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# NCL Industries Limited

Annual Report 2022-23









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**K. Ramachandra Raju**  
**Founder**  
(1934 - 2008)

# Our founder and inspiration

The Founder of our Group, Mr. Ramachandra Raju was a pioneer in the mini cement industry. He was among the first few to venture into what at that time was a revolutionary and untested concept of mini cement plants. The Government encouraged experimentation with this low-investment low-volume solution to the chronic shortage of cement that prevailed four decades ago. Mr. Ramachandra Raju accepted the challenge with an entrepreneurial spirit, and established Nagarjuna Cements Ltd to set up a mini cement plant.

Mr. K Ramachandra Raju was one such individual. He along with Mr. Vinodrai Goradia and Mr. G Somaraju as Co-Promoters established Nagarjuna Cements Ltd. From a single commodity unit, it evolved into a multi-product NCL Group in the building materials industry. The association amongst the Co-Promoters continues to the third generation – a unique feature in itself.

The calculated risk paid off handsomely, and the company could declare a dividend of 25% for the very first full year of its operations.

Mr. Ramachandra Raju was a quintessential entrepreneur. He wanted to introduce innovative products much ahead of their times. Bison Panels from Germany, Seccolor pre-painted steel windows from Italy, Alltek paints from Sweden and pre-fab housing were examples.

The innovative products introduced for the first time in the country overcame their teething problems, and established themselves in due course.

Today, we pay homage to this visionary, whose philosophy of Growth and Innovative Products we have inherited and internalized. They have become the credo of a corporate conglomerate in the making.



## ABOUT US

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Ahead of times.  
Since 1984.

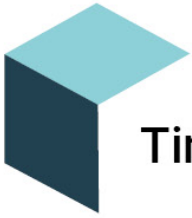




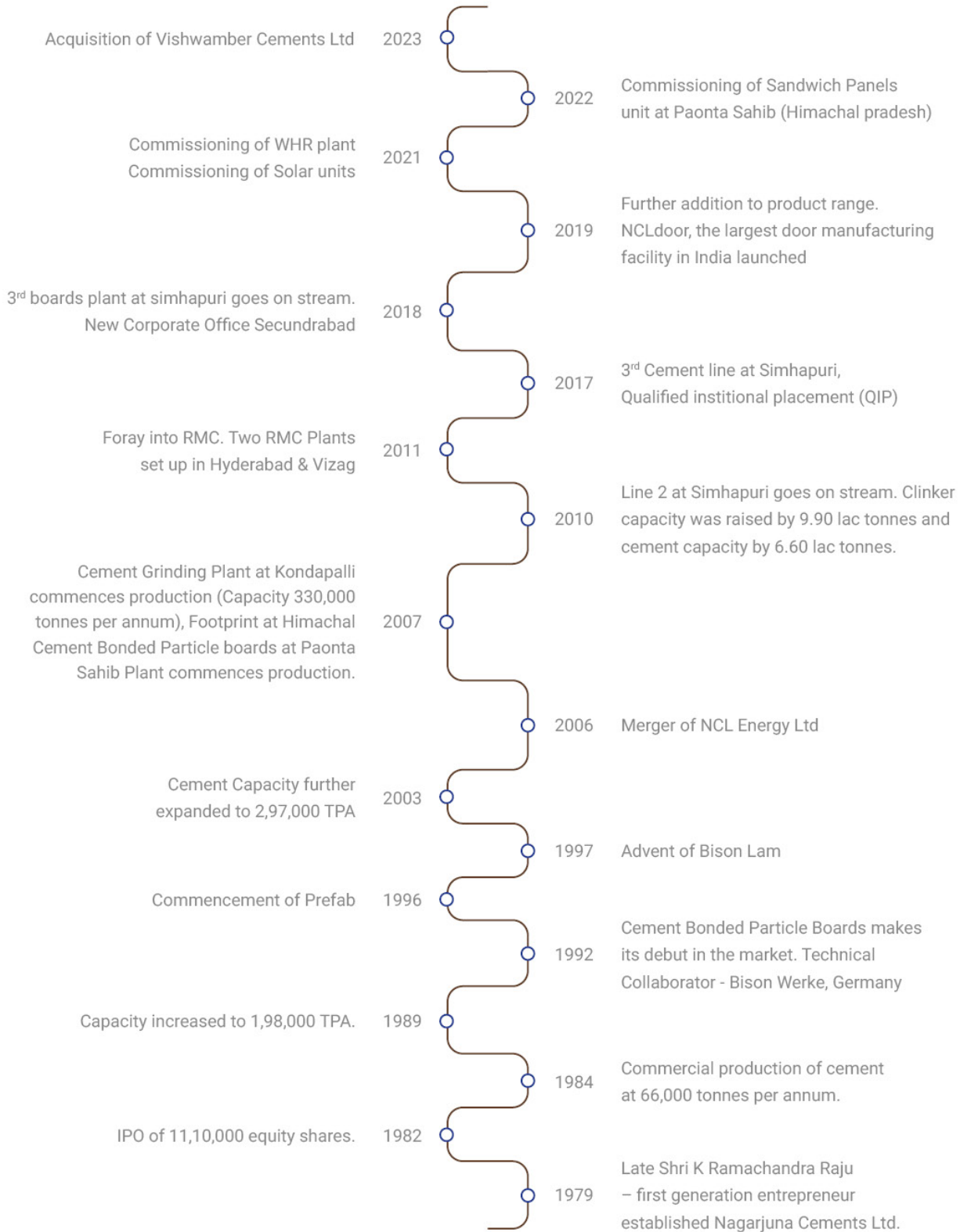
The 1980s transformed the Indian industrial scenario, the decade witnessed a spurt in consumer demand for products and services, and blossoming of new entrepreneurial talent to meet the demand. Individuals from families with agriculture or employment background decided to venture out of their zone of comfort , explore new paths and try their hand at industry. This phenomenon was notable in then composite state of Andhra Pradesh, which saw emergence of modest manufacturing units which evolved into significant Industrial Groups.

Mr. K Ramachandra Raju was one such individual. Nagarjuna Cements was one such unit which evolved into the multiproduct NCL Group in construction and building materials industry.

The fledgling has learnt to fly. From a mini cement plant producing a single commodity in a single location, it spread its wings to 30 locations, and multiple products in building materials.



# Timeline





# Products and Plant Locations



## CEMENT

Ordinary Portland Cement  
 Portland Pozzolona Cement  
 Special Cement- 53-S

Unit 1: Simhapuri, Telangana  
 Unit 2: Kondapalli, Andhra Pradesh

Capacity : 3 Million Tons  
 Dealers: 2630  
 Markets: Andhra Pradesh, Telangana, Tamil Nadu,  
 Karnataka, Pondicherry and Kerala.

## READY MIX CONCRETE

4 Units: Visakhapatnam, Andhra Pradesh  
 5 Units: Hyderabad, Telangana

Capacity: 60Cu.Mtrs / Hour each  
 Markets: Hyderabad & Visakhapatnam

## CEMENT BONDED PARTICLE BOARD

Plain, Laminated, Designer Boards & Planks  
 Unit 1 & 3 : Simhapuri, Telangana  
 Unit 2 : Paonta Sahib, Himachal Pradesh

Capacity: 90,000 tons  
 Distributors: 450+

## NCL DOOR UNIT

Malkapur (V) Near Hyderabad  
 Capacity: 1,000 Doors Per Day

## HYDRO POWER UNITS

Unit 1: Pothireddypadu, Andhra Pradesh  
 Unit 2: Hospet, Karnataka  
 Installed capacity: 15.75 MW



## From the Managing Director's Desk

Dear Shareholders,

I am delighted at the opportunity to address my first communication to you since taking charge as the Managing Director of your Company. Stepping into the shoes of a visionary like the Mr. Ramachandra Raju and a dynamic leader like Mr. Ravi is a formidable task. The high standards of performance that they have set are difficult to emulate. However, I had the privilege of watching them in action from very close quarters at the workplace in case of Mr. Ravi, and from my very formative years from Mr. Ramachandra Raju. That is the sort of advantage available to very few people. Now I am presented with the opportunity and challenge of converting this learning into action. I also have the additional advantage of the counsel and guidance of Mr. Ravi on a Realtime basis. That is a huge source of reassurance. I hope that with your cooperation and support - which has always been available in plenty during my career in NCL - I will justify the confidence reposed in me.

After I assumed office as the Managing Director, I had the occasion to receive on NCL's behalf, the FTCCI Award for Excellence in employee welfare initiatives - 2022 from Hon'ble Industries Minister Mr K.T. Rama Rao. I am particularly delighted about this recognition. We at NCL consider the human resources to be a valuable asset. The need to look after them is of paramount importance.

It gives me immense satisfaction that in the very first year when I was Managing Director Designate and later the Managing Director, your company has posted results which are comparable or superior to its peers. The first quarter in the current year also has been encouraging. I consider this a good augury. I am aware that my predecessor enjoyed your full support and cooperation during his tenure. I look forward to the continuance of the same support from you and promise you that I shall justify the confidence reposed in me.

Thank you,

**K. Gautam**

# Consolidated Financial Highlights

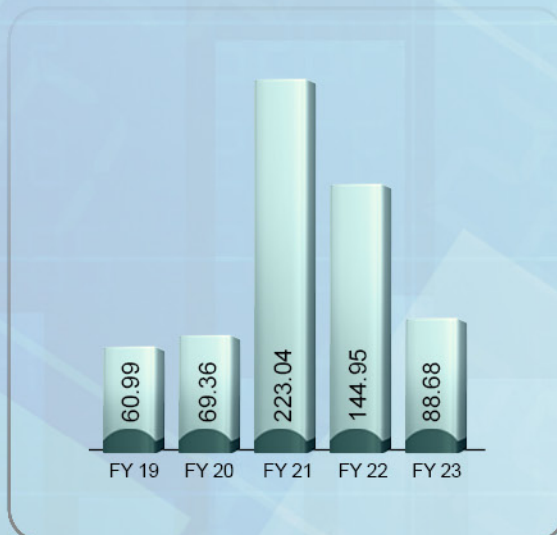
Revenue (₹ in Crores)



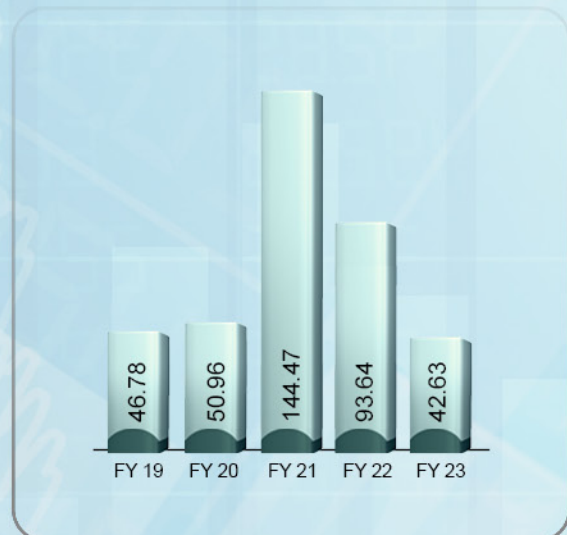
EBIDTA (₹ in Crores)



PBT (₹ in Crores)



PAT (₹ in Crores)



### EPS (₹)



### Dividend (%)



### Market CAP (₹ in Crores)\*



### Debt to Equity



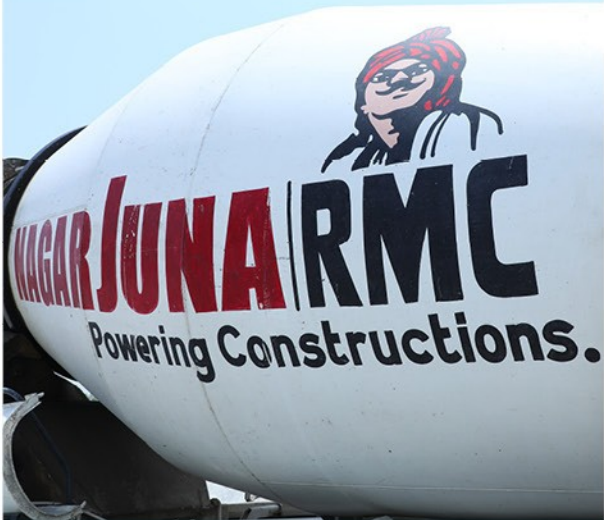
as at 31<sup>st</sup> March of respective Financial Year

# Our Business Divisions





RMC



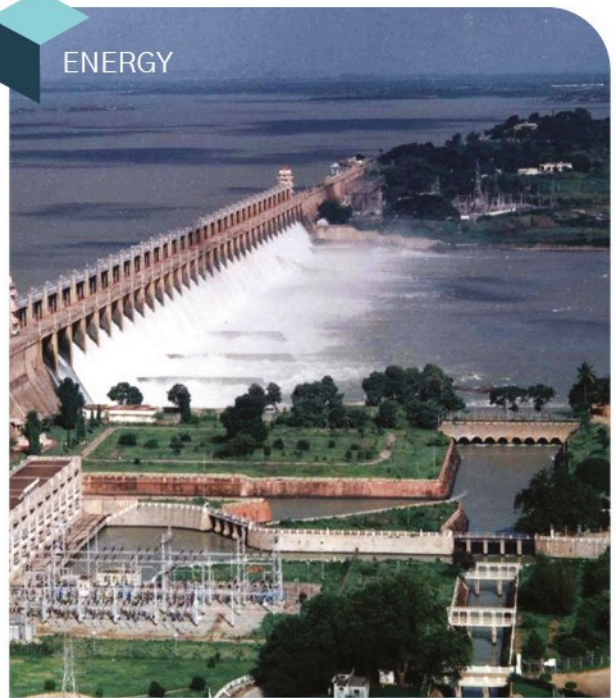
CEMENT BONDED  
PARTICLE BOARD



DOORS

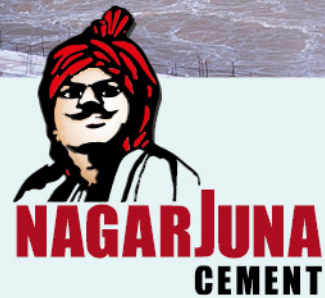


ENERGY





# Business: Cement



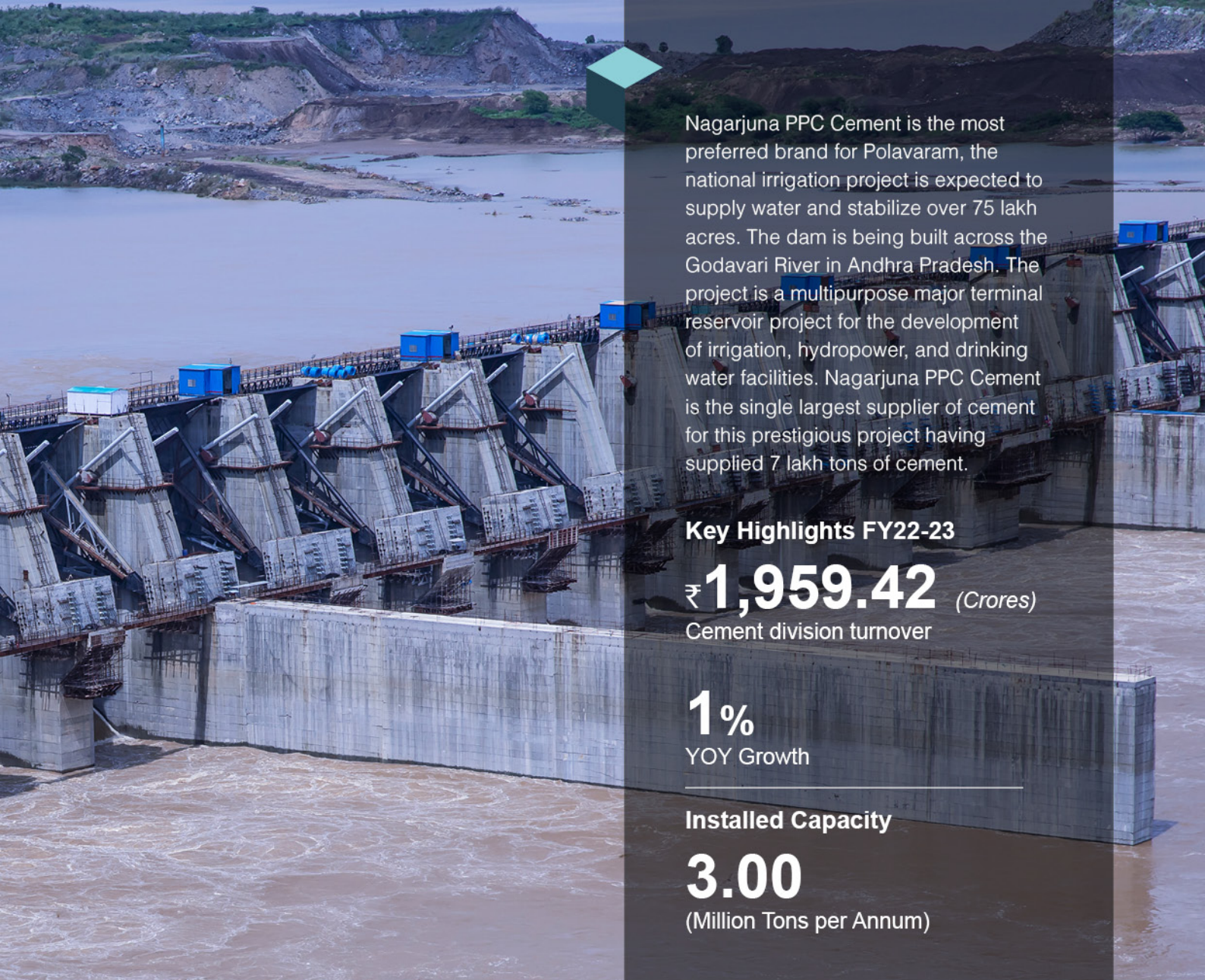
Nagarjuna Cement has become a brand synonymous with quality and reliability among consumers and competitors alike across South India.

Popularly known as 'Monagadu Cement', Nagarjuna Cement is ideal for a variety of applications - from small housing to megastructures and irrigation projects. Over the past 38 years it has established itself as a premier brand, trusted by one and all.

**Plants:** Simhapuri, Suryapet District, Telangana. Kondapalli, Krishna District, Andhra Pradesh.

## Available in various grades & options

Ordinary Portland Cement (Grades 53 & 43). Pozollona Portland Cement. A special cement (IRS Grade 53 S) for Indian Railways for making concrete sleepers. In 50 Kg HPDE bags meeting relevant specifications of BIS quality in Laminated/Paper Bags. In Bulk as per Customer's choice. Added Nagarjuna Visistha Premium PPC Cement to the brand portfolio.



Nagarjuna PPC Cement is the most preferred brand for Polavaram, the national irrigation project is expected to supply water and stabilize over 75 lakh acres. The dam is being built across the Godavari River in Andhra Pradesh. The project is a multipurpose major terminal reservoir project for the development of irrigation, hydropower, and drinking water facilities. Nagarjuna PPC Cement is the single largest supplier of cement for this prestigious project having supplied 7 lakh tons of cement.

### Key Highlights FY22-23

**₹1,959.42** (Crores)  
Cement division turnover

**1%**  
YOY Growth

### Installed Capacity

**3.00**  
(Million Tons per Annum)

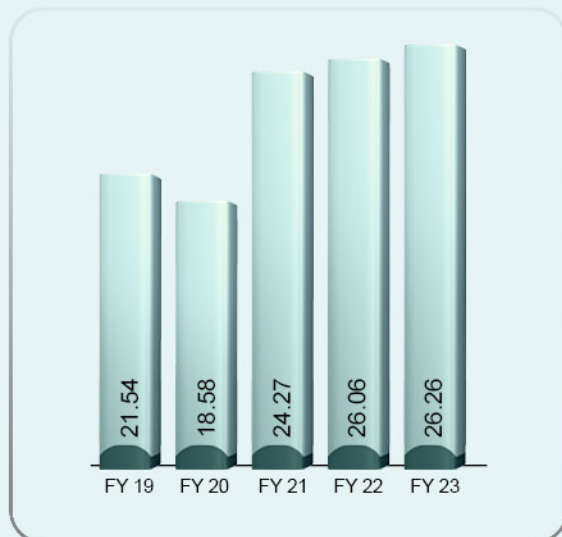
## Products Launched this Year

Visista PPC Cement (Specialised for concrete), Nagarjuna Steel Crete Cement and Nagarjuna Dhruvam Cement.

Cement Production (Lakh Mts)



Cement Sales (Lakh Mts)





## Business: RMC



Nagarjuna RMC has been redefining the category with its quest for perfection and relentless zeal to bring in the best practices.

With its superior quality key ingredient - OPC 53 Grade Nagarjuna Cement, Nagarjuna RMC is recognized for its consistency, automated processes and impeccable quality. It has been increasingly recognized that Ready Mix Concrete by the cement manufacturer is the way to go to assure quality, prevent adulteration and ensure speed of construction. RMC also has the additional advantage of minimizing wastage of material as well as labour cost.



Locations: Hyderabad - 6, Vizag - 3.  
 All plants are equipped with an adequate number of transit mixers with 6 cubic meters capacity to ensure seamless distribution.

**Ready Mix Segment Turnover FY22-23**

**₹111.04** (Crores)

### Advantage Nagarjuna RMC

The entire process is computerized and monitored by highly experienced professionals. Fully equipped laboratories to test different grades of concrete at various stages. The aggregates are thoroughly cleaned and graded strictly as per IS or BIS norms. Unique flexibility in grades of concrete, transportation and logistics. Assurance of consistent quality and quantity for the required grade builders are free from worries of ordering, procuring, transporting, storing, and processing the aggregates. Minimum material wastage, lesser manpower in the entire construction process.

Ready Mix Sales (Lakh M<sup>3</sup>)





# Business: Cement Boards



A product, an idea that was way ahead of the times is today, a firm favourite with architects, builders, and customers.

## Key Product Features

- 62% cement, 28% wood particles, and 10% water ● Strength of cement ● Workability of wood ● Strong & Durable
- Fire Resistant. ● Weather Resistant ● Termite Proof
- Amazing Sound Insulation ● Environment friendly

Certified to IS 14276/2016 with the fire rating criteria of ISO 834-1975 & IS 3809- 1979 from 30 mins to 240 mins.

## Product Range

Bison Panel Plain Board. Bison Lam. Bison Plank. Bison Designer Board. Sandwich Panel.

## Versatile Applications

- False Ceilings ● Partitions ● Floorings ● Doors & Windows ● Interior Cladding ● Exterior Cladding ● CNC Design ● Roof overlay ● Table Tops ● Cabinets & Cupboards ● Kitchen Platforms & Cabinets ● Acoustic Insulation ● Wall Paneling



From 1992, since it forayed into a new category, Bison Panel has created, built, and nurtured the category to emerge as the leading name. Initiated three decades ago with technical collaboration from Bison Werke of Germany, Bison Panel has, over the years, proved to be the go-to product for its versatile applications, unique properties, and breakthrough global technology.

### Boards division FY22-23

**₹200.36** (Crores)  
Turnover

**27%**  
YOY Growth %

### Installed Capacity

**90,000**  
(MT per Annum)

Boards production (Thousand Mts)



Boards sales (Thousand Mts)





# Business: Doors

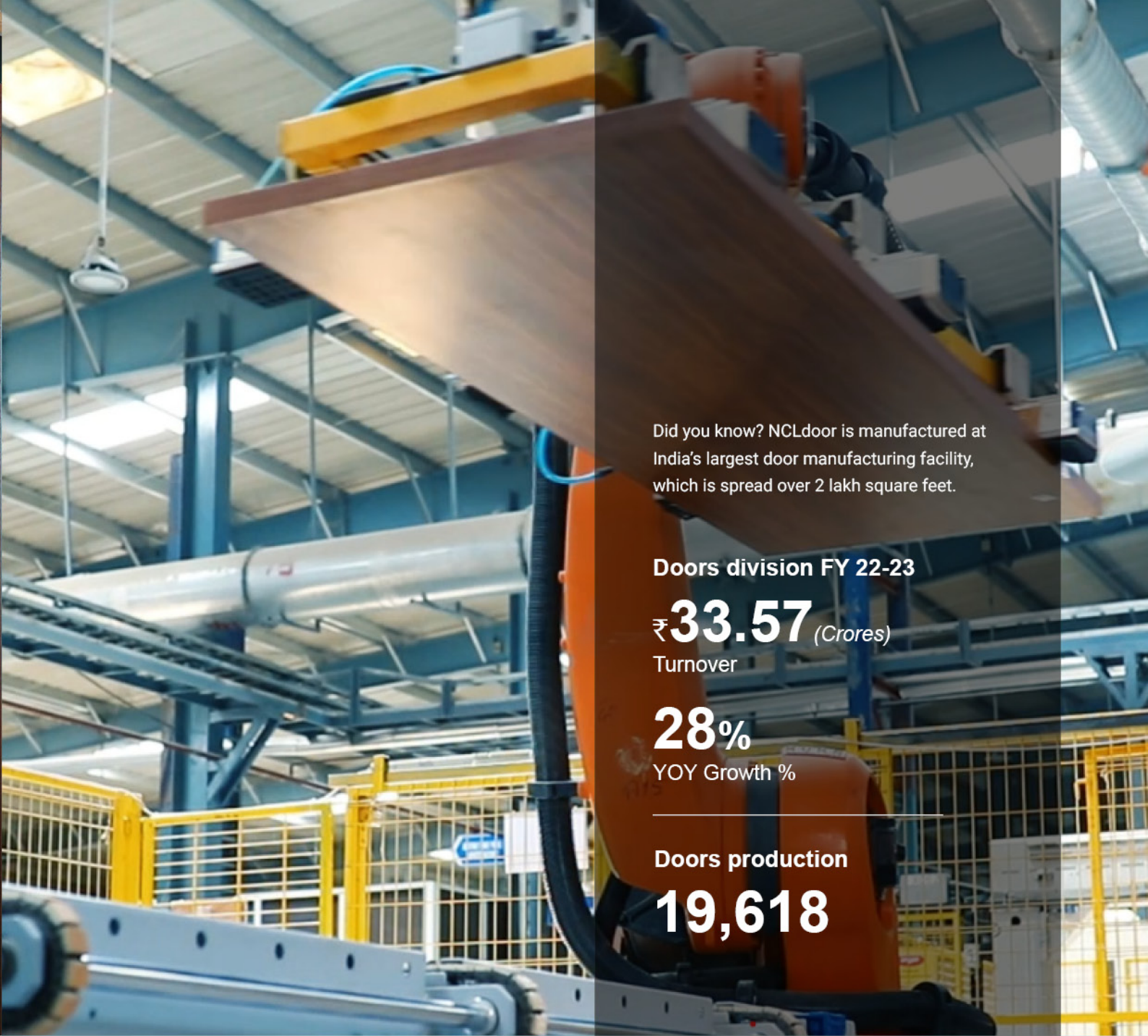
**NCLdoor**<sup>®</sup>  
Fit it. Forget it.

NCLdoors Stylish, Low Maintenance, implying state-of-the-art technology product. NCLdoor is pre-treated to withstand moisture, chemicals, termites, and other common elements that affect the overall life of a door.

Designed to meet the rising consumer demand for world-class, robust door solutions in the housing and commercial buildings materials market, NCLdoor is all set to create a niche for itself.

The range comprises Signature Series, Natura Series, Soft Touch Series and comes with a multitude of choices and a host of advantages.





Did you know? NCLdoor is manufactured at India's largest door manufacturing facility, which is spread over 2 lakh square feet.

**Doors division FY 22-23**

**₹33.57** (Crores)  
Turnover

**28%**  
YOY Growth %

**Doors production**

**19,618**

### Key Features

- Technology from Europe
- Professional installation and service
- Customizable
- 5 Year Warranty
- Stylish looks

### Key Product Attributes

- Scratch Resistant
- Termite Proof
- Water-Resistant. Chemical Cleaning Resistant
- Casing Wick
- Sound Insulation
- Energy Efficient
- Imported Raw Materials
- Proprietary high-density honeycomb technology
- World Class Machinery
- Completely Automated Manufacturing Facility
- Eco friendly / No wood used
- Fire Rated



# Business: Energy

**NCL ENERGY**

In India, hydro power projects with a station capacity of up to 25 Megawatt each fall under the category of Small Hydro Power (SHP), and it is estimated that SHP potential in India is about 20,000 MW.

NCL Energy was created to meet the ever-increasing demand for clean power and to this end, two mini Hydel Projects have been set up. The first project was completed at the head regulator of the Srisaillam Right Main Canal, which produces 7.5 MW of power, while the second hydel project was constructed on Right Bank High-Level Canal of Tungabhadra dam and generates 8.25 MW. There are plans on the anvil to set up many projects in the near future and an aggressive expansion strategy is being rolled out.



**39.51** (MU)

Energy Generated FY22-23

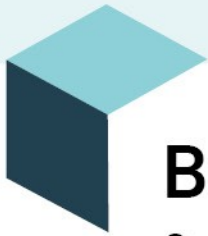
**5%**

YOY Growth %

**15.75** (MW)

Installed Capacity

The hydro sector has a history of more than 120 years in India, and it is clear that in this decade renewable energy will take center stage. There are commitments from many countries to decarbonize as clean and green energy is the need of the hour. For a greener today and tomorrow.



# Beyond Business

Our Focus on Social Responsibility



Establishment of NCL four decades ago has been a catalyst for social development in and around the company's area of operations. The company's entry with its first cement plant into the remote Simhapuri village transformed this backward hamlet into a sprawling town.

## Education

NCL has established an elementary and a High school in English Medium at Simhapuri to address the school education needs of villagers in the near vicinity. More than 50% of the students who have benefited from this initiative are from the tribal sectors. This school is equipped with digital smart classes and have a teaching staff strength of 28. To provide opportunities beyond school level, a Junior College has been established and started functioning 2018-19



## Healthcare

This Healthcentre has become the First Stop for the medical and healthcare needs of the surrounding tribal hamlets. More than 5.5 Lakhs patients have been treated, and free medicines are provided wherever possible. We have since added diagnostic centre and eye-care to the facilities. Plans are afoot to add facilities of dialysis.

Beyond Business

# CSR Initiatives



## Sports Complex Inauguration @ NCL Plant

A sports complex along with residential quarters for school teachers was inaugurated on 10th February, 2023 at Mattapally by the Board of Directors. The occasion was graced by the presence of our Chairman - Mr. Kamlesh Suresh Gandhi accompanied by his wife Mrs. Sonali K Gandhi, Executive Vice Chairman - Mr. K. Ravi, Managing Director - Mr. K. Gautam accompanied by his wife Mrs. Divya, Independent Director - Lt. Gen. (Retd) T A D'Cunha, Independent Director - Dr. R. Kalidas, Managing Director (NCL Buildtek Ltd) - Mr. Subba Raju Bhupatiraju, Executive Director - Mrs. Roopa Bhupatiraju, Executive Director - Mr. Utkal Goradia accompanied by his wife Mrs. Hiral Goradia, Executive Director & CFO - Mr. NGVSG Prasad, Vice President (Accounts) - Mr. MVSN Sharma, Vice President & Company Secretary - Mr. T Arun Kumar and Corporate Advisor - Mr. H. Natarajan. The complex has been built with state-of-the-art facilities accommodating separate space for basketball, volleyball, lawn tennis, and cricket net practice area, in addition to the existing indoor games auditorium that includes a swimming pool.

# CSR Initiatives



RO Water Plant



Plantation



Street Light Arrangement



Bus Shelter



CC Roads

RO water plant, TTD Kalyanamandapam, Gram panchayat office, Government school, Waste segregation yard, Toilets, Systematic drainage facility along with fruit and flower bearing plantations and street light installation at Mattapally village. We have laid CC roads, constructed a veterinary hospital in Pedaveedu village, and a bus shelter at Sulthanpur Thanda village. We intend implementing further projects for the growth and well-being of residents in the adjoining areas.



### In Service and Gratitude

We are humbled. We thank FTCCI and Shri K.T. Rama Rao (Minister of Municipal Administration and Urban Development of Telangana) for honouring us with this award in recognition of our Corporate Social Responsibility activities.

# Awards & Recognition



Excellence Corporate Social Responsibility 2022 - Awarded by Federation of Telangana Chamber of Commerce & Industry (FTCCI)



Excellency in Employee Welfare Initiatives 2022 Awarded by Federation of Telangana Chamber of Commerce & Industry (FTCCI)



CSR Award of the Year 2022-23 - Awarded by Hyderabad Management Association



Best Brands in South India  
NCL Door. Awarded by 4M Pride of India



Great Place of Work: third time in Succession Awarded by Great Place of Work Organisation in 2023



# Steering us along

## Our Board Of Directors



**Mr. Kamlesh Suresh Gandhi**  
Chairman



**Mr. K. Ravi**  
Executive Vice Chairman



**Lt. Gen. (Retd) T.A.D'Cunha**  
Independent Director



**Dr. R. Kalidas**  
Independent Director



**Mrs. P. Sudha Reddy**  
Independent Director



**Mr. K. Gautam**  
Managing Director





**Mr. Penmetsa Narasimha Raju**  
Director



**Mrs. Pooja Kalidindi**  
Director



**Mr. Ashven Datla**  
Director



**Mr. N.G.V.S.G. Prasad**  
Executive Director & CFO



**Mrs. Roopa Bhupatiraju**  
Executive Director



**Mr. Utkal Goradia**  
Executive Director

# Corporate Information

CIN : L33130TG1979PLC002521

## BOARD OF DIRECTORS

Kamlesh Gandhi  
Chairman

Dr.R.Kalidas  
Independent Director

Lt.Gen. (Retd) T.A.D'Cunha  
Independent Director

V.S.Raju  
Independent Director (Up to 21.09.2022)

Mrs. P. Sudha Reddy  
Independent Director

V.V.Goradia(Up to 27.09.2022)  
Non Executive Director

P.N Raju  
Non Executive Director

Ashven Datla  
Non Executive Director

Mrs. Pooja Kalidindi  
Non Executive Director

Utkal B. Goradia  
Executive Director (From 27.09.2022)

Mrs. Roopa Bhupatiraju  
Executive Director

N.G,V.S.G Prasad  
Executive Director & CFO

K.Gautam  
Managing Director (From 01.10.2022)

K.Ravi  
Executive Vice Chairman  
(From 01.10.2022)

Mr. T. Arun Kumar  
Vice President &  
Company Secretary

## AUDITORS

**M Bhaskara Rao & Co**  
Chartered Accountants  
5-D, 5th Floor Koutilya, 6-3-652  
Somajiguda, Hyderabad - 500082

## REGD. & ADMN. OFFICE

7<sup>th</sup> Floor, "NCL Pearl",  
Near Rail Nilayam,  
S D Road, Secunderabad-500026, India.  
Ph : 91-40-30120000  
e-mail : ncl@nclind.com  
Website : www.nclind.com

## COST AUDITORS

S R and ASSOCIATES  
F 26, Raghavaratna Towers  
Chirag Ali Lane , Abids  
Hyderabad 500001, Telangana

## SECRETARIAL AUDITORS

**AJ SHARMA & ASSOCIATES**  
Company Secretaries  
5-8-352, No. 17, Raghava  
Ratna Towers, Chirag Ali Lane,  
Abids, Hyderabad - 500 001.

## FACTORIES

### CEMENT DIVISION

Simhapuri, Mattampally Mandal  
Suryapet Dist.  
Telangana State  
Pincode - 508204

Kadimpothavaram Village  
Kondapalli,  
Krishna District, A.P.  
Pincode – 521228

## BOARDS DIVISION

### UNIT - I & III

Simhapuri, Mattampally Mandal  
Suryapet Dist.  
Telangana State  
Pincode - 508204

### UNIT - II

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

## DOORS DIVISION

Sy. No. 222, Malkapur (V),  
Choutuppal (M),  
Yadadri Bhuvanagiri (Dt.)  
Telangana State  
Pincode - 508252

## BANKERS

Axis Bank Ltd  
HDFC Bank Ltd  
State Bank of India  
Bank of Baroda  
Kotak Mahindra Bank Ltd.

## 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, Karnakata,  
Pincode – 583225

## READY MIX CONCRETE DIVISION

### UNIT - I

Plot No. 91/C, D Block, Autonagar,  
Gajuwaka, Visakhapatnam, A.P.  
Pincode – 530026

### UNIT - II

Plot 11, A/2, Phase 1,  
IDA, Patancheru (V),  
Telangana State.  
Pincode - 502 319

### UNIT - III

Sy.No. 282 (P), Rampally (V),  
Keesara (M), Medchal (Dt.),  
Telangana State.

### UNIT - IV

Sy.No. 228/1 & 281/5,  
Vellanki Village, Anandapuram Mandal,  
Visakhapatnam  
Pincode - 531 163. AP.

### UNIT - V

Sy.No.208-1, 209- 1&2,  
Tallapalem Road, Ugginapalem (V),  
Kasimkota (M), AP  
Pincode - 531031

### UNIT - VI

Sy.No.38-9 to 38-19  
Kovvada Grampanchayat  
Poosapatirega (M)  
Vijayanagaram Dist, AP  
Pin - 535204

### UNIT - VII

Plot No 36. Sy No 460/2, 461,  
462/2, 479 to 482,  
IDA, Mankhal (V),  
Maheswaram (Mandal),  
Ranga Reddy (District),  
Telangana. 501359

### UNIT - VIII

Sy.No. 492,493  
Goudavalli,  
near Gandimysamma,  
Medchal Dist, 500043 Telangana

### UNIT - IX

Sivadatta temple Road  
Dandu Malkapur(V) Choutuppal(M)  
Yadadri Dist 508252-Telangana

**NCL INDUSTRIES LIMITED**  
**Registered Office: 7<sup>th</sup> Floor, NCL Pearl, Near Rail Nilayam,**  
**S D Road, Secunderabad-500026**

## NOTICE

Notice is hereby given that the 42nd Annual General Meeting of NCL Industries Limited will be held on Monday, the 25<sup>th</sup> September, 2023 at 10.30 A.M (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business.

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Standalone and consolidated Financial Statements of the company for the financial year ended 31<sup>st</sup> March, 2023 together with the Reports of the Directors and Auditors thereon.
2. To approve the interim dividends paid and declare final Dividend.
3. To appoint a Director in place of Mrs Roopa Bhupatiraju who retires by rotation and is eligible for reappointment.
4. To appoint a director in place of Mr. Ashven Datla, who retires by rotation, and is eligible for reappointment.

Mr. Ashven Datla sent a communication to the Chairman stating that he does not wish to continue as a Director upon completion of his term. The Board decided not to seek filling of the vacancy caused by the retirement of Mr. Ashven Datla, and hence proposes the following Resolution in terms of Section 152(7) of the Companies Act 2013.

"RESOLVED that in terms of Section 152(7) of the Companies Act,2013, not to fill the vacancy caused by the retirement of Mr. Ashven Datla (DIN No.01837573) Director who retires by rotation at this Annual General Meeting"

### SPECIAL BUSINESS

5. 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 and other applicable provisions of the Companies Act, 2013 the remuneration payable to M/s. S R. and ASSOCIATES, Cost Accountants, the Cost Auditors appointed by the Board of Directors of the Company, fixed as Rs 1,00,000/-

(Rupees One Lakh only) for the financial year ending March 31, 2024 be and is hereby ratified."

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

"**RESOLVED THAT** pursuant to the provisions of Sections 197,198 read with Schedule V and other applicable provisions, if any of the Companies Act, 2013 the payment of the following revised remuneration to Mr.N G V S G Prasad, Executive Director & CFO w.e.f 1<sup>st</sup> September, 2023 for the balance period of his tenure be and is hereby approved"

**Salary:** Rs.6,54,000/- per month (with an annual increment of Rs.65,400/-).

**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 husband, dependent children and dependent parents of Mr.N G V S G Prasad.

**Company's contribution to Provident Fund / Special Allowance 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.

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

**Encashment of Leave:** 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.

**“FURTHER RESOLVED THAT** the above remuneration by way of salary and perquisites be paid to Executive Director & CFO as minimum remuneration in the event of absence or inadequacy of profits in the year(s) in which such absence or inadequacy occurs.”

He is not eligible for any sitting fees of the company's Board /Committee meetings.”

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

**“RESOLVED THAT** pursuant to the provisions of Sections 197, 198 read with Schedule V and other applicable provisions, if any of the Companies Act, 2013 the payment of the following revised remuneration to Mrs. Roopa Bhupatiraju, Executive Director w.e.f 1<sup>st</sup> September, 2023 for the balance period of her tenure be and is hereby approved”

**Salary:** Rs.6,30,000/- per month (with an annual increment of Rs.63,000/-)

**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 Mrs. Roopa Bhupatiraju

**Company's contribution to Provident Fund / Special allowance 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.

**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.

**“FURTHER RESOLVED THAT** the above remuneration by way of salary and perquisites be paid to Executive Director as minimum remuneration in the event of absence or inadequacy of profits in the year (s) in which such absence or inadequacy occurs”.

She is not eligible for any sitting fees of the company's Board / Committee meetings.”

By Order of the Board  
**for NCL INDUSTRIES LIMITED,**

**T. ARUN KUMAR**  
Vice President &  
Company Secretary

Place: Hyderabad

Date: 11<sup>th</sup> August, 2023

**NOTES:**

1. The Ministry of Corporate Affairs has, vide its circular dated May 5, 2020 (read with other previous circulars issued in this regard) January 13, 2021 and December 8, 2021 respectively, and clarification circular No.21/2021 dated December 14, 2021, General Circular No.2/2022 dated 5<sup>th</sup> May, 2022 and General Circular No.10/2022 dated 28<sup>th</sup> December, 2022 issued by the Ministry of Corporate Affairs ('MCA Circulars') and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') permitted the companies to hold the Annual General Meeting (AGM) through VC / OAVM and thus physical attendance of Members has been dispensed with. Since AGM of the Company is being held through Video Conference (VC) / Other Audio Visual Mode (OAVM), the facility to appoint proxies by the members will not be available for the AGM and hence the Proxy Form, Attendance Slip and route map are not annexed to this Notice. The deemed venue for the 42<sup>nd</sup> AGM shall be the Registered Office of the Company.
2. In compliance with the above MCA circulars, notice together with Annual Report 2022-23 is being sent only through electronic mode to those members whose email addresses are registered with the company / depositories / RTA. Copies of the Notice and Annual Report 2022-23 will also be uploaded on the company's website at [www.nclind.com](http://www.nclind.com), websites of BSE Ltd ([www.bseindia.com](http://www.bseindia.com)), National

Stock Exchange of India Ltd ([www.nseindia.com](http://www.nseindia.com)) and on the website of CDSL

([www.evotingindia.com](http://www.evotingindia.com)) respectively. All documents referred to in the accompanying Notice and the Statement pursuant to Section 102(1) of the Companies Act, 2013 shall be open for inspection in electronic mode by the Members by writing an e-mail to the Company Secretary at [cs@nclind.com](mailto:cs@nclind.com). **Shareholders are advised to visit the company's website [www.nclind.com](http://www.nclind.com) where the notice is uploaded.**

3. A statement setting out the material facts pursuant to the provisions of Section 102 of the Companies Act, 2013 in respect of item Nos. 5 to 7 of the notice is annexed hereto.
4. Members attending AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under the provisions of the Companies Act, 2013.
5. Shareholders seeking any information with regard to accounts are requested to write to the Company at least 12 days before the date of the meeting so as to enable the Management to keep the information ready.
6. The Register of Members and Share Transfer Registers will remain closed from **18<sup>th</sup> September, 2023 to 25<sup>th</sup> September, 2023 (both days inclusive)** on account of the Annual General Meeting and determination of payment of final dividend if any.
7. 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. In case they hold the shares in Physical mode, they are requested to intimate the changes if any to the company or its Registrars and Share Transfer Agents M/s Venture Capital & Corporate Investments (P) Ltd at an early date.
8. 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 quote ledger Folio / Client ID in all the correspondence.
9. In terms of regulation 36(3) of SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015 brief resumes of Directors proposed to be appointed or reappointed at the meeting are given.
10. 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.

11. Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) and Bank Account details. Members holding shares in electronic form are requested to furnish the PAN Card and Bank Account details to their DPs with whom they are maintaining Demat Accounts. Members holding shares in physical form are requested to submit PAN and Bank Account details to the Registrar and Share Transfer Agents.
12. As per the circular issued by the Securities and Exchange Board of India w.e.f 1<sup>st</sup> April, 2019 it has been mandated that transfer of securities would be carried out in dematerialized form only. Shareholders who are holding shares in Physical mode **should ensure that shares which are lodged for transfer shall be in dematerialized form only. Shareholders are requested to convert their shares which are in physical mode to dematerialised mode for their operational convenience.**
13. Shareholders who have not encashed their dividend warrants for the years 2016-17, 2017-18, 2018-19, 2019-20, 2020-21 and 2021-22 may approach the company or RTA for revalidation, issue of duplicate warrants etc; quoting the Folio No. / Client ID. Please note that as per Section 24(5) and 124(6) of the Companies Act, 2013 dividend which remains unpaid / unclaimed over a period of 7 years, such unclaimed dividends and such shares whether held in demat form or in physical form are required to be transferred by the company to the Investor Education & Protection Fund (IEPF). Any person whose unclaimed dividends / shares so transferred to IEPF, may claim the shares for refund / apply to IEPF by submitting an online application form to IEPF along with fee specified by IEPF from time to time.
14. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof.

#### **15 Instructions about E-VOTING:**

As you are aware that the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated

April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020 , General circular No.2/2022 dated May, 5<sup>th</sup> 2022 and General circular No.10/2022 dated December, 28<sup>th</sup> 2022. The forthcoming AGM will thus be held through Video Conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing Annual General Meeting (AGM) through VC / OAVM.

1. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 , May 05, 2020 and December, 28<sup>th</sup> 2022 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-Voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
2. The Members can join the AGM in the VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
3. The attendance of the Members attending the AGM through VC / OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
4. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the

Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC / OAVM and cast their votes through e-voting.

5. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.nclind.com](http://www.nclind.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
6. The AGM has been convened through VC / OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No.17/2020 dated April 13, 2020 , MCA Circular No. 20/2020 dated May 05, 2020 and General circular No.10/2022 dated December, 28<sup>th</sup> 2022.
7. In continuation of this Ministry's General Circular No. 20/2020, dated 05<sup>th</sup> May, 2020 General Circular No.02/2022 and General circular No.10/2022 dated December, 28<sup>th</sup> 2022 after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2023 to conduct their AGMs on or before 30.09.2023, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 dated 5<sup>th</sup> May, 2020 read with MCA General circular no. 02/2022 dated May, 05, 2022 and General circular No.10/2022 dated December, 28<sup>th</sup> 2022.

#### **THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:**

**Step 1:** Access through Depositories CDSL/ NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

**Step 2:** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins on Thursday the 21<sup>st</sup> September, 2023 @ 9.00 AM and ends on Sunday day 24 September, 2023 @17.00 Hours. During this period shareholders' of the Company,

holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Saturday the 16th September, 2023 may cast their vote electronically. The e-Voting module shall be disabled by CDSL for voting thereafter.

- (ii) The Company has appointed Mr.A.Ravishankar, (COP No.4318) failing him Mr.K.V Subramanyam, (COP No.4815) Practicing Company Secretaries have been appointed as the Scrutinizers to scrutinize the e-Voting process in a fair and transparent manner. The members desiring to vote through electronic mode may refer to the detailed procedure on e-Voting given hereunder.
- (iii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iv) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-Voting facility to its shareholders, in respect of all shareholders'

resolutions. However, it has been observed that the participation by the public non-institutional shareholders / retail shareholders is at a negligible level.

Currently, there are multiple e-Voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-Voting to **all the demat account holders, by way of a single login credential, through their demat accounts / websites of Depositories / Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-Voting process.

**Step 1 : Access through Depositories CDSL / NSDL e-Voting system in case of individual shareholders holding shares in demat mode.**

- v) In terms of SEBI circular no. **SEBI/HO/CFD/ CMD/CIR/P/2020/242** dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.  
Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL / NSDL** is given below:

Type of Shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL Depository</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e voting is in progress as per the information provided by company. On clicking the e voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL /NSDL/ KARVY/ LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e voting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password / OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL / CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>



Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at <b>toll free No.1800 22 55 33</b>
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

**Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in Demat mode.**

- (vi) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**
- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - 2) Click on "Shareholders" module.
  - 3) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
  - 4) Next enter the Image Verification as displayed and Click on Login.
  - 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
  - 6) If you are a first-time user follow the steps given below:

For Physical shareholders and other than individual shareholders holding shares in Demat.	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company / Depository Participant are requested to use the sequence number sent by RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd / mm / yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

(vii) After entering these details appropriately, click on "SUBMIT" tab.

(viii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.

- (ix) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant company name i.e **NCL Industries Ltd** on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES / NO" for voting. Select the 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.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) 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.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) There is also an optional provision to upload BR / POA if any uploaded, which will be made available to scrutinizer for verification.
- (xviii) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
  - It is Mandatory that a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required to send the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [ncl@nclind.com](mailto:ncl@nclind.com) (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC / OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC / OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-Voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views / ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **12 days prior to meeting** mentioning their name, demat account number / folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **12 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views / ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC / OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC / OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL / MOBILE NUMBER ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), Aadhaar Card (self attested scanned copy of Aadhaar Card) by email to **RTA email id:** [info@vccipl.com](mailto:info@vccipl.com)
2. For Demat shareholders, please update your email id & mobile no. with your respective **Depository Participant (DP)**
3. **For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.**

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 22 55 33.

**General Instructions:**

1. *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 as on 16<sup>th</sup> September, 2023. (Record date)*
2. The Scrutinizer, after scrutinizing the votes cast at the meeting through remote e-voting and during AGM will, not later than 48 hours from the conclusion of the Meeting, make a consolidated scrutinizer's report and submit the same to the Chairman. 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](http://www.nclind.com) and be communicated to the Stock exchanges where the company is listed i.e BSE and NSE and on the website of CDSL [www.cdslindia.com](http://www.cdslindia.com).
3. The company has paid the listing fees for the year 2023-24 to BSE and NSE where the equity shares of the company are listed.

**Address for Communication**

Company Secretary,  
NCL Industries Limited  
7<sup>th</sup> Floor, NCL Pearl  
Investments,  
S D Road, Near Rail Nilayam  
5F, Secunderabad-500026  
e- mail [cs@nclind.com](mailto:cs@nclind.com)

Address of Registrar and  
Share Transfer Agents  
Venture Capital & Corporate

(P)Ltd, "AURUM", DOOR No.4-50 / P &  
II/57/4F Plot No.57 , 4<sup>th</sup> & 5<sup>th</sup> Floors,  
Jayabheri Enclave Phase – II  
Gachibowli, Hyderabad - 500 032  
e-mail:info@vccilindia.com  
Phones: 040-23818475/76 &  
23868257

**STATEMENT CONTAINING MATERIAL FACTS**  
(Pursuant to Section 102 of the Companies Act, 2013)**ITEM NO. 5:**

The Board of Directors, on recommendation of the Audit committee, appointed M/s S R and Associates, Cost Accountants as Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2024 in respect of Cement and Ready Mixed Concrete, at a total remuneration of Rs.1,00,000/-(Rupees One Lakh 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.

The Board recommends that the Resolution be passed.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way concerned or interested, financially or otherwise, in this resolution.

**ITEM NO. 6:**

Mr. N G V S G Prasad was reappointed at the Board meeting held on 4th January, 2021 for a period of five years w.e.f 1<sup>st</sup> January, 2021 on the recommendation of Nomination and remuneration Committee.

In recognition of the significant contribution made by him and keeping in view of the compensation package offered by contemporary and comparable corporates, the Nomination and Remuneration Committee recommended the upward revision of the remuneration of Mr. N G V S G Prasad with effect from 1<sup>st</sup> September 2023. The Board at its meeting held on the 11<sup>th</sup> August 2023 approved the revised remuneration recommended by the N & R Committee, subject to the approval of the shareholders.

Mr.N G V S G Prasad, (57 years) is a Graduate in Commerce from Nagarjuna University and is a fellow member of the Institute of Chartered Accountants of India. He is having over 27 years of experience in Finance & Accounts in NCL Group. Prior to joining in NCL group, he was employed in public sector undertakings such as LIC, APSRTC.

He holds 150 Equity shares in the company.

He is also Non Executive Director in Tern Distilleries (P) Ltd and Vishwamber Cements Ltd

Resolution 6 seeks the approval of the shareholders for the revision in remuneration of Mr.N G V S G Prasad ,

Executive Director & CFO.

Your directors recommend that the resolutions be passed.

The Resolution also proposes that the remuneration as specified therein be paid as minimum remuneration in the absence of inadequacy of profits.

The Cost to the company is Rs. 11.79 Lakhs per month

As required by Schedule V to the Companies Act, 2013, the following additional information is provided to facilitate payment of the Minimum Remuneration. This General Information, excepting for the Information of the Appointee is common for Item Nos 6 and 7.

**I. GENERAL INFORMATION:**

- (1) Nature of Industry – The Company is operating in five segments - Cement, Boards, Hydel Power, Ready Mix Concrete and Readymade Doors.
- (2) Date of commencement of commercial operation – 16<sup>th</sup> 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)

<b>Financial Year Parameters</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>
Gross income	1,47,141	1,32,481	1,94,192	2,26,508	2,33,105
Net Profit (as computed u/s. 198)	6,487	7,406	23,499	15,559	9,715
Net profit as per P&L Account	4,678	5,096	14,771	9,743	4,434
Amount of Dividend paid	1,208.17	1,270.28	1,809.31	1356.98	1,356.98
Rate of dividend Declared	25%	25%	40%	30%	30%*

\* including proposed dividend

- (5) Export performance: Rs.12.47 Lakhs Foreign Currency Earnings - CIF basis for the Financial Year 2022-23.
- (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.
  - The Company also manufactures readymade doors in Technical Collaboration with AGT, Turkey.

## II. INFORMATION ABOUT THE APPOINTEE:

### N G V S G Prasad

#### Background Details-

1. Mr. N G V S G Prasad, (57 years) is a Graduate in Commerce from Nagarjuna University and is a fellow member of the Institute of Chartered Accountants of India. He is having over 27 years of experience in Finance & Accounts in NCL Group. Prior to joining in NCL group, he was employed in public sector undertakings such as LIC, APSRTC.
2. Other details stated in Explanatory Statement under Item No.6 as above.
3. 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	2018-19	2019-20	2020-21	2021-22	2022-23
	42.87	47.04	53.82	86.96	102.25

#### 3. Recognition and Awards: N A

#### 4 Job profile and his suitability –

Mr. N G V S G Prasad is the in- charge of operations of the Finance & Accounts, Energy Divisions and Corporate planning and his functions are subject to the superintendence, direction and control of the Managing Director.

5. **Remuneration proposed** - As set out in the resolution for the Item No 6. The remuneration proposed to be paid to the Executive Director & CFO 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 relationships directly or indirectly with the company, or relationship with managerial personnel, if any –**

Besides, the remuneration proposed, Mr. N G V S G Prasad is holding 150 equity shares in the Company and having fixed deposits worth Rs.89.50 Lakhs in the name of his mother and children in the company.

### III OTHER INFORMATION

- 1) Reasons of loss/inadequate Profits: Not applicable
- 2) Steps taken or proposed to be taken for improvement: Not applicable
- 3) Expected increase in productivity and profits in measurable terms: Increasing Cement and Boards Production, improving RMC and Doors divisions operational performance, meeting customer requirements, as warranted by the market demand.

This statement may also be regarded as a disclosure under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Mr.N G V S G Prasad may be treated as interested in the Resolution.

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.

**ITEM NO. 7:**

Members are aware that Mrs. Roopa Bhupatiraju has been appointed as Executive Director of the Company with effect from 27<sup>th</sup> September, 2019. She has been drawing a remuneration of Rs. 4,80,000/- per month with effect from 1<sup>st</sup> January, 2023.

Apart from the marketing of cement and brand building and publicity of all the products of the company, Mrs. Roopa Bhupatiraju has been entrusted with additional responsibility of HRD.

In recognition of the significant contribution made by her and keeping in view the compensation package offered by contemporary and comparable corporates, the Nomination and Remuneration Committee recommended the upward revision of the remuneration of Mrs. Roopa Bhupatiraju with effect from 1<sup>st</sup> September 2023. The Board at its meeting held on the 11<sup>th</sup> August 2023 approved the revised remuneration recommended by the N&R Committee, subject to the approval of the shareholders.

Mrs. Roopa Bhupatiraju born on 22<sup>nd</sup> September, 1978 is the daughter of Mr. Ravi Kalidindi, one of the promoter directors and current Executive Vice Chairman. She did her MBA (specialization in Marketing and Entrepreneurship) with distinction in the year 2001 from Sivasivani Institute of Management and later MS in Marketing Communications with distinction from Illinois Institute of Technology in USA.

She joined NCL Industries Ltd in February 2006 as Marketing Manager in Boards division and was later elevated to Executive Assistant to Managing Director from 12<sup>th</sup> March, 2007 to 30<sup>th</sup> November, 2008. She moved to the United States in the year 2009 and had honed her entrepreneurial skills by setting up her own business in California (USA) in the name of Devi LLC which was incorporated in USA.

Mrs. Roopa Bhupatiraju is a Non Executive Director in Sorachem Industries (P) Ltd, Nagarjuna Cerachem (P) Ltd and Kakatiya Chemicals (P) Ltd.

She holds 25,91,193 Equity shares in the company.

The Cost to the company is Rs. 11.36 Lakhs per month

Your directors recommend that the resolution be passed

The Resolution also proposes that the remuneration as specified therein be paid as minimum remuneration in the absence of inadequacy of profits.

Your Directors recommend that the resolution approving her revised remuneration be passed.

As required by Schedule V to the Companies Act, 2013, the following additional information is provided to facilitate payment of the Minimum Remuneration.

## I. GENERAL INFORMATION:

Please refer to the Information in Item No. 6

## II. INFORMATION ABOUT THE APPOINTEE:

**Mrs.Roopa Bhupatiraju**

### 1. Background Details

Mrs.Roopa Bhupatiraju born on 22<sup>nd</sup> September, 1978 is the daughter of Mr.Ravi Kalidindi, one of the promoter directors and current Managing Director. She did her MBA (specialization in Marketing and Entrepreneurship) with distinction in the year 2001 from Siva Sivani Institute of Management and later MS in Marketing Communications with distinction from Illinois Institute of Technology in USA.

Other details stated in Explanatory Statement under Item No.6 as above.

The terms of her 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	2019-20	2020-21	2021-22	2022-23
	21.04	54.67	61.27	97.38

### Job profile and her suitability:

Mrs.Roopa Bhupatiraju is in-Charge of Cement Marketing Operations, Human Resources and branding advertisement and publicity activities of company products subject to the the superintendence, direction and control of the Managing Director

**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.

**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.

## III OTHER INFORMATION

Please refer to Item No. 6

This statement may also be regarded as a disclosure under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Apart from, Mrs Roopa Bhupatiraju herself, Mr.K.Ravi (father) Mr.K.Gautam, Mrs.Pooja Kalidindi and Mr.Ashven Datla Directors may be treated as interested in the Resolution.



**NCL INDUSTRIES LIMITED**  
**42<sup>nd</sup> Board's Report**

Your directors have pleasure in presenting their Report for the financial year ended 31<sup>st</sup> March 31, 2023.

**Financial Results**

The Audited Financial Statements (both Standalone and Consolidated) for the year ended March 31, 2023, 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)

	2022-23	2021-22
<b>Total Revenue</b>	<b>2,33,105</b>	<b>2,26,508</b>
<b>Profit Before Tax</b>	8,898	14,495
Provision for Tax (including deferred tax)	4,635	5,131
<b>Profit for the Year After Tax</b>	<b>4,263</b>	<b>9,364</b>
Transfer to General Reserve	5,000	5,000
Dividend per Equity Share (Face value of Rs.10/ each)	3.00	3.00
Earnings per Equity Share (EPS)	9.40	20.69

**Performance Review & State of Company's Affairs**

Your company has posted highest revenue during the year under review. The standalone total income during the year under review is Rs. 2,33,148 Lakhs - an increase of 3% over the previous year and the consolidated total income is Rs.2,33,105 Lakhs increased by 3% over the previous year.

Cement Division registered a Gross Turnover of Rs.1959.42 Crores which was higher by around 1% in comparison with the previous year. Higher input costs particularly coal and power resulted in lower profitability during the current year.

The year under review witnessed a 27% rise in the Turnover of the Boards Division at Rs.200.36 Crores (Previous Year Rs.157.84 Crores) and profit before tax improved by 82% to Rs.18.77 crores (Previous year Rs.10.31 crores).

The generation of hydel power during the year also registered a slight improvement by 1% at 39.51 million units compared to 38.94 million units in the previous year.

The Ready Mix Concrete Division Turnover decreased by 7% at 111.04 Crores compared to Rs.119.95 Crores in the previous year.

The Readymade Doors division registered a Turnover of Rs, 33.57 Crores compared to Rs.26.12 Crores in the previous year i.e an increase of around 29% during the year under review.

The company made a standalone profit of Rs.44.34 Crores (after tax) during the year under review compared to Rs.97.43 Crores in the previous year.

The overall profitability (PBT) fell during the year under review mainly due to the dip in the performance of the Cement Division compared with the previous year. Abnormal rise in the cost of coal and fuel and other input costs were the main factors responsible for the reduced profitability during the year. However, there is an improvement in net realization and sales of the Boards Division during the year under review.

### **Subsidiary Companies /Acquisitions / Joint Ventures**

As reported in the previous year, Tern Distilleries (P) Limited (TDPL) the wholly owned subsidiary of the company was acquired mainly to utilize its land situated near Visakhapatnam for establishment of a new grinding unit. The approval and clearances from the Government of India to set up the unit are awaited.

The application for striking off the name of NCL Guangzheng Structures Ltd, the aborted Joint Venture Company with Qingdao Xinguangzheng Steel Structure Co Ltd, China from the Register of Companies was approved during the current year. The name of the said company has since been deleted from the Register of Companies.

### **Vishwamber Cements Ltd**

Pursuant to a share purchase agreement on 12<sup>th</sup> May, 2023 with the Promoter group of Vishwamber Cements Ltd (VCL), your company has acquired 100% stake in VCL at a total consideration of Rs.16.24 Crores. With the acquisition of VCL with a mining lease of 322.06 acres of limestone mines, it becomes a wholly owned subsidiary of your company. It is intended that VCL shall merge with your company which will result in the mines becoming its captive mines.

### **JV Partnership with NCL Buildtek Ltd**

As already reported last year, your company in consortium with NCL Buildtek Ltd has bagged an order worth Rs.1863 Crores for supply of Pre-painted (GI) Steel Window Frame with Glazed Shutters and GI Powder Coated Door Frames to the Andhra Pradesh State Housing Corporation Ltd (APSHC). During the year under review, the receipt of actual orders from APSHC were slow and the JV Partnership Venture had effected supplies of Rs.3440.15 Lakhs worth of material under the above scheme.

The Statement containing salient features of the financials of Subsidiaries / Associate Companies / Joint Ventures Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014 in form AOC-1 is enclosed as

## **MATERIAL CHANGES AND COMMITMENTS IF ANY AFFECTING FINANCIAL POSITION OF THE COMPANY**

### **Financial**

During the year under review, Bank of Baroda has sanctioned additional working capital credit facilities amounting to Rs.30.00 Crores.

### **Operations and new projects**

#### **Cement Division**

During the year under review, the Line-1 modernization project and expansion of Line III phase II works at Mattapalli (V) in Suryapet district in Telangana State were completed and commenced its operations w.e.f May ,2022 and December, 2022 respectively.

### **Dividend**

Your directors are pleased to propose a total dividend of 30% for the financial year 2022-23 including the interim dividend of 15% already paid to the shareholders.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 134 (3) (c) of the Companies Act, 2013, and on the basis of the information furnished to them by the concerned accounting professionals, your Directors confirm that:

- I. All applicable accounting standards have been followed in the preparation of annual accounts and that there are no material departures.
- II. 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 31<sup>st</sup> March, 2023 and of the profit 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 2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- IV. The Directors prepared the Annual Accounts on a going concern basis.
- V. Proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- VI. Appropriate systems were devised to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

## **DIRECTORS AND KEY MANAGERIAL PERSONS (KMP)**

### **Independent Directors**

During the year under review, your Company had five independent directors upto 21<sup>st</sup> September 2022, and 4 Independent Directors thereafter. As stated in the last Annual Report, the tenure of Mr. V S Raju as Independent Directors ended on 21<sup>st</sup> September 2022. The total number of Independent Directors is in conformity with the SEBI (LODR) Regulations throughout the year.

Persons from diverse fields of expertise and experience have been invited to join the Board as Independent Directors to ensure that the company gets the optimum benefit of wisdom and expertise.

Mr.Kamlesh Gandhi (Investment Banking), Dr.R.Kalidas (Technology) and Lt.General (Retd) T.A.Dcunha (Materials Management & Logistics) and Mrs.P.Sudha Reddy (woman entrepreneur) constitute the current team of Independent Directors.

Your company follows a policy of total transparency and proactive information flow to the Independent Directors, in order to avail the optimum benefit of their experience and expertise.

The Independent Directors also actively participate in the Board and Committee proceedings, and offer constructive suggestions, which are implemented by the company after deliberations in the full Board. Apart from this, the Independent Directors hold separate meetings and evaluate the performance of the Board and individual directors, Executive and Non-Executive Directors. The feedback on the evaluation of varied attributes is furnished to the company on a confidential basis.

The terms and conditions of appointment of independent directors are as per Schedule IV of the Act. They have submitted declarations that each of them meets the criteria of independence as provided and in Section 149(6) of the Act and there has been no change in their status as independent director during the year.

### **Executive Directors**

Mr. K Ravi, who has been at the helm as Managing Director, ceased to be a Managing Director and was appointed as Executive Vice Chairman of the Board with effect from 1<sup>st</sup> October 2022. As a part of the succession planning, Mr.K Gautam, the Joint Managing Director was elevated as Managing Director with effect from 1<sup>st</sup> October 2022.

Mr. Utkal B Goradia was appointed as Executive Director of the Company with effect from 27<sup>th</sup> September 2022.

As recommended by the Nomination & Remuneration Committee, the Board has approved the upward revision of the remuneration payable to Mr. NGVSG Prasad, Executive Director & CFO and Mrs. Roopa Bhoopatiraju Executive Director w.e.f. September 1, 2023. Appropriate resolutions are being proposed at the ensuing Annual General Meeting for approval of the shareholders for the revised remuneration.

As at the end of the year under review, there were five Executive Directors namely Mr. K Ravi, Executive Vice Chairman, Mr.K.Gautam, Managing Director, Mr. Utkal B. Goradia & Mrs.Roopa Bhupatiraju Executive Directors and Mr.N.G.V.S.G.Prasad, ED & CFO.

Apart from what has been detailed in the foregoing paragraphs, there was no change in the key managerial personnel of the Company during the year under review, Mr. T. Arun Kumar is the Company Secretary & Compliance Officer and Nodal Officer under IEPF Rules.

## **Non-Executive Directors**

Mr. P N Raju, Mr. Ashven Datla, and Mrs. Pooja Kalidindi are the Non Executive Directors in the Board as on the date of this Report, apart from the Independent Directors.

## **Retirement by Rotation**

Mr. Ashven Datla and Mrs. Roopa Bhupatiraju retire by rotation at the ensuing Annual General Meeting, and are eligible for reappointment.

Mr. Ashven Datla in a mail addressed to the Chairman informed that he does not wish to continue as a Director upon completion of his term.

The Board at its meeting held on August 11<sup>th</sup> 2023 desired not to fill the vacancy caused by the retirement of Mr. Ashven Datla. An appropriate Resolution not fill the said vacancy is being proposed at the ensuing Annual General Meeting.

The Board places on record the valuable contribution and services rendered by Mr. Ashven Datla during his tenure as Director of the company.

Particulars of Directors whose appointment / reappointment sought are given in **Annexure A-1** to this Report as part of the Report on Corporate Governance under SEBI (LODR) Regulations, 2015.

## **BOARD MEETINGS**

During the year under review, six Board meetings were held on 1).23<sup>rd</sup> April, 2022, 2).30<sup>th</sup> May, 2022, 3).13<sup>th</sup> August, 2022, 4).27<sup>th</sup> September, 2022, 5).11<sup>th</sup> November, 2022, 6).10<sup>th</sup> February, 2023. The maximum time gap between any two consecutive meetings was within the period prescribed under the Companies Act, 2013.

## **Committees of the Board**

The Board has constituted various committees as required under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The details of such Committees are given in Annexure – 'A' as a part of the report on Corporate Governance.

## **Plans for Orderly Succession for appointments to Board etc:**

Your Directors are fully satisfied that plans are in place for orderly succession for appointments to the Board and to senior management positions.

## **CORPORATE GOVERNANCE**

A separate report of compliance with the provisions relating to Corporate Governance as required SEBI (LODR) Regulations, 2015 is enclosed as **Annexure 'A'** and forms part of this Report.

## **BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)**

Your company did not figure in the top 1000 listed entities based on market capitalization as on 31<sup>st</sup> March, 2023. Hence the requirement to furnish BRSR is not applicable to the company.

## **Risk Management**

The company has a system of constantly identifying and monitoring the risks that the company may be exposed to. A Risk Management Committee headed by Independent Director as Chairman. The Committee also includes one Executive and one Non-Executive Director. As and when required, the Committee reviews various risks and steps taken to manage the risks. The Board is of the opinion that there are no elements of risks that may threaten the existence of the Company. Kindly refer Point No.39 of notes to financial statements on financial risks.

### **Particulars of Loans, Guarantees, or Investments under section 186 of the Companies Act, 2013**

The company has not granted any loans, given any guarantees during the year under review which would be covered under section 186 of the Companies Act, 2013.

### **Related Party Transactions**

All Related Party Transactions entered during the financial year 2022-23 were in ordinary course of business and at arm's length basis. Your Company did not enter into any Material Related Party Transactions during the year under review. Transactions entered into with the related parties are pursuant to the omnibus approval granted and approved by the Audit Committee and the Board of Directors on quarterly basis. Pursuant to Section 134 (3) (h) of the companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, the details of the Related Party Transactions are contained in **Annexure A-2** to this Report.

### **Management Discussion and Analysis Report**

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

### **Consolidated Financial Statement**

The Consolidated Financial Statement has been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013.

### **Litigations and Significant and Material Orders**

During the year under review, no significant or material orders were passed by any regulatory/statutory authorities or courts / tribunals against the company impairing its going concern status and operations in future.

However, members' attention is drawn to the statement on contingent liabilities and commitments in the notes forming part of the financial statements.

### **Corporate Social Responsibility (CSR) Activities**

The company has a CSR Committee as prescribed by the Statute with Dr.R.Kalidas, Independent Director as Chairman. The Committee also includes one Executive and one Independent Director. Your company has in place a CSR Policy which is available at [www.nclind.com](http://www.nclind.com). Your company's CSR activities are focused on education, social welfare and healthcare. One CSR Committee meeting was held on 8<sup>th</sup> February, 2023 and reviewed the CSR Policy and CSR activities.

Under the provisions of Section 135 of the Companies Act, 2013 an amount of Rs.297.40 Lakhs was required to be spent on CSR activities for the financial year 2022-23. After setting off the CSR expenditure incurred during the preceding financial years, a total amount of Rs.280.79 Lakhs was spent during the year under review, leaving a balance of Rs. 13.98 Lakhs is eligible for set off against the mandatory CSR obligation for the succeeding years. The details of the CSR activities during the year under review are listed in **Annexure C** to this Report.

### **Investor Education & Protection Fund**

The Company has transferred an amount of Rs.23.69 Lakhs relating to Dividends on the shares transferred to the Investor Education & Protection Fund for the financial year 2021-22.

Apart from above, the Company has also transferred unclaimed Dividend amount of Rs.15.29 Lakhs and a total of 1,26,215 corresponding equity shares of Rs. 10/- each on which dividends were unclaimed to the Investor Education & Protection Fund A/c on completion of 7 consecutive years as required by Section 124(5) of the Companies Act, 2013 and the Rules made there under,

## Fixed Deposits

The details relating to Fixed Deposits are as follows:

As on 31<sup>st</sup> March 2023, Rs.7,301.03 Lakhs of Public Deposits were outstanding. The Company has repaid all the matured deposits that have been claimed, and there have been no defaults in payment of interest or repayment of principal. The details of deposits received from the directors / relatives of directors during the year under review in terms of MCA Notification No.GSR 695 (E) dated 15<sup>th</sup> September, 2015 are as under:

S.No	Name of the Director / Relative of Director	Amount (Rs.in Lakhs)	Inter-se Relationship
1	Mr.Kamlesh Suresh Gandhi	35.00	Chairman
2	Mrs.Sonali K Gandhi	2.00	Wife of Mr.Kamlesh Suresh Gandhi
3	Ms.Payal Sanjay Desai	5.00	Daughter of Mr.Kamlesh Suresh Gandhi
4	Mr.Vinodrai.V.Goradia	55.00	Grandfather of Mr.Utkal B Goradia, ED
5	Mrs.Roopa Bhupatiraju	44.50	Executive Director, ED
6	Mrs.Charulatha V.Goradia	30.00	Grandmother of Mr.Utkal B Goradia, ED
7	Master B.Arjun	23.40	Son of Mrs. Roopa Bhupatiraju, ED
8	Ms. Anika Bhupatiraju	15.00	Daughter of Mrs. Roopa Bhupatiraju,ED
9	Mrs.R.Rani	30.00	Wife of Mr.R.Kalidas, Director
10	Mr.R.Arun	18.00	Son of Mr.R.Kalidas, Director
11	Mrs. N.Sita Mahalakshmi	33.00	Mother of Mr.N.G.V.S.G.Prasad, ED & CFO
12	Ms.N.Suchitra Katyayani	56.50	Daughter of Mr.N.G.V.S.G.Prasad, ED & CFO
13	Lt.Gen(Retd) T A DCunha	45.00	Director
14	Mr.K.Ravi	344.00	Executive Vice Chairman (EVC)
15	Mrs.K.Sarojini	6.00	Mother of Mr.K.Ravi-EVC

## Particulars of Employees

The details of employees who have been in receipt of remuneration envisaged by Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial personnel) vide MCA Notification dated 30<sup>th</sup> June, 2016 are annexed as **Annexure D** to this Report.

## **Auditors**

M/s M. Bhaskara Rao & Co who have been appointed as statutory auditors for a period of five years at the last Annual General Meeting held in September 2022. They have confirmed that they are not disqualified from continuing as auditors of the company.

The Notes on the financial statements referred to in the Independent Auditor's Report are self explanatory. The Auditor's report does not contain any qualification, reservation, or adverse remark.

## **Cost Audit**

M/s S.R. and Associates Cost Accountants have been reappointed to conduct the cost audit pertaining to Cement as well as RMC of the company for the year 2022-23. They have been reappointed by the Board of Directors as Cost Auditors of the Company for the Financial Year 2023-24. The remuneration of the cost auditors is required to be ratified by the members in terms of the relevant Rules. Accordingly, the matter is being placed before the Members for ratification at the ensuing Annual General Meeting.

The Cost Audit Report for the financial year ended March, 31st, 2022 was duly filed with Ministry of Corporate Affairs.

## **Secretarial Audit**

M/s. A J Sharma & Associates, Company Secretaries, have been reappointed to conduct the Secretarial Audit of the Company. The Secretarial Audit Report pursuant to the provisions of Section 204 of the Companies Act, 2013 is attached as **Annexure - E** to this Report. The observations of the Report do not call for any explanation as envisaged by Section 204(3) of the said Act.

## **Details in respect of frauds reported by auditors under Section 143(12) other than those which are reportable to Central Government**

No frauds were reported by the Auditors under Sub Section 12 of Section 143 of the Companies Act, 2013 read with the Rules made there under.

## **Awards / Certifications**

### **Great Place to Work, 2023**

Your Company is proud to state that "Great Place to Work" Organization was granted renewed certification as a "Great Place to Work" from October, 2023 to November, 2024 for the third time in succession. This reflects the confidence reposed by employees about the work atmosphere and the recognition accorded to them as partners in progress.

### **Indian Cement Review**

Indian Cement review Magazine conferred the award of fastest growing cement company in India (Small category) 2021 to the company

The Federation of Telangana Chamber of Commerce and Industry awarded excellence in Employee Welfare Initiatives during the year 2022-23. Also, HMA awarded CSR Award 2022-23 in the category of excellence in CSR activities undertaken by the company during the year 2022-23.

During the year under review, NCL Doors was awarded by 4M Pride of India in the category of best brand in South India.

## **Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.**

The Company has constituted an Internal Complaints Committee on Prevention of Sexual Harassment at workplace for women in the line with the requirements of the 'The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013 and the Rules made there under and had complied with provisions made under the said Act.

During the year under review, there were no references or complaints pursuant to the aforesaid Act.

## **Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**

Particulars required under Section 134 (3) (M) of the Companies act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 are furnished under **Annexure 'F'** which forms part of this Report. Your Company continues to be conscious of the need for conservation of energy, and wherever feasible, effective steps for energy conservation are taken.

There were no significant investments or developments in this regard during the year under review. The technology procured for the various operating Divisions has been fully absorbed. There was no significant expenditure in Research & Development warranting a special mention in this Report.

## **PROCEEDING PENDING UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016**

There is no proceeding pending against the company under the Insolvency and Bankruptcy Code, 2016 during the year under review.

## **ONE-TIME SETTLEMENT WITH THE BANKS OR FINANCIAL INSTITUTIONS**

There was no instance of onetime settlement with any Bank or Financial Institution during the year under review.

## **Extract of Annual Return**

The Annual Return as required under Section 92 and Section 134 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is available on the Company's website [www.nclind.com](http://www.nclind.com).

## **Acknowledgements**

Your directors wish to place on record their appreciation of the support and co-operation extended by Axis Bank, HDFC Bank, SBI, Kotak Mahindra Bank, Bank of Baroda and Central and State Government Departments, Dealers, Stockists, 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**

**Kamlesh Gandhi**  
Chairman  
Din: 00004969

**Place: Hyderabad**  
**Date: 11<sup>th</sup> August, 2023**



**Annexure “A” to the Directors’ Report**

**REPORT ON CORPORATE GOVERNANCE**

**(In compliance with Regulation 27&72 SEBI (LODR) Regulations, 2015)**

**1) Company’s philosophy on Corporate Governance**

2) Right from its inception, the philosophy of the company has been one of transparent and fair governance practices. The company has always believed that the interests of all the stakeholders need to be safeguarded during the periods of prosperity and adversity, and its governance practices have been guided by this philosophy.

**3) Board of Directors:**

**a) Composition and category of Directors.**

During the year under review, your Board of Directors had 12 Directors, 5 being Executive Directors and 7 Non-Executive Directors. Four of Non-Executive Directors (five till 21<sup>st</sup> September 2022) were Independent Directors. The Chairman of the Board has always been an Independent Director and the Company was in compliance of the provisions relating to the number of independent directors prescribed under the Companies Act and the SEBI (LODR) Regulations, 2015.

Name of the Director	Categories Of Director-ship*	No of Board Meeting attended	Attendance at last AGM	Directorship in other companies***	No. of memberships of other Committees **as	
					Chairman	Member
Mr.Kamlesh Gandhi	I & NED	6	Yes	3	3	1
Dr.R.Kalidas	I & NED	6	Yes	-	-	1
Lt.Gen (Retd) T.A. DCunha	I & NED	6	Yes	-	-	-
Mr.V.S.Raju (Term completed on 21.09.2022)	I&NED	3	NA	3	2	2
Mrs.P,Sudha Reddy	I & NED	5	No	3	1	-
Mr.V.V. Goradia (Term completed on 27.09.2022)	NED	3	No	1	-	-
Mrs.Pooja Kalidindi	NED	5	Yes	6	-	1
Mr.Ashven Datla	NED	4	Yes	6	-	-
Mr.P.N.Raju	NED	6	Yes	2	-	1
Mr.Utkal B Goradia (w.e.f 27.09.2022)	ED	3	Yes	1	-	-
Mrs.Roopa Bhupatiraju	ED/WD	5	Yes	3	-	1
Mr.N.G.V.S.G. Prasad	ED & CFO	6	Yes	2	-	-

Mr.K.Gautam	MD	6	Yes	2	-	-
Mr.K. Ravi	EVC	5	Yes	10	-	-

**b) Number of Board Meetings held during the year along with dates of the meetings:**

Six Board Meetings were held during the year 2022-23

The dates on which the said meetings were held areas under:

- (1) 23<sup>rd</sup> April,2022                      (2) 30<sup>th</sup> May,2022                      (3) 13<sup>th</sup> August, 2022  
(4) 27<sup>th</sup> September, 2022              (5) 11<sup>th</sup> November, 2022              (6) 10<sup>th</sup> February, 2023.

**c) Attendance of Directors at Board Meetings, AGM, and committees where he/she is a Director / Member**

\*\*As per the explanation to Regulation 26 of SEBI (LODR) Regulations, 2015, only Audit Committee and Stakeholder's Relationship Committee have been considered for the purpose

\* I & NED Independent and Non-Executive Director. EVC: Executive Vice Chairman

NED Non-Executive Director: ED: Executive Director: WD: Woman Director

\*\*\*including directorships in Private Ltd. Companies

The inter se relationship between directors, as envisaged by Schedule V (C)(e) of the SEBI (LODR) Regulations, 2015) are as follows:

Name of Director	Inter se relationship
Mr. K Ravi	Executive Vice Chairman
Mrs.Pooja Kalidindi	Sister of Mr. K Gautam
Mr. K Gautam -MD	Brother of Mrs.Pooja Kalidindi
Mrs. Roopa Bhupatiraju - ED	Daughter of Mr. K Ravi
Mr. Ashven Datla	Son in law of Mr. K Ravi

Details of Listed entities in which the directors hold position as director other than NCL Industries Ltd and category of Directorship as on 31st March 2023 is as under:

Name of the Director	Name of the company	Category of Directorship
Mr.Kamlesh Gandhi - Chairman	Bhagyanagar India Limited	Non-Executive Independent - Director
	Kirloskar Electric Company Limited	

**d) Criteria for performance evaluation of Independent Directors and other Non – Executive Directors**

The Nomination & Remuneration Committee has laid down the evaluation criteria for performance evaluation of Independent Directors and other Non-Executive Directors of the company. The performance of each Independent Director has been evaluated by the other members of the Board.

One separate meeting of the independent Directors was held on 8<sup>th</sup> February, 2023 during the year under review. Independent directors evaluated the performance of other Executive and Non-Executive Directors and conveyed their views to the persons concerned.

**e) Familiarization programme for Independent Directors and other directors**

For new inductees to the Board, the company follows a familiarization process consisting of plant visits, interaction with the executive directors, other members of the Board and senior management personnel. The company also sponsors independent directors to workshops and seminars on their rights and responsibilities, whenever there is a need and an opportunity. Familiarization is a continuous process whereby Directors are informed, either through presentations at the Board or Committee meetings, board notes and interactions on various developments within the company and external developments affecting the company's fortunes.

**4) Audit Committee:**

The Board has an Audit Committee constituted in compliance with Regulation 18 of the SEBI (LODR) Regulations, 2015. 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 quarterly and 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.
- e) Framing and reviewing policy on related Party transactions and recommend the same to Board. The Committee is empowered with the powers as prescribed under Regulation 18(3) of SEBI (LODR) Regulations, 2015 and Section 177 of the Companies Act, 2013.

During the year under review, five meetings of the audit committee were held on the following dates

- (1) 23<sup>rd</sup> Apr, 2022      (2) 30<sup>th</sup> May, 2022      (3) 12<sup>th</sup> August, 2022      (4) 11<sup>th</sup> November, 2022  
(5) 8<sup>th</sup> February, 2023

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
Mr.Kamlesh Gandhi	Chairman	Independent	5
Dr.R.Kalidas	Member	Independent	5
Mr.Ashven Datla (Up to 31.08.2022)	Member	Non Executive	1
Mr.V.S.Raju (Up to 21.09.2022)	Member	Independent	3
Mrs.Pooja Kalidindi (w.e.f 01/09/2022)	Member	Non Executive	2

The constitution of the Audit Committee is in compliance of the provisions under SEBI (LODR) Regulations, 2015.

The Managing Director, Executive Directors and the Executive Director & CFO are permanent invitees to this Committee.

The terms of reference of the Audit Committee are in accordance with the provisions of the SEBI (LODR) Regulations, 2015.

There were no occasions where the Board did not accept any recommendation of the Audit Committee.

#### 5) Nomination & Remuneration Committee:

The Company has a Nomination and Remuneration Committee. The constitution of the committee and attendance of each member at the committee meetings held during the year under review is given below.

This Committee considers and recommends the remuneration payable to Executive Directors. During the year under review, two meetings of the Committee were convened on 30<sup>th</sup> May,2022 and 12<sup>th</sup> August,2022

Name	Designation	Category	Committee meeting attended
Lt.Gen. (Retd) T.A.DCunha	Chairman	Independent	2
Mr.V.S.Raju - (Up to 21.09.2022)	Member	Independent	2
Mr.Ashven Datla	Member	Non-Executive	2
Mr.Kamlesh Gandhi (from 01.09.2022)	Member	Independent	NA

## 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 concerned director, while adhering to the ceilings prescribed under the Statute.

The Nomination and Remuneration Committee has adopted a Remuneration Policy which, inter alia, deals with the manner of selection of Directors, Key Managerial Personnel and other employees and their remuneration.

The remuneration / compensation / commission etc. to Directors are determined by the Nomination and Remuneration Committee and recommended to the Board for approval. Such remuneration / compensation / commission etc. are subject to the prior / subsequent approval of the shareholders of the Company wherever required.

### 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:

(Rupees In Lakhs)

Name of the Director	Salary	Allowances/ Benefits*	Commission	Total
Mr.K. Ravi, EVC	130.50	104.83	129.25	364.58
Mr.K.Gautam, MD	102.90	82.66	65.06	250.62
Mrs.Roopa Bhupatiraju-ED	54.00	43.38	Nil	97.38
Mr.N.G.V.S.G. Prasad - ED & CFO	56.70	45.55	Nil	102.25
Mr.Utkal B Goradia-ED - (w.e.f 27.09.2022)	18.40	14.78	Nil	33.18

\* Allowances / Benefits include HRA, Contribution to PF, Gratuity and Superannuation etc

### 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.25,000/- for Board Meeting and any committee thereof per meeting. In addition, they are entitled to commission at the rate of not exceeding 1% of the net profits of the Company. During the year under review, commission @ 0.25% of the net profits of the Company paid.

The remuneration paid to the Non-Executive Directors during the year under review was as follows. (Commission will be paid after approval of accounts at AGM)

Name of Director	No. of Board/ Committee meetings attended	Sitting Fees paid (Rs)	Commission paid (Rs)
Mr.Kamlesh Gandhi	12	3,00,000	3,64,322
Dr.R.Kalidas	14	3,50,000	4,25,043
Lt.Gen(Retd).T.A.Dcunha	11	2,75,000	3,33,962
Mrs.P.Sudha Reddy	8	2,00,000	2,42,882
Mr.V.V. Goradia	3	75,000	91,081
Mr.Ashven Datla	8	2,00,000	2,42,882
Mrs.Pooja Kalidindi	7	1,75,000	2,12,521
Mr.P.N.Raju	9	2,25,000	2,73,242
Mr.V.S.Raju	8	2,00,000	2,42,882
<b>Total</b>	<b>80</b>	<b>20,00,000</b>	<b>24,28,817</b>

**Shareholdings of Non-Executive Directors as on 31<sup>st</sup> March, 2023:**

Non-Executive Directors	No. of Shares
Dr.R.Kalidas	Nil
Lt.Gen (Retd) T.A.DCunha	1,000
Mr.Ashven Datla	17,75,855
Mr.Kamlesh Gandhi	100
Mrs.Pooja Kalidindi	15,02,518
Mr.P.N.Raju	11,90,010
Mrs.P,Sudha Reddy	Nil

## 6 Stakeholders Relationship Committee:

The Company has a "Stakeholders Relationship Committee" which consisted of Mrs. P.Sudha Reddy as its Chairperson and Mrs Roopa Bhupatiraju & Mr. P.N.Raju as its members. The Committee oversees the compliance 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 8<sup>th</sup> February, 2023. The attendance details of the members are given hereunder.

Name	Designation	Category	Committee meeting attended
Mrs.P.Sudha Reddy - (w.e.f 01.09.2022)	Chairperson	Independent	1
Mrs.Roopa Bhupatiraju	Member	ED	1
Mr.P.N.Raju	Member	NED	1
Mr.V S Raju - (Up to 31.08.2022) (Chairman)	Chairman	Independent	NA

## Compliance Officer

Mr. T. Arun Kumar, Company Secretary of the company is also designated as the Compliance Officer and Nodal Officer under IEPF Rules.

## 7 (i) Details of Investors letters / complaints received during the year ended 31<sup>st</sup> March 2023.

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

## 7 (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.

## 8. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Board has a CSR Committee comprising Dr.R.Kalidas (Independent Director) as Chairman, Mr.K.Gautam (Managing Director), and Mrs.P.Sudha Reddy (Independent Director) as members.

This Committee discharges the functions as envisaged by the Act. It recommends to the Board allocation of funds under CSR activities and considers additional voluntary allocations if any for CSR activities of the company. The details of amount spent towards CSR activities during the year under review are enclosed as separate annexure.

During the period under review, the Committee met once on 8<sup>th</sup> February, 2023. The attendance details of the members are given hereunder.

Name	Designation	Category	Committee meeting attended
Dr.R.Kalidas	Chairman	Independent	1
Mr.K. Gautam	Member	MD	1
Mrs.P.Sudha Reddy	Member	Independent	1

#### 9) RISK MANAGEMENT COMMITTEE

The Company has a Risk Management Committee. The constitution of the committee and attendance of each member at the committee meetings held during the year under review is given below.

The terms of reference of the Risk Management Committee is to ensure that the Company maintains effective risk management and internal control systems and processes, and report to the Board of Directors on the effectiveness of the risk management program in identifying and addressing material business risks. The Committee reviews various risks on half yearly basis and steps taken to manage the risks and recommend the same to Board

During the year under review, the Committee met twice on 13<sup>th</sup> August, 2022 and 8<sup>th</sup> February, 2023. The attendance details of the members are given hereunder.

Name	Designation	Category	Committee meeting attended
Lt.Gen(Retd) T A DCunha	Chairman	Independent	2
Mr.P N Raju	Member	NED	2
Mr.N G V S G PRASAD	Member	ED & CFO	2
Mr.Ashven Datla (up to 31.08.2022)	Member	NED	1
Dr.R.Kalidas (up to 31.08.2022)	Member	Independent	1



**10) General Body Meetings:**

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

Year	Date & time of AGM	Place
2021-2022	27.09.2022 at 10.30 AM	NCL Pearl, S D Road, Secunderabad through Video Conference
2020-2021	28.09.2021 at 10.30 AM	NCL Pearl, S D Road, Secunderabad through Video Conference
2019-2020	28.09.2020 at 11.00 AM	NCL Pearl, S D Road, Secunderabad through Video Conference

b) Details of Special Resolutions passed in last three AGMs:

Year	Gist of the Resolutions
2021-22	<ol style="list-style-type: none"> <li>1. Approval of appointment and remuneration of Mr.Utkal B.Goradia as Executive Director for 5 years w.e.f 27<sup>th</sup> September,2022</li> <li>2. Appointment and remuneration of of Mr.K.Gautam, Joint Managing Director as Managing Director for five years w.e.f 1<sup>st</sup> October,2022</li> <li>3. Appointment and remuneration of Mr.K.Ravi, Managing Director as Executive Vice Chairman for five years w.e.f 1<sup>st</sup> October,2022</li> <li>4. Payment of remuneration by way of Commission to Non Executive Directors not exceeding 1% of the company in addition to sitting fees for attending Board /Committee meetings</li> </ol>
2020-21	<ol style="list-style-type: none"> <li>1. Reappointment of M r.K.Ravi as an Managing Director for five years w.e.f 1<sup>st</sup> Januay,2021</li> <li>2. Appointment of Mr.K.Gautam, Executive Director as Joint Managing Director for five years w.e.f 1<sup>st</sup> January,2021</li> <li>3. Reappointment of Mr.N G V S G Prasad as Executive Director &amp; CFO for five years w.e.f 1<sup>st</sup> Januay,2021</li> <li>4. Revision in remuneration of Mrs.Roopa Bhupatiraju Executive director w.e.f 1<sup>st</sup> January, 2021.</li> </ol>
2019-20	<ol style="list-style-type: none"> <li>1. Reappointment of Dr.Kalidas as an Independent Director for five years</li> <li>2. Reappointment of LT Gen (Retd) T A Dcunha as an Independent Director for five years</li> <li>3. Approval of appointment and remuneration of Mrs.Roopa Bhupatiraju as Executive Director for 5 years</li> <li>4. Consent Board of Directors for borrowing up to a ceiling of Rs,750 Crores over and above the amount of Share Capital and free reserves of the company</li> </ol>

c) Resolutions passed through Postal Ballot:

No Postal Ballot was conducted during the year under review

## 11 ) Disclosures

- a) 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 interests of the Company at large.
- b) The Company has a formal whistle blower policy, which was adopted by the Board. The details of the policy are displayed in the company's website in the link <https://www.nclind.com/whistle-blower-policy>.
- c) The Company has a formal Dividend Distribution policy, which was adopted by the Board. The details of the policy are displayed in the company's website in the link [https://www.nclind.com/ Dividend Distribution Policy](https://www.nclind.com/Dividend Distribution Policy).
- d) The Company has complied with the mandatory requirements stipulated under SEBI (LODR) Regulations, 2015 and / or the erstwhile listing agreement entered into with the stock exchanges.
- e) Management Discussion and analysis Report on the business of the Company forms part of this Annual Report.
- f) The CEO / CFO certification on the financial statements for the financial year 2022-23 is provided elsewhere in this Annual Report.
- g) Any of the associated /group entities of the Company have not paid any fees to the Statutory Auditors of the Company nor availed any services from the Statutory Auditors. The details of fees paid to Statutory Auditors are furnished in the Note No.31 of the financial statements.
- h) The Company has complied with all the requirements of the Corporate Governance Report relating to the financial year 2022-23.
- i) ANNUAL RETURN; [www.nclind.com>investors>AnnualReturn](http://www.nclind.com>investors>AnnualReturn)
- j) The Board hereby confirm that in the opinion of the Board, the Independent Directors fulfill the conditions as specified in SEBI (LODR) Regulations, 2015 and are independent of the management.
- k) **Means of communication:**
  - i. The quarterly and half yearly financial results are published in the national and local dailies such as Economic Times, Business Standard and Namaste Telangana.
  - ii. Quarterly / Half yearly financial results of the Company are forwarded to the Stock Exchanges and published in Economic Times, Business Standard Namaste Telangana / Eenaadu. Half yearly report is not sent to each household of shareholders as the results are published in the newspapers.
  - iii. The results and other official news releases are also posted in the Company's website – [www.nclind.com](http://www.nclind.com) and BSE & NSE websites.

**12) Shareholders information:**

i) AGM :	42 <sup>st</sup> Annual General Meeting
Date :	25 <sup>th</sup> September, 2023
Time :	10.30 A.M Through Video Conferencing / Other Audio-Visual Means
Venue :	NCL Pearl, 7 <sup>th</sup> Floor, S D Road, Secunderabad, 500026
ii) Financial Year	April 1 to March 31 next.
iii) Date of Book Closure	18/09/2023 to 25/09/2023 (both days inclusive)
iv) Final Dividend payment date	Within 30 days from the date of AGM i.e. 24 <sup>th</sup> October, 2023.
v) Listing on Stock Exchanges and status of Listing fees	BSE & NSE Listing Fees paid Up to date.
vi) A) Script Code	BSE- 502168, NSE – NCLIND
B) Demat ISIN No in NSDL & CDSL for Equity Shares	INE732C01016
C) Corporate Id. No.	L33130TG1979PLC002521

vii) **Stock Market Data - SHARE PRICE –BSE & NSE 01/04/2022 to 31/03/2023**

Month	BSE Limited		National Stock Exchange of India Limited	
	High Price	Low Price	High Price	Low Price
Apr-22	210.70	176.85	210.65	177.00
May-22	193.70	155.90	193.65	156.00
Jun-22	180.00	157.00	184.70	156.55
Jul-22	200.40	164.35	205.10	164.20
Aug-22	188.20	165.50	188.20	165.65
Sep-22	198.40	171.00	198.55	176.00
Oct-22	190.90	170.50	191.15	172.50
Nov-22	185.90	172.15	186.00	172.15
Dec-22	188.85	164.95	188.70	164.55
Jan-23	181.15	157.00	181.05	157.10
Feb-23	180.00	155.25	179.80	157.00
Mar-23	183.00	167.05	183.25	167.10

viii) **Address of Registrar and Share Transfer Agents**

Venture Capital & Corporate Investments (P) Ltd  
 AURUM, Door No.4-50/P-II/57/4F &5F  
 Plot No.57 , 4<sup>th</sup> & 5<sup>th</sup> Floors  
**Jayabheri Eclave Phase – II**  
**Gachibowli, Hyderabad 500 032**  
 Phones: 040-23818475/76 & 23868257  
 E-mail: info@vccipl.com / [investor.relations@vccipl.com](mailto:investor.relations@vccipl.com)

ix) **Share transfer system:**

Except transmission / transposition, loss of share certificates and name deletion of Shares which are in physical mode, transfer of shares is permitted only through Demat Modes, and effected by the Depositories. The transmission / transposition, loss of share certificates and name deletion of Shares are duly effected within a period of 30 days from the date of their lodgment with the Registrars and Share Transfer Agents and the duly transferred share certificates will be dispatched provided the transfer documents are in order. The Board of Directors has delegated powers to approve the transmissions / issue of duplicate share certificates to Mr.T.Arun Kumar, Company Secretary & Compliance Officer.

x) **Distribution of Shareholding as on 31.03.2023**

<b>NCL INDUSTRIES LIMITED</b>				
<b>Distribution of Shareholding as on 31/03/2023</b>				
<b>No of Equity Shares held</b>	<b>No of Shareholders</b>	<b>Percentage %</b>	<b>No of Shares</b>	<b>Percentage %</b>
Upto - 500	52,844	91.01	53,27,331	11.78
501 - 1000	2,638	4.54	20,61,814	4.56
1001 - 2000	1,267	2.18	19,07,770	4.22
2001 - 3000	437	0.75	11,21,161	2.48
3001 - 4000	186	0.32	6,68,640	1.48
4001 - 5000	135	0.23	6,37,706	1.41
5001 - 10000	272	0.47	19,48,029	4.30
10001 and above	286	0.50	3,15,60,339	69.77
<b>Total</b>	<b>58,065</b>	<b>100.00</b>	<b>4,52,32,790</b>	<b>100.00</b>

xi) **Shareholding Pattern as on 31.03.2023**

<b>Shareholding Pattern as on 31/03/2023</b>		
<b>Category of Shareholders</b>	<b>No.of Shares</b>	<b>%</b>
<b>I) Indian Promoters &amp; Promoter Group</b>		
a) Individual	2,02,52,579	44.77
b) Directors and their relatives (Excluding Independent Directors and Nominee Directors)	2,28,100	0.50
c) Bodies Corporates	10,64,286	2.35
<b>II) Public Shareholding</b>		
a) Mutual Funds / UTI	2750	0.01
b) Financial Institutions/Banks	10050	0.02
c) Central Government/State Government(s)	7000	0.02

d) Alternate Investment Funds	0	0
e) Foreign Portfolio Investors – Corporate (FPI)-Category-III	1,597	0
(i) Individual (FPI) Category-II	218	0
(ii) Corporate (FPI)-Category -1	1,076,403	2.38
(iii) Foreign Nationals	1,700	0
(iv) Key Managerial Persons	4,900	0.01
<b>III) Non-Institutions</b>		
i) Individual shareholders holding nominal share capital up To Rs.2 Lakh	13,91,6576	30.77
ii) Individual shareholders holding nominal share capital in excess of Rs 2 Lakh	5,13,9136	11.36
<b>IV) Any Other</b>		
a) Bodies Corporates	1,68,1342	3.72
b) Clearing Member	39,556	0.09
c) Trust	750	0.00
d) NRI'S	1,01,8249	2.25
e) IEPF Authority	78,9298	1.74
<b>TOTAL</b>	<b>4,52,32,790</b>	<b>100.00</b>

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 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 31<sup>st</sup> March 2023, 97.57% of shares of the Company were held in Dematerialized form with the following depositories.\

	<b>No. of shares</b>	<b>% on Paid up Capital</b>
1. NSDL	3,38,37,441	74.81%
2. CDSL	1,02,96,665	22.76%
	-----	-----
Total	4, 41,34,106	97.57%
	-----	-----

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) **Plants Location:**

<b>CEMENT UNIT –I</b>	<b>BOARDS UNIT – I &amp; III</b>	<b>ENERGY UNIT - I</b>	<b>DOORS</b>	<b>READYMIX CONCRETE</b>
Simhapuri Mattampally Mandal, Suryapet Dist-508204 Telangana	Simhapuri Mattampally Mandal Suryapet Dist-508204 Telangana	Pothireddypadu Head Regulator Chabolu Village Pothulapadu Post NandikotkurTQ.- 518402Kurnool District,AP	Sy.No.222 Malkapur(V), Choutuppal Mandal, Yadadri Bhuvanagiri (Dt), 508252 Telangana	<b>UNIT –I</b> Plot No. 91/C, D Block, Autonagar, Gajuwaka, Visakhapatnam, A.P. Pincode – 530026
<b>UNIT – II</b> Kadimpothavaram Village, Kondapalli Krishna District- 521228 – A.P.	<b>UNIT – II</b> Bhothanwali Village Paonta Sahib Sirmour District 173025 Himachal Pradesh	<b>UNIT – II</b> RBHLC Zero Mile Point Tungabhadra Dam Tungabhadra Board Amaravathi Village Hospet-583225 Karnataka		<b>UNIT –II</b> Plot 11, A/2, Phase 1, IDA, Patancheru (V), Telangana State. Pincode - 502 319
				<b>UNIT –III</b> Sy.No. 282 (P), Rampally (V), Keesara (M), Medchal (Dt.), Telangana State.
				<b>UNIT –IV</b> Vellanki Village, Anandapuram Mandal, Visakhapatnam Pincode - 531 163. AP.
				<b>UNIT –V</b> Sy.No.208-1, 209- 1&2, Tallapalem Road, Ugginapalem (V), Kasimkota (M), AP Pincode - 531031
				<b>UNIT –VI</b> Sy.No.38-9 to 38-19 Kovvada Grampanchayat Poosapatirega (M)

				Vijayanagaram Dist, AP Pin - 535204
				<b>UNIT –VII</b> Plot No 36. Sy No 460/2, 461, 462/2, 479 to 482, IDA, Mankhal (V), Maheswaram (Mandal), Ranga Reddy (District), Telangana. 501359
				<b>UNIT –VIII</b> Sy.No. 492,493 Goudavalli, near Gandimysamma, Medchal Dist, 500043 Telangana
				<b>UNIT –IX</b> Sivadatta temple Road Dandu Malkapur(V) Choutuppal(M) Yadadri Dist 508252- Telangana

xv) **Address for Investor Correspondence** : The Company Secretary  
NCL Industries Limited  
7<sup>th</sup> Floor, "NCL Pearl", Near Rail Nilayam,  
S D Road, Secunderabad 500026  
Mail ID: [cs@nclind.com](mailto:cs@nclind.com)/ ncl@nclind.com

xvi) **CEO / CFO Certification**

The CEO and CFO of the Company have issued a certificate to the Board on the matters specified under Regulation 17(8) of the SEBI (LODR) Regulations, 2015.

xvii) **Procedure for dealing with unclaimed shares in terms of Regulation 39(4) SEBI (LODR) Regulations, 2015.**

There are no unclaimed shares as envisaged by Regulation 39(4) SEBI (LODR) Regulations, 2015.

xviii) **Credit Rating**

CRISIL Ratings has migrated its rating in compliance with the regulatory guidelines as per circular issued by the Securities and Exchange Board of India (SEBI) on July 16, 2021 and the subsequent SEBI circular dated April 1, 2022, for standardizing the rating scales used by the Credit Rating Agencies. This migration represents only a recalibration of the rating from one scale to another and does not reflect any change in the credit risk profile of the company on long term and short term borrowings. It is neither an upgrade nor a downgrade of the underlying credit risk profile of the company's Term loans and FD programme.



Rating Action	Rating
Long Term Rating	CRISIL A / Stable (Reaffirmed)
Short Term Rating	CRISIL A1(Reaffirmed)
Fixed Deposits	CRISIL A/Stable

xix) **Core Skills / Expertise / Competencies**

In accordance with Clause C(h)(i) and (ii) of Schedule V read with Regulations 34(3) of SEBI(LODR) Regulations,2015, the Board of Directors have identified the following Core Skills / Expertise / Competencies, required for Board Members in the context of Company's business and sectors, to function effectively.

- Strategy Management
- Business Management, Sales, Marketing
- Banking and Financial Management
- Project Management, Research & Technical Operations
- Risk Management including Foreign Exchange Management
- Industrial Relationship Management, including Environment,
- Legal Knowledge
- Tax Planning and Management
- General Administration
- Materials Management, & Logistics Planning

The skills / expertise / competencies available with the Directors of the Company are as under.

Sl	Name	Field of Specialization / Expertise / Competence	Details of other Directorship in Listed entities
1	Mr. Kamlesh Gandhi (Independent)	Investment Banking Corporate Governance	Bhagyanagar (I) Ltd, and Kirloskar Electric Company Limited
2	Dr.R.Kalidas, (Independent)	Research & Technical Operations	Nil
3	Lt.Gen (Retd) T A DCunha (Independent)	Materials Management & Logistics Planning	Nil
4	Mrs.P.Sudha Reddy (Woman Independent)	Business Management, R&D and Administration	Nil

5	Mrs.Pooja Kalidindi (Promoter Non-Executive, Woman)	Business Management and Commercial	Nil
6	Mr. Ashven Datla (Promoter – Non-Executive)	Industrial Management	Nil
7	Mr. P N Raju (Promoter – Non-Executive)	Manufacturing & Construction	Nil
8	Mr.Utkal B Goradia (Promoter– Executive)	Marketing & Materials Management	Nil
9	Mr.N G V S G Prasad Professional - Executive Director	Finance, Accounting and Taxation	Nil
10	Mrs. Roopa Bhupatiraju (Promoter Executive, Woman)	Business Management	Nil
11	Mr. K Gautam (Promoter – Managing Director)	Marketing ,Industrial and Business Management	Nil
12	Mr. K Ravi, Executive Vice Chairman (Promoter– Executive)	Industrial Management	Nil

The above Report was adopted by the Board of Directors at their meeting held on 11<sup>th</sup> August, 2023.

#### **DECLARATION FOR COMPLIANCE WITH CODE OF CONDUCT**

The company adopted Code of Conduct for Directors and Senior Management Personnel of the company at the meeting of the Board of Directors held on 30<sup>th</sup> May, 2015 and Pursuant to Regulation 26(3) and 46(2) (d) of SEBI (LODR) Regulations, 2015 posted the same on the company website. All the Board members and senior management personnel have affirmed compliance with the Code of Conduct.

**K. Gautam**

Managing Director

Date: 11<sup>th</sup> August, 2023.

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## 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 31.03.2023, as stipulated in SEBI (LODR) Regulations, 2015 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 Regulations. 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 SEBI (LODR) Regulations, 2015.

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 company.

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.

Place: Hyderabad

Dated: 11<sup>th</sup> August, 2023

**M. Bhaskara Rao & Co**  
Chartered Accountants

**(Sd) Bapu Raghavendra**  
Partner

Membership No.213274

## Form AOC-1

<b>(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)</b>
<b>Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures</b>
<b>Part "A": Subsidiaries</b>

*All amounts in Rs.Lakhs ,*

Sl. No.	Particulars	Details
ss1	Name of the subsidiary	TERN DISTILLERIES PRIVATE LIMITED
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as that of the Holding Company
3	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	INR
4	Share Capital	10,267.63
5	Reserves & surplus	(7,755.22)
6	Total Assets	2,815.26
7	Total Liabilities	302.85
8	Investments	0
9	Turnover	0
10	Profit before taxation	(171.00)
11	Provision for taxation	0
12	Profit after taxation	(171.00)
13	Proposed Dividend	0
14	% of shareholding	100

Names of subsidiaries which are yet to commence operations- NIL

Names of subsidiaries which have been liquidated or sold during the year- NIL

## DETAILS OF SUBSIDIARY

SL.No	Particulars	Current Years	Previous Year
1	Name of subsidiary	TERN DISTILLERIES PRIVATE LIMITED	TERN DISTILLERIES PRIVATE LIMITED
2	CIN of subsidiary company	U15532TG1999PTC031318	U15532TG1999PTC031318
3	Permanent account number of subsidiary company	NA	NA
4	Principal place of business of subsidiary	Hyderabad	Hyderabad
5	Country of incorporation or residence of subsidiary	INDIA	INDIA
6	Proportion of ownership interest in subsidiary	100	100
7	Proportion of voting rights held in subsidiary	100	100

### Annexure A- 1

#### PARTICULARS OF DIRECTORS WHOSE APPOINTMENT / REAPPOINTMENT IS BEING SOUGHT

Name of the Director	Mrs.Roopa Bhupatiraju
Date of Birth	22/09/1978
Qualifications	MBA and MS (Marketing Communication) from Illinois Institute of Technology, USA
Directorship in other companies	Sorachem Industries (P) Ltd , Nagarjuna Cerachem (P) Ltd and Kakatiya Chemicals (P) Ltd
Membership of Audit / Stakeholders Relationship Committees of other public Ltd companies	Nil
No. of shares held in NCL Industries ltd (as on 11 <sup>th</sup> August,2023)	25,91,193
Inter-se relationship with other Directors of the company	Daughter of Mr.K.Ravi - Executive Vice Chairman
Awards/ Medals etc:	Nil

**DETAILS OF RELATED PARTY TRANSACTIONS**  
**Pursuant to clause (h) of sub-section (3) of section 134 of the Act**  
**and Rule 8(2) of the Companies (Accounts) Rules, 2014),**

**Parties and Nature of Relationship:**

Name	Nature of Relationship
NCL Buildtek Ltd	Director(s) holding more than 2% equity share capital in the other company or its holding company
NCL Homes Ltd	
NCL Veka Ltd	
Kakatiya Industries (P) Ltd	
Vikram Chemicals (P) Ltd	
Nagarjuna Cerachem (P) Ltd Deccan Nitrates (P) Ltd\ Tern Distilleries (P) Ltd (100% Subsidiary) NCL Buildtek & NCL Industries JV NCL Holdings (A&S) Ltd	

**1) Details of material contracts or arrangement or transactions at arm's length basis:**

A. Nature of Contract: Appointment of Key Managerial Personnel			
Mr K Ravi- Managing Director	01.01.2021 to 30.09.2022	Total Remuneration of Rs.364.58 Lakhs for FY2022-23 (Including salary, other perks, benefits plus 2% Commission of Net profits U/s 198 of the Companies Act,2013)	Board Approval 04.01.2021 and  Shareholders' Approval 28.09.2021
Executive Vice Chairman	From 01.10.2022 to 30.09.2027		Board Approval 30.05.2022 and Shareholders approval 27.09.2022
Mr K. Gautam  Joint Managing Director	01.01.2021 to 30.09.2022	Total Remuneration of Rs.250.62 lakhs for F.Y.2022-23 (Including salary and other perks and benefits).	Board Approval 27/05/2017, 04.01.2021 and
Managing Director	01.10.2022 to 30.09.2027		Shareholders' Approval Dt.22/09/2017 & 28.09.2021  30.05.2022 and Shareholders approval 27.09.2022

Mr. N G V S G Prasad Executive Director & CFO	From 01.01.2021 to 31.12.2025	Total Remuneration of Rs.102.25 Lakhs for F.Y.2022-23 (Including salary and other perks and benefits)	Board Approval 30/05/2016, 04/01/2021  Shareholders' Approval 20/09/2016 & 28.09.2021
Mrs.Roopa Bhupatiraju Executive Director	From 04/07/2019 To 03/07/2024	Total Remuneration of Rs.97.38 Lakhs for F.Y.2022-23 (Including salary and other perks and benefits )	Board Approval 27/09/2019,  04.01.2021  Shareholders' Approval 28/09/2020 & 28.09.2021
Mr.Utkal B.Goradia Executive Director	From 27.09.2022	Total Remuneration of Rs.33.18 Lakhs for F.Y.2022-23 (Including salary and other perks and benefits )	27.09.2022
<b>B. Nature of Contract: Sale of Finished Goods</b>			
NCL Buildtek Ltd	No fixed duration. As per the requirement.	Rs.2718.70 Lakhs	Omnibus Audit Committee approval dated 30.05.2022
NCL Homes Ltd		Rs. Nil	
NCL Veka (P) Ltd	Director(s) holding more than 2% equity share capital in the other company.	Rs.74.23 Lakhs	
Mrs.Roopa Bhupatiraju		Rs. 0.28 Lakhs	
NCL Buildtek Ltd & NCLIL JV		Rs.0.80 Lakhs	
Kakatiya Industries (P) Ltd		Rs.6.16 Lakhs	
<b>C. Nature of Contract: Purchase of Goods/Services</b>			
NCL Buildtek Ltd	No fixed duration. As per the requirement.  Director(s) holding more than 2% equity share capital in the other company.	Rs.137.69 Lakhs for the year Terms as applicable to other parties	Omnibus Audit Committee approval dated 30.05.2022
Kakatiya Industries (P) Ltd		Rs.213.23 Lakhs	
<b>D. Nature of Contract: Rent Paid</b>			
Mrs.Roopa Bhupatirija	5 years w.e.f 15.12.2021	Lease Rent on 3.00 Acres of land situated at S.No.281 & 282 in Rampally (V) Keesara <a href="#">Mandal</a> .	11.03.2020 & 23.04.2022

NCL VEKA (P) Ltd		Total amount paid in FY 2022-23 Rs. 11.13 Lakhs. Rs. 18.98 Lakhs -Lease of Office Premises	
<b>E Nature of Contract: Rent Received</b>			
NCL Buildtek Ltd & NCLIL JV		Rs.45.03 Lakhs	Omnibus Audit Committee approval dated 30.05.2022
<b>F. Nature of Contract: Reimbursement of Expenses</b>			

NCL Holdings Ltd NCL Buildtek Ltd	No fixed duration. As per the requirement	Rs. 6.63 Lakhs Rs. 33.84 Lakhs	
<b>G. Nature of Contract: Interest Received</b>			
NCL Buildtek Ltd NCL Holdings Ltd		Rs.155.72 Lakhs Rs. 8.46 Lakhs	30.05.2022
<b>H. Nature of Contract: Investments withdrawn</b>			
NCL Buildtek Ltd & NCLIL JV Modular Containers (P) Ltd		Rs.1525.00 Lakhs Rs.0.75 Lakhs	



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Company's performance during the year ended 31st March, 2023 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

India is country which continues to have the distinction of being one of the largest cement producer, and yet being one of the low per capita consumer of cement. This paradox is probably because of the high population accompanied by the relatively less developed infrastructure and infrastructure. The emphasis and focus of successive Governments on infrastructure development in the form of housing, highways, ports and irrigation projects continues to offer a good prospect for cement industry, since a viable and visible alternative for cement is yet to emerge to make a significant dent on the demand for cement.

This optimism is reinforced by the statements of the Union Finance Minister while presenting the Union Budget with a major infrastructure-intensive sectors like roads and highways, railways, and housing and urban affairs, With this as the backdrop, the outlook of the cement industry continues to be encouraging, The demand for cement in 2023-24 onwards is expected to accelerate.

#### Ready Mix Concrete (RMC)

RMC is a natural adjunct to the cement industry. Over the past decade, more and more cement manufacturers have been opting for setting up their in-house RMC units as an outlet for their main product of cement, and also to retain and propagate their brand image. RMC is also eco-friendly as it reduces the noise and air pollution because mixing is done in closed chamber as compared to site mix concrete. 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. Bison Panels are normally used for construction of prefab structures and have been extensively used in the infrastructure and housing sectors. As reported in the previous year, several new and innovative applications are being found for the Bison Boards, like false ceilings, kitchen platforms, fixed furniture etc; enhancing the demand potential. The increased awareness and discovery of new applications results in increased demand for the products, as evidenced by the growth in the sales.

Your company is manufacturing these panels at three different locations having a total installed capacity of 90,000 Mt per annum are performing satisfactorily. Your company is looking for opportunities to set up additional capacities for the product.

## HYDEL ENERGY (Small Hydro)

In India, hydro projects up to 25 MW station capacities have been categorized as Small Hydro Power (SHP) projects. The estimated **potential** for power generation in the country from such plants is about 20,000 MW. Projects in this segment, in which your company is operating, are normally economically viable. However, the viability is dependent upon the release of water in the reservoirs by the Government. With an installed capacity of 15.75 MW your company is a marginal player in this field.

## B. OPPORTUNITIES AND THREATS

As already mentioned, continued focus of the Central and State Governments on infrastructure projects offer an ongoing opportunity to cement manufacturers. However, availability of new limestone mines at reasonable cost is the current challenge and obstacle for further growth and emergence of new capacities. This acts as a deterrent for medium sized units seeking opportunities for enhancing their capacity in their quest to seek economies of scale. Consolidation of capacities of major players in the industry also poses a challenge for medium sized players.

Your company could capitalize on the opportunities for growth in the infrastructure sector and bagged substantial orders from housing, airports, and construction sectors. This trend is likely to continue in the medium term. However, increased R & D activities and emergence of alternative products to replace the Boards pose a challenge.

Your Company is a relatively small player in the Hydel Energy and RMC segments. The company is looking other alternates to increase the present Hydel Energy capacity by infusing new investments to increase its profitability. As of now these divisions do not constitute a significant part of the company's overall activity. Your company is looking for opportunities for mergers and acquisitions in hydro and other eco-friendly avenues for generation of power.

## C SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS AS COMPARED TO THE PREVIOUS YEAR

During the year under review there were no significant changes in key financial ratios as compared to the previous year. Close monitoring on debtors reduced the debtors' turnover ratio during the year under review. Key Ratios are as under

S.No	Ratios	2022-23	2021-22	% of Change
1	Inventory Turnover Ratio	13.48	15.74	(14.36)
2	Interest coverage Ratio	12.59	13.48	(6.60)
3	Current Ratio	1.72	2.03	(15.27)
4	Debt Equity Ratio	0.38	0.45	(15.55)
5	Return on capital employed (%)	10.00	15.00	(33.33)
6	Debtors Turnover Ratio	11.51	11.11	3.60
7	Net Profit Margin (%)	0.02	0.05	(60.00)
8	Operating Profit Margin (%)	5.26	7.84	(32.91)

Increase in cost of materials in comparison with previous financial year which directly affected the operating margins and as a consequence the variance in ratios as reported above. pl. refer notes on key financial ratios financial statements 2022-23

#### D. 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	Gross Turnover (Rs. Lakhs)	Segment Profit before Interest & Tax (Rs. Lakhs)
Cement	84.75	26,28,737Mt	1,95,942.30	9,558.60
Boards	8.66	76,817 Mt	20,035.75	2,128.31
Energy	0.34	39.51 MU	785.63	420.00
Ready Mix Concrete	4.80	2,24,762 (Cu.Mtrs)	11,104.12	(100.64)
Readymade Doors	1.45	19,618 (Nos)	3,357.20	(540.21)

#### E. OUTLOOK

As already stated earlier, the outlook for the cement and building materials industry looks promising medium term despite the uncertainty caused by steep increase in coal and other input costs.

#### F. 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. The recent steep fluctuations in the prices of major raw materials like steel, coal, wood, and other building materials poses a severe challenge. A steep increase in the input costs followed by a gradual return to normalcy impacted the prices and profitability. Recurrence of such fluctuations are bound to introduce an element of uncertainty in the outlook of the industry as a whole. Global events like the Ukraine conflict also pose risks in terms of stability of the markets.

#### G. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY.

The Company has proper and adequate systems for internal controls in place. The Company has appointed independent Internal Auditors to conduct the internal audit across all plant locations whose reports are regularly monitored by the management. 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.

**H. 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.

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

The senior management team has been strengthened with the recruitment of additional personnel to provide leadership below the executive director level. Systematic training in site operational control and management are imparted regularly to ensure efficient execution. The Company has cordial relations with employees and staff. As on 31<sup>st</sup> March 2023, the company has 966 employees working in its factories and various offices.

**J. 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

## CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2022-23

*[Pursuant to section 135 of the Companies Act, 2013 and Rule 10 (ii) of the Companies (Corporate Social Responsibility) Rules, 2014]*

#### 1. A Brief Outline of Company's CSR Policy:

NCL Industries Limited (NCL) is conscious that it is an integral part of the society at large, and it has a responsibility to contribute to the general welfare of the society to which it belongs. Right from its inception, NCL has been actively engaged in efforts to improve the quality of life in the contiguous localities

The Policy covers current as well as proposed CSR activities to be undertaken by the company and is in alignment with Schedule VII of the Act. The CSR activities under taken / propose to be undertaken in various sectors are for Medical and healthcare, Education, Village Infrastructure development, cleanliness, and hygiene

#### 2. Composition of CSR Committee

The CSR Committee comprises the following members:

NAME OF THE DIRECTOR	STATUS	DESIGNATION	No. of Meetings of CSR Committee held during the year	No. of meetings of CSR Committee attended during the year
Dr.R.Kalidas	Independent Director	Chairman	1	1
Mrs.P.Sudha Reddy	Independent Director	Member	1	1
Mr.K.Gautam	Managing Director	Member	1	1

3. **Details of Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company at the link [https://www.nclind.com/csr\\_policy](https://www.nclind.com/csr_policy)**

4. **This company is not required to provide the details of Impact assessment of CSR projects.**

5. The amount available for set off in pursuance of sub-Rule (3) of Rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 for the succeeding years and amount required for setoff for the financial year if any is as follows:

Rs. Lakhs						
SI No	FY	Mandatory Exp			Actual Amount Spent	Available for set off
		2% of Avg Net Profit	Set-off from prev year	Balance		
1	2020-21	136.34	0	136.34	161.53	25.19
2	2021-22	238.15	(25.19)	212.96	243.54	30.58
3	2022-23	297.40	(30.58)	266.82	280.79	13.97

**6. Average net profits of the company for last three financial years**

Financial Year	Net Profits (Rs.in Lakhs) (Under Section 198 of the Companies Act, 2013)
2019-20	6,991.20
2020-21	22,708.72
2021-22	14,909.43
<b>Average</b>	<b>14,869.78</b>

- a) Two percent of average net profit of the Company as per Section 135(5) – Rs. 297.40 Lakhs
- b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years- Nil. Since there were no income generating projects
- c) Amount required to be set off for the financial year, if any – .16.61 Lakhs
- d) Total CSR obligation for the financial year 2023-24 (7a+7b-7c). – Rs. 280.79 Lakhs

7. (a) CSR amount spent or unspent for the financial year 2022-23:

Total Amount Spent for the Financial Year (In Rs)	Amount Unspent (In Rs) Nil	
Total Amount Spent for the Financial Year (In Rs)	Total Amount transferred to Unspent CSR Account as per section 135(6). Nil	Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). Nil
Rs. 280.79 lakhs	Nil	Nil

- b) Details of CSR amount spent against ongoing projects for the financial year 2022-23: Not Applicable
- c) Details of CSR amount spent against other than ongoing projects for the financial year 2022-23

S.No	Name of the Project	Items from the List of activities in Sch VII to the Act	Local Area (Yes / No)	Location of the Project	Amt Spent for the Project (Rs.In lakhs)	Mode of Implementation – Direct (Yes / No)	Mode of Implementation - Through Implementing Agency	
1	Normal revenue and operating expenses for NCL High School & NCL Junior College	Promotion of Education including special education	Yes	Mattapalli(V) Suryapet district, Telangana State	207.08	Yes	Name NA	CSR Regn No
2	Revenue & Operating Expenses for Sri.K,Ramachandra Raju Health Center	Medical and Health care	Yes	Mattapalli(V), Suryapet district, Telangana State	57.06	Yes	NA	NA
3	Village Development Construction of Toilets, erection of street lights etc.	Rural Development Projects	Yes	Mattapalli (V), Suryapet District, Telangana State	6.09	Yes	NA	NA

4	Normal revenue and operating expenses for NCL Skill Development Centre	Employment enhancing vocational skills	Yes	Malkapur (V), Yadadri Bhuvanagiri district, Telangana State	10.56	Yes	NA	NA
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- (d) Amount spent in Administrative Overheads: - Nil  
(e) Amount spent on Impact Assessment, if applicable: - Nil  
(f) Total amount spent for the Financial Year (8b+8c+8d+8e): - Rs.280.79 Lakhs  
(g) Excess amount for set off, if any – Rs.16.61 Lakhs

S.No	Particular	Amount (Rs.in Lakhs)
i)	Two percent of average net profit of the company as per section 135(5)	297.40
ii)	Total amount spent for the Financial Year 2022-23	297.40 (including set off from excess expenditure incurred in previous years.)
iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

8. (a) Details of Unspent CSR amount for the preceding three financial years: Nil  
(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Nil
9. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year - Not Applicable**
10. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) - Not Applicable

<b>K.Gautam</b> Managing Director Din: 02706060	<b>Dr.R.Kalidas</b> Chairman- CSR Committee Din: 02204518	<b>Date: 11/08/2023</b> <b>Place: Hyderabad</b>
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## Annexure 'D'

**Particulars of employees who have been in receipt of the remuneration envisaged by Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial personnel)**

Name:	Mr. K. Ravi	Mr.K.Gautam
Age	69 years	42 Years
Qualification	Diploma in Electrical Engineering with specialization in Power Stations network and systems.	BBM (Hons) from ICFAI, and M.Sc (enterpreneurship and Business Management) from University of Luton, Bedfordshire UK
Designation:	Executive Vice Chairman	Managing Director**
Date of commencement of employment	Since 11 <sup>th</sup> January 2003 (Executive Vice Chairman w.e.f 1 <sup>st</sup> October,2022)	Since 1 <sup>st</sup> August, 2009
No. of year of experience	over 45 years	Over 16 Years
Remuneration	Rs 362.78 Lakhs Per Annum *	Rs 250.62 Lakhs Per Annum *
Last employment held	Managing Director of NCL Energy Ltd.	Joint Managing Director-NCLIL
Nature of employment	As per the terms approved by the shareholders	As per the terms approved by the shareholders
Percentage of equity shares held in the company (as on 11/08/2023)	5.44%	4.62%

\*\* w.e.f 01/10/2022

**Notes:**

*\*Remuneration as shown above includes salary and other allowances in terms of his appointment.*

Date: 11<sup>th</sup> August, 2023

For and on behalf of the Board

**Kamlesh Gandhi**

**Chairman**

**Registered Office:**

7<sup>th</sup> Floor, NCL Pearl, Near Rail Nilayam,

S D Road, Secunderabad -500026.



## Form No. MR-3

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
NCL Industries Limited  
10-3-162, NCL Pearl, 7<sup>th</sup> Floor,  
Opp Hyderabad Bhavan, East Marredpally  
Secunderabad-500026

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by NCL Industries Limited (hereinafter called the company) bearing CIN L33130TG1979PLC002521. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2023 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (**Not applicable during the audit period**)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz :
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amended from time to time
  - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') to the extent applicable during the Audit Period.
  - (e) The Securities Exchange Board of India (share based Employee benefits) Regulations 2014. (**Not applicable during the audit period**).
  - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not applicable during the audit period**).
  - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client
  - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- **Not applicable to the Company during the audit period**

- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- **Not applicable to the Company during the audit period**

vi) Other applicable laws including the following

1. Factories Act, 1948
2. Industrial Disputes Act 1947
3. Payment of wages Act 1936
4. The Minimum wages Act 1948
5. Employees state insurance Act 1948
6. Employees Provident Funds and Miscellaneous Provisions Act 1952
7. Payment of Bonus Act 1965
8. Payment of gratuity Act 1972
9. Contract Labour (Regulation & Abolition ) Act, 1970
10. Maternity Benefit Act 1961
11. Equal Remuneration Act.
12. Environment Protection Act 1986
13. Explosives Act 1884
14. Indian Boilers Act 1923
15. Mines Act 1952 & Mines and Minerals ( Development & Regulations) Act, 1957
16. Legal Metrology Act 2009
17. Income Tax Act 1961, GST Act
18. Cement Quality Control Order 2003
19. Electricity Act 2003
20. Air (Prevention & control of pollution) Act 1981 and water (Prevention & control of Pollution) Act 1974

I report that the applicable financial laws, such as the Direct and Indirect Tax Laws, have not been reviewed under my audit as the same falls under the review of statutory audit and by other designated professionals.

I have also examined compliance with the applicable clauses of the following

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange and Bombay Stock Exchange,

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

**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the Board and Board committees I noticed that all the decisions were carried through unanimously.

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

The company in terms of the share purchase agreement entered with Vishwamber Cements Limited to acquire 100% shareholding has commenced the takeover process to make it a wholly owned subsidiary. NCL Industries Limited will get the benefit of leasehold rights of 322.06 acres of limestone mines held by Vishwamber Cements Limited, for its captive consumption by the takeover and intended merger subsequently

**I further report that**, during the audit period, there were no other specific events /actions in pursuance of the above referred laws, rules, regulations, guidelines etc. having major bearing on the Company's affairs.

This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report

**For A.J.Sharma & Associates**

Company Secretaries

A.J.Sharma

FCS-2120, CP-2176

UDIN: **F002020E000723335**

Peer Review Certificate No: 2411/2022

Place: Hyderabad

Date: 2<sup>nd</sup> August, 2023

To,  
The Members,  
NCL Industries Limited  
10-3-162, NCL Pearl, 7<sup>th</sup> Floor,  
Opp Hyderabad Bhavan, East Marredpally,  
Secunderabad-500026

My report of even date is to be read along with this letter

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Account of the Company
4. Wherever required I have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules and regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company

For **A.J.Sharma & Associates**  
Company Secretaries

Place: Hyderabad

Date: 2<sup>nd</sup> August, 2023

A.J.Sharma  
FCS-2120, CP-2176  
**UDIN: F002120E000723335**  
Peer Review Certificate No: 2411/2022

To  
The Members of,  
NCL Industries Limited  
10-3-162, NCL Pearl, 7<sup>th</sup> Floor,  
Opp Hyderabad Bhavan,  
East Marredpally  
Secunderabad-500026

**Certificate of Non-Disqualification of Directors**

*[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]*

We A.J.Sharma & Associates, Practicing Company Secretaries, have examined the records, books and papers of NCL Industries Limited (CIN: L33130TG1979PLC002521) having its registered office at 10-3-162, NCL Pearl, 7<sup>th</sup> Floor, Opp Hyderabad Bhavan, East Marredpally, Secunderabad-500026, Telangana State, (hereinafter referred to as 'the Company') produced before me by the Company for the purpose of issuing this Certificate in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause (10)(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the examinations carried out by us (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations and representation furnished to us by the company, its officers and agents, we certify that none of the following Directors of the Company have been debarred or disqualified from being appointed or continuing as Director of Companies by the SEBI/ Ministry of Corporate Affairs or any such other statutory authority as on 31<sup>st</sup> March 2023.

S.No	Name of the Director	Designation	DIN	Date of appointment in the Company
1.	Kamlesh Suresh Gandhi	Independent Director	00004969	14/06/2008
2.	Kalidas Raghavapudi	Independent Director	02204518	14/08/2020
3.	Trevor Aloysius D'Cunha	Independent Director	07207066	14/08/2020
4.	Pooja Kalidindi	Director	03496114	01/02/2020
5.	Narasimha Raju Penmetsa	Director	01765409	12/04/2006
6.	Ashven Datla	Director	01837573	01/06/2011
7.	Roopa Bhupatiraju	Whole Time Director	01197491	30/05/2014
8.	Kalidindi Ravi	Executive Vice Chairman	00720811	11/01/2008
9.	Gautam Kalidindi	Managing Director	02706060	27/07/2009
10.	Gurunadha Prasad Gnana Venkata Satya Nimmagadda	Executive Director & CFO	07515455	30/05/2016
11.	Sudha Reddy Punuru	Woman Director (Independent)	02128148	04/01/2021
12	Utkal Bimalkumar Goradia	Wholetime Director	08641590	27/09/2022

The eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company

Place: Hyderabad.

Date: 2<sup>nd</sup> August, 2023

For **A.J.Sharma & Associates**  
Company Secretaries

A.J.Sharma  
FCS-2120, CP-2176  
**UDIN: F002120E000723973**  
Peer Review Certificate No: 2411/2022

## SECRETARIAL COMPLIANCE REPORT

### OF NCL INDUSTRIES LIMITED FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH 2023

[Pursuant to Circular CIR/CFD/CMD1/27/2019 dated February 08, 2019 for the purpose of compliance with Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,  
NCL Industries Limited  
10-3-162, NCL Pearl, 7th FLOOR,  
Opp Hyderabad Bhavan, East Marredpally,  
Secunderabad - 500026

CIN of Company: L33130TG1979PLC002521  
Authorised Capital :Rs 62,00,00,000/-

We have conducted the review of the compliance of the applicable statutory provisions and the adherence to good corporate practices by NCL Industries Limited. (hereinafter referred as 'the listed entity'), having its Registered Office at **10-3-162, NCL Pearl, 7th Floor, Opp Hyderabad Bhavan, East Marredpally, Secunderabad – 500026** Secretarial Review was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the listed entity's books, papers, minutes books, forms and returns filed and other records maintained by the listed entity and also the information provided by the listed entity, its officers, agents and authorized representatives during the conduct of Secretarial Review, we hereby report that in our opinion, the listed entity has, during the review period covering the financial year ended on March 31, 2023, complied with the statutory provisions listed hereunder and also that the listed entity has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter

**I/We A.J.Sharma & Associates, Company Secretaries have examined:**

- (a) All the documents and records made available to us and explanation provided by NCL Industries Limited (Listed entity)
- (b) The filings/ submissions made by the listed entity to the stock exchanges,
- (c) Website of the listed entity,p
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended 31<sup>st</sup> March 2023 in respect of compliance with the provisions of :
  - (a) The Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued there under; and
  - (b) The Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made there under and the Regulations, circulars, guidelines issued there under by the Securities and Exchange Board of India ("SEBI")

The specific Regulations, whose provisions and the circulars/ guidelines issued there under, have been examined, include:

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (b) Securities and Exchange Board of India (Issue of capital and disclosure requirements) Regulations 2018
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018-Not applicable during the year under review.

- (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2021- Not applicable during the year under review
- (f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations 2008 - Not applicable during the year under review
- (g) Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2021: Not applicable during the year under review
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015
- (i) Securities and Exchange Board of India (Delisting of Equity shares (Amendment) Regulations 2016
- (j) Securities and Exchange Board of India (Investor Protection and Education Fund) Regulations 2009
- (k) Securities and Exchange Board of India (Depository Participant) Regulations 2018

and circulars /guidelines issued there under

We hereby report that during the review period the Compliance status of the listed entity is as below

S.No	Particulars	Compliance Status Yes/No/NA	Observations/ Remarks by PCS
1.	<b>Secretarial Standards</b> The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI)	YES	
2.	<b>Adoption and timely updation of the Policies:</b> • All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities • All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated as per the regulations/circulars/ guidelines issued by SEBI	YES	
3.	<b>Maintenance and disclosures on Website:</b> • The Listed entity is maintaining a functional website • Timely dissemination of the documents/ information under a separate section on the website • Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website	YES	
4.	<b>Disqualification of Director:</b> None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013	YES	
5.	<b>To examine details related to Subsidiaries of listed entities:</b> (a) Identification of material subsidiary companies (b) Requirements with respect to disclosure of material as well as other subsidiaries	YES	There are no material subsidiaries
6.	<b>Preservation of Documents:</b> The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	YES	
7.	<b>Performance Evaluation:</b> The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations	YES	
8.	<b>Related Party Transactions:</b>		



	(a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions (b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit committee	YES	
9.	<b>Disclosure of events or information:</b> The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder	YES	
10	<b>Prohibition of Insider Trading:</b> The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015	YES	
11.	<b>Actions taken by SEBI or Stock Exchange(s), if any:</b> No Actions taken against the listed entity/ its promoters/ directors/subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder	YES	
12.	<b>Additional Non-compliances, if any:</b> No additional non-compliance observed for all SEBI regulation/circular/guidance note etc.	YES	

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued there under , except in respect of matters specified below:

S.No	Compliance Requirement (Regulations/ Circulars /guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations /Remarks of the Practicing Company Secretary	Management Response	Remarks
					Advisory/ Clarification/ Fine/Show Cause/Notice/ Warning, etc.					
					<b>NIL</b>					

- (b) The listed entity has taken the following actions to comply with the observations made in previous reports

S.No	Compliance Requirement (Regulations/ circulars/guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/Remarks of the Practicing Company Secretary	Management Response	Remarks
					<b>NIL</b>					

**Assumptions & Limitation of scope and Review:**

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to certify based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.
4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

Place: Hyderabad

Date: 17.05.2023

For A.J.SHARMA & ASSOCIATES  
Company Secretaries

A.J.SHARMA  
FCS-2120, CP-2176  
Peer Review Certificate No: 2411/2022  
UDIN: F002120E000322528

## ANNEXURE-F

### Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014

(Information pursuant to Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of Companies (Accounts) Rules, 2014)

#### A. Conservation of Energy:

The following are the steps taken on conservation of energy and its impact:

Improvement of raw mix design and continuous operation of pyro-process led to higher outputs which resulted in reduction of specific energy consumption.

- a) Reduction in specific power consumption of cement mills (ball mills) by optimizing the operations.
- b) Improvement of Raw Mill output by using high efficiency fan and optimizing the VRM operations reduced the specific power consumption.
- c) Installation of high efficiency process fans to reduce the energy consumption.
- d) Installation of Variable Frequency Drives (VFDs) for process fans to reduce the electrical energy consumption.
- e) Replacement of normal lights with LED lights to conserve electrical energy.
- f) Implementation of Waste heat recovery power project
- g) Installation of Solar Power systems wherever feasible

#### B. Technology Absorption:

The Company is continuously endeavoring to upgrade its technology from time to time in all aspects through in-house R&D with a primary aim of improving the quality and reduction of cost of production. The Company has successfully achieved results in reducing the cost of production, improved technical efficiencies and productivity.

#### C. Foreign Exchange Earnings and Outgo:

(Rs. In Lakhs)

Sl. No.	Particulars	For the year 2022-23	For the year 2021-22
1	Earnings	12.47	20.62
2	Outgo	1,177.19	2,778.24

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF NCL INDUSTRIES LIMITED**

**Report on the Audit of the Standalone Financial Statements**

**Opinion**

We have audited the accompanying standalone financial statements of NCL Industries Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S.No.	Key Audit Matter	Auditor's Response
1	<p><b>Capital Work-in-progress (CWIP)</b></p> <p>To establish proper categorisation of items to be capitalised, and appropriate recognition thereof including the consequential derecognition of the carrying amounts in the CWIP to the appropriate heads of account.</p>	<p>Obtained an understanding of the management's process for recording transactions pertaining to Capital work in progress</p> <p>We have obtained the project wise capital work in progress and reviewed the stage of the completion as on 31 March 2023.</p> <p>We have assessed the compliance of the Company's accounting policies in respect of property, plant and equipment with applicable accounting standards.</p> <p>We have assessed the design and implementation and tested the operating effectiveness of Company's internal controls over the approvals, accounting, tracking, and movement of the capital work in progress.</p> <p>Obtained and inspected supporting underlying documentation for the projects completed and capitalised during the correct year to determine whether same is recorded appropriately</p>

		<p>We have assessed the adequacy of the Company's disclosures for capital work in progress in the financial statements.</p> <p>We have tested manual journal entries posted to Capital work in progress to identify unusual or irregular items</p>
<b>2</b>	<p><b>Revenue Recognition – discounts and rebates</b></p> <p>Revenue is measured net of discounts earned by customers on the Company's sales.</p> <p>Due to the Company's presence across different marketing regions within the country and the competitive business environment, price discounts vary based on the customer and market it caters to and recognised based on sales made during the year. These discounts are calculated based on the market study reports which reports are collated periodically by the management and are prone to manual interventions.</p> <p>Therefore, there is a risk of revenue being misstated as a result of incorrect computation of discounts and rebates.</p> <p>Given the complexity involved in the assessment of discounts and rebates and their periodic recognition against sales, the same is considered as key audit matter.</p>	<p>Assessed the appropriateness of the Company's accounting policies relating to price discounts by comparing with applicable accounting standards.</p> <p>Assessed the design and tested the implementation and operating effectiveness of Company's internal controls over the approvals, calculation, accounting and issuance of credit notes.</p> <p>Obtained and inspected, on a sample basis, supporting documentation for price discounts recorded and credit notes issued during the year as well as credit notes issued after the year end date to determine whether these were recorded appropriately.</p> <p>Compared the historical trend of price discounts to sales made to determine the appropriateness of current year's discount charge.</p>

### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

The said other information is expected to be made available to us after the date of this audit report. When we read the other information, when furnished to us, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and the shareholders.

### Management's Responsibilities for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act read with the Rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other

irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the year ended 31st March 2023 and

are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matters**

- i. The standalone financial statements include the Company's share of net profit/ (Loss) of Rs. (19.86) Lakhs for the year ended March 31, 2023, as considered in the standalone financial statements, in respect of its said Joint Venture, whose financial statements have not been audited by us. The financial statements and other financial information of the said Joint Venture have not been audited by us or any other auditor and have been furnished to us by the Management. Our opinion, in so far as it relates to amounts and disclosures included in respect of the Joint Venture, is based solely on such unaudited financial statements and other unaudited financial information.

Our opinion on the standalone financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the financial statements and other financial information of the said Joint Venture furnished to us by the Management.

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

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls reference to Standalone Financial Statements.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Managerial Personnel during the year is in accordance with the provisions of section 197 of the Act.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
  
(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
  
(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The final dividend paid by the Company during the year in respect of the same declared for the previous financial year 2021-2022 is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.

The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Companies Act 2013.

As disclosed in note 14.1 to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.



- vi. With respect to maintenance of Books of account using accounting software which has a feature of Audit trail (edit log) facility, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 does not arise for the current year under report, as proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company only w.e.f. April 1, 2023.
2. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **M BHASKARA RAO & Co**  
Chartered Accountants  
(Firm's Registration No. 000459S)

**D. BAPU RAGHAVENDRA**  
Partner  
Membership No.213274  
UDIN: 23213274BGQBSP3322

Hyderabad, May 26, 2023

## **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

**(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of NCL Industries Limited of even date)**

Report on the Internal Financial Controls with reference to Standalone Financial Statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the “Act”)

We have audited the internal financial controls with reference to Standalone Financial Statements of NCL Industries Limited (the “Company”) as of March 31, 2023 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

### **Management’s Responsibility for Internal Financial Controls**

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

### **Auditor’s Responsibility**

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

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to Standalone Financial Statements.

### **Meaning of Internal Financial Controls with reference to Standalone Financial Statements**

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

## **Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements**

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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to Standalone Financial Statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **M BHASKARA RAO & Co**  
Chartered Accountants  
(Firm's Registration No. 000459S)

**D. BAPU RAGHAVENDRA**  
Partner  
Membership No.213274  
UDIN: 23213274BGQBSP3322

Hyderabad, May 26, 2023

## ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORTS

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of NCL Industries Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
  - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment  
  
(B) The Company has no intangible assets hence disclosure under clause does not arise.
  - (b) The Company has a programme of verification of fixed assets to cover all the items in a phased manner i.e., at least once every three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, property, plant and equipment were due for verification during the year and the same were not physically verified by the Management during the year and hence we are unable to comment on clause 3 (i) (b) of the Order.
  - (c) According to the information and explanations furnished to us, the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment are held in the name of the Company as at the balance sheet date. Immovable properties of land whose title deeds have been mortgaged as security for loans, guarantees etc., are held in the name of the Company based on the information's received by us.
  - (d) The Company has not revalued any of its Property, Plant and Equipment during the year.
  - (e) Based on the information, explanations and representations furnished to us during the course of our audit, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii.
  - (a) As per the information and explanations furnished to us, the company's inventories have been physically verified by the Management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in books of account.
  - (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising stock statements, book debt statements and statements on ageing analysis of the debtors/other receivables filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters.
- iii.
  - (a) As per the information and explanations furnished to us, the Company has not made any investments, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties during the year except to the parties as per the details mentioned below.

Particulars	Investment	Loans
<b>Aggregate amount granted / provided during the year:</b>		
Tern Distilleries Pvt Limited – Subsidiary	Nil	Nil
<b>Others:</b>		
NCL Buildtek & NCL Industries JV	Nil	Nil
NCL Buildtek Limited	Nil	Nil
<b>Balance outstanding as at Balance Sheet date in respect of the above cases:</b>		
Tern Distilleries Pvt Limited – Subsidiary	3,000	
<b>Others:</b>		
NCL Buildtek & NCL Industries JV	546.02	Nil
NCL Buildtek Limited	Nil	600

- (b) As per the information and explanations furnished to us, the investments made and unsecured loan provided by the company, in our opinion, are prima facie, not prejudicial to the interest of the Company
- (c) In respect of loans granted provided by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.
- (d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted by the Company, there are no overdues to the loans granted and no loans have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties. Hence, reporting under clause (iii)(e) is not applicable
- (f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable
- iv. According to information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made, guarantees, and securities provided, as applicable.
- v. In our opinion, and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Sections 73, 74, 75 and 76 or any other relevant provisions of the Act and the Rules framed thereunder to the extent notified, with regard to the deposits accepted by the Company. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits, and therefore, the question of our commenting on whether the same has been complied with or not does not arise.
- vi. The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. In respect of statutory dues:

- (a) According to the information and explanations furnished to us, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023, on account of disputes, as per the information and explanations furnished to us, are given below:

Name of the Statute	Nature of Dues	Amount Rs in Lakhs	Period to which it relates	Forum where the dispute is pending
Sales Tax and VAT Laws	Sales Tax	4.26	1997	Sales Tax Appellate Tribunal
Sales Tax and VAT Laws	Sales Tax	12.88	2000	Sales Tax Appellate Tribunal
Sales Tax and VAT Laws	Sales Tax	24.45	2013	Sales Tax Appellate Dy Commissioner
Sales Tax and VAT Laws	Sales Tax	148.5	2010-2012	Sales Tax Appellate Tribunal
Finance Act	Service Tax	1,740.83	2007-2018	CESTAT
Central Excise Act, 1944	Excise Duty	76.45	2009-2010	CESTAT
Central Excise Act, 1944	Excise Duty	2	2010-2011	CESTAT
Central Excise Act, 1944	Excise Duty	928.72	2011-2016	CESTAT
Central Excise Act, 1944	Excise Duty	0.21	2016	CESTAT
Customs duty Act, 1962	Customs Duty	42.19	2013-14	Appellate Commissioner of Customs & Central Excise (Appeals)
Customs duty Act, 1962	Customs Duty	87.79	2013-14	CESTAT
Local Areas Act, 2001	Entry Tax	3.92	2011-2014	Appellate Joint Commissioner
Local Areas Act, 2001	Entry Tax	531.93	2015-2018	Honorable High Court of Telangana

\*Amounts given above are net of amounts deposited

- viii. According to the information and explanations furnished to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

- ix. (a) According to the information and explanations given to us, and based on the records examined by us, the Company has not defaulted in respect of repayment of loans or borrowings or in the payment of interest thereon to financial institutions and banks.

(b)The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c)To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.

(d)On an overall examination of the financial statements of the Company, funds raised on short- term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e)On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary.

- (f) The Company has not raised any loans during the year during the year on the pledge of securities held in its subsidiary and hence reporting on clause 3(ix)(f) of the Order is not applicable.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) No fraud by the Company and no fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report and hence reporting under clause 3(xi)(b) of the Order is not applicable.
- (c) According to information and explanations given to us, the Company has not received any whistle blower complaints during the year (and upto the date of this report),
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable Accounting Standards.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. According to the information and explanations furnished to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors.
- xvi. (a) In our opinion, based on the information and explanations furnished to us by the company it is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- (b) In our opinion, based on the information and explanations furnished to us by the company, it has not conducted any Non-Banking Financial or Housing Finance activities.
- (c) In our opinion, based on the information and explanations furnished to us by the company, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clauses 3(xvi) (c) &(d) of the Order are not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of this balance sheet, as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future

viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx. (a) According to the information and explanations furnished to us by the company, there are no unspent amounts towards Corporate Social Responsibility (CSR) other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, there are no unspent amounts in respect of ongoing projects, that are required to be transferred to a Specified Fund under sub-section (6) of section 135 of the Companies Act.
- xxi. According to the information and explanations given to us, and based on the report of the other auditor of the Subsidiary company furnished to us, there are no qualifications / adverse remarks in the Companies (Auditor's Report) Order (CARO) report of the Subsidiary Company included in the Consolidated financial statements.

For **M BHASKARA RAO & Co**  
Chartered Accountants  
(Firm's Registration No. 000459S)

**D. BAPU RAGHAVENDRA**  
Partner  
Membership No.213274  
UDIN: 23213274BGQBSP3322

Hyderabad, May 26, 2023



**NCL INDUSTRIES LIMITED**  
**Standalone Balance Sheet as at March 31, 2023**

( Rupees In Lakhs)

Particulars	Note No	As at Mar 31, 2023	As at Mar 31, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	2	98,556.49	77,347.80
(b) Capital work-in-progress	2.3	2,825.27	17,099.63
(c) Investment Property			
(d) Other intangible assets			
(c) Financial Assets			
(i) Investments	3	3,546.02	5,021.72
(ii) Other Financial Assets	4	5,008.84	1,971.27
(d) Deferred tax Assets (net)			
(e) Other non-current Assets	5	446.77	442.94
<b>Current Assets</b>			
(a) Inventories	6	14,960.77	12,885.73
(b) Financial Assets			
(i) Trade Receivables	7	15,548.43	17,083.47
(ii) Cash & Cash Equivalents	8	2,630.04	191.72
(iii) Bank Balances other than (ii) above	9	902.99	875.01
(iv) Loans	10	600.00	2,030.00
(v) Other Financial Assets	11	143.50	420.93
(c) Other Current Assets	12	7,023.71	11,786.07
<b>Total</b>		<b>152,192.83</b>	<b>147,156.29</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	13	4,523.28	4,523.28
(b) Other Equity	14	72,960.43	69,883.76
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15	20,753.55	21,265.59
(ii) Other Financial Liabilities	16	8,318.71	6,831.07
(b) Provisions	17	739.23	348.77
(c) Deferred Tax Liabilities (Net)	18	11,506.18	9,179.43
(d) Other non-current liabilities	19	610.22	585.22
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	20	8,479.19	12,271.87
(ii) Trade Payables	21		
a) Total outstanding dues of micro and small enterprises		118.22	56.38

b) Total outstanding dues of Creditors other than micro and small enterprises		8,837.26	7,061.93
(iii) Other Financial Liabilities	22	8,135.79	7,201.31
(b) Provisions	23	243.42	229.26
(c) Current Tax Liabilities (Net)	24	179.39	1,973.41
(d) Other current liabilities	25	6,787.95	5,745.01
<b>Total Equity and Liabilities</b>		<b>152,192.83</b>	<b>147,156.29</b>

The accompanying notes are an integral part of the financial statements

For and on behalf of the Board

As per our report of even date

**For M Bhaskara Rao & Co**

Chartered Accountants

Firm Registration No. 000459S

**K. Gautam**

Managing Director

DIN: 02706060

**Kamlesh Gandhi**

Chairman

DIN: 00004969

**D Babu Raghavendra**

Partner

Membership No. 213274

**N. G. V. S. G. Prasad**

Executive Director & CFO

DIN: 07515455

**T. Arun Kumar**

Vice President And

Company Secretary

Hyderabad

Dated: 26th May 2023

## NCL INDUSTRIES LIMITED

### Standalone Statement of Profit and Loss for the Year ended March 31, 2023

( Rs. In Lakhs)

Particulars	Note No.	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>Income</b>			
i) Revenue From Operations			
Gross Revenue from Operations	26	231,224.99	225,395.40
Less: Inter Segment Transfers & Taxes on Sales		70,259.05	62,054.63
Revenue From Operations (Net)		160,965.94	163,340.77
ii) Other Income	27	1,923.43	1,113.02
<b>Total Income</b>		<b>162,889.37</b>	<b>164,453.79</b>
<b>Expenses</b>			
i) Cost of materials consumed	28	22,766.15	25,237.68
ii) Changes in inventories of finished goods, work-in-progress and stock-in-trade	29	(10.10)	5.40
iii) Employee benefits expense	30	6,753.52	6,492.36
iv) Manufacturing Expenses	31	67,859.38	55,342.71
v) Administration Expenses		2,914.90	2,935.95
vi) Selling and Distribution Expenses		45,841.71	52,584.72
vii) Finance Costs	32	2,620.63	2,420.46
viii) Depreciation and amortisation expense	33	4,848.68	4,451.65
<b>Total expenses</b>		<b>153,594.87</b>	<b>149,470.94</b>
Profit/(loss) before exceptional items and tax		9,294.50	14,982.85
Exceptional Items			
Profit Before Tax		9,294.50	14,982.85
Tax Expenses			
-Earlier Years' Tax		842.33	170.59
-Current Tax		1,525.70	4,011.66
-Deferred Tax		2,326.75	986.77
Profit/(loss) for the period from continuing operations		4,599.73	9,813.83
<b>I Profit/(loss) for the Period</b>		<b>4,599.73</b>	<b>9,813.83</b>
II Other Comprehensive Income			
Items that will not be reclassified to profit or loss:			
-Remeasurements of the defined benefit plans		(255.28)	(109.44)
-Income Tax relating to these items		89.21	38.24
<b>Other Comprehensive Income</b>		<b>(166.07)</b>	<b>(71.20)</b>
<b>Total Comprehensive Income for the period</b>		<b>4,433.65</b>	<b>9,742.64</b>
Earnings per equity share :			
(1) Basic		9.80	21.54
(2) Diluted		9.80	21.54

The accompanying notes are an integral part of the financial statements

As per our report of even date

**For M Bhaskara Rao & Co**

Chartered Accountants

Firm Registration No. 000459S

**K. Gautam**

Managing Director

DIN: 02706060

**Kamlesh Gandhi**

Chairman

DIN: 00004969

**D Bapu Raghavendra**

Partner

Membership No. 213274

**N. G. V. S. G. Prasad**

Executive Director & CFO

DIN: 07515455

**T. Arun Kumar**

Vice President and

Company Secretary

Hyderabad

Dated: 26th May 2023

## NCL INDUSTRIES LIMITED

### Standalone Cash Flow Statement For the Year Ended March 31, 2023

(Rupees In Lakhs)

Particulars	For the Year ended Mar 31, 2023	For the year ended March 31, 2022
<b>Cash flow from operating activities</b>		
Profit before income tax from		
Continuing operations	9,039.22	14,873.41
Discontinued operations	-	-
<b>Profit before income tax including discontinued operations</b>	<b>9,039.22</b>	<b>14,873.41</b>
Adjustments for		
Depreciation and amortisation expense	4,848.68	4,451.65
Finance costs	2,620.63	2,420.46
Other Cash Adjustments	-	-
	<b>16,508.53</b>	<b>21,745.52</b>
<b>Change in operating assets and liabilities, net of effects from purchase of controlled entities and sale of subsidiary:</b>		
(Increase) / Decrease in trade receivables	1,535.04	(1,008.94)
(Increase) / Decrease in inventories	(2,075.04)	(2,373.27)
Increase / (Decrease) in trade payables	1,837.17	(190.15)
(Increase) / Decrease in other financial assets	(1,330.14)	(1,998.90)
(Increase) / Decrease in other non-current assets	(3.83)	(78.32)
(Increase) / Decrease in other current assets	4,905.28	(8,140.99)
Increase / (Decrease) in provisions	14.16	26.29
Increase / (Decrease) in employee benefit obligations	390.46	21.44
Increase / (Decrease) in other current liabilities	1,042.94	(257.66)
Increase / (Decrease) in financial liabilities	934.48	3,934.40
Increase / (Decrease) in Other financial liabilities non current	1,487.64	3,440.84
Increase/ (Decrease) in other non current liabilities	25.00	20.00
<b>Cash generated from operations</b>	<b>25,271.69</b>	<b>15,140.26</b>
Income taxes paid	4,215.75	4,528.82
<b>Net cash inflow from operating activities</b>	<b>21,055.94</b>	<b>10,611.44</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment/ investments	(10,338.48)	(13,977.38)
Proceeds from sale of property, plant and equipment	31.17	76.77
<b>Net cash outflow from investing activities</b>	<b>(10,307.31)</b>	<b>(13,900.61)</b>
<b>Cash flows from financing activities</b>		
Proceeds/ (Repayment) of non current borrowings	(512.04)	998.21
Proceeds/ (Repayment) from current borrowings	(3,792.68)	754.24
Interest paid	(2,620.63)	(2,404.66)
Dividends paid to Company's share holders	(1,356.98)	(1,809.30)
Dividends paid to non-controlling interests		

<b>Net cash inflow (outflow) from financing activities</b>	<b>(8,282.33)</b>	<b>(2,461.51)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>2,466.30</b>	<b>(5,750.68)</b>
Cash and cash equivalents at the beginning of the financial year (Refer Note 8 & 9)	1,066.73	6,817.41
<b>Cash and cash equivalents at end of the year (Refer Note 8 &amp; 9)</b>	<b>3,533.03</b>	<b>1,066.73</b>
<b>Restricted cash balances included in the above</b>		
Balance in unclaimed dividend	178.11	169.76
Fixed deposits redemption reserve	721.31	702.15
Others	3.57	3.10

The accompanying notes are an integral part of the financial statements

For and on behalf of the Board

As per our report of even date

**For M Bhaskara Rao & Co**

Chartered Accountants

Firm Registration No. 000459S

**K. Gautam**

**Managing Director**

DIN: 02706060

**Kamlesh Gandhi**

**Chairman**

DIN: 00004969

**D Bapu Raghavendra**

Partner

Membership No. 213274

**N. G. V. S. G. Prasad**

Executive Director & CFO

DIN: 07515455

**T. Arun Kumar**

Vice President and

Company Secretary

Hyderabad

Dated: 26th May 2023

**Standalone Statement of Changes in Equity for the period ended 31.03.2023**

**A. Equity Share Capital**

( Rupees In lakhs )

Particulars	No of Shares	Amount
Balance as on 1st April, 2021	45,232,790	4,523.28
Changes in Equity Share Capital during the year	-	-
Balance as on 31st March, 2022	45,232,790	4,523.28
Changes in Equity Share Capital during the year	-	-
Balance as on 31st March, 2023	45,232,790	4,523.28

**B. Other Equity**

	Reserves and Surplus				
	General Reserve	Capital Reserve	Securities Premium Reserve	Retained Earnings	Total
<b>Balance as on 31st March, 2022</b>	<b>34,000.00</b>	<b>240.91</b>	<b>21,222.84</b>	<b>14,420.01</b>	<b>69,883.76</b>
Profit for the year				4,433.65	4,433.65
Payment of Dividend and Dividend Distribution Tax				(1,356.98)	(1,356.98)
Deferred Tax on fixed assets				-	-
Prior Period Adjustments				-	-
Securities Premium on shares issued net of expenses		-	-		-
Transfer to/from Debenture Redemption Reserve	-				-
Transfer to General Reserve	5,000.00			(5,000.00)	-
<b>Balance as on 31st March, 2023</b>	<b>39,000.00</b>	<b>240.91</b>	<b>21,222.84</b>	<b>12,496.67</b>	<b>72,960.43</b>
<b>Balance as on 1st April, 2021</b>	<b>29,000.00</b>	<b>240.91</b>	<b>21,222.84</b>	<b>11,486.68</b>	<b>61,950.43</b>
Profit for the year				9,742.63	9,742.63
Payment of Dividend and Dividend Distribution Tax				(1,809.30)	(1,809.30)
Deferred Tax on fixed assets					-
Prior Period Adjustments				-	-
Securities Premium on shares issued		-	-		-
Transfer to Debenture Redemption Reserve	-				-
Transfer to General Reserve	5,000.00			(5,000.00)	-
<b>Balance as on 31st March, 2022</b>	<b>34,000.00</b>	<b>240.91</b>	<b>21,222.84</b>	<b>14,420.01</b>	<b>69,883.76</b>

The accompanying notes are an integral part of the financial statements

For and on behalf of the Board

As per our report of even date

**For M Bhaskara Rao & Co**

Chartered Accountants

Firm Registration No. 000459S

**K. Gautam**  
**Managing Director**

DIN: 02706060

**Kamlesh Gandhi**  
**Chairman**

DIN: 00004969

**D Bapu Raghavendra**

Partner

Membership No. 213274

**N. G. V. S. G. Prasad**

Executive Director & CFO

DIN: 07515455

**T. Arun Kumar**

Vice President and

Company Secretary

Hyderabad

Dated: 26th May 2023



## Notes to accounts for the year ended March 31, 2023

### Note 1. Significant Accounting Policies

#### a. Company Overview

NCL Industries Limited ("the Company"), is a public company domiciled in India and was incorporated on 10 September 1979 under the provisions of the Companies Act, 1956 applicable in India. Its shares are listed on National Stock Exchange of India (NSE) and Bombay Stock Exchange (BSE) of India. The Registered office of the Company is located at NCL Pearl, 7th floor, SD Road, Secunderabad, Telangana. The Company is principally engaged in the business of manufacturing and selling of Cement, Ready Mix concrete (RMC), Cement Bonded Particle Boards (CBPB), Doors, and operates two Small Hydro Power (SHP) projects. The Company has manufacturing facilities in the states of Telangana, Andhra Pradesh, Karnataka and Himachal Pradesh of India and caters mainly to the domestic market.

#### b. Basis of Preparation of Financial Statements:

The Standalone financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), the provisions of the Companies Act, 2013 ("the Companies Act"), as applicable and guidelines issued by the Securities and Exchange Board of India ("SEBI"). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The accounting policies have been applied consistently to all periods presented in these standalone financial statements.

The Standalone financial statements were approved for issue in accordance with the resolution of the Board of Directors on May 26, 2023.

#### c. Basis of Measurement

These financial statements have been prepared under the historical cost convention on accrual basis except certain financial instruments measured at fair value other than those with carrying amounts that are reasonable approximations of fair values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The Standalone financial statements are presented in Indian Rupees (INR) being the functional currency of the Company. All financial information presented in Indian rupees has been rounded to the nearest lakhs, except otherwise indicated.

#### d. Use of Estimates

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

This note provides an overview of the areas that involve a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in the relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

#### e. Critical Estimates and judgments

The areas involving critical estimates or judgments are:

- i) Estimation of current tax expense and payable
- ii) Estimation of defined benefit obligation
- iii) Estimation of useful life of Property, Plant and Equipment
- iv) Impairment of trade receivables
- v) Estimation of decommissioning liabilities for quarry mines

**f. Classification of Current / Non-Current Assets and Liabilities**

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

**Assets:** An asset is classified as current when it satisfies any of the following criteria:

- a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is expected to be realised within twelve months after the reporting date; or
- d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

**Liabilities: A liability is classified as current when it satisfies any of the following criteria:**

- a) it is expected to be settled in the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is due to be settled within twelve months after the reporting date; or
- d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other assets/ liabilities are classified as non-current.

Based on the nature of products and the time between the acquisition of assets for processing and their realisation in Cash or cash equivalents, the Company has ascertained its normal operating cycle as 12 months for the purpose of Current / Non-current classification of assets and liabilities.

**g. Revenue of Recognition:**

NCL primarily generates revenue from simply structured sales of building materials, such as cement, Cement Bonded Particle Boards, Ready Mix Concrete and Power generation, for which the control passes to the customer at a specific point in time. In the context of the sale of the products, separate performance obligations may arise from freight and transport services as well as from services directly related to the sale of the products. These services are generally performed at the time that the control of the products is transferred.

Revenue is the amount of consideration expected to be received in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (GST). Revenue is recognized when (or as) a performance obligation is satisfied by transferring the control of a promised good or service to the customer. A customer obtains control of a good or service if it has the ability to direct the use of and obtain substantially all of the remaining benefits from that good or service. Control is transferred over time or at a point in time. Revenue from the sale of goods is recognised when control of the good is transferred to the customer, usually upon delivery and there is no unfulfilled obligation that could affect the customer's acceptance of the products. The Company adopted Ind AS 115 for its revenue from contracts with customers.

**Rendering of services:** Revenue arising from services is recognised in the accounting period in which the services are rendered, and it is measured using either output methods or input methods, depending

on the nature of service provided. A receivable is recognized when there is an unconditional right to consideration for the performance obligations to the customer that are satisfied.

A contract asset is recognized when the performance obligation to the customer is satisfied before the customer pays or before payment is due, usually when goods or services are transferred to the customer before the Company has a right to invoice. A contract liability is recognized when there is an obligation to transfer goods or services to a customer for which the Company has received consideration from the customer (prepayments) or there is an unconditional right to receive consideration before the Group or the Company transfers a good or a service (deferred income). The contract liability is derecognized when the promise is fulfilled and revenue is recorded in the profit or loss statement.

Revenue is net of GST wherever applicable, recognized on accrual basis, to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

**Sale of Goods:** Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer on delivery of the goods. Rebates and discounts granted to customers are reduced from revenue.

**Income from Services:** Revenues from maintenance contracts are recognized pro-rata over the period of the contract as and when services are rendered.

**Rendering of services:** Revenue from services is recognised with reference to the stage of completion of a contract when outcome can be measured reliably. Stage of completion is measured by the services performed till Balance Sheet date as a percentage of total services contracted.

Interest income is recognized using the effective interest rate method.

h. **Property Plant and Equipment:**

Property Plant and equipment are stated at cost, net of credit availed in respect of any taxes, duties less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Financing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for intended use are also included to the extent they relate to the period up to such assets are ready for their intended use. Expenditure directly relating to construction/erection activity is capitalized. Indirect expenditure incurred during construction period is capitalized as part of the construction cost to the extent such expenditure is related to construction or is incidental thereto.

Subsequent expenditure incurred on existing fixed assets is added to their book value only if such expenditure increases the future benefits from the existing assets beyond their previously assessed standard of performance.

In the transition to Ind-AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as of April 1, 2015 (transition date ) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

i. **Depreciation and amortization**

- i) Depreciation of Buildings and Plant & Machinery is provided on straight line method of depreciation based on the useful lives of the assets, as per Schedule II of the Companies Act 2013
- ii) Depreciation of Other Assets is provided on Written Down Value method based on the useful lives of the assets, as per Schedule II of the Companies Act 2013
- iii) Depreciation of Assets of Energy Division is charged as per Part B of the Schedule. 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).

- iv) The assets' residual values are measured at not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period.
- v) On tangible property, plant and equipment added / disposed-off during the year, depreciation is charged on pro-rata basis from the date of addition / till the date of disposal.
- vi) Gains and losses on disposal of assets are determined by comparing the sale proceeds with the carrying amount. These are included in profit or loss within other income.
- vii) Individual low cost assets (acquired for Rs. 5,000/- or less) are depreciated at 100 % in the year of acquisition/ purchase

**j. Impairment of assets**

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which separately identifiable cash inflows can be generated which are largely independent of the cash inflows from other assets or group of assets (cash-generating units).

**k. CWIP**

Tangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Capital work-in progress". Advances given towards acquisition /construction of fixed assets outstanding at each Balance Sheet date are disclosed as Capital Advances under "Other Current /Non-Current Assets" as appropriate.

**l. Investment In Subsidiaries And Joint Venture:**

Investments in subsidiaries and joint ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down to its recoverable amount. On disposal of investments in subsidiaries and joint venture, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

**m. Inventories**

Inventories are valued at the lower of cost and estimated net realisable value (net of allowances) after providing for obsolescence and other losses, where considered necessary. The cost comprises cost of purchase, cost of conversion and other costs including appropriate production overheads in the case of finished goods and work-in-progress, incurred in bringing such inventories to their present location and condition. Trade discounts or rebates are deducted in determining the costs of purchase. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. The cost net of taxes subsequently recoverable from tax authorities) of raw materials, stores & spares is determined on moving weighted average basis.

Basis of determination of cost remain as follows:

Raw Materials, Packing materials - On Weighted average cost basis.  
Spares- at Cost

Work-in-process: At cost of inputs plus overheads up to the stage of completion.  
Finished goods are valued at lower of cost or net realizable value.

**n. Borrowings**

Borrowings are initially recognised at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction cost) and the redemption amount is recognised in profit or loss over the period of the borrowings, using the effective interest method. Fees paid on the established loan facilities are recognised as transaction cost of the loan, to the extent that it is probable that some or all the facility will be drawn down.

**o. Borrowing Costs**

**Borrowing Costs** Borrowing cost directly attributable to acquisition and construction of assets that necessarily takes substantial period of time are capitalised as part of the cost of such assets up to the date when such assets are ready for intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

p. **Foreign Exchange Transactions/Translation**

Transactions in foreign currencies are accounted at functional currency, at the exchange rate prevailing on the date of transactions. Gains/losses arising out of the fluctuations in the exchange rate between functional currency and foreign currency are recognized in the Statement of Profit & Loss in the period in which they arise. The fluctuations between foreign currency and functional currency relating to monetary items at the year ending are accounted as gains / losses in the Statement of Profit & Loss.

q. **Research and Development**

All expenses incurred for Research & Development are charged to revenue as incurred. Capital Expenditure incurred during the year on Research & Development is shown as additions to Fixed Assets.

r. **Provisions, Contingent Assets/ Contingent Liabilities**

**Provisions**

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

**Warranty Provisions:**

Provisions for Warranty related costs are recognized when the product is sold or service is provided. Provision is based on historical experience. The estimate of such warranty related costs is revised annually

**Contingent Liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation.

A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

**Contingent Assets**

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

The Company does not recognize a contingent asset but discloses its existence in the financial statements if the inflow of economic benefits is probable

s. **Leases**

The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after 1 April 2019.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently amortised using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognise right of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term.

**t. Mine closure, site restoration and decommissioning obligations:**

An obligation for restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the development or ongoing extraction from mines.

The company recognises unavoidable obligations, legal or assumed, to restore the mines upon exhaustion of reserves/end of lease period whichever is earlier. The obligation is estimated on the basis of cash flows expected to be incurred as per applicable mining regulations.

The estimate of expenses are discounted at a discount rate that reflects the current market assessment of the time value of money and the risks, such that the amount of provision reflects the present value of the expenditures expected to be required to be settle the obligation.

The company records the liability for final reclamation and mine closure. The obligation is recognised in the period in which the liability is incurred.

The value of the provision is progressively increased over time as the effect of discounting unwinds creating an expense recognised as financial expenses. Subsequent adjustments if any to the obligation for changes in the estimated cashflows/disbursement period/ discount rate is modified prospectively.

**u. Income Tax:**

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in the net profit in the statement of profit or loss except to the extent that it relates to items recognized in Other comprehensive income.

Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that the taxable profits will be available against which those deductible temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that is no longer probable that related tax benefits will be realized.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Where the Company is entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure, the Company accounts for such allowances as tax credits, which means that the allowance reduce income tax payable and current tax expense.

A deferred tax asset is recognized for unclaimed tax credits that are carried forward as deferred tax assets.

#### **Minimum Alternate Tax (MAT) Credit entitlement**

Minimum Alternative Tax ('MAT') under the provisions of the Income Tax Act, 1961 is recognised as current tax in the statement of profit and loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

#### **v. Employee Benefits:**

Employee benefits includes short term employee benefits, Post employment benefits, Other long-term benefits and Termination benefits.

##### **Short term employee benefits:**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

##### **Post employment benefits:**

###### **a) Defined contribution plans:**

These benefits include Pension, superannuation and Employee State Insurance (ESI). Entity contributes at statutorily prescribed minimum rates, monthly to Provident fund, ESI and will have no legal obligation to pay further contribution if fund doesn't have sufficient assets to pay all employee benefits relating to employee service in current and prior periods. Whereas yearly contribution is paid to Life insurance corporation towards superannuation Pension, monthly contributions are made in the case of Provident Fund and ESI. Thus, PF, Superannuation, ESI benefits are defined contribution plans. These contributions are recognized in statement of profit and loss by way of charge against income.

###### **b) Defined benefits plans:**

Leave Absences and Gratuity Cost of providing these benefits is determined using projected unit credit method by actuary at the end of each reporting period. It has two components, one is service cost and other is remeasurements.

Service cost comprises a) current service cost including gains/ loss on curtailment or settlements, b) past service cost in case of plan amendment c) net Interest expense or income. Remeasurements comprise actuarial gains/losses, return on plan assets excluding interest and effect of change in assets ceiling. Service cost is recognized in statement of profit or loss while remeasurements are in other comprehensive income.

#### **w. Earnings per Share**

The Company presents basic and diluted earnings per share data for its ordinary shares.

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for shares held. Diluted earnings per share is determined by adjusting

the profit or loss attribute to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for shares held, for the effects of all dilutive potential ordinary shares.

x. **Financial Instruments**

**Non-derivative financial instruments**

Non-derivative financial instruments consist of:

Financial assets, which include cash and cash equivalents, trade receivables, other advances and eligible current and non-current assets;

Financial liabilities, which include long and short-term loans and borrowings, trade payables, eligible current and non-current liabilities.

Non derivative financial instruments are recognized initially at fair value including any directly attributable transaction costs. Financial assets are derecognized when substantial risks and rewards of ownership of the financial asset have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognized only when the Company has not retained control over the financial asset.

Subsequent to initial recognition, non-derivative financial instruments are measured as described below:

**Cash and cash equivalents**

For the purposes of the cash flow statement, cash and cash equivalents include cash in hand, at banks and demand deposits with banks, net of outstanding bank overdrafts, if any, that are repayable on demand and are considered part of the Company's cash management system.

**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Loans and receivables are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at amortized cost, less any impairment losses. Loans and receivables comprise trade receivables and other assets.

The company estimates the un-collectability of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

**Borrowings**

Borrowings are initially recognized when a Company becomes a party to the contractual provisions subsequently measured at amortised cost using the EIR method.

**Trade and payable**

Liabilities are recognized for amounts to be paid in future for goods or services received, whether billed by the supplier or not.



y. **Cash Flow Statement:**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

z. **Segment Information:**

Identification of segments: An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available. The Company has identified Managing Director and Executive Director & Chief Finance Officer as CODM.

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

**Allocation of common costs**

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs. Inter-segment transfers Inter-segment revenue has been accounted for based on the transaction price agreed to between segments which is based on current market prices.

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.

**Unallocated items**

Revenue, expenses, assets and liabilities which relate to the Company as a whole and not allocable to segments on reasonable basis have been included under 'unallocated revenue / expenses / assets / liabilities'.

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

Operating segment is reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker (CODM)

aa. **Events after the reporting period:**

Adjusting events are events that provide further evidence of condition that existed at the end of the reporting period. The financial statements are adjusted for such events before authorization for issue.

bb. **Prior Period Errors**

Errors of material amount relating to prior period(s) are disclosed by a note with nature of prior period errors, amount of correction of each such prior period presented retrospectively, to the extent practicable along with change in basic and diluted earnings per share. However, where retrospective restatement is not practicable for a particular period then the circumstances that lead to the existence of that condition and the description of how and from where the error is corrected are disclosed in Notes to Accounts.

cc. **Dividend Distribution**

Dividends paid (including income tax thereon) is recognised in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders.

## NCL INDUSTRIES LIMITED

### 2) Property, Plant and Equipment

(In Rupees lakhs)

Particulars	Gross carrying value as at April 1, 2022	Additions	Disposal / adjustments	Gross carrying value as at March 31, 2023	Accumulated depreciation as at April 1, 2022	Additions	Disposal / adjustments	Accumulated depreciation as at March 31, 2023	Carrying Value as at March 31, 2023
Land	6,581.95	498.11	-	<b>7,080.06</b>	-	-	-	-	<b>7,080.06</b>
Buildings	16,394.06	4,908.86	-	<b>21,302.92</b>	2,301.93	631.55	-	2,933.48	<b>18,369.43</b>
Plant and Machinery	68,353.55	20,216.90	-	<b>88,570.45</b>	13,633.85	3,579.84	-	17,213.69	<b>71,356.76</b>
Electrical Installations	2,322.41	-	-	<b>2,322.41</b>	2,234.77	17.71	-	2,252.48	<b>69.93</b>
Railway Siding	521.41	-	-	<b>521.41</b>	302.61	7.16	-	309.77	<b>211.63</b>
Furniture and Fixtures	378.35	166.21	-	<b>544.56</b>	203.38	54.02	-	257.40	<b>287.16</b>
Office Equipment & Appliances	372.13	25.64	0.31	<b>397.46</b>	219.08	90.19	0.28	308.99	<b>88.47</b>
Vehicles	5,517.54	272.82	87.24	<b>5,703.12</b>	4,197.97	468.21	56.10	4,610.08	<b>1,093.04</b>
<b>Total</b>	<b>100,441.39</b>	<b>26,088.54</b>	<b>87.55</b>	<b>126,442.38</b>	<b>23,093.59</b>	<b>4,848.68</b>	<b>56.38</b>	<b>27,885.89</b>	<b>98,556.49</b>

#### Note

2.1 Additions to Land includes Rs.335.98 Lakhs towards purchase of compensatory afforestation land of 40.07 Acres and 11.19 Acres situated at Guledi village, Bheempur mandal, Adilabad District and Bember (V), Tanur (M), Nirmal District, Telangana respectively and which are proposed to be transferred to the forest department in lieu of forest land diverted for the company's plant operations situated at Mattapalli village of Mattampalli Mandal of Suryapet district.

2.2 Addition to Land includes undivided share of land to extent of 506.76 square yards added during the current year on account of capitalisation of Corporate Office Building pursuant to joint development agreement dated 11th June 2019 for the construction of corporate building situated at SD Road, Secunderabad, Telangana - 500026.

#### 2.3 Capital Work in Progress

Balance as at April 1, 2021	6,053.76
Additions/ Adjustments during the year	11,299.89
Capitalized during the year	254.02

<b>Balance as at March 31, 2022</b>	<b>17,099.64</b>
Additions/ Adjustments during the year	7519.08
Capitalized during the year	21793.44
<b>Balance as at March 31, 2023</b>	<b>2,825.27</b>

#### 2.4 Capital Work in Progress Ageing

Ageing for capital work-in-progress as at March 31, 2023 is as follows:

Amount of Capital work in progress for					
Particulars	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	2,317.50	320.30	115.01	72.46	2,825.27

Ageing for capital work-in-progress as at March 31, 2022 is as follows:

Amount of Capital work in progress for					
Particulars	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	11,995.07	1,884.98	1,549.20	1,670.38	17099.63

#### 3. Investments ( Non Current)

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
(a) Investments in Equity Instruments (Unquoted)		
II (I) In Subsidiary Companies		
(i) 10,26 76,347 (10,26 76,347) shares of Tern Distilleries Pvt Limited of Rs.10 each	3,000.00	3,000.00
(b) Others		
(I) Investments in Equity Instruments (Unquoted)		
(i) 7,490 (7,490) shares of Modular Containers Pvt Ltd of Rs. 10 each	-	0.75
(c) Investments in partnership firms		
(i) NCL Buildtek & NCL Industries JV (refer note below)	546.02	2,020.97
Total	3,546.02	5,021.72
Aggregate amount of Unquoted Investments	3,000.00	3,000.75
Aggregate amount of Impairment in the value of Investments	0	0
Note. 3.1 Category wise Investment- as per IND AS 109 classification		
Financial Assets carried at cost		
Equity Instruments	3,000.00	3,000.75
Note 3.2 Details of Subsidiary and Joint Venture		
Name of the Company, Principal Activity & Place of domicile Subsidiary		
Tern Distilleries Pvt Limited, (Distilleries, India)	3,000.00	3,000.00
Modular Containers Pvt Ltd, (Container Housing, India)	-	0.75

### 3.2 (a) Details of Investment in Subsidiaries

Particulars	As at March 31, 2023		As at March 31, 2022	
	No of Equity Shares	Amount	No of Equity Shares	Amount
<b>Investment in Equity Shares (Unquoted)</b>				
Tern Distilleries Pvt Limited - Equity Shares of Rs. 10/- each (100%) (PY 100%)	102,676,347	3,000.00	102,676,347	3,000.00
Modular Containers Pvt Ltd - Equity Shares of Rs. 10/- each (74.90%)		-		0.75
Total Investment in Unquoted Shares		3,000.00		3,000.75
<b>3.2 (b) NCL Buildtek &amp; NCL Industries Joint Venture</b>				
Partner Name			Share of Profit	Capital Contributed as on 31st March 2023
NCL Industries Limited			50%	546.02
NCL Buildtek Limited			50%	692.15

3.3 There is no change in the constitution of the firm during the year

3.4 The firm Follows the same reporting period / dates as that of the Company.

3.5 The total capital of the firm as on the date of the company's Balance Sheet i.e. 31st March 2023 is Rs. 1238.17 lakhs

#### Note 3.6

Company has executed a Share Purchase Agreement dated 12th May, 2023 with Promoter group of Vishwamber Cements Limited and Vishwamber Cements Limited (VCL) for acquisition of 100% shareholding consisting of 77,67,430 equity shares of Rs. 10/- each in Vishwamber Cements Limited (VCL) for a total consideration of Rs. 16.24 crores. Upon acquisition of the above shares, Vishwamber Cements Limited becomes a wholly owned subsidiary of NCL Industries Ltd (NCLIL).

#### 4. Other Financial Assets Non Current

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Unsecured (considered good)		
Security Deposits		
Deposits with AP & TS SEB	1,545.73	1,295.29
Deposits with Government Departments	2,053.90	303.46
Deposits with Others	67.23	10.05
Margin Money Deposits	1247.35	286.31
Rental Deposits	94.63	76.16
<b>Total</b>	<b>5,008.84</b>	<b>1,971.27</b>

#### 5. Other non-current Assets

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Deposits in disputed cases		

Taxes paid under Protest	446.77	442.94
<b>Total</b>	<b>446.77</b>	<b>442.94</b>

#### 6. Inventories

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Raw Materials	2,757.55	1,917.74
Finished Goods	3,267.22	3,433.73
Work in Progress	445.60	268.99
Packing & Other Materials	2,331.88	2,243.46
Stores & Spares	6,158.52	5,021.81
<b>Total</b>	<b>14,960.77</b>	<b>12,885.73</b>

#### 7. Trade Receivables Current

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
<b>(i) Trade Receivables from related parties</b>		
Trade receivables Unsecured, considered good	-	24.33
Sub-Total	-	24.33
<b>(ii) Other Trade Receivables</b>		
Trade receivables Secured, considered Good	-	-
Trade receivables Unsecured, considered good	15,548.43	17,059.14
Trade receivable which have significant increase in credit risk	511.00	378.00
Less: Trade receivables credit impaired	511.00	378.00
Sub-Total	15,548.43	17,059.14
<b>Total</b>	<b>15,548.43</b>	<b>17,083.47</b>

FY 2022-23

#### Trade Receivables current Ageing Schedule

Outstanding for the following Periods from due date of Payment

Particulars	Less than six months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables considered Good	11,077.43	736.88	280.78	887.29	3,077.05	16,059.43
Undisputed Trade receivables which have significant credit risk						
Undisputed Trade receivables credit impaired					511.00	511.00
Disputed Trade Receivables Considered Good						
Disputed Trade receivables which have significant credit risk						
Disputed Trade receivables credit impaired						
<b>Total</b>	<b>11,077.43</b>	<b>736.88</b>	<b>280.78</b>	<b>887.29</b>	<b>2,566.05</b>	<b>15,548.43</b>

**FY 2021-22**

**Trade Receivables current Ageing Schedule**

**Outstanding for the following Periods from due date of Payment**

<b>Particulars</b>	<b>Less than six months</b>	<b>6 months to 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>	<b>Total</b>
Undisputed Trade receivables considered Good	11,174.47	763.99	524.04	4,453.46	545.51	17,461.47
Undisputed Trade receivables which have significant credit risk						
Undisputed Trade receivables credit impaired					378.00	378.00
Disputed Trade Receivables Considered Good						
Disputed Trade receivables which have significant credit risk						
Disputed Trade receivables credit impaired						
<b>Total</b>	<b>11,174.47</b>	<b>763.99</b>	<b>524.04</b>	<b>4,453.46</b>	<b>167.51</b>	<b>17,083.47</b>

**8. Cash & Cash Equivalent**

<b>Particulars</b>	<b>As at Mar 31, 2023</b>	<b>As at Mar 31, 2022</b>
Cash on hand	3.08	5.84
Cheques, Drafts on hand		
Balances with Banks		
(a) in Current Account	2,626.96	185.88
(b) in Cash Credit Account		
<b>Total</b>	<b>2,630.04</b>	<b>191.72</b>

**9. Bank Balances other than above**

<b>Particulars</b>	<b>As at Mar 31, 2023</b>	<b>As at Mar 31, 2022</b>
Unclaimed Dividend	178.11	169.76
Fixed deposits redemption reserve	721.31	702.15
Others	3.57	3.10
<b>Total</b>	<b>902.99</b>	<b>875.01</b>

**10. Loans**

<b>Particulars</b>	<b>As at Mar 31, 2023</b>	<b>As at Mar 31, 2022</b>
<b>Inter Corporate Deposit</b>		
Unsecured, considered good	600.00	2,030.00
<b>Total</b>	<b>600.00</b>	<b>2,030.00</b>

**10.1 Loans to Related Parties**

<b>Particulars</b>	<b>As at Mar 31, 2023</b>	<b>As at Mar 31, 2022</b>
NCL Buildtek Limited	600.00	1,800.00

NCL Holdings Limited	-	230.00
<b>Total</b>	<b>600.00</b>	<b>2,030.00</b>

#### 11. Other Financial Assets Current

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Unsecured (considered good)		
Incentives Receivable from A.P/Telangana Governments	16.30	420.93
Other Advances and Contract Assets	127.20	-
<b>Total</b>	<b>143.50</b>	<b>420.93</b>

#### 12. Other Current Assets

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Un Secured Considered Good		
Advances to Suppliers	2,381.57	6,120.14
Advances for Capital Goods	1,866.62	3,122.68
Advances to Others	638.53	813.53
GST, Central Excise, Service Tax,VAT & Other Receivables	1,740.42	1,551.93
MAT Credit Entitlement Account	142.91	-
Accrued Interest on Electricity deposits	82.39	47.36
Prepaid expenses	171.27	130.43
<b>Total</b>	<b>7,023.71</b>	<b>11,786.07</b>

#### 13 EQUITY SHARE CAPITAL

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
<b>Authorised</b>		
6,20,00,000 (Previous year: 6,20,00,000) Equity Shares of Rs. 10/- each	6,200.00	6,200.00
<b>Issued, Subscribed &amp; Paid Up</b>		
4,52,32,790 (Previous year 4,52,32,790) Equity Shares of Rs. 10/-each	4,523.28	4,523.28
<b>Total</b>	<b>4,523.28</b>	<b>4,523.28</b>

(a) **Terms / Rights attached to the Equity Shares:**The Company has one class of share capital, comprising ordinary shares of Rs. 10/- each. Subject to the Company's Articles of Association and applicable law, the Company's ordinary shares confer on the holder the right to receive notice of and vote at general meetings of the Company, the right to receive any surplus assets on a winding-up of the Company, and an entitlement to receive any dividend declared on ordinary shares.

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

Equity shares	As at Mar 31, 2023		As at Mar 31, 2022	
	No. of shares	Rs. Lakhs	No. of shares	Rs. Lakhs
At the beginning of the year	45,232,790	4,523.28	45,232,790	4,523.28
Equity Shares issued during the year	-	-	-	-

At the end of the year	45,232,790	4,523.28	45,232,790	4,523.28
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**(c) Details of shareholders holding more than 5% shares in the Company**

Equity shares	As at Mar 31, 2023		As at Mar 31, 2022	
	No of Shares	% of Holding	No of Shares	% of Holding
K. Ravi	2,445,503	5.41	2,388,617	5.28
Kalidindi Shilpa	2,760,833	6.10	2,760,833	6.10
Roopa Bhupatiraju (Kalidindi Roopa)	2,553,893	5.65	2,508,663	5.55

**(d) Details of shares held by promoters**

As at 31 March 2023

Promoter Name	Number of Shares at the beginning of the year	% of Total Shares	Number of Shares at the end of the year	% of Total Shares	% of Change
KALIDINDI MADHU HUF	80,259	0.18	130,667	0.29	0.11
NIRHMAL V GORADIA / GEETA GORADIA	89,463	0.20	89,463	0.20	0.00
GEETA GORADIA / NIRHMAL V GORADIA	139,015	0.31	139,015	0.31	0.00
MEENA SHAH	12,474	0.03	12,474	0.03	0.00
ASHWIN GORADIA / BHARTI GORADIA	86,859	0.19	86,859	0.19	0.00
VINODRAI V GORADIA CHARULATA V GORADIA	606,102	1.34	613,618	1.36	0.02
MEERA BIMAL GORADIA / BIMAL V GORADIA	124,135	0.27	129,135	0.29	0.02
BIMAL V GORADIA/ MEERA B GORADIA	324,610	0.72	324,610	0.72	0.00
G JYOTHI	166,992	0.37	166,992	0.37	0.00
KANUMILLI MALATHI	8,493	0.02	8,493	0.02	0.00
ASHVEN DATLA	1,775,855	3.93	1,775,855	3.93	0.00
KALIDINDI RAVI	2,388,617	5.28	2,445,503	5.41	0.13
MADHU KALIDINDI	635,887	1.41	635,887	1.41	0.00
BHARTI GORADIA / ASHWIN GORADIA	53,191	0.12	53,191	0.12	0.00
PENUMATSA SATYANARAYANA RAJU	62,314	0.14	62,314	0.14	0.00
RAMALINGA RAJU PENMETCHA	35,275	0.08	-	0.00	(0.08)
K ANURADHA	912,873	2.02	912,873	2.02	0.00
N JANAKI	45,155	0.10	45,155	0.10	0.00
GORADIA CHARULATA VINODRAI/GORADIA VINODRAI VACHHARAJ	358,487	0.79	365,751	0.81	0.02
UTKAL B GORADIA / BIMAL V GORADIA	92,916	0.21	131,587	0.29	0.08
PENMETSA NARASIMHA RAJU	1,190,010	2.63	1,190,010	2.63	0.00
PENMETSA VARA LAKSHMI	350,355	0.77	350,355	0.77	0.00
VENKATA SATYA PADMAVATHI GOTTUMUKKALA	72,445	0.16	72,445	0.16	0.00
MADHAVI PENUMASTA	92,402	0.20	92,402	0.20	0.00
KANUMILLI SUDHEER	79,115	0.17	79,115	0.17	0.00
GAUTAM KALIDINDI	1,496,954	3.31	2,064,317	4.56	1.25



KALIDINDI SHILPA	2,760,833	6.10	2,760,833	6.10	0.00
SRIDHAR BHUPATIRAJU	204,642	0.45	204,642	0.45	0.00
GOKUL HARINI	10,011	0.02	10,011	0.02	0.00
S GOKUL	81,838	0.18	83,838	0.19	0.01
POOJA KALIDINDI	1,453,543	3.21	1,502,518	3.32	0.11
G.T.SANDEEP	233,122	0.52	233,122	0.52	0.00
VEGESANA SAILAJA	10,765	0.02	35,765	0.08	0.06
K MALLIKA	36,263	0.08	36,263	0.08	0.00
ROOPA KALIDINDI	2,508,663	5.55	2,553,893	5.65	0.10
DIVYA PENUMACHA	446,221	0.99	446,221	0.99	0.00
DITI ASHWIN GORADIA	30,000	0.07	30,000	0.07	0.00
NISHI ASHWIN GORADIA	30,000	0.07	30,000	0.07	0.00
BHUPATIRAJU SUBBA RAJU	161,088	0.36	256,714	0.57	0.21
SAI SREEDHAR KANUMILLI	8,192	0.02	8,192	0.02	0.00
PADMA GOTTUMUKKALA	85,225	0.19	85,225	0.19	0.00
BLUE VALLEY DEVELOPERS (P) LTD	205,658	0.45	212,158	0.47	0.02
NCL HOMES LTD	315,813	0.70	315,813	0.70	0.00
VIKRAM CHEMICALS PVT LTD	13,500	0.03	13,500	0.03	0.00
NCL HOLDINGS (A&S) LIMITED	498,000	1.10	518,815	1.15	0.05
KAKATIYA INDUSTRIES PRIVATE LIMITED	-	0.00	4,000	0.01	0.01

#### 14. Other Equity

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Capital Reserve	240.91	240.91
Securities Premium Reserve		
Balance as per the last Financial statement	21,222.84	21,222.84
Add: Premium on shares issued during the current year	-	-
Closing balance	21,222.84	21,222.84
General Reserve		
Balance as per the last Financial statement	34,000.00	29,000.00
Add: Amount transferred from surplus	5,000.00	5,000.00
Closing balance	39,000.00	34,000.00
<b>Retained Earnings</b>		
Balance as per the Last Financial Statement	14,420.01	11,486.68
Add: Profit / (Loss) for the Year	4,433.65	9,742.63
Less: Interim Dividend Paid	678.49	1,356.98
Less: Final Dividend Paid	678.49	452.32
Less: Transfer to General Reserve	5,000.00	5,000.00
Closing Balance	12,496.68	14,420.01
<b>Total</b>	<b>72,960.43</b>	<b>69,883.76</b>

**Nature of Reserves:**

Capital Reserve: Represent the Capital Subsidies received from government.

Securities Premium Reserve: Amounts received in excess of the face value of the equity shares issued.

General Reserve: This represents the appropriation of Profit

Retained Earnings: Represents the undistributed earnings post taxes.

**14.1 Dividends:**

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Dividends Recognised		
Final Dividend for the year ended March 31, 2022 of Rs. 1.50 (Rs 1.00 for year 2021) per fully paid up share.	678.49	452.33
Interim Dividend for the year ended March 31, 2023 Rs. 1.50 (Rs 1.50 for year 2021 & 2022) per fully paid up share.	678.49	1,356.98
Dividends not recognised at the end of reporting period		
In addition to above, dividend proposed of Rs 1.50 ( Rs.1.50 for year ended March 31, 2022) per fully paid equity share. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting	678.49	678.49

**Non Current Liabilities****15. Borrowings**

	As at Mar 31, 2023	As at Mar 31, 2022
Secured		
Term Loans		
- From Banks (Refer Note 34 )	15,367.88	16,889.09
- From Other parties		
Vehicle & Equipment Finance Loans from Banks (Refer Note 34 )	446.24	532.07
Vehicle & Equipment Finance Loans from Others (Refer Note 34 )	21.20	39.40
Total Secured Loans	15,835.32	17,460.56
Un Secured		
Deposits from Public & Shareholders (Refer Note 34)	4,918.23	3,805.03
Total un Secured Loans	4,918.23	3,805.03
<b>Total</b>	<b>20,753.55</b>	<b>21,265.59</b>

#### 16. Other Financial Liabilities Non Current

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Deposits from Dealers / Stockists (Refer Note 'Below')	8,318.71	6,831.07
	8,318.71	6,831.07

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 @ 4% p.a.

#### 17. Provisions Non Current

	As at Mar 31, 2023	As at Mar 31, 2022
Provision for Employee Benefits		
Provision for Gratuity	252.89	39.63
Provision for Leave benefits	417.71	309.14
Others		
Decommissioning Liability	68.63	-
<b>Total Provisions</b>	<b>739.23</b>	<b>348.77</b>

#### 18. Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Deferred Tax Liability</b>		
Property, plant and equipment	11,802.82	9,356.44
Intangible assets		
<b>Sub Total</b>	<b>9,476.08</b>	<b>8,369.67</b>
<b>Deferred tax Assets</b>		
Employee benefits	(143.35)	(46.19)
Provisions	(153.3)	(130.82)
<b>Sub Total</b>	<b>(296.65)</b>	<b>(177.01)</b>
<b>Net Deferred Tax Liability</b>	<b>11,506.18</b>	<b>9,179.43</b>

Movement in deferred tax balances during the year

Particulars	Balance As at March 31, 2022	Recognised in Profit and Loss	Recognised in OCI	Recognised Directly in equity	Reclassified from Equity to Profit and Loss Statement	Balance As at March 31, 2023
Property, plant and equipment	9,356.44	2,446.38				11,802.82
Employee benefits	(46.19)	(97.15)				(143.35)
Provisions	(130.82)	(22.48)				(153.30)
<b>Total</b>	<b>9,179.43</b>	<b>2,326.75</b>	-	-	-	<b>11,506.18</b>

**19. Other non-current liabilities**

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Advances and others		
Advances received for Sales of Fixed Assets	610.22	585.22
<b>Total</b>	<b>610.22</b>	<b>585.22</b>

**20. Borrowings Current**

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Loans payable on Demand		
- From Banks		
-Secured		
Cash Credit Loans from Banks (Refer Note 34)	-	3,720.67
Current Maturities of Long term Debt (Refer Note 34)	5,783.60	5,077.37
Vehicle & Equipment Finance Loans from Banks (Refer Note34)	293.28	366.69
Vehicle & Equipment Finance Loans from Financial Companies (Refer Note 34)	19.51	18.19
Deposits from Public & Shareholders (Refer Note 34)	2,382.80	3,088.95
<b>Total</b>	<b>8,479.19</b>	<b>12,271.87</b>

**21. Trade Payables Current**

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
<b>CURRENT</b>		
Other than Micro and Small Enterprises		
-Trade Payables	8,355.55	6,544.91
-Sundry Creditors - Capital goods	481.71	517.02
Micro and Small Enterprises	118.22	56.38
<b>Total</b>	<b>8,955.48</b>	<b>7,118.31</b>

**Note :**

- (i) The amount due if any to Micro and Small Enterprises as defined in the “The Micro, Small and Medium Enterprises Development Act, 2006” is determined to the extent such parties have been identified on the basis of information received from them by the Company.

**The disclosures relating to Micro and Small Enterprises are as under:**

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
(a) The principal amount remaining unpaid to supplier as at the end of the accounting year	118.22	56.38
(b) The interest due thereon remaining unpaid to supplier as at the end of the accounting year	-	-
(c) The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
(d) The amount of interest due and payable for the year	-	-
(e) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(f) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

**Trade payables ageing schedule for the year ended March 31, 2023**

Particulars	Unbilled	Not due	<1year	1-2 years	2-3 years	>3 Years	Total
MSME			118.22				118.22
Others	1,304.32	632.44	6,339.66	387.78	129.60	43.46	8,837.26
Disputed dues – MSME			-		-		-
Disputed dues – Others							
<b>Total</b>	<b>1,304.32</b>	<b>632.44</b>	<b>6,457.88</b>	<b>387.78</b>	<b>129.60</b>	<b>43.46</b>	<b>8,955.48</b>

**Trade payables ageing schedule for the year ended March 31, 2022**

Particulars	Unbilled	Not due	<1year	1-2 years	2-3 years	>3 Years	Total
MSME			47.38				47.38
Others	989.18	567.30	4,980.53	116.43	383.79	24.69	7,061.93
Disputed dues – MSME			-		9.00		9.00
Disputed dues – Others							
<b>Total</b>	<b>989.18</b>	<b>567.30</b>	<b>5,027.91</b>	<b>116.43</b>	<b>392.79</b>	<b>24.69</b>	<b>7,118.31</b>

**22. Other Financial Liabilities Current**

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Interest accrued and not due on Public deposits	867.62	889.58
Unclaimed Dividend	178.12	169.76
Other Expenses	7,090.05	6,141.97
<b>Total</b>	<b>8,135.79</b>	<b>7,201.31</b>

### 23. Provisions Current

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Provision for Employee Benefits		
Provision for Gratuity	76.06	63.89
Provision for Leave benefits	23.54	23.54
Provision for Employee Bonus & Ex-gratia	143.82	141.83
<b>Total Provisions</b>	<b>243.42</b>	<b>229.26</b>

### 24. Current Tax Liabilities (Net)

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Opening Balance	1,973.41	2,358.23
Current Tax Payable for the Year	2,421.73	4,144.01
Less: Taxes Paid	4,215.75	4,528.82
<b>Total</b>	<b>179.39</b>	<b>1,973.41</b>

### 25. Other Current Liabilities

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Advance Received from Customers	2,872.22	2,280.00
Statutory dues Payable		
GST, Value Added Tax & CST Payable	3,738.30	3,277.20
Employee related payables PF, ESI & Others	53.40	49.45
TDS Payable	124.03	138.37
<b>Total</b>	<b>6,787.95</b>	<b>5,745.01</b>

### 26. Revenue From Operations

#### A. (i) Contract with Customers

(a) Company has recognized the following revenue during the year from contracts with its customers

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Sale/ Transfer of Products		
Finished Goods	210,439.84	210,603.23
Semi Finished Goods (Clinker Transfer to Kondapalli Grinding Unit)	20,785.15	14,791.74
Traded Goods	-	0.44
<b>Total Gross Sales</b>	<b>231,224.99</b>	<b>225,395.40</b>
Less: Inter segment Transfers	26,777.73	20,802.71
Less: Taxes on Sales	43,481.32	41,251.92
<b>Revenue from Operations</b>	<b>160,965.96</b>	<b>163,340.77</b>

(b) Company has recognized the Rs 511 lakhs as impairment loss against the amount receivables from its customers or contract assets arising due to contract with its customers during the year.

**(ii) Contract Balances****(a) Receivables**

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Opening Balance	17,083.47	14,337.79
Addition/deduction during the year	(1,535.04)	2,745.68
<b>Closing Balance</b>	<b>15,548.43</b>	<b>17,083.47</b>

**b) Contract Assets**

Company recognized contract assets when it satisfies its obligation by transferring the goods or services to the customer and right to receive the consideration is established which is subject to some conditions to be fulfilled by the company in future before receipt of consideration amount. Such assets are as follows:

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Opening Balance	-	3.97
Addition/deduction during the year	127.20	(3.97)
<b>Closing Balance</b>	<b>127.20</b>	<b>-</b>

**c) Practical expedients**

During the year company has entered into sales contracts with its customers where contracts are not executed, same has not been disclosed as per practical expedient as the duration of the contract is less than one year or right to receive the consideration established on completion of the performance by the company.

**B. Significant judgements in the application of this standard**

(i) Revenue is recognized by the company when the company satisfies a performance obligation by transferring a promised good or service to its customers. Asset/goods/services are considered to be transferred when the customer obtains control of those asset/goods/services.

(ii) The company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, GST etc.).

(iii) The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both. Any further adjustment will be made by raising debit/credit notes on the customer. While determining the transaction price effects of variable consideration, constraining estimates of variable consideration, the existence of a significant financing component in the contract, non-cash consideration and consideration payable to a customer is also considered.

**27. Other Income**

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Interest Income		
- From Fixed Deposits	210.07	8.85
- From Others*	478.55	162.46
Scrap Sales	367.61	263.59
Rent - Trucks Lease	468.94	278.35
Rent - Buildings	208.58	183.36
Other Non Operating Revenue (Net of expenses directly attributable to such income)		
Profit on Sale of Assets	89.47	164.82
Foreign Exchange Gain	(0.03)	(0.10)
Misc. Income	100.25	51.69
<b>Other income Total</b>	<b>1,923.43</b>	<b>1,113.02</b>

**28. Cost of Materials Consumed**

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Details of Raw Materials Consumed		
Limestone	7,830.52	5,391.44
Al. Laterite	4,130.81	4,808.88
Gypsum	2,091.62	2,405.47
Iron ore / Iron ore powder	99.37	81.20
FlyAsh	4,474.76	4,105.45
Purchased Clinker Consumption	36.21	2,209.89
Clinker Consumption at Kondapalli Plant	18,194.70	13,547.50
Cement Consumption in Other Divisions	5,474.97	5,364.71
Wood	2,441.40	2,018.36
Chemicals	727.86	724.80
Paper	429.20	375.62
Ready Mix Concrete Materials	3,407.24	3,348.26
Other Materials	205.22	1,658.83
Total	49,543.88	46,040.39
Less: Inter Segment Transfers	26,777.73	20,802.71
Net Consumption of Materials	22,766.15	25,237.68



**29. Changes in Inventory**

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>A. Finished Goods</b>		
Opening Balance	3,433.73	2,932.37
Closing Balance	3,267.22	3,433.73
Changes in Inventory of Finished Goods	166.51	(501.36)
<b>B. Work in Progress</b>		
Opening Balance	268.99	775.75
Closing Balance	445.60	268.99
Changes in Inventory of Work in Progress	(176.61)	506.76
Net (Increase) /Decrease	(10.10)	5.40

**30. Employees' Benefit Expenses**

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Salaries and Wages		
Salaries, Wages and Bonus	4893.54	4883.07
Leave Encashment	207.26	167.55
Gratuity	373.42	205.19
Managerial Remuneration	745.47	823.20
Contribution to Provident Fund & Other Funds	299.10	277.42
Staff Welfare Expenses	234.73	135.93
<b>TOTAL</b>	<b>6,753.52</b>	<b>6,492.36</b>

**31. Other Expenses**

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>Manufacturing Expenses :</b>		
Cost of Fuel	41,226.52	32,152.57
Cost of Power	13,656.32	11,080.49
Packing Materials	4,994.46	5,179.31
Stores & Spares consumed	3,880.75	3,233.49
Rep & Maintenance Plant & Machinery	2,130.70	1,795.35
Rep & Maintenance Buildings	35.82	1.51
Rep & Maintenance Others	22.57	40.24
Direct Manufacturing Expenses	1,912.24	1,859.75
<b>Sub total (a)</b>	<b>67,859.38</b>	<b>55,342.71</b>
<b>Administrative Expenses :</b>		
Rent	178.70	150.28
Security Expenses	219.22	239.09
Directors' Sitting fees	20.00	27.50
Licences, Fees & Taxes	202.35	317.53
Insurance	116.46	91.74
Computer Maintenance	85.34	75.95
Office Maintenance	229.71	253.91

Printing & Stationery	21.03	27.51
Postage & Courier	8.01	6.63
Telephone	54.60	55.94
Travelling	403.28	366.47
Vehicle Maintenance	86.73	104.97
Legal & Professional Charges	147.39	181.74
Auditors' Remuneration (i)	18.00	11.00
Bank Charges	71.79	100.68
Staff recruitment and training	21.35	29.55
CSR Expenditure	280.79	243.54
Donations	4.63	9.29
Repairs & Maintenance - Vehicles	17.68	22.63
R & D Expenses	0.17	2.42
Allowance for Bad and Doubtful Debts	511.00	378.00
Miscellaneous Expenses	216.67	239.58
<b>Sub total (b)</b>	<b>2,914.90</b>	<b>2,935.95</b>
<b>Selling &amp; Distribution Expenses</b>		
Transportation Paid	30,163.70	29,471.17
Advertisement & Publicity	948.66	1,381.58
Selling Expenses	14,729.35	21,731.97
<b>Sub Total (c)</b>	<b>45,841.71</b>	<b>52,584.72</b>
<b>TOTAL (a+b+c)</b>	<b>116,615.99</b>	<b>110,863.38</b>

**(i) Amount paid to auditors'**

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
As Auditor	15.50	10.25
For Taxation Matters/Tax Audit	2.50	0.75
<b>TOTAL</b>	<b>18.00</b>	<b>11.00</b>

**32. Finance Cost**

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Interest on borrowings from Banks	1,823.86	1,602.24
Interest on Public deposits	686.85	684.71
Interest on Others	99.02	128.62
Other Borrowing Costs	10.89	4.89
<b>TOTAL</b>	<b>2,620.63</b>	<b>2,420.46</b>

### 33. Depreciation and Amortization Expenses

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Depreciation / Amortisation for the year		
Depreciation on Plant, Property & Equipment	4,848.68	4,451.65
<b>TOTAL</b>	<b>4,848.68</b>	<b>4,451.65</b>

### 34. Borrowings

#### Term Loans:

- i) Term Loan of Rs.10.58 crores (2022: Rs.24.70 crores) from Axis Bank Ltd towards part takeover of Yes Bank Term Loan, at an interest rate Linked to MCLR @ 8.35% p.a repayable in 17 quarterly instalments starting from Oct'19. The loan amount sanctioned is Rs.60.00 Cr with no moratorium period
- ii) Term of Loan of Rs.53.09 crores (2022: Rs. 58.47 crores) from Axis Bank Ltd for WHR Project at Mattapally, at an interest rate Linked to MCLR @ 8.35% p.a repayable in 20 Structured quarterly instalments starting from Sept '21. The loan amount sanctioned is Rs.67.25 Crores with a moratorium period of 2 years.
- iii) Term loan of Rs.9.67 crores (2022: Rs.22.55 crores) from HDFC Bank Ltd towards part takeover of Yes Bank Term Loan, at an interest rate Linked to MCLR @ 9.25% p.a repayable in 17 quarterly instalments starting from Oct'19. The loan amount sanctioned is Rs. Rs.54.75 Crores with no moratorium period
- iv) Term Loan of Rs.29.25 crores (2022: Rs. 35.75 crores) from Axis Bank Ltd for Modernization of Line 1 at Mattapally, at an interest rate Linked to MCLR @ 8.35% p.a repayable in 24 Equal quarterly instalments of Rs.1.625 Crores starting from Dec'21. The loan amount sanctioned is Rs.39 Crores with a moratorium period of 1 year.
- v) Term Loan of Rs.62.92 crores (2022: Rs.21.14 crores) from Kotak Bank Ltd towards Line -3 at Mattapally, at an interest Linked to MCLR @ 9.10% p.a repayable in 78 monthly instalments starting from May'23. The loan amount sanctioned is Rs.75 Crores with a moratorium period of 1.5 years.
- vi) The Company availed a loan of Rs.31.21 crores (2022: Rs.37.46 crores) from AXIS Bank under the Emergency Credit Line Guarantee Scheme (ECLGS 2.0) notified by the Government of India in Two Tranches of Rs.25.00 Crores and Rs.13.50 Crores, repayable in 48 equated monthly instalments after a 24-month moratorium period from the date of disbursement, at an interest rate of 9% and 8.85% p.a linked to Repo rate.
- vii) The Company availed a loan of Rs.14.80 crores (2022: Rs.19.60 crores) from HDFC Bank under the Emergency Credit Line Guarantee Scheme notified by the Government of India repayable in 48 equated monthly instalments after a 12-month moratorium period from the date of disbursement, at an interest rate of 9% p.a linked to Repo.
- viii) All the above are secured by secured by first charge on Fixed assets of the Company excluding the assets disclosed in Note 2.1, ranking pari passu with other Term lenders, further secured by second charge on Current assets of company.

#### Loans repayable on demand from Banks:

- i) Cash Credit from AXIS Bank Ltd Rs.Nil (2022 : Rs.9.73) at an interest rate Linked to MCLR at 8.65%. The sanctioned Limit is Rs.50.00 Cr.
- ii) Cash Credit from HDFC Bank Ltd Rs.Nil (2022 : NIL) at an interest rate Linked to MCLR at 8.75%. The sanctioned Limit is Rs.25.00 Cr
- iii) Cash Credit from State Bank of India Rs.Nil (2022 :15.13 Cr) at an interest rate Linked to MCLR at 8.60%. The sanctioned Limit is Rs.20.00 Cr

- iv) Cash Credit from Bank of Baroda Rs.Nil (2022 :12.35 Cr) at an interest rate Linked to MCLR at 8.30%. The sanctioned Limit is Rs.65.00 Cr.
- v) Cash Credit from Kotak Bank Ltd Rs.Nil (2022 : NIL) at an interest rate Linked to MCLR at 8.60%. The sanctioned Limit is Rs.20.00 Cr.
- vi) All the above Working Capital Loans are secured by first charge on current assets of the Company, ranking pari passu with other Working Capital lenders, further secured by second charge on fixed assets of company excluding the assets disclosed in Note 2.1 .

All the Above Term and Working capital Loans are further guaranteed by Mr.K.Ravi and Mr.K.Madhu in their Personal Capacity.

### Vehicle & Equipment Loans

Vehicle and Equipment Loans from various Banks are secured by Hypothecation of respective assets financed, for a tenure of 35 to 47 months and carries Interest @ 7.85% to 9.00% p.a.

### Deposits From Public

Public deposits represent deposits accepted from the public carrying interest varying from 8% to 10% p.a. The maturity of these deposits falls on different dates depending on the date of each deposit.

### 35. Contingent Liabilities:

- i) Based on the Legal opinion/advice obtained, no financial implication to the Company with respect to the following cases is perceived as on the Date of the Balance Sheet

Claims against the Company not acknowledged as Debts	Year Ended March 31, 2023		Year Ended March 31, 2022	
	Disputed Amount	Paid Under Protest	Disputed Amount	Paid Under Protest
Indirect Taxes Related	4,050.90	446.77	4,050.90	442.94
Others	10,533.81	2,291.69	1,241.85	413.44

- ii) The Company has received a demand notice from Mines and Geology department for an amount of Rs. 91.43 crores, against which the Company has filed a writ petition before the Honourable High court of Telangana and an interim order was passed by the Honourable court on payment of a predeposit of Rs. 18.28 Crores.
- iii) The Company has given Counter Guarantees to Banks / Financial Institutions for Rs.1763.47 lakhs as at 31st March 2023 (Rs.1555.20 lakhs as at 31st March 2022) against the Bank Guarantees obtained.

### 36. Capital Commitments

Capital expenditure contracted for at the end of the reporting period but not recognised/provided in the books as liabilities is as follows:

Description	Year Ended March 31, 2023	Year Ended March 31, 2022
Estimated amount Plant, Property and Equipment of Projects	13,635.65	14,057.35

### 37. Employee Benefits

- a) **Provident Fund:** Company pays fixed contribution to provident fund at predetermined rates to the government authorities. The contribution of Rs. 286.43 lakhs (Previous year Rs. 259.19 lakhs ) including administrative charges is recognized as expense and is charged in the Statement of Profit and Loss.

- b) **Gratuity:** Gratuity is provided as per the payment of Gratuity Act 1972, covering all the eligible employees. Defined Benefit Plan is payable to the qualifying employees on separation. Company considers the liabilities with regard to gratuity, are independently measured on actuarial valuation carried out as on Balance Sheet date. The liability has been assessed using Projected Unit Credit Method. 100% of the Gratuity Plan Asset is entrusted to LIC of India under their group gratuity Scheme

Reconciliation of opening and closing balances of the present value of the defined benefit obligation as at the year ended March 31, 2023 are as follows:

a) **Expense recognized during the year**

Description	Year Ended March 31, 2023		Year Ended March 31, 2022	
	Gratuity	Leave encashment	Gratuity	Leave encashment
Current Service Cost	110.66	107.14	89.72	101.06
Interest Cost	7.48	23.14	6.03	16.54
Net Actuarial (Gain) / Loss	255.28	76.98	109.44	49.95
Past Service Cost	-	-	-	-
Short Term Compensated Absence Liability	-	-	-	-
<b>Total Cost</b>	<b>373.42</b>	<b>207.26</b>	<b>205.19</b>	<b>167.55</b>

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

Description	Year Ended March 31, 2023		Year Ended March 31, 2022	
	Gratuity	Leave encashment	Gratuity	Leave encashment
Present Value of Obligations at beginning of the year	96.64	246.96	576.37	163.57
Changes in Present Value of Obligations		-		-
Current Service Cost	110.66	107.14	89.72	101.06
Interest Cost	7.48	23.14	6.03	16.54
Actuarial Loss / (Gain)	255.28	76.98	109.44	49.95
Past Service Cost	-	-	-	-
Settlements	(237.04)	(89.67)	(684.92)	(84.16)
Short Term Compensated Absence Liability	-	-	-	-
<b>Net Present Value of Obligations at the end of the year</b>	<b>233.02</b>	<b>364.55</b>	<b>96.64</b>	<b>246.96</b>
Present Value of Obligations - Current	76.06	23.54	63.89	23.54
Present Value of Obligations - Non - Current	156.96	341.01	32.75	223.42

**Actuarial assumptions**

- a) Mortality IALM 2012-14 (ultimate)  
b) Discounting rate – 7.19% Previous year 7.21 %  
d) Expected average remaining working lives of employees–11.60 Years (PY 11.44 Years)  
e) Rate of escalation in salary – 10%

**Sensitivity Analysis:**

Sensitivity to significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by one percentage, keeping all other actuarial assumptions constant.

**Gratuity**

Particulars	As at		As at	
	March 31, 2023	March 31, 2023	March 31, 2022	March 31, 2022
	1% Increase	1% decrease	1% Increase	1% decrease
Effect of 1% change in assumed discount rate	1,228.87	1,478.78	895.26	1,050.95
Effect of 1% change in assumed salary rate	1,456.57	1,241.00	1,044.93	898.78

**Leave Encashment**

Particulars	As at		As at	
	March 31, 2023	March 31, 2023	March 31, 2022	March 31, 2022
	1% Increase	1% decrease	1% Increase	1% decrease
Effect of 1% change in assumed discount rate	398.05	492.41	304.04	366.35
Effect of 1% change in assumed salary rate	489.92	399.22	365.56	304.21

**38. Income Tax Expense:**

Income Tax recognised in the statement of Profit and Loss	For the year ended	For the year ended
	31.03.2023	31.03.2022
<b>Current Tax</b>		
(i) In respect of Current Year	1,579.40	3,973.42
(ii) MAT Credit entitlement adjusted	(142.91)	-
(iii) In respect of Previous Year	842.33	170.59
Total Current Tax	2278.82	4144.01
<b>Deferred Tax</b>		
(i) In respect of Current Year	2,326.75	986.77
Total Deferred Tax	2,326.75	986.77
Total Tax Expense	4,605.57	5,130.78

### 39. Financial Instruments- Fair Values and Risk Management

#### a. Financial Instruments by Categories

The following tables show the carrying amounts and fair values of financial assets and financial liabilities by categories. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value

**Amount (Rs. in Lakhs) as of March 31, 2023**

Particulars	Cost	Financial assets/ liabilities at FVTPL	Financial assets/liabilities at fair value through OCI	Total carrying value	Total fair value
<b>Non Current</b>					
Investments at cost	3,546.02			3,546.02	3,546.02
<b>Assets:</b>					
Cash & Cash Equivalents	3,533.03			3,533.03	3,533.03
Trade Receivable	15,548.43			15,548.43	15,548.43
Other Financial Assets	143.50			143.50	143.50
<b>Liabilities:</b>					
Trade Payables	8,955.48			8,955.48	8,955.48
Borrowings	8,479.19			8,479.19	8,479.19
Other Financial Liabilities	8,135.79			8,135.79	8,135.79

**Amount (Rs. in Lakhs) as of March 31, 2022**

Particulars	Cost	Financial assets/ liabilities at FVTPL	Financial assets/liabilities at fair value through OCI	Total carrying value	Total fair value
<b>Non Current</b>					
Investment in subsidiary at cost	5,021.72			5,021.72	5,021.72
<b>Assets:</b>					
Cash & Cash Equivalents	1,066.73			1,066.73	1,066.73
Trade Receivable	17,083.47			17,083.47	17,083.47
Other Financial Assets	420.93			420.93	420.93
<b>Liabilities:</b>					
Trade Payables	7,118.31			7,118.31	7,118.31
Borrowings	12,271.87			12,271.87	12,271.87
Other Financial Liabilities	7,201.31			7,201.31	7,201.31

Fair Value Hierarchy Management considers that, the carrying amount of those financial assets and financial liabilities that are not subsequently measured at fair value in the Financial Statements approximate their transaction value. No financial instruments are recognized and measured at fair value for which fair values are determined using the judgments and estimates. The fair value of Financial Instruments referred below has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities. (Level-1 measurements) and lowest priority to unobservable (Level-3 measurements). Investments in subsidiary is at cost.

**b) Financial Risk Management:**

The Company's actual exposure to a variety of financial risks viz., market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is credit risk and liquidity risk.

**c) Management of Market Risk:**

Market risks comprises of Price risk and Interest rate risk. The Company does not designate any fixed rate financial assets as fair value through Profit and Loss nor at fair value through OCI. Therefore, the Company is not exposed to any interest rate risk. Similarly, the Company does not have any Financial Instrument which is exposed to change in price.

**d) Foreign Currency Risks:**

The Company is exposed to foreign exchange risk arising from various Currency exposures primarily with respect to the US Dollars (USD)/EURO, for the imports being made by the Company.

The Company exposure to foreign currency risk as at the end of the reporting period expressed in INR as on March 31, 2023 is as follows:

Particulars	Amount in Rs. Lakhs
<b>Financial Assets:</b>	
Cash & Cash Equivalents	-
Trade Receivable	-
Deposits	-
Other Financial Assets	-
<b>Financial Liabilities:</b>	
Trade Payables	692.90
Borrowings	-
Other Financial Liabilities	-

The Company exposure to foreign currency risk as at the end of the reporting period expressed in INR as on March 31, 2022 is as follows:

Particulars	Amount in Rs. Lakhs
<b>Financial Assets:</b>	
Cash & Cash Equivalents	-
Trade Receivable	-
Deposits	-
Other Financial Assets	-
<b>Financial Liabilities:</b>	
Trade Payables	1,627.20
Borrowings	-
Other Financial Liabilities	-

**e) Credit Risk:**

Credit risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligations. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. The company considers that, all the financial assets that are not impaired and past due as on each reporting dates under review are considered credit worthy

Credit risk is the risk arising from credit exposure to customers, cash and cash equivalents held with banks and current and non-current financial assets.



With respect to credit exposure from customers, the Company has a procedure in place aiming to minimise collection losses. Credit Control team assesses the credit quality of the customers, their financial position, past experience in payments and other relevant factors. Cash or other collaterals are obtained from customers as and when required.

The carrying amount of trade receivables represents company's maximum exposure to the credit risk. No other financial asset carry a significant exposure with respect to the credit risk. Bank deposits and cash balances are placed with reputable banks .

The credit quality of financial assets is satisfactory, taking into account the allowance for credit losses. The management also considers the factors that may influence the credit risk of its customer base, including default risk associated with the industry and country in which customers operate. Credit quality of a customer is assessed based on the past track record.

An impairment analysis is performed at each reporting date on an individual basis for receivables. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company also holds deposits as security from certain customers to mitigate credit risk.

Credit risk on trade receivables and other financial assets is evaluated as follows:

**For the year ended March 31, 2023**

Particulars	Gross Carrying Amount	Less than one year	More than one year	More than two years	More than three years
Gross Carrying Amount	16,653.43	11,897.31	280.78	887.29	3,588.05
Expected Credit loss	1,105.00				1,105.00
Carrying amount (net of impairment)	15,548.43	11,897.31	280.78	887.29	2,483.05

**For the year ended March 31, 2022**

Particulars	Gross Carrying Amount	Less than one year	More than one year	More than two years	More than three years
Gross Carrying Amount	17,677.47	11,776.46	524.04	4,453.46	923.51
Expected Credit loss	594.00			-	594.00
Carrying amount (net of impairment)	17,083.47	11,776.46	524.04	4,453.46	329.51

**f) Liquidity Risk:**

The company's liquidity needs are monitored on the basis of monthly projections. The principal sources of liquidity are cash and cash equivalents, cash generated from operations and availability of cash credit and overdraft facilities to meet the obligations as and when due.

Short term liquidity requirements consist mainly of sundry creditors, expenses payable and employee dues during the normal course of business. The company maintains sufficient balance in cash and cash equivalents and working capital facilities to meet the short term liquidity requirements.

The company assesses long term liquidity requirements on a periodical basis and manages them through internal accruals and committed credit lines.

The following table shows the maturity analysis of the Companies Financial Liabilities based on contractually agreed, undiscounted cash flows as at the balance sheet date

Particulars	Gross Carrying Amount	Less than one year	More than one year	More than two year	More than three year
As on March 31 2023					
Trade Payables	8,955.48	8,394.63	387.78	129.60	43.46
Other Financial liabilities	8,135.79	8,135.79			
As on March 31 2022					
Trade Payables	7,118.31	6,584.40	116.43	392.79	24.69
Other Financial liabilities	7,201.31	7,201.31			

#### 40. Capital Management

The Company's objectives when managing capital are to Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the group monitors capital on the basis of the following gearing ratio: .

Net debt (total borrowings net of cash and cash equivalents) divided by Total 'equity' (as shown in the balance sheet, including non-controlling interests).

The gearing ratio at the end of the reporting period was as follows:

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
<b>Borrowings</b>		
Current	2,382.80	6,809.62
Current maturities of non- current borrowings	6,096.39	5,462.25
Non current	20,753.55	21,265.59
Less: Cash & Bank Balances	2,630.04	191.72
Net Debt	26,602.70	33,345.74
<b>Equity</b>		
Equity share capital	4,523.28	4,523.28
Other equity	72,960.43	69,883.76
Total capital	77,483.71	74,407.04
Gearing ratio in % (Debt/ capital)	34.33	44.82

In order to achieve the overall objective , the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

There are no changes in the objectives, policies or processes for managing capital during the years ended 31 March 2023 and 31 March 2022.

#### 41 Earnings Per Share

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Net Profit / (Loss) for the Period	4,433.65	9,742.63
<b>Shares</b>		
Weighted average number of equity shares	45,232,790	45,232,790
<b>Earnings per share of par value Rs. 10/ – Basic and Diluted in Rupees.</b>		
Basic	9.80	21.54
Diluted	9.80	21.54

#### 42. Expenditure in Foreign Currency:

Particulars	2022-2023	2021-2022
Raw Materials	407.05	527.24
Components, Stores & Spares	28.28	113.65
Capital Goods	732.68	2,125.96
Others	9.17	11.39
<b>Total</b>	<b>1,177.18</b>	<b>2,778.24</b>

#### Note 43: Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) committee has been formed by the Group and the amount needs to be spent by the Group for the year is 2% of average net profits for previous three financial years, calculated as per Section 198 of the Companies Act, 2013. The areas for CSR activities are education, medical, village development and other social projects. All these activities are covered under Schedule VII to the Companies Act, 2013. The details of amount spent are as under:

Particulars	2022-2023	2021-2022
Average of net profits of last three financial years as per Section 198 of the Companies Act, 2013	14,868.17	11,907.38
Earmarked percentage U/s 135 of the Companies Act, 2013 towards CSR Activities	2%	2%
Amount required to be spent by the company during the year	297.36	238.15
Amount actually spent on Education, Medical and other social (CSR) Activities	280.79	243.54
Shortfall /(Excess)	16.58	(5.39)
Set off from the excess of previous financial year	16.58	-
Balance to be spent	-	-

As per Paragraph 17(b) of the Guidance Note on CSR issued by ICAI, the details of expenditure incurred by the Company on CSR activities are as follows:

Particulars	In Cash	Yet to be paid in Cash	Total
Construction/Acquisition of asset			
Other than (i) above:	280.79	0	280.79

#### 44. Related Party Transactions

##### a) Names of related parties and nature of relationships:

###### i) Key Managerial Personnel (KMP):

1.	Mr. K Ravi	Executive Vice Chairman
2.	Mr. K Gautam	Managing Director
3.	Mr. N G V S G Prasad	Executive Director & CFO
4.	Mrs. Roopa Bhoopathiraju	Executive Director
5.	Mr. Utkal B Goradia	Executive Director (w.e.f. 27.9.2022)
6.	Mr. T Arun Kumar	Company Secretary

###### ii) Non Whole time Directors

1.	Mr. Kamlesh Gandhi	Chairman
2.	Dr. R Kalidas	Director
3.	Lt. Gen. T A Dcunha (Retd)	Director
4.	Mr. P N Raju	Director
5.	Mr. Ashven Datla	Director
6.	Mrs Pooja Kalidindi	Director
7.	Mrs P Sudha Reddy	Director

###### iii) Relatives of Key Management Personnel with whom there are transactions

1.	Mrs K Sarojini	Mother of Mr. K Ravi
2.	Ms N Suchitra Katyayani	Daughter of Mr. N G V S G Prasad
3.	Mrs Sita Maha Lakshmi	Mother of Mr. N G V S G Prasad
4.	Ms. B Anika	Daughter of Mrs. Roopa Bhoopathiraju
5.	Master B Arjun	Son of Mrs. Roopa Bhoopathiraju

###### iv) Enterprises controlled by Key Management Personnel / Relatives of Key Management Personnel

1. NCL Buildtek Limited
2. NCL Homes Limited
3. Kakatiya Industries (P) Limited
4. Nagarjuna Cerachem (P) Limited
5. NCL Veka Limited
6. Vikram Chemicals Pvt Limited
7. Deccan Nitrates Pvt Limited
8. Tern Distilleries Private Limited (100% subsidiary Company)
9. NCL Buildtek & NCL Industries JV
10. NCL Holdings Ltd

**b. Related Party Transactions for the Year**

<b>i) Remuneration to Key Managerial Personnel</b>	<b>31st March 2023</b>	<b>31st March 2022</b>
Mr. K Ravi, Executive Vice Chairman	327.61	544.89
Mr. K Gautam, Managing Director	209.12	111.93
Mr. N G V S G Prasad, Executive Director & CFO	79.38	72.32
Mrs. Roopa Bhoopathiraju, Executive Director	79.31	50.96
Mr. Utkal B Goradia	22.64	-
Mr. T Arun Kumar, Company Secretary	16.80	15.68

**ii) Transactions during the year where related party relationship was existing:**

	<b>31st March 2023</b>	<b>31st March 2023</b>	<b>31st March 2022</b>	<b>31st March 2022</b>
Sale of Finished Goods				
NCL Buildtek Limited	2,718.70		2,950.86	
NCL Homes Limited			0.61	
Vikram Chemicals Pvt Ltd			7.71	
NCL Veka Limited	6.64		74.23	
Kakatiya Industries (P) Limited	6.16		34.20	
Mrs. Roopa Bhoopathiraju	0.28			
NCL Buildtek & NCL Industries JV			0.80	
		<b>2,731.78</b>		<b>3,068.41</b>
<b>Purchases / Services</b>				
NCL Buildtek Limited	137.69		168.76	
Kakatiya Industries (P) Limited	213.23		147.97	
		<b>350.92</b>	-	<b>316.73</b>
<b>Advances</b>				
TERN Distilleries Pvt Ltd	-	-	98.44	-
Modular Containers Pvt Ltd	-	-	18.98	117.42
<b>Rent Received</b>				
NCL Buildtek & NCL Industries JV	45.03	45.03	27.61	27.61
<b>Rent Paid</b>				
NCL Veka Limited	18.98		-	
Smt Roopa B	11.13	30.12	9.92	9.92
<b>Investments</b>				
Modular Containers Pvt Ltd			0.75	
NCL Buildtek & NCL Industries JV		-	2,020.97	-
<b>Investments withdrawn</b>				
Modular Containers Pvt Ltd	0.75			
NCL Buildtek & NCL Industries JV	1,525.00			
<b>Interest Received</b>				
NCL Buildtek Limited	155.72		83.51	

NCL Holdings Limited	8.46	164.18	5.40	88.91
<b>Reimbursement of Expenses</b>				
NCL Buildtek Limited	33.84		48.77	
NCL Holdings Limited	6.63	40.47	7.73	41.10
<b>Fixed Deposits as the end of the year</b>				
Mr. K Ravi	344.00		-	
Mrs. K Sarojini	6.00		-	
Mrs. Roopa Bhoopathiraju	44.50		4.50	
Ms B Anika	15.00		7.00	
Master B Arjun	23.40		18.40	
Mr. V V Goradia	55.00		35.00	
Mrs. Charulatha V Goradia	30.00		20.00	
Ms N Suchitra Katyayani	56.50		100.00	
Mrs Sita Maha Lakshmi	33.00		9.00	
Kamlesh Suresh Gandhi	35.00		35.00	
Sonali K Gandhi	2.00		2.00	
Paayal Sanjay Desai	5.00		5.00	
Trevor Alosius D'cunha	45.00		45.00	
Mrs. Rani Raghavapudi	30.00		30.00	
Mr. Arun Raghavapudi	18.00	742.40	18.00	328.90
<b>Closing Balances</b>				
NCL Buildtek Limited	(21.51)		(121.15)	
NCL Homes Limited	0.06		0.06	
Vikram Chemicals Pvt Ltd	-		1.33	
NCL Veka Limited	1.19		10.94	
Kakatiya Industries (P) Limited	0.68		0.86	
NCL Buildtek & NCL Industries JV	-		10.91	

#### 45. Key Financial Ratios

Ratio	Numerator	Denominator	For the year ended 31st March 2023	For the year ended 31st March 2022	Variance %
Current Ratio	Current Assets	Current Liabilities excluding Current Borrowings	1.72	2.03	(15.38%)
Debt Equity Ratio	Debt	Net Worth	0.38	0.45	(16.30%)
Debt Service Coverage Ratio	Earnings before Interest depreciation and Tax	Interest Expense + Principal Repayment	2.10	3.41	(38.51%)
Return on Equity Ratio (Refer Note 1)	Net Profit after taxes	Share holders equity	0.06	0.13	(54.99%)
Inventory Turnover Ratio	Sale of Products and services	Average Inventory	13.48	15.74	(14.33%)
Trade Receivables turnover Ratio	Sale of Products and services	Average Trade receivables	11.51	11.11	3.60%
Trade payables turnover Ratio	Purchase	Average Trade Payables	6.27	6.43	(2.55%)

Net Capital turnover Ratio (Refer Note 1)	Sale of Products and services	Current Assets- Current Liabilities	20.80	17.16	21.22%
Net Profit Ratio	Profit after tax	Sale of Products and services	0.02	0.05	(54.03%) (Note 1)
Return on Capital Employed Ratio (Refer Note 1 & 2)	Earnings before Interest and Taxes	Capital Employed	0.10	0.15	(35.43%)
Return on Investment	Income generated from investments	Time weighted average of investments	-	-	-

1. Debt = Long Term Secured Loans+ Current Maturities of Long Term Loans+Long Term unsecured Loans+Current Maturities of unsecured Loans
2. Net worth= Equity Share Capital +Reserves and Surplus
3. Average Inventory =(Opening balance+Closing balance)/2
4. Average Trade Receivables =(Opening balance+Closing balance)/2
5. Average Trade Payables =(Opening balance+Closing balance)/2
6. Capital Employed =Total Assets -Current Liabilities

#### Notes

1. During the financial year 2022-23 increase in cost of materials in comparison with previous financial year which directly effected the operating margins and as a consequence the variance in ratios are as reported above
2. Additional Loans were obtained for various ongoing projects, hence the variance in ratios as reported above.

#### Note 46:

Other information as required under Scedule III of Companies Act, 2013:

- i) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries."
- ii) The Company has not advanced, loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries"
- "iii) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property"
- iv) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- v) The Company has no Loans or Advances in the nature of Loans to specified persons that are Repayable on Demand or without specifying any terms or period of repayment.
- vi) The Company had no transactions with Companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 during the year.

- vii) The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)
- viii) The Code on Social Security, 2020 (“Code”) relating to employee benefits during employment and post-employment benefits received presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- ix) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- x) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

#### Note 47

Previous year figures have been re-casted / restated wherever necessary including those as required in keeping with revised Schedule III amendments

#### 48 Segmental Reporting :

Based on the “management approach” as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the company's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented for each business segment. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual business segments, and are as set out in the significant accounting policies. Business segments of the company are.

1. Cement
2. Boards
3. RMC
4. Energy
5. Doors

Types of products and services in each business segments (1) OPC/PPC/53 S Cement (2) Plain and laminated Cement Bonded Particle Boards . (3) Ready Mix Concrete. (4) Generation of Hydel power. (5) Doors

#### Segment Revenue and Expense

Details regarding revenue and expenses attributable to each segment must be disclosed  
 Segment assets include all operating assets in respective segments comprising of net fixed assets and current assets, loans and advances etc. Assets relating to corporate and construction are included in unallocated segments. Segment liabilities include liabilities and provisions directly attributable to respective segment.  
 Segment revenues and results:

for the year ended March 31, 2023

Amount in Rs lakhs

Particulars	Cement	Boards	Energy	RMC	Doors	Unallocable	Total
<b>Segment Revenue from External Customers</b>							
Within India	131,004.11	17,197.18	565.17	9,395.81	2,803.67	-	160,965.95
Outside India		-					-



<b>Inter-Segment Revenue</b>	25,689.86	805.05	220.47	30.66	31.69	-	26,777.73
<b>Total Segment Revenue</b>	<b>156,693.97</b>	<b>18,002.23</b>	<b>785.63</b>	<b>9,426.47</b>	<b>2,835.36</b>	-	<b>187,743.67</b>
<b>Segment Results</b>							
Within India	9,558.59	2,128.31	420.00	(100.64)	(540.21)	449.08	11,915.13
Outside India	-	-	-	-	-	-	-
<b>Total segmental results</b>	<b>9,558.59</b>	<b>2,128.31</b>	<b>420.00</b>	<b>(100.64)</b>	<b>(540.21)</b>	<b>449.08</b>	<b>11,915.13</b>
<b>Unallocated Corporate expenses:</b>							
Interest expenses (net)						2,620.63	2,620.63
Other unallocated expenses net of other income						0	0
Profit before tax from ordinary activities	<b>9,558.59</b>	<b>2,128.31</b>	<b>420.00</b>	<b>(100.64)</b>	<b>(540.21)</b>	<b>(2,171.55)</b>	9,294.50

for the year ended March 31, 2022

<b>Particulars</b>	<b>Cement</b>	<b>Boards</b>	<b>Energy</b>	<b>RMC</b>	<b>Doors</b>	<b>Unallocable</b>	<b>Total</b>
<b>Segment Revenue from External Customers</b>							
Within India	137,081.54	13,347.37	626.31	10,085.11	2,200.44	-	163,340.77
Outside India							-
<b>Inter-Segment Revenue</b>	19,692.24	851.15	123.03	119.03	17.27	-	20,802.71
<b>Total Segment Revenue</b>	<b>156,773.78</b>	<b>14,198.52</b>	<b>749.33</b>	<b>10,204.14</b>	<b>2,217.71</b>	-	<b>184,143.48</b>
<b>Segment Results</b>							
Within India	16,527.78	1,224.85	353.83	81.70	(1,063.20)	278.35	17,403.32
Outside India	-	-	-	-	-	-	-
<b>Total segmental results</b>	<b>16,527.78</b>	<b>1,224.85</b>	<b>353.83</b>	<b>81.70</b>	<b>(1,063.20)</b>	<b>278.35</b>	<b>17,403.32</b>
<b>Unallocated Corporate expenses:</b>							
Interest expenses (net)						2,420.46	2,420.46
Other unallocated expenses net of other income							-
Profit before tax from ordinary activities						2,420.46	14,982.86

**Segment assets and liabilities**

For the year ended March 31, 2023

Particulars	Cement	Boards	Energy	RMC	Doors	Unallocable	Total
<b>Segment Assets :</b>							
Assets	100,281.35	13,741.57	2,644.62	4,813.57	9,408.76	21,302.93	152,192.81
<b>Total Assets</b>							
<b>Segment Liabilities :</b>							
Liabilities	40,825.48	2,603.74	74.50	1,701.03	536.56	16,691.45	62,432.76
<b>Total Liabilities</b>							

For the year ended March 31, 2022

Particulars	Cement	Boards	Energy	RMC	Doors	Unallocable	Total
<b>Segment Assets :</b>							
Assets	97,276.28	13,639.61	2,733.87	4,406.64	8,288.78	20,811.11	147,156.29
<b>Total Assets</b>							
<b>Segment Liabilities :</b>							
Liabilities	38,386.65	2,525.09	48.42	1,489.59	350.53	20,333.41	63,133.68
<b>Total Liabilities</b>							

# INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF NCL Industries Limited**

**Report on the Audit of the Consolidated Financial Statements**

## **Opinion**

We have audited the accompanying consolidated financial statements of NCL Industries Limited (the "Holding Company") and its Subsidiary Company which is incorporated in India (the Holding Company and its said Subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the Consolidated state of affairs of the Group as at March 31, 2023 and their Consolidated net profit and their Consolidated total comprehensive income, their Consolidated changes in equity and their Consolidated cash flows for the year ended on that date.

## **Basis for Opinion**

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

## **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S.No.	Key Audit Matter	Auditor's Response
1	<p><b>Capital Work-in-progress (CWIP)</b></p> <p>To establish proper categorisation of items to be capitalised, and appropriate recognition thereof including the consequential derecognition of the carrying amounts in the CWIP to the appropriate heads of account.</p>	<p>Obtained an understanding of the management's process for recording transactions pertaining to Capital work in progress</p> <p>We have obtained the project wise capital work in progress and reviewed the stage of the completion as on 31 March 2023.</p> <p>We have assessed the compliance of the Company's accounting policies in respect of property, plant and equipment with applicable accounting standards.</p> <p>We have assessed the design and implementation and tested the operating effectiveness of Company's internal controls over the approvals, accounting, tracking, and movement of the capital work in progress.</p> <p>Obtained and inspected supporting underlying documentation for the projects completed and capitalised during the correct year to determine whether same is recorded appropriately</p> <p>We have assessed the adequacy of the Company's disclosures for capital work in progress in the financial statements.</p> <p>We have tested manual journal entries posted to Capital work in progress to identify unusual or irregular items</p>
2	<p><b>Revenue Recognition – discounts and rebates</b></p> <p>Revenue is measured net of discounts earned by customers on the Company's sales.</p> <p>Due to the Company's presence across different marketing regions within the country and the competitive business environment, price discounts vary based on the customer and market it caters to and recognised based on sales made during the year. These discounts are calculated based on the market study reports which reports are collated periodically by the management and are prone to manual interventions.</p> <p>Therefore, there is a risk of revenue being misstated as a result of incorrect computation of discounts and rebates.</p> <p>Given the complexity involved in the assessment of discounts and rebates and their periodic recognition against sales, the same is considered as key audit matter.</p>	<p>Assessed the appropriateness of the Company's accounting policies relating to price discounts by comparing with applicable accounting standards.</p> <p>Assessed the design and tested the implementation and operating effectiveness of Company's internal controls over the approvals, calculation, accounting and issuance of credit notes.</p> <p>Obtained and inspected, on a sample basis, supporting documentation for price discounts recorded and credit notes issued during the year as well as credit notes issued after the year end date to determine whether these were recorded appropriately.</p> <p>Compared the historical trend of price discounts to sales made to determine the appropriateness of current year's discount charge.</p>

**Information Other than the Financial Statements and Auditor's Report Thereon**

Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

The said other information is expected to be made available to us after the date of this audit report. When we read the other information, when furnished to us, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and the shareholders.

### **Management's Responsibilities for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act read with the Rules issued thereunder. The respective Boards of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated financial statements, the respective Boards of Directors of the companies included in the Group are responsible for assessing the ability of respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Boards of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Boards of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary have adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue the going concern assumption in preparing these Consolidated Financial Statements. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements.

We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended 31st March 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matters**

- i. The standalone financial statements include the Company's share of net profit/ (Loss) of Rs. (19.86) Lakhs for the year ended March 31, 2023, as considered in the standalone financial statements, in respect of its said Joint Venture, whose financial statements have not been audited by us. The financial statements and other financial information of the said Joint Venture have not been audited by us or any other auditor and have been furnished to us by the Management. Our opinion, in so far as it relates to amounts and disclosures included in respect of the Joint Venture, is based solely on such unaudited financial statements and other unaudited financial information.

Our opinion on the Consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the financial statements and other financial information of the said Joint Venture furnished to us by the Management.

- ii. We did not audit the financial statements of one subsidiary whose financial statements reflect total assets of Rs.2,815.26 Lakhs as at March 31, 2023, total revenues of Rs.0.04 Lakhs and net cash outflows amounting to Rs.485.46 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of that subsidiary and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditor.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor furnished to us by the Management.

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

### **1. As required by Section 143(3) of the Act, based on our audit we report that:**

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of aforesaid Consolidated Financial Statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rules made thereunder and in force for the time being.
- e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, and its Subsidiary Company incorporated in India and the report of the statutory auditors of the said Subsidiary company, none of the directors of the Company and its Subsidiary Company incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to Consolidated Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's reports of the Company and its said Subsidiary Company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements of those companies, for reasons stated therein.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company and its Subsidiary to their Managerial Personnel during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its consolidated financial statements.
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv.
    - (a) The respective managements of the Company and its subsidiary incorporated in India, whose financial statements have been audited under the Act, have represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - (b) The respective managements of the Company and its subsidiary company incorporated in India, whose financial statements have been audited under the Act, have represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - (c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiary Company which is incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.
  - v. The final dividend paid by the Company during the year in respect of the same declared for the previous financial year 2021-2022 is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.
 

The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Companies Act 2013.

As disclosed in note 14.1 to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
  - vi. With respect to maintenance of Books of account using accounting software which has a feature of Audit trail (edit log) facility, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 does not arise for the current year under report, as proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company only w.e.f. April 1, 2023.
2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020(the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and by other auditor for the Subsidiary Company included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports



Hyderabad, May 26, 2023

**For M BHASKARA RAO & Co**  
Chartered Accountants  
(Firm's Registration No. 000459S)

**D. BAPU RAGHAVENDRA**  
Partner  
Membership No.213274  
UDIN:23213274BGQBSQ5669

## **ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of NCL Industries Limited of even date)**

**Report on the Internal Financial Controls** with reference to Consolidated Financial Statements **under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")**

We have audited the internal financial controls **with reference to Consolidated Financial Statements of NCL Industries Limited** (the "Company") as of March 31, 2023 in conjunction with our audit of the consolidated Ind AS financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

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

### **Auditor's Responsibility**

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

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to Consolidated Financial Statements.

### **Meaning of Internal Financial Controls with reference to Consolidated Financial Statements**

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

### **Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements**

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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company and its Subsidiary Company have, in all material respects, an adequate internal financial controls system with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to Consolidated Financial Statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

### **Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements insofar as it relates to its said Subsidiary Company, is based on the corresponding report of the auditors of the said Subsidiary Company.

Hyderabad, May 26, 2023

**For M BHASKARA RAO & Co**

Chartered Accountants

(Firm's Registration No. 000459S)

**D. BAPU RAGHAVENDRA**

Partner

Membership No.213274

UDIN:23213274BGQBSQ5669

**NCL INDUSTRIES LIMITED**  
**Consolidated Balance Sheet as at March 31, 2023**

(Rs. In Lakhs)

Particulars	Note No	As at Mar 31, 2023	As at Mar 31, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	2	100,597.26	80,156.15
(b) Capital work-in-progress	2.3	2,825.27	17,126.98
(c) Investment Property			
(d) Other intangible assets			
<b>(e) Financial Assets</b>			
(i) Investments	3	546.02	2,021.72
(ii) Trade Receivables			
(iii) Loans		-	
(iv) Other Financial Assets	4	5,012.95	2,111.68
(f) Deferred tax Assets (net)			
(g) Other non-current Assets	5	446.77	442.94
<b>Current Assets</b>			
(a) Inventories	6	14,960.77	12,885.73
<b>(b) Financial Assets</b>			
(i) Investments		-	
(ii) Trade Receivables	7	15,548.43	17,083.47
(iii) Cash & Cash Equivalents	8	3,120.42	196.70
(iv) Bank Balances other than (iii) above	9	902.99	875.01
(v) Loans	10	600.00	2,030.00
(vi) Other Financial Assets	11	278.32	420.93
(c) Current Tax Assets			
(d) Other Current Assets	12	7,168.87	11,702.50
<b>Total</b>		<b>152,008.09</b>	<b>147,053.81</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	13	4,523.28	4,523.28
(b) Other Equity	14	72,463.05	69,560.37
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Borrowings	15	20,753.55	21,265.59
(ii) Trade Payables			
(iii) Other Financial Liabilities	16	8,318.71	6,859.99
(b) Provisions	17	670.60	348.77
(c) Deferred Tax Liabilities (Net)	18	11,506.18	9,179.43
(d) Other non-current liabilities	19	610.22	585.22

<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	20	8,479.19	12,271.87
(ii) Trade payables	21		
a) Total outstanding dues of micro and small enterprises		129.26	56.38
b) Total outstanding dues of Creditors other than micro and small enterprises		8,837.21	7,071.37
(iii) Other Financial Liabilities	22	8,228.09	7,211.29
(b) Provisions	23	243.42	230.10
(c) Current Tax Liabilities (Net)	24	179.40	1,973.42
(d) Other current liabilities	25	7,065.92	5,916.72
<b>Total Equity and Liabilities</b>		<b>152,008.09</b>	<b>147,053.81</b>

The accompanying notes are an integral part of the financial statements

For and on behalf of the Board

As per our report of even date

**For M Bhaskara Rao & Co**

Chartered Accountants

Firm Registration No. 000459S

**K. Gautam**  
**Managing Director**  
DIN: 02706060

**Kamlesh Gandhi**  
**Chairman**  
DIN: 00004969

**D Bapu Raghavendra**  
Partner  
Membership No. 213274

**N. G. V. S. G. Prasad**  
Executive Director & CFO  
DIN: 07515455

**T. Arun Kumar**  
Vice President and  
Company Secretary

Hyderabad

Dated: 26th May 2023

## NCL INDUSTRIES LIMITED

Consolidated Statement of Profit and Loss for the Year ended March 31, 2023

(Rs. In Lakhs)

Particulars	Note No.	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>Income</b>			
i) Revenue From Operations			
Gross Revenue from Operations	26	231,224.99	225,395.40
Less: Inter Segment Transfers & Taxes on Sales		70,259.05	62,054.63
Revenue From Operations (Net)		160,965.94	163,340.77
ii) Other Income	27	1,879.85	1,113.19
<b>Total Income</b>		<b>162,845.79</b>	<b>164,453.96</b>
<b>Expenses</b>			
i) Cost of materials consumed	28	22,766.15	25,237.68
ii) Changes in inventories of finished goods, work-in-progress and stock-in-trade	29	(10.10)	5.40
iii) Employee benefits expense	30	6,763.02	6,504.76
iv) Manufacturing Expenses	31	67,859.38	55,342.71
v) Administration Expenses		2,964.72	3,027.02
vi) Selling and Distribution Expenses		45,841.71	52,584.72
vii) Finance Costs	32	2,620.63	2,420.46
viii) Depreciation and amortisation expense	33	4,916.78	4,667.98
<b>Total Expenses</b>		<b>1,53,722.30</b>	<b>1,49,790.74</b>
<b>Profit/(loss) before exceptional items and tax</b>		<b>9,123.50</b>	<b>14,663.22</b>
Share of Profit/(Loss) of an associate/ a Joint Venture			(59.19)
<b>Profit Before Tax</b>		<b>9,123.50</b>	<b>14,604.04</b>
Tax Expenses			
-Earlier Years' Tax		842.33	170.59
-Current Tax		1,525.70	4,011.66
-Deferred Tax		2,326.75	986.77
Profit/(loss) for the period from continuing operations		4,428.72	9,435.02
<b>I Profit/(loss) for the Period</b>		<b>4,428.72</b>	<b>9,435.02</b>
<b>II Other Comprehensive Income</b>			
<b>i) Items that will not be reclassified to profit or loss:</b>			
-Impairment of allowances in doubtful debt			
-Remeasurements of the defined benefit plans		(255.28)	(109.44)
-Equity Instruments through other comprehensive income			
-Income Tax relating to these items		89.21	38.24
<b>ii) Items that will be reclassified to profit or loss:</b>			
-Debt Instruments through Other Comprehensive Income			
-The effective portion of gains and loss on hedging instruments in a cash flow hedge			
-Income Tax relating to these items			

Other Comprehensive Income		(166.07)	(71.20)
<b>Total Comprehensive Income for the period</b>		<b>4,262.65</b>	<b>9,363.83</b>
Earnings per equity share :			
(1) Basic		9.40	20.69
(2) Diluted		9.40	20.69

The accompanying notes are an integral part of the financial statements

For and on behalf of the Board

As per our report of even date

**For M Bhaskara Rao & Co**

Chartered Accountants

Firm Registration No. 000459S

**K. Gautam**

Managing Director

DIN: 02706060

**Kamlesh Gandhi**

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Partner

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Executive Director & CFO

DIN: 07515455

**T. Arun Kumar**

Vice President and

Company Secretary

Hyderabad

Dated: 26th May 2023

## NCL INDUSTRIES LIMITED

### Consolidated Cash Flow Statement For the Year Ended March 31, 2023

(Rupees In Lakhs)

Particulars	For the Year ended Mar 31, 2023	For the year ended March 31, 2022
<b>Cash flow from operating activities</b>		
Profit before income tax from		
Continuing operations	8,865.23	14,553.78
Discontinued operations	-	-
<b>Profit before income tax including discontinued operations</b>	8,865.23	14,553.78
Adjustments for		
Depreciation and amortisation expense	4,916.78	4,667.98
Finance costs	2,620.63	2,420.46
Other Cash Adjustments	-	-
	<b>16,402.64</b>	<b>21,642.22</b>
<b>Change in operating assets and liabilities, net of effects from purchase of controlled entities and sale of subsidiary:</b>		
(Increase) / Decrease in trade receivables	1,535.04	(1,008.94)
(Increase) / Decrease in inventories	(2,075.04)	(2,373.27)
Increase / (Decrease) in trade payables	1,838.72	(216.75)
(Increase) / Decrease in other financial assets	(1,328.66)	(2,135.20)
(Increase) / Decrease in other non-current assets	(3.83)	(78.32)
(Increase) / Decrease in other current assets	4,676.53	(8,058.37)
Increase / (Decrease) in provisions	13.32	25.53
Increase / (Decrease) in employee benefit obligations	321.83	20.44
Increase / (Decrease) in other current liabilities	1,149.19	(82.48)
Increase / (Decrease) in financial liabilities	1,016.80	776.85
Increase / (Decrease) in Other financial liabilities non current	1,458.72	3,469.76
Increase/ (Decrease) in other non current liabilities	25.00	20.00
<b>Cash generated from operations</b>	<b>25,030.26</b>	<b>12,001.47</b>
Income taxes paid	4,215.75	4,528.82
<b>Net cash inflow from operating activities</b>	<b>20,814.51</b>	<b>7,472.66</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment/ investments	(10,311.13)	(14,004.98)
Proceeds from sale of property, plant and equipment	730.65	76.77
<b>Net cash outflow from investing activities</b>	<b>(9,580.48)</b>	<b>(13,928.21)</b>
<b>Cash flows from financing activities</b>		
Proceeds/ (Repayment) of non current borrowings	(512.04)	998.21
Proceeds/ (Repayment) from current borrowings	(3,792.68)	3,913.89
Interest paid	(2,620.63)	(2,404.66)
Dividends paid to Company's share holders	(1,356.98)	(1,809.30)
Dividends paid to non-controlling interests		

<b>Net cash inflow (outflow) from financing activities</b>	<b>(8,282.33)</b>	<b>698.14</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	2,951.70	(5,757.41)
Cash and cash equivalents at the beginning of the financial year	1,071.71	6,829.12
<b>Cash and cash equivalents at end of the year</b>	<b>4,023.41</b>	<b>1,071.71</b>

For and on behalf of the Board

As per our report of even date

**For M Bhaskara Rao & Co**

Chartered Accountants

Firm Registration No. 000459S

**K. Gautam**  
**Managing Director**

DIN: 02706060

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**Chairman**

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**D Babu Raghavendra**

Partner

Membership No. 213274

**N. G. V. S. G. Prasad**  
Executive Director & CFO

DIN: 07515455

**T. Arun Kumar**

Vice President and  
Company Secretary

Hyderabad

Dated: 26th May 2023



**Consolidated Statement of Changes in Equity for the period ended 31.03.2023**

**A. Equity Share Capital**

Particulars	No of Shares	Amount
Balance as on 1st April, 2021	45,232,790	4,523.28
Changes in Equity Share Capital during the year	-	-
Balance as on 31st March, 2022	45,232,790	4,523.28
Changes in Equity Share Capital during the year	-	-
Balance as on 31st March, 2023	45,232,790	4,523.28

**B. Other Equity**

Reserves and Surplus					
	General Reserve	Capital Reserve	Securities Premium Reserve	Retained Earnings	Total
<b>Balance as on 31st March, 2022</b>	<b>34,000.00</b>	<b>243.94</b>	<b>21,222.84</b>	<b>14,093.59</b>	<b>69,560.37</b>
Profit for the year				4,262.65	4,262.65
Payment of Dividend and Dividend Distribution Tax				(1,356.98)	(1,356.98)
Deferred Tax on fixed assets				-	-
Prior Period Adjustments		(3.03)		-	(3.03)
Securities Premium on shares issued net of expenses		-	-	-	
Transfer to/from Debenture Redemption Reserve	-				-
Transfer to General Reserve	5,000.00			(5,000.00)	-
<b>Balance as on 31st March, 2023</b>	<b>39,000.00</b>	<b>240.91</b>	<b>21,222.84</b>	<b>11,999.25</b>	<b>72,463.05</b>
<b>Balance as on 1st April, 2021</b>	<b>29,000.00</b>	<b>243.94</b>	<b>21,222.84</b>	<b>11,479.89</b>	<b>61,946.67</b>
Profit for the year				9,363.81	9,363.81
Payment of Dividend and Dividend Distribution Tax				(1,809.30)	(1,809.30)
Deferred Tax on fixed assets					-
Prior Period Adjustments				59.19	59.19
Securities Premium on shares issued		-	-		-
Transfer to Debenture Redemption Reserve	-				-
Transfer to General Reserve	5,000.00			(5,000.00)	-
<b>Balance as on 31st March, 2022</b>	<b>34,000.00</b>	<b>243.94</b>	<b>21,222.84</b>	<b>14,093.59</b>	<b>69,560.37</b>

For and on behalf of the Board

As per our report of even date

**For M Bhaskara Rao & Co**

Chartered Accountants

Firm Registration No. 000459S

**D Bapu Raghavendra**

Partner

Membership No. 213274

Hyderabad

Dated: 26th May 2023

**K. Gautam**

Managing Director

DIN: 02706060

**N. G. V. S. G. Prasad**

Executive Director & CFO

DIN: 07515455

**Kamlesh Gandhi**

Chairman

DIN: 00004969

**T. Arun Kumar**

Vice President and

Company Secretary

## Notes forming part of the Consolidated Financial Statements

### Note 1. Significant Accounting Policies

#### a. Company Overview

NCL Industries Limited ("the Company"), is a public company domiciled in India and was incorporated on 10 September 1979 under the provisions of the Companies Act, 1956 applicable in India. Its shares are listed on National Stock Exchange of India (NSE) and Bombay Stock Exchange (BSE) of India. The Registered office of the Company is located at NCL Pearl, 7th floor, SD Road, Secunderabad, Telangana. The Company is principally engaged in the business of manufacturing and selling of Cement, Ready Mix concrete (RMC), Cement Bonded Particle Boards (CBPB), Doors, and operates two Small Hydro Power (SHP) projects. The Company has manufacturing facilities in the states of Telangana, Andhra Pradesh, Karnataka and Himachal Pradesh of India and caters mainly to the domestic market.

These financial statements comprise the Company and its subsidiary.

Name of the Company	Country of Incorporation	Percentage of Equity interest
<b>Subsidiary</b>		
Tern Distilleries Private Limited	India	100%

#### b. Basis of Preparation of Financial Statements:

The Consolidated financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), the provisions of the Companies Act, 2013 ("the Companies Act"), as applicable and guidelines issued by the Securities and Exchange Board of India ("SEBI"). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The accounting policies have been applied consistently to all periods presented in these Consolidated financial statements.

The Consolidated financial statements were approved for issue in accordance with the resolution of the Board of Directors on May 26, 2023.

#### c. Basis of Consolidation

The accounting policies have been applied consistently to all periods presented in the Consolidated financial statements.

##### **Subsidiary:**

The Subsidiary entity controlled by the Company (NCL).

NCL controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of the subsidiaries are included in the consolidated financial statements from the date of incorporation on which the control commences until the date on which the control ceases.

##### **Transactions eliminated on consolidation:**

Intra group balances and transactions, and any unrealised income and expenses arising from intra group transactions are eliminated. Unrealised incomes or losses arising from equity accounted investees are eliminated against the investment to the extent that there is no impairment.

#### **d. Basis of Measurement**

These financial statements have been prepared under the historical cost convention on accrual basis except certain financial instruments measured at fair value other than those with carrying amounts that are reasonable approximations of fair values.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The Consolidated financial statements are presented in Indian Rupees (INR) being the functional currency of the Company. All financial information presented in Indian rupees has been rounded to the nearest lakhs, except otherwise indicated.

#### **e. Use of Estimates**

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

This note provides an overview of the areas that involve a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in the relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

#### **f. Critical Estimates and judgments**

The areas involving critical estimates or judgments are:

- vi) Estimation of current tax expense and payable
- vii) Estimation of defined benefit obligation
- viii) Estimation of useful life of Property, Plant and Equipment
- ix) Impairment of trade receivables
- x) Estimation of decommissioning liabilities for quarry mines

#### **g. Classification of Current / Non-Current Assets and Liabilities**

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

Assets: An asset is classified as current when it satisfies any of the following criteria:

- a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is expected to be realised within twelve months after the reporting date; or
- d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities: A liability is classified as current when it satisfies any of the following criteria:

- a) it is expected to be settled in the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is due to be settled within twelve months after the reporting date; or
- d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other assets/ liabilities are classified as non-current.

Based on the nature of products and the time between the acquisition of assets for processing and their realisation in Cash or cash equivalents, the Company has ascertained its normal operating cycle as 12 months for the purpose of Current / Non-current classification of assets and liabilities.

#### **h. Revenue of Recognition:**

NCL primarily generates revenue from simply structured sales of building materials, such as cement, Cement Bonded Particle Boards, Ready Mix Concrete and Power generation, for which the control passes to the customer at a specific point in time. In the context of the sale of the products, separate performance obligations may arise from freight and transport services as well as from services directly related to the sale of the products. These services are generally performed at the time that the control of the products is transferred.

Revenue is the amount of consideration expected to be received in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (GST). Revenue is recognized when (or as) a performance obligation is satisfied by transferring the control of a promised good or service to the customer. A customer obtains control of a good or service if it has the ability to direct the use of and obtain substantially all of the remaining benefits from that good or service. Control is transferred over time or at a point in time. Revenue from the sale of goods is recognised when control of the good is transferred to the customer, usually upon delivery and there is no unfulfilled obligation that could affect the customer's acceptance of the products. The Company adopted Ind AS 115 for its revenue from contracts with customers.

**Rendering of services:** Revenue arising from services is recognised in the accounting period in which the services are rendered, and it is measured using either output methods or input methods, depending on the nature of service provided. A receivable is recognized when there is an unconditional right to consideration for the performance obligations to the customer that are satisfied.

A contract asset is recognized when the performance obligation to the customer is satisfied before the customer pays or before payment is due, usually when goods or services are transferred to the customer before the Company has a right to invoice. A contract liability is recognized when there is an obligation to transfer goods or services to a customer for which the Company has received consideration from the customer (prepayments) or there is an unconditional right to receive consideration before the Group or the Company transfers a good or a service (deferred income). The contract liability is derecognized when the promise is fulfilled and revenue is recorded in the profit or loss statement.

Revenue is net of GST wherever applicable, recognized on accrual basis, to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

**Sale of Goods:** Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer on delivery of the goods. Rebates and discounts granted to customers are reduced from revenue.

**Income from Services:** Revenues from maintenance contracts are recognized pro-rata over the period of the contract as and when services are rendered.

**Rendering of services:** Revenue from services is recognised with reference to the stage of completion of a contract when outcome can be measured reliably. Stage of completion is measured by the services performed till Balance Sheet date as a percentage of total services contracted.

Interest income is recognized using the effective interest rate method.

**i. Property Plant and Equipment:**

Property Plant and equipment are stated at cost, net of credit availed in respect of any taxes, duties less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Financing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for intended use are also included to the extent they relate to the period up to such assets are ready for their intended use. Expenditure directly relating to construction/erection activity is capitalized. Indirect expenditure incurred during construction period is capitalized as part of the construction cost to the extent such expenditure is related to construction or is incidental thereto.

Subsequent expenditure incurred on existing fixed assets is added to their book value only if such expenditure increases the future benefits from the existing assets beyond their previously assessed standard of performance.

In the transition to Ind-AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as of April 1, 2015 (transition date ) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

**j. Depreciation and amortization**

- viii) Depreciation of Buildings and Plant & Machinery is provided on straight line method of depreciation based on the useful lives of the assets, as per Schedule II of the Companies Act 2013
- ix) Depreciation of Other Assets is provided on Written Down Value method based on the useful lives of the assets, as per Schedule II of the Companies Act 2013
- x) Depreciation of Assets of Energy Division is charged as per Part B of the Schedule. 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).
- xi) The assets' residual values are measured at not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period.
- xii) On tangible property, plant and equipment added / disposed-off during the year, depreciation is charged on pro-rata basis from the date of addition / till the date of disposal.
- xiii) Gains and losses on disposal of assets are determined by comparing the sale proceeds with the carrying amount. These are included in profit or loss within other income.
- xiv) Individual low cost assets (acquired for Rs. 5,000/- or less) are depreciated at 100 % in the year of acquisition/ purchase

**k. Impairment of assets**

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which separately identifiable cash inflows can be generated which are largely independent of the cash inflows from other assets or group of assets (cash-generating units).

## **I . CWIP**

Tangible assets not ready for the intended use on the date of Balance Sheet are disclosed as “Capital work-in progress”. Advances given towards acquisition /construction of fixed assets outstanding at each Balance Sheet date are disclosed as Capital Advances under “Other Current /Non-Current Assets” as appropriate.

### **m. Inventories**

Inventories are valued at the lower of cost and estimated net realisable value (net of allowances) after providing for obsolescence and other losses, where considered necessary. The cost comprises cost of purchase, cost of conversion and other costs including appropriate production overheads in the case of finished goods and work-in-progress, incurred in bringing such inventories to their present location and condition. Trade discounts or rebates are deducted in determining the costs of purchase. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. The cost net of taxes subsequently recoverable from tax authorities) of raw materials, stores & spares is determined on moving weighted average basis.

#### **Basis of determination of cost remain as follows:**

Raw Materials, Packing materials - On Weighted average cost basis.  
Spares- at Cost

Work-in-process: At cost of inputs plus overheads up to the stage of completion.

Finished goods are valued at lower of cost or net realizable value.

### **n. Borrowings**

Borrowings are initially recognised at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction cost) and the redemption amount is recognised in profit or loss over the period of the borrowings, using the effective interest method. Fees paid on the established loan facilities are recognised as transaction cost of the loan, to the extent that it is probable that some or all the facility will be drawn down.

### **o. Borrowing Costs**

Borrowing Costs Borrowing cost directly attributable to acquisition and construction of assets that necessarily takes substantial period of time are capitalised as part of the cost of such assets up to the date when such assets are ready for intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### **p. Foreign Exchange Transactions/Translation**

Transactions in foreign currencies are accounted at functional currency, at the exchange rate prevailing on the date of transactions. Gains/losses arising out of the fluctuations in the exchange rate between functional currency and foreign currency are recognized in the Statement of Profit & Loss in the period in which they arise. The fluctuations between foreign currency and functional currency relating to monetary items at the year ending are accounted as gains / losses in the Statement of Profit & Loss.

### **q. Research and Development**

All expenses incurred for Research & Development are charged to revenue as incurred. Capital Expenditure incurred during the year on Research & Development is shown as additions to Fixed Assets.

### **r. Provisions, Contingent Assets/ Contingent Liabilities**

## **Provisions**

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

### **Warranty Provisions:**

Provisions for Warranty related costs are recognized when the product is sold or service is provided. Provision is based on historical experience. The estimate of such warranty related costs is revised annually

### **Contingent Liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation.

A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

### **Contingent Assets**

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

The Company does not recognize a contingent asset but discloses its existence in the financial statements if the inflow of economic benefits is probable

## **s. Leases**

The Company, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into on or after 1 April 2019.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently amortised using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognise right of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term.



**t. Mine closure, site restoration and decommissioning obligations:**

An obligation for restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the development or ongoing extraction from mines.

The company recognises unavoidable obligations, legal or assumed, to restore the mines upon exhaustion of reserves/end of lease period whichever is earlier. The obligation is estimated on the basis of cash flows expected to be incurred as per applicable mining regulations.

The estimate of expenses are discounted at a discount rate that reflects the current market assessment of the time value of money and the risks, such that the amount of provision reflects the present value of the expenditures expected to be required to be settle the obligation.

The company records the liability for final reclamation and mine closure. The obligation is recognised in the period in which the liability is incurred.

The value of the provision is progressively increased over time as the effect of discounting unwinds creating an expense recognised as financial expenses. Subsequent adjustments if any to the obligation for changes in the estimated cashflows/disbursement period/ discount rate is modified prospectively.

**u. Income Tax:**

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in the net profit in the statement of profit or loss except to the extent that it relates to items recognized in Other comprehensive income.

Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that the taxable profits will be available against which those deductible temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that is no longer probable that related tax benefits will be realized.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Where the Company is entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure, the Company accounts for such allowances as tax credits, which means that the allowance reduce income tax payable and current tax expense.

A deferred tax asset is recognized for unclaimed tax credits that are carried forward as deferred tax assets.

**Minimum Alternate Tax (MAT) Credit entitlement**

Minimum Alternative Tax ('MAT') under the provisions of the Income Tax Act, 1961 is recognised as current tax in the statement of profit and loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

## **v. Employee Benefits:**

Employee benefits includes short term employee benefits, Post employment benefits, Other long-term benefits and Termination benefits.

### **Short term employee benefits:**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

### **Post employment benefits:**

#### **c) Defined contribution plans:**

These benefits include Pension, superannuation and Employee State Insurance (ESI). Entity contributes at statutorily prescribed minimum rates, monthly to Provident fund, ESI and will have no legal obligation to pay further contribution if fund doesn't have sufficient assets to pay all employee benefits relating to employee service in current and prior periods. Whereas yearly contribution is paid to Life insurance corporation towards superannuation Pension, monthly contributions are made in the case of Provident Fund and ESI. Thus, PF, Superannuation, ESI benefits are defined contribution plans. These contributions are recognized in statement of profit and loss by way of charge against income.

#### **d) Defined benefits plans:**

Leave Absences and Gratuity Cost of providing these benefits is determined using projected unit credit method by actuary at the end of each reporting period. It has two components, one is service cost and other is remeasurements.

Service cost comprises a) current service cost including gains/ loss on curtailment or settlements, b) past service cost in case of plan amendment c) net Interest expense or income. Remeasurements comprise actuarial gains/losses, return on plan assets excluding interest and effect of change in assets ceiling. Service cost is recognized in statement of profit or loss while remeasurements are in other comprehensive income.

## **w. Earnings per Share**

The Company presents basic and diluted earnings per share data for its ordinary shares.

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for shares held. Diluted earnings per share is determined by adjusting the profit or loss attribute to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for shares held, for the effects of all dilutive potential ordinary shares.

## **x .Financial Instruments:**

### **Non-derivative financial instruments**

#### **Non-derivative financial instruments consist of:**

Financial assets, which include cash and cash equivalents, trade receivables, other advances and eligible current and non-current assets;

Financial liabilities, which include long and short-term loans and borrowings, trade payables, eligible current and non-current liabilities.

Non derivative financial instruments are recognized initially at fair value including any directly attributable transaction costs. Financial assets are derecognized when substantial risks and rewards of ownership of the financial asset have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognized only when the Company has not retained control over the financial asset.

Subsequent to initial recognition, non-derivative financial instruments are measured as described below:

#### **Cash and cash equivalents**

For the purposes of the cash flow statement, cash and cash equivalents include cash in hand, at banks and demand deposits with banks, net of outstanding bank overdrafts, if any, that are repayable on demand and are considered part of the Company's cash management system.

#### **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Loans and receivables are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at amortized cost, less any impairment losses. Loans and receivables comprise trade receivables and other assets.

The company estimates the un-collectability of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

#### **Borrowings**

Borrowings are initially recognized when a Company becomes a party to the contractual provisions subsequently measured at amortised cost using the EIR method.

#### **Trade and payable**

Liabilities are recognized for amounts to be paid in future for goods or services received, whether billed by the supplier or not.

#### **y. Cash Flow Statement:**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

#### **z. Segment Information:**

Identification of segments: An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's Chief Operating Decision Maker ("CODM") to make decisions for which discrete financial information is available. The Company has identified Managing Director and Executive Director & Chief Finance Officer as CODM.

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

### **Allocation of common costs**

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs. Inter-segment transfers Inter-segment revenue has been accounted for based on the transaction price agreed to between segments which is based on current market prices.

#### 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.

### **Unallocated items**

Revenue, expenses, assets and liabilities which relate to the Company as a whole and not allocable to segments on reasonable basis have been included under 'unallocated revenue / expenses / assets / liabilities'.

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

Operating segment is reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker (CODM)

#### **aa. Events after the reporting period:**

Adjusting events are events that provide further evidence of condition that existed at the end of the reporting period. The financial statements are adjusted for such events before authorization for issue.

#### **bb. Prior Period Errors**

Errors of material amount relating to prior period(s) are disclosed by a note with nature of prior period errors, amount of correction of each such prior period presented retrospectively, to the extent practicable along with change in basic and diluted earnings per share. However, where retrospective restatement is not practicable for a particular period then the circumstances that lead to the existence of that condition and the description of how and from where the error is corrected are disclosed in Notes to Accounts.

#### **cc. Dividend Distribution**

Dividends paid (including income tax thereon) is recognised in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders.

## 2 Property, Plant and Equipment

(In Rupees lakhs)

Particulars	Gross carrying value as at April 1, 2022	Additions	Disposal / adjustments	Gross carrying value as at March 31, 2023	Accumulated depreciation as at April 1, 2022	Additions	Disposal / adjustments	Accumulated depreciation as at March 31, 2023	Carrying Value as at March 31, 2023
Land	8,081.95	498.11	-	<b>8,580.06</b>	-	-	-	-	<b>8,580.06</b>
Buildings	17,211.06	4,908.86	-	<b>22,119.92</b>	2,543.86	666.09	-	3,209.95	<b>18,909.96</b>
Plant and Machinery	71,196.55	20,216.90	2,843.25	<b>88,570.20</b>	15,743.57	3,613.40	2,143.78	17,213.19	<b>71,357.01</b>
Electrical Installations	2,322.41	-	-	<b>2,322.41</b>	2,234.77	17.71	-	2,252.48	<b>69.93</b>
Railway Siding	521.41	-	-	<b>521.41</b>	302.61	7.16	-	309.77	<b>211.63</b>
Furniture and Fixtures	380.35	166.21	-	<b>546.56</b>	205.38	54.02	-	259.40	<b>287.16</b>
Office Equipment & Appliances	373.13	25.64	0.31	<b>398.46</b>	220.08	90.19	0.28	309.99	<b>88.47</b>
Vehicles	5,517.54	272.82	87.24	<b>5,703.12</b>	4,197.97	468.21	56.10	4,610.08	<b>1,093.04</b>
<b>Total</b>	<b>105,604.39</b>	<b>26,088.54</b>	<b>2,930.80</b>	<b>128,762.13</b>	<b>25,448.24</b>	<b>4,916.78</b>	<b>2,200.16</b>	<b>28,164.86</b>	<b>100,597.26</b>

## Note 2.1

Additions to Land includes Rs.335.98 Lakhs towards purchase of compensatory afforestation land of 40.07 Acres and 11.19 Acres situated at Guledi village, Bheempur mandal, Adilabad District and Bember (V), Tanur (M), Nirmal District, Telangana respectively and which are proposed to be transferred to the forest department in lieu of forest land diverted for the company's plant operations situated at Mattapalli village of Mattampalli Mandal of Suryapet district.

2.2 Addition to Land includes undivided share of land to extent of 506.76 square yards added during the current year on account of capitalisation of Corporate Office Building pursuant to joint development agreement dated 11th June 2019 for the construction of corporate building situated at SD Road, Secunderabad, Telangana - 500026.

**Note 2.3 Capital Work in Progress**

Balance as at April 1, 2021	6,053.76
Additions/ Adjustments during the year	11,327.24
Capitalized during the year	254.02
<b>Balance as at March 31, 2022</b>	<b>17,126.98</b>
Additions/ Adjustments during the year	7419.74
Capitalized during the year	21793.44
<b>Balance as at March 31, 2023</b>	<b>2,825.27</b>

**2.4 Capital Work in Progress Ageing**

Ageing for capital work-in-progress as at March 31, 2023 is as follows:

Amount of Capital work in progress for					
Particulars	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	2,317.50	320.30	115.01	72.46	2,825.27

Ageing for capital work-in-progress as at March 31, 2022 is as follows:

Amount of Capital work in progress for					
Particulars	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	12,022.42	1,884.98	1,549.20	1,670.38	17126.98

### 3. Investments ( Non Current)

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
(c) Investments in partnership firms		
(i) NCL Buildtek & NCL Industries JV (refer note below)	546.02	2,021.72
<b>Total</b>	546.02	2,021.72
Aggregate amount of Unquoted Investments	-	-
Aggregate amount of Impairment in the value of Investments	-	-
Note 3.1 Details of Joint Venture		
a) Name of the Company, Principal Activity & Place of domicile NCL Buildtek & NCL Industries Joint Venture		
Partner Name	Share of Profit	Capital Contributed as on 31st March 2023
NCL Industries Limited	50%	546.02
NCL Buildtek Limited	50%	692.15

b) There is no change in the constitution of the firm during the year

c) The firm Follows the same reporting period / dates as that of the Company.

d) The total capital of the firm as on the date of the company's Balance Sheet i.e. 31st March 2023 is Rs. 1238.17 lakhs

### Note 3.2

Company has executed a Share Purchase Agreement dated 12th May, 2023 with Promoter group of Vishwamber Cements Limited and Vishwamber Cements Limited (VCL) for acquisition of 100% shareholding consisting of 77,67,430 equity shares of Rs. 10/- each in Vishwamber Cements Limited (VCL) for a total consideration of Rs. 16.24 crores. Upon acquisition of the above shares, Vishwamber Cements Limited becomes a wholly owned subsidiary of NCL Industries Ltd (NCLIL).

### 4. Other Financial Assets Non Current

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Unsecured (considered good)		
Security Deposits		
Deposits with AP & TS SEB	1,545.73	1,295.29
Deposits with Government Departments	2,053.90	439.76
Deposits with Others	71.34	14.16
Margin Money Deposits	1247.35	286.31

Rental Deposits	94.63	76.16
<b>Total</b>	<b>5,012.95</b>	<b>2,111.68</b>

#### 5. Other non-current Assets

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Deposits in disputed cases		
Taxes paid under Protest	446.77	442.94
<b>Total</b>	<b>446.77</b>	<b>442.94</b>

#### 6. Inventories

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Raw Materials	2,757.55	1,917.74
Finished Goods	3,267.22	3,433.73
Work in Progress	445.60	268.99
Packing & Other Materials	2,331.88	2,243.46
Stores & Spares	6,158.52	5,021.81
<b>Total</b>	<b>14,960.77</b>	<b>12,885.73</b>

#### 7. Trade Receivables Current

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
<b>(i) Trade Receivables from related parties</b>		
Trade receivables Secured, considered Good		
Trade receivables Unsecured, considered good	-	24.33
Trade receivables which have significant increase in credit risk		
Trade receivables credit impaired		
<b>Sub-Total</b>	<b>-</b>	<b>24.33</b>
<b>(ii) Other Trade Receivables</b>		
Trade receivables Secured, considered Good		
Trade receivables Unsecured, considered good	15,548.43	17,059.14
Trade receivable which have significant increase in credit risk	511.00	378.00
Less: Trade receivables credit impaired	511.00	378.00
<b>Sub-Total</b>	<b>15,548.43</b>	<b>17,059.14</b>
<b>Total</b>	<b>15,548.43</b>	<b>17,083.47</b>

#### FY 2022-23

##### Trade Receivables current Ageing Schedule

Particulars	Outstanding for the following Periods from due date of Payment					Total
	Less than six months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables considered Good	11,077.43	736.88	280.78	887.29	3,077.05	16,059.43
Undisputed Trade receivables which have significant credit risk						
Undisputed Trade receivables credit impaired					511.00	511.00

Disputed Trade Receivables Considered Good						
Disputed Trade receivables which have significant credit risk						
Disputed Trade receivables credit impaired						
<b>Total</b>	<b>11,077.43</b>	<b>736.88</b>	<b>280.78</b>	<b>887.29</b>	<b>2,566.05</b>	<b>15,548.43</b>

## FY 2021-22

### Trade Receivables current Ageing Schedule

Outstanding for the following Periods from due date of Payment						
Particulars	Less than six months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables considered Good	11,174.47	763.99	524.04	4,453.46	545.51	17,461.47
Undisputed Trade receivables which have significant credit risk						
Undisputed Trade receivables credit impaired					378.00	378.00
Disputed Trade Receivables Considered Good						
Disputed Trade receivables which have significant credit risk						
Disputed Trade receivables credit impaired						
<b>Total</b>	<b>11,174.47</b>	<b>763.99</b>	<b>524.04</b>	<b>4,453.46</b>	<b>167.51</b>	<b>17,083.47</b>

### 8. Cash & Cash Equivalent

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Cash on hand	3.08	5.84
Cheques, Drafts on hand		
Balances with Banks		
(a) in Current Account	3,117.34	190.86
(b) in Cash Credit Account		
<b>Total</b>	<b>3,120.42</b>	<b>196.70</b>

### 9. Bank Balances other than above

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Unclaimed Dividend	178.11	169.76
Fixed deposits redemption reserve	721.31	702.15
Others	3.57	3.10
<b>Total</b>	<b>902.99</b>	<b>875.01</b>

### 10. Loans

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
<b>Inter Corporate Deposit</b>		
Unsecured, considered good	600.00	2,030.00



<b>Total</b>	<b>600.00</b>	<b>2,030.00</b>
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#### Loans to Related Parties

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
NCL Buildtek Limited	600.00	1,800.00
NCL Holdings Limited		230.00
<b>Total</b>	<b>600.00</b>	<b>2,030.00</b>

#### 11. Other Financial Assets Current

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Unsecured (considered good)		
Incentives Receivable from A.P/Telangana Governments	16.30	420.93
Other Advances and Assets	262.02	-
<b>Total</b>	<b>278.32</b>	<b>420.93</b>

#### 12. Other Current Assets

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Un Secured Considered Good		
Advances to Suppliers	2,381.57	6,122.90
Advances for Capital Goods	1,866.62	3,122.68
Advances to Others	783.70	727.20
GST, Central Excise, Service Tax, VAT & Other Receivables	1,740.42	1,551.93
MAT Credit Entitlement Account	142.91	-
Accrued Interest	82.39	47.35
Prepaid expenses	171.27	130.43
<b>Total</b>	<b>7,168.87</b>	<b>11,702.50</b>

#### 13 EQUITY SHARE CAPITAL

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
<b>Authorized</b>		
6,20,00,000 (Previous Year: 6,20,00,000) Equity shares of Rs. 10/- each	<b>6,200.00</b>	<b>6,200.00</b>
<b>Issued,Subscribed &amp; Paid up</b>		
4,52,32,790 (Previous Year 4,52,32,790) Equity Shares of Rs.10/- each	4,523.28	4,523.28
<b>Total</b>	<b>4,523.28</b>	<b>4,523.28</b>

**(a) Terms / Rights attached to Equity Shares:** The Company has one class of share capital, comprising ordinary shares of Rs. 10/- each. Subject to the Company's Articles of Association and applicable law, the Company's ordinary shares confer on the holder the right to receive notice of and vote at general meetings of the Company, the right to receive any surplus assets on a winding-up of the Company, and an entitlement to receive any dividend declared on ordinary shares.

The Company and its nominees hold 100% share of Tern Distilleries Pvt Limited and held 0% (Previous year 75% )of Modular Containers Pvt Ltd, being the Subsidiary Companies.

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

Equity shares	As at Mar 31, 2023		As at Mar 31, 2022	
	No. of shares	Rs. Lakhs	No. of shares	Rs. Lakhs
At the beginning of the year	45,232,790	4,523.28	45,232,790	4,523.28
Equity Shares issued during the year	-	-	-	-
At the end of the year	<b>45,232,790</b>	<b>4,523.28</b>	<b>45,232,790</b>	<b>4,523.28</b>

**(c) No. of Shares in the company held by shareholder holding more than 5 percent**

Name of the Shareholder	As at Mar 31, 2023		As at Mar 31, 2022	
	No of Shares	% of Holding	No of Shares	% of Holding
K. Ravi	2,445,503	5.41	2,388,617	5.28
Kalidindi Shilpa	2,760,833	6.10	2,760,833	6.10
Roopa Bhupatiraju (Kalidindi Roopa)	2,553,893	5.65	2,508,663	5.55

**(d) Shareholding of Promoters**

Promoter Name	Number of Shares at the beginning of the year	% of Total Shares	Number of Shares at the end of the year	% of Total Shares	% of Change
KALIDINDI MADHU HUF	80,259	0.18	130,667	0.29	0.11
NIRHMAL V GORADIA / GEETA GORADIA	89,463	0.20	89,463	0.20	0.00
GEETA GORADIA / NIRHMAL V GORADIA	139,015	0.31	139,015	0.31	0.00
MEENA SHAH	12,474	0.03	12,474	0.03	0.00
ASHWIN GORADIA / BHARTI GORADIA	86,859	0.19	86,859	0.19	0.00
VINODRAI V GORADIA CHARULATA V GORADIA	606,102	1.34	613,618	1.36	0.02
MEERA BIMAL GORADIA/ BIMAL V GORADIA	124,135	0.27	129,135	0.29	0.02
BIMAL V GORADIA/ MEERA B GORADIA	324,610	0.72	324,610	0.72	0.00
G JYOTHI	166,992	0.37	166,992	0.37	0.00
KANUMILLI MALATHI	8,493	0.02	8,493	0.02	0.00
ASHVEN DATLA	1,775,855	3.93	1,775,855	3.93	0.00
KALIDINDI RAVI	2,388,617	5.28	2,445,503	5.41	0.13
MADHU KALIDINDI	635,887	1.41	635,887	1.41	0.00
BHARTI GORADIA/ ASHWIN GORADIA	53,191	0.12	53,191	0.12	0.00
PENUMATSA SATYANARAYANA RAJU	62,314	0.14	62,314	0.14	0.00
RAMALINGA RAJU PENMETCHA	35,275	0.08	-	0.00	(0.08)
K ANURADHA	912,873	2.02	912,873	2.02	0.00

N JANAKI	45,155	0.10	45,155	0.10	0.00
GORADIA CHARULATA VINODRAI/GORADIA VINODRAI VACHHARAJ	358,487	0.79	365,751	0.81	0.02
UTKAL B GORADIA / BIMAL V GORADIA	92,916	0.21	131,587	0.29	0.08
PENMETSA NARASIMHA RAJU	1,190,010	2.63	1,190,010	2.63	0.00
PENMETSA VARA LAKSHMI	350,355	0.77	350,355	0.77	0.00
VENKATA SATYA PADMAVATHI GOTTUMUKKALA	72,445	0.16	72,445	0.16	0.00
MADHAVI PENUMASTA	92,402	0.20	92,402	0.20	0.00
KANUMILLI SUDHEER	79,115	0.17	79,115	0.17	0.00
GAUTAM KALIDINDI	1,496,954	3.31	2,064,317	4.56	1.25
KALIDINDI SHILPA	2,760,833	6.10	2,760,833	6.10	0.00
SRIDHAR BHUPATIRAJU	204,642	0.45	204,642	0.45	0.00
GOKUL HARINI	10,011	0.02	10,011	0.02	0.00
S GOKUL	81,838	0.18	83,838	0.19	0.01
POOJA KALIDINDI	1,453,543	3.21	1,502,518	3.32	0.11
G.T.SANDEEP	233,122	0.52	233,122	0.52	0.00
VEGESANA SAILAJA	10,765	0.02	35,765	0.08	0.06
K MALLIKA	36,263	0.08	36,263	0.08	0.00
ROOPA KALIDINDI	2,508,663	5.55	2,553,893	5.65	0.10
DIVYA PENUMACHA	446,221	0.99	446,221	0.99	0.00
DITI ASHWIN GORADIA	30,000	0.07	30,000	0.07	0.00
NISHI ASHWIN GORADIA	30,000	0.07	30,000	0.07	0.00
BHUPATIRAJU SUBBA RAJU	161,088	0.36	256,714	0.57	0.21
SAI SREEDHAR KANUMILLI	8,192	0.02	8,192	0.02	0.00
PADMA GOTTUMUKKALA	85,225	0.19	85,225	0.19	0.00
BLUE VALLEY DEVELOPERS (P) LTD	205,658	0.45	212,158	0.47	0.02
NCL HOMES LTD	315,813	0.70	315,813	0.70	0.00
VIKRAM CHEMICALS PVT LTD	13,500	0.03	13,500	0.03	0.00
NCL HOLDINGS (A&S) LIMITED	498,000	1.10	518,815	1.15	0.05
KAKATIYA INDUSTRIES PRIVATE LIMITED		0.00	4,000	0.01	0.01

#### 14. Other Equity

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
<b>Capital Reserve</b>	<b>240.91</b>	<b>243.94</b>
<b>Securities Premium Reserve</b>		
Balance as per the last Financial statement	21,222.84	<b>21,222.84</b>
Add: Premium on shares issued during the current year	-	-
<b>Closing balance</b>	<b>21,222.84</b>	<b>21,222.84</b>
<b>General Reserve</b>		
Balance as per the last Financial statement	34,000.00	29,000.00
Less: Transfer to/from Debenture Redemption Reserve	-	-

Add: Amount transferred from surplus	5,000.00	5,000.00
<b>Closing balance</b>	<b>39,000.00</b>	<b>34,000.00</b>
<b>Debenture Redemption Reserve</b>		
Balance as per the last Financial statement	-	-
Add: Amount transferred to/from General Reserve	-	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>
<b>Retained Earnings</b>		
Balance as per the Last Financial Statement	14,093.59	11,479.89
Add: Profit / (Loss) for the Year	4,262.65	9,423.00
Less: Interim Dividend Paid	678.49	1,356.98
Less: Interim Dividend Tax Paid		-
Less: Final Dividend and Dividend tax paid	678.49	452.32
Less: Transfer to General Reserve	5,000.00	5,000.00
Less: Prior Period adjustments	-	-
Total Appropriations		
<b>Closing Balance</b>	<b>11,999.26</b>	<b>14,093.59</b>
<b>Total</b>	<b>72,463.05</b>	<b>69,560.37</b>

#### Nature of Reserves:

Capital Reserve: Represent the Capital Subsidies received from government.

Securities Premium Reserve: Amounts received in excess of the face value of the equity shares issued.

General Reserve: This represents the appropriation of Profit

Retained Earnings: Represents the undistributed earnings post taxes.

#### 14.1 Dividends:

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
<b>Dividends Recognised</b>		
Final Dividend for the year ended March 31, 2022 of Rs. 1.50 (Rs 1.00 for year 2021) per fully paid up share.	678.49	452.33
Interim Dividend for the year ended March 31, 2023 Rs. 1.50 (Rs 1.50 for year 2021 & 2022) per fully paid up share.	678.49	1,356.98
<b>Dividends not recognised at the end of reporting period</b>		
In addition to above, dividend proposed of Rs 1.50 ( Rs.1.50 for year ended March 31, 2022) per fully paid equity share. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting	678.49	678.49

#### Non Current Liabilities

#### 15. Borrowings

	As at Mar 31, 2023	As at Mar 31, 2022
<b>Secured</b>		
Term Loans		
- From Banks (Refer Note 34 )	<b>15,367.88</b>	<b>16,889.09</b>
- From Other parties		

Vehicle & Equipment Finance Loans from Banks (Refer Note 34 )	446.24	532.07
Vehicle & Equipment Finance Loans from Others (Refer Note 34 )	21.20	39.40
<b>Total Secured Loans</b>	<b>15,835.32</b>	<b>17,460.56</b>
<b>Un Secured</b>		
		-
Deposits from Public & Shareholders (Refer Note 34)	4,918.23	3,805.03
<b>Total un Secured Loans</b>	<b>4,918.23</b>	<b>3,805.03</b>
<b>Total</b>	<b>20,753.55</b>	<b>21,265.59</b>

#### 16. Other Financial Liabilities Non Current

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Deposits from Dealers / Stockists (Note 'c')	8,318.71	6,859.99
	<b>8,318.71</b>	<b>6,859.99</b>

"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 @ 4% p.a.

#### 17. Provisions Non Current

	As at Mar 31, 2023	As at Mar 31, 2022
<b>Provision for Employee Benefits</b>		
Provision for Gratuity	252.89	39.63
Provision for Leave benefits	417.71	309.14
<b>Total Provisions</b>	<b>670.60</b>	<b>348.77</b>

#### 18. Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Deferred Tax Liability</b>		
Property, plant and equipment	11,802.82	9,356.44
Intangible assets		
<b>Sub Total</b>	<b>11,802.82</b>	<b>9,356.44</b>
<b>Deferred tax Assets</b>		
Employee benefits	(143.35)	(46.19)
Provisions	(153.30)	(130.82)
<b>Sub Total</b>	<b>(296.65)</b>	<b>(177.01)</b>
<b>Net Deferred Tax Liability</b>	<b>11,506.18</b>	<b>9,179.43</b>

#### Movement in deferred tax balances during the year

Particulars	Balance As at March 31, 2022	Recognised in Profit and Loss	Recognised in OCI	Recognised Directly in equity	Reclassified from Equity to Profit and Loss Statement	Balance As at March 31, 2023
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Property, plant and equipment	9,356.44	2,446.38				11,802.82
Employee benefits	(46.19)	(97.15)				(143.35)
Provisions	(130.82)	(22.48)				(153.30)
<b>Total</b>	<b>9,179.43</b>	<b>2,326.75</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,506.18</b>

#### 19. Other non-current liabilities

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
<b>Advances and others</b>		
Advances received for Sales of Fixed Assets	610.22	585.22
<b>Total</b>	<b>610.22</b>	<b>585.22</b>

#### 20. Borrowings Current

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
<b>Loans payable on Demand</b>		
- From Banks		
-Secured		
Cash Credit Loans from Banks (Refer Note 34)	-	3,720.67
Current Maturities of Long term Debt (Refer Note 34)	5,783.60	5,077.37
Vehicle & Equipment Finance Loans from Banks (Refer Note 34)	293.28	366.69
Vehicle & Equipment Finance Loans from Financial Companies (Refer Note 34)	19.51	18.19
Deposits from Public & Shareholders (Refer Note 34)	2,382.80	3,088.95
<b>Total</b>	<b>8,479.19</b>	<b>12,271.87</b>

#### 21. Trade Payables Current

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
<b>CURRENT</b>		
Other than Micro and Small Enterprises		
-Trade Payables	8,355.50	6,554.35
-Sundry Creditors - Capital goods	481.71	517.02
Micro and Small Enterprises	129.26	56.38
<b>Total</b>	<b>8,966.47</b>	<b>7,127.75</b>

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 2023 is Rs. 19.18 lakhs (2021-22 : Rs. 15.68 lakhs). The overdues are mainly on account of disagreements with the parties pending settlement .

**Trade Payables ageing schedule for the year ended March 31, 2023**

Particulars	Unbilled	Not due	<1year	1-2 years	2-3 years	>3 Years	Total
MSME			118.22				118.22
Others	1,304.32	632.44	6,350.65	387.78	129.60	43.46	8,848.25
Disputed dues – MSME			-		-		-
Disputed dues – Others							
<b>Total</b>	<b>1,304.32</b>	<b>632.44</b>	<b>6,468.87</b>	<b>387.78</b>	<b>129.60</b>	<b>43.46</b>	<b>8,966.47</b>

**Trade Payables ageing schedule for the year ended March 31, 2022**

Particulars	Unbilled	Not due	<1year	1-2 years	2-3 years	>3 Years	Total
MSME							
Others			47.38				47.38
Disputed dues – MSME	989.18	567.30	4,989.97	116.43	383.79	24.69	7,071.37
Disputed dues – Others			-		9.00		9.00
<b>Total</b>	<b>989.18</b>	<b>567.30</b>	<b>5,037.35</b>	<b>116.43</b>	<b>392.79</b>	<b>24.69</b>	<b>7,127.75</b>

**22. Other Financial Liabilities Current**

	As at Mar 31, 2023	As at Mar 31, 2022
Interest accrued and not due	867.62	889.58
Unclaimed Dividend	178.12	169.76
Other Expenses including Provisions	7,182.35	6,151.95
<b>Total</b>	<b>8,228.09</b>	<b>7,211.29</b>

**23. Provisions Current**

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
<b>Provision for Employee Benefits</b>		
Provision for Gratuity	76.06	63.89
Provision for Leave benefits	23.54	23.54
Provision for Employee Bonus & Ex-gratia	143.82	142.67
<b>Total Provisions</b>	<b>243.42</b>	<b>230.10</b>

**24. Current Tax Liabilities (Net)**

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Opening Balance	1,973.42	2,358.23
Current Tax Payable for the Year	2,421.73	4,144.01
Less: Taxes Paid	4,215.75	4,528.82
<b>Total</b>	<b>179.40</b>	<b>1,973.42</b>

**25. Other Current Liabilities**

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Advance Received from Customers	3,150.15	2,451.00
<b>Statutory dues Payable</b>		
GST, Value Added Tax & CST Payable	3,738.34	3,278.99
Employee related payables PF, ESI & Others	53.40	47.66
TDS Payable	124.03	139.08
<b>Total</b>	<b>7,065.92</b>	<b>5,916.72</b>

**26. Revenue From Operations****A. (i) Contract with Customers**

(a) Company has recognized the following revenue during the year from contracts with its customers

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Sale/ Transfer of Products		
Finished Goods	210,439.84	210,603.23
Semi Finished Goods (Clinker Transfer to Kondapalli Grinding Unit)	20,785.15	14,791.74
Traded Goods	-	0.44
Total Gross Sales	231,224.99	225,395.40
Less: Inter segment Transfers	26,777.73	20,802.71
Less: Taxes on Sales	43,481.32	41,251.92
<b>Revenue from Operations</b>	<b>160,965.94</b>	<b>163,340.77</b>

(b) Company has recognized the Rs 511 lakhs as impairment loss against the amount receivables from its customers or contract assets arising due to contract with its customers during the year.

**(ii) Contract Balances****(a) Receivables**

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Opening Balance	17,083.47	14,337.79
Addition/deduction during the year	(1,535.04)	2,745.68
<b>Closing Balance</b>	<b>15,548.43</b>	<b>17,083.47</b>



## b) Contract Assets

Company recognized contract assets when it satisfies its obligation by transferring the goods or services to the customer and right to receive the consideration is established which is subject to some conditions to be fulfilled by the company in future before receipt of consideration amount. Such assets are as follows:

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Opening Balance	-	3.97
Addition/deduction during the year	127.20	(3.97)
<b>Closing Balance</b>	<b>127.20</b>	<b>-</b>

## c) Practical expedients

During the year company has entered into sales contracts with its customers where contracts are not executed, same has not been disclosed as per practical expedient as the duration of the contract is less than one year or right to receive the consideration established on completion of the performance by the company

## B. Significant judgements in the application of this standard

- (i) Revenue is recognized by the company when the company satisfies a performance obligation by transferring a promised good or service to its customers. Asset/goods/services are considered to be transferred when the customer obtains control of those asset/goods/services.
- (ii) The company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, GST etc.).
- (iii) The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both. Any further adjustment will be made by raising debit/credit notes on the customer. While determining the transaction price effects of variable consideration, constraining estimates of variable consideration, the existence of a significant financing component in the contract, non-cash consideration and consideration payable to a customer is also considered.

## 27. Other Income

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>Interest Income</b>		
- From Fixed Deposits	210.07	8.85
- Others*	478.59	162.63
Scrap Sales	367.61	263.59
Rent - Trucks Lease	468.94	278.35
Rent - Buildings	208.58	183.36
Other Non Operating Revenue (Net of expenses directly attributable to such income)		
-Profit on Sale of Assets	45.85	164.82
-Liabilities Written Back		
-Foreign Exchange Gain	(0.03)	(0.10)
-Misc. Receipt	100.25	51.69
<b>Other income Total</b>	<b>1,879.85</b>	<b>1,113.19</b>
<b>Other Comprehensive Income / (Loss)</b>	<b>-255.28</b>	<b>-109.44</b>
<b>Total</b>	<b>1,624.57</b>	<b>1,003.75</b>

**28. Cost of Materials Consumed**

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>Details of Rawmaterials Consumed</b>		
Limestone	7,830.52	5,391.44
Al. Laterite	4,130.81	4,808.88
Gypsum	2,091.62	2,405.47
Iron ore / Iron ore powder	99.37	81.20
FlyAsh	4,474.76	4,105.45
Purchased Clinker Consumption	36.21	2,209.89
Clinker Consumption at Kondapalli Plant	18,194.70	13,547.50
Cement Consumption in Other Divisions	5,474.97	5,364.71
Wood	2,441.40	2,018.36
Chemicals	727.86	724.80
Paper	429.20	375.62
Ready Mix Concrete Materials	3,407.24	3,348.26
Other Materials	205.22	1,658.83
<b>Total</b>	<b>49,543.88</b>	<b>46,040.39</b>
<b>Less: Inter Segment Transfers</b>	<b>26,777.73</b>	<b>20,802.71</b>
<b>Net Consumption of Materials</b>	<b>22,766.15</b>	<b>25,237.68</b>

**29. Changes in Inventory**

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>A. Finished Goods</b>		
Opening Balance	3,433.73	2,932.37
Adjustments		
Closing Balance	3,267.22	3,433.73
Changes in Inventory of Finished Goods	166.51	(501.36)
<b>B. Work in Progress</b>		
Opening Balance	268.99	775.75
Closing Balance	445.60	268.99
Changes in Inventory of Work in Progress	(176.61)	506.76
Net (Increase) /Decrease	(10.10)	5.40

**30. Employees' Benefit Expenses**

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Salaries and Wages		
Salaries, Wages and Bonus	4903.04	4806.99
Leave Encashment	207.26	167.55
Gratuity	373.42	205.19
Managerial Remuneration	745.47	823.20
Contribution to Provident Fund & Other Funds	299.10	277.42
Staff Welfare Expenses	234.73	224.41

<b>TOTAL</b>	<b>6,763.02</b>	<b>6,504.76</b>
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### 31. Other Expenses

<b>Particulars</b>	<b>Year Ended March 31, 2023</b>	<b>Year Ended March 31, 2022</b>
<b>Manufacturing Expenses :</b>		
Cost of Fuel	41,226.52	32,152.57
Cost of Power	13,656.32	11,080.49
Packing Materials	4,994.46	5,179.31
Stores & Spares consumed	3,880.75	3,233.49
Rep & Maintenance Plant & Machinery	2,130.70	1,795.35
Rep & Maintenance Buildings	35.82	1.51
Rep & Maintenance Others	22.57	40.24
Direct Manufacturing Expenses	1,912.24	1,859.75
<b>Sub total (a)</b>	<b>67,859.38</b>	<b>55,342.71</b>
<b>Administrative Expenses :</b>		
Rent	178.70	160.00
Security Expenses	242.28	273.90
Directors' Sitting fees	20.00	27.50
Licences, Fees & Taxes	202.35	347.31
Insurance	116.46	93.78
Computer Maintenance	95.91	75.95
Office Maintenance	229.71	263.65
Printing & Stationery	21.03	27.51
Postage & Courier	8.01	6.63
Telephone	54.60	55.94
Travelling	403.28	366.47
Vehicle Maintenance	86.73	104.97
Legal & Professional Charges	147.39	185.18
Auditors' Remuneration (i)	18.40	11.40
Bank Charges	71.79	100.68
Staff recruitment and training	21.35	29.55
CSR Expenditure	280.79	243.54
Donations	4.63	9.29
Repairs & Maintenance - Vehicles	17.68	22.63
R & D Expenses	0.17	2.42
Allowance for Bad and Doubtful Debts	511.00	378.00
Miscellaneous Expenses	232.46	240.72
<b>Sub total (b)</b>	<b>2,964.72</b>	<b>3,027.02</b>
<b>Selling &amp; Distribution Expenses</b>		
Transportation Paid	30,163.70	29,471.17
Advertisement & Publicity	948.66	1,381.58
Selling Expenses	14,729.35	21,731.97
Sub Total (c)	45,841.71	52,584.72
<b>TOTAL (a+b+c)</b>	<b>116,665.81</b>	<b>110,954.45</b>

(i) Amount paid to auditors'

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
As Auditor	15.90	10.65
For Taxation Matters/Tax Audit	2.50	0.75
For Reimbursement of Expenses	-	-
<b>TOTAL</b>	<b>18.40</b>	<b>11.40</b>

### 32. Finance Cost

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Interest on borrowings from Banks	1,823.86	1,602.24
Interest on Public deposits	686.85	684.71
Interest on Others	99.02	128.62
Other Borrowing Costs	10.89	4.89
<b>TOTAL</b>	<b>2,620.63</b>	<b>2,420.46</b>

### 33. Depreciation And Amortization Expenses

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
<b>Depreciation / Amortisation for the year</b>		
Depreciation on Plant, Property & Equipment	4,916.78	4,667.98
<b>TOTAL</b>	<b>4,916.78</b>	<b>4,667.98</b>

### 34. Borrowings

Term Loans:

- i) Term Loan of Rs.10.58 crores (2022: Rs.24.70 crores) from Axis Bank Ltd towards part takeover of Yes Bank Term Loan, at an interest rate Linked to MCLR @ 8.35% p.a repayable in 17 quarterly instalments starting from Oct'19. The loan amount sanctioned is Rs.60.00 Cr with no moratorium period
- ii) Term of Loan of Rs.53.09 crores (2022: Rs.58.47 crores) from Axis Bank Ltd for WHR Project at Mattapally, at an interest rate Linked to MCLR @ 8.35% p.a repayable in 20 Structured quarterly instalments starting from Sept '21. The loan amount sanctioned is Rs.67.25 Crores with a moratorium period of 2 years.
- iii) Term loan of Rs.9.67 crores (2022: Rs.22.55 crores) from HDFC Bank Ltd towards part takeover of Yes Bank Term Loan, at an interest rate Linked to MCLR @ 9.25% p.a repayable in 17 quarterly instalments starting from Oct'19. The loan amount sanctioned is Rs. Rs.54.75 Crores with no moratorium period
- iv) Term Loan of Rs.29.25 crores (2022: Rs. 35.75 crores) from Axis Bank Ltd for Modernization of Line 1 at Mattapally, at an interest rate Linked to MCLR @ 8.35% p.a repayable in 24 Equal quarterly instalments of Rs.1.625 Crores starting from Dec'21. The loan amount sanctioned is Rs.39 Crores with a moratorium period of 1 year.
- v) Term Loan of Rs.62.92 crores (2022: Rs.21.14 crores) from Kotak Bank Ltd towards Line -3 at Mattapally, at an interest Linked to MCLR @ 9.10% p.a repayable in 78 monthly instalments starting from May'23. The loan amount sanctioned is Rs.75 Crores with a moratorium period of 1.5 years.
- vi) The Company availed a loan of Rs.31.21 crores (2022: Rs.37.46 crores) from AXIS Bank under the Emergency Credit Line Guarantee Scheme (ECLGS 2.0) notified by the Government of India

in Two Tranches of Rs.25.00 Crores and Rs.13.50 Crores, repayable in 48 equated monthly instalments after a 24-month moratorium period from the date of disbursement, at an interest rate of 9% and 8.85% p.a linked to Repo rate.

- vii) The Company availed a loan of Rs.14.80 crores (2022: Rs.19.60 crores) from HDFC Bank under the Emergency Credit Line Guarantee Scheme notified by the Government of India repayable in 48 equated monthly instalments after a 12-month moratorium period from the date of disbursement, at an interest rate of 9% p.a linked to Repo.
- viii) All the above are secured by first charge on Fixed assets of the Company excluding the assets disclosed in Note 2.1, ranking pari passu with other Term lenders, further secured by second charge on Current assets of company.

#### **Loans repayable on demand from Banks:**

- i) Cash Credit from AXIS Bank Ltd Rs.Nil (2022 : Rs.9.73) at an interest rate Linked to MCLR at 8.65%. The sanctioned Limit is Rs.50.00 Cr.
- ii) Cash Credit from HDFC Bank Ltd Rs.Nil (2022 : NIL) at an interest rate Linked to MCLR at 8.75%. The sanctioned Limit is Rs.25.00 Cr
- iii) Cash Credit from State Bank of India Rs.Nil (2022 :15.13 Cr) at an interest rate Linked to MCLR at 8.60%. The sanctioned Limit is Rs.20.00 Cr
- iv) Cash Credit from Bank of Baroda Rs.Nil (2022 :12.35 Cr) at an interest rate Linked to MCLR at 8.30%. The sanctioned Limit is Rs.65.00 Cr.
- v) Cash Credit from Kotak Bank Ltd Rs.Nil (2022 : NIL) at an interest rate Linked to MCLR at 8.60%. The sanctioned Limit is Rs.20.00 Cr.
- vi) All the above Working Capital Loans are secured by first charge on current assets of the Company, ranking pari passu with other Working Capital lenders, further secured by second charge on fixed assets of company excluding the assets disclosed in Note 2.1.

All the Above Term and Working Loans are further guaranteed by Mr.K.Ravi and Mr.K.Madhu in their Personal Capacity.

#### **Vehicle & Equipment Loans**

Vehicle and Equipment Loans from various Banks are secured by Hypothecation of respective assets financed, for a tenure of 35 to 47 months and carries Interest @ 7.85% to 9.00% p.a.

#### **Deposits From Public**

Public deposits represent deposits accepted from the public carrying interest varying from 8% to 10% p.a. The maturity of these deposits falls on different dates depending on the date of each deposit.

#### **35. Contingent Liabilities:**

- i) Based on the Legal opinion/advice obtained, no financial implication to the Company with respect to the following cases is perceived as on the Date of the Balance Sheet

Claims against the Company not acknowledged as Debts	Year Ended March 31, 2023		Year Ended March 31, 2022	
	Disputed Amount	Paid Under Protest	Disputed Amount	Paid Under Protest
Indirect Taxes Related	4,050.90	446.77	4,050.90	442.94
Others	10,533.81	2,291.69	1,241.85	413.44

- ii) The Company has received a demand notice from Mines and Geology department for an amount of Rs. 91.43 crores, against which the Company has filed a writ petition before the Honourable High court of Telangana and an interim order was passed by the Honourable court on payment of a predeposit of Rs. 18.28 Crores.
- ii) The Company has given Counter Guarantees to Banks / Financial Institutions for Rs.1763.47 lakhs as at 31st March 2023 (Rs.1555.20 lakhs as at 31st March 2022) against the Bank Guarantees obtained.

### 36. Capital Comittments

Capital expenditure contracted for at the end of the reporting period but not recognised/provided in the books as liabilities is as follows:

Description	Year Ended March 31, 2023	Year Ended March 31, 2022
Estimated amount Plant, Property and Equipment of Projects	13,635.65	14,057.35

### 37. Employee Benefits

- a) **Provident Fund:** Company pays fixed contribution to provident fund at predetermined rates to the government authorities. The contribution of Rs. 286.43 lakhs (Previous year Rs259.19 lakhs ) including administrative charges is recognized as expense and is charged in the Statement of Profit and Loss.
- b) **Gratuity:** Gratuity is provided as per the payment of Gratuity Act 1972, covering all the eligible employees. Defined Benefit Plan is payable to the qualifying employees on separation. Company considers the liabilities with regard to gratuity, are independently measured on actuarial valuation carried out as on Balance Sheet date. The liability has been assessed using Projected Unit Credit Method. 100% of the Gratuity Plan Asset is entrusted to LIC of India under their group gratuity Scheme

Reconciliation of opening and closing balances of the present value of the defined benefit obligation as at the year ended March 31, 2023 are as follows:

**a) Expense recognized during the year**

Description	Year Ended March 31, 2023		Year Ended March 31, 2022	
	Gratuity	Leave encashment	Gratuity	Leave encashment
Current Service Cost	110.66	107.14	89.72	101.06
Interest Cost	7.48	23.14	6.03	16.54
Net Actuarial (Gain) / Loss	255.28	76.98	109.44	49.95
Past Service Cost	-	-	-	-
Short Term Compensated Absence Liability	-	-	-	-
<b>Total Cost</b>	<b>373.42</b>	<b>207.26</b>	<b>205.19</b>	<b>167.55</b>

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

Description	Year Ended March 31, 2023		Year Ended March 31, 2022	
	Gratuity	Leave encashment	Gratuity	Leave encashment
Present Value of Obligations at beginning of the year	96.64	246.96	576.37	163.57
Changes in Present Value of Obligations		-		-
Current Service Cost	110.66	107.14	89.72	101.06
Interest Cost	7.48	23.14	6.03	16.54
Actuarial Loss / (Gain)	255.28	76.98	109.44	49.95
Past Service Cost	-	-	-	-
Settlements	(237.04)	(89.67)	(684.92)	(84.16)
Short Term Compensated Absence Liability	-	-	-	-
<b>Net Present Value of Obligations at the end of the year</b>	<b>233.02</b>	<b>364.55</b>	<b>96.64</b>	<b>246.96</b>
Present Value of Obligations - Current	76.06	23.54	63.89	23.54
Present Value of Obligations - Non - Current	156.96	341.01	32.75	223.42

**Actuarial assumptions**

- a) Mortality IALM 2012-14 (ultimate)
- b) Discounting rate – 7.19% Previous year 7.21 %
- d) Expected average remaining working lives of employees–11.60 Years (PY 11.44 Years)
- e) Rate of escalation in salary – 10%

**Sensitivity Analysis:**

Sensitivity to significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by one percentage, keeping all other actuarial assumptions constant.

**Gratuity**

	March 31, 2023	March 31, 2023	March 31, 2022	March 31, 2022
	1% Increase	1% decrease	1% Increase	1% decrease
Effect of 1% change in assumed discount rate	1228.87	1478.78	895.26	1050.95
Effect of 1% change in assumed salary rate	1456.57	1241	1044.93	898.78
Effect of 1% change in assumed attrition rate	772.73	767.11	772.73	767.11

**Leave Encashment**

	March 31, 2023	March 31, 2023	March 31, 2022	March 31, 2022
	1% Increase	1% decrease	1% Increase	1% decrease
Effect of 1% change in assumed discount rate	398.05	492.41	304.04	366.35
Effect of 1% change in assumed salary rate	489.92	399.22	365.56	304.21
Effect of 1% change in assumed attrition rate	255.81	253.69	255.81	253.69

**38. Income Tax Expense:**

Income Tax recognised in the statement of Profit and Loss	For the year ended 31.03.2023	For the year ended 31.03.2022
Current Tax		
(i) In respect of Current Year	1,579.40	3,973.42
MAT Credit entitlement adjusted	(142.91)	-
(ii) In respect of Previous Year	842.33	170.59
<b>Total Current Tax</b>	<b>2278.82</b>	<b>4144.01</b>
Deferred Tax		
(i) In respect of Current Year	2,326.75	986.77
<b>Total Deferred Tax</b>	<b>2,326.75</b>	<b>986.77</b>
<b>Total Tax Expense</b>	<b>4,605.57</b>	<b>5,130.78</b>

**39. Financial Instruments- Fair Values and Risk Management****a. Financial Instruments by Categories**

The following tables show the carrying amounts and fair values of financial assets and financial liabilities by categories. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Amount (Rs. In Lakhs) as of March 31, 2023

Particulars	Cost	Financial assets/ liabilities at FVTPL	Financial assets/liabilities at fair value through OCI	Total carrying value	Total fair value
<b>Non Current</b>					
Investments in partnership firms at cost	546.02			546.02	546.02
<b>Assets:</b>					
Cash & Cash Equivalents	4,023.41			4,023.41	4,023.41
Trade Receivable	15,548.43			15,548.43	15,548.43
Other Financial Assets	278.32			278.32	278.32
<b>Liabilities:</b>					
Trade Payables	8,966.47			8,966.47	8,966.47
Borrowings	8,479.19			8,479.19	8,479.19
Other Financial Liabilities	8,228.09			8,228.09	8,228.09



Amount (Rs. In Lakhs) as of March 31, 2022

Particulars	Cost	Financial assets/liabilities at FVTPL	Financial assets/liabilities at fair value through OCI	Total carrying value	Total fair value
<b>Non Current</b>					
Investments in partnership firms at cost	2,021.72			2,021.72	2,021.72
<b>Assets:</b>					
Cash & Cash Equivalents	1,071.71			1,071.71	1,071.71
Trade Receivable	17,083.47			17,083.47	17,083.47
Other Financial Assets	420.93			420.93	420.93
<b>Liabilities:</b>					
Trade Payables	7,127.75			7,127.75	7,127.75
Borrowings	12,271.87			12,271.87	12,271.87
Other Financial Liabilities	7,211.29			7,211.29	7,211.29

Fair Value Hierarchy Management considers that, the carrying amount of those financial assets and financial liabilities that are not subsequently measured at fair value in the Financial Statements approximate their transaction value. No financial instruments are recognized and measured at fair value for which fair values are determined using the judgments and estimates. The fair value of Financial Instruments referred below has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities. (Level-1 measurements) and lowest priority to unobservable (Level-3 measurements). Investments in subsidiary is at cost.

**b) Financial Risk Management:**

The Company's actual exposure to a variety of financial risks viz., market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is credit risk and liquidity risk.

**c) Management of Market Risk:**

Market risks comprises of Price risk and Interest rate risk. The Company does not designate any fixed rate financial assets as fair value through Profit and Loss nor at fair value through OCI. Therefore, the Company is not exposed to any interest rate risk. Similarly, the Company does not have any Financial Instrument which is exposed to change in price.

**d) Foreign Currency Risks:**

The Company is exposed to foreign exchange risk arising from various Currency exposures primarily with respect to the US Dollars (USD)/EURO, for the imports being made by the Company.

The Company exposure to foreign currency risk as at the end of the reporting period expressed in INR as on March 31, 2023 is as follows:

Particulars	Amount in Rs. Lakhs
<b>Financial Assets:</b>	
Cash & Cash Equivalents	-
Trade Receivable	-
Deposits	-
Other Financial Assets	-
<b>Financial Liabilities:</b>	
Trade Payables	692.90
Borrowings	-
Other Financial Liabilities	-

The Company exposure to foreign currency risk as at the end of the reporting period expressed in INR as on March 31, 2022 is as follows:

Particulars	Amount in Rs. Lakhs
<b>Financial Assets:</b>	
Cash & Cash Equivalents	-
Trade Receivable	-
Deposits	-
Other Financial Assets	-
<b>Financial Liabilities:</b>	
Trade Payables	1,627.20
Borrowings	-
Other Financial Liabilities	-

**e) Credit Risk:**

Credit risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligations. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. The company considers that, all the financial assets that are not impaired and past due as on each reporting dates under review are considered credit worthy

Credit risk is the risk arising from credit exposure to customers, cash and cash equivalents held with banks and current and non-current financial assets.

With respect to credit exposure from customers, the Company has a procedure in place aiming to minimise collection losses. Credit Control team assesses the credit quality of the customers, their financial position, past experience in payments and other relevant factors. Cash or other collaterals are obtained from customers as and when required.

The carrying amount of trade receivables represents company's maximum exposure to the credit risk. No other financial asset carry a significant exposure with respect to the credit risk. Bank deposits and cash balances are placed with reputable banks .

The credit quality of financial assets is satisfactory, taking into account the allowance for credit losses. The management also considers the factors that may influence the credit risk of its customer base, including default risk associated with the industry and country in which customers operate. Credit quality of a customer is assessed based on the past track record.

An impairment analysis is performed at each reporting date on an individual basis for receivables. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company also holds deposits as security from certain customers to mitigate credit risk.

Credit risk on trade receivables and other financial assets is evaluated as follows:  
For the year ended March 31, 2023

Paticulars	Gross Carrying Amount	Less than one year	More than one year	More than two year	More than three year
Gross Carrying Amount	16,653.43	11,897.31	280.78	887.29	3,588.05
Expected Credit loss	1,105.00				1,105.00
Carrying amount (net of impairment)	15,548.43	11,897.31	280.78	887.29	2,483.05

For the year ended March 31, 2022

Paticulars	Gross Carrying Amount	Less than one year	More than one year	More than two years	More than three years
Gross Carrying Amount	17,677.47	11,776.46	524.04	4,453.46	923.51
Expected Credit loss	594.00			-	594.00
Carrying amount (net of impairment)	17,083.47	11,776.46	524.04	4,453.46	329.51

**f) Liquidity Risk:**

The company's liquidity needs are monitored on the basis of monthly projections. The principal sources of liquidity are cash and cash equivalents, cash generated from operations and availability of cash credit and overdraft facilities to meet the obligations as and when due.

Short term liquidity requirements consist mainly of sundry creditors, expenses payable and employee dues during the normal course of business. The company maintains sufficient balance in cash and cash equivalents and working capital facilities to meet the short term liquidity requirements.

The company assesses long term liquidity requirements on a periodical basis and manages them through internal accruals and committed credit lines.

The following table shows the maturity analysis of the Companies Financial Liabilities based on contractually agreed, undiscounted cash flows as at the balance sheet date

Paticulars	Gross Carrying Amount	Less than one year	More than one year	More than two years	More than three years
<b>As on March 31 2023</b>					
Trade Payables	8,966.47	8,405.62	387.78	129.60	43.46
Other Financial liabilities	8,228.09	8,228.09			
<b>As on March 31 2022</b>					
Trade Payables	7,127.75	6,602.84	116.43	383.79	24.69
Other Financial liabilities	7,211.29	7,211.29			

#### 40. Capital Management

The Company's objectives when managing capital are to Safeguard their ability to continue as a going concern,so that they can continue to provide returns for shareholders and benefits for other stakeholders,and maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the group monitors capital on the basis of the following gearing ratio: Net debt (total borrowings net of cash and cash equivalents) divided by Total 'equity' (as shown in the balancesheet, including non-controlling interests).

The gearing ratio at the end of the reporting period was as follows:

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
Borrowings		
Current	2,382.80	6,809.62
Current maturities of non- current borrowings	6,096.39	5,462.25
Non current	20,753.55	21,265.59
Less: Cash & Bank Balances	3,120.42	196.70
<b>Net Debt</b>	<b>26,112.32</b>	<b>33,340.76</b>
Equity		
Equity share capital	4,523.28	4,523.28
Other equity	72,463.05	69,560.37
<b>Total capital</b>	<b>76,986.33</b>	<b>74,083.65</b>
Gearing ratio in % (Debt/ capital)	33.92	45.00

In order to achieve the overall objective , the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements

There are no changes in the objectives, policies or processes for managing capital during the years ended 31 March 2023 and 31 March 2022.

#### 41 Earnings Per Share

	As at Mar 31, 2023	As at Mar 31, 2022
Net Profit / (Loss) for the Period	4,262.65	9,423.00
<b>Shares</b>		
Weighted average number of equity shares	45,232,790	45,232,790
<b>Earnings per share of par value Rs. 10/ – Basic and Diluted in Rupees.</b>		
Basic	9.40	20.69
Diluted	9.40	20.69

**42. Expenditure in Foreign Currency:**

Foreign Travel	-	-
Raw Materials	407.05	527.24
Components, Stores & Spares	28.28	113.65
Capital Goods	732.68	2,125.96
Advance for Capital Goods	-	-
Fees paid for certification	-	-
Others	9.17	11.39
<b>Total</b>	<b>1,177.18</b>	<b>2,778.24</b>

**Note 43: Corporate Social Responsibility (CSR)**

As per Section 135 of the Companies Act, 2013 and rules made there under on CSR Activities, the Company has incurred an amount of Rs. 280.79 (2022 year Rs.243.54) towards Corporate Social Responsibility activities during the Financial Year 2022-2023 and debited to Statement of Profit and Loss.

The amount of expenditure to be spent on CSR activities and financial details as per the Companies Act, 2013 for the F.Y 2022-23 are as under:

Particulars	2022-23	2021-22
Average of net profits of last three financial years as per Section 198 of the Companies Act, 2013	14868.17	11907.38
Earmarked percentage U/s 135 of the Companies Act, 2013 towards CSR Activities	2%	2%
Amount to be spent towards CSR Activities	297.36	238.15
Amount actually spent on Education, Medical and other social (CSR) Activities	280.79	243.54
Shortfall /(Excess)	16.58	(5.39)
Set off from the excess of previous financial year	16.58	-
Balance to be spent	-	-

As per Paragraph 17(b) of the Guidance Note on CSR issued by ICAI, the details of expenditure incurred by the Company on CSR activities are as follows:

Particulars	In Cash	Yet to be paid in Cash	Total
Construction/Acquisition of asset			
Other than (i) above:	280.79	0	280.79

#### 44. Related Party Transactions

a) Names of related parties and nature of relationships:

##### i) Key Managerial Personnel (KMP):

1.	Mr. K Ravi	Executive Vice Chairman
2.	Mr. K Gautam	Managing Director
3.	Mr. N G V S G Prasad	Executive Director & CFO
4.	Mrs. Roopa Bhoopathiraju	Executive Director
5.	Mr. Utkal B Goradia	Executive Director (w.e.f. 27.9.2022)
6.	Mr. T Arun Kumar	Company Secretary

##### ii) Non Whole time Directors

1.	Mr. Kamlesh Gandhi	Chairman
2.	Dr. R Kalidas	Director
3.	Lt. Gen. T A Dcunha (Retd)	Director
4.	Mr. P N Raju	Director
5.	Mr. Ashven Datla	Director
6.	Mrs Pooja Kalidindi	Director
7.	Mrs P Sudha Reddy	Director

##### iii) Relatives of Key Management Personnel with whom there are transactions

1.	Mrs K Sarojini	Mother of Mr. K Ravi
2.	Ms N Suchitra Katyayani	Daughter of Mr. N G V S G Prasad
3.	Mrs Sita Maha Lakshmi	Mother of Mr. N G V S G Prasad
4.	Ms. B Anika	Daughter of Mrs. Roopa Bhoopathiraju
5.	Master B Arjun	Son of Mrs. Roopa Bhoopathiraju

##### iv) Enterprises controlled by Key Management Personnel / Relatives of Key Management Personnel

1. NCL Buildtek Limited
2. NCL Homes Limited
3. Kakatiya Industries (P) Limited
4. Nagarjuna Cerachem (P) Limited
5. NCL Veka Limited
6. Vikram Chemicals Pvt Limited
7. Deccan Nitrates Pvt Limited
8. Tern Distilleries Private Limited ( 100% subsidiary Company)
9. NCL Buildtek & NCL Industries JV
10. NCL Holdings Ltd

b. Related Party Transactions for the Year

<b>i) Remuneration to Key Managerial Personnel</b>	<b>31st March 2023</b>	<b>31st March 2022</b>
Mr. K Ravi, Executive Vice Chairman	327.61	544.89
Mr. K Gautam, Managing Director	209.12	111.93
Mr. N G V S G Prasad, Executive Director & CFO	79.38	72.32
Mrs. Roopa Bhoopathiraju, Executive Director	79.31	50.96
Mr. Utkal B Goradia	22.64	-
Mr. T Arun Kumar, Company Secretary	16.80	15.68

ii) Transactions during the year where related party relationship was existing:

	<b>31st March 2023</b>	<b>31st March 2023</b>	<b>31st March 2022</b>	<b>31st March 2022</b>
<b>Sale of Finished Goods</b>				
NCL Buildtek Limited	2,718.70		2,950.86	
NCL Homes Limited			0.61	
Vikram Chemicals Pvt Ltd			7.71	
NCL Veka Limited	6.64		74.23	
Kakatiya Industries (P) Limited	6.16		34.20	
Mrs. Roopa Bhoopathiraju	0.28			
NCL Buildtek & NCL Industries JV			0.80	
		2,731.78		3,068.41
<b>Purchases / Services</b>				
NCL Buildtek Limited	137.69		168.76	
Kakatiya Industries (P) Limited	213.23		147.97	
		350.92	-	316.73
<b>Advances</b>				
TERN Distilleries Pvt Ltd	-	-	98.44	-
Modular Containers Pvt Ltd	-	-	18.98	117.42
<b>Rent Received</b>				
NCL Buildtek & NCL Industries JV	45.03	45.03	27.61	27.61
<b>Rent Paid</b>				
NCL Veka Limited	18.98		-	
Smt Roopa B	11.13	30.12	9.92	9.92
<b>Investments</b>				
Modular Containers Pvt Ltd			0.75	
NCL Buildtek & NCL Industries JV		-	2,020.97	-
<b>Investments withdrawn</b>				
Modular Containers Pvt Ltd	0.75			
NCL Buildtek & NCL Industries JV	1,525.00			
<b>Interest Received</b>				
NCL Buildtek Limited	155.72		83.51	
NCL Holdings Limited	8.46	164.18	5.40	88.91
<b>Reimbursement of Expenses</b>				
NCL Buildtek Limited	33.84		48.77	

NCL Holdings Limited	6.63	40.47	7.73	41.10
<b>Fixed Deposits as the end of the year</b>				
Mr. K Ravi	344.00			
Mrs. K Sarojini	6.00		-	
Mrs. Roopa Bhoopathiraju	44.50		4.50	
Ms B Anika	15.00		7.00	
Master B Arjun	23.40		18.40	
Mr. V V Goradia	55.00		35.00	
Mrs. Charulatha V Goradia	30.00		20.00	
Ms N Suchitra Katyayani	56.50		100.00	
Mrs Sita Maha Lakshmi	33.00		9.00	
Kamlesh Suresh Gandhi	35.00		35.00	
Sonali K Gandhi	2.00		2.00	
Paayal Sanjay Desai	5.00		5.00	
Trevor Alosius D'cunha	45.00		45.00	
Mrs. Rani Raghavapudi	30.00		30.00	
Mr. Arun Raghavapudi	18.00	742.40	18.00	328.90
<b>Closing Balances</b>				
NCL Buildtek Limited	(21.51)		(121.15)	
NCL Homes Limited	0.06		0.06	
Vikram Chemicals Pvt Ltd	-		1.33	
NCL Veka Limited	1.19		10.94	
Kakatiya Industries (P) Limited	0.68		0.86	
NCL Buildtek & NCL Industries JV	-		10.91	

#### 45. Key Financial Ratios

Ratio	Numerator	Denominator	For the year ended 31st March 2023	For the year ended 31st March 2022	Variance %
Current Ratio	Current Assets	Current Liabilities excluding Current Borrowings	1.73	2.01	(14.27%)
Debt Equity Ratio	Debt	Net Worth	0.49	0.57	(13.78%)
Debt Service Coverage Ratio	Earnings before Interest depreciation and Tax	Interest Expense + Principal Repayment	2.52	3.77	(33.15%)
Return on Equity Ratio (Refer Note 1)	Net Profit after taxes	Share holders equity	0.06	0.13	(55.11%)
Inventory Turnover Ratio	Sale of Products and services	Average Inventory	13.48	15.44	(12.66%)
Trade Receivables turnover Ratio	Sale of Products and services	Average Trade receivables	10.67	10.97	(2.79%)



Trade payables turnover Ratio	Purchase	Average Trade Payables	6.26	6.76	(7.32%)
Net Capital turnover Ratio (Refer Note 1)	Sale of Products and services	Current Assets-Current Liabilities	19.94	17.60	13.28%
Net Profit Ratio (Refer Note 1)	Profit after tax	Sale of Products and services	0.02	0.05	(54.25%)
Return on Capital Employed Ratio (Refer Note 1 & 2)	Earnings before Interest and Taxes	Capital Employed	0.10	0.15	(35.03%)
Return on Investment	Income generated from investments	Time weighted average of investments	-	-	-

1. Debt = Long Term Secured Loans+ Current Maturities of Long Term Loans+Long Term unsecured Loans+Current Maturities of unsecured Loans
2. Net worth= Equity Share Capital +Reserves and Surplus
3. Average Inventory =(Opening balance+Closing balance)/2
4. Average Trade Receivables =(Opening balance+Closing balance)/2
5. Average Trade Payables =(Opening balance+Closing balance)/2
6. Capital Employed =Total Assets -Current Liabilities

#### Notes

1. During the financial year 2022-23 increase in cost of materials in comparison with previous financial year which directly effected the operating margins and as a consequence the variance in ratios are as reported above.
2. Additional Loans were obtained for various ongoing projects, hence the variance in ratios as reported above.

#### Note 46:

Other information as required under Scedule III of Companies Act, 2013:

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries."

"ii) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property"

iii) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

- iv) The Company has no Loans or Advances in the nature of Loans to specified persons that are Repayable on Demand or without specifying any terms or period of repayment.
- v) The Company had no transactions with Companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 during the year.
- vi) The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)
- vii) The Code on Social Security, 2020 (“Code”) relating to employee benefits during employment and post-employment benefits received presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- viii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- ix) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

#### **Note 47**

Previous year's figures have been regrouped/reclassified/recasted wherever necessary to confirm to the current year's presentation.

#### **48 Segmental Reporting :**

Based on the “management approach” as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the company's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented for each business segment. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual business segments, and are as set out in the significant accounting policies. Business segments of the company are.

1. Cement
2. Boards
3. RMC
4. Energy
5. Doors

Types of products and services in each business segments (1) OPC/PPC/53 S Cement (2) Plain and laminated Cement Bonded Particle Boards . (3) Ready Mix Concrete. (4) Generation of Hydel power. (5) Doors

#### **Segment Revenue and Expense**

Details regarding revenue and expenses attributable to each segment must be disclosed  
Segment assets include all operating assets in respective segments comprising of net fixed assets and current assets, loans and advances etc. Assets relating to corporate and construction are included in unallocated segments. Segment liabilities include liabilities and provisions directly attributable to respective segment.

**Segment revenues and results:**

for the year ended March 31, 2023

Amount in Rs lakhs

Particulars	Cement	Boards	Energy	RMC	Doors	Unallocable	Total
<b>Segment Revenue from External Customers</b>							
Within India	131,004.11	17,197.18	565.17	9,395.81	2,803.67	-	160,965.95
Outside India		-					-
<b>Inter-Segment Revenue</b>	25,689.86	805.05	220.47	30.66	31.69	-	26,777.73
<b>Total Segment Revenue</b>	<b>156,693.97</b>	<b>18,002.23</b>	<b>785.63</b>	<b>9,426.47</b>	<b>2,835.36</b>	<b>-</b>	<b>187,743.67</b>
<b>Segment Results</b>							
Within India	9,558.60	2,128.31	420.00	(100.64)	(540.21)	278.07	11,744.13
Outside India	-	-	-	-	-	-	-
<b>Total segmental results</b>	<b>9,558.60</b>	<b>2,128.31</b>	<b>420.00</b>	<b>(100.64)</b>	<b>(540.21)</b>	<b>278.07</b>	<b>11,744.13</b>
<b>Unallocated Corporate expenses:</b>							
Interest expenses (net)						2,620.63	2,620.63
Other unallocated expenses net of other income						0	0
Profit before tax from ordinary activities	<b>9,558.60</b>	<b>2,128.31</b>	<b>420.00</b>	<b>(100.64)</b>	<b>(540.21)</b>	<b>(2,342.56)</b>	9,123.50

for the year ended March 31, 2022

Amount in Rs lakhs

Particulars	Cement	Boards	Energy	RMC	Doors	Unallocable	Total
<b>Segment Revenue from External Customers</b>							
Within India	137,081.54	13,347.37	626.31	10,085.11	2,200.44	-	163,340.77
Outside India							-
<b>Inter-Segment Revenue</b>	19,692.24	851.15	123.03	119.03	17.27	-	20,802.71
<b>Total Segment Revenue</b>	<b>156,773.78</b>	<b>14,198.52</b>	<b>749.33</b>	<b>10,204.14</b>	<b>2,217.71</b>	<b>-</b>	<b>184,143.48</b>
<b>Segment Results</b>							
Within India	16,527.78	1,224.85	353.83	81.70	(1,063.20)	(100.45)	17,024.50
Outside India	-	-	-	-	-	-	-

<b>Total segmental results</b>	<b>16,527.78</b>	<b>1,224.85</b>	<b>353.83</b>	<b>81.69</b>	<b>(1,063.20)</b>	<b>(100.45)</b>	<b>17,024.50</b>
<b>Unallocated Corporate expenses:</b>							
Interest expenses (net)						2,420.46	2,420.46
Other unallocated expenses net of other income							-
Profit before tax from ordinary activities						2,420.46	14,604.04

### Segment assets and liabilities

for the year ended March 31, 2023

Amount in Rs lakhs

Particulars	Cement	Boards	Energy	RMC	Doors	Unallocable	Total
<b>Segment Assets :</b>							
Assets	100,281.35	13,741.57	2,644.62	4,813.57	9,408.76	21,118.20	152,008.08
<b>Total Assets</b>							
<b>Segment Liabilities :</b>							
Liabilities	40,825.48	2,603.74	74.50	1,701.03	536.56	16,691.45	62,432.76
<b>Total Liabilities</b>							

for the year ended March 31, 2022

Amount in Rs Lakhs

Particulars	Cement	Boards	Energy	RMC	Doors	Unallocable	Total
<b>Segment Assets :</b>							
Assets	97,276.28	13,639.61	2,733.87	4,406.64	8,288.78	20,708.64	147,053.81
<b>Total Assets</b>							
<b>Segment Liabilities :</b>							
Liabilities	38,386.65	2,525.09	48.42	1,489.59	350.53	20,615.82	63,416.09
<b>Total Liabilities</b>							



If undelivered, please return to:

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