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NCL INDUSTRIES LIMITED



Sri K. Gautam, Executive Director, NCL Industries Ltd. receiving the Certificate of Excellence for Exemplary Growth for the year 2012, given by INC 500 at New Delhi in March, 2013.

**BOARD OF DIRECTORS**

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

COMPANY SECRETARY

Mr. T. Arun Kumar

AUDITORS**VENUGOPAL & CHENYOY**

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

BANKERS

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

FACTORIES**CEMENT DIVISION****UNIT – I**

Simhapuri,
Mattampally Mandal,
Nalgonda Dist
Andhra Pradesh
Pincode - 508204

UNIT – II

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

BOARDS DIVISION**UNIT – I**

Simhapuri,
Mattampally Mandal,
Nalgonda Dist
Andhra Pradesh
Pincode - 508204

UNIT– II

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

PREFAB DIVISION**UNIT – I**

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

UNIT – II

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

ENERGY DIVISION**UNIT – I**

Pothireddypadu, Head
Regulator, Chabolu Village,
Pothulapadu Post,
Nandikotkur TQ.
Kurnool District
Andhra Pradesh
Pincode - 518402

UNIT – II

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

**READY MIX CONCRETE
DIVISION****Unit - I**

Plot No 91/C, D Block ,
Autonagar, Gajuwaka,
Visakhapatam

Unit - II

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

Regd. & Admn. Office

7th Floor, Raghava Ratna Towers, Chirag Ali Lane, Abids, Hyderabad - 500 001.
Tel : 91 (040) - 23203637, 23202548, 23204243 Fax : 91 (040) - 23202496, 23203417
E-mail : ncl@nclind.com Website : www.nclind.com



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**AGM on Saturday the 28th September, 2013 at 11.30 A.M. at
Bharatiya Vidya Bhavan, King Koti Road, Hyderabad- 500 029.**



Notice is hereby given that the 32nd Annual General Meeting of NCL Industries Limited will be held on Saturday, the 28th September, 2013 at 11.30 a.m. at Bharatiya Vidya Bhavan, King Koti Road, Hyderabad- 500 029, to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet of the company as at 31st March 2013 and the Profit and Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr.R.Anand who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Mr.K.Madhu who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. Vinodrai.V.Goradia who retires by rotation and is eligible for re-appointment.
5. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

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

“RESOLVED that in partial modification of the Resolution passed by the shareholders at its meeting held on 14th September 2012, and pursuant to Sections 198, 309, 310 read with Schedule XIII and other applicable provisions, if any of the Companies Act 1956, the Company hereby approves and confirms the remuneration paid to Mr. K Ravi, Managing Director, who took a voluntary cut of 25% in the substantive remuneration approved by the shareholders with effect from 17th August 2012, in view of the difficult financial condition of the company.”

“FURTHER RESOLVED that the shareholders hereby note that even after the voluntary cut, the remuneration paid to Mr. K Ravi for the year 2012-13, retrospectively exceeded the ceilings of minimum remuneration prescribed by Schedule XIII to the Companies Act, 1956, by Rs.25.19 Lakhs and that an application be made to the Central Government for approval of payment of such remuneration.”

“FURTHER RESOLVED that subject to the approval of the Central Government, the remuneration approved by the shareholders at its meeting held on 14th September 2012 (with a reduction of 25% in the salary and without commission) be paid as minimum remuneration to Mr. K Ravi, Managing Director, in the event of absence or inadequacy of profits, for the year 2013-14 onwards,”

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

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy instead of himself to attend and vote only in a poll and the proxy need not be a member. Proxies in order to be effective should be duly stamped, completed and signed and must be received by the company not less than 48 hours before the Annual General Meeting.
2. Shareholders seeking any information with regard to accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready.
3. The Register of Members and Share Transfer Registers will remain closed from 21st September, 2013 to 28th September, 2013 (both days inclusive) on account of the Annual General Meeting .
4. 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.
5. 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.
6. In terms of clause 49(IV)(G) of the Listing Agreement, brief resumes of Directors proposed to be appointed or reappointed at the Meeting are given.
7. The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” vide MCA Circular No.18/2011 read with Circular No 17/95/2011 CL.V, Government of India, Ministry of Corporate Affairs dated 29/04/2011 by allowing paperless compliances by the companies and has issued circulars stating that notices/documents including Annual Reports can be sent by e-mail to its members. The company appreciates and supports this green initiative and requests the members to register their e-mail address to receive the future correspondence, including Annual Reports through e-mails. In the case members who are holding shares in demat form, the email IDs registered with the DP and made available to the company/RTA shall be the registered email IDs unless communication is received to the



contrary. Shareholders are requested to update their e-mail through their Depository Participants concerned and members who hold the shares in physical form are requested to update their e-mail address to the Company's Registrar and Share Transfer Agents M/s.Venture Capital& Corporate Investments (P)Ltd .

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

Company Secretary,

NCL Industries Limited

7th Floor, Raghavaratna Towers, Chirag Ali Lane

Abids, Hyderabad-500001

e- mail cs@nclind.com

Address of Registrar and Share Transfer Agents

Venture Capital & Corporate Investments (P)Ltd

12-10-167 (MIG), Bharath Nagar, Hyderabad -500 018

Phone : 040-23818475 / 76 & 23868023

e-mail:info@vccilindia.com

Brief Resume of Directors proposed to be reappointed.

Mr. R.Anand

Mr. R. Anand (aged about 79 years) is associated with the company as non executive independent Director since 1982. He is having rich experience in Textile Industry and currently Chairman of Eastern Engineering Co (Bombay) Pvt Ltd.,Marzoli Textile Machinery Manufacturers (P) Ltd, Smit Textile Machinery Manufacturers (P)Ltd and ETS Eastern Services (P)Ltd. Besides being a Director of the company, he is also a Director in Nova Silk Pvt Ltd, Indo Count Industries Ltd, Pranavaditya spinning Mills Ltd, ETS Eastern services (P)Ltd, Ferrari Eastern Fans India (P) Ltd & NSL Textiles Limited. He is also Director and trustee in Indian Textile Accessories & Machinery Manufacturers 'Association (ITAMMA). He is holding 540 equity shares in the company.

Mr. Vinodrai.V.Goradia

Mr. Vinodrai.V.Goradia (aged about 76 years) has been associated with the company as Promoter Director since 1982 except a brief spell between 20.08.1987 to 27.09.1990 and is one of the original promoters. He is the proprietor of Shyamji Bhanji & Co based in Mumbai engaged in chemical business. Mr. Goradia brings with him rich commercial experience.

Mr. Vinodrai.V.Goradia is not a Director in any other company. He currently holds 4,19,784 Equity shares in the Company.

Mr. K.Madhu

Mr. K. Madhu (aged about 57 years) is a Promoter of the Company. He has been Director of the company since 1991. He served as Joint Managing Director of the company from 25.07.1991 to 21.11.1992. Mr. Madhu is at present the Managing Director of NCL Alltek & Seccolor Ltd, a company dealing in Coating Products and Building Materials. A graduate in Commerce and Law, he has proven himself as a succesful industrialist with over 28 years rich experience in cement and building material Industry. He is also director in NCL Homes Ltd, Khandaleru Power Company Ltd, NCL Wintech (India)Ltd, Kakatiya Industries Pvt Ltd,Eastern Ghats Renewable Energy (P)Ltd, and SpantileMfg.Co.Pvt.Ltd. Currently apart from being a director, he is a member of Audit committee, Investor Grievance committee and Remuneration committee of the company. He currently holds 11,17,129 Equity shares in the company.

Mr. K. Madhu is the brother of Mr. K. Ravi, Managing Director and father of Mr.K.Gautam, Executive Director.



EXPLANATORY STATMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956

ITEM NO: 6.

Members may recall that at the Annual General Meeting of the company held on 14th September, 2012, shareholders have approved the following remuneration of Mr. K. Ravi, Managing Director with effect from 1st April, 2012,

Salary: Rs. 5,00,000/- per month (with an annual increment of Rs. 75,000/- per Month).

Commission: 2% of the net profit of the Company computed in a manner laid down under section 198 of the Companies Act, 1956.

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

Housing/HRA: @ 40% of the salary

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

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

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

Entertainment Expenses: He shall be entitled to reimbursement of entertainment expenses actually and properly incurred for the business of the Company.

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.

The resolution also further specified that in the case of inadequacy of profits in any year, the remuneration payable

to him shall be limited to the applicable ceiling prescribed under Schedule XIII to the Companies Act, 1956 (Para B of Section II), which at present is Rs. 4,00,000/- per Month"

The profits for the year 2011-12 were adequate to pay the remuneration as per the resolutions. However, the adverse market conditions coupled with steep rise in the cost of power and other inputs affected all the cement companies in Andhra Pradesh adversely. Consequently, the operations for the year ended 31st March 2013 resulted in a net loss for the company.

Keeping in view the difficult financial conditions, the Managing Director and the Executive Directors took a voluntary cut of 25% in their salaries since 17th August 2012. However, in view of the absence of profits, even after the voluntary pay-cut, the remuneration paid to the Managing Director has been in excess of the ceiling of Rs. 4,00,000/- per month (inclusive of allowances and benefits) prescribed by Schedule XIII of the Companies Act, 1956. Payment of such excess is permissible only with the approval of the Central Government.

The Remuneration Committee at its meeting held on 14th August, 2013 recommended that the approval of the shareholders and the Central Government be sought for approval of the remuneration already paid for the year 2012-13, with the voluntary pay cut, and also the payment of the substantive remuneration with a 25% cut in salary, and without the Commission as minimum remuneration in the absence or inadequacy of profits for the year 2013-14 onwards,

According to Section 310 of the Companies Act, 1956 read with Para B Part II, Section II of Schedule-XIII of the said Act, any revision in remuneration payable to Managing/Whole time Director (subject to ceiling limits as prescribed) requires the approval of the shareholders in General Meeting by way of a Special Resolution and prior approval of the Central Government.

The information as required under Schedule XIII to the Companies Act, 1956 is as under:-

I. GENERAL INFORMATION:

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


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

Financial year	2008-2009	2009-2010	2010-2011	2011-12	2012-13
Parameters					
Turnover	42639.47	34113.66	56566.20	76383.84	63303.73
Net Profit (as computed u/s. 198)	4458.64	2452.13	2968.71	6639.30	(815.07)
Net profit as per profit and loss Account	2985.06	1170.78	2341.29	4425.48	(1154.47)
Amount of Dividend paid#	989.18	408.75	609.08	812.10	Nil*
Rate of dividend Declared	25%	10%	15%	20%	Nil*

including dividend Tax

* The Board of Directors have in anticipation of improvement of market conditions, at their meeting held on 30th May, 2013 have made a provision of dividend @ 10% out of the profits of the previous years. This was subject to the consent of the lenders as per the Loan Agreement. In view of the decision to seek a Corporate Debt Restructure, the Directors have decided not to recommend a Dividend for the Financial Year 2012-13

(5) Export performance: Rs. 267.56 Lakhs Foreign Currency Earnings- FOB basis for the Financial Year 2012-13.

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

II. INFORMATION ABOUT THE APPOINTEE:
(1) Background Details –

Mr. K Ravi (59 years), is an Electrical Engineer with specialization in power stations network and systems, and has over 36 years rich experience in managing cement & building materials, chemical and hydel power units. He successfully implemented the hydel power projects of erstwhile NCL Energy Ltd (merged with NCL Industries Ltd). Apart from being the Managing Director of NCL Industries Ltd, Mr. Ravi holds directorship in Khandaleru Power Company Ltd, NCL- VST Infra Ltd, Kakatiya Industries Pvt. Ltd, Nagarjuna Cerachem Pvt. Ltd, Deccan Nitrates Pvt. Ltd, and Vikram Chemicals Private Ltd.

(2) Past remuneration -

Financial Year

2012-13 Rs. 73.19*/- lakhs

2011-12 Rs. 166.79/- Lakhs

2010-11 Rs. 79.07/- Lakhs

*(includes excess remuneration of Rs.25.19 Lakhs paid as per Notes to accounts No 2.30 II b)

(3) Recognition or awards:

Mr. K. Ravi, Managing Director has been conferred the “Entrepreneur of the Year -2012 by Hyderabad Management Association in recognition of his outstanding entrepreneurship, innovativeness and strategies as exemplified by the high levels of growth and performance of NCL Industries Ltd.



(4) Job profile and his suitability –

Mr.K.Ravi is the overall in- charge of operations of the Company. Subject to the superintendence, direction and control of the Board, the day to day management and administration of the Company is vested with 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 Managing Director has the approval of the 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 Managing Director in other companies of similar size and operations.

(7) Pecuniary relationship directly or indirectly with the company, or relationship with managerial personnel, if any - Besides, the remuneration proposed, Mr.K.Ravi is holding of 22,07,405 equity shares in the Company. Mr. K Ravi does not have any other pecuniary relationship with the Company.

The terms and conditions of their appointments may be treated as an abstract of terms of appointment and remuneration payable to the Managing Director required to be sent to every member pursuant to Section 302 of the Companies Act, 1956.

III OTHER INFORMATION

(1) Reasons of loss/inadequate Profits :

As explained in the Directors' Report, cement units in general, and those in the State of Andhra Pradesh in particular were badly affected by a combination of factors such as creation of excess capacity coupled with a fall in demand, recession in the infrastructure sector and slowdown of construction activity, frequent power-cuts, steep rise in the cost of key inputs like power and coal, coupled with fall in the market prices. Your company was also affected by this general scenario.

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

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

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

Your Directors have reason to view the situation with a cautious optimism that with the announcement of the proposed reorganization of the State the construction activity will pick up resulting in higher demand and realization in cement prices.

Your Directors recommend that the Resolution be passed.

Mr. K Ravi himself, his brother Mr. K Madhu and his nephew Mr. K Gautam may be treated as interested in the above resolution.



Your Directors have pleasure in presenting their Report for the financial year ended March 31, 2013.

Financial Results

The Audited Balance Sheet of your Company as at March 31, 2013, the Profit & Loss Account for the year ended on that date and the report of the Auditors thereon are being circulated with this report. The salient features of the financial results are as follows:

	Rs. in Lakhs	
	2012 – 2013	2011–2012
Gross Income	63144.76	76230.68
Profit (Loss) for the Year Before Tax	(901.53)	6361.20
Provision for Tax	252.94	1935.72
Net Profit (Loss)	(1154.47)	4425.48
Profit brought forward from Previous Year	1800.54	1187.16
Profit available for Appropriation	646.07	5612.64

- The Financial year 2012-13 has turned out to be one of the most challenging in recent times for the cement industry, particularly in Andhra Pradesh. Cement units in the State were badly affected by a combination of factors such as creation of excess capacity coupled with a fall in demand, recession in the infrastructure sector and slow-down of construction activity, frequent power-cuts, steep rise in the cost of key inputs like power and coal, coupled with fall in the market prices. Your company was also affected by this general scenario. During the year under review, there has been 17% drop in the gross income and 126 % in the Net Profit compared to the previous year.
- The Boards Division improved its performance during the year due to improved sales volumes and realizations compared to the previous year 2011-12.
- Energy division could generate 22.70 Million Units of power as against 32.37 Million Units in the previous year mainly due to shortfall of rains in the catchment areas.

Dividend

Though your Company incurred losses for the year under review, in order to maintain the uninterrupted track record relating to declaration and payment of dividend since FY 2000-01, your Directors made a provision for dividend of 10%

from the accumulated profits of the previous years, while approving the accounts. This was done with the hope that the market prices would improve and the cash flows would ease during the first Quarter of the current year. Further, any payment of dividend is subject to the approval of the lenders as per the loan agreement. Unfortunately, there was no upturn in the market prices, nor was the approval of the lenders forthcoming for the payment of dividend.

Your Directors therefore have to regretfully skip the payment of any dividend for the year under review.

The Provisions for Dividend made in the accounts will be written back in the accounts of the current year.

Corporate Debt Restructuring

In view of the resource crunch occasioned by the absence of profit, the ability of your company to meet its interest and repayment obligations to the lenders has been severely impacted. Your Company has approached the lenders for sanction of a Corporate Debt Restructuring to ease the pressure on resources. The proposal is under active consideration of the lenders.

Investor Education & Protection Fund

The Company has transferred Rs24.58 Lakhs relating to unpaid Dividend for the Financial Years 2004-05, 2005-06 (interim dividend) and an amount of Rs 1.54 Lakhs relating to unpaid Rights issue refund A/c (Financial year 2005-06) to the Investor Education & Protection Fund.

Fixed Deposits

As on 31st March 2013, Rs 3395.93 Lakhs of Public Deposits are outstanding. The Company has repaid all the matured deposits that have been claimed.

Auditors

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

Cost Audit

Mr. R. Srinivasa Rao, Cost Accountant, the Cost Auditor of the Company has been re-appointed to conduct the cost audit pertaining to the Cement Division as well as the Energy Division of the company for the financial year 2013-2014.

The due date for filing the cost audit reports in XBRL mode for the financial year ended March 31st, 2012 was February 28th, 2013 and the Cost audit reports were filed with Ministry of Corporate Affairs on 05/01/2013.



Directors

Mr. K.Madhu, Mr. Vinodrai.V.Goradia and Mr. R.Anand retire by rotation at the ensuing Annual General Meeting and are eligible for re-appointment.

Necessary resolutions for the re-appointment of the aforesaid Directors have been included in the notice convening the Annual General Meeting.

Corporate Social Responsibility

Your Company 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, your company has been actively engaged in efforts to improve the quality of life in the contiguous localities. The focus of your Company has mainly been in the fields of education and training, and the health needs of the society surrounding its plant locations.

In view of the resource crunch, your company has not been able to take any fresh CSR initiatives. However, the on-going CSR activities are being sustained. The activities are briefly summarized below:

Education and Training

Your Company's plant in Mattapalli is located in a class 'C' backward area in Andhra Pradesh. With a view to bring quality education accessible to the villages, your company is running an English Medium School to impart education from LKG to Class X. Established in the year 1991, this school caters to the educational needs of all nearby villages mostly inhabited by tribals by providing free education to around 600 tribal children to attend school. Your Company is providing digitalized class rooms in English medium with an intention to bring village tribal children to face competitive world with self confidence after school.

This school has the distinction of having achieved 100% success rate in 10th Class Public Examination conducted by A.P. State Board of Secondary Education consistently for the past four years and achieved ranks since 2001-02. To encourage and facilitate regular attendance, your Company has also been providing free transportation to school children over a radius of 10 kilometers.

With a view to equip basic skill sets and improve the prospects of employment on completion of the basic education, your company also provides training for at the plant site for two years to children of employees. Your Company believes that such training instills a sense of confidence among the children and enables them to embark upon a career on a sure footing.

Medical & Health

Your Company has established a full-fledged health centre, with eight- bedded hospital for the benefit of the employees as well as inmates of the surrounding villages. Fully qualified medical staff with life saving medicines at free of cost to villagers is available at the Health Centre round the clock to cater to emergencies. On an average around 2000 outpatients are utilizing this health center each month. Specialists from various faculties visit the hospital every week to provide Medicare to the patients. In addition specialist doctors from super specialty hospitals from Hyderabad visit the hospital once in a month.

In addition, your Company organizes several medical and health camps each year in surrounding villages to provide health care and to improve the awareness of health and sanitation among villagers. NCL is also conducting blood donation camps on special occasions like annual day, world health day etc. NCL engaged child specialist and gynecologists on retainer basis to visit the health center to provide free consultation for the benefit of villagers. Best doctor award in Nalgonda district given to NCL Health center.

Environment

A plantation drive was undertaken in and around NCL plant locations to convert areas in to green zones. NCL constructed sewage treatment plants in the nearby villages of Mattampalli mandal for reuse of waste domestic water for plantation and farm needs. Besides providing clean drinking water to staff quarters located in plant areas, a separate Sewage Treatment Plant (STP) was set up near the plant area located at Mattapalli village to treat the sewage water coming out from staff quarters and use the recycled water to plantation areas to grow it as lush greenery and to balance ecology and environment. Purified drinking water is supplying to remote areas near by villages/ thandas during summer season.

Corporate Governance

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

Management Discussion and Analysis Report

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

Director's Responsibility Statement

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



- I. That all applicable accounting standards have been followed in the preparation of annual accounts and that there are no material departures
- II. That the Directors selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2013 and of the loss of the Company for the year ended on that date.
- III. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- IV. That the Directors prepared the Annual Accounts on a going concern basis.

Particulars of Employees

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

Additional Information

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

Acknowledgements

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

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

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

For and on behalf of the Board

R. ANAND
Chairman

Place: Hyderabad
Date : 14th August, 2013



FORM-A

I. FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

	Current Year 2012-13	Previous Year 2011-12
A. POWER AND FUEL CONSUMPTION		
1 ELECTRICITY		
a. Purchased		
Units -Lacs	998	1220
Total Amount (Rs.In lacs)	5344.45	4518.47
Rate/Unit(Rs)	5.36	3.70
b. Own Generation		
Through Diesel Generator (Units Kwh lakhs)	8.74	1.53
Total Amount (Rs. In Lacs)	130.49	18.05
Rate/Unit(Rs)	14.93	11.80
2 COAL		
Quantity (Tonnes)	190598	205374
Total Cost (Rs.Lacs)	8540	9531
Average Rate/Tonne(Rs)	4480.46	4640.75
3 FIRE WOOD		
Quantity (MT)	8726	8155
Total Cost (Rs.Lacs)	209.80	187.91
Average Rate/Tonne(Rs)	2404	2304
4 CONSUMPTION PER UNIT OF PRODUCTION		
Electricity -Units		
Cement Division (per MT)*	90.33	93.53
Boards Division (per Sq Mtr)	2.42	4.18
Coal -MT (Cement Division) *	0.197	0.205
Kcal/Kg clinker	777	789
*Per MT of equivalent Ordinary Portland Cement		

FORM-B

II. FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION, (R&D)

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

For and on behalf of the Board

Place : Hyderabad
Date : 14th August, 2013

R. ANAND
CHAIRMAN



1) Company's philosophy on Corporate Governance

The Company's philosophy on Corporate Governance is to conform to the code of corporate governance in letter and spirit as an aid to efficient conduct of its business and in meeting its obligations to shareholders.

2) Board of Directors:

a) Constitution & Size of the Board

During the year under review, your Board of Directors had 10 Directors, 3 being Executive Directors and 7 Non-Executive Directors. Four of the Non Executive Directors, including the Chairman are independent.

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

Five Board Meetings were held during the year 2012-2013. The dates on which the said meetings were held are as under:

- (1) 30th May, 2012 (2) 31st July, 2012 (3) 14th Sep 2012
 (4) 10th Nov 2012 (5) 14th Feb 2013

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

Name of the Director	Categories Of Directorship*	No of Board Meeting attended	Attendance at last AGM	Directorship in other Companies	No. of memberships of other Committees**	
					Chairman	Member
R. Anand	I & NED	5	Yes	9	-	3
M. Kanna Reddy	I & NED	5	Yes	1	-	1
M. Bhaskara Rao (Nominee Director - IREDA)	I & NED	4	Yes	-	-	-
Kamlesh Gandhi	I & NED	4	Yes	4	-	1
V.V. Goradia	NED	5	Yes	-	-	-
K Madhu	NED	5	Yes	7	-	-
Ashven Datla	NED	5	Yes	7	-	1
K.Gautam	ED	5	Yes	-	-	-
P.N.Raju	ED	5	Yes	1	-	-
K. Ravi	MD	5	Yes	7	-	-

**As per the explanation to clause 49I(C), only Audit committee and Shareholders grievance committee have been considered for the purpose

* I & NED Independent and non executive Director

NED Non-executive Director

ED Executive Director



3) Audit Committee:

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

- 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.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor, cost auditor and the fixation of audit fees.
- Reviewing, with the management, the annual financial statements before submission to the board for approval
- Reviewing the adequacy of internal audit function and the adequacy of the internal control systems.

During the year under review, four meetings of the Audit Committee were held on the following dates :

30th May, 2012, 31st July 2012, 10th November 2012, and 14th February 2013.

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

Name	Designation	Category	Committee meetings attended
M. Kanna Reddy	Chairman	Independent	4
M. Bhaskara Rao	Member	Independent (IREDA Nominee)	3
K. Madhu	Member	Non Executive	4
Kamlesh Gandhi	Member	Independent	3

In addition, Mr. R. Anand has been co-opted as member for the meeting held on 31st July, 2012 to comply the Listing Agreement requirements as part of good corporate governance.

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

4) Remuneration Committee:

The Board also has a Remuneration Committee constituted in pursuance of Clause 49 of the Listing Agreement. This Committee considers and recommends the remuneration payable to Executive Directors. During the year under review, one committee Meeting was convened on 30th May, 2012.

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

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

Remuneration Policy

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


Remuneration paid to Executive Directors

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

(Rs. in lakhs)

Name of the Director	Salary	Allowances	Commission	Total
K. Ravi, M.D	50.56	22.63	-	73.19*
P.N. Raju, E.D	30.34	15.77	-	46.11
K. Gautam, E.D	20.23	8.09	-	28.32

*in view of the absence of profits for the year under review, the Executive Directors took a voluntary cut of 25% of the basic salary w.e.f. August 17th, 2012. Even with this voluntary cut, the remuneration paid to Mr. K Ravi exceeded the ceilings prescribed by the Companies Act, 1956 by Rs.25.19 lakhs and is subject to the approval of central government as per Schedule XIII to the Companies Act 1956. (Also see Balance sheet notes to accounts No.2.30(ii b)).

Remuneration paid to Non Executive Directors

The Non-Executive Directors were paid sitting fees for attending the meetings of the Board or the Committees thereof at the rate of Rs.7500/- per Board/Committee Meeting. In addition they are entitled to commission at the rate of not exceeding 1% of the net profits of the Company in terms of the resolution approved by the shareholders at the AGM held on 29th September, 2009. During the year under review, in view of absence of profits, no commission is payable to them.

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

Name of Director	No. of Board / Committee meetings attended	Sitting Fees paid (Rs)
M. Kanna Reddy	11	82,500
M. Bhaskara Rao (IREDA Nominee)	8	60,000
Vinodrai. V. Goradia	5	37,500
R. Anand	6	45,000
Ashven Datla	6	45,000
K. Madhu	11	82,500
Kamlesh Gandhi	8	60,000
Total Sitting Fees Paid		4,12,500

Shareholdings of Non Executive Directors as on 14th August, 2013:

Non-executive Directors	No. of Shares
R. Anand	540
M. Kanna Reddy	NIL
Vinodrai. V. Goradia	4,19,784
K. Madhu	11,17,129
M. Bhaskara Rao (IREDA Nominee)	NIL
Ashven Datla	1,62,310
Kamlesh Gandhi	NIL


5) Investor's Grievance Committee :

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

During the period under review, the Committee met once on 14th February, 2013. The attendance details of the members are given hereunder.

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

Compliance Officer

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

i) Details of Investors letters / complaints received during the year ended 31st March 2013.

Sl No	Nature of letter / complaints	Received	Disposed	Pending
1	Non- Receipt of Dividend Warrant(s)	15	15	Nil
2	Non - Receipt of Share Certificates after transfer / duplicate.	6	6	Nil
3	Non - Receipt of Annual Report	6	6	Nil
4	Miscellaneous – others	-	-	Nil

ii) Number of Complaints pending with the Company:

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

6) Subsidiaries:

There are no subsidiaries of the Company.

7) General Body Meetings:

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

Year	Date & time of AGM	Place
2011-2012	14.09.2012 at 11.00 AM	Bharatiya Vidya Bhavan, King Koti, Hyderabad
2010-2011	30.09.2011 at 10.30 AM	Bharatiya Vidya Bhavan, King Koti, Hyderabad
2009-2010	30.09.2010 at 10.00 AM	Bharatiya Vidya Bhavan, King Koti, Hyderabad

b) Details of Special Resolutions passed in last three AGMs

Year	Gist of the Resolutions
2011-12	a) Revision in remuneration of Mr.K.Ravi, Managing Director and Mr. P. N. Raju, Executive Director b) Increase in remuneration of Mr. Aswin Goradia (Asst.General Manager-Marketing)
2010-2011	a) Appointment of Mr. K. Ravi as Managing Director b) Increase in remuneration of Mr. Nirmal Goradia (Vice President - Exports) c) Increase in remuneration of Mr. Utkal Goradia (Manager - Materials)
2009 - 2010	NIL

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



8) Disclosures

- 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 interest of the Company at large.
- b) During the last three years there were no strictures or penalties imposed by either the SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets.
- c) The Company does not have a formal whistle blower policy. However, the employees have free access to Audit Committee, if they desire to bring any matter to the notice of the Committee.
- d) The Company has complied with the mandatory requirements stipulated under clause 49 of the listing agreement entered into with the stock exchanges, detailed in this report,

The Company has also been conforming with the non mandatory requirements stipulated in clause 49 of the listing agreement to the extent determined applicable and suitable by the Board. They are:

i. Independent Directors –

The independent directors appointed to the Board are qualified and possess the requisite experience to guide the Company in their capacity as independent directors.

ii. Remuneration committee-

The Company has a duly constituted remuneration committee that reviews the terms of appointment and the remuneration packages for the executive directors

iii. Audit qualifications:

The Board endeavors to present unqualified financial statements. There are no audit qualifications in the Auditors' report for the financial year ended 31 March, 2013. The observation of the auditor relating to principal and interest dues amounting to Rs1042.08 lakhs and Rs146.45 Lakhs as on the date of balance sheet date are factual in nature. As already explained, the Company has approached the lenders for a restructuring of the Corporate debt under the CDR Scheme to regularize the matter.

9) Means of communication:

- I. The quarterly and half yearly financial results are published in any two of the national and local dailies.
- II. Quarterly / Half yearly financial results of the Company are forwarded to the stock exchanges and published in any two of the national and local dailies. Half yearly report is not sent to each household of shareholders as the results are published in the news papers.
- III. The results and other official news releases are also available in the Company's website – www.nclind.com

10) Shareholders information:

i) AGM	32 nd Annual General Meeting
Date	28 th September, 2013
Time	11.30 AM
Venue	Bharatiya Vidya Bhavan, King Koti, HYDERABAD.
ii) Financial Year	April 1 to March 31 next.
iii) Date of Book Closure	21 /09/2013 to 28/09/2013, (both days inclusive)
iv) Dividend payment date	No dividend recommended for 2012-13
v) Listing on Stock Exchanges	BSE & NSE
vi) A) Script Code	BSE- 502168, NSE – NCLIND
B) Demat ISIN No in NSDL & CDSL for equity shares	INE 732CO1016
C) Corporate ID. No.	L33130AP1979SGC002521

vii) **Stock Market Data****SHARE PRICE (BSE)**

Month & Year	High (Rs.)	Low (Rs.)	Close (Rs.)	No of Shares Traded (in Lakhs)
Apr- 12	53.25	43.10	44.35	2,60,351
May-12	47.25	40.60	43.05	2,48,500
Jun- 12	43.80	39.55	41.10	2,20,214
Jul- 12	45.00	40.25	41.05	1,15,068
Aug- 12	41.60	38.25	39.65	1,15,427
Sep- 12	42.90	38.00	41.95	2,19,632
Oct- 12	44.45	39.95	42.20	2,39,785
Nov- 12	44.30	38.90	40.30	1,63,700
Dec- 12	45.95	38.00	38.05	14,22,734
Jan- 13	44.40	35.00	35.50	3,76,376
Feb- 13	35.90	29.55	29.85	83,822
Mar- 13	32.25	26.25	28.05	1,77,672

SHARE PRICE (NSE)

Month & Year	High (Rs.)	Low (Rs.)	Close (Rs.)	No of Shares Traded (in Lakhs)
Apr- 12	53.45	43.45	44.65	4,10,658
May-12	46.95	40.80	43.00	1,99,332
Jun- 12	44.15	39.90	41.00	1,19,467
Jul- 12	46.05	40.30	41.10	1,39,978
Aug- 12	41.75	38.00	39.85	2,74,015
Sep- 12	43.00	38.00	42.20	2,22,214
Oct- 12	44.00	39.75	42.00	3,10,628
Nov- 12	44.00	39.00	40.15	2,98,333
Dec- 12	46.85	33.75	37.90	17,75,162
Jan- 13	44.30	34.80	35.30	15,81,454
Feb- 13	36.25	29.80	30.15	1,81,358
Mar- 13	32.10	26.00	27.05	1,81,850

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

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

ix) **Share transfer system:**

Transfer of securities in physical form is registered and the duly transferred share certificates are dispatched within 15 days of receipt provided the transfer documents are in order. The Board of Directors has delegated powers to approve the transfer, transmissions, etc to Mr. K. Madhu, Director and Mr.T. Arun Kumar, Company Secretary.


x) Distribution of Shareholding as on 31.03.2013

No. of Equity Shares Held	No. of Shareholders	%	No. of Shares Held	%
Up to 500	33,606	89.85	43,02,480	12.31
501 - 1000	2007	5.37	15,86,282	4.54
1001 - 2000	875	2.34	13,29,639	3.81
2001 - 3000	283	0.76	7,32,926	2.10
3001 - 4000	157	0.42	5,50,591	1.58
4001 - 5000	95	0.25	4,48,877	1.28
5001 - 10000	162	0.43	11,99,866	3.43
10001 & ABOVE	218	0.58	2,47,86,674	70.95
TOTAL	37403	100.00	3,49,37,335	100

xi Shareholding Pattern as on 31.03.2013

	No. of Shares Held	Percentage
Promoters/Promoter Group		
Individuals	1,21,94,205	34.90
Body Corporates	42,84,906	12.27
Public shareholding		
Individuals holding nominal share capital upto Rs.1 lakh	95,62,710	27.37
Individuals holding nominal share capital in excess of Rs.1 lakh	68,84,251	19.71
Body Corporates	17,72,716	5.07
Mutual Funds/FI's /Central & State Governments	29,090	0.08
Clearing Member/Trust	65,906	0.19
NRI's	1,43,551	0.41
TOTAL	3,49,37,335	100.00

xii) Dematerialization of Shares

The shares of the Company are compulsorily traded in DEMAT form by all categories of investors. The Company has arrangements with National Securities Depositories Ltd (NSDL) and Central Depository Services India Ltd (CDSL) to establish electronic connectivity of our shares for script-less trading. As stipulated by SEBI, a practicing Company Secretary carries Secretarial Audit to reconcile the total admitted capital with National Securities Depository Ltd(NSDL) and Central Depository Services Ltd(CDSL) and total issued and listed capital. As on 31st March 2013, 90.83% of shares of the Company were held in Dematerialized form with the following depositories.

Depository	No. of Shares	Percentage
1) NSDL	2, 80, 74,482	80.36%
2) CDSL	36, 57,964	10.47%
Total	3, 17, 32,446	90.83 %

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

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



xiv Risk Management

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

xv) Plants Location:

CEMENT	UNIT – I	: Simhapuri, Mattampally Mandal, Nalgonda Dist-508204, Andhra Pradesh
	UNIT – II	: Kadimpothavaram Village, Kondapalli, Krishna District- 521228, Andhra Pradesh
BOARDS	UNIT – I	: Simhapuri, Mattampally Mandal, Nalgonda Dist-508204, Andhra Pradesh
	UNIT – II	: Bhatanwali Village, Paonta Sahib, Sirmour District, Himachal Pradesh - 173025
PREFAB	UNIT – I	: Plot No. 34/A, IDA, Jeedimetla Hyderabad- 500 055, Andhra Pradesh.
	UNIT – II	: Bhatanwali Village, Paonta Sahib, Sirmour District, Himachal Pradesh - 173025.
ENERGY	UNIT – I	: Pothireddypadu, Head Regulator, Chabolu Village, Pothulapadu Post, Nandikotkur TQ. - 518402, Kurnool District, Andhra Pradesh.
	UNIT – II	: RBHLC Zero Mile Point, Tungabhadra Dam, Tungabhadra Board, Amaravathi Village, Hospet - 583225, Karnataka.
READY MIX	UNIT – I	: Plot No. 11, A/2, Phase 1, IDA, Patancheru (V), Medak District, Andhra Pradesh.
CONCRETE	UNIT – II	: Plot No. 91/C, D Block, Autonagar, Gajuwaka, Visakhapatnam, Andhra Pradesh.

xvi) Address for Investor's Correspondence

Secretarial Department
NCL Industries Limited
 7th Floor, Raghava Ratna Towers
 Chirag Ali Lane, Abids, Hyderabad - 500001
E-mail : cs@nclind.com

xvii) CEO/CFO Certification

The CEO/CFO of the Company have issued a certificate to the Board on the matter specified under clause 49(v) of the listing Agreement.

The above Report was adopted by the Board of Directors at their meeting held on 14th August, 2013.



DECLARATION FOR COMPLIANCE WITH CODE OF CONDUCT

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

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

K. RAVI
Managing Director

Dated: 14th August, 2013.

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 31.03.2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

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

Venugopal & Chenoy
Chartered Accountants

P.V. SRI HARI
Partner
Membership No.21961

Place: Hyderabad

Dated: 14th August, 2013.



The Company's performance during the year ended 31st March, 2013 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

Cement industry is a vital constituent of the infrastructure sector consisting of construction, transportation, coal and power. The cement industry is fairly well evolved in India, which is the second largest producer of quality cement in the world. According to research analysts, it is anticipated that the cement industry players will continue to increase their annual cement output in coming years and the country's cement production will grow at a compound annual growth rate (CAGR) of around 10.64% over the forecast period (2012–2016). This growth is primarily attributed to the government's high level of infrastructure spending, and the country's increasing number of residential and commercial construction activities.

The industry has been facing major challenges in terms of availability and cost of major inputs like coal and power. The market also witnessed swings in the demand-supply position resulting in the performance of individual companies varying from dismal to encouraging in different quarters. Southern India in general and Andhra Pradesh in particular have witnessed a scenario of increased supplies with additional capacities, accompanied by sluggish demand due to slow down in Government as well as private sector construction projects. It has therefore become imperative for cement producers to look for distant markets in spite of higher transportation costs.

Cement industry in Andhra Pradesh witnessed a relative lull during the year under review. The growth prospects of the cement industry in the State are closely linked to the growth of the overall economy in general and the real estate and construction sectors in particular.

Ready Mix Concrete (RMC)

The main factors driving the increased use of Ready Mix Concrete (RMC) in India is shorter deadlines for builders to complete projects, labor shortages, space constraints in large cities, the growing need for mechanization and the backlog of infrastructure projects. According to market research report on RMC segment, large township projects in the suburbs of India's leading cities where IT zones are prominent are also generating more demand for RMC.

Boards

Your Company is the only manufacturer of Cement Bonded Particle Boards (CBPB) in the country, marketed under the brand name Bison Panel. These Boards are a part of a wider spectrum of Boards used for walls, partitions and false ceilings. Being a building material, the fortunes of the Board Industry is closely linked to the construction activity.

Prefab

Your Company is a pioneer in the manufacture and supply of prefab shelters which have found acceptance by both public and private sector undertakings. The prefab structures use the cement bonded particle boards manufactured in-house. Prefab houses have been popular for construction of structures for military and police, as well as project housing, and during times of natural calamities where, construction needs to take place in short time frames. Competition from the smaller players in the unorganized sector offering prefab structures at lower prices have rendered the DGS&D rate contracts unviable for the company. While concentrating on the large project housing segment, your company is on the lookout for appropriate technology for prefab structures to compete with the traditional construction industry.

Hydel Energy

With a total capacity of 15.75 MW in an industry with a potential of 15,000 MW in the Small Hydro Power Sector, your company is a small player in this field.

B. OPPORTUNITIES AND THREATS

As stated earlier in this Report, the fortunes of the cement industry are closely linked with the growth of infrastructure projects and construction activity. This activity is expected to receive a major thrust, particularly after the reorganization of the State and would present a good opportunity for reversing the current phase of sluggish demand. However, the growing costs of fuel and electricity are major threats for viability of the industry. Uncertainty of the market prices is also a matter of concern.

In respect of the Boards Division, the large untapped market, and the potential growth in the construction industry offers an opportunity, while the advent and growth of alternative and new products and the resultant competition continues to be a matter requiring constant attention.

Hydro projects can be unreliable during prolonged droughts and dry seasons when rivers dry up or reduce in volume. Since most of the rivers in southern region are dependent on rain, major uncertainty in this division is availability of sufficient water to drive the hydel plants.



Hence the performance of the Energy Division is closely linked to the vagaries of the weather/availability of sufficient water near the dams, canals etc.

C. SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

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

Segments	Percentage contribution to Total Turnover	Quantity of production	Turnover (Rs. in lakhs)	Segment Profit before Interest & Tax (Rs.in Lakhs)
Cement	82.44	9,87,728 MT	51951.13	1711.71
Boards	12.27	51,150 MT	7733.48	1173.15
Prefab	0.67	8041 Sqm	421.43	(74.56)
Energy	0.69	22.77 MU	436.10	120.47
Ready Mix Concrete	3.93	68172 CU.Mtr	2472.35	(231.91)

D. OUTLOOK

The Indian cement industry has survived several odds in the past. While rising input costs, limited availability of coal may dampen the climate, the demand for cement will continue to grow. The share of the infrastructure sector in the total cement consumption is estimated to reach a level of 35 per cent by FY 2017. However, south based cement companies particularly those from Andhra Pradesh, the demand-supply overhang will continue for sometime putting pressure on cement realizations. Muted demand growth coupled with over capacity scenario is likely to reduce the operating efficiencies.

E. RISKS AND CONCERNS.

Your Company does not perceive any serious risks and concerns apart from the normal business risks connected with the industries in which it operates.

F. INTERNAL CONTROL SYSTEMS AND THEIR

ADEQUACY.

The Company has proper and adequate systems for internal controls in place. The Management continuously reviews the internal control systems and procedures to ensure orderly and efficient conduct of business. Emphasis on internal controls prevails across functions and processes covering the entire gamut of activities including finance, supply chain, sales, distribution, marketing etc.

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

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

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

The Company has cordial relations with employees and staff. As on 31st March 2013, the company has 724 employees working in its factories and various offices.

I. CAUTIONARY STATEMENT

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



Annexure 'C'

Statement of Particulars of Employees pursuant to Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended and forming part of the Directors' Report for the year ended 31st March 2013.

Name	Mr. K. Ravi
Age	59 years
Qualification	Electrical Engineer
Designation	Managing Director
Date of commencement of employment	Since 11 th January 2003
No. of year of experience	over 36 years
Remuneration	Rs 73.19 lakhs Per Annum. ** (Includes Excess remuneration of Rs 25.19 Lakhs paid as per notes No. 2.30 ii b)
Last employment held	Managing Director of NCL Energy Ltd.
Nature of employment	As per the terms approved by the shareholders
Percentage of equity shares held in the company (as on 14/08/2013)	6.38 %

Notes:

*** (Remuneration as shown above includes salary, contribution to provident fund, commission and , taxable value of perquisites in terms of their appointment and all expenses incurred by the company in providing amenities and benefits to the employees).*

For and on behalf of the Board

Date: 14th August, 2013

R. Anand
Chairman

NCL INDUSTRIES LIMITED

INDEPENDENT AUDITOR'S REPORT



To

The Members,

NCL Industries Limited.

Report on Financial Statements

We have audited the accompanying financial statements of NCL Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub section (3C) of section 211 of Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

For VENUGOPAL & CHENOY,

Chartered Accountants,

FRN: 004671S

P. V. SRI HARI

Partner

Membership No.21961

Place: Hyderabad

Date : 30-05-2013



ANNEXURE TO AUDITOR'S REPORT

Re: NCL INDUSTRIES LIMITED

[Referred to in our report of even date]

(i) In respect of Fixed Assets:

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

(ii) In respect of Inventories:

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

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

- (a) the company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) The company has taken Inter Corporate Deposits aggregating to Rs.725 lakhs from NCL Altek & Seccolor Limited and repaid Rs.390 lakhs during the year. The rate of interest and other terms and conditions are prima facie not prejudicial to the interest of the company.

(iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for purchase of inventory, fixed assets and for sale of goods. During the

course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control procedures.

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

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

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

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

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

(ix) In respect of Statutory Dues:

- (a) According to the information and explanations given to us and the records of the company examined by us, the company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income-tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.
- (b) According to information and explanation given to us, no undisputed amounts payable in Sales tax, Wealth tax, Service tax, Custom duty, Excise duty were in arrears, as at March 31, 2013 for a period of more than six months from the date they became payable.



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

Sl. No.	Name of the statute/Authority	Nature of Dues which relates	Forum	Amount (Rs. In Lakhs)
1.	Sales Tax Act (APGST & VAT)	Sales Tax	Tribunal	36.97
2.	Central Excise	Disputed Excise Dues	Tribunal High Court CEC	804.55 29.22 29.59
3.	Nala Tax	Non-Agriculture Tax on Mining Area	High Court, AP	43.56
4.	Service Tax	Disputed Service Tax	CEC	2.17
5.	Permit Fee to Forest Department	Disputed Permit Fee	High Court AP	151.14

- (x) In our opinion, the company has no accumulated losses as at March 31, 2013, and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- (xi) The company has not defaulted in repayment of dues to any financial institution or bank as at the balance sheet date. However an amount of Rs.1,042.08 lakhs towards principal and Rs.146.45 lakhs towards interest pertaining to the month of March, 2013 are due as on the date of Balance Sheet. There are no Debenture holders as at the Balance Sheet date.
- (xii) In our opinion and according to the information and explanation given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund/society. Therefore, the provisions of clause xiii of Paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause

xiv of Paragraph 4 of the Companies (Auditor's Report) Order, 2003, are not applicable to the company.

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

For VENUGOPAL & CHENOY

Chartered Accountants,
FRN: 004671S

P. V. SRI HARI

Place: Hyderabad
Date : 30-05-2013

Partner
Membership No. 21961

NCL INDUSTRIES LIMITED**BALANCE SHEET AS AT 31st MARCH, 2013**

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



	Notes	31 Mar 2013	31 Mar 2012
EQUITY AND LIABILITIES			
Share holders' Funds			
Share Capital	2.1	3,493.73	3,493.73
Reserves and Surplus	2.2	14,084.37	15,647.59
Sub-Total : Shareholders' Funds		17,578.10	19,141.32
Non-Current Liabilities			
Long - Term Borrowings	2.3	7,926.46	11,760.54
Deferred Tax Liabilities	2.4	3,559.50	3,389.11
Other - Long Term Liabilities	2.5	3,892.16	4,080.25
Long - Term Provisions	2.6	294.92	214.52
Sub-Total : Non Current Liabilities		15,673.04	19,444.42
Current Liabilities			
Short - Term Borrowings	2.7	7,851.28	8,303.34
Trade Payables	2.8	4,230.82	3,309.74
Other Current Liabilities	2.9	16,561.91	13,284.22
Short - Term Provisions	2.10	524.21	2,435.01
Sub-Total : Current Liabilities		29,168.22	27,332.31
TOTAL EQUITY AND LIABILITIES		62,419.36	65,918.05
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	2.11	42,283.24	44,986.51
Capital Work - in- Progress		3,579.89	1,714.21
Non - Current Investments		-	-
Long - Term Loans & Advances	2.12	1,772.27	1,360.66
Sub-Total : Non - Current Assets		47,635.40	48,061.38
Current Assets			
Inventories	2.13	5,634.34	5,874.55
Trade Receivables	2.14	4,185.21	6,189.37
Cash and Cash Equivalents	2.15	292.25	406.96
Short- Term Loans and Advances	2.16	2,096.25	3,350.94
Other Current Assets	2.17	2,575.91	2,034.85
Sub-Total : Current Assets		14,783.96	17,856.67
TOTAL-ASSETS		62,419.36	65,918.05
Summary of Significant Accounting Policies	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For and on behalf of the Board

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

K. Ravi
Managing Director

R. Anand
Chairman

P.V. SRI HARI
Partner
Membership No.: 21961

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

T. Arun Kumar
Company Secretary

Place : Hyderabad
Dated: 30th May 2013

NCL INDUSTRIES LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2013

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



	Notes	31 Mar 2013	31 Mar 2012
REVENUE			
Revenue from Operations (Gross)	2.18	63,014.49	75,914.39
Less: Inter Segment Transfers & Taxes on Sales		14,974.38	18,471.90
Revenue from Operations		48,040.11	57,442.49
Less : Excise Duty		5,933.00	7,434.98
Revenue from Operations (Net)		42,107.10	50,007.51
Other Income	2.19	289.24	469.45
Total Revenue		42,396.34	50,476.96
EXPENSES			
Net Consumption of Materials	2.20	7,303.47	6,486.74
Change in Inventories of Finished goods and Work-in-Progress	2.21	270.58	264.34
Employee Benefit Expenses	2.22	2,125.93	1,948.41
Other Expenses	2.23	26,737.42	28,091.35
Finance Costs	2.24	3,600.43	4,146.51
Depreciation & Amortisation	2.25	3,260.04	3,178.41
Total Expenses		43,297.87	44,115.76
Profit / (Loss) Before Tax		(901.53)	6,361.20
Tax Expense:			
Tax- Earlier Years		82.56	48.82
Tax- Current Year		-	2,146.09
Deferred Tax Charge / (Credit)		170.38	103.66
MAT Credit Entitlement (Credit)		-	(362.85)
Total of Tax Expenses		252.94	1,935.72
Profit / (Loss) for the Period		(1,154.47)	4,425.48
Basic & Diluted Earnings per Share of Rs 10/- each	2.27	(3.30)	12.67
Cash Earnings per share of Rs. 10/- each	2.27	6.51	22.06
Summary of Significant Accounting Policies	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For and on behalf of the Board

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

K. Ravi
Managing Director

R. Anand
Chairman

P. V. SRI HARI
Partner
Membership No.: 21961

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

T. Arun Kumar
Company Secretary

Place : Hyderabad
Dated: 30th May 2013

NCL INDUSTRIES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2013

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



	31st Mar 2013		31st Mar 2012	
Cash flow from Operating Activities				
Profit Before Tax		(901.53)		6,361.20
Adjustments for:				
Depreciation & Amortisation		3,260.04		3,178.41
		2,358.51		9,539.61
Less: Expenses				
Income Tax Paid		1,618.97		658.49
Operating Profit Before Working Capital Changes		739.54		8,881.11
Movement of Working Capital:				
Increase/(Decrease) in Trade Payables	921.08		1,010.58	
Increase/(Decrease) in Long Term Provisions	80.40		19.03	
Increase/(Decrease) in Short Term Provisions	28.97		12.64	
Increase/(Decrease) in Other Current Liabilities	1,255.38		306.23	
Decrease/(Increase) in Trade Receivables	2,004.16		(294.98)	
Decrease/(Increase) in Inventories	240.21		(589.08)	
Decrease/(Increase) in Long Term Loans & Advances	(417.36)		(475.87)	
Decrease/(Increase) in Short Term Loans & Advances	1,254.69		1,008.72	
Decrease/(Increase) in Other Current Assets	(541.06)		(1,188.22)	
Net Movement in Working Capital		4,826.47		(190.95)
Cash Generated from Operations		5,566.01		8,690.17
Cash Flow from Investing Activities				
Purchase of Fixed Assets including CWIP	(2,478.44)		(4,002.57)	
Sale of Net Fixed Assets	61.74		2.43	
Net Cash Used in Investing Activities		(2,416.70)		(4,000.14)
Cash flow from Financing Activities				
Proceeds / (Repayment) of Long Term Borrowings	(2,461.69)		(4,976.02)	
Proceeds / (Repayment) of Other Long Term Liabilities	461.83		292.98	
Proceeds / (Repayment) of Short Term Borrowings	(452.06)		684.82	
Dividend & Dividend Tax Paid	(812.10)		(609.08)	
Net Cash used in Financing Activities		(3,264.02)		(4,607.30)
Net Increase in Cash and Cash Equivalent		(114.71)		82.73
Cash and Cash Equivalent at the Beginning of the Year		406.96		324.23
Cash and Cash Equivalent at the End of the Year		292.25		406.96

As per our report of even date

For and on behalf of the Board

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

K. Ravi
Managing Director

R. Anand
Chairman

P. V. SRI HARI
Partner
Membership No.: 21961

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

T. Arun Kumar
Company Secretary

Place : Hyderabad
Dated: 30th May 2013


1. SIGNIFICANT ACCOUNTING POLICIES
a) Accounting Concepts

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

b) Fixed Assets and Depreciation

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

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

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

c) Inventories

i) Raw Materials and other Materials are valued at weighted average cost.

ii) Stores and Spares at Cost

iii) Work-in-Process at cost of material plus labour and other overheads and

iv) Finished Goods at Cost or net realisable value whichever is lower.

d) Employee Benefits

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

e) Income Tax Expense

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

f) Foreign Currency Transactions

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

2. Notes to Financial Statements for the year ended 31 March 2013

2.1 SHARE CAPITAL	31 Mar 2013	31 Mar 2012
Authorized		
6,20,00,000 (31 March 2012: 6,20,00,000) Equity shares of Rs. 10/- each	<u>6,200.00</u>	<u>6,200.00</u>
Issued,Subscribed & Paid up		
3,49,37,335 (31 March 2012: 3,49,37,335) Equity shares of Rs 10/- each	3,493.73	3,493.73
Total	3,493.73	3,493.73

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

Equity shares	31 Mar 2013		31 Mar 2012	
	No. of shares	Rs. Lakhs	No. of shares	Rs. Lakhs
At the beginning and at the end of the year	34,937,335	3,493.73	34,937,335	3,493.73

- The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of Equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- For the Year Ended 31st March,2013, the amount of per share dividend recognized as distribution to equity share holders was Re.1/- (31st March 2012: Rs.2/- per share)



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

3. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

	31 Mar 2013		31 Mar 2012	
	No. of Shares	% of holding	No. of Shares	% of holding
Sri K. Ravi	22,07,405	6.32	17,07,321	4.89

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

2.2 RESERVES AND SURPLUS

	31 Mar 2013	31 Mar 2012
Capital Reserve	240.91	240.91
Securities Premium Reserve	2,106.14	2,106.14
General Reserve		
Balance as per the last Financial statement	11,500.00	8,500.00
Add: Amount transferred from surplus	-	3,000.00
Closing balance	11,500.00	11,500.00
Profit & Loss Account		
Balance as per the Last Financial Statement	1,800.54	1,187.16
Add: Profit / (Loss) for the Year	(1,154.47)	4,425.48
Less: Proposed Dividend	349.37	698.75
Less: Tax on Proposed Dividend	59.38	113.35
Less: Transfer to General Reserve	-	3,000.00
Total Appropriations	408.75	3,812.10
Closing Balance	237.32	1,800.54
Total	14,084.37	15,647.59

2.3 LONG-TERM BORROWINGS

	31 Mar 2013	31 Mar 2012	31 Mar 2013	31 Mar 2012
	Non-Current portion		Current Maturities	
Secured				
Term Loans from FIs & Banks				
(Refer Note Nos. 'a' to 'd')	6,702.03	10,080.58	5,944.10	5,088.41
Hire Purchase Loans (Secured)				
Vehicle / Equipment Finance Loans from Banks (Refer Note No 'e')	544.26	685.00	650.01	448.10
Total Secured Borrowings (i)	7,246.29	10,765.59	6,594.11	5,536.50
Other Loans & Advances (Unsecured)				
Sales Tax Deferment Loan (Refer Note No. 'f')	680.17	994.95	314.78	-
Total Unsecured Borrowings (ii)	680.17	994.95	314.78	-
Total of Secured & Unsecured (i+ii)	7,926.46	11,760.54	6,908.89	5,536.50



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

- a. Term Loans from the Banks and Financial Institutions viz. Axis Bank Ltd, Canara Bank, Central Bank of India, Corporation Bank, Indian Renewable Energy Development Agency Ltd (IREDA), Oriental Bank of Commerce, State Bank of Hyderabad, State Bank of India and State Bank of Mysore are secured by *pari passu* first charge on all movable and immovable properties of the Company and second charge on current assets of the Company (both present and future) except receivables of Energy Division.
- b. Term Loans availed from all Banks and Financial Institutions except Axis Bank are repayable in Quarterly Installments
- c. Term Loans availed from Axis Bank are repayable in Monthly Installments.
- d. Term Loans carries interest @9% to 14.50% p.a.
- e. Vehicle and Equipment Loans from various Banks are secured by Hypothecation of respective assets financed, for a tenure of 35 to 45 months and carries Interest @ 9% to 11% p.a.
- f. Represents 8 years Interest free Sales Tax Deferment Loan received from Government of Andhra Pradesh. Repayment commences from March 31, 2013 based on the deferment availed in the corresponding year.
- g. An amount of Rs 1042.08 lakhs towards principal and Rs 146.45 lakhs towards interest pertaining to the month of March 2013 are due as on the date of Balance Sheet.

2.4 DEFERRED TAX LIABILITIES

	31 Mar 2013	31 Mar 2012
Deferred Tax Liabilities	3,559.50	3,389.11

2.5 OTHER LONG TERM LIABILITIES

	31 Mar 2013	31 Mar 2012	31 Mar 2013	31 Mar 2012
	Non-Current portion		Current Maturities	
Deposits from Dealers / Stockists (Note 'a')	3,859.38	3,906.45	-	-
Deposits from Public & Shareholders (Note 'b')	32.78	173.80	3,363.15	2,713.23
Sundry Creditors - Capital goods	-	-	59.75	5.84
Total	3,892.16	4,080.25	3,422.90	2,719.07

- a. Deposits from Dealers / Stockists represents amounts collected from Dealers / Stockists / Agents as collateral at the time of granting the dealership to sell the products of the Company which is repayable on cancellation of the said dealership. These deposits attract interest @ 6% p.a.
- b. Public Deposits aggregating to Rs 3,363.15 lakhs (Previous year Rs 2,713.23 lakhs) is repayable within one year and Rs 32.78 lakhs (Previous Year Rs 173.80 lakhs) is repayable within two years.

2.6 LONG TERM PROVISIONS

	31 Mar 2013	31 Mar 2012	31 Mar 2013	31 Mar 2012
	Non-Current portion		Current Maturities	
Provision for Employee Benefits				
Provision for Gratuity	253.27	188.25	52.48	25.72
Provision for Leave benefits	41.65	26.27	5.77	2.65
Total (i)	294.92	214.52	58.25	28.37
Other Provisions				
Provision for Income Tax	-	-	-	1,536.42
Provision for Dividend	-	-	349.37	698.75
Provision for Dividend Tax	-	-	59.38	113.35
Total (ii)	-	-	408.75	2,348.52
Total (i+ii)	294.92	214.52	467.00	2,376.89



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

2.7 SHORT TERM BORROWINGS

	31 Mar 2013	31 Mar 2012
Cash Credit Loans from Banks (Secured)	7,851.28	8,303.34
Total Short Term Borrowings	7,851.28	8,303.34

Cash credit Loans from Banks viz. Axis Bank Ltd, IDBI Bank Ltd and State Bank of Hyderabad are secured by *pari passu* first charge on current assets of the Company excluding receivables of Energy Division (both present & future) and second charge on fixed assets of the company and are guaranteed by four promoter directors in their personal capacity. The cash credit is repayable on demand and carries interest @ 13% to 14.70% p.a.

2.8 TRADE PAYABLES

	31 Mar 2013	31 Mar 2012
Trade Payables	4,230.82	3,309.74

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 2013 is Rs. Nil (Previous Year: Rs. Nil)

2.9 OTHER CURRENT LIABILITIES

	31 Mar 2013	31 Mar 2012
1. Current Maturities of Long term Borrowings		
Term Loans from Banks & FIs	5,944.10	5,088.41
Hire Purchase Loans	650.01	448.10
Sales Tax Deferment Loan	314.78	-
Total of Current Maturities on Long Term Borrowings	6,908.89	5,536.50
2. Other Liabilities		
Deposits from Public & Shareholders	3,363.15	2,713.23
Sundry Creditors - Capital Goods	59.75	5.84
Advances from Customers & Others	3,177.88	2,846.55
Value Added Tax & CST Payable	408.56	589.12
Service Tax Payable	5.41	4.13
TDS Payable	35.97	37.14
Employee related payables PF, ESI & Others	17.26	17.82
Unclaimed Debentures	-	3.77
Unclaimed Dividends (Note)	159.85	153.15
Interest Accrued but not Due	436.88	234.57
Other Expenses including Provisions	1,988.31	1,142.40
Total Other Liabilities	9,653.02	7,747.72
Total Other Current Liabilities	16,561.91	13,284.22

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

2.10 SHORT TERM PROVISIONS

	31 Mar 2013	31 Mar 2012
Provision for Income Tax	-	1,536.42
Provision for Dividend	349.37	698.75
Provision for Dividend Tax	59.38	113.35
Current Maturities of Long-Term Provisions of Employee Benefits	58.25	28.37
Provision for Employee Bonus & Ex-gratia	57.21	58.12
Total	524.21	2,435.01

NCL INDUSTRIES LIMITED

2.11 FIXED ASSETS (TANGIBLE)

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

	Land	Buildings	Plant & Machinery	Electrical Installations	Railway Siding	Furniture & Fixtures	Office Equipment	Vehicles	Trucks	Total
At 1st April 2011	1,386.90	6,478.16	43,901.85	4,963.19	862.50	89.41	218.87	299.68	1,624.02	59,824.58
Additions	71.80	1,237.98	524.88	66.66	-	16.52	33.59	93.82	392.71	2,437.96
Disposals	-	-	-	-	-	-	-	11.10	-	11.10
At 31st March, 2012	1,458.70	7,716.14	44,426.73	5,029.85	862.50	105.93	252.46	382.41	2,016.72	62,251.44
Additions	-	103.85	47.51	-	-	6.22	60.58	0.00	394.60	612.76
Disposals	-	-	-	-	-	-	0.19	39.35	314.35	353.89
At 31st March, 2013	1,458.70	7,819.99	44,474.24	5,029.85	862.50	112.15	312.85	343.05	2,096.98	62,510.31
Depreciation										
At 1st April 2011	-	1,341.89	10,910.30	610.67	86.35	53.09	139.00	143.35	816.29	14,100.94
Charge for the year	-	186.95	2,236.23	262.24	45.54	8.52	16.65	67.63	348.90	3,172.66
Disposals	-	-	-	-	-	-	-	8.67	-	8.67
At 31st March, 2012	-	1,528.84	13,146.53	872.91	131.89	61.61	155.65	202.30	1,165.20	17,264.93
Charge for the year	-	207.16	2,240.77	264.68	45.54	8.74	23.21	109.03	355.16	3,254.29
Disposals	-	-	-	-	-	-	0.13	292.02	-	292.15
At 31st March, 2013	-	1,736.00	15,387.29	1,137.59	177.43	70.35	178.73	19.31	1,520.36	20,227.07
Net Block										
At 31st March, 2012	1,458.70	6,187.30	31,280.21	4,156.94	730.60	44.32	96.81	180.11	851.52	44,986.51
At 31st March, 2013	1,458.70	6,083.99	29,086.95	3,892.26	685.06	41.80	134.12	323.75	576.61	42,283.24




2.12 LONG-TERM LOANS & ADVANCES

	31 Mar 2013	31 Mar 2012	31 Mar 2013	31 Mar 2012
	Non-Current portion		Current Maturities	
Unsecured, considered good				
Capital Advances				
Advance for Land	355.62	333.78	-	-
Total of Capital Advances	355.62	333.78	-	-
Security Deposits				
Deposits with APSEB	960.99	691.60	-	-
Deposits with Government Departments	287.67	230.27	-	-
Deposits with Others	23.38	20.28	-	-
Total of Security Deposits	1,272.04	942.15	-	-
Other Loans & Advances				
Rental Deposit	37.03	29.83	-	-
Total of Loans & Advances	37.03	29.83	-	-
Deposits in disputed cases				
Taxes paid under Protest	67.34	8.90	-	-
Total of Deposits in Disputed Cases	67.34	8.90	-	-
Total	1,732.03	1,314.66	-	-

2.13 INVENTORIES

	31 Mar 2013	31 Mar 2012
Raw Materials	619.38	613.76
Work In Progress	158.97	242.04
Finished goods	1,729.66	1,917.17
Stores	2,715.17	2,446.71
Packing & Other Materials	411.16	654.87
Total	5,634.34	5,874.55

2.14 TRADE RECEIVABLES

	31 Mar 2013	31 Mar 2012
Debtors outstanding for a period exceeding six months		
Secured, considered good	-	-
Unsecured, considered good	223.71	228.82
Total	223.71	228.82
Debtors outstanding for a period less than six months		
Secured, considered good	-	-
Unsecured, considered good	3,961.50	5,960.55
Total	3,961.50	5,960.55
Total Trade Receivables	4,185.21	6,189.37


2.15 CASH & CASH EQUIVALENTS

	31 Mar 2013	31 Mar 2012	31 Mar 2013	31 Mar 2012
	Non-Current		Current	
Cash in Hand	-	-	5.40	4.83
Cash at Banks	-	-	193.96	252.76
Branch Accounts	-	-	1.23	2.22
Deposits with Banks	-	-	91.66	147.15
Total	-	-	292.25	406.96

2.16 SHORT TERM LOANS & ADVANCES

	31 Mar 2013	31 Mar 2012	31 Mar 2013	31 Mar 2012
Unsecured, considered good	Non-Current		Current	
Advances to Suppliers		-	1,480.68	1,991.36
Advances to Others		-	94.86	133.28
Central Excise, Service Tax & VAT Receivable		-	407.66	465.86
MAT Entitlement Credit Account		-	113.05	760.44
Total	-	-	2,096.25	3,350.94

2.17 OTHER CURRENT ASSETS

	31 Mar 2013	31 Mar 2012	31 Mar 2013	31 Mar 2012
	Non-Current		Current	
Incentives Receivable from A.P Government	-	-	2,455.31	1,966.26
Other Current Assets	40.24	46.00	120.60	68.59
Total	40.24	46.00	2,575.91	2,034.85

2.18 REVENUE FROM OPERATIONS

	31 Mar 2013	31 Mar 2012
Sale / Transfer of Products:		
Finished Goods	54,509.44	64,264.45
Semi Finished Goods (Clinker Transfer to Kondapalli Grinding Unit)	8,492.66	11,635.40
Traded Goods	12.39	14.54
Total Sales	63,014.49	75,914.39
Less: Inter Segment Transfers	10,042.48	12,810.90
Less: Taxes on Sales (Note)	4,931.91	5,661.00
Net Sales of Products	48,040.11	57,442.49
Less: Excise Duty	5,933.00	7,434.98
Net Sales	42,107.10	50,007.51
Other Operating Income	289.24	469.45
Total	42,396.34	50,476.96

Note: As per Andhra Pradesh State Industrial Policy 2005-10, Amounts of incentives from Industries Department receivable for the year amounting to Rs.165.01 lakhs (Previous Year Rs. 793.12 lakhs) is deducted from Taxes on Sales.



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

2.19 OTHER INCOME

	31 Mar 2013	31 Mar 2012
Interest Income	93.70	63.70
Profit on Sale of Assets	65.27	0.76
Scrap Sales	51.54	31.23
Income from Operations of Trucks	71.95	274.83
Other Income	3.96	4.56
Exchange Fluctuation	12.18	5.67
Net Prior Year Adjustments	(9.37)	88.70
Total	289.24	469.45

NET PRIOR YEAR ADJUSTMENTS

	31 Mar 2013	31 Mar 2012
Taxes & Duties	-	35.48
Power	-	121.79
Others	(9.37)	(68.57)
Total Income / (Expense)	(9.37)	88.70

2.20 COST OF MATERIAL CONSUMED

	31 Mar 2013	31 Mar 2012
Rawmaterials Inventory at the Beginning of the year	613.76	654.69
Add: Purchases	17,351.57	19,256.71
Total	17,965.33	19,911.40
Less: Inventory at the end of the year	619.38	613.76
Cost of Raw materials Consumed	17,345.95	19,297.64
Details of Rawmaterials Consumed		
Limestone	1,544.40	1,697.65
Al. Laterite	351.81	390.45
Gypsum	563.33	810.87
Iron ore / Iron ore powder	629.68	551.64
FlyAsh	459.29	564.08
Clinker Consumption at Kondapalli Plant	8,901.75	11,462.75
Cement Consumption in Boards & RMC Divisions	2,233.25	1,188.71
Wood	1,405.72	1,175.80
Chemicals	307.53	240.86
Paper	84.13	109.95
Bison Panel Boards Consumption in Prefab Division	51.62	302.60
Steel	101.49	629.18
Ready Mix Concrete Materials	685.80	151.04
Other Materials	16.54	8.86
Cost of Trading Goods	9.61	13.20
Total	17,345.95	19,297.64


2.20 COST OF MATERIAL CONSUMED (Contd...)

	31 Mar 2013	31 Mar 2012
Less: Inter Segment Transfers	10,042.48	12,810.90
Net Consumption of Materials	7,303.47	6,486.74
Details of Inventory		
Limestone	21.64	32.15
Al. Laterite	9.27	35.97
Gypsum	8.20	18.91
Iron ore / Iron ore powder	23.82	121.15
FlyAsh	3.21	8.28
Clinker at Kondapalli Plant	66.78	27.54
Cement in Boards & RMC Divisions	35.13	25.41
Wood	258.42	161.15
Chemicals	16.09	21.54
Bison Panel Boards in Prefab Division	46.24	52.25
Steel	104.45	92.74
Other Materials	26.11	16.67
Total	619.38	613.76

2.21 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS

	31 Mar 2013	31 Mar 2012
Closing stock of Work in Progress	158.97	242.04
Closing stock of Finished goods	1,729.66	1,917.17
Total	1,888.63	2,159.21
Opening stock of Work in Progress	242.04	460.49
Opening stock of Finished goods	1,917.17	1,963.06
Total	2,159.21	2,423.55
Increase / (Decrease) in Stocks	270.58	264.34

2.22 EMPLOYEE BENEFIT EXPENSES

	31 Mar 2013	31 Mar 2012
Salaries, Wages, Bonus & Allowances	1,917.03	1,723.63
Contribution to Provident Fund & Other Funds	112.85	106.53
Staff Welfare Expenses	96.05	118.25
Total	2,125.93	1,948.41

2.23 OTHER EXPENSES

	31 Mar 2013	31 Mar 2012
Cost of Fuel	8,749.46	9,718.82
Cost of Power (Note)	5,474.94	4,536.53
Packing Materials	1,717.04	1,923.31
Stores & Spares consumed	1,323.39	1,758.24
Repairs & Maintenance - Plant & Machinery	369.51	552.41
Repairs & Maintenance - Buildings	3.22	0.30



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

2.23 OTHER EXPENSES (Contd...)

	31 Mar 2013	31 Mar 2012
Repairs & Maintenance Others	46.78	107.39
Direct Manufacturing Expenses	282.67	304.85
a. Sub-Total: Other Manufacturing Expenses	17,967.01	18,901.85
Transportation Paid	6,034.17	6,489.88
Advertisement & Publicity	260.48	176.23
Selling Expenses	1,285.89	1,236.83
b. Sub-Total: Selling & Distribution Expenses	7,580.54	7,902.94
Managerial Remuneration	147.62	274.88
Security Services	50.51	57.60
Bank Charges	47.30	74.95
Administrative Expenses	371.21	363.36
Legal & Professional Expenses	65.66	35.06
Retainer Charges	96.14	87.45
Payments to Auditors (refer details below)	4.40	2.70
Internal Audit Fees	5.40	4.80
Insurance	19.71	36.95
Travelling & Conveyance	222.90	190.56
Rent	79.95	90.97
Rates, Taxes & Licenses	72.15	63.55
Donations	6.92	3.73
c. Sub-Total: Other Administrative Expenses	1,189.87	1,286.56
Total Other Expenses (a+b+c)	26,737.42	28,091.35

Note: As per Andhra Pradesh State Industrial Policy 2005-10, amounts of incentives from Industries Department receivable for the year amounting to Rs. 361.70 lakhs (Previous Year Rs. 388.51 lakhs) is deducted from the Cost of Power.

PAYMENT TO AUDITORS

	31 Mar 2013	31 Mar 2012
Statutory Audit Fees	3.00	1.65
Tax Audit Fees	0.50	0.25
Cost Audit Fees	0.40	0.40
Certifications & Reimbursement of Audit Expenses	0.50	0.40
Total Payment to Auditors	4.40	2.70

2.24 FINANCE COST

	31 Mar 2013	31 Mar 2012
Interest		
on Term Loans	1,702.20	2,339.32
on Working Capital	1,010.67	1,060.50
on Deposits & Others	887.56	746.69
Total Finance Cost	3,600.43	4,146.51



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

2.25 DEPRECIATION AND AMORTISATION EXPENSE

	31 Mar 2013	31 Mar 2012
Depreciation	3,254.29	3,172.66
Amortisation	5.75	5.75
Total	3,260.04	3,178.41

2.26 SEGMENT REPORTING

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

A. PRIMARY DISCLOSURES:

	31 Mar 2013	31 Mar 2012
Segment Revenue / Income (Gross)		
a) Cement Division	51,951.13	66,480.48
b) Boards Division	7,733.48	6,740.40
c) Prefab Division	421.43	1,797.18
d) Energy Division	436.10	668.25
e) RMC Division	2,472.35	228.08
TOTAL	63,014.49	75,914.39
Less : Inter Segment Revenue	10,042.48	12,810.90
Net Sales / Income from Operations	52,972.01	63,103.49
Segment Results:		
Profit Before Interest & Tax		
a) Cement Division	1,711.71	9,462.89
b) Boards Division	1,173.15	981.01
c) Prefab Division	(74.56)	(187.76)
d) Energy Division	120.47	331.13
e) RMC Division	(231.91)	(79.56)
TOTAL	2,698.86	10,507.71
Less: Interest	3,600.43	4,146.51
Total Profit Before Tax	(901.57)	6,361.20
Capital Employed (Segment Assets – Segment Liabilities)		
a) Cement Division	37,605.64	42,606.60
b) Boards Division	4,405.47	4,584.11
c) Prefab Division	970.29	1,144.58
d) Energy Division	3,778.86	4,067.50
e) RMC Division	925.52	801.67
d) Unallocated	3,353.54	2,486.00
TOTAL	51,039.31	55,690.46



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

B. SECONDARY DISCLOSURES:

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

Segment Accounting Policies:

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

a) Segment Assets and Liabilities:

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

b) Segment Revenue and Expenses:

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

2.27 Earnings Per Share

	31 Mar 2013	31 Mar 2012
Net Profit / (Loss) for the Period	(1,154.47)	4,425.48
Cash Profit / (Loss) for the Period	2,275.95	7,707.55
Shares		
Number of shares at the beginning and at the end of the year	3,49,37,335	3,49,37,335
Earnings per share of par value Rs. 10/- Basic and Diluted in Rupees		
Basic & Diluted	(3.30)	12.67
Cash	6.51	22.06


2.28 Contingent Liabilities

	31 Mar-2013		31 Mar-2012	
	Disputed Amount	Paid Under Protest	Disputed Amount	Paid Under Protest
Demand by Sales tax authorities -Interest on HSD Oil used in Tippers for transportation of lime stone (Note 'a')	4.26	-	4.26	-
Demand by Sales tax authorities-Interest on delayed payment (Note 'b')	16.88	4.00	16.88	4.00
Demand by Sales tax authorities for the year 1997-98 - on revised assessment (Note 'c')	9.81	4.90	9.81	4.90
Demand by Sales tax authorities for the year 2004-05 - Rate of tax on erection of prefab structures on CST. (Note 'd')	14.92	-	14.92	-
Demand of Central Excise Department denying benefit of Cenvat credit on capital goods (Note 'e')	744.50	50.00	744.50	-
Demand of Central Excise Department denying benefit of Cenvat credit on capital goods (Note 'f')	101.61	-	100.72	-
Excise department claimed return of refund of Excess Excise duty paid by the Company (Note 'g')	29.22	-	29.22	-
Demand of Central Excise Department denying benefit of Cenvat credit on capital goods (Note 'h')	16.88	8.44	17.77	-
Demand of Central Excise Department denying benefit of Cenvat credit on cement transferred to Kondapalli unit from Mattapally unit for despatch in a railway rake (Note 'i')	11.18	-	11.18	-
Return of Refund of Additional duty paid under protest made to the Company , claimed by Excise department. (Note 'j')	18.41	-	18.41	-
Miscellaneous Issues pending with Excise department	7.37	-	8.52	-
Demand of NALA Tax pertaining to Non Agricultural Tax in Mining Areas by the state government (Note 'k')	43.56	-	43.56	-
Service Tax on outward transport & Insurance	2.17	-	2.17	-
Demand raised for payment of permit fee by the forest department for mining and transportation of Lime Stone (Note 'l')	226.60	75.46	158.00	52.61
Counter Guarantees given to Banks / FIs	336.94	-	342.61	-

- Sales Tax Authorities treated the usage of HSD oil on Hired tippers on cost recovery basis for transport of Lime Stone From Mines to Factory, on the presumption that it is a sale. The company filed an appeal before the Sales Tax Appellate Tribunal.
- In the year 1999-00, Sales Tax Authorities raised a demand for Rs.16.88 lakhs as penalty on delayed payment. The Company has preferred an Appeal before the Sales Tax Appellate Tribunal. The company has paid an amount of Rs. 4.00 lakhs and obtained a stay from the Commissioner of Commercial Taxes.



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

- c. Demand raised by the Sales Tax Authorities on revised assessment for the year 1997-98 for a sum of Rs. 9.81 Lakhs levying tax on regular rate when the turnover was under works contract. Obtained a stay on payment after payment of 50% of Sales Tax demanded. Appeal is pending before STAT.
- d. Sales Tax Authorities disputed the rate of tax for interstate supplies of prefab structures in the year 2004-05 and raised a demand for a sum of Rs. 14.92 Lakhs. Company preferred an appeal before STAT and is pending.
- e. The Excise Department has raised a demand of Rs.744.50 lakhs disallowing the Cenvat credit on Steel items used in construction of plant structure at both Mattapally and Kondapalli. Company has preferred an appeal before CESTAT and is pending. CESTAT ordered payment of Rs. 2.50 crores in the case of Mattapally unit and the Company filed a writ before the Honourable High Court of Andhra Pradesh. A stay on payment of predeposit was granted on a payment of Rs. 50.00 lakhs.
- f. The Excise Department has raised a demand of Rs.101.61 lakhs disallowing the Cenvat credit on Steel items used in construction of plant structure at both Mattapally and Kondapalli. The appeal before Commissioner was rejected and Company has preferred an appeal before CESTAT.
- g. The Excise Department has claimed return of the refund of Rs. 29.22 lakhs paid to the Company on their appeal decided in their favour by the Commissioner (Appeals). The Honourable High Court of Andhra Pradesh granted stay.
- h. Excise department has raised a demand of Rs. 16.88 lakhs denying the cenvat credit on usage of Cement, Steel, M.S. Plates, M.S.Flats, M.S.Angles, M.S.Channels M.S.Coils, Steel Tubes, Pipes, beams, Plates/Sheets, Rebars, Conductors in construction of civil structures like Silo, Dump Hopper etc. The matter was contested and pending before the Appellate Authority and a stay was obtained on payment of Rs. 8.44 lakhs being 50% of the demand raised and it was subsequently rejected. The Company preferred an appeal before CESTAT.
- i. Excise department has raised a demand of Rs. 11.18 lakhs denying the cenvat credit taken on transfer of cement from Mattapally unit to Kondapalli unit for despatch by rail. The Company preferred an appeal before the Commissioner of Central Excise and the personal hearing was completed and the order is awaited.
- j. The Excise Department has issued a notice to return the refund of Additional Excise duty paid under protest, amounting to Rs. 18.41 lakhs paid to the Company. Company has filed a reply to the notice.
- k. The State Government has issued a notice claiming NALA Tax of Rs. 43.56 lakhs regarding Non Agricultural Tax on Mining areas. On dismissal of our appeal by the Joint Collector of Nalgonda, Company filed a writ petition before the Honourable High Court of Andhra Pradesh and has been granted an interim stay on the total amount demanded.
- l. Forest department demanded payment of permit fee for Lime Stone mining & Transportation @ 10/- per ton. Company filed a writ petition before the Honourable High Court of Andhra Pradesh. High Court has granted an interim stay subject to payment of 1/3 amount of the imposed permit fee.

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

a) Expense recognized during the year

Description	31 Mar 2013		31 Mar 2012	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Current Service Cost	38.49	20.73	31.22	15.65
Interest Cost	17.25	1.63	14.56	0.30
Net Actuarial (Gain) / Loss	64.09	13.69	(2.83)	25.36
Past Service Cost	-	-	-	-
Total Cost	119.83	36.05	42.95	41.31


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

Description	31 Mar 2013		31 Mar 2012	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Present Value of Obligations at beginning of the year	213.08	26.27	186.30	22.39
Current Service Cost	38.49	20.73	31.22	15.65
Interest Cost	17.25	1.63	14.56	0.30
Actuarial Loss / (Gain)	64.09	13.69	(2.83)	25.36
Past Service Cost	-	-	-	-
Settlements	(27.16)	(14.90)	(16.17)	(37.43)
Present Value of Obligations at the end of the year	305.75	47.42	213.08	26.27
Present Value of Short Term compensated leave	-	-	-	3.53
Present Value of Obligations - Current	52.48	5.77	25.72	6.18
Present Value of Obligations - Non - Current	253.27	41.65	187.36	23.62

Actuarial assumptions

- Mortality table (LIC) 1994-96 (ultimate)
- Discounting rate – 8.65 %
- Expected average remaining working lives of employees–13 Years
- Rate of escalation in salary – 6 %

2.30 As required by Accounting Standards AS 18, the related parties' disclosure issued by the Institute of Chartered Accountants of India is as follows:
a. List of related parties and relationships
i. Enterprises controlled by Key Management Personnel / Relatives of Key Management Personnel

- NCL Alltek & Seccolor Limited
- NCL Homes Limited
- Kakatiya Industries (P) Limited
- Nagarjuna Cerachem (P) Limited
- NCL Wintech India Limited
- Khandaleru Power Company Limited

ii. Key Management Personnel : Mr. K. Ravi, Managing Director
b. Related Party Transactions for the Year

	31 Mar 2013	31 Mar 2012
Remuneration to Key Managerial Personnel	73.19*	166.79
Remuneration to Relatives of Key Managerial Personnel	28.32	16.80

* The remuneration of the Managing Director was well within the ceilings prescribed by the Companies Act, 1956, on the basis of the net profits of the company for the year relevant to the date of his appointment. However, in the absence of the profits for the current year, the remuneration exceeded the ceilings prescribed under the Companies Act, 1956 by Rs. 25.19 lakhs, which requires the approval of the Central Government in terms of Schedule XIII to the Companies Act, 1956. The company is making an application for the approval of the remuneration paid as minimum remuneration to the Managing Director. In the event of the remuneration not being approved by the Central Government, the excess remuneration will be recovered from the Managing Director.



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

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

	31 Mar 2013	31 Mar 2012
Sale of Finished Goods	37.26	42.62
Purchases / Services	74.25	78.24
Rent	6.23	4.27
ICD Received	725.00	1,450.00
ICD Repaid	390.00	825.00
Interest	154.20	123.85
Reimbursement of Expenses	28.12	2.16

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

RAW MATERIALS	31 Mar 2013 % of Total Consumption	31 Mar 2013 Value of Consumption	31 Mar 2012 % of Total Consumption	31 Mar 2012 Value of Consumption
Imported	-	-	0.07	13.20
Indigenous	100.00	17,336.34	99.93	19,284.44
Total	100.00	17,336.34	100.00	19,297.64
SPARE PARTS				
Imported	2.99	39.63	9.60	168.74
Indigenous	97.01	1,283.76	90.40	1,589.50
Total	100.00	1,323.39	100.00	1,758.24

2.32 Value of Imports Calculated on CIF Basis

	31 Mar 2013	31 Mar 2012
Components & Spares	115.99	165.71
Capital Goods	9.06	75.36

2.33 Expenditure in Foreign Currency

	31 Mar 2013	31 Mar 2012
Travelling	2.01	4.41
Advance for Capital Goods	136.88	0.93
Capital Goods	9.06	58.90
Stores and Spares	115.99	159.02
Others	-	39.33
Total	263.94	262.59

As per our report of even date

For and on behalf of the Board

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

K. Ravi
Managing Director

R. Anand
Chairman

P. V. SRI HARI
Partner
Membership No.: 21961

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

T. Arun Kumar
Company Secretary

Place : Hyderabad
Dated: 30th May 2013



NCL INDUSTRIES LIMITED

7th Floor, Raghava Ratna Towers, Chirag Ali Line, Abids, Hyderabad - 500 001.

PROXY FORM

FOLIO / CLID NO.		No. of Shares held	
------------------	--	--------------------	--

I/We of being
a Member / Member (s) of NCL Industries Limited hereby appoint
..... or failing him / her of
..... as my / our proxy to vote for me / us on my / our behalf at the 32nd Annual General
Meeting of the Company to be held on Saturday, the 28th September, 2013 at 11.30 a.m. and at any adjournment thereof.

Signed this day of 2013.

Signature

**Affix
Rs. 1/-
Revenue
Stamp**

Note : The Proxy form duly completed must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.

NCL INDUSTRIES LIMITED

7th Floor, Raghava Ratna Towers, Chirag Ali Line, Abids, Hyderabad - 500 001.

ATTENDANCE FORM

TO BE HANDED OVER AT THE ENTRANCE OF THE VENUE OF THE MEETING



FOLIO / CLID NO.		No. of Shares held	
------------------	--	--------------------	--

I hereby record my presence at the 32nd Annual General Meeting of the Company held on Saturday, the 28th September, 2013 at 11.30 A.M. at Bharatiya Vidya Bhavan (Auditorium), King Koti Road, Hyderabad - 500 029.

Member / Proxy's Name	Member / Proxy's Signature (to be signed at the time of handing over the slip)
-----------------------	--

Note :

1. This Meeting is of Members only and you are requested not to bring along with you any person, who is not a Member.
2. Please carry with you this Attendance Slip, sign at the space provided and hand over the same at the entrance of the venue of the Meeting. No duplicate Attendance Slip will be issued at the venue of the Meeting.



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NCL Manufactures Nagarjuna RMC from its 2 plants at Hyderabad and Visakhapatnam



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Email: ncl@nclind.com | Website: www.nclind.com

