured Loan & Short Term Borrowings	1,539.34	911.73
Finance Charges	(1,050.85)	(888.64)
NET CASH FROM FINANCING ACTIVITIES (C)	417.64	23.09
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(52.35)	22.04
Opening Cash and Cash Equivalents	243.31	221.27
Closing Cash and Cash Equivalents	190.96	243.31
Decrease/(Increase) in Cash & Cash Equivalents	(52.35)	22.04

As per our Report Attached

For S.K. Agrawal & Co.
Chartered Accountants
Firm Regn. No.306033E

CA J.K. Choudhury
Partner
Membership No. : 009367

Place : Kolkata
Date : 28th May, 2016

For and on behalf of the Board of Directors

Aashish Jajodia
Wholetime Director

Aditya Jajodia
Director

Sanjiv Jajodia
Director

Puja Chourasia
Company Secretary



NOTE 1 & 2 : CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES.

1 CORPORATE INFORMATION

Company engaged in Manufacturing of Sponge Iron. Plant located at Village Ratanpur, Kandra Chandil Road, Sairkera-Kharswan, Jharkhand - 832402.

2. SIGNIFICANT ACCOUNTING POLICIES:

2.1 BASIS OF ACCOUNTING

The accounts are prepared on accrual basis under the historical cost conventions in accordance with Indian Generally Accepted Accounting Policies (GAAP) comprising of mandatory Accounting Standard issued by The Institute of Chartered Accountants of India and notified under section 133 of the Companies Act, 2013 ("the Act") and the relevant provision thereof.

All assets and liabilities have been classified as current or non-current, wherever applicable, as per the normal operating cycle of the company as let out in the Schedule III of the Companies Act, 2013.

2.2 USE OF ESTIMATES

The preparation of financial statements is in conformity with Indian GAAP requires judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period.

2.3 REVENUE RECOGNITION

Revenue is recognized to the extent it is probable that economic benefits will pass on to the company and can be reliably measured. Sales is recognized when significant risk and rewards of ownership are transferred which is at the point of dispatch of goods to the customers. Sale of goods is recognized gross of excise duty but net of sales tax and value added tax. Interest Income is accounted on time proportion basis taking into account the amount outstanding and the interest rate applicable.

2.4 FIXED ASSETS

Tangible Assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost is inclusive of duties (net of cenvat), taxes, incidental expenses and erection/ commissioning expenses incurred up to the date the asset is ready for its intended use. Expenditure on addition, improvement and renewal of Fixed Assets are Capitalized at cost less Credit of Excise Duty and VAT on purchase of the relevant assets and impairment losses, if any. Expenditure for repairs and maintenance are charged to revenue account. Subsequent expense is capitalized only if such expenses result in an increase in the future benefits from the assets beyond its pre assessed standard of performance.

The carrying amounts are reviewed at each balance date when required to assets whether they are recorded in excess of their recoverable amounts, and where carrying values exceed this estimated recoverable amount, assets are written down to their recoverable amount.

2.5 DEPRECIATION

Depreciation is provided on a straight line basis over the useful lives of assets, which is as stated in Schedule II of Companies Act 2013.



2.6 INVESTMENTS

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. Provision for diminution in the value of non-current investments is made only if such a decline is other than temporary.

2.7 INVENTORIES

Inventories of raw materials are valued at cost or net realizable value whichever lower. Finished goods are valued at lower of cost or net realizable value. The value of finished goods inside factory is inclusive of excise duty thereon. The Stock of Store and spares is valued at cost. The Stock of by-product/scrap is valued at net realizable value. Work-in-Process is valued at cost and net realizable value whichever lower. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads based on normal operating capacity incurred in bringing them to their respective present location and condition.

Cost of inventories is generally ascertained on the 'weighted average' basis.

2.8 EXCISE DUTY

Cenvat Credit on input is adjusted with the cost of materials. Cenvat Credit on purchase of Capital Goods is reduced from the cost of such assets and no depreciation is charged thereon. Excise duty on manufactured goods is accounted for at the point of manufacture of goods and accordingly, is considered for valuation of finished goods stock lying in the factories as on the balance sheet date.

2.9 BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition or construction of Fixed Assets are capitalised until the time all substantial activities necessary to prepare such assets for their intended use are complete and are charged to Profit & Loss when active development activity is interrupted. Other Borrowing costs are recognized as an expense in the year in which they are incurred.

2.10 RETIREMENT BENEFITS

Company's Contribution to Provident Fund is accounted at cost on accrual basis. Accrued liability towards Leave Encashment benefits, covering eligible employees, evaluated on the basis of year-end actuarial valuation and charged as an expense to Statement of Profit and Loss for the year. The provision for gratuity to employee is made as per actuarial valuation, on the basis of the Payment of Gratuity Act, 1972.

2.11 TAXES ON INCOME

Income Tax for the current year is determined on the basis of taxable income and current tax rate in accordance with the provisions of Income Tax Act, 1961.

Deferred taxes assets and liabilities are measured based on applicable tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred Tax assets are recognized only to the extent there is reasonable certainty the sufficient future taxable income will be available against which such deferred tax assets can be realized. If the company has carry forward unabsorbed depreciation or tax losses, deferred tax assets are recognized for timing difference of other items, only if there is virtual certainty backed by convincing evidence that such deferred tax assets can be realized against future taxable profits.

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered



Accountants of India, the said asset is created by way of a credit to the Profit and Loss Account and shown as MAT Credit Entitlement. The Company reviews the same at Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

2.12 CONTINGENCIES AND EVENTS OCCURRING AFTER BALANCE SHEET DATE

Contingent liabilities are not provided in the accounts but are separately disclosed by way of notes on accounts. Contingent Assets are neither recognized nor disclosed in the Audited Accounts.

2.13 FOREIGN CURRENCY TRANSACTIONS

Transactions denominated in foreign currency are recorded at the exchange rates prevailing on the date of the transaction. Foreign currency monetary asset and liabilities are translated at year end exchange rates. Any income or expense on account of exchange differences either on settlement or on translation of transactions other than those related to fixed assets is recognized in the profit & loss account.

2.14 IMPAIRMENT OF ASSETS

Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Provision for impairment loss will be made and adjusted with the cost of assets on pro-rata basis only when the carrying cost of assets exceeds the expected recoverable amount.



NILACHAL IRON & POWER LIMITED
Notes to financial statements year ended March 31, 2016

Note 3 : Share Capital

	(₹ in lacs)	
	As at March 31, 2016	As at March 31, 2015
Authorised Capital		
35,000,000 Equity Shares of ₹ 10/- each	3,500.00	3,500.00
5,00,000 Preference Shares of ₹ 10/- each	50.00	50.00
	<u>3,550.00</u>	<u>3,550.00</u>
Issued, Subscribed and Paid up Capital		
34,948,727 (34,948,727) Equity Shares of ₹ 10/- each (Held by M/s. Jai Balaji Industries Limited, the Holding Company)	3,494.87	3,494.87
Total	<u>3,494.87</u>	<u>3,494.87</u>

(a) Reconciliation of the number of shares outstanding as at March 31, 2016 is set out below:

	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	(₹ in lacs)	No. of Shares	(₹ in lacs)
At the beginning of the year	34,948,727	3,494.87	34,948,727	3,494.87
Allotted during the year	-	-	-	-
Outstanding at the end of the year	<u>34,948,727</u>	<u>3,494.87</u>	<u>34,948,727</u>	<u>3,494.87</u>

(b) Terms/rights attached to equity shares:

The Company has only one class of ordinary shares (equity shares) having at par value of ₹ 10/- each. Each shareholder of ordinary shares (equity shareholders) is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the share holders in the ensuing annual general meeting except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distributions of all preferential amounts, in the proportions to their share holdings.

(c) Equity shareholders holding 5% or more shares.

	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Jai Balaji Industries Limited	34,948,727	100.00	34,948,727	100.00
Total	<u>34,948,727</u>	<u>100.00</u>	<u>34,948,727</u>	<u>100.00</u>

As per the records of the Company, including its register of shareholders / members, the above shareholdings represents legal ownership of shares. Out of the above shares, 600 shares are held by 6 nominees (each having 100 shares) as the registered members but the beneficial interest lies with the holding company 'Jai Balaji Industries Limited'.



NILACHAL IRON & POWER LIMITED
Notes to financial statements year ended March 31, 2016

Note 4 : Reserves & Surplus

	(₹ in lacs)	
	As at March 31, 2016	As at March 31, 2015
Securities Premium Account	3,287.13	3,287.13
	3,287.13	3,287.13
Capital Reserve		
State Capital Subsidy		
As per last financial statements	290.43	326.47
Less : Allocated to Depreciation	(16.49)	(36.04)
	273.94	290.43
Surplus/ (Deficit) in Statement of Profit & Loss		
As per last financial statements	(565.69)	1,369.50
Add: Profit/(Loss) for the period	(2,322.85)	(1,918.25)
Adjustment relating to fixed assets (Refer note. 9)	-	(16.94)
	(2,888.54)	(565.69)
Amount available for appropriation	(2,888.54)	(565.69)
	(2,888.54)	(565.69)
Total:	672.53	3,011.87

Note 5 : Long Term Borrowings

	(₹ in lacs)			
	Non Current Portion		Current Portion	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
(Secured, unless otherwise stated)				
Term Loans:				
Rupee Loan from banks	6,602.66	6,673.51	978.89	446.00
Deferred Payments Liabilities	-	-	-	0.49
Unsecured Fully Convertible Debenture	525.00	525.00	-	-
Total:	7,127.66	7,198.51	978.89	446.49
Amount disclosed under the head " Other Current Liabilities" (Refer Note 7)	-	-	(978.89)	(446.49)
Total:	7,127.66	7,198.51	-	-



NILACHAL IRON & POWER LIMITED
Notes to financial statements year ended March 31, 2016

Note 6 : Short Term Borrowings

	(₹ in lacs)	
	As at March 31, 2016	As at March 31, 2015
Loan Repayable on Demand		
From Banks (Secured)		
- Cash Credit #	1,701.54	1,651.11
From Bodies Corporate (Unsecured)		
- Others	1,488.91	-
Total:	<u>3,190.45</u>	<u>1,651.11</u>

Working Capital Facilities are secured by hypothecation of all current assets including all stocks and book debts, both present and future, on parri passu basis and second charge on all fixed asstes ranking parri passu and further guaranteed by the personal guarantee of the three directors.

Note 7 : Trade Payables and other Current Liabilities

	(₹ in lacs)	
	As at March 31, 2016	As at March 31, 2015
Trade Payables [(Refer Note 28 for details due to Micro and Small Enterprises)]	2,136.90	1,225.06
	<u>2,136.90</u>	<u>1,225.06</u>
Current Maturities of Long Term Borrowings (Refer Note 5)	978.89	446.49
Capital Creditors	455.81	453.51
Advance From Customers	1,360.26	1,251.67
Advance from Related Party *	381.64	233.72
Interest Accrued and Due	510.88	299.95
Others		
- Statutory Dues Payable	222.03	208.25
- Excise Duty payable on Closing Stock	54.93	10.77
- Due to Employees	252.14	291.91
	<u>4,216.58</u>	<u>3,196.27</u>
Total:	<u>6,353.48</u>	<u>4,421.33</u>

*(Refer Note 30)

Note 8 : Short Term Provisions

	(₹ in lacs)	
	As at March 31, 2016	As at March 31, 2015
Provision for employee benefits:		
Gratuity (Refer Note 27)	29.71	29.42
Leave Salary	3.19	2.22
Total:	<u>32.90</u>	<u>31.64</u>



NILACHAL IRON & POWER LIMITED

Notes to financial statements year ended March 31, 2016

5.1 Name of Bank	Primary Security	Collateral Security	Other Securities	Terms of repayment
State Bank of India	First charge on existing and future fixed assets of the company on pari passu basis with other term lenders by way of - i) Equitable Mortgage on company's land and building at Ratanpur, Jharkhand ii) Hypothecation of plant & machinery iii) Hypothecation of machinery installed at Coal Mining Block created/to be created out of bank finance, iv) Negative lien to be created on the Coal Block at North Karanpura Block (Dumri Block) allocated to the company by Government of India.	Second charge on current assets (both present and future) of the company on pari passu basis with other term lenders.	<u>Personal Guarantee</u> : Sri Aditya Jajodia Sri Ashish Jajodia Sri Sanjiv Jajodia <u>Corporate Guarantee</u> : M/s Chandi Steel Industries Limited	32 quarterly installments commencing from 30.06.2015.
Axis Bank	First Charge over the entire fixed assets (both present and future) of the company on pari passu with other term lenders.	Second charge on current assets (both present and future) of the company on pari passu basis with other term lenders.	<u>Personal Guarantee</u> : Sri Aditya Jajodia Sri Ashish Jajodia Sri Sanjiv Jajodia <u>Corporate Guarantee (Only for Term Loan)</u> : M/s Jai Balaji Industries Limited	32 quarterly installments commencing from 30.06.2015.
Canara Bank	First Charge over the entire fixed assets (both present and future) of the company on pari passu with other term lenders.	Second charge on current assets (both present and future) of the company on pari passu basis with State Bank of India	<u>Personal Guarantee</u> : Sri Aditya Jajodia Sri Ashish Jajodia Sri Sanjiv Jajodia <u>Corporate Guarantee</u> : M/s Jai Balaji Industries Limited	32 quarterly installments commencing from 30.06.2015.
UCO Bank	First charge on the immovable fixed assets & first hypothecation charge on entire movable fixed assets (both existing and future) of the company's factory at Ratanpur, Jharkhand ranking pari passu with all the term lenders.	Second charge on current assets (both present and future) of the company on pari passu basis with other term lenders.	<u>Personal Guarantee</u> : Sri Aditya Jajodia Sri Ashish Jajodia Sri Sanjiv Jajodia	32 quarterly installments commencing from 01.04.2015.

5.2 Unsecured

Debentures

525000 Zero Interest Unsecured Optionally fully Convertible Debentures of ₹ 100/-each fully paid Convertible at the option of the debenture holder anytime after the date of allotment (03.01.2014) but within 20 years from the date of allotment at the Net Asset Value per equity share as per the last Audited Balance Sheet as on the date of Conversion or redeemable at par or Premium as may be mutually decided by the Company and the debenture holder anytime after 12 years but within 20 years from the date of allotment.

5.3 The company has defaulted in repayment of loans and interest in respect to the followings

Particulars	Period	Principal (₹ in lacs)	Interest (₹ in lacs)
State Bank of India	June' 15 to March 16	204.99	348.47
Canara Bank	June' 15 to March 16	44.00	70.21
Axis Bank	June' 15 to March 16	86.64	146.37
UCO Bank	June' 15 to March 16	49.26	188.48
Total		384.89	753.53



NILACHAL IRON & POWER LIMITED

Notes to financial statements year ended March 31, 2016

Note 9 : Tangible Assets

Sl.N o.	PARTICULARS	GROSS BLOCK					DEPRECIATION					NET BLOCK	
		As on 01.04.2015	Addition During Year	Deduction During the year	As on 31.03.2016	Up to 31.03.2015	During The Year	Depreciation on sale / Discarded Assets the year	Depreciation Directly transfer to Reserves & Surplus	Up to 31.03.2016	As on 31.03.2016	As on 31.03.2015	
A	B	C	D	E	F=(C+D)-E	G	H	I	J	K=(G+H+J)-I	L=(F-K)	M=(C-G)	
1	Free Hold Land	194.10	-	-	194.10	-	-	-	-	-	194.10	194.10	
2	Factory Building	2,100.13	-	-	2,100.13	382.12	65.73	-	-	447.85	1,652.28	1,718.01	
3	Plant & Machinery	12,133.35	-	-	12,133.35	3,736.21	412.33	-	-	4,148.54	7,984.81	8,397.14	
4	Electrical Installations	1,442.50	-	-	1,442.50	678.81	133.50	-	-	812.31	630.19	763.69	
5	Air Conditioners	9.39	-	-	9.39	8.32	0.40	-	-	8.72	0.67	1.07	
6	Furniture & Fixtures	22.08	-	-	22.08	17.98	2.12	-	-	20.10	1.98	4.10	
7	Vehicles	107.34	-	-	107.34	88.39	3.89	-	-	92.28	15.06	18.95	
8	Office Equipments	19.11	-	-	19.11	17.27	0.59	-	-	17.86	1.25	1.84	
9	Computers & Systems	11.61	0.77	-	12.38	11.02	0.01	-	-	11.03	1.35	0.59	
	SUB TOTAL	16,039.61	0.77	-	16,040.38	4,940.12	618.57	-	-	5,558.69	10,481.69	11,099.49	
	Capital Work in Progress										1,483.33	1,483.33	
	TOTAL										11,965.02	12,582.82	
	Previous Year	16,039.61	-	-	16,039.61	4,088.32	851.81	-	-	4,940.12	11,099.49	-	



NILACHAL IRON & POWER LIMITED

Notes to financial statements year ended March 31, 2016

Note 10 : Non Current Investments

(₹ in lacs)

	As at March 31, 2016	As at March 31, 2015
Quoted, Fully Paid up Equity Shares		
366,200 Shares of Shyama Infosys Limited of ₹ 10/- each	25.91	25.91
10,500 Shares of Shri Nidhi Trading Co. Limited of ₹ 10/- each	0.95	0.95
Total	<u>26.86</u>	<u>26.86</u>
Aggregate Value of Investments (Market Value)		
- Quoted	26.10	25.08

Note 11 : Loans and Advances

(₹ in lacs)

	Non Current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
(Unsecured, Considered Good)				
Capital Advances	<u>62.96</u>	<u>62.96</u>	<u>-</u>	<u>-</u>
Security Deposit	<u>126.44</u>	<u>114.31</u>	<u>-</u>	<u>-</u>
	189.40	177.27		
Advances recoverable in cash or kind				
Advances recoverable in cash or in kind or for value to be received	<u>-</u>	<u>-</u>	<u>1,217.44</u>	<u>731.14</u>
Other Loans and advances				
Balance with Excise and other Government Authorities	<u>-</u>	<u>-</u>	<u>41.74</u>	<u>99.54</u>
Sales Tax and Other Refunds Receivable	<u>-</u>	<u>-</u>	<u>10.74</u>	<u>9.82</u>
Advance Income Tax (Net)	<u>-</u>	<u>-</u>	<u>16.49</u>	<u>15.87</u>
Mat Credit Entitlement	<u>-</u>	<u>-</u>	<u>304.61</u>	<u>304.61</u>
	<u>-</u>	<u>-</u>	<u>373.58</u>	<u>429.84</u>
Total:	<u>189.40</u>	<u>177.27</u>	<u>1,591.02</u>	<u>1,160.98</u>



NILACHAL IRON & POWER LIMITED
Notes to financial statements year ended March 31, 2016

Note 12 : Deferred Tax

	(₹ in lacs)	
	As at March 31, 2016	As at March 31, 2015
Deferred Tax Liability		
Timing Difference on Depreciable assets	1,723.53	1,597.83
Sub Total (A)	<u>1,723.53</u>	<u>1,597.83</u>
Deferred Tax Asset		
Unabsorbed Depreciation and carry forward Business Losses	3,884.44	3,209.71
Timing Difference on disallowance of expenses	19.71	19.71
Sub Total (B)	3,934.73	3,229.42
Less : Deferred Tax Asset not recognized (refer note below)	<u>579.61</u>	-
Deferred Tax (Liabilities) /Assets (Net) (A-B-C)	<u><u>1,631.59</u></u>	<u><u>1,631.59</u></u>

As the company has made substantial loss for the year, no Deferred Tax Assets for the year has been accounted for. However the figure up to 31.03.2015 has not been written off because the management is taking corrective action to improve the working so as to enable them to realise the above figure.

Note 13 : Inventories

	(₹ in lacs)	
	As at March 31, 2016	As at March 31, 2015
Raw Materials [Stock in Transit ₹ 195.95 lacs (₹ 211.06 lacs)]	3,723.49	2,602.50
Stores and Spares	194.45	199.45
Work - in - Process	51.14	-
Finished Goods	494.33	86.12
By Products and Scrap	207.83	290.57
Total:	<u><u>4,671.24</u></u>	<u><u>3,178.64</u></u>

Note 14 : Trade Receivables

	(₹ in lacs)	
	As at March 31, 2016	As at March 31, 2015
(Unsecured, considered good)		
Outstanding for a period exceeding six month from the date they are due for payment	(A) 542.46	692.50
Other Debts	(B) 50.20	115.36
Total	(A+B) <u><u>592.66</u></u>	<u><u>807.86</u></u>



NILACHAL IRON & POWER LIMITED
Notes to financial statements year ended March 31, 2016

Note 15 : Cash and Bank Balances

(₹ in lacs)

	Current	
	As at March 31, 2016	As at March 31, 2015
Cash and Cash equivalents		
Balance with Banks :-		
On Current Accounts	11.89	0.21
Cash in hand	15.57	27.80
	<u>27.46</u>	<u>28.01</u>
Other Bank Balances		
Deposits with original maturity for more than 3 Months but less than 12 months*	163.50	215.30
	<u>163.50</u>	<u>215.30</u>
Total	<u>190.96</u>	<u>243.31</u>

* Entire Fixed Deposits are pledged with State Bank of India as margin money against Bank Guarantee.

Note 16 : Other Current Assets

(₹ in lacs)

	As at March 31, 2016	As at March 31, 2015
Interest Receivable on Unsecured Loan & Deposits	13.15	-
Total	<u>13.15</u>	<u>-</u>

Note 17 : Revenue from Operations

(₹ in lacs)

	As at March 31, 2016	As at March 31, 2015
Sales of products		
Finished Goods	830.25	3,134.10
By Products	30.39	775.57
Other Operating Revenue		
Revenue from Operations (Gross)	860.64	3,909.67
Less: Excise Duty	94.12	353.82
Revenue from Operations (Net)	<u>766.52</u>	<u>3,555.85</u>

Note 18 : Other Income

(₹ in lacs)

	As at March 31, 2016	As at March 31, 2015
Interest on :		
(a) Fixed Deposits with Banks [Gross, Tax deducted at Source ₹ 0.61 lacs (₹ 1.97 lacs)]	23.50	2.30
(b) Loans and Advances	-	23.00
Liabilities no longer required written back	-	19.24
Miscellaneous Income	-	0.03
Total:	<u>23.50</u>	<u>44.57</u>



NILACHAL IRON & POWER LIMITED

Notes to financial statements year ended March 31, 2016

Note 19 : Cost of Materials Consumed

	(₹ in lacs)	
	As at March 31, 2016	As at March 31, 2015
Opening Stock	2,602.50	2,467.73
Purchases	2,456.56	3,917.05
	<u>5,059.06</u>	<u>6,384.78</u>
Less: Closing Stock	3,723.50	2,602.50
Raw Materials Consumed#	<u>1,335.56</u>	<u>3,782.28</u>

Consumption of Raw Material :

	(₹ in lacs)	
	As at March 31, 2016	As at March 31, 2015
Coal	706.72	1,306.57
Iron Ore	372.78	921.93
Iron Ore Pellete	251.72	1,545.45
Dolomite	4.34	8.33
Total	<u>1,335.56</u>	<u>3,782.28</u>

Note 20 : Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

	(₹ in lacs)	
	As at March 31, 2016	As at March 31, 2015
Opening Stocks :		
Finished Goods - Sponge Iron	86.12	5.87
By Products	290.56	348.53
	(A) <u>376.68</u>	<u>354.40</u>
Less:		
Closing Stocks :		
Finished Goods - Sponge Iron	494.33	86.12
Work - in - Process	51.14	-
By Products	207.82	290.56
	(B) <u>753.29</u>	<u>376.68</u>
	(A-B) <u>(376.61)</u>	<u>(22.28)</u>
(Increase) / Decrease in excise duty on stocks	44.16	10.12
Total:	<u>(332.45)</u>	<u>(12.16)</u>

Note 21 : Employee Benefits Expense

	(₹ in lacs)	
	As at March 31, 2016	As at March 31, 2015
Salaries, Wages, Bonus & Other Benefits	164.16	313.06
Contribution to Provident & Other Funds	19.57	31.12
Staff Welfare Expenses	1.84	4.76
Directors remuneration	-	42.00
Total:	<u>185.57</u>	<u>390.94</u>



NILACHAL IRON & POWER LIMITED

Notes to financial statements year ended March 31, 2016

Note 22 : Finance Costs

	(₹ in lacs)	
	As at March 31, 2016	As at March 31, 2015
Interest Expenses		
On Term loans	828.16	786.04
On Working Capital Loans	194.69	91.51
On others	11.01	2.80
Finance charges	16.99	8.29
Total:	<u>1,050.85</u>	<u>888.64</u>

Note 23 : Other Expenses

	(₹ in lacs)	
	As at March 31, 2016	As at March 31, 2015
Consumption of Stores and Spares	12.39	33.62
Labour Charges	3.54	13.48
Power and Fuel	117.52	196.53
Repairs and Maintenance		
- Plant and Machinery	-	3.20
- Others	0.11	1.03
Freight and Transportation	3.12	-
Vehicle Hire Charges	12.83	34.56
Rates and Taxes	6.77	3.06
Rent	2.20	20.68
Insurance Charges	22.98	12.62
Brokerage and Commission	0.10	0.80
Travelling and Conveyance	7.46	31.25
Telephone and Postage	0.53	3.31
Legal and Professional Charges	10.02	9.81
Auditors' remuneration		
- Audit Fees	0.75	1.75
- Tax Audit Fees	0.25	0.50
- In other Capacity	-	0.29
Sundry Balance W/off	-	-
Security and Service Charges	12.97	26.56
Miscellaneous Expenses	9.96	20.20
Prior period expenses	47.76	38.14
Total:	<u>271.26</u>	<u>451.39</u>



NILACHAL IRON & POWER LIMITED

Notes to financial statements for the year ended March 31, 2016

Note 24: CONTINGENT LIABILITIES NOT PROVIDED FOR

	<u>2015-2016</u> <u>(₹ in lacs.)</u>	<u>2014-2015</u> <u>(₹ in lacs.)</u>
a) Excise Duty matters under dispute/appeal	491.98	439.13
b) Letters of Credit, Bill discounted and Bank Guarantees Outstanding	655.00	52.85

Note 25: DILUTED & BASIC EARNING PER SHARE

Sl No.	Particulars		Current year ended March 31, 2016	Previous year ended March 31, 2015
A	Profit / (Loss) after Tax	₹ in lacs	(2322.85)	(1918.26)
B	Number of shares at the beginning of the year	Nos.	34,948,727	34,948,727
C	Total equity shares outstanding at the end of the year	Nos.	34,948,727	34,948,727
D	Weighted average number of equity shares outstanding at the end of the year	Nos.	34,948,727	34,948,727
E	Nominal Value of each Share	`	10.00	10.00
F	Basic Earning per Share	`	(6.65)	(5.49)
G	Diluted Earning per Share	`	(6.65)	(5.49)

Note 26: CONFIRMATION OF DEBTORS, CREDITORS AND DUES OF SMALL SCALE UNITS

In the absence of balance confirmation from Sundry Debtors, Creditors, Loans, Advances and Deposits which are on selective basis, the balances appearing in the books of accounts have been taken as correct. There are no amounts outstanding to Small Scale Industrial undertaking as on 31.03.2016.

Note 27: DEFINED BENEFIT PLAN

GRATUITY

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to gratuity on terms not less favourable than The Provisions of Payment of Gratuity Act, 1972. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The disclosures required under Accounting Standard 15 'Employee Benefits' notified in the Companies (Accounting Standards) Rules 2006 are given below:

I. Expenses recognized in the Statement of Profit & Loss for the year ended 31st March 2016:

Particulars	(₹ in lacs)	
	2015-16	2014-15
Current service cost	8.35	3.88
Interest cost on benefit obligation	4.17	1.76
Expected return on plan assets	(2.16)	(2.75)
Net actuarial loss / (gain) recognized in the year	(10.07)	38.16
Total Expenses / (Income)	0.29	41.05



NILACHAL IRON & POWER LIMITED

Notes to financial statements for the year ended March 31, 2016

II. Net Liability / (Assets) recognized in the Balance Sheet as at 31st March 2016:

Particulars	(₹ in lacs)	
	As at 31 st March, 2016	As at 31 st March, 2015
Present value of Defined Benefits Obligation	51.17	59.51
Fair value of plan assets	21.46	30.09
Net Assets /(liability)	(29.71)	(29.42)

III. Change in the present value of the defined benefit obligation during the year ended 31st March 2016:

Particulars	(₹ in lacs)	
	2015-16	2014-15
Present Value of Defined Benefit Obligation at the beginning of the year	59.51	22.50
Current Service Cost	8.35	3.88
Interest Cost	4.17	1.76
Actuarial Loss / (Gain)	(8.73)	38.16
Benefit Payments	(12.13)	(6.80)
Present Value of Defined Benefits Obligation at the year end	51.17	59.51

IV. Change in the Fair Value of Plan Assets during the year ended 31st Mar 2016:

Particulars	(₹ in lacs)	
	2015-16	2014-15
Fair Value of Plan Assets at the beginning of the year	30.09	33.92
Expected Return on Plan Asset	2.16	2.75
Contribution by Employer	0.00	0.21
Actuarial Gains/ (Losses)	1.34	(0.04)
Benefit Payments	(12.13)	(6.80)
Fair Value of Plan Assets at the year end	21.46	30.08

V. The major categories of plan assets as a percentage of the fair value of the total plan assets

Particulars	2015-16	2014-15
Investment with the insurer	100.00%	100.00%

VI. The principal assumptions used in determining gratuity and leave obligations for the Company's plans are shown below.

Particulars	2015-16	2014-15
Discount Rate	7.90%	7.80%
Expected Rate of return on assets	9.00%	9.00%
Rate of increase in salaries	7.5%	7.5%
Mortality Table	Indian Assured Life Mortality (2006-08) (Modified)Ult.	Indian Assured Life Mortality (2006-08) (Modified)Ult.



NILACHAL IRON & POWER LIMITED

Notes to financial statements for the year ended March 31, 2016

VII. Amounts for the current and previous year are as follows:

(₹ in lacs)

Particulars	As at 31 st March, 2016	As at 31 st March, 2015	As at 31 st March, 2014	As at 31 st March, 2013	As at 31 st March, 2012
Defined benefit obligation	(51.17)	(59.51)	(22.50)	(47.76)	(35.69)
Plan Assets	21.46	30.09	33.92	30.16	26.99
Surplus / (Deficit)	(29.71)	(29.42)	11.42	(17.60)	(8.70)
Experience Gain/ (Loss) Adjustments on plan liabilities	8.06	(28.29)	34.46	0.21	(0.42)
Experience Gain/ (Loss) Adjustments on plan assets	1.34	0.01	(0.04)	1.15	(0.34)
Actuarial Gain/(Loss) due to change on assumptions	0.67	(9.87)	2.99	(2.87)	1.84

Particulars	(₹ in lac)	
	2015-16	2014-15
Contribution to Provident Fund & Others Fund	15.28	30.87

Note:

- The Company expects to contribute ₹ 29.71 lacs (₹ 29.42 lacs) to Gratuity Fund in 2016-17.
- The estimates of future salary increases, considered in actuarial valuation, take account of inflations, seniority, promotion and other relevant factors such as supply and demand in the employment market. The above information is certified by the Actuary.
- The management has relied on the overall actuarial valuation conducted by the actuary

Note 28 (a): As per the information available to the management, no amount is due to SSI and ancillary units.

Note 28 (b): Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the information available with the Company and the required disclosures are given below:

	<u>2016</u>	<u>2015</u>
a. Principal amount remaining unpaid as on 31st March	Nil	Nil
b. Interest due thereon as on 31st March	Nil	Nil
c. Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of payment made to the suppliers beyond the appointed day during the period	Nil	Nil
d. Interest due and payable for the period of delay in making payments (which have been paid but beyond the appointed day during the period) but without adding to the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil
e. Interest accrued and remaining unpaid as on 31st March	Nil	Nil
f. Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	Nil	Nil

(As certified by the management)



NILACHAL IRON & POWER LIMITED**Notes to financial statements for the year ended March 31, 2016****Note 29: EMPLOYEES BENEFIT PLAN**

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to gratuity on terms not less favourable than the provisions of Payment of Gratuity Act, 1972. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

Note 30: RELATED PARTY TRANSACTIONS (AS – 18)

(A) List of related parties over which control of the company exist – None

(B) Name of the related Parties with whom the transaction were carried out during the year

Name of the Related Parties	Relationship
Jai Balaji Industries Ltd.	Holding Company
Jai Salasar Balaji Industries Pvt. Ltd.	Associates
Jai Balaji Jyoti Steels Limited	Associates
Aashish Jajodia	KMP*
Puja Chourasia	KMP*
Barkha Bachhuka (resigned w.e.f. 11 th Jan 2016)	KMP*
Ekta Agarwal (resigned w.e.f. 10 th July 2015)	KMP*

*KMP = Key Managerial Person

(C) Transactions with related parties during the year :-

(₹ in lacs)

Relation	Sales	Balance Payable	Corporate Guarantee Given / (Taken)	Salary / Managerial Remuneration
Holding / Associates				
Jai Balaji Industries Ltd.	9.99 (763.07)	381.64 (233.72)	2,515.00 (2,515.00)	
Jai Salasar Balaji Industries (P) Ltd.	0.00 (101.31)			
Jai Balaji Jyoti Steels Ltd.	11.37 (111.53)			
Key Managerial Person				
Ekta Agarwal				1.14 (2.75)
Puja Chourasia				0.44 -



NILACHAL IRON & POWER LIMITED
Notes to financial statements for the year ended March 31, 2016

Note 31: VALUE OF MATERIAL CONSUMED.

(₹ in lacs)

Class Of Goods	2015-16	2014-15
RAW MATERIAL	1335.56	3782.28
STORES & SPARES	12.39	33.62

Note 32: SEGMENT REPORTING (AS – 17)

The Company is predominantly engaged in production and sale of Iron & Steel and other connected products, which are subject to similar risks and returns. Moreover, there is no separate geographical segment. Hence, segment reporting is not applicable as prescribed by AS – 17

Note 33: RESEARCH AND DEVELOPMENT EXPENDITURE

No amount has been incurred in account of research and development expenditure.

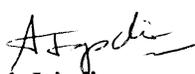
Note 34: The figures for the previous periods are re-classified/re-arranged/re-grouped, wherever necessary to confirm to current year's classification.

in terms of our report of even date

For S. K Agrawal & Co.
Chartered Accountants
Firm Regn. No. 306033E

For and on behalf of the Board of Directors


CA J. K. Choudhury
Partner
Membership No. 009367
Place: Kolkata
Dated: 28th May, 2016


Aashish Jajodia
Whole Time Director


Adity Jajodia
Director


Sanjiv Jajodia
Director


Puja Chourasia
Company Secretary



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