

FORM A

(Persuant to Clause 31(a) of the Listing Agreement)

Covering letter to the Audit Report issued by the Statutory Auditors of the Company


- | | |
|---|--------------------------------|
| 1. Name of the company | : NCL INDUSTRIES Ltd. |
| 2. Annual Financial Statements for the year ended | : 31 st March 2014. |
| 3. Type of Audit observation | : Un-qualified |
| 4. Frequency of observation | : Not Applicable |
| 5. Signed by- | |


CEO/Managing Director

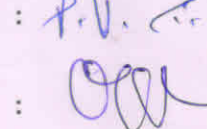
CFO

Auditor of the company

Audit Committee Chairman

: 

: 

: 



Place : Hyderabad

Date : 14/08/2014

33rd ANNUAL REPORT 2013-14



NCL INDUSTRIES LIMITED

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7th Floor, R.R. Towers, Abids, Hyderabad-1, Tel:91-40-23203637, 23202548

Website: nclind.com



BOARD OF DIRECTORS

Mr. R. Anand, Chairman
Mr. Vinodrai.V. Goradia
Mr. M. Bhaskara Rao (IREDA Nominee)
Mr. M. Kanna Reddy
Mr. K. Madhu
Mr. Ashven Datla
Mr. Kamlesh Gandhi
Mrs. Roopa Bhupatiraju
Mr. K. Gautam - Executive Director
Mr. P.N. Raju - Executive Director
Mr. K. Ravi - Managing Director

COMPANY SECRETARY

Mr. T. Arun Kumar

AUDITORS

VENUGOPAL & CHENOY

Chartered Accountants
4-1-889/16/2, Tilak Road,
Hyderabad - 500 001

BANKERS

Axis Bank Ltd
Canara Bank
Central Bank of India
Corporation Bank
IDBI Bank Ltd
Indian Renewable Energy Dev. Agency Ltd.
Oriental Bank of Commerce
State Bank of Hyderabad
State Bank of Mysore

FACTORIES

CEMENT DIVISION

UNIT - I

Simhapuri
Mattampally Mandal
Nalgonda Dist.
Telangana
Pincode - 508204

UNIT - II

Kadimpothavaram
Village, Kondapalli,
Krishna District,
Andhra Pradesh
Pincode - 521228

BOARDS DIVISION

UNIT - I

Simhapuri,
Mattampaly Mandal,
Nalgonda Dist.
Telangana
Pincode - 508204

UNIT - II

Bhatanwali Village,
Paonta Sahib,
Sirmour District,
Himachal Pradesh
Pincode - 173025

PREFAB DIVISION

UNIT - I

Plot No. 34/A, IDA,
Jeedimetla,
Hyderabad,
Telangana,
Pincode - 500 055

UNIT - II

Bhatanwali Village,
Paonta Sahib,
Sirmour District,
Himachal Pradesh
Pincode - 173025

ENERGY DIVISION

UNIT - I

Pothireddypadu, Head
Regulator, Chabolu Village,
Pothulapadu Post,
Nandikotkur TQ,
Kurnool District,
Andhra Pradesh
Pincode - 518 402

UNIT - II

RBHLC Zero Mile Point,
Tungabhadra Dam,
Tungabhadra Board,
Amaravathi Village,
Hospet,
Karnataka
Pincode - 583225

**READY MIX CONCRETE
DIVISION**

UNIT - I

Plot No. 91/C, D Block,
Autonagar, Gajuwaka,
Visakhapatnam, A.P.

UNIT - II

Plot 11, A/2, Phase 1,
IDA, Patancheru (V),
Medak Dist. Telangana.

**Regd. & Admn. Office
CIN : L33130AP1979PLC002521**

7th floor, Raghava Ratna Towers, Chirag Ali Lane, Abids, Hyderabad - 500 001, Telangana.
Tel. : 91 (040)-23202548, 23203637, 23204243 Fax : 91(040)-23202496, 23203417
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AGM on Monday the 29th September, 2014 at 12.00 Noon at
Bharatiya Vidya Bhavan, King Koti Road, Hyderabad - 500 029.



Notice is hereby given that the 33rd Annual General Meeting of NCL Industries Limited will be held on Monday, the 29th September, 2014 at 12.00 Noon at Bharatiya Vidya Bhavan, King Koti Road, Hyderabad-500 029, to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet of the company as at 31st March 2014 and the Profit and Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Ashven Datla who retires by rotation and is eligible for reappointment.
3. To appoint M/s. Venugopal & Chenoy, Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting, until the conclusion of sixth Annual General Meeting to be held after this meeting, subject to ratification at every Annual General Meeting and to fix their remuneration for the financial year ending 31st March, 2015.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:
"RESOLVED that pursuant to the provisions of Sections 149(4) of the Companies Act, 2013, Mr. Kamlesh Gandhi (DIN: 0004969), be and is here by appointed as an Independent Director of the Company to hold office for a period of five years from the date of his appointment."
5. To consider and if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT Mrs. Roopa Bhupatiraju (Nee Kalidindi) (DIN:01197491), who was appointed as an Additional Director and holds office up to the date of this Meeting be and is hereby appointed as a Director of the Company, liable to retire by rotation."
6. 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 148 the remuneration payable to Mr. R.Srinivasa Rao, Cost Accountant, the Cost Auditor appointed by the Board of Directors of the Company, fixed as Rs 50,000/- (Rupees fifty thousand only for the financial year ending March 31, 2015, be and is hereby ratified."
7. To consider and if thought fit, to pass with or without modification(s) the following resolution as **Special Resolution**:
"RESOLVED that pursuant to Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013, approval of the company be and is hereby accorded to the re-appointment of Mr. P.N.Raju, (Din: 01765409) as Executive Director of the company for a period of 3(Three) years w.e.f

1st August, 2014 at the remuneration and other terms as follows:

Salary: Rs.3,90,000/- per month (with an annual increment of Rs. 45,000/- per month)

Commission: 1 % of the net profit of the company computed in a manner laid down under section 198 of the Companies Act, 2013 (Subject to a monetary ceiling as fixed by the Board from time to time).

Perquisites: In addition to salary, perquisites allowed as follows:

Housing/HRA: @ 40% of the salary

Medical Reimbursement: Expenses incurred for self and family subject to a ceiling of one month's salary in each year or 3 months salary in a block of 3 years.

Leave Travel Concession: for self and family subject to ceiling of one month's salary in each year. 'Family' means wife, dependent children and dependent parents of Mr.P.N. Raju.

Company's contribution to Provident Fund and Superannuation Fund shall be as allowed under the Income Tax Act and Rules and as per Rules of the company/equivalent Special Allowance as may be opted by the appointee.

Gratuity: Equal to half month's salary for each completed year of service as per the Rules of the company.

Conveyance: Free use of Company's car with driver for Company's business purposes.

Telephone/Cell Phone: Free, except for personal long distance calls which shall be billed.

Encashment of Leave: One full pay and allowances not exceeding one month's leave for every twelve months of service, subject to the condition that the leave accumulated, but not availed of shall be dealt with as per the Income Tax Rules 1962.

He will not be eligible for any sitting fees of the Company's Board/Committee meetings."

"**Further Resolved** that above remuneration without the commission be paid as minimum remuneration in the event of absence or inadequacy of profits in any year, subject to the approval of the Central Government wherever necessary."

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

"**Resolved** that pursuant to Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013, approval of the company be and is here by accorded to the re-appointment of Mr. K.Gautam (Din: 02706060) as Executive Director of the company for a period of 3(Three) years w.e.f 1st August, 2014 at the remuneration and other terms as follows:

Salary: Rs.2,60,000/- per month (with an annual increment of Rs. 30,000/- per month)



Perquisites: In addition to salary, perquisites allowed as follows:

Housing/HRA: @ 40% of the salary

Medical Reimbursement: Expenses incurred for self and family subject to a ceiling of one month's salary in each year or 3 months salary in a block of 3 years.

Leave Travel Concession: for self and family subject to ceiling of one month's salary in each year. 'Family' means wife, dependent children and dependent parents of Mr.K.Gautam .

Company's contribution to Provident Fund and Superannuation Fund shall be as allowed under the Income Tax Act and Rules and as per Rules of the company.

Gratuity: Equal to half month's salary for each completed year of service as per the Rules of the company.

Conveyance: Free use of Company's car with driver for company's business purposes.

Telephone/Cell Phone: Free, except for personal long distance calls which shall be billed.

Encashment of Leave: On full pay and allowances not exceeding one month's leave for every twelve months of service, subject to the condition that the leave accumulated, but not availed of shall be dealt with as per the Income Tax Rules 1962.

He will not be eligible for any sitting fees of the Company's Board/Committee meetings."

"**FURTHER RESOLVED** that above remuneration without the commission be paid as minimum remuneration in the event of absence or inadequacy of profits in any year, subject to the approval of the Central Government wherever necessary."

9 To consider, and if thought fit, pass with or without modification, the following Resolution as a **Special Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 73 and 76 of the Companies Act, 2013, and the relevant Rules made there under, consent of the members be and is hereby given to the acceptance/invitation/renewal of deposits by the company at such terms as may be fixed from time to time by the Board of Directors of the Company, subject to such ceilings on the amounts of deposits and rates of interests as may be prescribed under the said Sections, Reserve Bank of India, or any other Statutory Authority having jurisdiction in the matter,"

10 To consider, and if thought fit, pass with or without modification, the following Resolution as a **Special Resolution:**

"**RESOLVED** that pursuant to the provisions of Section 180 (1)(a) and 180 (1)(c) of the Companies Act, 2013, the consents already accorded by the Members by Ordinary Resolution under Section 293(1)(a) and 293 (1)(d) of the Companies Act 1956, namely

- i. Consent to borrow moneys in excess of share capital and free reserves, upto a ceiling of Rs. 500 crores, given at the Extra-Ordinary General Meeting held on 30th July, 2007
- ii. Consent to mortgage or create a charge on immovable and moveable properties of the company given at the Extra-Ordinary General Meeting held on 30th July, 2007.

be and are hereby reaffirmed by way of this Special Resolution."

By Order of the Board.

for NCL INDUSTRIES LIMITED,

T. ARUN KUMAR

Company Secretary

Place:Hyderabad

Date:14th August, 2014

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy instead of himself to attend and vote only in a poll and the proxy need not be a member. Proxies in order to be effective should be duly stamped, completed and signed and must be received by the company not less than 48 hours before the Annual General Meeting.
2. An explanatory statement, pursuant to the provisions of Section 102 of the Companies Act, 2013 in respect of item No. 4-10 of the notice, is annexed hereto.
- 3 Shareholders seeking any information with regard to accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready.
- 4 The Register of Members and Share Transfer Registers will remain closed from **23rd September, 2014 to 29th September, 2014** (both days inclusive) on account of the Annual General Meeting.
- 5 Members holding shares in electronic form are requested to inform the changes, if any, in their address or bank particulars etc., to the Depository Participant with whom the demat account is maintained.
- 6 Individual shareholders can avail the facility of nomination. Shareholders holding shares in physical form may write to the Registrar for assistance. Shareholders holding in electronic form may approach their DP with whom they maintain their account.
- 7 In terms of clause 49(IV)(G) of the Listing Agreement, brief resumes of Directors proposed to be appointed or reappointed at the Meeting are given.
- 8 Electronic copy of the Notice of the 33rd Annual General Meeting of the Company inter-alia indicating the process and manner of 'e'-voting along with Attendance Slip, Proxy Form and Annual Report 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 Notice of the 33rd Annual General Meeting of the Company along with Attendance Slip, Proxy Form and Annual Report is being sent to their registered address with the company. The company appreciates and supports this green initiative and requests the members to register their e-mail address to receive the future correspondence, including Annual Reports through e-mails. In the case members who are holding shares in demat form, the email IDs registered with the DP and made available to the company/RTA shall be the registered email IDs unless communication is received to the contrary. Shareholders are requested to update their e-mail through their Depository Participants concerned and members who hold the shares in physical form are requested to update their e-mail address to the Company's Registrar and Share Transfer Agents M/s. Venture Capital & Corporate Investments (P) Ltd. Shareholders are also advised to visit the company's website www.nclind.com where the notice is uploaded.

9. As per the circular No .MRD/Dop/Cir-05/2009 Dt.20th May,2009 issued by the Securities and Exchange Board of India(SEBI), it is mandatory to quote PAN for the transfer/transmission of shares in physical form. Therefore the transferee(s)/legal heirs are requested to furnish a copy of their PAN Card along with other documents to the Registrar and Share Transfer Agents irrespective of the value of the transaction.
10. Shareholders who have not encashed their dividend warrants for the years 2006-07,2007-08,2008-09,2009-10,2010-11,2011-12 may approach the company for revalidation, issue of duplicate warrants etc; quoting the Folio No./Client ID. Please note that as per Section 205A and 205C of the Companies Act,1956, dividend which remains unpaid /unclaimed over a period of 7 years has to be transferred by the company to the Investor Education & Protection Fund (IEPF) and no claim shall lie for such unclaimed dividends from IEPF by the members.
11. Members are also requested to lodge their e-mail ID's along with name and Folio/Client ID No. at the following address /e-mail to enable us to send all future communications including Annual Reports through e-mode.
12. As an austerity measure, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the Meeting.

13 Instructions about Voting:

The members are requested to opt for one mode of voting .i.e either through e-voting or postal ballot. If a member casts vote by both modes, then voting done through a valid e-Voting shall prevail and physical ballot form voting of that member shall be treated as invalid. Please refer the following instructions for both modes of voting.

(A) Process and manner for members opting for e-voting are as under:

The Company is offering e-voting facility to its members enabling them to cast their Votes electronically. The Company signed an agreement with M/s. Central Depository Services (India) Limited for facilitating e-voting to enable the Shareholders to cast their votes electronically pursuant to Rule 20 of the Companies (Management and Administration) Rules, 2014. The instructions for e-voting are as under:

- (i) The e-voting period commences on 23rd September, 2014 (10:00 AM) and ends on 25th September, 2014 (5.00PM).During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut- off date of 30th August,2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- (ii) Shareholders should Log on to the e-voting website www.evotingindia.com
- (iii) Click on "Shareholders" tab.
- (iv) Now, select the "NCL INDUSTRIES LIMITED" from the drop down menu and click on "SUBMIT"
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:



For Members holding shares in Demat Form and Physical Form

PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.

- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.

- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.

- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on 23rd September, 2014 at 10.00 AM on and ends on 25th September, 2014 at 5.00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (30th August, 2014), may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <NCL INDUSTRIES LIMITED> on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the



14. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 30th August, 2014.
15. Mr. A. Ravi Shankar, Partner-M/s Ravi & Subramanyam, Practicing Company Secretaries (COP No. 4318) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) 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.

B) Voting by using the postal Ballot Form:

- i. A Ballot form is provided (enclosed separately) for the benefit of members who do not have access to e-voting facility to enable them to send their or assent or dissent by post.
- ii. Please complete and sign the ballot Form (no other form or photo copy is permitted) and send it so as to reach the Scrutinizer appointed by the Board of Directors of the company, Mr. A. Ravi Shankar, Partner-M/s Ravi & Subramanyam, Practicing Company Secretaries not later than the close of working hours (5.00 P.M.) on 25th September, 2014. For this purpose, a self addressed prepaid 'Business Reply inland Letter' ('BR Letter') is enclosed and postage will be paid by the company if posted in India. The BR letter bears the name and address of the Registered Office of the company and is to the attention of the Scrutinizer. However BR Letters containing the Ballot form(s) if deposited in person or sent by courier or registered/speed post at the expenses of the member will also be accepted.
- iii. The Form should be signed by the member as per the specimen signature registered with the company/Depository Participants. In case of joint holdings, the Form should be completed and signed by the first named member and in his/her absence, by the next named joint holder. There will be one Form for Folio/Client ID irrespective of the number of joint holders. A Power of attorney (POA) holder may vote on behalf of a member mentioning the registration number of the POA or enclosing an attested copy of the POA. Exercise vote is not permitted through proxy.
- iv. For shares held by companies, Bodies Corporate, Trusts, Societies etc, the duly completed Form should be accompanied by a certified true copy of the Resolution/Authorization together with attested specimen signature(s) of the duly authorized signatory (ies).
- v. Votes should be cast in case of each resolution, either in favor or against by putting the tick (✓) mark in the column provided for assent/dissent. Members may partially enter any number in

"FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST taken together should not exceed the member' total shareholding. If the share holder does not indicate either "FOR" or "AGAINST" in case of any resolution, it will be treated as "ABSTAIN" for that resolution and the shares held will not be counted under either head.

vi. Duly completed Forms should reach the Scrutinizer not later than the close of working hours (5-00 P.M.) on 25th September, 2014. Ballot Forms received after 25th September, 2014 will be strictly treated as if the reply from the member has not been received.

vii. A Member may request for a duplicate Ballot Form if so required. However the duly filled in and signed duplicate Form should reach the Scrutinizer to identify either the member not later than the date as specified at Sl. No. VI above.

viii. Unsigned, incomplete improperly or incorrectly tick marked Ballot Forms will be rejected. A Form will also be rejected if it is received torn, defaced, or mutilated to an extent which makes it difficult for the Scrutinizer to identify either the member or the number of votes or as to whether the votes are in favor or against or if the signature cannot be verified.

ix. The Scrutinizer's decision on the validity of a Ballot is final.

x. Members are requested not to send any other paper along with the Ballot Form in the enclosed self addressed envelope as all such envelopes will be sent to the Scrutinizer and any other paper found in such envelope would be destroyed by him. They are also requested not to write anything on the Ballot Form except giving their assent or dissent and putting their signature.

C. Other Instructions.

i. The Scrutinizer will collect the votes downloaded from the e-voting system and votes received through physical ballot to declare the final result for each of the resolutions forming part of the Annual General Meeting Notice.

ii. The results of the voting shall be declared on or after the Annual General Meeting of the Company. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.nclind.com and be communicated to the Stock exchanges where the company is listed i.e BSE and NSE.

16. The company has paid the listing fees for the year 2014-15 to BSE and NSE where the equity shares of the company are listed.
17. Members/Proxies are requested to kindly take note of the following:
 - i. Attendance slip, as sent herewith, is required to be brought at the venue duly filled in and signed, for attending the meeting.
 - ii. Folio No./DP & Client ID No. may please be quoted in all



correspondence with the Company and or the RTA.

Company Secretary, NCL Industries Limited Regd. Office: 7th Floor, Raghavaratna Towers Chirag Ali Lane Hyderabad-500001 e-mail: cs@nclind.com	Address of Registrar and Share Transfer Agents Venture Capital & Corporate Investments (P) Ltd 12-10-167 (MIG) Bharath Nagar, HYDERABAD 500 018 Phones: 040-23818475/76 & 23868023 e-mail: info@vccilindia.com
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EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

ITEM NO. 4

Mr. Kamlesh Gandhi, non Executive Independent Director (aged about 64 years) is due to retire by rotation at the ensuing AGM under the provisions of the Companies Act, 1956. In terms of Section 149 the Companies Act, 2013 which replaced the Companies Act, 1956, Independent Directors shall henceforth not be included in the total number of directors considered for retirement by rotation. An Independent Director can hold office for a term of up to 5 (five) consecutive years on the Board of a company

In the opinion of the Board, Mr. Kamlesh Gandhi fulfills the conditions for his appointment as Independent Directors as specified in the Companies Act, 2013 and the Listing Agreement, and that Mr. Kamlesh Gandhi is independent of the management. It is therefore proposed that Mr. Kamlesh Gandhi be appointed for a term of 5 (five) years.

The Company has received from Mr. Kamlesh Gandhi

- (i) Consent in writing to act as director
- (ii) Intimation to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and
- (iii) Declaration that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

A copy of the draft letter of appointment setting out the terms and conditions of appointment of Mr. Kamlesh Gandhi is available for inspection, without any fee, by the members at the Company's registered office during normal hours on working days up to the date of AGM.

Mr. Kamlesh Gandhi is interested in the resolution set out in Item No. 4 of the Notice with regard to his appointment.

None of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the resolution set forth in the Item Nos. 4 of

the Notice for approval of the members.

ITEM NO. 5

As per the provisions of Section 149(1) of the Companies Act, 2013 and amended clause 49 of the listing Agreement, the company should have at least one woman director. Keeping in view of the above legal requirements the Board of Directors at their meeting held on 30th May, 2014 appointed Mrs. Roopa Bhupatiraju (Nee Kalidindi) as additional director to hold office until the conclusion of this meeting. The company received a notice in writing from a member along with requisite deposit under Section 160 of the Companies Act, 2013 proposing the candidature of Mrs. Roopa Bhupatiraju as Director of the company. She is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and given her consent to act as Director. She holds 4,45,751 Equity shares in the company.

Mrs. Roopa Bhupatiraju is MBA & MS in Marketing Communications from Illinois Institute of Technology, USA., and is the daughter of Mr. K. Ravi, Managing Director. Mrs. Roopa Bhupatiraju has been associated with the company at different stages, and has earlier served as a management trainee from 01/02/2006 to 11/03/2007 and Executive Assistant to the Managing Director from 12th March, 2007 to 30th November, 2008.

Apart from Mrs. Roopa Bhupatiraju herself, the Managing Director Mr. K. Ravi being her father figures under the list of relatives listed under the Companies Act, 2013, is interested in the proposed Resolution.

Your Board recommends that the Resolution be passed.

ITEM NO. 6

The Board of Directors, on recommendation of the Audit committee, at their meeting held on May 30th 2014, appointed Mr. R. Srinivasa Rao, practicing Cost Accountant as Cost Auditor of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015 on a remuneration of 50,000/- (Rs. Fifty Thousand only).

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. The proposed Resolution seeks such ratification.

None of the Directors is interested in the above Resolution.

The Board recommends that the Resolution be passed.

ITEM NO. 7 & 8:

Members are aware that Mr. P. N. Raju and Mr. K. Gautam were appointed as Executive Directors for a period of five years from 1st August 2009, and their tenures of appointment were up to 31 July 2014.



At its meeting held on 30th May, 2014, the Board of Directors have re-appointed Mr..P.N.Raju, and Mr. K Gautam as Executive Directors w.e.f 1st August, 2014. In view of the ongoing difficult financial condition of the company, both Mr. P N Raju and Mr. K Gautam took a voluntary cut of 25% in the substantive remuneration with effect from 17th August, 2012.

Considering all the factors, the Nomination and Remuneration Committee recommended that existing remuneration of the Executive Directors be retained without any rise.

On their part, both Mr. P N Raju and Mr. K Gautam decided to continue accepting a voluntary cut in their remuneration upto 31st March 2015.

Based on the Net Profits for the year ended 31st March 2014, the remuneration fixed requires the consent of the shareholders pursuant to Section 197(3), as stipulated by Para 1(A), Part II, Section II to Schedule V to the Companies Act, 2013. It is proposed to pay the above remuneration as Minimum Remuneration in the event of absence or inadequacy of profits.

According to Section 197 of the Companies Act, 2013 read with Para A, Part II, Section II of Schedule-V of the said Act, the remuneration payable to Executive Directors (subject to ceiling limits as prescribed) requires the approval of the shareholders in General Meeting by way of a Special Resolution.

The information as required under Schedule V to the Companies Act, 2013 is as under:-

I. GENERAL INFORMATION:

- (1) Nature of Industry – The Company is operating in five segments - Cement, Boards, Prefab structures, Hydel Power and Ready-Mix Concrete.
- (2) Date of commencement of commercial operation – 16th February, 1984 onwards.
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus – Not Applicable.

(4) Financial Performance: (Rs. In Lakhs)

Financial Year	2009-2010	2010-2011	2011-12	2012-13	2013-14
Parameters					
Turnover	34113.66	56566.20	76383.84	63303.73	61220.69
Net Profit (as computed u/s. 198)	2452.13	2968.71	6639.30	(815.07)	(3600.43)
Net profit as per profit and loss Account	1170.78	2341.29	4425.48	(1154.47)	(4080.18)
Amount of Dividend paid#	408.75	609.08	812.10	Nil*	Nil*
Rate of dividend Declared	10%	15%	20%	Nil*	Nil*

including dividend Tax

(5) Export performance: Rs. 112.63 Lakhs Foreign Currency Earnings- CIF basis for the Financial Year 2013-14.

(6) Foreign investments or collaborators, if any – (a) The Company manufactures Bison Panel, which is basically a multi-purpose Cement Bonded Particle Board (CBPB) in Technical Collaboration with BISON WERKE of Germany.

II. INFORMATION ABOUT THE APPOINTEES:

Mr. P N Raju

1 Background Details :-

Mr. P. N. Raju (was appointed as an Executive Director by the Board of Directors of the Company for a period of 5 years w.e.f. 12.04.2006. In recognition of the contribution made by him, the Board has decided to reappoint him with effect from 1st August, 2014 at the same remuneration. The terms of his remuneration, is in accordance with the provisions of Schedule V of the Companies Act, 2013 as detailed in the resolution.

2 Past remuneration - (Rs.in Lakhs)

Financial Year	2011-12	2012-13	2013-14
	Rs.69.67	Rs.46.11	Rs.47.20

3 Recognition and Awards: NIL

4 Job profile and his suitability :-

Mr.P.N.Raju is in-Charge of operations of Cement Boards Division subject to the superintendence, direction and control of the Managing Director.

5 **Remuneration proposed** - As set out in the resolution for the Item No 7 .The remuneration proposed to be paid to the Executive



Director has the approval of the Nomination & Remuneration Committee.

- 6 **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:** The proposed remuneration is comparable to the remuneration being paid to the Executive Director in other companies of similar size and operations.
- 7 **Pecuniary relationship directly or indirectly with the company, or relationship with managerial personnel, if any** -Besides, the remuneration proposed, Mr.P.N.Raju is holding 9,15,726 equity shares in the Company. Mr.P.N.Raju does not have any other pecuniary relationship with the Company.

Mr. K Gautam

1. Background Details

Mr. K.Gautam (was appointed as an Executive Director by the Board of Directors of the Company for a period of 5 years w.e.f. 01.08.2009 In recognition of the contribution made by him, the Board has decided to reappoint him with effect from 1st August,2014 at the same remuneration. The terms of his remuneration, is in accordance with the provisions of Schedule V of the Companies Act, 2013 as detailed in the resolution.

2. Past remuneration - (Rs.in Lakhs)

Financial Year	2011-12	2012-13	2013-14
	Rs.16.80	Rs.28.32	Rs28.98

3. Recognition and Awards: NIL

4. Job profile and his suitability :-

Mr.K.Gautam is incharge of operations of Cement Division subject to the superintendence, direction and control of the Managing Director

5. **Remuneration proposed** - As set out in the resolution for the Item No 8 .The remuneration proposed to be paid to the Executive Director has the approval of the Nomination & Remuneration Committee.

6. **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:** The proposed remuneration is comparable to the remuneration being paid to the Executive Director in other companies of similar size and operations.

7. **Pecuniary relationship directly or indirectly with the company, or relationship with managerial personnel, if any**-Besides, the remuneration proposed, Mr.K.Gautam is holding 4,94,907 equity shares in the Company. Mr.K.Gautam does not have any other pecuniary relationship with the Company. Mr. K Gautam is the son of Mr. K. Madhu, Promoter Director, who also happens to be the brother of Mr. K. Ravi, Managing Director.

III OTHER INFORMATION

(1) Reasons of loss/inadequate Profits :

The company has been consistently earning profits and paying dividends until FY 2011-12.However from the last two years the company is sustaining losses. As explained in the Directors' Report, Cement units in general, and those in the State of Andhra Pradesh and Telangana (newly bifurcated state) in particular were badly affected by a combination of factors such as regional agitations, creation of excess capacity coupled with a fall in demand, recession in the infrastructure sector and slowdown of construction activity, frequent power-cuts, steep rise in the cost of key inputs like power and coal, coupled with fall in the market prices.

(2) Steps taken or proposed to be taken for improvement

Several austerity measures for cutting down the expenses, and improving production efficiencies have been initiated. The Executive Directors have taken a lead in this direction by taking a voluntary cut on their remuneration.

(3) Expected increase in productivity and profits in measurable terms

Your Directors have reason to view the situation with a cautious optimism that with the announcement of the bifurcation of composite Andhra Pradesh in to Telangana and Andhra Pradesh the construction activity will pick up resulting in higher demand and realization in cement prices. Since the new regime at center seem to be focusing on infra and real estate sectors, there is a ray of hope on improvement in cement sector in coming days ahead. All efforts are being taken to improve the performance of the company.

Your Directors recommend that the resolutions be passed The appointees themselves, namely Mr. P N Raju and Mr. K Gautam are interested in the resolutions relating to their respective appointments.

In addition, Mr. K Madhu, Director, being the father of the proposed appointee, is deemed to be interested in the resolution relating to the proposed appointment of Mr. K Gautam.

ITEM NO. 9

Members are aware that the Company has been accepting deposits from the public on the basis of the decision of the Board, and in terms of the Rules made under the Companies Act, 1956. Section 73 and 76 of the Companies Act 2013, which replaces the old Act stipulates that companies can invite/accept/renew/ deposits only with the consent of the shareholders at a general meeting through a Special Resolution. The Company proposes to continue its practice of accepting deposits at terms to be decided by the Board of Directors from time to time. The



proposed Resolutions seeks the consent of the shareholders as required by the Statute.

Your Directors recommend that the Resolution be passed.

All the Directors may be deemed to be interested in the Resolution to the extent of their respective shareholdings in the Company.

ITEM NO. 10

Members may recall that at the Extra-ordinary General Meeting held on 30th July, 2007 consents under Section 293(1)(d) and 293 (1)(a) of the Companies Act 1956, was accorded for borrowing moneys in excess of share capital and frees reserves

subject to a ceiling of Rs. 500 crores, and also to mortgage the properties of the company respectively.

The Board of Directors of the company have exercised the power as consented by the said Resolutions.

Section 180 (1)(a) and 180 (1)(c) of the Companies Act, 2013, which replaced the 1956 Act now requires a Special Resolution to authorize the directors to exercise the same powers.

The Resolution seeks to replace the Ordinary Resolutions already passed under the Companies Act 1956 with a Special Resolution, to enable the directors to bring it in line with the requirements of the Companies Act, 2013.

All the Directors of the Company may be deemed to be interested in the above resolution to the extent of their respective shareholdings.



Your Directors have pleasure in presenting their Report for the financial year ended March 31, 2014.

Financial Results

The Audited Balance Sheet of your Company as at March 31, 2014, the Profit & Loss Account for the year ended on that date and the report of the Auditors thereon are being circulated with this report. The salient features of the financial results are as follows:

	(Rs. in lakhs)	
	2013-14	2012 - 2013
Gross Income	61220.69	63144.76
Profit (Loss) for the Year -Before Tax	(3766.88)	(901.53)
Provision for Tax & Deferred Tax	313.30	252.94
Net Profit (Loss)	(4080.18)	(1154.47)
Profit brought forward from Previous Year	237.32	1800.54
Profit available for Appropriation	(3842.86)	646.07
Appropriations		
Provision for Dividend & Dividend Tax	(408.75)	408.75
Transfer to General Reserve	-	-
Balance carried forward	(3434.17)	237.32

- The Financial year 2013-14 has been one of the most difficult and challenging years for your company in recent times. Members are aware that the the cement industry in general, and units located in Andhra Pradesh/Telangana in particular were badly affected by several factors including increased cost of inputs, irregular power supply, reduced demand due to slow down of infrastructure projects, etc. Your company was no exception to this general phenomenon.
- Though there was an improved performance in the the Boards Division and Energy Division, their contribution to the overall revenues being relatively small, the adverse performance of these Divisions was not adequate to neutralize the adverse performance of the Cement Division.
- The gross revenue of the company witnessed a fall from Rs. 631.45 crores in the previous year to Rs. 612.21 crores in the year under review. The net losses also increased from Rs. 11.54 cores in the previous year to Rs. 40.80 crores.

Dividend

In the absence of profits, the Directors regret their inability to recommend any dividend for the year under review.

Corporate Debt Re-structuring

As reported in the last annual report, Corporate Debt restructure proposal of the company with the lenders to ease the pressure on resources was sanctioned by the lenders and implemented.

Preferential Allotment

To comply with the approved CDR package which required promoters' contribution of Rs 3.95 Crores, Shareholders at the EGM held on 2nd April, 2014 have approved to make a preferential issue of 17,95,455 Equity shares at a premium of Rs.12/- per share. The amounts payable in respect of the shares have been received and deployed in implementation of the CDR package. The shares will be allotted upon approval of SEBI under ICDR Regulations.

Investor Education & Protection Fund

The Company has transferred Rs.6.48 Lakhs relating to unpaid Dividend for the Financial Year 2005-06 (Final dividend) to the Investor Education & Protection Fund.

Fixed Deposits

As on 31st March 2014, Rs 3184.43 Lakhs of Public Deposits are outstanding. The Company has repaid all the matured deposits that have been claimed.

Auditors

M/s Venugopal & Chenoy, Chartered Accountants, the auditors of the Company retire at the conclusion of this Annual General Meeting and being eligible offer themselves for re-appointment.

Cost Audit

Mr. R. Srinivasa Rao, Cost Accountant, the Cost Auditor of the Company has been re-appointed to conduct the cost audit pertaining to the Cement Division as well as the Energy Division of the company for the year 2014-2015.

The due date for filing the cost audit reports in XBRL mode for the financial year ended March, 31st, 2013 was 30th September, 2013 and the Cost audit reports were filed with Ministry of corporate Affairs on 25/09/2013.

Directors

The Company has three independent directors who meet the criteria stipulated by Section 149(6) of the Companies Act, 2013., namely Mr. R Anand, Mr M Kanna Reddy and Mr. Kamlesh Gandhi. Out of them, Mr. Kamlesh Gandhi is due to retire by rotation at the ensuing Annual General Meeting. A separate Resolution under Special Business is being proposed for reappointment of Mr. Kamlesh Gandhi as an Independent Director for a fresh tenure of five years. Your Board recommends the reappointment of Mr. Kamlesh Gandhi as an Independent Director

Woman Director

In terms of the proviso to Section 149 (1) of the Companies Act, 2013, the Board, at its meeting held on 30 May 2014, has appointed Mrs. Roopa Bhupatiraju (nee Kalidindi) as an Additional Director. A resolution is being proposed at the ensuing Annual General Meeting appointing Mrs. Roopa Bhupatiraju as a Director.



Mr. Ashven Datla retires by rotation at the ensuing Annual General Meeting, and is eligible for reappointment.

Corporate Governance

A separate Report of compliance with the provisions relating to Corporate Governance as required by Clause 49 of the Listing Agreement with the Stock Exchanges is enclosed as Annexure 'A' to this Report.

Management Discussion and Analysis Report

The Management Discussion & Analysis Report is annexed as Annexure 'B' to this Report.

Director's Responsibility Statement

In accordance with the provisions of Section 217 (2AA) of the Companies Act, 1956, the Directors of your Company confirm:

- I. That all applicable accounting standards have been followed in the preparation of annual accounts and that there are no material departures
- II. That the Directors 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, 2014 and of the loss of the Company for the year ended on that date.
- III. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- IV. That the Directors prepared the Annual Accounts on a going concern basis.

Particulars of Employees

The details of employees who have been in receipt of the remuneration envisaged by Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended is annexed as Annexure 'D' to this Report.

Additional Information

The information required to be disclosed in terms of Sec.217 (1) (e) of the Companies Act, 1956 relating to conservation of energy, technology absorption and foreign exchange etc., is furnished in Form A & B and forms part of this report.

Acknowledgements

Your Directors wish to place on record their appreciation of the support and co-operation extended by IREDA, SBH, OBC, Axis Bank, Corporation Bank, Canara Bank, State Bank of Mysore, Central Bank of India, IDBI Bank and Central and State Government Departments, Dealers, Stockiest, Consumers and Depositors.

Your Directors also wish to place on record their appreciation of the enthusiastic support received from the shareholders.

Your Directors have pleasure in acknowledging the excellent co-operation received from the team of dedicated executives and employees who have contributed handsomely to the operations of the company.

For and on behalf of the Board

R. ANAND
Chairman

Place: Hyderabad
14th August, 2014

**FORM-A****FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY**

	Current Year 2013-14	Previous Year 2012-13
A. POWER AND FUEL CONSUMPTION		
1 ELECTRICITY		
<i>a. Purchased</i>		
<i>Units -Lacs</i>	988	998
<i>Total Amount (Rs. In lacs)</i>	6946	5344
<i>Rate/Unit (Rs)</i>	7.03	5.36
<i>b. Own Generation</i>		
<i>Through Diesel Generator (Units Kwh lakhs)</i>	1.82	8.74
<i>Total Amount (Rs. In Lacs)</i>	32.96	130.48
<i>Rate/Unit (Rs)</i>	18.09	14.93
2 COAL		
<i>Quantity (Tonnes)</i>	173966	190598
<i>Total Cost (Rs. Lacs)</i>	8595	8540
<i>Average Rate/Tonne (Rs)</i>	4941	4480
3 FIRE WOOD		
<i>Quantity (MT)</i>	7148.92	8725.89
<i>Total Cost (Rs. Lacs)</i>	212.00	210
<i>Average Rate/Tonne (Rs)</i>	2971	2404
4 CONSUMPTION PER UNIT OF PRODUCTION		
<i>Electricity -Units</i>		
<i>Cement Division (per MT)*</i>	97.49	90.33
<i>Boards Division (per Sq Mtr)</i>	2.46	2.42
<i>Coal -MT (Cement Division) *</i>	0.198	0.197
<i>Kcal/Kg clinker</i>	785	777
<i>*Per MT of equivalent Ordinary Portland Cement</i>		

FORM-B**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION, (R&D)**

A Research and Development (R&D) : Not Applicable
 B Technology Absorption, adoption and innovation : Not Applicable

For and on behalf of the Board

Place : Hyderabad

Date: 14.08.2014

R. ANAND
CHAIRMAN



3) Audit Committee:

The Board has an Audit Committee constituted pursuant to Clause 49 of the Listing Agreement. The role of the Audit Committee includes the following:

- a) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- c) Reviewing, with the management, the annual financial statements before submission to the board for approval
- d) Reviewing the adequacy of internal audit function and the adequacy of the internal control systems.

During the year under review, four meetings of the audit committee were held on the following dates :
30th May, 2013, 14th August, 2013, 14th November 2013, and 14th February 2014.

The constitution of the committee and attendance of each member at the audit committee meetings held during the year under review is given below

Name	Designation	Category	Committee meetings attended
M.Kanna Reddy	Chairman	Independent	4
M. Bhaskara Rao	Member	Non Executive (IREDA Nominee)	4
K. Madhu	Member	Non Executive	4
Kamlesh Gandhi	Member	Independent	4

The Managing Director, Executive Directors and the President (Finance & Accounts) are permanent invitees to this Committee. The terms of reference of the Audit Committee are in accordance with the provisions of Clause 49 of the Listing Agreement.

4) Nomination & Remuneration Committee:

The Board also has a Remuneration Committee constituted in pursuance of Clause 49 of the Listing Agreement. This Committee considers and recommends the remuneration payable to Executive Directors. During the year under review, one committee Meeting was convened on 14th August, 2013.

The constitution of the committee and attendance of each member at the committee meetings held during the year under review is given below

Name	Designation	Category	Committee meetings attended
M.Kanna Reddy	Chairman	Independent	1
M. Bhaskara Rao	Member	Non Executive (IREDA Nominee)	1
K. Madhu	Member	Non Executive	1
Kamlesh Gandhi	Member	Independent	1

To bring it in line with the amended provisions relating to corporate Governance and Section 178 of the Companies Act, 2013, the Remuneration Committee has been re-christened as Nomination and Remuneration Committee.

Remuneration Policy

The remuneration policy of the Company is to make the compensation payable to the executive directors comparable to industry standards and commensurate with the performance of the Company, while adhering to the ceilings prescribed under the Statute.



Remuneration paid to Executive Directors

During the period under review, the remuneration paid/payable to the executive directors including the Managing Director is as follows:

(Rs. in lakhs)				
Name of the Director	Salary	Other Allowances	Commission	Total*
K. Ravi, M.D	51.75	26.91	-	78.66
P.N.Raju, E.D	31.05	16.15	-	47.20
K. Gautam, E.D	20.70	8.28	-	28.98

Allowances include HRA, Contribution to PF etc.

*in view of the absence of profits for the year under review, the executive directors took a voluntary cut of 25% of the basic salary.

Remuneration paid to Non Executive Directors

The Non-Executive Directors were paid sitting fees for attending the meetings of the Board or the Committees thereof at the rate of Rs.7500/- per Board/Committee Meeting. In addition they are entitled to commission at the rate of not exceeding 1% of the net profits of the Company in terms of the resolution approved by the shareholders at the AGM held on 29th September, 2009. During the year under review, in view of absence of profits, they are not entitled to receive commission.

The sitting fees paid to the Directors during the year under review was as follows:

Name of Director	No. of Board/ Committee meetings attended	Sitting Fees paid (Rs)
M.Kanna Reddy	12	90,000
M. Bhaskara Rao	10	75,000
V.V. Goradia	6	45,000
R.Anand	3	22,500
Ashven Datla	6	45,000
K Madhu	11	82,500
Kamlesh Gandhi	10	75,000
Total Sitting Fees Paid		4,35,000

Shareholdings of Non Executive Directors as on 14th August, 2014:

Non-executive Directors	No. of Shares
R.Anand	540
M. Kanna Reddy	NIL
V.V. Goradia	4,19,784
K. Madhu	11,17,129
M. Bhaskara Rao	NIL
Ashven Datla	1,94,649
Kamlesh Gandhi	NIL
Mrs.Roopa Bhupatiraju	4,45,751



5) Investor's Grievance Committee :

This committee comprises of three members namely Mr. M. Kanna Reddy as its Chairman, Mr. K. Madhu and Mr. Ashven Datla as its members. The Committee is formed for the purpose of complying with the guidelines on Corporate Governance to monitor redressal of complaints received from the shareholders.

During the period under review, the Committee met once on 14th February, 2014. The attendance details of the members are given hereunder.

Name	Designation	Category	Committee meeting attended
<i>M. Kanna Reddy</i>	<i>Chairman</i>	<i>Independent</i>	<i>1</i>
<i>K. Madhu</i>	<i>Member</i>	<i>NED</i>	<i>1</i>
<i>Ashven Datla</i>	<i>Member</i>	<i>NED</i>	<i>1</i>

To bring it in line with the amended provisions relating to corporate Governance and Section 178 of the Companies Act, 2013, , the Committee has been re-christened as Stakeholders Relationship Committee..

Compliance Officer

Mr. T.Arun Kumar, Company Secretary of the company is also designated as the Compliance Officer.

i) Details of Investors letters / complaints received during the year ended 31st March 2014.

SI No	Nature of letter / complaints	Received	Disposed	Pending
<i>1</i>	<i>Non-receipt of Dividend warrant(s)</i>	<i>11</i>	<i>11</i>	<i>Nil</i>
<i>2</i>	<i>Non - Receipt of Share certificates after transfer / duplicate.</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>
<i>3</i>	<i>Non – Receipt of Annual Report</i>	<i>4</i>	<i>4</i>	<i>Nil</i>
<i>4</i>	<i>Miscellaneous – others</i>	<i>-</i>	<i>-</i>	<i>Nil</i>

ii) Number of Complaints pending with the Company:

All the complaints / letters received during the financial year were replied / resolved to the satisfaction of the shareholders.

6. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

In accordance with the provisions of Section 135 of the Companies Act, 2013, the Company is required to constitute a Corporate Social Responsibility (CSR) Committee of directors comprising at least three directors including an independent Director. The Board at its meeting held on August, 14 2014, constituted the CSR committee comprising **Mr. Kamlesh Gandhi(Chairman)**, **Mr.Vinodrai. V.Goradia (Independent Director)**, and **Mr. K. Gautam(Director)** as members.

The CSR Committee will monitor the implementation of the CSR policy and apprise the board accordingly.

6) Subsidiaries:

There are no subsidiaries of the Company.



7) General Body Meetings:

a) Details of the last 3 Annual General Meetings (AGM) are given hereunder:

Year	Date & time of AGM	Place
2012-2013	28.09.2013 at 11.30 AM	Bharatiya Vidya Bhavan, King Koti, Hyderabad
2011-2012	14.09.2012 at 11.00 AM	Bharatiya Vidya Bhavan, King Koti, Hyderabad
2010-2011	30.09.2011 at 10.30 AM	Bharatiya Vidya Bhavan, King Koti, Hyderabad

b) Details of Special Resolutions passed in last three AGMs

Year	Gist of the Resolutions
2012-13	Confirmation of remuneration paid to Mr.K.Ravi, Managing Director for the FY2012-13 and approval of Minimum remuneration to him in the event of inadequacy of profits from FY2013-14 onwards.
2011-12	a)Revision in remuneration of Mr.K.Ravi, Managing Director and Mr.P.N.Raju, Executive Director. b) Increase in remuneration of Mr.Aswin Goradia (Asst.General Manager(Marketing))
2010-11	a)Appointment of Mr. K.Ravi as Managing Director b) Increase in remuneration of Mr.Nirmal Goradia (Vice President(Exports)) c)Increase in remuneration of Mr. Utkal Goradia (Manager-Materials)

c) There was no special resolution passed last year through postal ballot, nor is there any proposal this year for passing any special resolution by postal ballot.

8) Disclosures

- The related party transactions made by the Company with its Promoters, Directors, Management or Relatives are disclosed in the Notes to the Account. There have been no related party transactions that may have conflict with the interest of the Company at large.
- During the last three years there were no strictures or penalties imposed by either the SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets.
- The Company is in the process of formulating a formal whistle blower policy. However, the employees have a free access to the Chairman, Managing Director and the Audit Committee, if they desire to bring any matter to the notice of the Committee.
- The Company has complied with the mandatory requirements stipulated under clause 49 of the listing agreement entered into with the stock exchanges, detailed in this report.

9) Means of communication:

- The quarterly and half yearly financial results are published in any two of the national and local dailies such as Business Standard, Financial Express and Andhra Prabha.
- Quarterly / Half yearly financial results of the Company are forwarded to the stock exchanges and published in Business Standard/Financial Express and Andhra Prabha. Half yearly report is not sent to each household of shareholders as the results are published in the news papers.
- The results and other official news releases are also posted in the Company's website – www.nclind.com



10) Shareholders information:

<p>I) AGM Date Time Venue</p> <p>ii) Financial Year</p> <p>iii) Date of Book Closure</p> <p>iv) Dividend payment date</p> <p>v) Listing on Stock Exchanges</p> <p>vi) A) Script Code B) Demat ISIN No in NSDL & CDSL for equity shares</p>	<p>33rd Annual General Meeting 29th September, 2014 12.00 Noon Bharatiya Vidya Bhavan, King Koti, HYDERABAD. April 1 to March 31 next. 23 /09/2014 to 29 /09/2014, (both days inclusive) No dividend recommended for 2013-14. BSE & NSE BSE- 502168, NSE – NCLIND INE 732CO1016 Corporate Id. No.:L33130AP1979PLC002521</p>
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vii) Stock Market Data

SHARE PRICE (BSE)

Month & Year	High (Rs.)	Low (Rs.)	Close(Rs.)	No of Shares Trades (in Lakhs)
Apr- 13	29.70	26.55	28.60	55,54,555
May-13	29.60	24.60	25.20	72,522
Jun- 13	28.65	24.35	25.35	92,467
Jul- 13	26.25	19.45	19.45	42,055
Aug- 13	21.90	16.80	18.60	69,272
Sep- 13	25.60	17.60	23.30	1,63,437
Oct- 13	24.30	20.55	21.25	54,071
Nov- 13	23.00	20.00	20.65	38,596
Dec- 13	25.50	20.10	21.90	80,456
Jan- 14	22.95	18.30	18.30	96,389
Feb- 14	20.40	16.40	18.65	55,317
Mar- 14	23.90	18.20	21.15	3,63,743

SHARE PRICE (NSE)

Month & Year	High (Rs.)	Low (Rs.)	Close(Rs.)	No of Shares Trades (in Lakhs)
Apr- 13	29.45	26.00	28.45	4,32,070
May-13	30.00	24.50	24.95	1,40,971
Jun- 13	28.50	24.10	25.80	1,43,563
Jul- 13	26.00	18.55	19.45	1,10,461
Aug- 13	21.90	17.00	18.50	88,993
Sep- 13	25.70	18.25	23.25	3,61,145
Oct- 13	24.75	20.80	21.30	1,04,887
Nov- 13	24.40	19.75	20.75	65,885
Dec- 13	25.65	20.30	21.40	98,116
Jan- 14	23.00	18.20	18.25	1,09,648
Feb- 14	20.40	16.10	18.70	74,567
Mar- 14	21.85	18.50	21.25	3,91,703



viii) Address of Registrar and Share Transfer Agents

Venture Capital & Corporate Investments (P)Ltd
 12-10-167 (MIG), Bharath Nagar, HYDERABAD 500 018.
 Phones: 040-23818475/76 & 23868023, Fax : 040-23868024
 e-mail:info@vccilindia.com

ix) Share transfer system:

Transfer of securities in physical form is registered and the duly transferred share certificates are dispatched within 30 days of receipt provided the transfer documents are in order. The Board of Directors has delegated powers to approve the transfer, transmissions, etc to Mr. K.Madhu, Director and Mr.T.Arun Kumar, Company Secretary.

x) Distribution of Shareholding as on 31.03.2014

NO. OF EQUITY SHARES HELD	NO. OF SHAREHOLDERS	%	NO. OF SHARES HELD	%
<i>Up to 500</i>	<i>32,785</i>	<i>89.91</i>	<i>41,74,513</i>	<i>11.95</i>
<i>501 - 1000</i>	<i>1,931</i>	<i>5.30</i>	<i>15,19,346</i>	<i>4.35</i>
<i>1001 - 2000</i>	<i>866</i>	<i>2.37</i>	<i>13,10,926</i>	<i>3.75</i>
<i>2001 - 3000</i>	<i>267</i>	<i>0.73</i>	<i>6,89,666</i>	<i>1.97</i>
<i>3001 - 4000</i>	<i>157</i>	<i>0.43</i>	<i>5,50,899</i>	<i>1.58</i>
<i>4001 - 5000</i>	<i>89</i>	<i>0.24</i>	<i>4,20,462</i>	<i>1.20</i>
<i>5001 - 10000</i>	<i>155</i>	<i>0.43</i>	<i>11,49,931</i>	<i>3.29</i>
<i>10001 & ABOVE</i>	<i>215</i>	<i>0.59</i>	<i>2,51,21,592</i>	<i>71.91</i>
TOTAL	36,465	100.00	3,49,37,335,	100.00

xi) Shareholding Pattern as on 31.03.2014

	NO. OF SHARES HELD	%
Promoters/Promoter Group		
<i>Individuals</i>	<i>1,24,35,700</i>	<i>35.59</i>
<i>Body Corporates</i>	<i>42,84,906</i>	<i>12.26</i>
Public Shareholding		
<i>Individuals holding nominal share capital upto Rs.1 lakh</i>	<i>92,87,113</i>	<i>26.58</i>
<i>Individuals holding nominal share capital in excess of Rs.1 lakh</i>	<i>72,85,135</i>	<i>20.85</i>
<i>Body Corporates</i>	<i>13,36,268</i>	<i>3.82</i>
<i>Mutual Funds/FI's /Central/State Governments</i>	<i>29,090</i>	<i>0.08</i>
<i>Clearing Member/Trust</i>	<i>1,31,413</i>	<i>0.38</i>
<i>NRI's</i>	<i>1,47,710</i>	<i>0.42</i>
TOTAL	3,49,37,335	100.00



xii) Dematerialization of Shares

The shares of the Company are compulsorily traded in DEMAT form by all categories of investors. The Company has arrangements with National Securities Depositories Ltd (NSDL) and Central Depository Services India Ltd (CDSL) to establish electronic connectivity of our shares for script-less trading. As stipulated by SEBI, a practicing Company secretary carries secretarial Audit to reconcile the total admitted capital with National Securities depository Ltd(NSDL) and Central depository Services Ltd(CDSL) and total issued and listed capital. As on 31st March 2014, 90.94% of shares of the Company were held in Dematerialized form with the following depositories.

Depository	No. Of Shares	Percentage
1) NSDL	2, 81, 24,774	80.50%
2) CDSL	36, 46,090	10.44%
Total	3,17, 70,864	90.94%

xiii) Outstanding GDRs, ADRs or Warrants or Convertible Instruments:

During the year under review, there were no outstanding GDRs or ADRs. As on the date of this Report, the Company has no outstanding convertible instruments.

xiv) Risk Management

The company had laid down procedures to inform Board members about the risk assessment and minimization procedures.

xv) Plants Location:

CEMENT	UNIT-I : Simhapuri, Mattampally Mandal, Nalgonda Dist-508204, Telangana UNIT-II : Kadimpothavaram Village, Kondapalli, Krishna District-521228, Andhra Pradesh.
BOARDS	UNIT-I : Simhapuri, Mattampally Mandal, Nalgonda Dist-508204, Telangana UNIT-II : Bhothanwali Village, Paonta Sahib, Sirmour District, Himachal Pradesh-173025.
ENERGY	UNIT-I : Pothireddypadu, Head Regulator, Chabolu Village, Pothulapadu Post, Nandikotkur TQ.-518402, Kurnool District, Andhra Pradesh. UNIT-II : RBHLC Zero Mile Point, Tungabhadra Dam, Tungabhadra Board, Amaravathi Village, Hospet-583225, Karnataka.
PREFAB	UNIT-I : Plot No. 34/A, IDA, Jeedimetla, Hyderabad- 500 055, Telangana UNIT-II : Bhothanwali Village, Paonta Sahib, Sirmour District, Himachal Pradesh-173025.
READYMIX CONCRETE	UNIT-I : Plot No.11, A/2-IDA, Patancheru, Hyderabad- 502319., Telangana UNIT-II : Survey No.83, Plot No.91/C, D-Block-IDA, Auto Nagar, Visakhapatnam-530026., Andhra Pradesh.

xvi) Address for Investor Correspondence

NCL Industries Limited
7th Floor, Raghava Ratna Towers
Chirag Ali Lane, Abids.
Hyderabad 500001, Telangana.

xvii) CEO/CFO Certification

The CEO/CFO of the Company have issued a certificate to the Board on the matter specified under clause 49(v) of the listing Agreement. The above Report was adopted by the Board of Directors at their meeting held on 14th August, 2014.



DECLARATION FOR COMPLIANCE WITH CODE OF CONDUCT

Pursuant to Clause 49 I (D) (ii) of the Listing Agreement, I hereby declare that the Company has adopted a Code of Conduct for Directors and Senior Management Personnel of the company at the meeting of the Board of Directors held on 15.12.2005.

A statement of allegiance to the Code of Conduct has been obtained from all the senior management personnel and functional heads, and such statement of allegiance is being obtained on an Annual basis from all the Directors, Senior Management Personnel and the functional heads.

K. RAVI

Managing Director

Date: 14th August 2014.

CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of NCL INDUSTRIES LIMITED

We have examined the compliance of conditions of Corporate Governance by NCL Industries Limited, for the year ended on 31.03.2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India we have to state that no investor grievances were pending for a period of one month against the Company as per the records maintained by the Shareholders/Investor's Grievance Committee.

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

Venugopal & Chenoy.
Chartered Accountants

P.V. Srihari
Partner
Membership No.21961

Place: Hyderabad
Dated: 14th August, 2014.

The Company's performance during the year ended 31st March, 2014 and the Management's view on future outlook are detailed below:

A. INDUSTRY STRUCTURE AND DEVELOPMENT

Your Company has five operating Divisions with Cement being the major revenue contributor. The Industry Structure and Developments in respect of each of the Divisions are briefly discussed below:

● **CEMENT**

The Indian Cement industry has been facing major challenges in recent times. It is faced with a scenario of constantly rising input costs- principally for coal and power which are consumed in bulk. This is accompanied by a demand –supply mismatch where significant additions to the production capacities resulted in supply outpacing the demand. As a result, the industry is not able to increase selling prices commensurate with the input costs. The viability of cement units are badly affected by this phenomenon.

These challenges are likely to continue over the medium term. However, expectations of increased government spending in infrastructure and the upswing in the economy are likely to correct the demand-supply imbalance over the medium and long term. Individual players, who are able to wither the difficult days can expect to recover and reap the benefits of the upswing of the cycle.

Ready-Mix Concrete (RMC)

The business of ready mix concrete has been gaining popularity among cement manufacturers in recent years. This not only provides a readymade and captive market, but also ensures the consistency in quality of supply. Many builders have been opting for RMC from the cement manufacturers directly. However, this market has its own limitations. The relatively low shelf life of RMC – 3 to 5 hours imposes severe restrictions on the distance between the end user and plant site. In spite of this handicap, RMC industry is likely to witness a steady growth in the next few years.

Boards

Your Company is the only manufacturer of Cement Bonded Particle Boards (CBPB) in the country, marketed under the brand name Bison Panel. These Boards are a part of a wider spectrum of Boards used for walls, partitions and false ceilings. Being a building material, the fortunes of the Board Industry is closely linked to the construction activity. Your company recently launched a new value addition product under brand name 'Bison Plank' useful in sidings, decking, flooring, fencing and railings etc;

Prefab

Your Company is a pioneer in the manufacture and supply of prefab shelters which have found acceptance by both public and private sector undertakings. Earlier, your company was a major supplier to defence, police and para military establishments. Competition from the smaller players in the unorganized sector offering prefab structures at lower prices have rendered the DGS&D rate contracts unviable for the company.

While concentrating on the large project housing segment, your company is on the lookout for appropriate technology for prefab structures to compete with the traditional construction industry.

Hydel Energy (Small Hydro)

In India, hydro power projects with a station capacity of up to 25 Megawatt (MW) each fall under the category of Small Hydro Power (SHP). India has an estimated SHP potential of about 20,000 MW. Your company is categorized under small hydro segment. With a total capacity of 15.75 MW in an industry with a potential of 15,000 MW in the Small Hydro Power Sector, your company is a small player in this field.

B. OPPORTUNITIES AND THREATS

As already stated earlier, the expected upswing constitutes an opportunity on the long term. However, the challenges caused by the current scenario of high input costs and low realizations constitute a major threat in the short term.

In the Boards Division, the increased use of Boards in the construction activity offers a good opportunity. Advent and growth of alternative and new products and the resultant competition continues to be a matter requiring constant attention.

Your Company is a relatively small player in the Hydel Energy and RMC segments. As of now these divisions do not constitute a significant part of the company's overall activity.



C. SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE.

The performance of the various segments during the period under review is as follows:

Segments	%age contribution to total turnover	Quantity of production	Turnover (Rs. Lakhs)	Segment Profit before Interest & Tax (Rs. Lakhs)
Cement	78.48	9,06,399 MT	47644.65	(2441.29)
Boards	13.16	52,571 MT	7989.71	1244.27
Prefab	0.11	3188 Sqm	68.36	(36.21)
Energy	2.03	52.28MU	1231.73	1375.62
Ready Mix Concrete	6.22	95,650 CU.Mtr	3778.47	89.45

D. OUTLOOK

With housing being the government's major focus (creation of smart cities and low cost housing etc), the cement sector is expected to be a beneficiary. As mentioned earlier, though the overall outlook does not look very promising on the short-term, one has reason to be optimistic on the long and medium term. In view of bifurcation of composite Andhra Pradesh State, and the prospects of increased construction activity in the new capital of Andhra Pradesh, demand is likely to pickup.

E. RISKS AND CONCERNS.

Your Company does not perceive any serious risks and concerns apart from the normal business risks connected with the industries in which it operates. However, for south based cement companies particularly those from Andhra Pradesh and Telangana the demand-supply mismatch will continue for sometime putting pressure on cement realizations, which is a major cause of concern.

F. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY.

The Company has proper and adequate systems for internal controls in place. The Internal Auditors of the company conduct the internal audit across all plant locations of the company. Statutory Auditors of the company independently examine the adequacy of the internal control procedures commensurate with the size of the company. Both these Auditors attend the audit committee meetings and express their opinion on issues of concern. The Management continuously reviews the internal control systems and procedures to ensure orderly and efficient conduct of business. Emphasis on internal controls prevails across functions and processes covering the entire gamut of activities including finance, supply chain, sales, distribution, marketing etc.

G. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE.

This aspect has been covered in the analysis of the Segment-wise performance in the previous paragraphs.

H. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED.

The Company has cordial relations with employees and staff. As on 31st March 2014, the company has 753 employees working in its factories and various offices.

I. CAUTIONARY STATEMENT

Some of the statements made in this Report are forward looking, based on the perceptions and views of the management. The projections or expectations are subject to market uncertainties and vicissitudes. Shareholders and investors are advised to form their own opinion, and management assumes no responsibilities for the variances if any in the actual scenario emerging.



Annexure - C

Statement of Particulars of Employees pursuant to Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended and forming part of the Directors' Report for the year ended 31st March 2014.

Name	Mr. K. Ravi
Age	60 years
Qualification	Diploma holder in Electrical Engineering
Designation	Managing Director
Date of commencement of employment	Since 11th January 2003
No. of year of experience	over 37 years
Remuneration	Rs 78.66 lakhs Per Annum. *
Last employment held	Managing Director of NCL Energy Ltd.
Nature of employment	As per the terms approved by the shareholders
Percentage of equity shares held in the company (as on 14/08/2014)	6.41 %

Notes:

*(Remuneration as shown above includes salary and other allowances in terms of their appointment.

For and on behalf of the Board

Date: 14th August, 2014

R. Anand
Chairman

Registered Office:
7th Floor, Raghava Ratna Towers
Chirag Ali Lane, Abids
Hyderabad - 500 001.



To

The Members,

NCL Industries Ltd.

Report on Financial Statements

We have audited the accompanying financial statements of NCL Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub section (3C) of section 211 of Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal controls 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements, together with the Accounting Policies and Notes to Accounts, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, 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 Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
 - e. On the basis of written representations received from the directors, as on March 31, 2014 and taken on record by the Board of Directors, none of the directors are disqualified as on that date from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;.

For VENUGOPAL & CHENOY,

Chartered Accountants

(P.V. SRI HARI)

Partner

Membership No. 21961

FRN No: 004671S

Place: Hyderabad

Date: 30-05-2014



ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

Re: NCL INDUSTRIES LIMITED

[Referred to in our report of even date]

(I) in respect of Fixed Assets:

- (a) The company is generally maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) A substantial portion of the fixed assets of the Company has been physically verified by the management during the year and no material discrepancies between the book record and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
- (c) In our opinion and according to the information and explanations given to us, fixed assets disposed off by the Company during the year were not substantial and therefore do not effect the going concern status of the Company.

(ii) In respect of Inventories:

- (a) The inventory (excluding stocks with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) According to the information and explanation given to us, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book record were not material.

(iii) According to the information and explanations given to us-

- (a) the company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) The company has taken Inter Corporate Deposits aggregating to Rs.1284.99 lakhs from companies covered under Section 301 of the Companies Act, 1956, and repaid Rs. 702.97 lakhs during the year. The rate of interest and other terms and conditions are prima facie not prejudicial to the interest of the company.

(iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for purchase of inventory, fixed assets and for sale of goods. During the course of our audit, we have not observed

any continuing failure to correct major weaknesses in internal control procedures.

(v) According to the information and explanations given to us

- (a) the particulars of contracts or arrangements referred in section 301 of Companies Act, 1956, have been entered in the register required to be maintained under that section ; and
- (b) the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

(vi) The Company has accepted deposits from public and directives issued by the Reserve Bank of India and the provisions of section 58A,58AA, and other relevant provisions of the Companies Act, 1956 and the rules framed there under, where applicable, have been generally complied with. Balances are maintained in bank accounts, free from charge or lien, prima facie sufficient, according to the information and explanations given to us, for payment of interest and refund of deposits falling due. There is no default in repayment of matured deposits or payment of interest due. No order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any Tribunal regarding the Deposits.

(vii) The company has an internal audit system commensurate with the size of the Company and nature of its business.

(viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(ix) In respect of Statutory Dues:

- (a) According to the information and explanations given to us and the records of the company examined by us, the company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income-tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.
- (b) According to information and explanation given to us, no undisputed amounts payable in Sales tax, Wealth tax, Service tax, Custom duty, Excise duty were in arrears, as at March 31, 2014, for a period of more than six months from the date they became payable.



- (c) According to the information and explanations given to us, there are dues of Sales Tax, Central Excise Duty, Customs Duty, Nala Tax, Service Tax, Permit Fee to Forest Department which are not deposited on account of dispute which are as follows:

Name of the Statute/ Authority	Nature of dues which relates	Forum	Amount (Rs. In Lakhs)
Sales Tax Act (APGST & VAT)	Sales Tax	Tribunal	32.06
		Dy. Commissioner	85.82
Central Excise	Disputed Excise Duty	Tribunal	801.55
		High Court	29.22
		CEC	25.56
Customs Duty	Disputed Customs Duty	Tribunal	87.79
		CEC	42.19
Nala Tax	Non-Agriculture Tax on Mining Area	High Court, AP	43.56
Service Tax	Disputed Service Tax	CEC	2.17
Permit Fee to Forest Department	Disputed Permit fee	High Court	200.09

- (x) In our opinion, the company has no accumulated losses as at March 31, 2014, and it has incurred cash losses in the financial year ended on that date but has not incurred cash losses in the immediately preceding financial year.
- (xi) The company has not defaulted in repayment of dues to any financial institution or bank as at the balance sheet date in view of the reschedulement of the principal and interest under the Corporate Debt Restructuring Scheme sanctioned by the Banks. There are no Debenture holders as at the Balance Sheet date.
- (xii) In our opinion and according to the information and explanation given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund/society. Therefore, the provisions of clause xiii of Paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause xiv of Paragraph 4 of the Companies

(Auditor's Report) Order, 2003, are not applicable to the company.

- (xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xvi) According to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
- (xvii) According to the information and explanations given to us, there are no funds raised on a short-term basis, which have been used for long-term investment, and vice versa.
- (xviii) According to the information and explanation given to us, the company has not made any preferential allotment of equity shares during the year.
- (xix) According to the information and explanation given to us, the company has not issued any debentures during the year. Therefore, the provisions of clause xix of Paragraph 4 of the Companies (Auditor's Report) Order, 2003, are not applicable to the company.
- (xx) According to the information and explanation given to us, the company has not raised any money by way of public issue during the year. Accordingly, the provisions of clause xx of Paragraph 4 of the Companies (Auditor's Report) Order, 2003, are not applicable to the company.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For VENUGOPAL & CHENOY,
Chartered Accountants

(P.V. SRI HARI)
Partner

Place: Hyderabad
Date: 30-05-2014

Membership No. 21961
FRN No: 004671S

NCL INDUSTRIES LTD

BALANCE SHEET AS AT 31ST MARCH 2014

(All amounts in Rupees Lakhs except for Share data and unless otherwise stated)



	Notes	31 Mar 2014	31 Mar 2013
EQUITY AND LIABILITIES			
Share holders' Funds			
Share Capital	2.1	3,493.73	3,493.73
Reserves and Surplus	2.2	10,412.94	14,084.37
Sub-Total : Shareholders' Funds		13,906.67	17,578.10
Share Application Money Pending Allotment	2.3	400.00	-
Non-Current Liabilities			
Long - Term Borrowings	2.4	12,378.21	13,164.66
Deferred Tax Liabilities	2.5	3,872.80	3,559.50
Other - Long Term Liabilities	2.6	5,119.38	3,892.16
Long - Term Provisions	2.7	307.93	294.92
Sub-Total : Non Current Liabilities		21,678.32	20,911.24
Current Liabilities			
Short - Term Borrowings	2.8	7,720.91	7,851.28
Trade Payables	2.9	4,960.59	4,230.82
Other Current Liabilities	2.10	11,926.74	11,323.71
Short - Term Provisions	2.11	113.70	524.21
Sub-Total : Current Liabilities		24,721.94	23,930.02
TOTAL EQUITY AND LIABILITIES		60,706.93	62,419.36
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	2.12	42,993.46	42,283.24
Capital Work - in- Progress		678.92	3,935.51
Non - Current Investments -		-	-
Long - Term Loans & Advances	2.13	1,441.02	1,416.65
Sub-Total : Non - Current Assets		45,113.40	47,635.40
Current Assets			
Inventories	2.14	5,737.81	5,634.34
Trade Receivables	2.15	4,391.85	4,185.21
Cash and Cash Equivalents	2.16	280.06	292.25
Short- Term Loans and Advances	2.17	1,988.51	2,096.25
Other Current Assets	2.18	3,195.30	2,575.91
Sub-Total : Current Assets		15,593.53	14,783.96
TOTAL-ASSETS		60,706.93	62,419.36
Summary of Significant Accounting Policies	1		

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

For Venugopal & Chenoy,

K. Ravi

R. Anand

Chartered Accountants

Managing Director

Chairman

Firm Registration No. 004671S

P.V. Sri Hari

N.G.V.S.G. Prasad

T. Arun Kumar

Partner

President (F&A)

Company Secretary

Membership No. 21961

Hyderabad

Dated: 30th May 2014

NCL INDUSTRIES LTD

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2014
(All amounts in Rupees Lakhs except for Share data and unless otherwise stated)



	Notes	31 Mar 2014	31 Mar 2013
REVENUE			
Revenue from Operations (Gross)	2.19	60,712.92	63,014.49
Less: Inter Segment Transfers & Taxes on Sales		14,159.07	14,974.38
Revenue from Operations		46,553.85	48,040.11
Less : Excise Duty		5,681.29	5,933.00
Revenue from Operations (Net)		40,872.56	42,107.10
Other Income	2.20	507.77	289.24
Total Revenue		41,380.33	42,396.34
EXPENSES			
Net Consumption of Materials	2.21	8,039.48	7,303.47
Change in Inventories of Finished goods and Work-in-Progress	2.22	(21.87)	270.58
Employee Benefit Expenses	2.23	2,204.13	2,273.55
Other Expenses	2.24	27,847.79	26,589.80
Finance Costs	2.25	3,998.71	3,600.43
Depreciation & Amortisation	2.26	3,078.97	3,260.04
Total Expenses		45,147.21	43,297.87
Profit / (Loss) Before Tax		(3,766.88)	(901.53)
Tax Expense:			
Tax- Earlier Years		-	82.56
Tax- Current Year		-	-
Deferred Tax Charge / (Credit)		313.30	170.38
Total of Tax Expenses		313.30	252.94
Profit/(Loss) for the Period		(4,080.18)	(1,154.47)
Basic & Diluted Earnings per Share of Rs 10/- each	2.28	(11.68)	(3.30)
Cash Earnings per share of Rs. 10/- each	2.28	(1.97)	6.51
Summary of Significant Accounting Policies	1		

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

For Venugopal & Chenoy,
Chartered Accountants
Firm Registration No. 004671S

K. Ravi
Managing Director

R. Anand
Chairman

P.V. Sri Hari
Partner
Membership No. 21961
Hyderabad
Dated: 30th May 2014

N.G.V.S.G. Prasad
President (F&A)

T. Arun Kumar
Company Secretary

NCL INDUSTRIES LTD

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

(All amounts in Rupees Lakhs except for Share data and unless otherwise stated)



	31 Mar 2014		31 Mar 2013	
Cash flow from Operating Activities				
Profit Before Tax		(3,766.88)		(901.53)
Adjustments for:				
Depreciation & Amortisation		3,078.97		3,260.04
		(687.91)		2,358.51
Less :				
Income Tax Paid		-		1,618.97
Operating Profit Before Working Capital Changes		(687.91)		739.54
Movement of Working Capital:				
Increase/(Decrease) in Trade Payables	729.77		921.08	
Increase/(Decrease) in Long Term Provisions	13.01		80.40	
Increase/(Decrease) in Short Term Provisions	(1.76)		28.97	
Increase/(Decrease) in Other Current Liabilities	603.03		1,255.38	
Decrease/(Increase) in Trade Receivables	(206.64)		2,004.16	
Decrease/(Increase) in Inventories	(103.47)		240.21	
Decrease/(Increase) in Long Term Loans & Advances	(32.79)		(417.36)	
Decrease/(Increase) in Short Term Loans & Advances	107.74		1,254.69	
Decrease/(Increase) in Other Current Assets	(619.39)		(541.06)	
Net Movement in Working Capital		489.50		4,826.47
Cash Generated from Operations		(198.41)		5,566.01
Cash Flow from Investing Activities				
Purchase of Fixed Assets including CWIP	(692.99)		(2,478.44)	
Sale of Net Fixed Assets	168.81		61.74	
Net Cash Used in Investing Activities		(524.18)		(2,416.70)
Cash flow from Financing Activities				
Proceeds / (Repayment) of Long Term Borrowings	(786.45)		(2,461.69)	
Proceeds / (Repayment) of Other Long Term Liabilities	1,227.22		461.83	
Proceeds / (Repayment) of Short Term Borrowings	(130.37)		(452.06)	
Dividend & Dividend Tax Paid	-		(812.10)	
Proceeds from Share Application Money	400.00		-	
Net Cash used in Financing Activities		710.40		(3,264.02)
Net Increase in Cash and Cash Equivalent		(12.19)		(114.71)
Cash and Cash Equivalent at the Beginning of the Year		292.25		406.96
Cash and Cash Equivalent at the End of the Year		280.06		292.25

As per our report of even date

For and on behalf of the Board

For Venugopal & Chenoy,
Chartered Accountants
Firm Registration No. 004671S

K. Ravi
Managing Director

R. Anand
Chairman

P.V. Sri Hari
Partner
Membership No. 21961
Hyderabad
Dated: 30th May 2014

N.G.V.S.G. Prasad
President (F&A)

T. Arun Kumar
Company Secretary



(All amounts in Rupees Lakhs except for Share data and unless otherwise stated)

1. SIGNIFICANT ACCOUNTING POLICIES

a) Accounting Concepts

The financial statements are presented on going concern concept and in accordance with Indian Generally Accepted Accounting Principles (GAAP).

b) Fixed Assets and Depreciation

Fixed Assets are stated at the cost of acquisition or construction and putting it to working condition.

Depreciation on Buildings and Plant & Machinery is charged on straight line method and other assets on Written Down Value method, except Assets of Energy Division.

Depreciation on fixed assets of Energy Division is provided on straight line method at the rates and in the manner prescribed as per notification no.151 dated 29.03.1994 issued by Ministry of Power (Department of Power).

c) Inventories

- i) Raw Materials and other Materials are valued at weighted average cost.
- ii) Stores and Spares at Cost.
- iii) Work - in - Process at cost of material plus labour and other overheads and
- iv) Finished Goods at Cost or net realisable value whichever is lower.

d) Employee Benefits

Employee Retirement Benefits being Gratuity and Privilege Leave Encashment are provided on actuarial valuation as envisaged in Accounting Standard 15.

e) Income Tax Expense

Deferred (Income Tax) is provided as envisaged in Accounting Standard 22

f) Foreign Currency Transactions

Loss or gain due to fluctuations in foreign currency exchange rates is recognized as envisaged in Accounting Standard 11.

2. Notes to Financial Statements for the year ended 31 March 2014

2.1 SHARE CAPITAL	31 Mar 2014	31 Mar 2013
Authorized 6,20,00,000 (31 March 2013: 6,20,00,000) Equity shares of Rs. 10/- each	6,200.00	6,200.00
Issued, Subscribed & Paid up 3,49,37,335 (31 March 2013: 3,49,37,335) Equity shares of Rs 10/- each	3,493.73	3,493.73
Total	3,493.73	3,493.73

(a) Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Equity shares	31 Mar 2014		31 Mar 2013	
	No. of shares	Rs. Lakhs	No. of shares	Rs. Lakhs
At the beginning and at the end of the year	34,937,335	3,493.73	34,937,335	3,493.73

1. The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of Equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed for the Year 2012-13 was subsequently withdrawn by the Board of Directors in view of adverse cement market conditions, hence provision made was reversed.
2. For the Year Ended 31st March, 2014, no dividend was recognized for distribution to equity share holders (31st March 2013: Nil).
3. 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.

NCL INDUSTRIES LTD



(All amounts in Rupees Lakhs except for Share data and unless otherwise stated)

Details of Shareholders holding more than 5% Shares in the Company

	31 Mar 2014		31 Mar 2013	
	No. of shares	% of holding	No. of shares	% of holding
Sri K. Ravi	2,240,862	6.41	2,207,405	6.32

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

2.2 RESERVES AND SURPLUS

	31 Mar 2014	31 Mar 2013
Capital Reserve	240.91	240.91
Securities Premium Reserve	2,106.14	2,106.14
General Reserve		
Balance as per the last Financial statement	11,500.00	11,500.00
Add: Amount transferred from surplus	-	-
Closing balance	11,500.00	11,500.00
Profit & Loss Account		
Balance as per the Last Financial Statement	237.32	1,800.54
Add: Profit / (Loss) for the Year	(4,080.18)	(1,154.47)
Less: Proposed Dividend	(349.37)	349.37
Less: Tax on Proposed Dividend	(59.38)	59.38
Less: Transfer to General Reserve	-	-
Total Appropriations	(408.75)	408.75
Closing Balance	(3,434.11)	237.32
Total	10,412.94	14,084.37

The dividend proposed for the Year 2012-13 was subsequently withdrawn by the Board of Directors in view of adverse cement market conditions, hence provision made was reversed.

2.3 SHARE APPLICATION MONEY PENDING ALLOTMENT

	31 Mar 2014	31 Mar 2013
Share Application Money	400.00	0.00

The above amount represents the upfront contribution brought in by the Promoters in compliance with the conditions stipulated for sanctioning the Company's Debt Restructuring Proposal by the CDR Cell. At the EGM held on 2.4.2014, Shareholders approved to make a Preferential Issue of 17,95,455 Equity Shares to the Promoters Group at a premium of Rs 12 per Share. The Shares will be issued upon receipt of Approval of SEBI under ICDR Regulations.

NCL INDUSTRIES LTD

(All amounts in Rupees Lakhs except for Share data and unless otherwise stated)



2.4 LONG-TERM BORROWINGS

	31 Mar 2014	31 Mar 2013	31 Mar 2014	31 Mar 2013
	Non-Current portion		Current Maturities	
Secured				
Term Loans from FIs & Banks (Refer Note Nos. 'a' to 'c')	11,668.11	11,940.23	1,084.11	705.90
Vehicle & Equipment Loans (Secured) Vehicle & Equipment Finance Loans from Banks (Refer Note No 'd')	252.47	544.26	294.74	650.01
Total Secured Borrowings (i)	11,920.58	12,484.49	1,378.85	1,355.91
Other Loans & Advances (Unsecured)				
Sales Tax Deferment Loan (Refer Note No. 'e')	457.63	680.17	222.53	314.78
Total Unsecured Borrowings (ii)	457.63	680.17	222.53	314.78
Total of Secured & Unsecured (i+ii)	12,378.21	13,164.66	1,601.38	1,670.69

Keeping in view of the sluggish cement market conditions resulted because of downturn of Infra Sector, at the request of the Company, the outstanding loans as of 1.7.2013 (except Rs 7.23 crores of Funded Interest Term Loan availed from IREDA) have been rescheduled under Corporate Debt Restructuring mechanism (CDR). As per the scheme sanctioned, the outstanding loans are to be repaid in 28 calibrated quarterly installments commencing from March 2014. Rate of Interest has been reduced to 12% per annum with a reset option once in every two years. Interest arrears for a period eight months has been funded, of which first two months interest has to be repaid three equal quarterly installments commencing from March 2014. Balance six months interest has to be repaid in ten equal quarterly installments from March 2014. Lenders have the Right for Recompense. Due amounts as of 31st March 2014 as per the sanctioned scheme were paid in toto.

- Term Loans from the Banks and Financial Institutions viz. Axis Bank Ltd, Canara Bank, Central Bank of India, Corporation Bank, Indian Renewable Energy Development Agency Ltd (IREDA), Oriental Bank of Commerce, State Bank of Hyderabad and State Bank of Mysore are secured by a pari passu first charge on all movable and immovable properties of the Company and second charge on current assets of the Company (both present and future) except receivables of Energy Division.
- Term Loans availed from all Banks and Financial Institutions are guaranteed by Four Promoter Directors in their personal capacity. Further, entire unencumbered shareholdings of Promoters have also been pledged as additional security.
- Term Loans availed from all Banks and Financial Institutions are repayable in Quarterly Installments and carries interest @9% to 12% p.a.
- Vehicle and Equipment Loans from various Banks are secured by Hypothecation of respective assets financed, for a tenure of 35 to 45 months and carries Interest @9% to 11% p.a.
- Represents 8 years Interest free Sales Tax Deferment Loan received from Government of Andhra Pradesh. The loan repayments are to be made from March 31, 2013 based on the deferment availed in the corresponding year.

2.5 DEFERRED TAX LIABILITIES

	31 Mar 2014	31 Mar 2013
Deferred Tax Liabilities	3,872.80	3,559.50

2.6 OTHER LONG TERM LIABILITIES

	31 Mar 2014	31 Mar 2013	31 Mar 2014	31 Mar 2013
	Non-Current portion		Current Maturities	
Deposits from Dealers / Stockists (Note 'a')	5,042.40	3,859.38	-	-
Deposits from Public & Shareholders (Note 'b')	76.98	32.78	3,107.45	3,363.15
Sundry Creditors - Capital goods	-	-	-	59.75
Total	5,119.38	3,892.16	3,107.45	3,422.90

NCL INDUSTRIES LTD



(All amounts in Rupees Lakhs except for Share data and unless otherwise stated)

- Deposits from Dealers / Stockists represent amounts collected from Dealers / Stockists / Agents as collateral at the time of granting the dealership to sell the products of the Company which is repayable on cancellation of the said dealership. These deposits attract interest @ 6% p.a.
- Public Deposits aggregating to Rs 3,107.45 lakhs (Previous year Rs 3,363.15 lakhs) is repayable within one year and Rs 76.98 lakhs (Previous Year Rs 32.78 lakhs) is repayable within two years.

2.7 LONG TERM PROVISIONS

	31 Mar 2014	31 Mar 2013	31 Mar 2014	31 Mar 2013
	Non-Current portion		Current Maturities	
Provision for Employee Benefits				
Provision for Gratuity	259.19	253.27	42.47	52.48
Provision for Leave benefits	48.74	41.65	17.18	5.77
Total (i)	307.93	294.92	59.65	58.25
Other Provisions				
Provision for Income Tax	-	-	-	-
Provision for Dividend	-	-	(349.37)	349.37
Provision for Dividend Tax	-	-	(59.38)	59.38
Total (ii)	-	-	(408.75)	408.75
Total (i+ii)	307.93	294.92	(349.10)	467.00

2.8 SHORT TERM BORROWINGS

	31 Mar 2014	31 Mar 2013
Cash Credit Loans from Banks (Secured)	7,720.91	7,851.28
Total Short Term Borrowings	7,720.91	7,851.28

Cash credit Loans from Banks viz. Axis Bank Ltd, IDBI Bank Ltd and State Bank of Hyderabad are secured by pari passu first charge on current assets of the Company excluding receivables of Energy Division (both present & future) and second charge on fixed assets of the company and are guaranteed by four promoter directors in their personal capacity. Further, entire unencumbered shareholdings of Promoters have also been pledged as additional security. These facilities also have been restructured under CDR Mechanism and Rate of Interest has been reduced to 12% per annum effective from 1.7.2013 with a reset option every year.

2.9 TRADE PAYABLES

	31 Mar 2014	31 Mar 2013
Trade Payables	4,960.59	4,230.82

Based on the information available with the Company, amount of dues to Micro, Small and Medium Enterprises outstanding for more than 45 days as at 31st March 2014 is Rs. Nil (Previous Year: Rs. Nil)



(All amounts in Rupees Lakhs except for Share data and unless otherwise stated)

2.10 OTHER CURRENT LIABILITIES

	31 Mar 2014	31 Mar 2013
1. Current Maturities of Long term Borrowings		
Term Loans from Banks & Fis	1,084.11	705.90
Vehicle & Equipment Loans	294.74	650.01
Sales Tax Deferment Loan	222.53	314.78
Total of Current Maturities on Long Term Borrowings	1,601.38	1,670.69
2. Other Liabilities		
Deposits from Public & Shareholders	3,107.45	3,363.15
Sundry Creditors - Capital Goods	-	59.75
Advances from Customers & Others	3,257.58	3,177.88
Value Added Tax & CST Payable	1,037.56	408.56
Service Tax Payable	3.08	5.41
TDS Payable	48.99	35.97
Employee related payables PF, ESI & Others	17.03	17.26
Unclaimed Dividends (Note)	138.83	159.85
Interest Accrued but not Due	651.25	436.88
Other Expenses including Provisions	2,063.58	1,988.31
Total Other Liabilities	10,325.36	9,653.02
Total Other Current Liabilities	11,926.74	11,323.71

Note: Investor Education and Protection Fund will be credited by this amounts as and when due.

2.11 SHORT TERM PROVISIONS

	31 Mar 2014	31 Mar 2013
Provision for Income Tax	-	-
Provision for Dividend	-	349.37
Provision for Dividend Tax	-	59.38
Current Maturities of Long-Term Provisions of Employee Benefits	59.65	58.25
Provision for Employee Bonus & Ex-gratia	54.05	57.21
Total	113.70	524.21

NCL INDUSTRIES LTD

(All amounts in Rupees Lakhs except for Share data and unless otherwise stated)



NCL INDUSTRIES LTD

2.12 FIXED ASSETS (TANGIBLE)

	Land	Buildings	Plant & Machinery	Electrical Installations	Railway Siding	Furniture & Fixtures	Office Equipment	Vehicles	Total
At 1st April 2012	1,458.70	7,716.14	44,426.73	5,029.85	862.50	105.93	252.46	2,399.13	62,251.44
Additions	-	103.85	47.51	-	-	6.22	60.58	394.60	612.76
Disposals	-	-	-	-	-	-	0.19	353.70	353.89
At 31st March, 2013	1,458.70	7,819.99	44,474.24	5,029.85	862.50	112.15	312.85	2,440.03	62,510.31
Additions	-	1,568.74	2,250.42	-	-	4.76	2.30	18.52	3,844.74
Disposals	-	10.08	89.78	-	-	-	-	120.26	220.12
At 31st March, 2014	1,458.70	9,378.65	46,634.88	5,029.85	862.50	116.91	315.15	2,338.29	66,134.93
Depreciation									
At 1st April 2012	-	1,528.84	13,146.53	872.91	131.89	61.61	155.65	1,367.50	17,264.93
Charge for the year	-	207.16	2,240.77	264.68	45.54	8.74	23.21	464.19	3,254.29
Disposals	-	-	-	-	-	-	0.13	292.02	292.15
At 31st March, 2013	-	1,736.00	15,387.29	1,137.59	177.43	70.35	178.73	1,539.67	20,227.07
Charge for the year	-	222.57	2,164.40	266.93	45.54	7.61	24.49	339.01	3,070.55
Disposals	-	0.10	62.59	-	-	-	-	93.46	156.15
At 31st March, 2014	-	1,958.47	17,489.11	1,404.52	222.97	77.96	203.22	1,785.22	23,141.47
Net Block									
At 31st March, 2013	1,458.70	6,083.99	29,086.95	3,892.26	685.07	41.80	134.12	900.36	42,283.24
At 31st March, 2014	1,458.70	7,420.18	29,145.77	3,625.33	639.53	38.95	111.93	553.07	42,993.46



(All amounts in Rupees Lakhs except for Share data and unless otherwise stated)

2.13 LONG-TERM LOANS & ADVANCES

	31 Mar 2014	31 Mar 2013	31 Mar 2014	31 Mar 2013
	Non-Current portion		Current Maturities	
Unsecured, considered good				
Capital Advances				
Total of Capital Advances	-	-	-	-
Security Deposits				
Deposits with APSEB	961.00	960.99	-	-
Deposits with Government Departments	249.10	287.67	-	-
Deposits with Others	20.89	23.38	-	-
Total of Security Deposits	1,230.99	1,272.04	-	-
Other Loans & Advances				
Rental Deposit	36.09	37.03	-	-
Total of Loans & Advances	36.09	37.03	-	-
Deposits in disputed cases				
Taxes paid under Protest	123.44	67.34	-	-
Total of Deposits in Disputed Cases	123.44	67.34	-	-
Non-Current portion of Other Current Assets (Refer Note.2.18)	50.50	40.24		
Total	1,441.02	1,416.65	-	-

2.14 INVENTORIES

	31 Mar 2014	31 Mar 2013
Raw Materials	744.78	619.38
Work In Progress	177.40	158.97
Finished goods	1,733.10	1,729.66
Stores	2,416.85	2,715.17
Packing & Other Materials	665.68	411.16
Total	5,737.81	5,634.34

2.15 TRADE RECEIVABLES

	31 Mar 2014	31 Mar 2013
Debtors outstanding for a period exceeding six months		
Secured, considered good	-	-
Unsecured, considered good	379.81	223.71
Total	379.81	223.71
Debtors outstanding for a period less than six months		
Secured, considered good	-	-
Unsecured, considered good	4,012.04	3,961.50
Total	4,012.04	3,961.50
Total Trade Receivables	4,391.85	4,185.21

NCL INDUSTRIES LTD

(All amounts in Rupees Lakhs except for Share data and unless otherwise stated)



2.16 CASH & CASH EQUIVALENTS

	31 Mar 2014	31 Mar 2013	31 Mar 2014	31 Mar 2013
	Non-Current		Current	
Cash in Hand	-	-	15.91	5.40
Cash at Banks	-	-	168.23	193.96
Cash with Branches	-	-	1.59	1.23
Margin Money Deposits with Banks	-	-	94.33	91.66
Total	-	-	280.06	292.25

2.17 SHORT TERM LOANS & ADVANCES

	31 Mar 2014	31 Mar 2013	31 Mar 2014	31 Mar 2013
	Non-Current		Current	
Unsecured, considered good				
Advances to Suppliers		-	1,259.54	1,480.68
Advances to Others		-	113.89	94.86
Central Excise, Service Tax & VAT Receivable		-	502.03	407.66
MAT Entitlement Credit Account		-	113.05	113.05
Total	-	-	1,988.51	2,096.25

2.18 OTHER CURRENT ASSETS

	31 Mar 2014	31 Mar 2013	31 Mar 2014	31 Mar 2013
	Non-Current		Current	
Incentives Receivable from A.P Government	-	-	3,099.98	2,455.31
Other Current Assets	50.50	40.24	95.32	120.60
Total	50.50	40.24	3,195.30	2,575.91

2.19 REVENUE FROM OPERATIONS

	31 Mar 2014	31 Mar 2013
Sale / Transfer of Products:		
Finished Goods	53,149.39	54,507.29
Semi Finished Goods (Clinker Transfer to Kondapalli Grinding Unit)	7,540.78	8,492.66
Traded Goods	22.74	14.54
Total Sales	60,712.92	63,014.49
Less: Inter Segment Transfers	9,236.53	10,042.48
Less: Taxes on Sales (Note)	4,922.54	4,931.91
Net Sales of Products	46,553.85	48,040.11
Less: Excise Duty	5,681.29	5,933.00
Net Sales	40,872.56	42,107.10
Other Operating Income	507.77	289.24
Total	41,380.33	42,396.34

Note: As per Andhra Pradesh State Industrial Policy 2005-10, Amounts of incentives from Industries Department receivable for the year amounting to Rs.171.67 lakhs (Previous Year Rs. 165.01 lakhs) is deducted from Taxes on Sales.

NCL INDUSTRIES LTD



(All amounts in Rupees Lakhs except for Share data and unless otherwise stated)

2.20 OTHER INCOME

	31 Mar 2014	31 Mar 2013
Interest Income	84.80	93.70
Profit / (Loss) on Sale of Assets	(7.26)	65.27
Scrap Sales	37.60	51.54
Income from Operations of Trucks	(91.16)	71.95
Other Income	8.21	10.47
Exchange Fluctuation	3.21	5.67
Net Prior Year Adjustments	472.37	(9.37)
Total	507.77	289.24

NET PRIOR YEAR ADJUSTMENTS

	31 Mar 2014	31 Mar 2013
Taxes & Duties	-	-
Power	-	-
Others	472.37	(9.37)
Total Income / (Expense)	472.37	(9.37)

2.21 COST OF MATERIAL CONSUMED

	31 Mar 2014	31 Mar 2013
Rawmaterials Inventory at the Beginning of the year	619.38	613.76
Add: Purchases	17,401.41	17,351.57
Total	18,020.79	17,965.33
Less: Inventory at the End of the year	744.78	619.38
Cost of Raw materials Consumed	17,276.01	17,345.95
Details of Rawmaterials Consumed		
Limestone	1,465.95	1,544.40
Al. Laterite	579.23	351.81
Gypsum	521.95	563.33
Iron ore / Iron ore powder	667.90	629.68
FlyAsh	431.64	459.29
Clinker Consumption at Kondapalli Plant	7,915.00	8,901.75
Cement Consumption in Other Divisions	2,584.21	2,233.25
Wood	1,677.72	1,405.72
Chemicals	264.29	307.53
Paper	108.38	84.13
Bison Panel Boards Consumption in Prefab Division	9.03	51.62
Steel	22.22	101.49
Ready Mix Concrete Materials	1,008.04	685.80
Other Materials	0.37	16.54
Cost of Trading Goods	20.08	9.61
Total	17,276.01	17,345.95
Less: Inter Segment Transfers	9,236.53	10,042.48
Net Consumption of Materials	8,039.48	7,303.47



(All amounts in Rupees Lakhs except for Share data and unless otherwise stated)

2.21 COST OF MATERIAL CONSUMED (Contd.....)

	31 Mar 2014	31 Mar 2013
Details of Inventory		
Limestone	26.96	21.64
Al. Laterite	19.72	9.27
Gypsum	6.46	8.20
Iron ore / Iron ore powder	69.06	23.82
FlyAsh	2.26	3.21
Clinker at Kondapalli Plant	108.16	66.78
Cement in Boards & RMC Divisions	21.08	35.13
Wood	314.77	258.42
Chemicals	28.57	16.09
Bison Panel Boards in Prefab Division	37.21	46.24
Steel	92.21	104.45
Other Materials	18.31	26.11
Total	744.78	619.38

2.22 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS

	31 Mar 2014	31 Mar 2013
Closing stock of Work in Progress	177.40	158.97
Closing stock of Finished goods	1,733.10	1,729.66
Total	1,910.50	1,888.63
Opening stock of Work in Progress	158.97	242.04
Opening stock of Finished goods	1,729.66	1,917.17
Total	1,888.63	2,159.21
Increase / (Decrease) in Stocks	(21.87)	270.58

2.23 EMPLOYEE BENEFIT EXPENSES

	31 Mar 2014	31 Mar 2013
Salaries, Wages, Bonus & Allowances	1,858.07	1,917.03
Managerial Remuneration	154.84	147.62
Contribution to Provident Fund & Other Funds	103.52	112.85
Staff Welfare Expenses	87.70	96.05
Total	2,204.13	2,273.55

2.24 OTHER EXPENSES

	31 Mar 2014	31 Mar 2013
Cost of Fuel	8,807.72	8,749.46
Cost of Power (Note)	6,978.67	5,474.94
Packing Materials	1,912.89	1,717.04
Stores & Spares consumed	1,092.15	1,323.39
Rep & Maintenance Plant & Machinery	342.77	369.51
Rep & Maintenance Buildings	-	3.22

NCL INDUSTRIES LTD



(All amounts in Rupees Lakhs except for Share data and unless otherwise stated)

2.24 OTHER EXPENSES (Contd.....)

	31 Mar 2014	31 Mar 2013
Rep & Maintenance Others	44.57	46.78
Direct Manufacturing Expenses	210.00	282.67
a. Sub-Total: Other Manufacturing Expenses	19,388.77	17,967.01
Transportation Paid	5,976.74	6,034.17
Advertisement & Publicity	77.31	260.48
Selling Expenses	1,319.37	1,285.89
b. Sub-Total: Selling & Distribution Expenses	7,373.42	7,580.54
Security Services	48.10	50.51
Bank Charges*	96.35	47.30
Administrative Expenses	334.12	371.21
Legal & Professional Expenses	112.15	65.66
Retainer Charges	65.46	96.14
Payments to Auditors (refer details below)	5.50	4.40
Internal Audit Fees	5.40	5.40
Insurance	31.14	19.71
Travelling & Conveyance	232.47	222.90
Rent	96.47	79.95
Rates, Taxes & Licenses	50.91	72.15
Donations	7.53	6.92
c. Sub-Total: Other Administrative Expenses	1,085.60	1,042.25
Total Other Expenses (a+b+c)	27,847.79	26,589.80

Note: As per Andhra Pradesh State Industrial Policy 2005-10, Amounts of incentives from Industries Department receivable for the year amounting to Rs. 474.19 lakhs (Previous Year Rs. 361.70 lakhs) is deducted from the Cost of Power.

* Bank Charges includes Rs 77.72 lakhs (PY Rs 38.35 lakhs) incurred towards Processing Charges, BG Commission Charges and Expenses for Reschedulement of Loans under CDR.

PAYMENT TO AUDITORS

	31 Mar 2014	31 Mar 2013
Statutory Audit Fees	4.00	3.00
Tax Audit Fees	0.50	0.50
Cost Audit Fees	0.50	0.40
Certifications & Reimbursement of Expenses	0.50	0.50
Total Payment to Auditors	5.50	4.40

2.25 FINANCE COST

	31 Mar 2014	31 Mar 2013
Interest		
on Term Loans	1,418.55	1,702.20
on Working Capital	936.61	1,010.67
on Deposits & Others	1,643.55	887.56
Total Finance Cost*	3,998.71	3,600.43

* In addition to the above Finance Cost, Rs 77.72 lakhs (PY Rs 38.35 lakhs) incurred towards Processing Charges, BG Commission Charges and Expenses for Reschedulement of Loans under CDR accounted under Bank Charges and grouped under Administrative Expenses.

2.26 DEPRECIATION AND AMORTISATION EXPENSE

	31 Mar 2014	31 Mar 2013
Depreciation	3,070.55	3,254.29
Amortisation	8.42	5.75
Total	3,078.97	3,260.04

NCL INDUSTRIES LTD

(All amounts in Rupees Lakhs except for Share data and unless otherwise stated)



2.27 SEGMENT REPORTING
The company operates in five segments namely, Cement, Boards, Prefab, Energy and RMC Divisions. Segments are identified and reported as required in AS 17.

A. PRIMARY DISCLOSURES:

Particulars	Cement		Boards		Prefab		Energy		RMC		Unallocable		Total	
	31 Mar 2014	31 Mar 2013	31 Mar 2014	31 Mar 2013	31 Mar 2014	31 Mar 2013	31 Mar 2014	31 Mar 2013	31 Mar 2014	31 Mar 2013	31 Mar 2014	31 Mar 2013	31 Mar 2014	31 Mar 2013
Segment Revenue:														
External Turnover	34,355.24	37,779.10	7,614.77	7,292.81	51.16	373.03	1,231.73	436.10	3,300.96	2,159.07	-	-	46,553.85	48,040.10
Inter Segment Transfers	9,141.60	9,863.40	81.08	167.28	13.84	11.25	-	-	-	0.54	-	-	9,236.53	10,042.48
Gross Turnover	43,496.84	47,642.50	7,695.85	7,460.10	65.00	384.28	1,231.73	436.10	3,300.96	2,159.61	-	-	55,790.38	58,082.58
Less: Excise Duty / Service Tax	5,607.41	5,873.90	4.54	3.89	3.27	11.78	-	-	66.07	43.42	-	-	5,681.29	5,933.00
Net Turnover	37,889.43	41,768.60	7,691.31	7,456.21	61.73	372.49	1,231.73	436.10	3,234.89	2,116.18	-	-	50,109.09	52,149.58
Segment Result:														
Profit before Interest and Taxes	(2,441.29)	1,711.71	1,244.27	1,173.15	(36.21)	(74.56)	1,375.62	120.47	89.45	(231.91)	-	-	231.84	2,698.86
Less: Interest Expense													3,998.71	3,600.43
Profit Before Tax	(2,441.29)	1,711.71	1,244.27	1,173.15	(36.21)	(74.56)	1,375.62	120.47	89.45	(231.91)	(3,998.71)	(3,600.43)	(3,766.87)	(901.57)
Current Tax													82.56	82.56
Deferred Tax											313.30	170.38	313.30	170.38
Profit After Tax	(2,441.29)	1,711.71	1,244.27	1,173.15	(36.21)	(74.56)	1,375.62	120.47	89.45	(231.91)	(4,312.01)	(3,853.37)	(4,080.17)	(1,154.51)
Other Information:														
Segment Assets	45,862.66	46,673.21	5,243.91	5,283.56	618.02	1,181.16	3,880.67	3,808.44	1,193.75	1,244.82	3,857.39	4,187.94	60,656.41	62,379.13
Segment Liabilities	21,709.33	21,811.45	1,426.68	905.57	226.74	210.87	1,221.64	1,189.60	987.73	870.11	16,587.75	15,532.25	42,159.87	40,519.84
Capital Expenditure	316.20	1,834.61	51.39	54.83	(2.30)	-	-	67.60	2.73	189.35	-	-	368.02	2,146.38
Depreciation & Amortisation	2,606.37	2,555.18	143.56	341.09	6.15	6.37	173.49	172.17	149.41	185.23	-	-	3,078.98	3,260.04

B. SECONDARY DISCLOSURES:

Revenue from external customers by location of customers	The main customer base of company's products are in India only
Carrying amount of segment assets by location of assets	All manufacturing units are located in India
Costs to acquire tangible and intangible fixed assets by location of assets.	
Other Disclosures:	
Basis of pricing Inter segment transfers and any change therein	Inter division transfers of goods are at market price.
Types of products and services in each business segments	(1) OPC/PPC/53 S Cement (2) Plain and laminated Cement Bonded Particle Boards (3) Prefab Shelters. (4) Generation of Hydel power. (5) Ready Mix Concrete.

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(All amounts in Rupees Lakhs except for Share data and unless otherwise stated)

Segment Accounting Policies:

In addition to the significant accounting policies applicable to the business, the accounting policies in relation to segment accounting are as under:

a) Segment Assets and Liabilities:

Segment assets include all operating assets used by the segment and consist principally of fixed assets, inventories, sundry debtors and loans & advances less current liabilities. Segment assets and liabilities do not include investments, cash and bank balances, inter corporate deposits, reserves and surplus, borrowings, provision for contingencies and income tax (both current and deferred).

b) Segment Revenue and Expenses:

Segment revenue and expenses are taken directly as attributable to the segment. It does not include interest income on inter-corporate deposits, profit on sale of investments, interest expense, provision for contingencies and income tax.

2.28 Earnings Per Share

	31 Mar 2014	31 Mar 2013
Net Profit / (Loss) for the Period	(4,080.18)	(1,154.47)
Cash Profit / (Loss) for the Period	(687.91)	2,275.95
Shares		
Number of shares at the beginning and at the end of the year	34,937,335	34,937,335
Earnings per share of par value Rs. 10/- Basic and Diluted in Rupees.		
Basic & Diluted	(11.68)	(3.30)
Cash	(1.97)	6.51

2.29 Contingent Liabilities

	31 Mar 2014		31 Mar 2013	
	Disputed Amount	Paid Under Protest	Disputed Amount	Paid Under Protest
Demand by Sales tax authorities -Interest on HSD Oil used in Tippers for transportation of lime stone (Note 'a')	4.26	-	4.26	-
Demand by Sales tax authorities-Penalty on delayed payment (Note 'b')	16.88	4.00	16.88	4.00
Demand by Sales tax authorities for the year 2004-05 - Rate of tax on erection of prefab structures on CST. (Note 'c')	14.92	-	14.92	-
Demand by Sales tax authorities for the year 2008-09 - Disallowance of Input tax credit. (Note 'd')	175.82	56.00	-	-
Demand of Central Excise Department denying benefit of Cenvat credit on capital goods (Note 'e')	464.98	50.00	464.98	50.00
Demand of Central Excise Department denying benefit of Cenvat credit on capital goods (Note 'f')	163.18	5.00	163.18	5.00
Demand of Central Excise Department denying benefit of Cenvat credit on capital goods (Note 'g')	116.34	-	116.34	-
Demand of Central Excise Department denying benefit of Cenvat credit on capital goods (Note 'h')	101.61	-	101.61	-
Excise department claimed return of refund of Excess Excise duty paid by the Company (Note 'i')	29.22	-	29.22	-
Demand of Central Excise Department denying benefit of Cenvat credit on capital goods (Note 'j')	16.88	8.44	16.88	8.44
Demand of Central Excise Department denying benefit of Cenvat credit on cement transferred to Kondapalli unit from Mattapally unit for despatch in a railway rake (Note 'k')	2.00	-	11.18	-
Return of Refund of Additional duty paid under protest made to the Company, claimed by Excise department. (Note 'l')	18.41	-	18.41	-



2.29 Contingent Liabilities (Contd.....)

	31 Mar 2014		31 Mar 2013	
	Disputed Amount	Paid Under Protest	Disputed Amount	Paid Under Protest
Miscellaneous Issues pending with Excise department	7.15	-	7.37	-
Customs department raised a demand classifying imported steam coal as Bituminous coal (Note 'm')	42.19	-	-	-
Customs department raised a demand classifying imported steam coal as Bituminous coal (Note 'n')	87.79	-	-	-
Demand of NALA Tax pertaining to Non Agricultural Tax in Mining Areas by the state government (Note 'o')	43.56	-	43.56	-
Service Tax on outward transport & Insurance	2.17	-	2.17	-
Demand raised for payment of permit fee by the forest department for mining and transportation of Lime Stone (Note 'p') **	300.03	99.94	226.60	75.46
Counter Guarantees given to Banks / Fis	340.34	-	336.94	-

- a. Sales Tax Authorities treated the usage of HSD oil on Hired tippers on cost recovery basis for transport of Lime Stone From Mines to Factory, on the presumption that it is a sale. The company filed an appeal before the Sales Tax Appellate Tribunal.
- b. In the year 1999-00, Sales Tax Authorities raised a demand for Rs. 16.88 lakhs as penalty on delayed payment. The Company has preferred an Appeal before the Sales Tax Appellate Tribunal. The company has paid an amount of Rs. 4.00 lakhs and obtained a stay from the Commissioner of Commercial Taxes.
- c. Sales Tax Authorities disputed the rate of tax for interstate supplies of prefab structures in the year 2004-05 and raised a demand for a sum of Rs. 14.92 Lakhs. Company preferred an appeal before STAT and is pending.
- d. Sales Tax Authorities raised a demand for Rs. 175.82 lakhs for the year 2008-09 disallowing the input tax credit on materials used in construction of plant structure, input tax credit on SEZ supplies and also demanded differential tax on local as well as CST purchases under Works Tax. The Company has preferred an Appeal before the Sales Tax Appellate Deputy Commissioner. The company has initially paid an amount of Rs. 80.00 lakhs in protest out of which Rs. 34.00 lakhs was adjusted against sales tax payable and further paid another 10.00 lakhs and has obtained a stay from the Honourable High Court of Andhra Pradesh.
- e. The Excise Department has raised a demand of Rs.464.98 lakhs disallowing the Cenvat credit on Steel items used in construction of plant structure at both Mattapally and Kondapalli. Company has preferred an appeal before CESTAT and is pending. CESTAT ordered payment of Rs. 2.50 crores in the case of Mattapally unit and the Company filed a writ before the Honourable High Court of Andhra Pradesh. A stay on payment of pre-deposit was granted on a payment of Rs. 50.00 lakhs.
- f. The Excise Department has raised a demand of Rs.163.18 lakhs disallowing the Cenvat credit on Steel items used in construction of plant structure at both Mattapally and Kondapalli. Company has preferred an appeal before CESTAT and a stay was granted on payment of a pre-deposit of Rs. 5.00 lakhs.
- g. The Excise Department has raised a demand of Rs.116.34 lakhs disallowing the Cenvat credit on Steel items used in construction of plant structure at both Mattapally and Kondapalli. Company has preferred an appeal before CESTAT and a stay was granted.
- h. The Excise Department has raised a demand of Rs.101.61 lakhs disallowing the Cenvat credit on Steel items used in construction of plant structure at both Mattapally and Kondapalli. On an appeal, CESTAT has remanded the cases back to the Commissioner of Central Excise.
- i. The Excise Department has claimed return of the refund of Rs. 29.22 lakhs paid to the Company on their appeal decided in their favour by the Commissioner (Appeals). The Honourable High Court of Andhra Pradesh granted stay.
- j. Excise department has raised a demand of Rs. 16.88 lakhs denying the cenvat credit on usage of Cement, Steel, M.S. Plates, M.S.Flats, M.S.Angles, M.S.Channels M.S.Coils, Steel Tubes, Pipes, beams, Plates/Sheets, Rebars, Conductors in construction of civil structures like Silo, Dump Hopper etc. The matter was contested and pending before the Appellate Authority and a stay was obtained on payment of Rs. 8.44 lakhs being 50% of the demand raised and the was subsequently rejected. The Company preferred an appeal before CESTAT.
- k. Excise department has raised a demand of Rs. 11.18 lakhs denying the cenvat credit taken on transfer of cement from Mattapally unit to Kondapalli unit for despatch by rail. On an appeal before the Commissioner of Central Excise the demand was dropped but imposed a penalty of Rs. 2.00 lakhs. Company preferred an appeal before CESTAT and obtained a stay.

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(All amounts in Rupees Lakhs except for Share data and unless otherwise stated)

- l. The Excise Department has issued a notice to return the refund of Additional Excise duty paid under protest, amounting to Rs. 18.41 lakhs paid to the Company. Company has filed a reply to the notice.
- m. The Customs Department raised a demand of Rs. 42.19 lakhs classifying imported steam coal as bituminous coal. Company is preferring an appeal before the Commissioner of Customs & Central Excise (Appeals), Visakhapatnam.
- n. The Customs Department raised a demand of Rs. 87.79 lakhs classifying imported steam coal as bituminous coal. Company is preferring an appeal before CESTAT, Bengaluru.
- o. The State Government has issued a notice claiming NALA Tax of Rs. 43.56 lakhs regarding Non Agricultural Tax on Mining areas. On dismissal of our appeal by the Joint Collector of Nalgonda, Company filed a writ petition before the Honourable High Court of Andhra Pradesh.
- p. Forest department demanded payment of permit fee for Lime Stone mining & Transportation @ 10/- per ton. Company filed a writ petition before the Honourable High Court of Andhra Pradesh. High Court has granted an interim stay subject to payment of 1/3 amount of the imposed permit fee.

** Though Rs. 99.94 lakhs was paid under protest, this amount was not shown as a current asset. This was included in consumption of materials in the respective years.

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

a) Expense recognized during the year

Description	31 Mar 2014		31 Mar 2013	
	Gratuity	Leave encashment	Gratuity	Leave encashment
Current Service Cost	36.64	29.61	38.49	20.73
Interest Cost	24.01	3.39	17.25	1.63
Net Actuarial (Gain) / Loss	(49.11)	(15.26)	64.09	13.69
Past Service Cost	-	-	-	-
Short Term Compensated Absence Liability	-	11.50	-	-
Total Cost	11.54	29.24	119.83	36.05

b) Liability recognized in the Balance Sheet and Changes in Present Value Obligations

Description	31 Mar 2014		31 Mar 2013	
	Gratuity	Leave encashment	Gratuity	Leave encashment
Present Value of Obligations at beginning of the year	305.75	47.42	213.08	26.27
Current Service Cost	36.64	29.61	38.49	20.73
Interest Cost	24.01	3.39	17.25	1.63
Actuarial Loss / (Gain)	(49.11)	(15.26)	64.09	13.69
Past Service Cost	-	-	-	-
Settlements	(15.63)	(10.74)	(27.16)	(14.90)
Short Term Compensated Absence Liability	-	11.50	-	-
Present Value of Obligations at the end of the year	301.66	65.92	305.75	47.42
Present Value of Obligations - Current	42.47	17.18	52.48	5.77
Present Value of Obligations - Non - Current	259.19	48.74	253.27	41.65

Actuarial assumptions

- a) Mortality IALM 2006-08 (ultimate), Previous Year (LIC) 1994-96 (ultimate)
- b) Discounting rate – 9.19% Previous year 8.06 %
- d) Expected average remaining working lives of employees – 13.2 Years
- e) Rate of escalation in salary – 6 %

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(All amounts in Rupees Lakhs except for Share data and unless otherwise stated)

2.31 As required by Accounting Standards AS 18, the related parties' disclosure issued by the Institute of Chartered Accountants of India is as follows:

a. List of related parties and relationships

i Enterprises controlled by Key Management Personnel/ Relatives of Key Management Personnel

1. NCLAlltek & Seccolor Limited
2. NCLHomes Limited
3. Kakatiya Industries (P) Limited
4. Nagarjuna Cerachem (P) Limited
5. NCL Wintech India Limited
6. Khandaleru Power Company Limited
7. Vikram Chemicals (P) Limited

ii. Key Management Personnel: Mr. K. Ravi, Managing Director

b. Related Party Transactions for the Year

	31 Mar 2014	31 Mar 2013
Remuneration to Key Managerial Personnel*	78.66	73.19
Remuneration to Relatives of Key Managerial Personnel (Whole Time Director)	28.98	28.32
Remuneration to Other Managerial Personnel (Whole Time Director)	47.20	46.11

* As already reported in the last Annual Report 2012-13, pursuant to the special resolution passed by the shareholders at the AGM held on 28.9.2013, the company submitted an application to the Central Government for the approval of excess remuneration of Rs 25.19 lakhs paid to Mr. K. Ravi, Managing Director during the Financial Year 2012-13. The Company also made an application to the Central Government for the approval of remuneration approved by the shareholders at their meeting held on 14.9.2012 (with a reduction of 25% in the salary and without commission) as minimum remuneration to Mr. K. Ravi, Managing Director in the event of absence or inadequacy of profits for the Financial Year 2013-14 onwards. The applications made by the company are under active consideration with the MCA.

Transactions of Enterprises controlled by Key Managerial Personnel / Relatives of Key Managerial Personnel

	31 Mar 2014	31 Mar 2013
Sale of Finished Goods	145.72	37.26
Purchases / Services	65.82	74.25
Rent	6.39	6.23
ICD Received	1,284.99	725.00
ICD Repaid	702.97	390.00
Interest	237.64	154.20
Reimbursement of Expenses	5.96	28.12

2.32 Imported and Indigenous Raw Materials, Components and Spare Parts Consumed

RAW MATERIALS	31 Mar 2014		31 Mar 2013	
	% of Total Consumption	Value of Consumption	% of Total Consumption	Value of Consumption
Imported	-	-	-	-
Indigenous	100.00	17,276.01	100.00	17,336.34
Total	100.00	17,276.01	100.00	17,336.34
SPARE PARTS				
Imported	2.57	28.08	2.99	39.63
Indigenous	97.43	1,064.07	97.01	1,283.76
Total	100.00	1,092.15	100.00	1,323.39

NCL INDUSTRIES LTD



(All amounts in Rupees Lakhs except for Share data and unless otherwise stated)

2.33 Value of Imports Calculated on CIF Basis

	31 Mar 2014	31 Mar 2013
Raw Materials	-	-
Components & Spares	28.08	115.99
Capital Goods	92.09	9.06
Trading Goods	-	-

2.34 Expenditure in Foreign Currency

	31 Mar 2014	31 Mar 2013
Travelling	1.07	2.01
Advance for Capital Goods	-	136.88
Capital Goods	91.97	9.06
Stores and Spares	28.06	115.99
Others	-	-
Total	121.10	263.94

As per our report of even date

For and on behalf of the Board

For Venugopal & Chenoy,
Chartered Accountants
Firm Registration No. 004671S

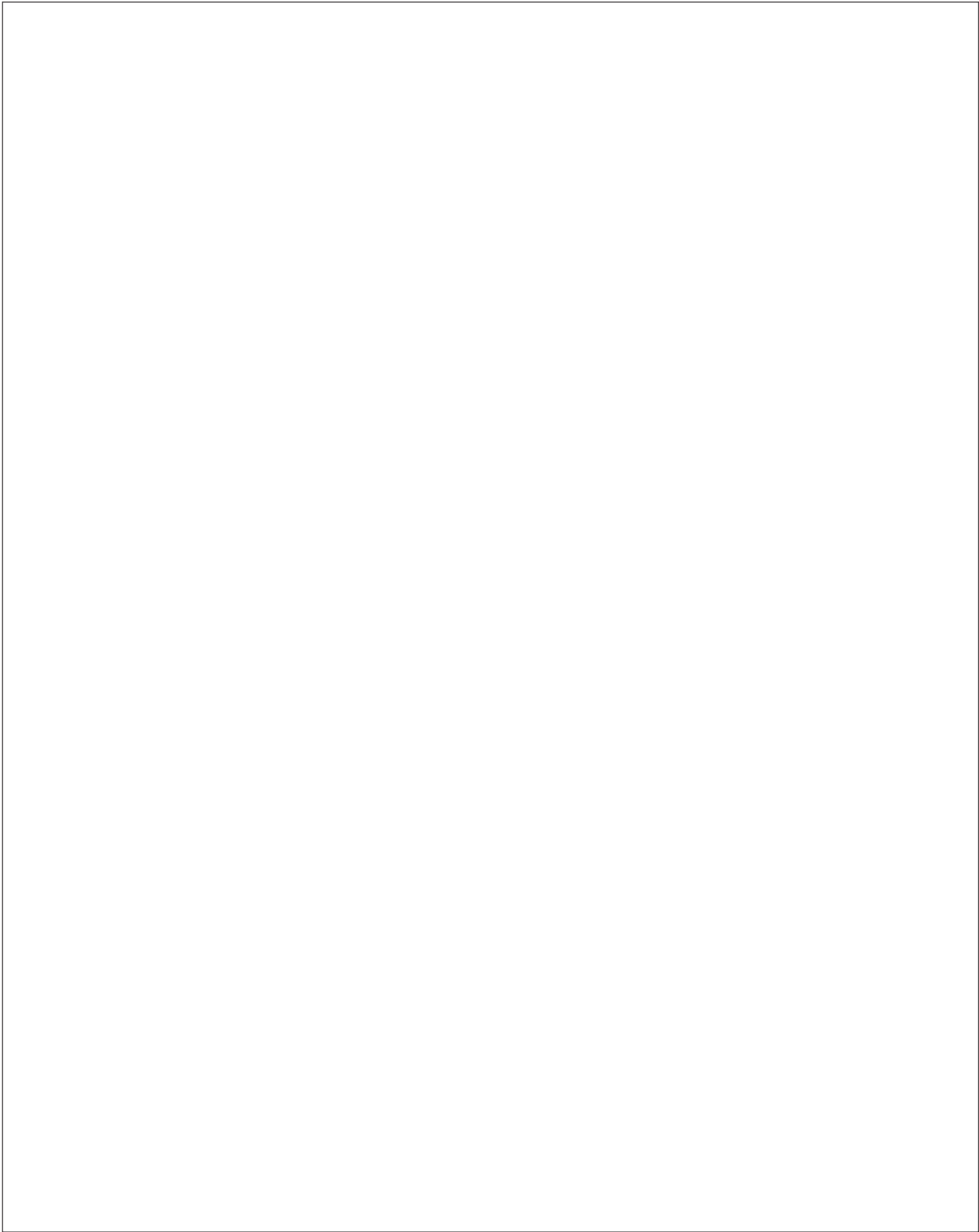
K. Ravi
Managing Director

R. Anand
Chairman

P.V. Sri Hari
Partner
Membership No. 21961
Hyderabad
Dated: 30th May 2014

N.G.V.S.G. Prasad
President (F&A)

T. Arun Kumar
Company Secretary





NCL INDUSTRIES LTD

CIN. L33130AP1979PLC002521

7th Floor, Raghava Ratna Towers, Chirag Ali Lane, HYDERABAD 500 001.

Please fill up this Attendance slip and hand it over at the entrance of the Meeting hall. Please also bring your copy of the enclosed annual report.

ATTENDANCE SLIP

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

I hereby record my presence at the 33rd Annual General Meeting of the Company held on Monday, the 29th September, 2014 at 12:00 Noon at Bharatiya Vidya Bhavan (Auditorium), King Koti Road, Hyderabad – 500 029.

Regd. Folio No/Client Id

No. of Shares held

Name of the Share holder (In block letter) _____

Note: Member / proxy who wish to attend the Meeting must bring this attendance slip to the Meeting and handover at the entrance at the Meeting hall duly signed.

Signature of Shareholder / proxy



NCL INDUSTRIES LTD

CIN. L33130AP1979PLC002521

7th Floor, Raghava Ratna Towers, Chirag Ali Lane, HYDERABAD 500 001.

PROXY FORM

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

Folio No/DP ID - Client ID: _____

Name of the Member(s) : _____

Registered address: _____

E-mail ID: _____

I/We, being the Members(s) of _____ shares of the above company, hereby appoint

1) Name : _____

Address : _____

E-mail : _____

Signature: _____ or failing him

2) Name : _____

Address : _____

E-mail : _____

Signature: _____ or failing him

3) Name : _____

Address : _____

E-mail : _____

Signature: _____ and whose signature(s) are

appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 33rd Annual General Meeting of the Company, to be held on Monday, the 29th September, 2014 at 12:00 Noon at Bharatiya Vidya Bhavan (Auditorium), King Koti Road, Hyderabad – 500 029 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	No. of shares	I / We assent to the Resolution (FOR)	I / We dissent to the Resolution (AGAINST)
Ordinary Business :				
1.	Consider and adopt the Audited Balance Sheet as at 31st March,2014 and Profit & Loss A/c for the year ended 31st March,2014 together with Report of Directors and Auditors			
2.	Re-appointment of Mr.Ashven Datla who retires by rotation.			
3.	Appointment of M/s Venugopal & Chenoy, Chartered Accountants as auditors and fix their remuneration.			
Special Business :				
4.	Appointment of Mr. Kamlesh Gandhi as an Independent Director of the company			
5.	Appointment of Mrs.Roopa Bhupatiraju as Director of the company.			
6.	Ratification of remuneration payable to Mr.R.Srinivasa Rao, Cost Auditor for the Financial Year 2014-15.			
7.	Re-appointment of Mr.P.N.Raju, Executive Director of the company for a period of three years w.e.f 1st August,2014			
8.	Re-appointment of Mr.K.Gautam, Executive Director of the company for a period of three years w.e.f 1st August,2014			
9.	Consent of the members under Section 73&76 of the Companies Act,2013 to the company for acceptance/invitation/renewal of Deposits .			
10.	Consent of the members for creation of charge on the assets of the company under Section 180(1)(a) &180(1)(c) of the Companies Act,2013.			

Signed this _____ day of September, 2014

Signature of Shareholder _____

Signature of Proxy holder(s) _____

Affix Rs.1 Revenue Stamp here
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Notes: (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) A Proxy need not be a member of the Company.

(3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% 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.



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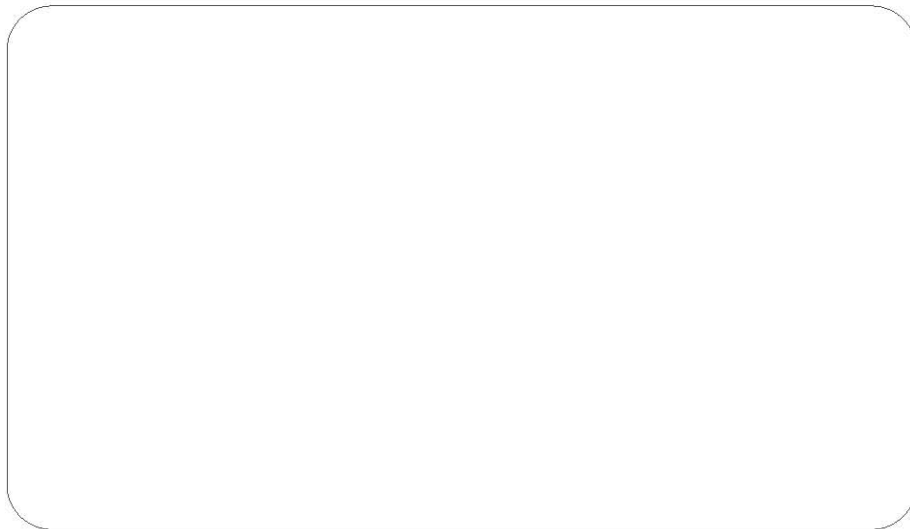
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