NCL GROUP

# Living our vision



## NCL INDUSTRIES LTD

**ANNUAL REPORT 2016 - 17**

www.nclind.com
cs@nclind.com

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*Our Founder | Our Inspiration | Our Guide*



**Mr. K. RAMACHANDRA RAJU**

**(22-07-1934 - 28-06-2008)**

***"We strive to make you proud of the company you started"***

# Our Business Profile

*The company derives over 80% of its revenues from the cement business operating mainly in south India with an installed capacity of 2 million tons. The rest of the sales come from segments like cement bonded particle board, ready mix concrete and hydro power. The company's strong brand equity, premium positioning in north coastal AP and low cost capacity expansion are key triggers for the company's future growth. The company is poised to benefit from the upcoming demand revival in south, increased thrust on low cost housing and infrastructure segments.*
















## 1. Cement

The company markets cement under the brand name Nagarjuna which is available in various grades of ordinary Portland and pozzolana portland cement. In addition, the company also manufactures a special cement for supply to Indian Railways for concrete sleepers. To strengthen backward integration, company has a cement grade limestone mining lease for an area comprising of more than 210 hectares.

## 2. Cement Bonded Particle Boards

Plain, Laminated, Designer Boards & Planks

## 3. Prefab Shelters

With continued R&D efforts, the company developed Prefab Shelters with number of designs suitable for multiple applications such as dwelling houses, class rooms, dispensaries etc. Prefab Shelters are constructed in track & panel system with advantages of simplicity in construction, ease of transportation and erection. The prime material used is Bison Panel manufactured by the company. For having a clear edge over the unorganised segment in the prefab segment, the company is scouting for more advanced technology.

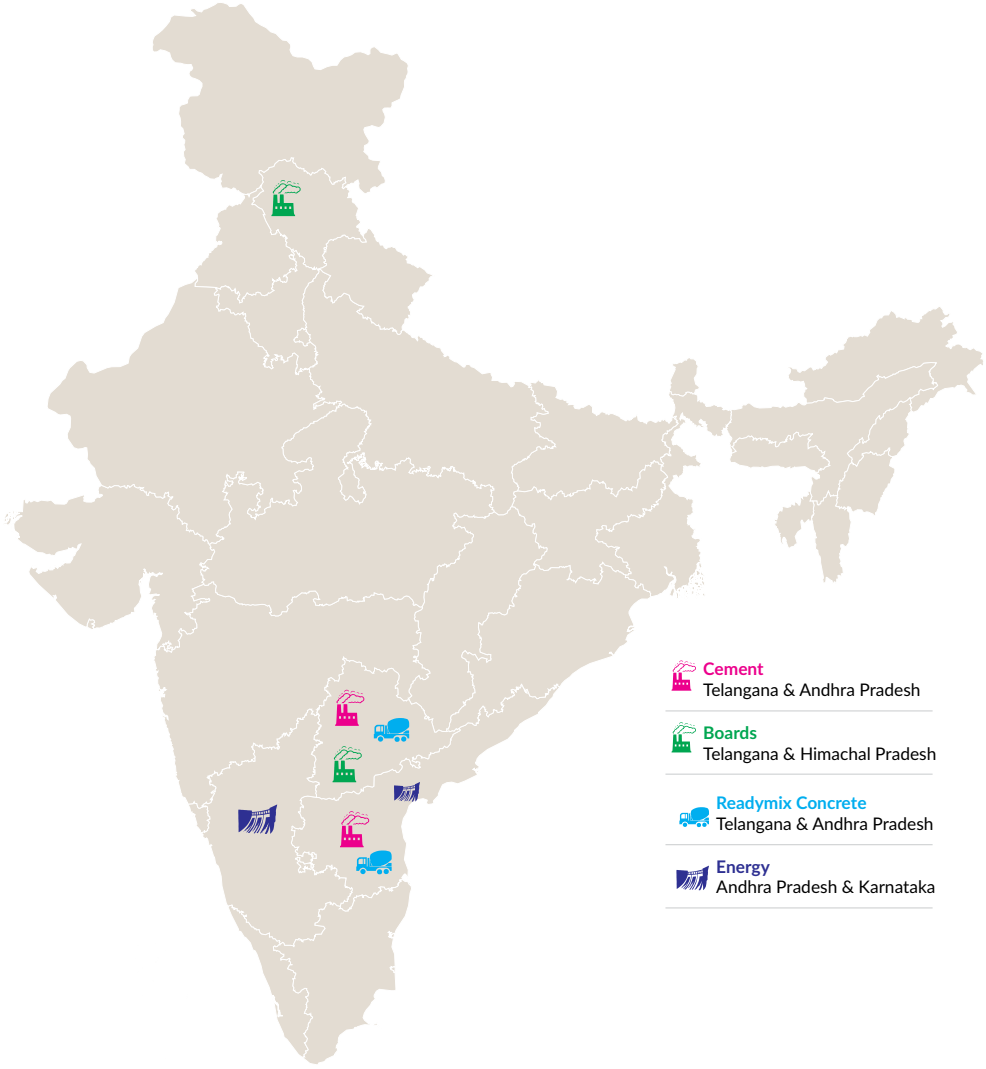
## 4. Ready Mix Concrete

The company has three plants for making RMC in Hyderabad & Visakhapatnam. These plants are equipped with adequate number of transit mixers.

## 5. Hydro Power

Energy Division has two hydro power projects - the first is at the head regulator of Srisailam Right Main Canal and the second hydel project is on Right Bank High Level Canal of Tungabhadra dam.

# Products and Plant Locations




## CEMENT

Ordinary Portland Cement
Portland Pozzolona Cement
Ready Mix Concrete

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

Capacity : 2 Million Tons
Dealers: 1600
Markets: Andhra Pradesh, Telangana, Tamil Nadu, Karnataka, Odisha, Pondicherry.

## READY MIX CONCRETE

Unit 1: Visakhapatnam, Andhra Pradesh
Unit 2 & 3 : Hyderabad, Telangana

Markets: Hyderabad & Visakhapatnam

## CEMENT BONDED PARTICLE BOARD

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

Capacity: 60,000 tons
Distributors: 300+

## HYDRO POWER PROJECTS

Unit 1: Pothireddypadu, Andhra Pradesh
Unit 2: Hospet, Karnakata

Installed capacity: 15.75 MW

# A Word from the Managing Director



> We shall not rest on our laurels and our quest for excellence will continue
>
> K. Ravi

## Dear Shareholders

The year 2016-17 has been significant in more ways than one.

- This was the year that the company successfully emerged out of the Corporate Debt Restructuring (CDR) regime, after being pushed to the brink by the adverse scenario that the industry witnessed.
- This was the year company embarked upon a CAPEX programme to augment its capacities in the cement and boards division. The projects for capacity enhancement in cement and boards division are nearing completion. The company is poised to fully utilise the opportunity of the upswing in demand which is expected in the near future.
- This was the year in which our company achieved the important milestone of Rs.1000 crore gross turnover.
- This was the year the company recorded its highest dividend pay-out (Rs.1105.27 Lakh) in its history. In terms of percentage of dividend on equity we matched the previous best of 25%
- This was the year which saw the highest ever outlay (Rs. 152 Lakhs) for the CSR activities focussed on education, healthcare of the residents in the vicinity of the plant site.
- This was the year when the company took the initiative to set up a Junior college in Simhapuri. This is a step forward in fulfilling the long-standing desire of the residents in the vicinity of the plant site.
- This was the year in which the number of patients receiving the healthcare from the free hospital run the company crossed the average of 100 per day.
- This was the year the company made its highest contribution to the exchequer (Rs.231.38 Crores) by way various taxes and duties of direct and in-direct.

Its a matter of immense satisfaction that the company has been able to serve the interests of each segment of its stakeholders. I take this opportunity to promise that we shall not rest on our laurels and our quest for excellence will continue.

**K Ravi**
Managing Director

*Lakhs*

**152.93**

*Total CSR outlay FY17*

*NCL Impact:*

**711**

*Students*

*Lakhs*

**122.36**

*Total Financial outlay for Education*

# Corporate Social Responsibility

Commencement of NCL three decades ago has been akin to social development in and around the company's area of operations. The company's entry with its first cement plant into the remote Simhapuri village transformed this backward hamlet into a sprawling town. The company has constituted a Cement Dealers Trust to look after the welfare of dealers & their families.

The company's 3 member CSR committee is headed by an Independent Director.

## Focus Areas:

Education, Healthcare & Rural Hygiene.

Education: NCL has established an elementary and a High school in English Medium at Simhapuri in Suryapet district, Telangana to address the school education needs of villagers in the near vicinity. More than 50% of the students who have benefited from this initiative are from the tribal sectors. This school is equipped with digital smart classes and have a teaching staff strength of 28. During the 2016-17 academic year the school achieved 100% results in class X exams wiith a highest 9.5 grade.

Going forward the company is in the process of establishing a Junior College for which necessary approvals have already been received. The college is scheduled to become functional from the academic year 2018-19.

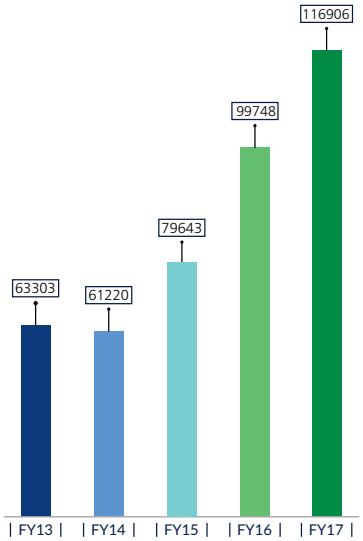
## FY17 - NCL Healthcare Impact

**38000+**
people

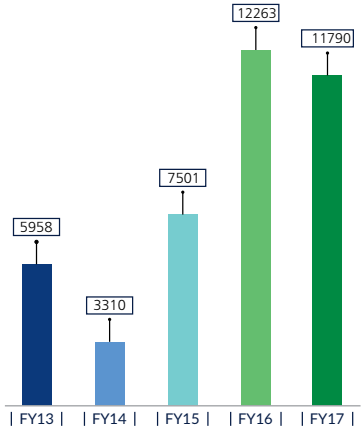
Healthcare: In the year 2002, The company established a 5-bed hospital at its factory campus in Simhapuri village in Suryapet district, Telangana with lab and ECG facilities. The hospital is manned by qualified and experienced medical staff. This facility provides free medical care to over 100 patients per day. Since inception the company has treated 3,62,673 patients. This healthcare centre maintains anti snake venom drugs and during the year has treated 92 people who came with snake bites.

# How We performed

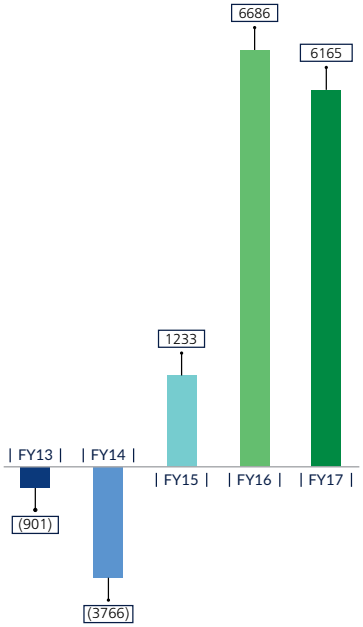
REVENUE
(₹ Lakhs)



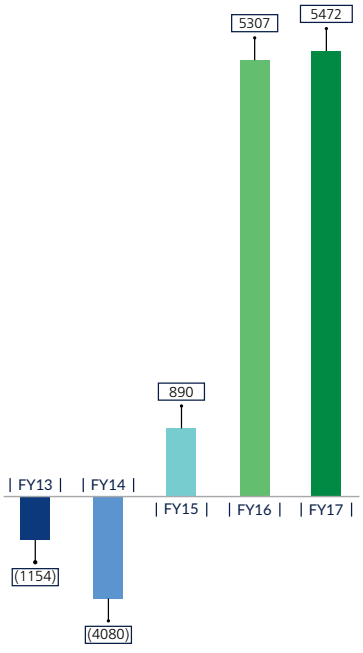

EBIDTA
(₹ Lakhs)



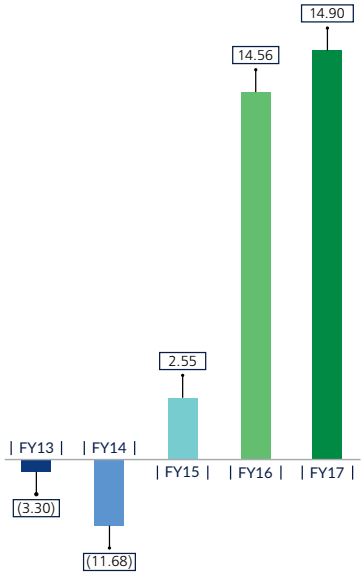

PBT
(₹ Lakhs)



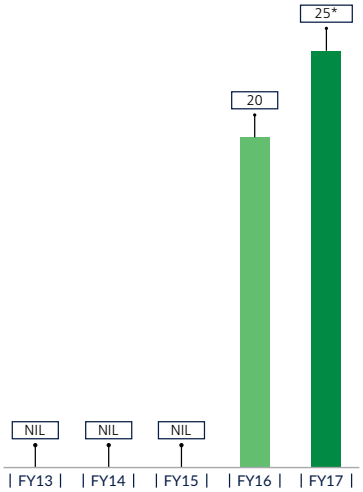

PAT
(₹ Lakhs)




EPS
(₹)

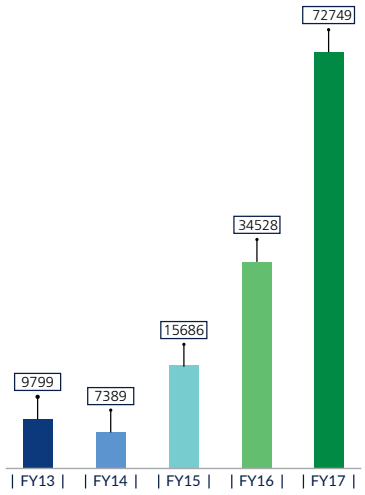



DIVIDEND
(%)

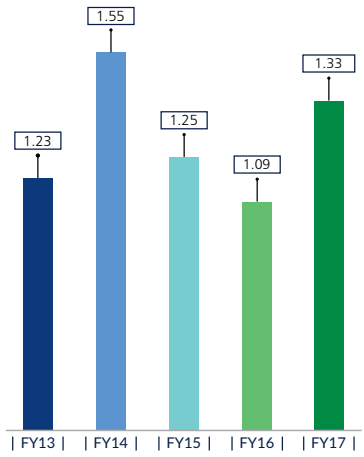



*Including proposed dividend

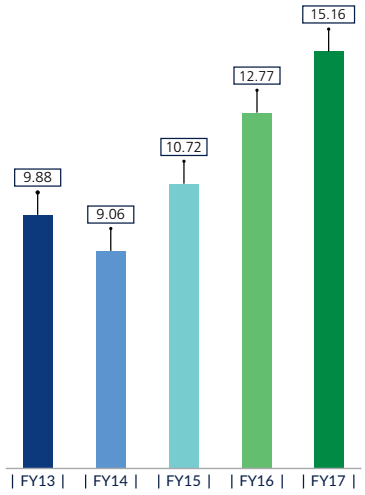
MARKET CAP
(₹ Lakhs)



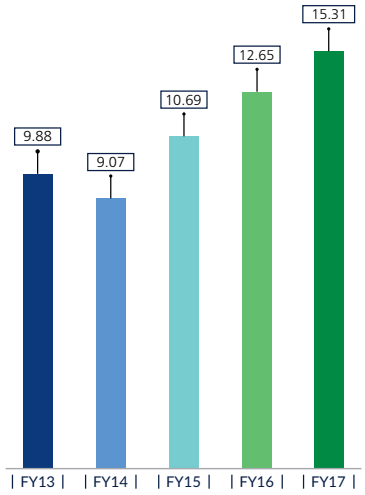

DEBT EQUITY RATIO
No. of Times



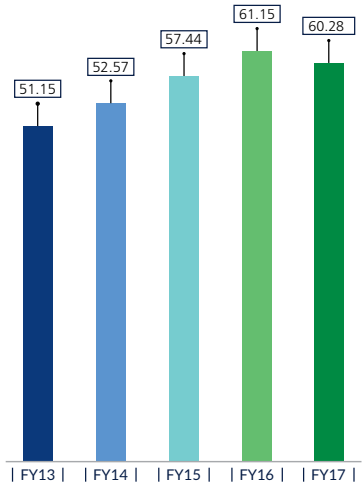

CEMENT PRODUCTION
(LAKH MTs)



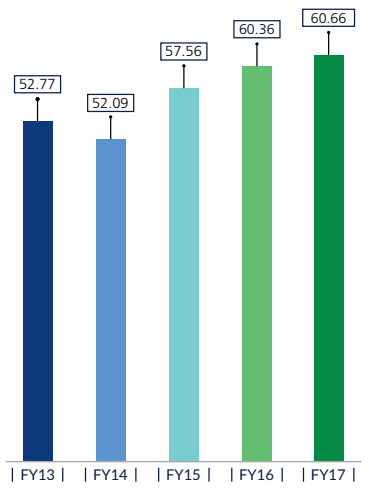

CEMENT SALES
(LAKH MTs)



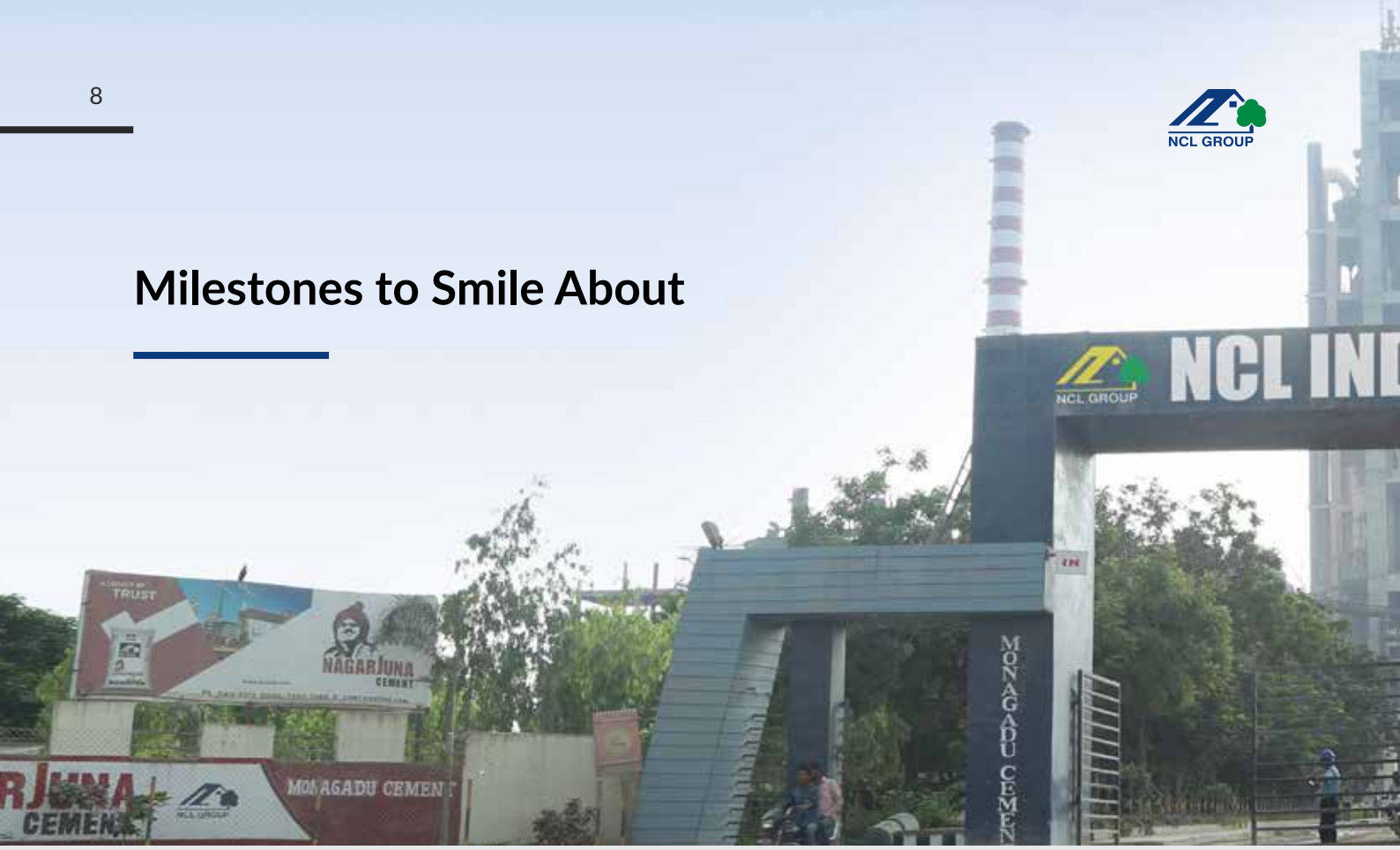

BOARDS PRODUCTION
(THOUSAND MTs)




BOARDS SALES
(THOUSAND MTs)



# Milestones to Smile About




## 1979 → 1997

1979: Late Shri K Ramachandra Raju – first generation entrepreneur established Nagarjuna Cements Ltd- the company and commenced business

1982: IPO of 11,10,000 equity shares

1984: Commercial production of cement at 66,000 tonnes started

1985: Declared 20% dividend (12% interim + 8% Final )

1987: Changed the name from Nagarjuna Cements Ltd to NCL Industries Ltd

1989: Merger of Klayman Porcelains Ltd and Issue of shares at 2:5 to KPL shareholders. Commencement of cement production after expansion to 1,98,000 TPA

1990: Rights – cum – Public issue of equity shares

1992: Issued shares on right basis 1:5 at Par

Commencement of Ceramic Unit – using natural gas for first time in the country

1993: Commercial production of Cement Bonded Particle Boards in technical collaboration with Bison Werke, Germany.

1996: Prefab division executes orders worth Rs.2148 Lacs

1997: Introduction of Laminated Cement Bonded Particle Boards – first time in the world

## 1998 → 2010

1998: ISO certification for Boards division & Cement Division. Ceramic division hived off under the scheme of arrangement to Vijay Porcelain Products Ltd

2003: Commenced cement production with expanded capacity of 2,97,000 TPA

2006: Issued shares on right basis 4:5 at Rs.18/- per share

2007: Commercial production of cement bonded particle boards at Paonta Sahib Plant. Commencement of commercial production from Kondapally cement grinding plant with 330,000 tonnes per annum capacity.

Merger of NCL Energy Ltd with the company and issued shares at 1:6 to NCL EL shareholders

2008: Issue of shares to the promoters on preferential basis at Rs.45 per share.

Commencement of commercial production of expanded clinker capacity at Simhapuri

2009: Commencement of Commercial Production from Kondapalli Line 2 with a capacity of 6.60 Lakh Tons Per Annum

2010: Commencement of Commercial Production from Mattapalli Line 2 with a capacity of 9.90 Lakh Tons of Clinker and 6.60 Lakh Tons of Cement. With this expansion,company graduated from Mini cement plant category to become one of the major cement plants in Andhra Pradesh.




## 2011 ⟶ 2017

2011: Company's Gross Turnover crossed Rs.500 Crores. Company forayed into RMC Business by setting Two Plants in Hyderabad & Vizag

2012: Company's Gross Turnover crossed Rs.750 Crores

2015: Allotment of 17,95,455 equity Shares to the Promoters on preferential basis @ Rs.22/- Per Share

2016: Issue of NCDs on private placement basis to pay off the term lenders and augmenting production capacities in cement & boards division. Exits from CDR.

NCL High School completed 25 years Silver Jubilee

2017: Company's Gross Turnover crossed Rs.1,000 Crores.

2nd RMC plant in Hyderabad at Rampalli commenced commercial production

## Key Highlights of FY17

- Turnover crossed 1000 Cr
- Y-o-Y revenue growth of 17%
- Raised Rs.325 Cr through NCD for capex and to exit from CDR
- Augmentation of Cement Capacity from 1.95 MTPA to 2.70 MTPA nearing completion
- Third RMC plant set up at Rampally near Hyderabad nearing completion.
- Third Board manufacturing unit nearing completion
- Received "Indian Cement Review award" for the second fastest growing cement company in small category.






# Our Board of Directors

## Providing the Wisdom and Guidance



**Ramanna Anand**
Chairman (Independent)



**Kamlesh Gandhi**



**Dr.R. Kalidas**



**Lt.Gen. T.A.DCunha** (Retd)



**V.S.Raju**

Independent Directors



**V.V. Goradia**



**K Madhu**



**P.N.Raju**



**Ashven Datla**



**Ms. Roopa Bhupatiraju**

Non Executive Directors

## Leading from the Front and Producing Results



**K. Ravi**
Managing Director



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



**K. Gautam**
Executive Director

# Corporate Information

## BOARD OF DIRECTORS

**Mr. R. Anand**
Chairman (Independent)

**Kamlesh Gandhi**
Independent Director

**Dr.R.Kalidas**
Independent Director

**Lt.Gen. T.A.DCunha (Retd)**
Independent Director

**V.S.Raju**
Independent Director

**V.V.Goradia**
Non-Executive Director

**K Madhu**
Non-Executive Director

**P.N Raju**
Non-Executive Director

**Ashven Datla**
Non-Executive Director

**Ms.Roopa Bhupatiraju**
Non-Executive Director

**K.Ravi**
Managing Director

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

**K.Gautam**
Executive Director

## COMPANY SECRETARY
Mr. T. Arun Kumar

## AUDITORS
**VENUGOPAL & CHENOY**
Chartered Accountants
4-1-889/16/2, Tilak Road,
Hyderabad - 500 001

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

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

## FACTORIES
## CEMENT DIVISION
### UNIT - I
Simhapuri, Mattampally Mandal
Suryapet Dist.
Telangana Andhra Pradesh
Pincode - 508204

### UNIT - II
Kadimpothavaram Village
Kondapalli,
Krishna District,
Pincode – 521228

## BOARDS DIVISION
### UNIT – I
Simhapuri, Mattampally Mandal
Suryapet Dist.
Telangana Andhra Pradesh
Pincode - 508204

### UNIT - II
Bhatanwali Village,
Paonta Sahib,
Sirmour District,
Himachal Pradesh
Pincode – 173025

## ENERGY DIVISION ENERGY DIVISION
### UNIT - I
Pothireddypadu, Head
Regulator, Chabolu Village,
Pothulapadu Post
Nandikotkur TQ,
Kurnool District,
Andhra Pradesh
Pincode - 518 402

### UNIT - II
RBHLC Zero Mile Point,
Tungabhadra Dam,
Tungabhadra Board,
Amaravathi Village,
Hospet, Karnakata
Pincode – 583225

## READY MIX CONCRETE DIVISION
### UNIT - I
Plot No. 91/C, D Block, Autonagar,
Gajuwaka, Visakhapatnam, A.P.
Pincode – 530026

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

### UNIT - III
Rampally, Hyderabad,
Telangana State.

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

## BANKERS
Axis Bank Ltd, IDBI Bank Ltd,
State Bank of India

**Regd. & Admn. Office**
CIN : L33130TG1979PLC002521
4th Floor, Vaishnavi's Cynosure, Near Gachibowli Flyover,
Gachibowli, Hyderabad-500 032.,
India. Ph : 91-40-30120000, 29807868
e-mail : ncl@nclind.com Website : www.nclind.com

# Statutory and Financial Section

# Notice

Notice is hereby given that the 36th Annual General Meeting of NCL Industries Limited will be held on Friday, the 22nd September, 2017 at 10.30 A.M at KLN Prasad Auditorium, IIIrd Floor, 11-06-841, FTAPCCI Marg, Red Hills, Hyderabad-500 004, to transact the following business.

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Financial Statements of the company for the year ended 31st March, 2017 together with the Reports of the Directors and Auditors thereon.

2. To declare Dividend

3 To appoint a Director in place of Mr. Asven Datla who retires by rotation and is eligible for reappointment.

4 To appoint a Director in place of Mrs.Roopa Bhupatiraju who retires by rotation and is eligible for reappointment.

5 To ratify the appointment of M/s. Venugopal & Chenoy, Chartered Accountants (ICAI Firm Registration No.004671S) as Statutory Auditors of the Company and if thought fit to pass with or without modification(s), the following resolution as an ordinary resolution.

"RESOLVED THAT pursuant to Section 139 of the Companies Act,2013 read with the Companies (Audit and Auditors) Rules 2014 the company hereby ratifies the appointment of M/s. Venugopal & Chenoy, Chartered Accountants (ICAI Firm Registration No.004671S) as Statutory Auditors of the Company to hold office till the conclusion of the fifth Annual General Meeting to be held after the 33rd AGM held on 29th September 2014 and the Board of Directors be and are hereby authorized to fix their remuneration."

**SPECIAL BUSINESS**

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

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 the remuneration payable to M/s. S R. and ASSOCIATES, Cost Accountants, the Cost Auditors appointed by the Board of Directors of the Company, fixed as Rs 75,000/- (Rupees Seventy five thousand only) for the financial year ending March 31, 2018, be and is hereby ratified."

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

"RESOLVED that pursuant to the provisions of Sections 149(4) of the Companies Act, 2013, Mr. V.S.Raju (DIN: 00101405), be and is hereby appointed as an Independent Director of the Company to hold office for a period of five years from the date of his appointment."

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

"RESOLVED that pursuant to the provisions of Sections 196,197, 198,203, Schedule V and other applicable provisions, if any of the Companies Act, 2013 the reappointment of Mr. K.Gautam as Executive Director of the company for a further period of five years from 1st August ,2017 be and is hereby approved at the following remuneration.

**Salary:** Rs. 4,00,000/- per month (with an annual increment of Rs. 40,000/- per month)

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

**Housing/HRA:** @ 40% of the salary

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

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

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

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

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

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

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

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

"FURTHER RESOLVED that the above remuneration be paid as Minimum Remuneration in the event of absence or inadequacy of profits, for a period of three years from the year in which such absence or inadequacy occurs."

"FURTHER RESOLVED that in case the above minimum remuneration exceeds the ceilings prescribed under the Companies Act 2013 in any particular year, the approval of the Central Government be sought for

payment of the above remuneration as the minimum remuneration after the fact of inadequacy of profit is determined."

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

"RESOLVED that pursuant to Article 126 of the Articles of Association of the Company and subject to the provisions of Sections 197 (4) and 198 of the Companies Act, 2013, consent of the company be and is hereby accorded to the payment of remuneration by way of commission to all the Non-Executive Directors @ 1% (One Percent) of the Net Profits of the Company in addition to the sitting fees for attending meetings of Board or Committee thereof"

"RESOLVED further that within the overall limit of commission payable as above, the Board of Directors of the Company be and is hereby authorized to fix a monetary ceiling as it may deem fit on the quantum of the Commission payable to each of the Non-Executive Directors in any financial year"

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

**Issue of Equity Shares under the provisions of Sections 23, 42 and 62 of the Companies Act, 2013.**

**"RESOLVED THAT** pursuant to the provisions of the Companies Act, 2013 including Sections 23, 42 and 62 and all other applicable provisions, if any, of the Companies Act, 2013, as amended (the "Companies Act") and the Rules made there under to the extent notified and in effect, the applicable provisions, if any, of the Companies Act, 1956, as amended (without reference to the provisions thereof that have ceased to have effect upon notification of sections of the Companies Act) and in accordance with the provisions of the Memorandum of Association and Articles of Association of NCL Industries Limited (the "**Company**") and subject to and in accordance with any other applicable laws or regulation, in India or outside India, including without limitation, the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 **("SEBI ICDR Regulations")** (including any amendment thereto or re-enactment thereof, for the time being in force), provisions of the SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015, as amended ("SEBI Listing Regulations"), the Foreign Exchange Management Act, 1999 ("**FEMA**"), as amended, Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended, and in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued thereon, from time to time, by Securities and Exchange Board of India, Reserve Bank of India, the Stock Exchanges, the Government of India, the Registrar of Companies or any other relevant authority from time to time ("**Governmental Authorities**"), to the extent applicable and subject to such approvals, consents, permissions and sanctions as may be required from such Governmental Authorities and subject to such conditions and modifications as may be prescribed, stipulated or imposed by such Governmental Authorities while granting such approvals, consents, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "**Board**" which term shall be deemed to include any committee(s) thereof constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution to the extent permitted by law), consent, authority and approval of the Company be and is hereby accorded to the Board, on behalf of the Company, to offer, issue and allot, such number of equity shares of the Company with a face value of Rs. 10/- (Rupees Ten) each ("**Equity Shares**"), in one or more tranches, in India or in course of international offering(s) in one or more foreign markets, by way of private offerings, Qualified Institutions Placement ("**Qualified Institutions Placement**" or "**QIP**") on preferential allotment basis, through issue of placement document/ or other permissible/requisite offer document to any eligible person, including qualified institutional buyers ("**QIBs**") in accordance with Chapter VIII of the SEBI ICDR Regulations, as may be decided by the Board in its absolute discretion and permitted under applicable laws and regulations in consultation with the lead managers, advisors or other intermediaries, for an aggregate amount not exceeding **Rs. 250 Crores** (Rupees Two Hundred Fifty Crores only) inclusive of such premium as may be fixed on the Equity Shares, at such price or prices, at a permissible discount (including but not limited to any discount as may be permitted under Chapter VIII of SEBI ICDR Regulations) or premium to market price or prices permitted under applicable laws in such manner and on such terms and conditions as may be deemed appropriate by the Board at its absolute discretion including the discretion to determine the categories of investors to whom the offer, issue and allotment shall be made to the exclusion of other categories of investors at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with lead manager(s) and/or underwriter(s) and/or other advisor(s) or intermediary (ies) appointed and / or to be appointed by the Company (the "**Issue**").

**RESOLVED FURTHER THAT** the allotment of the Equity shares shall be completed within 12 months from the date of this Resolution or such other time as may be allowed under the SEBI ICDR Regulations from time to time at such a price being not less than the price determined in accordance with the pricing formula provided under Chapter VIII of SEBI ICDR Regulations. The Company may, in accordance with applicable law, also offer a discount of not more than 5 % or such percentage as permitted under applicable

law on price calculated in accordance with the pricing formula provided under SEBI ICDR Regulations.

**RESOLVED FURTHER THAT** in accordance with Chapter VIII of the SEBI ICDR Regulations, the "relevant date" for the purpose of pricing of the Equity Shares shall be the date of the meeting in which the Board (including a committee of the Board) decides to open the proposed Issue.

**RESOLVED FURTHER THAT** the Board/ Share Issue Committee be and is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued and allotted or as may be necessary in accordance with the terms of the Issue, all such Equity Shares shall rank paripassu inter-se and with the then existing Equity Shares of the Company in all respects, including dividend, which shall be subject to relevant provisions of the Memorandum of Association and Articles of Association of the Company and the applicable laws and regulations including any rules and regulations of any Stock Exchanges.

**RESOLVED FURTHER THAT** the Board / Share Issue Committee be and is hereby authorized to engage, appoint lead manager(s), underwriter(s), registrar(s), banker(s), lawyer(s), advisor(s) and all such professionals or intermediaries or agencies as may be involved or concerned in such offerings of Equity Shares and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memorandum, arrangement(s), placement agreement(s)/ payment and any other agreements or documents, etc., with such agencies and also to seek the listing of such Equity Shareson the Stock Exchange(s), authorising any director(s) or any officer(s) of the Company to sign for and on behalf of the Company, the offer document(s), agreement(s), arrangement(s), application(s), authority letter(s), or any other related paper(s) / document(s) and give any undertaking(s), affidavit(s), certificate(s), declaration(s) as the Board may in its absolute discretion deem fit including the authority to amend or modify the aforesaid document(s).

**RESOLVED FURTHER THAT** for the purpose of giving effect to any offer, issue or allotment of Equity Shares as described above, the Board/ Share Issue Committee, where required in consultation with the merchant bankers and/or other advisors as mentioned above, be and is hereby authorised on behalf of the Company, to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, including but not limited to finalize, approve and issue any document(s), including finalization and approval of the preliminary as well as final placement document(s), including the selection of qualified institutional buyers and/or to such Investors to whom the Equity Shares are to be offered, issued and allotted, number of Equity Shares to be allotted, issue price, face value, discounts permitted under applicable law (now or hereafter), premium amount on issue rate of interest, listing on the Stock Exchanges and any other terms and conditions of the issue, including any amendments or modifications to the terms of the Equity Shares and any agreement or document (including without limitation, any amendment or modification), the execution of various transaction documents and to settle all questions, difficulties or doubts that may arise in relation to the issue, offer or allotment of the Equity Shares, accept any modifications in the proposal and matters related thereto and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to such issue(s) or allotment(s) as it may, in its absolute discretion, deem fit without being required to seek further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

**RESOLVED FURTHER THAT** the Board/ Share Issue Committee and other designated officers of the Company be and are hereby severally authorised to make all filings including as regards the requisite listing application/ placement document, or any draft(s) thereof, or any amendments or supplements thereof, and of any other relevant documents with the Stock Exchanges, RBI, SEBI, the Registrar of Companies and such other authorities for this purpose and to do all such acts, deeds and things as may be necessary or incidental to give effect to the resolutions above and the Common Seal of the Company be affixed wherever necessary

**RESOLVED FURTHER THAT** the Board / Share Issue Committee be and is hereby authorized to form a committee and/or delegate all or any of its power to any committee of directors (including any officer(s) of the Company) to give effect to the aforesaid resolutions and is authorized to take such steps and to do all such acts, deeds, matters and things and accept any alterations or modification(s) as they may deem fit and proper and give such directions as may be necessary to settle any question or difficulty that may arise in regard to issue and allotment of Equity Shares.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary and expedient to give effect to this resolution."

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

Place : Hyderabad
Date : 14th August, 2017

**T.ARUN KUMAR**
Company Secretary

**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.**

   A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. A statement setting out the material facts pursuant to the provisions of Section 102 of the Companies Act, 2013 in respect of item No. 6 to 9 of the notice is annexed hereto.

3 Shareholders seeking any information with regard to accounts are requested to write to the Company at least 10 days before the date of the meeting so as to enable the Management to keep the information ready.

4 The Register of Members and Share Transfer Registers will remain closed from 16th September, 2017 to 22nd September, 2017 (both days inclusive) on account of the Annual General Meeting and determination of payment of dividend if any.

5 Members holding shares in electronic form are requested to inform the changes, if any, in their address or bank particulars etc., to the Depository Participant with whom the demat account is maintained.

6 Individual shareholders can avail the facility of nomination. Shareholders holding shares in physical form may write to the Registrar for assistance. Shareholders holding in electronic form may approach their DP with whom they maintain their account.

7 In terms of regulation 36(3) of SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015 brief resumes of Directors proposed to be appointed or reappointed at the meeting are given.

8 Electronic copy of the Notice of the 36th Annual General Meeting of the Company inter-alia indicating the process and manner of 'e'- voting along with Attendance Slip, Proxy Form and Annual Report is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 36th Annual General Meeting of the Company along with Attendance Slip, Proxy Form and Annual Report is being sent to their registered address with the company. The company appreciates and supports this green initiative and requests the members to register their e-mail address to receive the future correspondence, including Annual Reports through e-mails. In the case members who are holding shares in demat form, the email IDs registered with the DP and made available to the company/RTA shall be the registered email IDs unless communication is received to the contrary. Shareholders are requested to update their e-mail through their Depository Participants concerned and members who hold the shares in physical form are requested to update their e- mail address to the Company's Registrar and Share Transfer Agents M/s. Venture Capital & Corporate Investments (P) Ltd. **Shareholders are also advised to visit the company's website www.nclind.com where the notice is uploaded.**

9. As per the circular No .MRD/Dop/Cir-05/2009 Dt.20th May, 2009 issued by the Securities and Exchange Board of India (SEBI), it is mandatory to quote PAN for the transfer/transmission of shares in physical form. Therefore the transferee(s)/legal heirs are requested to furnish a copy of their PAN Card along with other documents to the Registrar and Share Transfer Agents irrespective of the value of the transaction.

10. Shareholders who have not encashed their dividend warrants for the years 2009-10, 2010-11, 2011-12 and 2015-16 may approach the company for revalidation, issue of duplicate warrants etc; quoting the Folio No./ Client ID. Please note that as per Section 124(5) and 124(6) of the Companies Act, 2013 dividend which remains unpaid /unclaimed over a period of 7 years, such unclaimed dividends and such shares whether held in demat form or in physical form are required to be transferred by the company to the Investor Education & Protection Fund (IEPF). Any person whose unclaimed dividends/shares so transferred to IEPF, may claim the shares for refund /apply to IEPF by submitting an online application form to IEPF along with fee specified by IEPF from time to time.

11. **Members are also requested to lodge their e-mail ID's along with name and Folio/Client ID No. at the following address / e-mail to enable us to send all future communications including Annual Reports through e-mode.**

12 As an austerity measure, copies of the Annual Reports will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the Meeting.

13 **Instructions about Voting:**

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

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

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

*(i) The e-voting period commences on 19th September, 2017 (10:00 AM) and ends on 21st September, 2017 (5.00PM). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut- off date of 16th September, 2017, (Record date) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.*

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

In case of members receiving e-mail:

(ii) Shareholders should Log on to the e-voting website www.evotingindia.com

(iii) Click on "Shareholders" tab.

(iv) Now, select the "NCL INDUSTRIES LIMITED" from the drop down menu and click on "SUBMIT"

(v) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

| | **For Members holding shares in Demat Form and Physical Form** |
|---|---|
| PAN | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) |
| | • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. |
| | • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Radha Krishnan with sequence number 1 then enter RA00000001 in the PAN Field. |
| DOB | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format. |
| Dividend Bank Details | Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. |
| | • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (V) |

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

(x) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN for the relevant <NCL INDUSTRIES LIMITED> on which you choose to vote.

(xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

**(xvi)** Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xviii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Shareholders can also cast their vote using CDSL's mobile app m-voting available for android based mobiles. The m-voting app can be down loaded from google play store .Please follow the instructions as prompted by the mobile app while voting on your mobile.

**Note for Non-Individual Shareholders and Custodians**

- Non individual/Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and custodians are required to log on to https://www.evotingindia.co.in and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity should be 'e ' mailed to to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**In case of members receiving the physical copy:**

(A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

(B) The voting period begins on 19th September, 2017 at 10.00 AM on and ends on 21st September, 2017 at 5.00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (16th September, 2017), may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

14. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date as on 16th September, 2017. (Record date) The Cut-off date fixed for determination of eligibility for dispatch of Annual Reports is 19th August,2017.

15. Mr. A. Ravishankar, (COP No.4318) and Mr. K.V. Subramanyam, (COP No.4815) Practicing Company Secretaries have been appointed as the Scrutinizers to scrutinize the e-voting process in a fair and transparent manner. Any of the above Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

**B) Voting by using the postal Ballot Form:**

I. A Ballot form is provided (enclosed separately) for the benefit of members who do not have access to e-voting facility to enable them to send their assent or dissent by post.

II. Please complete and sign the ballot Form (no other form or photo copy is permitted) and send it so as to reach the Scrutinizer appointed by the Board of Directors of the company, Mr.A.Ravishankar, (COP No 4318)/ Mr K.V.Subramanyam, (COP No 4815) Practicing Company Secretaries not later than the close of working hours (17.00 hours) on 21st September, 2017. For this purpose, a self addressed prepaid 'Business Reply inland Letter'('BR Letter') is enclosed and postage will be paid by the company

if posted in India. The BR letter bears the name and address of the Registered Office of the company and is to the attention of the Scrutinizer. However BR Letters containing the Ballot form(s) if deposited in person or sent by courier or registered/speed post at the express of the member will also be accepted.

III The Form should be signed by the member as per the specimen signature registered with the company/Depository Participants. In case of joint holdings, the Form should be completed and signed by the first named member and in his/her absence, by the next named joint holder. There will be one Form for Folio/Client ID irrespective of the number of joint holders. A Power of Attorney (POA) holder may vote on behalf of a member mentioning the registration number of the POA or enclosing an attested copy of the POA. Exercise vote is not permitted through proxy.

IV For shares held by companies, Bodies Corporate, Trusts, Societies etc, the duly completed Form should be accompanied by a certified true copy of the Resolution/ Authorization together with attested specimen signature(s) of the duly authorized signatory (ies).

V Votes should be cast in case of each resolution, either in favor or against by putting the tick ( √ ) mark in the column provided for assent/dissent. Members may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST taken together should not exceed the member' total shareholding. If the shareholder does not indicate either "FOR "or "AGAINST" in case of any resolution, it will be treated as "ABSTAIN" for that resolution and the shares held will not be counted be counted under either head.

VI Duly completed Forms should reach the Scrutinizer not later than the close of working hours (1700 hours) on 21st September,2017. Ballot Forms received after 21st September, 2017 will be strictly treated as if the reply from the member has not been received.

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

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

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

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

**C: Other Instructions.**

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

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

16. The company has paid the listing fees for the year 2017-18 to BSE and NSE where the equity shares of the company are listed.

17. Members/Proxies are requested to kindly take note of the following:

i. Attendance slip, as sent herewith, is required to be brought at the venue duly filled in and signed, for attending the meeting.

ii. Folio No./DP & Client ID No. and No. of Shares may please be quoted in all correspondence with the Company and or the RTA.

**Company Secretary,**
**NCL Industries Limited**
Regd. Office:
4th Floor, Vaishnavi's Cynosure,
Near Gachibowli Flyover
Gachibowli Hyderabad - 500 032
e- mail: cs@nclind.com
**Address of Registrar and Share Transfer Agents**
Venture Capital & Corporate
Investments (P) Ltd, 12-10-167 (MIG)
Bharath Nagar, Hyderabad - 500 018
Phones: 040 - 2381 8475 / 76 & 2386 8023
e-mail: info@vccilindia.com

# STATEMENT CONTAINING MATERIAL FACTS

**(Pursuant to Section 102 of thé Companies Act, 2013**

**ITEM NO. 6:**

The Board of Directors, on recommendation of the Audit Committee, appointed M/s S R and Associates, Cost Accountants as Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2018 in respect of cement and Ready Mixed Concrete, at a remuneration of Rs.75,000/- (Rs. Seventy Five Thousand only).

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

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

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

The Board recommends that the Resolution be passed.

**ITEM NO. 7:**

The Board, at its meeting held on 11th November 2016, appointed Mr. V S Raju as an Independent Director pursuant to the provisions of Section 149 of the Companies Act. 2013. In terms of Section 161(1) of the Companies Act, 2013, he holds office till the date of the ensuing Annual General Meeting.

Aged about 76 years, Mr. V.S.Raju brings with him a rich varied experience of industry and commerce. Apart from being a Director of 3 companies, Mr. V.S.Raju has also been actively associated with financial institutions like IDBI,IFCI, ICICI and banks as a standing counsel. He has been associated with Federation of Andhra Pradesh Chamber of Commerce & Industry (Now FTAPCCI) for more than 30 years and was the President of the Association during the year 2011-12. He was earlier worked as Registrar of Companies, Andhra Pradesh and Karnataka in the erstwhile Department of Company Affairs (Now Ministry of Corporate Affairs) took Voluntary retirement and enrolled as an advocate in the year 1988 and started practice before Hon High Court of AP and other High Courts and completed over 25 years at the Bar. He is holding 1040 equity shares in the company.

Your directors' feel that the company will be benefitted by his counsel and advice in the coming years, and recommends that the resolution be passed.

The Company has received from Mr. V.S.Raju

(i) Consent in writing to act as director

(ii) Intimation to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and

(iii) Declaration that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

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

Mr. V.S.Raju may be deemed to be interested in the resolution set out in Item No. 7.

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

The Board recommends the resolution set forth in the Item No.7 of the Notice for approval of the members.

**ITEM NO. 8**

Members are aware that Mr. K Gautam (Aged 36 years) has been associated with the company as management Trainee from 1st June,2007 and later promoted as Manager (Projects) during the year 2008. He was appointed as Executive Director for a period of 5 years w.e.f 1st August, 2009 and reappointed for a period of three years from 1st August 2014 up to 31 July 2017. At its meeting held on 27th May,2017 the Board of Directors have re- appointed Mr.K.Gautam as Executive Director of the company for a period of 5 years w.e.f 1st August, 2017. His brief resume is enclosed as an annexure to notice.

Mr. K Madhu, Director, being the father of the proposed appointee, is deemed to be interested in the resolution relating to the proposed appointment of Mr. K Gautam. In addition, Mr. K Ravi, Managing Director, the brother of Mr. K Madhu may also be deemed to be interested in the said Resolution.

The Resolution also proposes that the remuneration as specified therein be paid as minimum remuneration in the absence of inadequacy of profits, and the approval of the Central Government be sought where necessary, as and when such absence or inadequacy occurs.

Your Directors recommend that the resolution approving his reappointment be passed.

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

**I. GENERAL INFORMATION:**

(1) Nature of Industry – The Company is operating in five segments - Cement, Boards, Prefab structures, Hydel Power and ReadyMix 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 Parameters | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 |
|---|---|---|---|---|---|
| Gross income | 63303.73 | 61220.69 | 79643.09 | 99,748.01 | 1,16,906.42 |
| Net Profit (as computed u/s. 198) | (815.07) | (3600.43) | 1416.13 | 6686.54 | 6581.20 |
| Net profit as per profit and loss Account | (1154.47) | (4080.18) | 890.01 | 5,307.91 | 5472.99 |
| Amount of Dividend paid# | Nil | Nil | Nil | 884.22 | 1105.27# |
| Rate of dividend Declared | Nil | Nil | Nil | 20% | 25%* |

# including dividend & Tax
* including proposed dividend

(5) Export performance: Rs. 56.26 Lakhs Foreign Currency Earnings - CIF basis for the Financial Year 2016-17.

(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:**

**Mr. K Gautam**

**1. Background Details**

Mr. K.Gautam is a BBM (Hons) fom ICFAI, Hyderabad and M.Sc (Entrepreneurship and Business management) from University of Luton Bedfordshire, UK. He was reappointed as Executive Director by the Board of Directors of the Company for a period of 3 years w.e.f. 01.08.2014. In recognition of the contribution made by him, the Board has decided to reappoint him with effect from 1st August, 2017. The terms of his remuneration is in accordance with the provisions of Schedule V of the Companies Act, 2013 as detailed in the resolution.

**2. Past remuneration - (Rs.in Lakhs)**

| Financial Year | 2014-15 | 2015-16 | 2016-17 |
|---|---|---|---|
| | Rs.32.76 | Rs.47.04 | Rs.52.08 |

**3. Recognition and Awards: NIL**

**4. Job profile and his suitability –**

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

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

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

**7. Pecuniary relationship directly or indirectly with the company, or relationship with managerial personnel, if any -**

Besides, the remuneration proposed, Mr.K.Gautam is holding 6,85,959 equity shares in the Company. Mr.K.Gautam does not have any other pecuniary relationship with the Company. Mr. K Gautam is the son of Mr. K. Madhu, Promoter Director, who also happens to be the brother of Mr. K. Ravi, Managing Director.

**III OTHER INFORMATION**

(1) Reasons of loss/inadequate Profits : Not applicable

(2) Steps taken or proposed to be taken for improvement : Not applicable

(3) Expected increase in productivity and profits in measurable terms: Increasing cement and Boards Production, meeting customer requirements, as warranted by the market demand.

This statement may also be regarded as a disclosure under Regulation 36(3) of the SEBI (listing obligations and disclosure requirements) Regulations, 2015.

**ITEM NO. 9:**

The Board of Directors of the Company at their meeting held on 27th May, 2017 approved the payment of commission to the non whole time directors of the company. According to Section 309 of the Companies Act, 2017 approval of the members is sought by way of a special resolution for payment of commission to the non-whole time directors of the company for a period of 5 years with effect from 1st April, 2017 as set out in the resolution at Item No.9.

All the Directors of the company other than the whole time directors are concerned and interested in the said resolution.

**ITEM NO. 10:**

Taking into account the progressive process of economic and market revival both in domestic and international markets and also to encash the resultant potentialities and opportunities under the prevailing conditions, your Company needs to augment long term financial resources by way of raising equity for the purpose of:-

- Strengthening the project portfolio by existing and ongoing projects;
- To repay the existing loan and debt of the Company; and
- Such other general corporate requirements as may be required

All the above plans would need requisite funds and hence, your Company would like your approval to issue Equity Shares for aggregate amount not more than **Rs. 250 Crores (Rupees Two Hundred Fifty Crores only)** inclusive of such premium as the Board of Directors of the Company may determine.

The proposed resolution seeks the enabling authorization of the members to the Board of Directors to raise funds by issuance of Equity Shares of the Company, to be listed on a recognized Stock Exchange in India by way of private placement or otherwise.

This special resolution also seek to empower the Board of Directors and/or the Committee thereof to undertake a qualified institutions placement with qualified institutional buyers as per the SEBI ICDR Regulations and section 42 of the Companies Act, 2013 and rules there under including the Companies (Prospectus and Allotment of Securities) Rules, 2014, amended from time to time. The Board of Directors and/or the Committee thereof may adopt this mechanism, as prescribed under chapter VIII of the SEBI ICDR Regulations in order to facilitate the abovementioned proposed plan without the need for fresh approval from the shareholders.

The special Resolution also enables the Board of Directors and/or the Committee thereof to issue Equity Shares, at such prices and to such person(s) including institutions, incorporated bodies and/or individuals or otherwise as the Board of Directors and/or the Committee thereof deems fit. The Company may, in accordance with applicable laws, offer a discount of not more than 5 % or such percentage as permitted under applicable law, on the price determined pursuant to the SEBI ICDR Regulations. The 'Relevant Date' for this purpose will be the date when the Board of Directors and/or Committee thereof decide to open the QIP for subscription.

The details of terms and conditions for the Issue will be determined by the Board of Directors and/or Committee in consultation with the lead managers or consultant or advisor and such other authorities as may be required considering the market conditions and in accordance with the applicable provisions of law.

The special resolution seek the consent and authorization of the members to the Board of Directors / Committee to make the proposed Issue of Equity Shares, in consultation with the lead managers, advisors, other intermediaries and in the events it is decided to issue Equity Shares, as may be required to be issued in accordance with the terms of the Issue, keeping in view the prevailing market conditions in accordance with the applicable rules, regulation and guidelines

Your Board recommends the acceptance of the resolutions as set out in Item No. 10 of the Notice of the Meeting.

None of the Directors, Key Managerial Personnel and Relatives of the Directors/Key Managerial Personnel of the Company, are concerned or interested in the above resolution except to the extent of their shareholding in the company.

## 36th Report of the

# Board of Directors

Your Directors have pleasure in presenting their Report for the financial year ended March 31, 2017.

**Financial Results**

The Audited Financial Statements for the year ended March 31, 2017, 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)

| | 2016-17 | 2015-16 |
|---|---|---|
| **Total Revenue** | **1,16,906.42** | **99,748.01** |
| Profit Before Tax | 6,165.78 | 6,686.54 |
| Provision for Tax (including deferred tax) | 692.79 | 1,378.63 |
| **Profit for the year after tax** | **5,472.99** | **5,307.91** |
| Transfer to General Reserve | 1,000.00 | 434.20 |

Your Directors are pleased to report that your company has crossed the milestone of Rs. 1,000 crores during the year under review. The total revenue of Rs. 1,169.06 crores represented a growth of over 17% compared to the previous year. Improvement in cement capacity utilization and sales during the year under review contributed to the healthy performance. The Boards Division also operated at 100% capacity and recorded a Gross Turnover of Rs.107.24 crores, a marginal improvement over the turnover of Rs. 104.31 crores achieved in the previous year.

However, for the second year in succession, the operations of the Energy Division were adversely affected by the insufficient water inflows due to bad monsoon. Consequently, the generation of hydel power during the year under review was only 7.91 million units, compared to 12.89 million units in the previous year.

Despite the sub-optimal performance of the Energy Division, your company has recorded a the profit after tax of Rs. 54.73 crores.

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

**Issue of Non Convertible Debentures on Private Placement Basis**

As reported last year, your company has embarked upon a programme of raising Rs. 325 crores to repay the term lenders and exit from the CDR mechanism, and also to go ahead with the capital expenditure for enhancement of capacities of the Cement and Boards Divisions. So far the company raised an amount of Rs.220.00 Crores out of Rs.325.00 Crores envisaged.

The utilization of the proceeds of the NCD Issue has been as follows:

**Exit from CDR Mechanism:**

An amount of Rs. 102 crores was used to repay the term loans to institutions and banks in full, and exit the CDR mechanism.

**Capital Expenditure and enhancement of capacities**

**Cement Division**

An outlay of Rs. 180 crores has been made for expansion of clinker capacity from 1.60 MTPA to 2.60 MTPA and cement grinding capacity from 0.96 MTPA to 1.71 MTPA at Simhapuri, Suryapet District, Telangana. As on the date of this Report, major civil works have already been completed. Erection of Equipment is in advanced stage of completion. Trial runs are expected shortly.

**Boards Division:**

An outlay of Rs. 35 crores has been made for setting up a third Boards Plant of 30,000 TPA capacity at Simhapuri, Nalgonda District, Telangana. Erection of machinery has been completed and the plant is ready for its trail runs.

Your Directors expect that the expansion projects to be completed by September, 2017.

**Ready Mix Concrete:**

Apart from the enhancement of the capacity of clinker, cement and boards, one more Ready Mix Concrete unit was set up at Hyderabad, and commenced its commercial operations from 11th March,2017.

**Dividend**

Members are aware that the directors declared and paid an interim dividend @10% per Equity Share (i.e. Rs.1/- per Equity Share of Rs.10/- each) in February, 2017. Your Directors are pleased to recommend a final dividend of Rs.1.50 per share at the ensuing Annual General Meeting, thus bringing the total dividend for the year 2016-17 to Rs.2.50 per share

**DIRECTORS' RESPONSIBILITY STATEMENT**

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

I. All applicable accounting standards have been followed in the preparation of annual accounts and that there are no material departures

II. The Directors selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2017 and of the profit of the Company for the year ended on that date.

III. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

IV. The Directors prepared the Annual Accounts on a going concern basis.

V. Proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.

VI. Appropriate systems were devised to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

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

**Independent Directors**

During the year under review, your Company had five independent directors as stipulated by Section 149(6) of the Companies Act, 2013, namely Mr. R Anand, Mr.M.Kanna Reddy, Mr.Kamlesh Gandhi, Dr.R.Kalidas and Lt.General T.A.Dcunha(Retd).

Mr.M.Kanna Reddy resigned from the Board on health grounds with effect from 21st September,2016. Mr.V.S.Raju has been appointed by the Board on the 11th November 2016 as Independent Director to fill the vacancy caused by the resignation of Mr.M.Kanna Reddy. In terms of Section 161(1) of the Companies Act 2013, Mr. V S Raju holds office till the date of the ensuing Annual General Meeting. A Special Resolution is being proposed for fresh appointment of Mr.V.S.Raju as an Independent Director for tenure of five years.

The Company has received declarations from all the Independent Directors of the Company under Section 149(7) of the Companies Act, 2013 confirming that they continue to meet the criteria of independence asprescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 25 of the SEBI (LODR) Regulations, 2015.

**Executive Directors**

Mr.N.V.Suvarna resigned from the Board w.e.f 1st January, 2017 upon reaching the age of 65 years.

Mr.K.Gautam who was appointed as Executive Director for a period of 3 years w.e.f.1st August, 2014 has been reappointed by the Board for a further period of 5 years from 1st August, 2017. A resolution is being proposed at the ensuing Annual General Meeting appointing Mr.K.Gautam as Executive Director.

The Board records its profound appreciation of the contribution made by Mr. M. Kanna Reddy and Mr. N.V.Suvarna, as Independent Director and Executive Director respectively.

Mr. Ashven Datla and Mrs. Roopa Bhupatiraju retire by rotation at the ensuing Annual General Meeting, and are eligible for reappointment. The necessary resolutions for the re-appointment of Mr. Ashven Datla and Mrs.Roopa Bhupatiraju have been included in the Notice convening the ensuing AGM.

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

**BOARD MEETINGS**

During the year under review, five Board meetings were held on 30th May, 2016, 29th July, 2016, 20th September, 2016, 11th November, 2016, and 13th February, 2017. The maximum time gap between any two consecutivemeetings was within the period prescribed under the Companies Act, 2013.

**Committees of the Board**

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

**Plans for Orderly Succession for appointments to Board etc;**

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

**CORPORATE GOVERNANCE**

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

**Risk Management**

The company has a system of constantly identifying and monitoring the risks that the company may be exposed to. A Risk Management Committee constituted headed by Independent Director as Chairman and three other Non Executive Directors as members. The Committee and its members reviews various risks and steps taken to manage the risks. The Board is of the opinion that there are no elements of risks that may threaten the existence ofthe Company.

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

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

**Related Party Transactions**

Pursuant to Section 134 of the companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, the contracts or arrangements entered in to by the company with related parties have been at arm's length and are in the ordinary course of business. The details of the Related Party Transactions are contained in **Annexure A-2** to this Report.

**Management Discussion and Analysis Report**

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

**Litigations**

During the year under review, no significant or material orders were passed by any regulatory/statutory authorities

or courts/tribunals against the company impairing its going concern status and operations in future.

**Corporate Social Responsibility (CSR) Activities**

The CSR Committee has been reconstituted w.e.f 13th February, 2017 with Dr.R.Kalidas, Independent Director as Chairman. The Committee also includes one Executive and one Non-executive Director. The CSR Committee meeting was held on 12th February, 2017 and reviewed the CSR Policy and CSR activities.

Under the provisions of Section 135 of the Companies Act, 2013 an amount of Rs.24.70 Lakhs is required to be spent on CSR activities recommended by the CSR Committee to Board for the FY 2016-17. However, your Directors are glad to report that an amount of Rs.152.93 Lakhs was spent towards CSR activities on a voluntary basis towards education and medical during the year under review. The details of the CSR activities during the year under review are listed in **Annexure - C** to this Report.

**Subsidiaries**

Your Company has no subsidiaries, Associates or Joint Ventures as on the date of the Report.

**Investor Education & Protection Fund**

The Company has transferred Rs.28.40 Lakhs relating to unpaid Dividend for the Financial Year 2008-09 to the Investor Education & Protection Fund.

**Fixed Deposits**

The details relating to Fixed Deposits are as follows:

As on 31st March 2017, Rs.4886.10 Lakhs of Public Deposits are outstanding. The Company has repaid all the matured deposits that have been claimed, and there have been no defaults in payment of interest or repayment of principal. The details of deposits received from the directors/relatives of directors during the year under review in terms of MCA Notification No.GSR695 (E) dated 15th September, 2015 are as under:

| S.No | Name of the Director / Relative of Director | Amount (Rs.in Lakhs) | Inter-se Relationship |
|---|---|---|---|
| 1 | Mr.K.Ravi | 45.00 | Managing Director |
| 2 | Mrs.Roopa Bhupatiraju | 4.50 | Director |
| 3 | Master B.Arjun | 8.05 | S/o Mrs. Roopa Bhupatiraju |
| 4 | Ms.D.Ananya | 2.00 | D/o Mr.Ashven Datla |
| 5 | Ms.D.Katyayani | 1.00 | D/o Mr.Ashven Datla |
| 6 | Ms.K.Sailaja | 1.00 | W/o Mr.K.Ravi |
| 7 | Mr.R.Anand | 20.00 | Chairman |
| 8 | Mr.Vinodrai.V.Goradia | 10.00 | Director |
| 9 | Mrs.Charulatha V.Goradia | 10.00 | W/o Mr.V.V.Goradia |
| 10 | Ms.N.Chaitra Sarada | 23.50 | D/o Mr.N.G.V.S.G.Prasad |

**Particulars of Employees**

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

**Auditors**

M/s Venugopal & Chenoy, Chartered Accountants, have been appointed as the statutory auditors of the Company for a period of five years w.e.f 29th September, 2014 subject to ratification at ensuing Annual General Meeting.

**Cost Audit**

M/s S.R.and ASSOCIATES, Cost Accountants have been reappointed to conduct the cost audit pertaining to Cement as well as RMC of the company for the year 2016-17.

The Cost Audit Reports for the financial year ended March, 31st, 2016 were duly filed with Ministry of Corporate Affairs on 26/08/2016.

**Secretarial Audit**

The Secretarial Audit Report pursuant to the provisions of Section 204 of the Companies Act, 2013 is attached as **Annexure - E** to this Report. The observations of the Report are self contained, and do not call for any explanation as envisaged by Section 204(3) of the said Act.

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

During the year under review, there were no cases filed pursuant to the aforesaid Act.

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

Your Company continues to be conscious of the need for conservation of energy, and wherever feasible, effective steps for energy conservation are taken.

There were no significant investments or developments in this regard during the year under review.

The technology procured for the fields of operation has been fully absorbed.

There was no significant expenditure in Research & Development warranting a special mention in this Report.

The details of Foreign Exchange Earnings and outgo are as follows:

Earnings : Rs. 56.26 Lakhs

Outgo : Rs. 1361.92 Lakhs

**Extract of Annual Return**

Pursuant to the provisions of Section 92 of the Companies Act, 2013 and rules framed there under, the extract of the Annual Return in form MGT-9 is annexed herewith as **Annexure 'F'** and forms part of this Report.

**Acknowledgements**

Your Directors wish to place on record their appreciation of the support and co-operation extended by SBI, Axis Bank, IDBI Bank and Central and State Government Departments, Dealers, Stockists, Consumers and Depositors.

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

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

**For and on behalf of the Board**

**R. ANAND**
Chairman
DIN : 00040325

Place: Hyderabad
Date: 14th August, 2017

## Annexure "A" to the Directors' Report

# Report on Corporate Governance

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

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

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) Composition and category of Directors.**

During the year under review, your Board of Directors had 14 Directors, 4 being Executive Directors and 9 Non Executive Directors. Five of Non Executive Directors are Independent Directors. The Chairman of the Board is an Independent Director and the Company was in compliance of the provisions relating to the number of independent directors prescribed under the Companies Act and the SEBI (LODR) Regulations, 2015.

Consequent to repayment of dues, IREDA withdraw the nomination of Ms.Meena Gupta w.e.f 22nd April, 2016.

Mr.M.Kanna Reddy resigned from the Board w.e.f 21st September, 2016. Mr.V.S.Raju has been appointed as Independent Director w.e.f 11th November, 2016 to fill the vacancy caused by the resignation of Mr. M Kanna Reddy.

Mr.N.V.Suvarna resigned as Executive Director of the company w.e.f 1st January, 2017

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

Five Board Meetings were held during the year 2016-17. The dates on which the said meetings were held are as under:

(1) 30th May, 2016 (2) 29th July, 2016 (3) 20th September, 2016
(4) 11th November, 2016 (5) 13th February, 2017

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

| Name of the Director | Categories of Director-ship* | No of Board Meeting attended | Attendance at last AGM | Director-ship in other companies*** | No. of memberships of other Committees **as | |
|---|---|---|---|---|---|---|
| | | | | | Chairman | Member |
| R. Anand | I & NED | 4 | Yes | 3 | - | 1 |
| M. Kanna Reddy (up to 20/09/2016) | I & NED | 3 | Yes | 1 | - | 1 |
| Dr.R. Kalidas | I & NED | 4 | Yes | - | 1 | 2 |
| Lt.Gen. T.A.DCunha (Retd) | I & NED | 5 | Yes | - | - | - |
| Kamlesh Gandhi | I & NED | 5 | Yes | 4 | 3 | 1 |
| V.S.Raju (from 11/11/2016) | I & NED | 1 | NA | 3 | 2 | 1 |
| Ms.Meena Gupta (up to 22/04/2016) | NED | - | NA | 1 | - | - |
| V.V. Goradia | NED | 5 | Yes | - | - | |
| Ms.Roopa Bhupatiraju | NED/WD | 2 | Yes | - | - | - |
| K Madhu | NED | 5 | Yes | 4 | - | 1 |
| Ashven Datla | NED | 4 | Yes | 5 | | 1 |
| P.N.Raju | NED | 5 | Yes | 1 | - | - |
| N.V.Suvarna (up to 31/12/2016) | ED | 3 | | _ | _ | _ |
| N.G.V.S.G.Prasad (from 30/05/2016) | ED & CFO | 5 | Yes | _ | _ | _ |
| K.Gautam | ED | 4 | Yes | - | - | - |
| K. Ravi | MD | 5 | Yes | 1 | - | - |

**As per the explanation to Regulation 26 of SEBI (LODR) Regulations, 2015, only Audit committee and Stakeholders relationship committee have been considered for the purpose

| | |
|---|---|
| * I & NED | Independent and Non Executive Director |
| NED | Non-Executive Director |
| ED | Executive Director |
| WD | Woman Director |

***excluding directorships in private Ltd. companies

Mr.K.Ravi, Mr.K.Madhu, Mr.Ashven Datla, Mr.K.Gautam and Mrs.Roopa Bhupatiraju are related inter-se among themselves. (Disclosure Under Schedule V(C)(e) of the SEBI (LODR) Regulations, 2015).

**d) Criteria for performance evaluation of Independent Directors**

The Nomination & Remuneration Committee has laid down the evaluation criteria for performance evaluation of Independent Directors and other Non Executive Directors of the company. One separate meeting of the independent Directors was held on 13th February, 2017 during the year under review. Independent directors evaluated the performance of other Non executive Directors and conveyed their views to other directors on the Board.

**e) Familiarization programme for Independent Directors**

All the present Independent Directors are already familiar with the company, its operations and policies as well as their rights and responsibilities. For new inductees, the familiarization process consists of plant visits, interaction with the executive directors, other members of the Board and senior management personnel. The company also sponsors independent directors to workshops and seminars on their rights and responsibilities, whenever there is a need and an opportunity.

**3) Audit Committee:**

The Board has an Audit Committee constituted in compliance with Regulation 18 of the SEBI (LODR) Regulations, 2015. The role of the Audit Committee includes the following:

a) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

b) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.

c) Reviewing, with the management, the quarterly and annual financial statements before submission to the board for approval.

d) Reviewing the adequacy of internal audit function and the adequacy of the internal control systems.

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

During the year under review, four meetings of the audit committee were held on the following dates 30th May, 2016, 29th July, 2016, 11th November, 2016 and 13th February, 2017.

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 (Up to 20/09/2016) | Independent | 2 |
| Kamlesh Gandhi | Chairman (from 11/11/2016) | Independent | 4 |
| Dr.R.Kalidas | Member | Independent | 4 |
| Ashven Datla | Member | Non Executive | 3 |
| V.S.Raju | Member (from 13/02/2017) | Independent | 1 |

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

The Managing Director, Executive Director and the Executive Director & CFO are permanent invitees to this Committee. The terms of reference of the Audit Committee are in accordance with the provisions of Clause 49 of the Listing Agreement / SEBI (LODR) Regulations, 2015.

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

**4) Nomination & Remuneration Committee:**

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

| Name | Designation | Category | Committee meetings attended |
|---|---|---|---|
| Kamlesh Gandhi | Chairman | Independent | 3 |
| Lt.Gen. T.A. DCunha (Retd) | Member | Independent | 3 |
| Ashven Datla | Member | Non Executive | 2 |

This Committee considers and recommends the remuneration payable to Executive Directors. During the year under review, three Meetings of the Committee were convened on 30th May, 2016, 29th July, 2016, and 11th

November, 2016.

**Remuneration Policy**

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

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

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

**Remuneration paid to Executive Directors**

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

(Rs. in lakhs)

| Name of the Director | Salary | Allowances/ Benefits | Commission | Total |
|---|---|---|---|---|
| K. Ravi, M.D | 96.00 | 49.92 | 131.62 | 277.54 |
| N.V.Suvarna E.D* | 20.12 | 10.46 | - | 30.58 |
| K.Gautam, E.D | 37.20 | 14.88 | - | 52.08 |
| N.G.V.S.G. Prasad** | 20.15 | 8.06 | - | 28.21 |

*up to 31/12/2016. ** From 30/05/2016.

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

**Remuneration paid to Non Executive Directors**

The Non-Executive Directors were paid sitting fees for attending the meetings of the Board or the Committees thereof at the rate of Rs.15,000/- per Board meeting and Rs.10,000/- for any Committee meeting thereof.

In addition, they are entitled to commission at the rate of not exceeding 1% of the net profits of the Company.

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 (up to 20/09/2016) | 6 | 75,000 |
| V.V. Goradia | 6 | 85,000 |
| V.S.Raju | 3 | 35,000 |
| R.Anand | 5 | 70,000 |
| Ashven Datla | 12 | 1,40,000 |
| K. Madhu | 9 | 1,15,000 |
| Kamlesh Gandhi | 14 | 1,65,000 |
| Mrs.Roopa Bhupatiraju | 2 | 30,000 |
| Lt.Gen.T.A.Dcunha | 9 | 1,15,000 |
| Dr.R.Kalidas | 10 | 1,20,000 |
| P.N.Raju | 6 | 85,000 |
| **Total Sitting Fees Paid** | | **10,35,000** |

**Shareholdings of Non Executive Directors as on 31st March, 2017:**

| Non-Executive Directors | No.of Shares |
|---|---|
| R.Anand | 540 |
| M. Kanna Reddy (up to 20/09/2016) | NIL |
| Dr.R.Kalidas | Nil |
| Lt.Gen.T.A.Dcunha(Retd) | Nil |
| V.V. Goradia | 5,48,602 |
| K. Madhu | 11,71,674 |
| Ashven Datla | 6,49,194 |
| Kamlesh Gandhi | NIL |
| Mrs.Roopa Bhoopathiraju | 5,26,295 |
| P.N.Raju | 11,63,119 |
| V.S.Raju | 1,040 |

**5. Stakeholders Relationship Committee :**

The Company has a "Stakeholders Relationship Committee" which consisted of Dr. R Kalidas as its Chairman and Mr. K. Madhu and Mr. Ashven Datla as its members. This Committee has been reconstituted w.e.f 13th February, 2017 with Mr.V.S.Raju as Chairman and Mr.K.Madhu and Mr.P.N.Raju as 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 12th February, 2017. The attendance details of the members are given hereunder.

| Name | Designation | Category | Committee meeting attended |
|---|---|---|---|
| Dr.R.Kalidas | Chairman (up to 12.02.2017) | Independent | 1 |
| V.S.Raju | Chairman (From 13.02.2017) | Independent | - |
| K. Madhu | Member | NED | 1 |
| P.N.Raju | 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 2017.

| S l No | Nature of letter / complaints | Received | Disposed of | Pending |
|---|---|---|---|---|
| 1 | Non-receipt of Dividend warrant(s) | 31 | 31 | Nil |
| 2 | Non - Receipt of Share certificates after transfer / duplicate. | Nil | Nil | Nil |
| 3 | Non – Receipt of Annual Report | 5 | 5 | Nil |
| 4 | Miscellaneous – others | 1 | 1 | Nil |

**5(ii) Number of Complaints pending with the Company:**

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

**6. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**

The Board at its meeting held on 13th February, 2017 reconstituted the CSR Committee comprising Dr.R.Kalidas as Chairman, Mr. K.Gautam (Executive Director), and Mr.Vinodrai.V.Goradia (Director) as members.

This Committee discharges the functions as envisaged by the Act and recommends to Board allocation of funds under CSR activities and review the voluntary CSR activities of the company.

During the period under review, the Committee met once on 12th February, 2017. The attendance details of the members are given hereunder.

| Name | Designation | Category | Committee meeting attended |
|---|---|---|---|
| Kamlesh Gandhi | Chairman (up to 12.02.2017) | Independent | 1 |
| Dr.R.Kalidas | Chairman (from 13.02.2017) | Independent | - |
| K. Gautam | Member | ED | 1 |
| Vinodrai.V. Goradia | Member | NED | 1 |

**7) Subsidiaries:**

There are no subsidiaries of the Company.

**8) General Body Meetings:**

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

| Year | Date & time of AGM | Place |
|---|---|---|
| 2015-2016 | 20.09.2016 at 10.30 AM | KLN Prasad Auditorium, FTAPCCI Hall, Lakdikapool, Hyderabad |
| 2014-2015 | 29.09.2015 at 11.00 AM | KLN Prasad Auditorium, FTAPCCI Hall, Lakdikapool, Hyderabad |
| 2013-2014 | 29.09.2014 at 12.00 Noon | Bharatiya Vidya Bhavan, King Koti, Hyderabad |

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

| Year | Gist of the Resolutions |
|---|---|
| **2015-16** | 1. Approval of reappointment and remuneration of Mr.K.Ravi as Managing Director |
| | 2. Approval of appointment and remuneration of Mr.N.G.V.S.G.Prasad as Executive Director & CFO |
| | 3. Appointment of Mr.R.Anand as Independent Director |
| | 4. Alteration of Articles of Association by adopting Table 'F" in the Schedule 1 to the Companies Act, 2013. |

| | | |
|---|---|---|
| **2014-15** | 1. | Approval of appointment and remuneration of Mr.N.V.Suvarna as Executive Director |
| | 2. | Approval of Share based employee benefit schemes under Regulation 6 of SEBI(share based employee benefits) Regulations, 2014 and creation of Trust under said Regulations. |
| | 3. | Invite subscription for Secured/ unsecured redeemable Non convertible Debentures aggregating up to Rs.400.00 Crores on a private placement basis. |
| **2013-14** | 1. | Re appointment and remuneration payable to Mr.P.N.Raju as Executive Director for a period of 3 years w.e.f 1st August, 2014 |
| | 2. | Re appointment and remuneration payable to Mr.K.Gautam as Executive Director for a period of 3 years w.e.f 1st August, 2014. |
| | 3. | Acceptance /invitation/renewal of deposits U/s73 and 76 of the Companies Act,2013 from time to time by the board of directors of the company. |
| | 4. | Consent to borrow/create/mortgage on movable and immovable properties of the company U/s180(1)(a) and 180(1)(c) of the Companies Act, 2013. |

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

**9) Disclosures**

a) The related party transactions made by the Company with its Promoters, Directors, Management or Relatives are disclosed in the Notes to the Account. There have been no related party transactions that may have conflict with the interests of the Company at large.

b) 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 formulated a formal whistle blower policy, which was adopted by the Board at its meeting held on 30th May 2015.

d) The Company has complied with the mandatory requirements stipulated under SEBI (LODR) Regulations,2015 and/or the erstwhile listing agreement entered into with the stock exchanges.

e) Means of communication:

I The quarterly and half yearly financial results are published in any two of the national and local dailies such as Business Standard, Financial Express / Economic Times, Enaadu and Andhra Prabha.

II Quarterly / Half yearly financial results of the Company are forwarded to the stock exchanges and published in Business Standard / Financial Express / Economic times and Enaadu/ Andhra Prabha. 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 posted in the Company's website – www.nclind.com and BSE &NSE websites.

**10) Shareholders information:**

| | | |
|---|---|---|
| i) | AGM | 36th Annual General Meeting |
| | Date | 22nd September, 2017 |
| | Time | 10.30 A.M |
| | Venue | KLN Prasad Auditorium, 3rd floor, Federation House, 11-06-841, FTAPCCI Marg, Red Hills, HYDERABAD - 500004 |
| ii) | Financial Year | April 1 to March 31 next. |
| iii) | Date of Book Closure | 16 /09/2017 to 22 /09/2017, (both days inclusive) |
| iv) | Final Dividend payment date | Within 30 days from the date of AGM i.e. 22nd September, 2017. |
| v) | Listing on Stock Exchanges and status of Listing fees | BSE & NSE<br>Listing Fees paid Up to date. |
| vi)A) | Script Code | BSE- 502168, NSE - NCLIND |
| B) | Demat ISIN No in NSDL & CDSL for equity shares | INE 732CO1016 |
| C) | Corporate Id. No. | L33130TG1979PLC002521 |

**vii) Stock Market Data**

| SHARE PRICE (BSE) | | | | |
|---|---|---|---|---|
| BOMBAY STOCK EXCHANGE LTD | | | | |
| 01/04/2016 to 31/03/2017 | | | | |
| **Month** | **High Price** | **Low Price** | **Close Price** | **No of Shares** |
| April 2016 | 125.00 | 93.10 | 116.15 | 18,44,490 |
| May 2016 | 130.10 | 111.85 | 116.80 | 11,45,600 |
| June 2016 | 145.00 | 109.15 | 140.65 | 18,98,021 |
| July 2016 | 147.00 | 115.00 | 132.35 | 6,12,719 |
| August 2016 | 136.40 | 107.70 | 129.60 | 10,14,280 |
| September 2016 | 132.00 | 116.55 | 121.20 | 4,30,116 |
| October 2016 | 152.40 | 122.50 | 146.05 | 8,54,861 |
| November 2016 | 147.90 | 99.90 | 124.30 | 5,65,729 |
| December 2016 | 126.75 | 109.40 | 113.85 | 2,99,540 |
| January 2017 | 134.70 | 115.55 | 128.30 | 2,80,993 |
| February 2017 | 170.35 | 126.80 | 165.00 | 17,81,514 |
| March 2017 | 207.60 | 155.00 | 198.05 | 22,02,034 |

| SHARE PRICE (NSE) | | | | |
|---|---|---|---|---|
| NATIONAL STOCK EXCHANGE OF INDIA LTD | | | | |
| 01/04/2016 to 31/03/2017 | | | | |
| **Month** | **High Price** | **Low Price** | **Close Price** | **No of Shares** |
| April 2016 | 125.25 | 92.80 | 116.35 | 79,72,561 |
| May 2016 | 131.80 | 112.10 | 116.75 | 58,68,654 |
| June 2016 | 145.00 | 109.20 | 140.35 | 66,83,650 |
| July 2016 | 147.00 | 134.00 | 134.95 | 24,50,897 |
| August 2016 | 136.80 | 106.70 | 129.65 | 46,13,173 |
| September 2016 | 132.00 | 116.00 | 122.15 | 20,14,981 |
| October 2016 | 152.60 | 122.15 | 146.00 | 35,45,073 |
| November 2016 | 148.00 | 99.50 | 124.10 | 18,85,658 |
| December 2016 | 127.00 | 109.30 | 113.90 | 10,58,834 |
| January 2017 | 135.00 | 113.70 | 128.65 | 13,03,522 |
| February 2017 | 170.40 | 126.00 | 164.80 | 63,00,046 |
| March 2017 | 206.90 | 154.55 | 198.75 | 51,22,561 |

**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:**

All transfers of physical shares are duly effected within a period of 30 days from the date of their lodgment with the Registrars and Share Transfer Agents and the duly transferred share certificates will be dispatched provided the transfer documents are in order. The Board of Directors has delegated powers to approve the transfer, transmissions, etc to Mr. K.Madhu, Director and Mr.T.Arun Kumar, Company Secretary.

**x) Distribution of Shareholding as on 31.03.2017**

| NO. OF EQUITY SHARES HELD | NO. OF SHARE HOLDERS | % | NO. OF SHARES HELD | % |
|---|---|---|---|---|
| Up to 500 | 36,449 | 90.11 | 43,86,336 | 11.94 |
| 501 - 1000 | 2,011 | 4.97 | 15,75,495 | 4.29 |
| 1001 - 2000 | 940 | 2.33 | 14,55,199 | 3.96 |
| 2001 - 3000 | 317 | 0.78 | 8,09,469 | 2.20 |
| 3001 - 4000 | 157 | 0.39 | 5,66568 | 1.54 |
| 4001 - 5000 | 118 | 0.29 | 5,57,089 | 1.52 |
| 5001 - 10000 | 202 | 0.50 | 14,89,338 | 4.06 |
| 10001 & ABOVE | 254 | 0.63 | 2,58,93,296 | 70.49 |
| **TOTAL** | **40,448** | **100.00** | **3,67,32,790** | **100.00** |

**xi) Shareholding Pattern as on 31.03.2017**

| | NO. OF SHARES HELD | %age |
|---|---|---|
| **Promoters/Promoter Group** | | |
| Individuals | 1,38,35,714 | 37.67 |
| Individuals (NRIs) | 1,00,000 | 0.27 |
| Bodies Corporate | 41,52,695 | 11.31 |
| **Public shareholding** | | |
| Individuals holding nominal share capital upto Rs.2 lakhs | 1,08,23,498 | 29.47 |
| Individuals holding nominal share capital in excess of Rs.2 lakhs | 44,11,718 | 12.01 |
| Body Corporates | 20,50,227 | 5.58 |
| Mutual Funds/FI's /Central & State Governments | 5,95,553 | 1.62 |
| Clearing Member | 3,93,815 | 1.07 |
| NRI's | 3,65,020 | 0.99 |
| Trusts | 4,550 | 0.01 |
| **TOTAL** | 3,67,32,790 | 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 2017, 88.67 % of shares of the Company were held in Dematerialized form with the following depositories.

| | | No.of shares | % on Paid up Capital |
|---|---|---|---|
| 1) | NSDL | 2,68,68,078 | 73. 15 % |
| 2) | CDSL | 56,99,368 | 15. 52 % |
| | **Total** | **3,25,67,446** | **88.67 %** |

**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 constituted a Risk Management Committee chaired by an Independent Director and two other Non executive Directors as members. The company had laid down procedures to inform Board members about the risk assessment and minimization procedures.

**xv) Plants Location:**

| **CEMENT**<br>**UNIT –I**<br>Simhapuri<br>Mattampally Mandal<br>Suryapet Dist-508204<br>Telangana | **BOARDS**<br>**UNIT – I**<br>Simhapuri<br>Mattampally Mandal<br>Suryapet Dist-508204<br>Telangana | **ENERGY**<br>**UNIT - I**<br>Pothireddypadu<br>Head Regulator<br>Chabolu Village<br>Pothulapadu Post<br>Nandikotkur TQ-518402<br>Kurnool District<br>Andhra Pradesh | **PREFAB** | **READYMIX CONCRETE**<br>**UNIT -I**<br>Plot No.11<br>A/2-IDA<br>Patancheru<br>Hyderabad-502319<br>Telangana |
|---|---|---|---|---|
| **UNIT – II**<br>Kadimpothavaram Village<br>Kondapalli<br>Krishna District-521228<br>Andhra Pradesh | **UNIT – II**<br>Bhothanwali Village<br>Paonta Sahib<br>Sirmour District<br>Himachal Pradesh<br>173025 | **UNIT – II**<br>RBHLC Zero Mile Point<br>Tungabhadra Dam<br>TungabhadraBoard<br>Amaravathi Village<br>Hospet-583225<br>Karnataka | **UNIT – I**<br>Bhothanwali Village<br>Paonta Sahib<br>Sirmour District<br>Himachal Pradesh<br>173025 | **UNIT -II**<br>Survey No.83<br>Plot No.91/C<br>D-Block-IDA<br>Auto Nagar<br>Visakhapatnam-530026<br>Andhra Pradesh |
| | | | | **UNIT -III**<br>Survey No.282 (P)<br>Rampally (V)<br>Keesara Mandal<br>Medchal Dist-501301<br>Telangana |

**xvi) Address for Investor Correspondence**

The Company Secretary
NCL Industries Limited
4th Floor, Vaishnavi's Cynosure, Near Gachibowli Flyover,
Gachibowli, Hyderabad 500032
Email ID: cs@nclind.com/ncl@nclind.com

**xvii) CEO/CFO Certification**

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

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

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

The above Report was adopted by the Board of Directors at their meeting held on 14th August, 2017.

# DECLARATION FOR COMPLIANCE WITH CODE OF CONDUCT

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

**K. RAVI**
Managing Director

Date: 14th August, 2017.

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# CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of **NCL INDUSTRIES LIMITED**

We have examined the compliance of conditions of Corporate Governance by NCL Industries Limited, for the year ended on 31.03.2017, as stipulated in SEBI (LODR) Regulations,2015 of the said Company with stock exchanges. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in SEBI (LODR) Regulations, 2015.

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

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

**Venugopal & Chenoy,**
Chartered Accountants

**P.V.Srihari**
Partner
Membership No.21961

Place: Hyderabad
Dated: 14th August, 2017

# Annexure A - 1

**Particulars of Directors whose appointment/reappointment is being sought**

| Name of the Director | Mr.Ashven Datla | Mrs.Roopa Bhupatiraju | Mr.V.S.Raju | Mr.K.Gautam |
|---|---|---|---|---|
| Date of Birth | 03/10/1974 | 22/09/1978 | 05/07/1941 | 02/11/1981 |
| Qualifications | MBA Finance, University of Hartford, USA (1997) | MBA and MS (Marketing Communication) from Illinois Institute of Technology, USA | M.Com, LLB | BBM (Hons) From ICFAI,M.Sc (entrepreneurship and Business Management from University of Luton, Bedfordshire, UK |
| Directorship in other companies | Ncl Alltek & Seccolor Ltd, NCL Wintech (I) Ltd, Nagarjuna Cerachem (P) Ltd,Khandaleru Power Company ltd,Hampi Energy Ltd, Eastern Ghats Renewable Energy Ltd. | Sorachem industries (P) Ltd<br>Devi LLC, USA | Andhra Sugars Ltd, JOCIL Ltd and Gangavaram Port Ltd. | Nil |
| Membership of Audit/Stakeholders Relationship Committees of other public Ltd companies | Chairman - Stakeholders Relationship Committee and member Audit Committee in NCL Alltek & Seccolor Ltd | | Chairman of Audit Committee in Jocil Ltd and Gangavaram Port Ltd<br>Member of Audit Committee in Andhra Sugars Limited | Nil |
| No. of shares held in NCL Industries ltd | 6,49,194 | 5,26,295 | 1,040 | 6,85,959 |
| Inter-se relationship with other Directors of the company | Son in law of Mr.K.Ravi-MD. | Mr.K.Ravi's daughter and related to Mr.K.Madhu(brother of Mr.K.Ravi) | None | Son of Mr.K.Madhu and related to Mr.K.Ravi (brother of Mr.K.Madhu) and Mrs. Roopa Bhupatiraju |
| Awards/ Medals etc: | | | | |

## ANNEXURE A-2

# DETAILS OF RELATED PARTY TRANSACTIONS

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

**1) Details of contracts or arrangements or transactions not at arm's length basis**

| Name | Duration | Salient Features | Date of Board Approval if any |
|---|---|---|---|
| NCL Alltek & Seccolor Ltd | No fixed duration. As per the requirement | Rs.808.12 Lakhs for the year. Price preference not exceeding 5% of the minimum price offered to institutional customer and a credit period up to 45 days more than the normal credit allowed to institutional customer. | Omnibus Board Resolution dated 30th May,2016 as modified on 13.02.2017 |

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

**A. Nature of Contract: Appointment of Key Managerial Personnel**

| Name | Duration | Salient Features | Date of Board Approval if any |
|---|---|---|---|
| Mr K Ravi<br>Managing Director | From 01/04/2016 To 31/03/2021 | Total Remuneration of Rs 277.54 Lakhs for FY 2016-17 (Including salary , other perks, benefits plus 2% Commission of Net profits U/s 198 of the Companies Act, 2013) | Board Approval 29.01.2016 Shareholders' Approval 20.09.2016 |
| Mr K. Gautam<br>Executive Director | From 01./08/2014 To 31/07/2017 | Total Remuneration of Rs.52.08 lakhs for F.Y.2016-17 (Including salary and other perks and benefits plus applicable yearly increments) | Board Approval 30/05/2014 Shareholders' Approval 29/09/2014 |
| Mr N.V Suvarna<br>Executive Director | From 16/05/2015 To 31/12/2016 | Total Remuneration of Rs.30.58 Lakhs for F.Y.2016-17 (Including salary and other perks and benefits) | Board Approval 30/05/2015 Shareholders' Approval 29/09/2015 |
| Mr. NGVSG Prasad<br>Executive Director & CFO | From 30/05/2016 To 30/05/2021 | Total Remuneration of Rs.28.21 Lakhs for F.Y.2016-17 (Including salary and other perks and benefits) | Board Approval 30/05/2016 Shareholders' Approval 20/09/2016 |

**B. Nature of Contract: Sale of Finished Goods**

| Name | Duration | Salient Features | Date of Board Approval if any |
|---|---|---|---|
| NCL Homes Ltd | No fixed duration. As per the requirement. | Rs.52.94 Lakhs | Omnibus Board Resolution dated 30th May ,2016 as modified on 13.02.2017 |
| Kakatiya Industries (P) Ltd | | Rs.0.21 Lakhs | |
| NCL Green Habitat (P) Ltd | | Rs.85.57 Lakhs | |

**C. Nature of Contract: Purchase of Goods/Services**

| Name | Duration | Salient Features | Date of Board Approval if any |
|---|---|---|---|
| NCL Alltek & Seccolor Ltd | No fixed duration. As per the requirement. | Rs.45.88 Lakhs for the year Terms as applicable to other parties | Omnibus Board Resolution dated 30th May ,2016 as modified on 13.02.2017 |
| Nagarjuna Cerachem (P) Ltd | | Rs.1.55 Lakhs | |
| Kakatiya Industries (P) Ltd | | Rs.120.80 Lakhs | |

**D. Nature of Contract: Rent Paid**

| Name | Duration | Salient Features | Date of Board Approval if any |
|---|---|---|---|
| Sri.K.Ravi | 5 years w.e.f 15.12.2016 | Lease Rent on 3.00 Acras of land situated at S.No.281&282 in Rampally (V) Keesara Mandal @Rs.25,000/- per Acra. Total amount paid in FY 2016-17 Rs. 1.91 Lakhs. | 11.11.2016 |
| Vikram Chemicals (P) Ltd | 01.01.2014 onwards Premises now vacated. | Lease of Godown space of 1,720 Sft @Rs.9.25/- per Sq.ft per month at Nacharam, Hyderabad subject to increase @5% each year. Total amount paid in FY 2016-17 Rs.1.53 Lakhs | 30.05.2014 |

**E. ICD Returned**

| Name | Duration | Salient Features | Date of Board Approval if any |
|---|---|---|---|
| NCL Alltek & Seccolor Ltd | Payable on demand. Since repaid in April,2017. | Rs.115.00 Lakhs | 14.02.2014 |

**F. Interest Received**

| Name | Duration | Salient Features | Date of Board Approval if any |
|---|---|---|---|
| NCL Alltek & Seccolor Ltd | 01.04.2016 to 31.03.2017 | Rs.69.53 Lakhs | 14.02.2014 |

**G. Reimbursement of Expences**

| Name | Duration | Salient Features | Date of Board Approval if any |
|---|---|---|---|
| NCL Alltek & Seccolor Ltd | As and when arise | Rs.12.27 Lakhs | NA |
| Khandaleru Power Co.Ltd | | Rs.5.83 Lakhs | |
| Nagarjuna Cerachem (P) Ltd | | Rs.0.14 Lakhs | |

## Annexure B

# Management Discussion and Analysis Report

**The Company's performance during the year ended 31st March, 2017 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 is indispensible for building and construction work and cement industry is considered one of the vital constituents of the country's economy. Indian cement industry is considered as second largest after that of China. It provides employment to more than a million people directly or indirectly. Being a major input along with steel in the construction of houses, roads and other buildings and other infrastructure projects, the fortunes of the cement industry are closely linked with the progress of infrastructure industry.

**Ready Mix Concrete (RMC)**

The evolution of ready-mix concrete (RMC) has been a major growth driver for the infrastructure and construction industries. Demand for RMC in India is driven by the real estate sector, which contributes over 75 % of the total RMC consumption .Many builders have been opting for RMC from the cement manufacturers directly. However, this market has its own limitations. The relatively low shelf life of RMC – 3 to 5 hours - imposes severe restrictions on the distance between the end user and plant site. In spite of this handicap, RMC industry is likely to witness a steady growth in the next few years.

**Boards**

Your Company is the only manufacturer of Cement Bonded Particle Boards (CBPB) in the country, marketed under the brand name Bison Panel. Bison Panels are normally used for construction of prefab structures and have been extensively used in the infrastructure and housing sectors.

**Prefab**

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

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

**Hydel Energy (Small Hydro)**

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

### B OPPORTUNITIES AND THREATS

The fresh thrust being given to the infrastructure, smart cities and housing, augurs well for industries operating in core materials like steel and cement. The expected annual growth of over 5% in demand offers an opportunity. The optimistic outlook of the industry, is already reflected in the financial results of the company.

However, sustaining the growth and profitability will remain a challenge over the long term. The expected growth in the overall capacities of cement in the country and the region, and the pressures on realization will pose a challenge. The possibility of rising costs of inputs like coal and power will be yet another area of concern. Continued quest for increasing efficiencies and optimizing costs is the only way forward to survive and thrive. .

Boards Division is also likely to be a beneficiary of the expected growth in the infrastructure industry. The rise in the construction activity is expected to result in enhanced opportunity for incremental sales. However the emergence of alternative and new products to the boards division and the resultant competition continues to be a challenge requiring constant attention.

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

**A. SEGMENT–WISE OR PRODUCT-WISE PERFORMANCE.**

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

| Segments | % age contribution to total turnover | Quantity of production | Turnover (Rs. Lakhs) | Segment Profit before Interest & Tax (Rs. Lakhs) |
|---|---|---|---|---|
| Cement | 86.18 | 15,16,197 Mt | 1,00,437.55 | 6,899.24 |
| Boards | 9.20 | 60,280 Mt | 10,724.20 | 2,358.64 |
| Prefab | - | Nil | Nil | 0.79 |
| Energy | 0.18 | 7.91MU | 204.78 | (122.00) |
| Ready Mix Concrete | 4.44 | 1,31,436 (Cu.Mtrs) | 5,175.92 | 140.44 |

**B OUTLOOK**

As already stated earlier, the outlook for the cement and building materials industry looks promising in the short and medium terms. Your Directors are looking forward to participating in the emerging growth story.

**A. 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.

**B. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY.**

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

**C. 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 senior management team has been strengthened with the recruitment of additional personnel to provide leadership below the executive director level. The Company has cordial relations with employees and staff. As on 31st March 2017, the company has 693 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

# Corporate Social Responsibility (CSR) Activities

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.

After the provisions relating to CSR became applicable, your company constituted a CSR Committee. As on the date of this Report, the CSR Committee consists of Dr.R.Kalidas as Chairman, Mr. K.Gautam (Executive Director), and Mr.Vinodrai.V.Goradia (Director)

The Company has adopted a comprehensive CSR Policy, which can be accessed at the Web link https://www.nclind.com/csr-policy

The focus of your Company has mainly been in the fields of education and training and the health-care needs, and also creating awareness of hygiene and cleanliness of the society surrounding its plant locations.

The CSR activities of the Company during the year under review are briefly outlined below:

**EDUCATION**

NCL has established Elementary and High School in English medium to cater to the educational needs of nearby tribal villagers up to a radius of 8 km.

The education provided is absolutely free to tribal children without charging any fees. In addition, the company also extends subsidized transportation to the Tribal children to facilitate their attending the classes.

332 (including 135 girls) out of the school strength of around 711 are tribal children.

The school is equipped with digital smart classes to impart teaching with latest teaching aids. Facilities like computer lab and audio visuals also available to children.

The school has teaching staff strength of 28.

This high school achieved 100% pass in class X public examinations conducted by the Government of Telangana during 2016-17 academic year. This high school achieved 1st place at the Mandal level. This school achieved highest 9.5 Grade (GPA) in recent X class level examination.

Your company has established the NCL Educational and Welfare Society to consolidate the activities in the field of education. This Society has taken active steps to set up a Junior College to fulfill the long-standing need of the locality. Necessary approvals for establishment of the college have been received and the infrastructural facilities are being set up. The Junior College is expected to become functional in the academic year 2018-19.

The total expenditure for the Education and related activity during the year 2016-2017 was Rs.122.36 Lakhs.

**HEALTHCARE**

The Company has set up a regular well equipped five bed hospital with laboratory and E.C.G facilities in the factory campus. The hospital is manned by qualified and experienced medical and nursing staff. It caters to the healthcare needs of the nearby villages and also residents within a radius of 8 kilometers around the plant site.

On the average, the hospital treats and provides medical care to about 106 patients per day or over 38,000 patients per year. The treatment is free of cost, and free medicines are also given wherever possible. From the year of its establishment in 2002, this Health Center treated 3,62,673 patients till date .

The Health Center maintains anti snake venom drugs and providing treatment to the nearby villages round the clock. During the year under review this center treated 92 cases of snake, scorpion & unknown bites.

During the year 2016 -17 this Health Center has conducted 70 medical camps in nearby villages. The Health Camps, which help in early identification of diabetes, hypertension, dental, polio, cataract and other ailments. It also provides counseling with respect to the need for surgery in appropriate cases.

Specialists from various faculties visit the hospital every fortnight to provide medicare to the patients. In addition specialist doctors from super specialty hospitals from Hyderabad visit the hospital once in a month.

This Health Center bagged the 'best doctor' award from DM & HO Nalgonda District on the occasion of World T.B. day. During the year under review, this Health Center also bagged the state level award for best performer on 'World Aids day'. Recently medical officer of this health center received 'best motivator' award on the occasion of world voluntary blood donors' day.

Ambulance Services is also provided by the Company to the local community.

The total expenditure for the health related activity during the year 2016-2017 was Rs. 30.57 Lakhs.

**ENVIRONMENT**

A plantation drive was undertaken in and around NCL plant locations to convert areas in to green zones.

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 and Paontasahib 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.

Further information required by the Companies (Corporate Social Responsibility Policy) Rules, 2014 are as follows:

**Average Profits for the last three financial years.(calculated U/s 198 of the Companies Act, 2013)**

| | |
|---|---|
| 2015-16 | Rs 6226.91 Lakhs |
| 2014-15 | Rs.1238.16 Lakhs |
| 2013-14 | Rs. (3759.61) Lakhs |
| | Rs.3705.46 Lakhs |
| **Average** | **Rs 1235.15 lakhs** |
| **Prescribed CSR Expenditure for 2016-17** | |
| (2% of the average as above) | Rs. 24.70 lakhs |

Details of amounts spent during the year

| Project/Activity | Sector | Amount spent (Rs Lakhs) | Mandatory Outlay (Fully utilized) (Rs Lakhs) |
|---|---|---|---|
| Elementary and High Schools | Education (Local Area) | 122.36 | 24.70 |
| Health Center | Health-care (Local Area) | 30.57 | - |

The entire expenditure has been incurred directly, and not through any implementing agency.

**K RAVI**
Managing Director

**Dr. R KALIDAS**
Chairman, CSR Committee

# Annexure 'D'

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

| | |
|---|---|
| Name | Mr. K. Ravi |
| Age | 62 years |
| Qualification | Diploma holder in Electrical Engineering |
| Designation | Managing Director |
| Date of commencement of employment | Since 11th January 2003 |
| No. of year of experience | over 40 years |
| Remuneration | Rs 277.54 lakhs Per Annum* |
| Last employment held | Managing Director of NCL Energy Ltd. |
| Nature of employment | As per the terms approved by the shareholders |
| Percentage of equity shares held in the company (as on 14/08/2017) | 7.77 % |

**Notes:**

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

For and on behalf of the Board

Date: 14th August, 2017

**R. Anand**
Chairman

**Registered Office:**
4th Floor, Vaishnavi's Cynosure
Near Gachibowli Flyover,
Gachibowli, Hyderabad 500032.

## Annexure E

# Secretarial Audit Report

**For the financial year ended March 31, 2017**

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

To,
The Members,
**NCL Industries Limited**

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **(Not applicable during the audit period)**

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz :

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and 2015

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009

  (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') to the extent applicable during the Audit Period;

  (e) The Securities Exchange Board of India (share based Employee benefits) Regulations 2014: Employee welfare trust through which the benefits to employees are to be granted was established during the year. No scheme was formulated and placed before the shareholders for approval during the Audit period.

  (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not applicable during the audit period as the Secured, unlisted redeemable Non convertible debentures issued and allotted during the year were on private placement basis**

  (g) The Securities and Exchange Board of India (Registrars to an Issue and Share transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client

  (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- **Not applicable during the audit period**

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

vi) Other applicable laws including the following

1. Factories Act, 1948
2. Industrial Disputes Act 1947
3. Payment of wages Act 1936
4. The Minimum wages Act 1948
5. Employees state insurance Act 1948
6. Employees Provident Funds and Miscellaneous Provisions Act 1952
7. Payment of Bonus Act 1965
8. Payment of gratuity Act 1972
9. Contract Labour (Regulation & Abolition) Act, 1970
10. Maternity Benefit Act 1961
11. Environment Protection Act 1986
12. Explosives Act 1884
13. Indian Boilers Act 1923
14. Mines Act 1952
15. Legal Metrology Act 2009
16. Income Tax Act 1961, central excise Act 1944 and VAT Act
17. Cement Quality Control Order 2003
18. Electricity Act 2003
19. Air (Prevention & control of pollution) Act 1981 and water (Prevention & control of Pollution) Act 1974

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with National Stock Exchange and Bombay Stock Exchange,

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

1. The Company has allotted 17,95,455 equity shares to the Promoters group by way of Preferential allotment in the previous year in terms of CDR mechanism . The in principle approval of stock exchanges is yet to be received. The Company has provided necessary clarifications to the stock exchanges as asked for and made an application to SEBI for necessary approval.

2. One meeting of Independent directors was held in terms of the provisions of Section 149 (8) Schedule IV (VII) of the Companies Act 2013 and clause 25 (3) of Securities Exchange Board of India (Listing obligations and disclosure requirements) Regulations 2015. The decisions were reported to have been communicated to other directors orally.

**I further report that**

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

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

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

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

**I further report that** during the audit period the company has issued and allotted Secured, unlisted, redeemable Non convertible debentures on private placement basis amounting to Rs 180 crores during the year

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

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

Place: Hyderabad
Date: August 14, 2017

**A.J.Sharma**
FCS-2120, CP-2176

# ANNEXURE – F

## Form No. MGT-9

## Extract of Annual Return

**As on the financial year ended on 31st March, 2017**

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### I. REGISTRATION AND OTHER DETAILS

| | | |
|---|---|---|
| i) | CIN | L33130TG1979PLC002521 |
| ii) | Registration date | 10th September, 1979 |
| iii) | Name of the Company | NCL Industries Limited |
| iv) | Category/Sub category of the Company Non-Government Company | Company limited by Shares/Indian |
| v) | Address of the Registered office and contact details | Regd & Corporate Office: 4th Floor,<br>Vaishnavi's Cynosure, Near Gachibowli Flyover,<br>Gachibowli, Hyderabad – 500032<br>Telangana State, India<br>Tel No : (040) 30120000<br>Fax No : (040) 29807871<br>Email : cs@nclind.com<br>Website : www.nclind.com |
| vi) | Whether listed Company | Yes |
| vii) | Name, Address and Contact details of Registrar and Transfer Agent, if any | Venture Capital & Corporate Investment (P) Ltd<br>12-10-167 (MIG), Bharat Nagar,<br>Hyderabad – 500 018.<br>Tel No : (040) 23818475 / 76 & 23868023<br>Fax No :(040) 2386 8024<br>E-mail:info@vccilindia.com |

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 percent or more of the total turnover of the Company are as stated below:-

| Sl. No. | Name and Description of main products/services | NIC Code of the product / service | Percentage to total turnover of the Company |
|---|---|---|---|
| 1 | OPC/PPC/53 S Cement | 2523 | 86.18 |
| 2 | Plain and laminated Cement Bonded Particle Boards | 44 | 9.20 |

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sl. No. | Name and Address of the Company | CIN/GLN | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section |
|---|---|---|---|---|---|
| 1 | | NOT APPLICABLE | | | |

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

### i) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year (As on 01-04-2016) | | | | No. of Shares held at the end of the year (As on 31-03-2017) | | | | % Change during the Year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **(A) Promoters** | | | | | | | | | |
| **(1) Indian** | | | | | | | | | |
| a) Individual/ HUF | 12055396 | 1710300 | 13765696 | 37.48 | 12125414 | 1710300 | 13835714 | 37.67 | 0.19 |
| b) Central Govt | 0 | 0 | 0 | 0 | | | 0 | 0.00 | 0.00 |
| c) State Govt(s) | 0 | 0 | 0 | 0 | | | 0 | 0.00 | 0.00 |
| d) Bodies Corporates | 4067540 | 85155 | 4152695 | 11.30 | 4067540 | 85155 | 4152695 | 11.31 | 0.01 |
| e) Banks/ Financial Institutions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0.00 |
| i) Any Other | 0 | 0 | 0 | 0 | | | 0 | 0.00 | 0.00 |
| Sub-total (A) (1):- | 16122936 | 1795455 | 17918391 | 48.78 | 16192954 | 1795455 | 17988409 | 48.97 | 0.19 |
| **(2) Foreign** | | | | | | | 0 | 0.00 | 0.00 |
| a) NRIs – Individuals | 100000 | 0 | 100000 | 0.27 | 100000 | 0 | 100000 | 0.27 | 0.00 |
| b) Other – Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0.00 |
| c) Bodies Corp. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0.00 |
| d) Banks / Financial Institutions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0.00 |
| e) Any Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0.00 |
| **Sub-total (A) (2):-** | 100000 | 0 | 100000 | 0.27 | 100000 | 0 | 100000 | 0.27 | 0.00 |
| **Total shareholding of Promoter (A)=(A)(1)+(A)(2)** | 16222936 | 1795455 | 18018391 | 49.05 | 16292954 | 1795455 | 18088409 | 49.24 | 0.19 |
| **(B) Public Shareholding** | | | | | | | | | |
| 1 Institutions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0.00 |
| a) Mutual Funds | 52625 | 7450 | 60075 | 0.16 | 539589 | 7450 | 547039 | 1.49 | 1.33 |
| b) Banks / Financial Institutions | 20206 | 9290 | 29496 | 0.08 | 31874 | 9290 | 41164 | 0.11 | 0.03 |
| c) Central Govt. | | 7350 | 7350 | 0.02 | 0 | 7350 | 7350 | 0.02 | 0.00 |
| d) State Govt | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0.00 |
| e) Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0.00 |
| f) Insurance Companies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0.00 |

| Category of Shareholders | No. of Shares held at the beginning of the year (As on 01-04-2016) | | | | No. of Shares held at the end of the year (As on 31-03-2017) | | | | % Change during the Year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| g) Foreign Institutional Investors (FIIS) | 2278 | 0 | 2278 | 0.01 | 0 | 0 | 0 | 0.00 | (0.01) |
| h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0.00 |
| i) Others (Specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0.00 |
| Sub-total (B)(1):- | 75109 | 24090 | 99199 | 0.27 | 571463 | 24090 | 595553 | 1.62 | 1.35 |
| **2. Non-Institutions** | | | | | | | 0 | 0.00 | 0.00 |
| a) Bodies Corporates | 1911994 | 22975 | 1934969 | 5.27 | 2027382 | 22845 | 2050227 | 5.58 | 0.31 |
| i) Indian | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0.00 |
| ii) Overseas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0.00 |
| b) Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0.00 |
| i) Individual shareholders holding nominal share capital upto Rs.2 Lakh | 7970287 | 2318979 | 10289266 | 28.01 | 8522982 | 2300516 | 10823498 | 29.47 | 1.46 |
| ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh | 5554572 | 53992 | 5608564 | 15.27 | 4389635 | 22083 | 4411718 | 12.01 | (3.26) |
| c) Others (specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0.00 |
| Clearing Member | 354080 | 0 | 354080 | 0.97 | 393815 | 0 | 393815 | 1.07 | 0.10 |
| Trust | 26750 | 0 | 26750 | 0.07 | 4550 | 0 | 4550 | 0.01 | (0.06) |
| NRI'S | 401216 | 355 | 401571 | 1.09 | 364665 | 355 | 365020 | 0.99 | (0.10) |
| Foreign Nations | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0.00 |
| Sub-total (B)(2):- | 16218899 | 2396301 | 18615200 | 50.68 | 15703029 | 2345799 | 18048828 | 49.14 | (1.54) |
| **Total Public Shareholding (B)=(B)(1)+(B)(2)** | 16294008 | 2420391 | 18714399 | 50.95 | 16274492 | 2369889 | 18644381 | 50.76 | (0.19) |
| **C. Shares held by Custodian for GDRs & ADRs** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0.00 |
| **Grand Total (A+B+C)** | **32516944** | **4215846** | **36732790** | **100.00** | **32567446** | **4165344** | **36732790** | **100.00** | **0.00** |

**Annexure(s) to the Director's Report**

**ii) Shareholding of Promoters:**

| Sl. No. | Shareholders Name | Shareholding at the beginning of the year 01.04.2016 | | | Shareholding at the end of the year 31.03.2017 | | | % change in share holding during the year |
|---|---|---|---|---|---|---|---|---|
| | | No of Shares | % of total Shares of the Company | % of Shares Pledged/ encumbered to total shares | No of Shares | % of total Shares of the Company | % of Shares Pledged/ encumbered to total shares | |
| 01 | NIRMAL GORADIA | 85963 | 0.23 | 100.00 | 85963 | 0.23 | 100.00 | 0.22 |
| 02 | GEETA GORADIA | 133815 | 0.36 | 88.11 | 133815 | 0.36 | 88.11 | 88.11 |
| 03 | MEENA SHAH | 20753 | 0.06 | 55.08 | 20753 | 0.06 | 55.08 | 0.03 |
| 04 | ASHWIN GORADIA | 78694 | 0.21 | 75.45 | 82844 | 0.23 | 71.67 | 0.05 |
| 05 | GORADIA VINODRAI VACHHARAJ | 548602 | 1.49 | 78.25 | 548602 | 1.49 | 78.25 | 0.29 |
| 06 | MEERA BIMAL GORADIA | 74249 | 0.20 | 68.63 | 74249 | 0.20 | 68.63 | 0.07 |
| 07 | BIMAL V GORADIA | 289537 | 0.79 | 87.44 | 289537 | 0.79 | 87.44 | 0.08 |
| 08 | G JYOTHI | 166992 | 0.45 | 91.02 | 166992 | 0.45 | 91.02 | 0.03 |
| 09 | KANUMILLI MALATHI | 8493 | 0.02 | 100.00 | 8493 | 0.02 | 100 | 0.00 |
| 10 | ASHVEN DATLA | 649194 | 1.77 | 23.92 | 649194 | 1.77 | 23.92 | 1.21 |
| 11 | G D L S N RAJU | 165437 | 0.45 | 92.45 | 165437 | 0.45 | 92.45 | 0.02 |
| 12 | G SUBBAYAMMA | 98307 | 0.27 | 98.76 | 98307 | 0.27 | 98.76 | 0.01 |
| 13 | KALIDINDI RAVI | 2431807 | 6.62 | 95.59 | 2840433 | 7.73 | 96.23 | 0.12 |
| 14 | MADHU KALIDINDI | 1171674 | 3.19 | 95.34 | 1171674 | 3.19 | 95.34 | 0.01 |
| 15 | BHARTI GORADIA | 43441 | 0.12 | 79.07 | 43441 | 0.12 | 79.07 | 0.03 |
| 16 | PENUMATSA SATYANARAYANA RAJU | 54234 | 0.15 | 100.00 | 54234 | 0.15 | 100 | 0.01 |
| 17 | VIJAYA LAKSHMI KANUMILLI | 6692 | 0.02 | 100.00 | 6692 | 0.02 | 100 | 0.02 |
| 18 | KALIDINDI SAROJINI | 313294 | 0.85 | 98.19 | 317094 | 0.86 | 97.01 | 0.03 |
| 19 | K ANURADHA | 770128 | 2.10 | 92.03 | 770128 | 2.10 | 92.03 | 0.08 |
| 20 | N JANAKI | 45155 | 0.12 | 82.38 | 45155 | 0.12 | 82.38 | 0.01 |
| 21 | GORADIA CHARULATA VINODRAI | 311515 | 0.85 | 73.74 | 311515 | 0.85 | 73.74 | 0.21 |
| 22 | UTKAL B GORADIA | 56969 | 0.16 | 64.09 | 57019 | 0.16 | 64.04 | 0.08 |
| 23 | PENMETSA NARASIMHA RAJU | 1163119 | 3.17 | 84.35 | 1163119 | 3.17 | 84.35 | 0.55 |
| 24 | PENMETSA VARA LAKSHMI | 350355 | 0.95 | 93.58 | 350355 | 0.95 | 93.58 | 0.05 |
| 25 | G V V R P VARMA | 72445 | 0.20 | 53.99 | 72445 | 0.20 | 53.99 | 0.01 |
| 26 | KALIDINDI DURGA DEVI | 1146583 | 3.12 | 81.22 | 106761 | 0.29 | 0 | 0.14 |
| 27 | MADHAVI PENUMASTA | 12000 | 0.03 | 0 | 12000 | 0.03 | 0 | 0.01 |
| 28 | KANUMILLI SUDHEER | 43387 | 0.12 | 100.00 | 63710 | 0.17 | 100 | 0.01 |
| 29 | GAUTAM KALIDINDI | 685959 | 1.87 | 73.16 | 685959 | 1.87 | 73.16 | 0.45 |
| 30 | KALIDINDI SHILPA | 819603 | 2.23 | 75.17 | 1166210 | 3.17 | 82.55 | 0.89 |
| 31 | SRIDHAR BHUPATIRAJU | 204642 | 0.56 | 100.00 | 204642 | 0.56 | 100 | 0.09 |
| 32 | HARINI GOKUL | 60022 | 0.16 | 100.00 | 60022 | 0.16 | 100 | 0.01 |
| 33 | GOKUL S | 81910 | 0.22 | 72.25 | 81910 | 0.22 | 72.25 | 0.07 |
| 34 | POOJA KALIDINDI | 927792 | 2.53 | 96.57 | 927792 | 2.53 | 96.57 | 0.01 |
| 35 | G.T.SANDEEP | 54597 | 0.15 | 100.00 | 54597 | 0.15 | 100 | 0.02 |

| Sl. No. | Shareholders Name | Shareholding at the beginning of the year 01.04.2016 | | | Shareholding at the end of the year 31.03.2017 | | | % change in share holding during the year |
|---|---|---|---|---|---|---|---|---|
| | | No of Shares | % of total Shares of the Company | % of Shares Pledged/ encumbered to total shares | No of Shares | % of total Shares of the Company | % of Shares Pledged/ encumbered to total shares | |
| 36 | K MALLIKA | 36263 | 0.10 | 100.00 | 36263 | 0.10 | 100 | 0.00 |
| 37 | ROOPA KALIDINDI | 179688 | 0.49 | 19.28 | 526295 | 1.43 | 72.44 | 0.31 |
| 38 | DIVYA PENUMACHA | 249942 | 0.68 | 100.00 | 249942 | 0.68 | 100 | 0.04 |
| 39 | MEERA GORADIA BIMAL GORADIA | 39800 | 0.11 | 100.00 | 39800 | 0.11 | 100.00 | 0.00 |
| 40 | PENMETCHA RAMALINGA RAJU | 31321 | 0.09 | 100.00 | 31321 | 0.09 | 100 | 0.09 |
| 41 | DITI ASHWIN GORADIA | 27500 | 0.07 | 100.00 | 27500 | 0.07 | 100 | 0.07 |
| 42 | NISHI ASHWIN GORADIA | 27500 | 0.07 | 100.00 | 27500 | 0.07 | 100 | 0.07 |
| 43 | BHUPATIRAJU SUBBA RAJU | 100000 | 0.02 | 100 | 100000 | 0.02 | 100 | 0.02 |
| 44 | SAI SREEDHAR KANUMILLI | 6000 | 0.02 | 100.00 | 6000 | 0.02 | 100 | 0.02 |
| 45 | BLUE VALLEY DEVELOPERS (P) LTD | 205658 | 0.56 | 100.00 | 205658 | 0.56 | 100 | 205658 |
| 46 | DECCAN NITRATES PRIVATE LTD | 1209470 | 3.29 | 98.57 | 1209470 | 3.29 | 98.57 | 1192197 |
| 47 | NCL HOMES LTD | 437347 | 1.19 | 100.00 | 437347 | 1.19 | 100 | 437347 |
| 48 | KAKATIYA INDUSTRIES PRIVATE LIMITED | 507827 | 1.38 | 89.87 | 507827 | 1.38 | 89.87 | 456400 |
| 49 | NAGARJUNA CERACHEM PRIVATE LTD | 116567 | 0.32 | 90.56 | 116567 | 0.32 | 90.56 | 105567 |
| 50 | VIKRAM CHEMICALS PRIVATE LIMITED | 125455 | 0.34 | 95.65 | 125455 | 0.34 | 95.65 | 120000 |
| 51 | NCL ALLTEK AND SECCOLOR LTD | 1550371 | 4.22 | 100.00 | 1550371 | 4.22 | 100.00 | 0.00 |

**iii) Change in Promoters' Shareholding (please specify, if there is no change):**

| S. No | | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|---|
| | | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | | **At the beginning of the year** | 18018391 | 49.05 | 18018391 | 49.05 |
| 1 | Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc): | Date – 1/4/2016 – Purchase (Increase) | 4100 | 0.01 | 18022491 | 49.06 |
| 2 | | Date – 4/4/2016 – Purchase (Increase) | 3800 | 0.01 | 18026291 | 49.07 |
| 3 | | Date – 1/8/2016 – Purchase (Increase) | 10000 | 0.03 | 18036291 | 49.10 |
| 4 | | Date – 5/8/2016 – Purchase Transfer (Increase) | 4000 | 0.01 | 18040291 | 49.11 |
| 5 | | Date – 8/8/2016 – Purchase (Increase) | 50 | 0.00 | 18040341 | 49.11 |
| 6 | | Date – 25/08/2016 – Sale (Decrease) | 10000 | 0.03 | 18030341 | 49.09 |
| 7 | | Date – 27/08/2016 – Purchase (Increase) | 8160 | 0.02 | 18038501 | 49.11 |
| 8 | | Date – 12/9/2016 – Purchase (Increase) | 7000 | 0.02 | 18045501 | 49.13 |
| 9 | | Date – 16/09/2016 – Transmission (Decrease) | 20323 | 0.06 | 18025178 | 49.07 |
| 10 | | Date – 16/09/2016 – Transmission (Increase) | 23073 | 0.06 | 18048251 | 49.13 |

| S. No | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 11 | Date – 4/10/2016 – Sale (Decrease) | 7000 | 0.02 | 18041251 | 49.11 |
| 12 | Date – 14/10/2016 – Purchase (Increase) | 50 | | 18041301 | 49.11 |
| 13 | Date – 28/10/2016 – Purchase (Increase) | 200 | 0.00 | 18041501 | 49.12 |
| 14 | Date – 15/11/2016 – Purchase (Increase) | 4600 | 0.01 | 18046101 | 49.13 |
| 15 | Date – 19/11/2016 – Purchase (Increase) | 13000 | 0.04 | 18059101 | 49.16 |
| 16 | Date – 21/11/2016 – Purchase (Increase) | 9000 | 0.02 | 18068101 | 49.19 |
| 17 | Date – 22/11/2016 – Purchase (Increase) | 9300 | 0.03 | 18077401 | 49.21 |
| 18 | Date – 25/11/2016 – Purchase (Increase) | 9450 | 0.03 | 18086851 | 49.24 |
| 19 | Date – 5/12/2016 – Purchase (Increase) | 458 | 0.00 | 18087309 | 49.24 |
| 20 | Date – 9/12/2016 – Purchase (Increase) | 3000 | 0.01 | 18090309 | 49.25 |
| 21 | Date – 26/12/2016 – Purchase (Increase) | 2700 | 0.01 | 18093009 | 49.26 |
| 22 | Date – 2/1/2017 – Sale (Decrease) | 4600 | 0.01 | 18088409 | 49.24 |
| 23 | Date – 16/02/2017 – Purchase (Increase) | 3600 | 0.01 | 18092009 | 49.25 |
| 24 | Date – 20/02/2017 – Purchase (Increase) | 8650 | 0.02 | 18100659 | 49.28 |
| 25 | Date – 27/02/2017 – Sale (Decrease) | 12250 | 0.03 | 18088409 | 49.24 |
| 26 | Date – 8/3/2017 – Purchase (Increase) | 14400 | 0.04 | 18102809 | 49.28 |
| 27 | Date – 15/03/2017 – Transmission (Decrease) | 108575 | 0.30 | 17994234 | 48.99 |
| 28 | Date – 16/03/2017 – Sale (Decrease) | 3400 | 0.01 | 17990834 | 48.98 |
| 29 | Date – 17/03/2017 – Sale (Decrease) | 11000 | 0.03 | 17979834 | 48.95 |
| 30 | Date – 22/03/2017 – Transmission (Decrease) | 931247 | 2.54 | 17048587 | 46.41 |
| 31 | Date – 22/03/2017 – Transmission (Increase) | 1039822 | 2.83 | 18088409 | 49.24 |
| 32 | Date – 24/03/2017 – Purchase (Increase) | 13809 | 0.04 | 18102218 | 49.28 |
| 33 | Date – 28/03/2017 – Sale (Decrease) | 13809 | 0.04 | 18088409 | 49.24 |
| | At the end of the year | 18088409 | 49.24 | 18088409 | 49.24 |

**Shareholding pattern of top ten shareholders as at 31st March, 2016**

| Sl. No. | Name of Shareholder | Number of shares | % of total shares of the Company |
|---|---|---|---|
| 1 | B SUMANTHKUMAR REDDY | 845175 | 2.30 |
| 2 | K JAGDEESH REDDY | 338154 | 0.92 |
| 3 | SANGEETHA S | 231990 | 0.63 |
| 4 | SAVITHA S | 145690 | 0.40 |
| 5 | RAKESH BHASIN | 132260 | 0.36 |
| 6 | VIJAYA DEVI NAHAR | 119282 | 0.32 |
| 7 | MEERA BHUPAL | 116750 | 0.32 |
| 8 | BHARAT KRISHNALAL THAKKAR | 116614 | 0.32 |
| 9 | NARENDRA KUMAR K MEHTA | 113439 | 0.31 |
| 10 | KISHORE M.BANG | 110621 | 0.30 |

**Shareholding pattern of top ten shareholders as at 31st March, 2017**

| Sl. No | Name of Shareholder | Number of shares | % of total shares of the Company |
|---|---|---|---|
| 1 | B SUMANTHKUMAR REDDY | 793371 | 2.16 |
| 2 | CHANDRAVADAN DESAI | 473041 | 1.29 |
| 3 | SUBRAMANIAN P | 424550 | 1.16 |
| 4 | K JAGDEESH REDDY | 324154 | 0.88 |
| 5 | PRANAY DESAI | 265867 | 0.72 |
| 6 | RAKESH BHASIN | 238787 | 0.65 |
| 7 | AJAY UPADHYAYA | 100000 | 0.27 |
| 8 | NITIN KAPIL TANDON | 81000 | 0.22 |
| 9 | DOLLY KHANNA | 78782 | 0.21 |
| 10 | PANKAJ KUMAR RAMAWAT | 73300 | 0.20 |

**Notes:**

a. In case of joint holding, the name of the first holder is considered.

b. There is no fresh allotment/reduction of share capital during the year by the Company.

The increase/decrease in shareholding above is due to transactions between shareholders.

c. The shareholding details given above are based on the legal ownership and not beneficial ownership and is derived based on the folio number listing provided by the Registrar and Transfer agent of the Company.

**v) Shareholding of Directors and Key Managerial Personnel:**

**Shareholding of Directors:**

| Sl. No. | Name of Director | Shareholding as at 1st April, 2016 | | Shareholding as at 31st March, 2017 | |
|---|---|---|---|---|---|
| | | Number of shares | % of total shares of the Company | Number of Shares | % of total shares of the Company |
| 1 | Mr. R. Anand | 540 | 0.00 | 540 | 0.00 |
| 2 | Mr. K. Ravi | 2431807 | 6.62 | 2840433 | 7.73 |
| 3 | Mr. K. Madhu | 1171674 | 3.19 | 1171674 | 3.19 |
| 4 | Mr. Vinodrai V. Goradia | 548602 | 1.49 | 548602 | 1.49 |
| 5 | M.Kanna Reddy ( upto 20/09/2016) | Nil | Nil | Nil | Nil |
| 6 | Mr. Ashven Datla | 649194 | 1.77 | 649194 | 1.77 |
| 7 | Mr. Kamlesh Gandhi | Nil | Nil | Nil | Nil |
| 8 | Mrs.Roopa Bhupatiraju | 179688 | 0.49 | 526295 | 1.43 |
| 9 | Mr.P.N.Raju | 1163119 | 3.17 | 1163119 | 3.17 |
| 10 | Dr.Kalidas Raghavapudi | Nil | Nil | Nil | Nil |
| 11 | Lt.Gen.T.A.DCunha (Retd) | Nil | Nil | Nil | Nil |
| 12 | Ms.Meena Gupta – IREDA Nominee Director (upto 21/04/2016) | Nil | Nil | Nil | Nil |
| 13 | Mr.V.Sitarama Raju (w.e.f. 11/11/2016) | 1,040 | 0.00 | 1,040 | 0.00 |
| 14 | N.V.Suvarna (upto 31/12/2016) | Nil | Nil | Nil | Nil |
| 15 | Mr. K.Gautam | 685959 | 1.87 | 685959 | 1.87 |
| 16 | Mr.N.G.V.S.G.Prasad (w.e.f. 30/05/2016) | 400 | 0.00 | Nil | Nil |

**Notes :**

1. Details of changes in the shareholding during the year are as under :

| Name of the Director | Particulars | Number of shares | % to total shares of the Company |
|---|---|---|---|
| | As at 1st April, 2016 | 2431807 | 6.62 |
| K.Ravi | Purchase | 62018 | 0.17 |
| | InterseTransfer -Transmission (Increase) | 346608 | 0.94 |
| | Sale | - | - |
| | As at 31st March, 2017 | 2840433 | 7.73 |

| Name of the Director | Particulars | Number of shares | % to total shares of the Company |
|---|---|---|---|
| | As at 1st April, 2016 | 179688 | 0.49 |
| Kalidindi Roopa | Inter-se Transmission of Shares -increase | 346607 | 0.94 |
| | Sale | NIL | NIL |
| | As at 31st March, 2017 | 526295 | 1.43 |

| Name of the Director | Particulars | Number of shares | % to total shares of the Company |
|---|---|---|---|
| | As at 1st April, 2016 | 400 | 0.00 |
| N.G.V.S.G.Prasad | Purchase | 24050 | 0.07 |
| | Sale | 24450 | 0.07 |
| | As at 31st March, 2017 | NIL | NIL |

There are no purchase and sale of shares by other Directors during the year.

1 The above details are based on the legal ownership and not on beneficial ownership.

2 The shareholding above reflects the ownership post the person being appointed a Director or KMP.

**Shareholding of Key Managerial Personnel:**

| Sl No | Name of Key Managerial Person | Shareholding as at 1st April, 2016 | | Shareholding as at 31st March, 2017 | |
|---|---|---|---|---|---|
| | | Number of shares | % to total shares of the Company | Number of shares | % to total shares of the Company |
| 1 | Mr. K. Ravi Managing Director | 24,31,807 | 6.62 | 2840433 | 7.73 |
| 2 | Mr.K.Gautam-Executive Director | 6,85,959 | 1.87 | 6,85,959 | 1.87 |
| 3 | Mr.N.V.Suvarna-Executive Director (up to 31/012/2016) | Nil | - | Nil | - |
| 4 | Mr.N.G.V.S.G Prasad Executive Director & CFO (w.e.f. 30/05/2016) | 400 | 0.00 | Nil | 0.00 |
| 5 | Mr. T. Arun Kumar Company Secretary & Compliance Officer | 4,600 | 0.01 | 4,650 | 0.01 |

Notes :

1. Details of changes in the shareholding of Mr. K.Ravi are as per Note 1 to Clause (v) above.
2. Mr.N.G.V.S.G Prasad, Executive Director & CFO ( w.e.f. 30/05/2016).

## V. INDEBTEDNESS

**Indebtedness of the company including interest outstanding / accrued but not due for payment**

(Rupees in Lakhs)

| | Secured Loans Excluding deposits | Un Secured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| **Indebtedness as at 1st April,2016** | | | | |
| i) Principal Amount | 19,927.94 | 259.24 | 4612.73 | 24,799.91 |
| ii) Interest Due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | 435.77 | 435.77 |
| **Total (i+ii+iii)** | **19,927.94** | **259.24** | **5,048.50** | **25,235.68** |
| Change in Indebtedness during the financial year | | | | |
| Addition | 6,581.31 | - | 442.19 | 7,023.50 |
| (Reduction) | - | (134.46) | - | (134.46) |
| **Net Change** | **6,581.31** | **(134.46)** | **442.19** | **6,889.04** |
| **Indebtedness as at 1st April,2017** | | | | |
| i) Principal Amount | 26,509.25 | 124.78 | 4,886.10 | 31,520.13 |
| ii) Interest Due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | 604.59 | 604.59 |
| **Total (i+ii+iii)** | **26,509.25** | **124.78** | **5,490.69** | **32,124.72** |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

**A. Remuneration to Managing Director, Whole Time Directors and/or Manager :**

(Amount in Rupees)

| Sl. No. | Particulars of Remuneration | Managing Director / Executive Directors |
|---|---|---|
| 1. | Gross Salary | 2,42,86,248 |
| | (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 | |
| | (b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961 | |
| | (c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961 | |
| 2. | Stock Option | - |
| 3. | Sweat Equity | - |
| 4. | Commission | 1,31,62,401 |
| | - as percentage of profit | 2 % |
| | - others | |
| 5. | Others | 13,93,432 |
| | **Total (A)** | **3,88,42,081** |
| | Ceiling as per the Act (as Section 197&198 of the Companies Act,2013 ) | 6,58,12,004 |

**B Remuneration to other Directors :**

(Amount in Rupees)

| Sl. No. | Name of Director | Particulars of Remuneration | | | Total Amount |
|---|---|---|---|---|---|
| | | Fees for attending board/committee meetings | Commission | Others | |
| 1 | **Independent Directors** | | | | |
| | Mr. Anand Ramanna | 70,000 | 1,00323 | | 1,70,323 |
| | Mr. Kamlesh Gandhi | 1,65,000 | 2,80,905 | | 4,45,905 |
| | Mr. M.Kanna Reddy (upto 20/09/2016) | 75,000 | 1,20,388 | | 1,95,388 |
| | Dr. Kalidas Raghavapudi | 1,20,000 | 2,00,646 | | 3,20,646 |
| | Lt. Gen.T.A.DCunha ( Retd ) | 1,15,000 | 1,80,582 | | 2,95,582 |
| | V. Sitarama Raju (w.e.f. 11/11/2016) | 35,000 | 60,194 | | 95,194 |
| | **Total (1)** | **5,80,000** | **9,43,038** | **-** | **15,23,038** |
| 2. | **Other Non Executive Directors** | | | | |
| | Mr. K.Madhu | 1,15,000 | 1,80,582 | | 2,95,582 |
| | Mr. Ashven Datla | 1,40,000 | 2,40,775 | | 3,80,775 |
| | Mrs. Roopa Bhupatiraju | 30,000 | 40,129 | | 70,129 |
| | Mr. P.Narasimha Raju | 85,000 | 1,20,388 | | 2,05,388 |
| | Mr. Vinodrai V.Goradia | 85,000 | 1,20,388 | | 2,05,388 |
| | Ms. Meena Gupta - IREDA Nominee Director (upto 21/04/2016) | Nil | Nil | | Nil |
| | **Total (2)** | **4,55,000** | **7,02,262-** | **-** | **11,57,262** |
| | **Total (B)=(1+2)** | **10,35,000** | **16,45,300** | **-** | **26,80,300** |
| | Ceiling as per the Act | | | | 65,81,200 |
| | **Total Managerial Remuneration** | | | | **4,15,22,381** |
| | Overall Ceiling as per the Act | | | | 7,23,93,205 |

**C. Remuneration to Key Managerial Personnel other than Managing Director / Manager / Whole Time Director :**

(Amount in rupees`)

| Sl. No. | Particulars of Remuneration | President & CFO | Company Secretary | Total (Amount in Rs) |
|---|---|---|---|---|
| | | N.G.V.S.G. Prasad (Up to 29/05/2016) | T. Arun Kumar | |
| 1. | Gross Salary | 3,87,886 | 9,08,142 | 12,96,028 |
| | (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 | | | |
| | (b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961 | | | |
| | (c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961 | | | |
| 2. | Stock Option | | | - |
| 3. | Sweat Equity | | | - |
| 4. | Commission | | | - |
| | - as percentage of profit | | | |
| | - others | | | |
| 5. | Others | | | |
| | **Total** | **3,87,886** | **9,08,142** | **12,96,028** |

## VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

During the financial year, there is no instance of any penalty / punishment / compounding of offence under the Companies Act, 2013 against any Director, Key Managerial Person and other officers in default.

**ANNEXURE "F-1"**

| Sr. No. | Name of the Director | Ratio of remuneration of each Director to the median remuneration of the employees of the Company |
|---|---|---|
| 1 | Mr. R. Anand | 0.70 |
| 2 | Mr. Ashven Datla | 1.57 |
| 3 | Mr. Vinodrai V. Goradia | 0.85 |
| 4 | Mr. K. Madhu | 1.22 |
| 5 | Ms.Meena Gupta (upto 21/04/2016) | NA |
| 6 | Mr. Kamlesh Gandhi | 1.84 |
| 7 | Mr. M. Kanna Reddy (upto 20/09/2016) | 0.81 |
| 8 | Lt.Gen.T.A.DCunha (Retd) | 1.22 |
| 9 | Dr.Kalidas Raghavapudi | 1.32 |
| 10 | Mrs. Roopa Bhupatiraju | 0.29 |
| 11 | Mr. P.N.Raju | 0.85 |
| 12 | Mr. K.Gautam | 21.53 |
| 13 | Mr.N.V.Suvarna (upto 31/12/2016) | 12.64 |
| 14 | Mr.N.G.V.S.G Prasad Executive Director & CFO (w.e.f.30/05/2016) | 13.26 |
| 15 | Mr. K. Ravi | 114.71 |

**ANNEXURE "F-2"**

| Sr. No. | Name of the Director/KMP | Designation | % Increase / (Decrease) in the Remuneration |
|---|---|---|---|
| 1 | Mr. R. Anand | Director | 13.01 |
| 2 | Mr. Ashven Datla | Director | 32.94 |
| 3 | Mr. Vinodrai V. Goradia | Director | 34.05 |
| 4 | Mr. K. Madhu | Director | 3.20 |
| 5 | Ms.Meena Gupta | Director (IREDA Nominee) (upto 21/04/2016) | NA |
| 6 | Mr. Kamlesh Gandhi | Director | (3.12) |
| 7 | Mr. M. Kanna Reddy (upto 20/09/2016) | Director | (57.31) |
| 8 | Lt.Gen.T.A.DCunha ( Retd ) | Director | 20.58 |
| 9 | Dr.Kalidas Raghavapudi | Director | 112.75 |
| 10 | Mrs. Roopa Bhupatiraju | Director | 111.60 |
| 11 | Mr. P.N.Raju | Director | 8.75 |
| 12 | Mr.N.V.Suvarna | Executive Director & KMP (upto 31/12/2016) | 0.60 |
| 13 | Mr. K.Gautam | Executive Director & KMP | 10.71 |
| 14 | Mr. K. Ravi | Managing Director and KMP | 5.00 |
| 15 | Mr. N.G.V.S.G.Prasad | Executive Director & CFO & KMP (w.e.f. 30/05/2016) | NA |
| 16 | Mr. T. Arun Kumar | Company Secretary /KMP | 22.73 |

**Note:**

1. Median is computed on the basis of permanent employees on the rolls of the Company. No. of permanent employees on the rolls of the company as on 31/03/2017 : 693.

# INDEPENDENT AUDITOR'S REPORT

To
The Members,
**NCL Industries Limited,**
Hyderabad.

**Report on the Standalone Financial Statements**

We have audited the accompanying financial statements of NCL Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31,2017, and the Statement of Profit and Loss for the year then ended on that date, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view 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 Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

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

(a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;

(b) In the case of the Statement of Profit and Loss, of the Profit of the Company for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

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

2. As required by section 143(3) of the Act, we report that:

    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

    c. The Balance Sheet and the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

    d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e. On the basis of written representations received from the directors as on 31 March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017, from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion, and to the best of our information and according to the explanations given to us:

   i. There are no pending litigations for the company that will impact the financial position of the company;

   ii. There are no foreseeable losses on long-term contracts including derivative contracts;

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

   iv. The Company has provided requisite disclosures in the standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management.

**For VENUGOPAL & CHENOY,**
CHARTERED ACCOUNTANTS,
FRN: 004671S

**(P.V.SRI HARI)**
Partner
Membership No.021961

Hyderabad
Date: 27.05.2017

## Annexure A to the Independent Auditors' Report

The Annexure A referred to in our Independent Auditor's Report to the members of the Company on the Standalone financial statements for the year ended 31 March 2017, we report that:

(i) In respect of its fixed assets:

a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets, on the basis of available information.

b. As explained to us, the fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such physical verification.

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) In respect of Inventories:

a. The Inventory has been physically verified by the management during the year.

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) The Company has granted Inter Corporate Deposit to companies covered in the register maintained under section 189 of the Companies Act, 2013.

a. In our opinion, the terms and conditions on which the Inter Corporate Deposit has been granted to the party listed in the register maintained under section 189 of the Act are not prejudicial to the interest of the Company.

b. The payment of principal and the interest, wherever applicable, are regular.

c. There are no overdue amounts in respect of the Inter Corporate Deposits granted to the party listed in the register maintained under section 189 of the Act.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investments, guarantees and securities.

(v) In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder in respect of deposits accepted. We are informed that no order was passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or Tribunal

(vi) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub–section (1) of Section 148 of the Act in respect of the activities carried on by the Company, wherever applicable and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.

(vii) In respect of statutory dues:

a. According to the information and explanations given to us and on the basis of examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts are payable in respect of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax or cess and other material statutory dues which were in arrears as at March 31,2017, for a period of more than six months from the date they became payable

b. According to the information given to us and records of the Company examined by us, the particulars of Income Tax, Sales Tax, Value added Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty or Cess as at 31st March 2017 which have not been deposited on account of any disputes pending, are as under:

| Name of the statute | Nature of dues | Amount (Rs in Lakhs) | Forum where dispute is pending |
|---|---|---|---|
| A.P. General Sales Tax Act | Tax on cost recovery from usage of HSD oil on Hired tippers | 4.26 | Sales Tax Appellate Tribunal |
| A.P. General Sales Tax Act | Penalty on delayed payment | 16.88 | Sales Tax Appellate Tribunal |
| A.P. General Sales Tax Act | Penalty on delayed payment | 37.26 | Sales Tax Appellate Tribunal |
| Central Excise Department | Denying benefit of Cenvat Credit | 163.18 | CESTAT |
| Central Excise Department | Denying benefit of Cenvat Credit | 80.85 | CESTAT |
| Central Excise Department | Denying benefit of Cenvat Credit | 2 | CESTAT |
| Central Excise Department | Denying benefit of Cenvat Credit | 63.85 | Commissioner of Appeals |
| Central Excise Department | Denying benefit of Cenvat Credit | 11.55 | CESTAT |
| Central Excise Department | Denying benefit of Cenvat Credit | 977.68 | CESTAT |
| Central Excise Department | Miscellaneous issues | 6.15 | CESTAT |
| Customs Department | Demand due to wrong classification of imported coal | 42.19 | Appellate Commissioner of Customs & Central Excise (Appeals) |
| Customs Department | Demand due to wrong classification of imported coal | 87.79 | CESTAT |

(viii) According to the information and explanations given to us and on the basis of examination of the records, the company has not defaulted in the repayment of loans along with interest to the Banks.

(ix) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of public issue. Accordingly, paragraph 3(ix) of the Order is not applicable.

(x) In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year, that causes the financial statements to be materially misstated.

(xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has made private placement of Secured Redeemable Non-Convertible Debentures during the year and the monies so raised were used for the purposes for which they were raised.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For VENUGOPAL & CHENOY,**
CHARTERED ACCOUNTANTS,
FRN: 004671S

**(P.V.SRI HARI)**
Partner
Membership No.021961

Hyderabad
Date: 27.05.2017

## Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of NCL Industries Limited ("the Company") as of 31 March, 2017 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

The company needs to document its procedures and controls vis a vis Internal controls over Financial Reporting.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For VENUGOPAL & CHENOY,**
CHARTERED ACCOUNTANTS,
FRN: 004671S

**(P.V.SRI HARI)**
Partner
Membership No.021961

Hyderabad
Date: 27.05.2017

# Balance Sheet as at 31st March 2017

(₹ in lakhs)

| | Notes | 31 Mar 2017 | 31 Mar 2016 |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| **Share holders' Funds** | | | |
| Share Capital | 2.1 | 3,673.28 | 3,673.28 |
| Reserves and Surplus | 2.2 | 20,375.61 | 16,007.89 |
| **Sub-Total : Shareholders' Funds** | | **24,048.89** | **19,681.17** |
| **Non-Current Liabilities** | | | |
| Long - Term Borrowings | 2.3 | 23,119.54 | 4,534.83 |
| Deferred Tax Liabilities | 2.4 | 4,321.32 | 4,244.55 |
| Other - Long Term Liabilities | 2.5 | 4,560.92 | 3,067.26 |
| Long - Term Provisions | 2.6 | 524.05 | 454.79 |
| **Sub-Total : Non Current Liabilities** | | **32,525.83** | **12,301.43** |
| **Current Liabilities** | | | |
| Short - Term Borrowings | 2.7 | 2,744.34 | 5,642.06 |
| Trade Payables | 2.8 | 3,244.96 | 2,790.96 |
| Other Current Liabilities | 2.9 | 13,624.22 | 20,354.79 |
| Short - Term Provisions | 2.10 | 2,183.47 | 1,497.76 |
| **Sub-Total : Current Liabilities** | | **21,796.99** | **30,285.58** |
| **TOTAL EQUITY AND LIABILITIES** | | **78,371.71** | **62,268.18** |
| **ASSETS** | | | |
| **Non-Current Assets** | | | |
| Fixed Assets | | | |
| Tangible Assets | 2.11 | 38,537.36 | 39,161.45 |
| Capital Work - in- Progress | | 15,220.05 | 1,055.74 |
| Non - Current Investments | | - | - |
| Long - Term Loans & Advances | 2.12 | 1,717.35 | 1,571.55 |
| **Sub-Total : Non - Current Assets** | | **55,474.76** | **41,788.74** |
| **Current Assets** | | | |
| Inventories | 2.13 | 7,088.80 | 7,214.38 |
| Trade Receivables | 2.14 | 4,768.82 | 5,269.61 |
| Cash and Cash Equivalents | 2.15 | 1,185.64 | 2,112.76 |
| Short- Term Loans and Advances | 2.16 | 8,010.71 | 3,965.11 |
| Other Current Assets | 2.17 | 1,842.98 | 1,917.58 |
| **Sub-Total : Current Assets** | | **22,896.95** | **20,479.44** |
| **TOTAL-ASSETS** | | **78,371.71** | **62,268.18** |
| 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 Venugopal & Chenoy,**
Chartered Accountants
Firm Registration No. 004671S

**P.V. Sri Hari**
Partner
Membership No. 21961

Hyderabad
Dated: 27th May 2017

For and on behalf of the Board

**K. Ravi**
Managing Director

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

**Kamlesh Gandhi**
Director

**T. Arun Kumar**
Company Secretary

# Statement of Profit and Loss for the year ended 31st March 2017

(₹ in lakhs)

| | Notes | 31 Mar 2017 | 31 Mar 2016 |
|---|---|---|---|
| **REVENUE** | | | |
| Revenue from Operations (Gross) | 2.18 | 116,542.45 | 99,431.74 |
| Less: Inter Segment Transfers & Taxes on Sales | | 28,426.40 | 23,516.36 |
| Revenue from Operations | | 88,116.05 | 75,915.38 |
| Less : Excise Duty | | 11,564.22 | 9,838.49 |
| Revenue from Operations (Net) | | **76,551.83** | **66,076.89** |
| Other Income | 2.19 | 363.97 | 316.27 |
| **Total Revenue** | | **76,915.80** | **66,393.16** |
| **EXPENSES** | | | |
| Net Consumption of Materials | 2.20 | 12,371.49 | 11,038.49 |
| Change in Inventories of Finished goods and Work-in-Progress | 2.21 | 633.69 | (767.95) |
| Employee Benefit Expenses | 2.22 | 3,506.33 | 3,174.82 |
| Other Expenses | 2.23 | 48,613.58 | 40,533.03 |
| Finance Costs | 2.24 | 3,111.33 | 3,060.48 |
| Depreciation & Amortisation | 2.25 | 2,513.60 | 2,516.00 |
| **Total Expenses** | | **70,750.02** | **59,554.87** |
| **Profit /(Loss) Before Exceptional Items** | | **6,165.78** | **6,838.29** |
| **Exceptional Items** | 2.26 | **-** | **(151.75)** |
| **Profit /(Loss) Before Tax** | | **6,165.78** | **6,686.54** |
| **Tax Expense:** | | | |
| Tax- Earlier Years | | - | - |
| Tax- Current Year | | 1,860.00 | 1,401.53 |
| Deferred Tax Charge / (Credit) | | 76.77 | 89.74 |
| MAT Credit Entitlement (Credit) | | (1,243.98) | (112.64) |
| **Total of Tax Expenses** | | **692.79** | **1,378.63** |
| Profit for the Period | | 5,472.99 | 5,307.91 |
| Basic Earnings per Share of Rs 10/- each | | 14.90 | 14.56 |
| Diluted Earnings per Share of Rs 10/- each | 2.28 | 14.90 | 14.45 |
| Cash Earnings per share of Rs. 10/- each | 2.28 | 21.95 | 21.71 |
| 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 Venugopal & Chenoy,**
Chartered Accountants
Firm Registration No. 004671S

**P.V. Sri Hari**
Partner
Membership No. 21961

Hyderabad
Dated: 27th May 2017

For and on behalf of the Board

**K. Ravi**
Managing Director

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

**Kamlesh Gandhi**
Director

**T. Arun Kumar**
Company Secretary

# Cash Flow Statement for the year ended 31st March 2017

(₹ in lakhs)

| | | 31 Mar 2017 | | 31 Mar 2016 |
|---|---|---|---|---|
| **Cash flow from Operating Activities** | | | | |
| **Profit Before Tax** | | 6,165.78 | | 6,686.54 |
| Less: | | | | |
| Profit on Sale of Assets | | - | | 542.07 |
| | | 6,165.78 | | 6,144.47 |
| **Adjustments for:** | | | | |
| Depreciation & Amortisation | | 2,513.60 | | 2,516.00 |
| Finance Costs | | 3,111.33 | | 3060.48 |
| Profit on Sale of Assets | | - | | 542.07 |
| Exceptional Item - Right of Recompense | | - | | 693.82 |
| | | **11,790.71** | | **12,956.84** |
| Less: | | | | |
| Income Tax Paid | | 1,401.53 | | 681.89 |
| **Operating Profit Before Working Capital Changes** | | 10,389.18 | | 12,274.95 |
| **Movement of Working Capital:** | | | | |
| Increase/(Decrease) in Trade Payables | 454.00 | | (2,189.42) | |
| Increase/(Decrease) in Long Term Provisions | 69.26 | | 102.97 | |
| Increase/(Decrease) in Short Term Provisions | 6.18 | | 11.70 | |
| Increase/(Decrease) in Other Current Liabilities | (6,854.90) | | 5,178.64 | |
| Decrease/(Increase) in Trade Receivables | 500.79 | | (821.72) | |
| Decrease/(Increase) in Inventories | 125.58 | | (880.99) | |
| Decrease/(Increase) in Long Term Loans & Advances | (145.80) | | (152.29) | |
| Decrease/(Increase) in Short Term Loans & Advances | (4,045.60) | | (1,360.56) | |
| Decrease/(Increase) in Other Current Assets | 1,318.58 | | 852.36 | |
| Net Movement in Working Capital | | (8,571.91) | | 740.69 |
| **Cash Generated from Operations** | | **1,817.27** | | **13,015.64** |
| **Cash Flow from Investing Activities** | | | | |
| Purchase of Fixed Assets including CWIP | (16,056.60) | | (1,852.43) | |
| Sale of Net Fixed Assets | 2.78 | | 60.59 | |
| **Net Cash Used in Investing Activities** | | **(16,053.82)** | | **(1,791.84)** |
| **Cash flow from Financing Activities** | | | | |
| Finance Costs | (2,987.00) | | (2,941.19) | |
| Proceeds / (Repayment) of Long Term Borrowings | 18,584.71 | | (5,457.88) | |
| Proceeds / (Repayment) of Other Long Term Liabilities | 1,493.66 | | (916.50) | |
| Proceeds / (Repayment) of Short Term Borrowings | (2,897.72) | | 84.03 | |
| Dividend & Dividend Tax Paid | (884.22) | | (442.11) | |
| Proceeds/(Refund of) from Share Application Money | - | | (5.00) | |
| **Net Cash used in Financing Activities** | | **13,309.43** | | **(9,678.65)** |
| **Net Increase in Cash and Cash Equivalent** | | **(927.12)** | | **1,545.15** |
| Cash and Cash Equivalent at the Beginning of the Year | | 2,112.76 | | 567.61 |
| Cash and Cash Equivalent at the End of the Year | | 1,185.64 | | 2,112.76 |

As per our report of even date
**For Venugopal & Chenoy,**
Chartered Accountants
Firm Registration No. 004671S

**P.V. Sri Hari**
Partner
Membership No. 21961

Hyderabad
Dated: 27th May 2017

For and on behalf of the Board

**K. Ravi**
Managing Director

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

**Kamlesh Gandhi**
Director

**T. Arun Kumar**
Company Secretary

## 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 based on the useful lives of the assets, as per Schedule II of the Companies Act 2013 and depreciation on Assets of Energy Division is charged as per Part B of the Schedule II.

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 Statndard 11.

## 2. Notes to Financial Statements for the year ended 31 March 2017

(₹ in lakhs)

| **2.1 SHARE CAPITAL** | **31 Mar 2017** | 31 Mar 2016 |
|---|---|---|
| **Authorized** | | |
| 6,20,00,000 (31 March 2016: 6,20,00,000) Equity shares of Rs. 10/- each | **6,200.00** | **6,200.00** |
| **Issued,Subscribed & Paid up** | | |
| 3,67,32,790 (31 March 2016: 3,67,32,790) Equity shares of Rs 10/- each | 3,673.28 | 3,673.28 |
| **Total** | **3,673.28** | **3,673.28** |

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

| **Equity shares** | **31 Mar 2017** | | 31 Mar 2016 | |
|---|---|---|---|---|
| | **No. of shares** | **Rs. Lakhs** | No. of shares | Rs. Lakhs |
| At the beginning of the year | 36,732,790 | 3,673.28 | 34,937,335 | 3,493.73 |
| Equity Shares issued during the year | - | - | 1,795,455 | 179.55 |
| At the end of the year | 36,732,790 | 3,673.28 | 36,732,790 | 3,673.28 |

1. The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of Equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees.
2. For the Year Ended 31st March,2017, the amount of per share dividend recognized as distribution to equity share holders was Rs. 2.50 (31st March 2016: Rs. 2/- per share)
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 | | | | (₹ in lakhs) |
|---|---|---|---|---|
| | 31 Mar 2017 | | 31 Mar 2016 | |
| | No.of Shares | % of holding | No.of Shares | % of holding |
| Sri K. Ravi | 2,840,433 | 7.73 | 2,431,807 | 6.62 |

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

| | | (₹ in lakhs) |
|---|---|---|
| | 31 Mar 2017 | 31 Mar 2016 |
| **Capital Reserve** | **240.91** | **240.91** |
| **Securities Premium Reserve** | | |
| Balance as per the last Financial statement | **2,321.59** | **2,106.14** |
| Add: Premium on shares issued during the current year | **-** | **215.45** |
| **Closing balance** | **2,321.59** | **2,321.59** |
| **General Reserve** | | |
| Balance as per the last Financial statement | 11,000.00 | 11,565.80 |
| Less: Transfer to Debenture Redemption Reserve | 4,500.00 | 1,000.00 |
| Add: Amount transferred from surplus | 1,000.00 | 434.20 |
| **Closing balance** | **7,500.00** | **11,000.00** |
| **Debenture Redemption Reserve** | | |
| Balance as per the last Financial statement | 1,000.00 | - |
| Add: Amount transferred from General Reserve | 4,500.00 | 1,000.00 |
| **Closing balance** | **5,500.00** | **1,000.00** |
| **Profit & Loss Account** | | |
| Balance as per the Last Financial Statement | 1,445.39 | (2,544.10) |
| Add: Profit / (Loss) for the Year | 5,472.99 | 5,307.91 |
| Less: Proposed Dividend / Interim Dividend Paid | 918.32 | 734.66 |
| Less: Tax on Proposed Dividend / Interim Dividend Paid | 186.95 | 149.56 |
| Less: Transfer to General Reserve | 1,000.00 | 434.20 |
| Total Appropriations | 2,105.27 | 1,318.42 |
| **Closing Balance** | **4,813.11** | **1,445.39** |
| **Total** | **20,375.61** | **16,007.89** |

## 2.3 LONG-TERM BORROWINGS

(₹ in lakhs)

| | 31 Mar 2017 | 31 Mar 2016 | 31 Mar 2017 | 31 Mar 2016 |
|---|---|---|---|---|
| | Non-Current portion | | Current Maturities | |
| **Secured** | | | | |
| **Term Loans from FIs & Banks** | - | - | - | 9,603.91 |
| Secured Redeemable Non Convertible Debentures (Refer Note 'a') | 22,000.00 | 4,000.00 | - | - |
| **Vehicle & Equipment Loans (Secured)** | | | | |
| Vehicle & Equipment Finance Loans from Banks & Financial Companies (Refer Note No 'b') | 1,119.54 | 410.05 | 645.37 | 271.92 |
| **Total Secured Borrowings (i)** | **23,119.54** | **4,410.05** | **645.37** | **9,875.83** |
| Other Loans & Advances (Unsecured) | | | | |
| Sales Tax Deferment Loan (Refer Note No. 'c') | (0.00) | 124.78 | 124.78 | 134.46 |
| **Total Unsecured Borrowings (ii)** | **(0.00)** | **124.78** | **124.78** | **134.46** |
| **Total of Secured & Unsecured (i+ii)** | **23,119.54** | **4,534.83** | **770.15** | **10,010.29** |

a. Secured Redeemable Non Convertible debentures carrying an interest @ 16.67% per anum payable monthly are the part of the aggregate of Rs. 325 Crores of debentures to be issued on private placement basis are secured by the first charge on all the fixed assets and second charge on all the current assets and pledge of the shares held by promoters of the Company.

   The debentures are to be redeemed in the 4th, 5th and 6th years, commencing from the last quarter of financial year 2018-19.

b. Vehicle and Equipment Loans from various Banks are secured by Hypothecation of respective assets financed, for a tenure of 35 to 47 months and carries Interest @ 9% to 12.25% p.a.

c. Interest free Sales Tax Deferment Loan received from Governmnet of Andhra Pradesh/Telangana, shall be repaid in the year 2017-18.

## 2.4 DEFERRED TAX LIABILITIES

(₹ in lakhs)

| | 31 Mar 2017 | 31 Mar 2016 |
|---|---|---|
| Deferred Tax Liabilities | 4,321.32 | 4,244.55 |

## 2.5 OTHER LONG TERM LIABILITIES

(₹ in lakhs)

| | 31 Mar 2017 | 31 Mar 2016 | 31 Mar 2017 | 31 Mar 2016 |
|---|---|---|---|---|
| | Non-Current portion | | Current Maturities | |
| Deposits from Dealers / Stockists (Note 'a') | 3,326.58 | 2,228.17 | - | - |
| Deposits from Public & Shareholders (Note 'b') | 1,234.34 | 839.09 | 3,651.76 | 3,773.64 |
| Sundry Creditors - Capital goods | - | - | 1,232.42 | 81.73 |
| **Total** | **4,560.92** | **3,067.26** | **4,884.18** | **3,855.37** |

a. Deposits from Dealers / Stockists represent amounts collected from Dealers / Stockists / Agents as collateral at the time of granting the dealership to sell the products of the Company which is repayable on cancellation of the said dealership. These deposits attract interest @ 6% p.a.

b. Public Deposits aggregating to Rs 3,651.76 lakhs (Previous year Rs 3,773.64 lakhs) is repayable within one year and Rs 1234.34 lakhs (Previous Year Rs 839.09 lakhs) is repayable within next two years.

## 2.6 LONG TERM PROVISIONS

(₹ in lakhs)

| | 31 Mar 2017 | 31 Mar 2016 | 31 Mar 2017 | 31 Mar 2016 |
|---|---|---|---|---|
| | Non-Current portion | | Current Maturities | |
| **Provision for Employee Benefits** | | | | |
| Provision for Gratuity | 412.52 | 344.34 | 35.89 | 39.60 |
| Provision for Leave benefits | 111.53 | 110.45 | 9.86 | 13.03 |
| **Total (i)** | **524.05** | **454.79** | **45.75** | **52.63** |
| **Other Provisions** | | | | |
| Provision for Income Tax | - | - | 1,360.00 | 901.53 |
| Provision for Dividend | - | - | 550.99 | 367.33 |
| Provision for Dividend Tax | - | - | 112.17 | 74.78 |
| **Total (ii)** | **-** | **-** | **2,023.16** | **1,343.64** |
| **Total (i+ii)** | **524.05** | **454.79** | **2,068.91** | **1,396.27** |

## 2.7 SHORT TERM BORROWINGS

(₹ in lakhs)

| | 31 Mar 2017 | 31 Mar 2016 |
|---|---|---|
| Cash Credit Loans from Banks (Secured) | 2,744.34 | 5,642.06 |
| **Total Short Term Borrowings** | **2,744.34** | **5,642.06** |

Cash credit Loans from Banks viz. Axis Bank Ltd, IDBI Bank Ltd and State Bank of Hyderabad (Now merged with State Bank of India) are secured by pari passu first charge on current assets of the Company (both present & future) and second charge on fixed assets of the company and are guaranteed by promoter directors in their personal capacity.

## 2.8 TRADE PAYABLES

(₹ in lakhs)

| | 31 Mar 2017 | 31 Mar 2016 |
|---|---|---|
| Trade Payables | 3,244.96 | 2,790.96 |

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 2017 is Rs. Nil (Previous Year: Rs. Nil)

| 2.9 OTHER CURRENT LIABILITIES | | (₹ in lakhs) |
|---|---|---|
| | **31 Mar 2017** | 31 Mar 2016 |
| **1. Current Maturities of Long term Borrowings** | | |
| Term Loans from Banks & FIs | - | 9,603.91 |
| Vehicle & Equipment Loans | 645.37 | 271.92 |
| Sales Tax Deferment Loan | 124.78 | 134.46 |
| **Total of Current Maturities on Long Term Borrowings** | **770.15** | **10,010.29** |
| **2. Other Liabilities** | | |
| Deposits from Public & Shareholders | 3,651.76 | 3,773.64 |
| Sundry Creditors - Capital Goods | 1,232.42 | 81.73 |
| Advances from Customers & Others | 2,142.69 | 1,814.83 |
| Value Added Tax & CST Payable | 1,101.36 | 1,105.72 |
| Service Tax, Swach Bharat Cess and Krishi Kalyan Cess Payable | 28.56 | 21.09 |
| TDS Payable | 89.24 | 74.11 |
| Employee related payables PF, ESI & Others | 21.83 | 19.07 |
| Unclaimed Dividends (Note ) | 115.29 | 107.83 |
| Interest Accrued but not Due | 604.58 | 542.51 |
| Other Expenses including Provisions | 3,866.35 | 2,803.97 |
| **Total Other Liabilities** | **12,854.07** | **10,344.50** |
| **Total Other Current Liabilities** | **13,624.22** | **20,354.79** |

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

| 2.10 SHORT TERM PROVISIONS | | (₹ in lakhs) |
|---|---|---|
| | **31 Mar 2017** | 31 Mar 2016 |
| Provision for Income Tax | 1,360.00 | 901.53 |
| Provision for Dividend | 550.99 | 367.33 |
| Provision for Dividend Tax | 112.17 | 74.78 |
| Current Maturities of Long-Term Provisions of Employee Benefits | 45.75 | 52.63 |
| Provision for Employee Bonus & Ex-gratia | 114.56 | 101.50 |
| **Total** | **2,183.47** | **1,497.76** |

**2.11 FIXED ASSETS (TANGIBLE)**

(₹ in lakhs)

| | Land | Buildings | Plant & Machinery | Electrical Installations | Railway Siding | Furniture & Fixtures | Office Equipment | Vehicles | Total |
|---|---|---|---|---|---|---|---|---|---|
| At 1st April 2015 | 1,458.70 | 9,385.06 | 46,659.47 | 5,029.85 | 862.50 | 116.38 | 324.59 | 2,310.19 | 66,146.74 |
| Additions | - | 89.27 | 40.33 | - | - | 41.08 | 55.74 | 806.58 | 1,033.00 |
| Disposals | 37.91 | 32.68 | - | - | - | 0.50 | 9.43 | 17.51 | 98.03 |
| **At 31st March,2016** | **1,420.79** | **9,441.65** | **46,699.80** | **5,029.85** | **862.50** | **156.96** | **370.90** | **3,099.26** | **67,081.71** |
| Additions | 189.77 | 42.24 | 331.07 | - | - | 9.57 | 44.66 | 1,274.98 | 1,892.29 |
| Disposals | - | - | - | - | - | - | 0.31 | 9.75 | 10.06 |
| **At 31st March,2017** | **1,610.56** | **9,483.89** | **47,030.87** | **5,029.85** | **862.50** | **166.53** | **415.25** | **4,364.49** | **68,963.94** |
| **Depreciation** | | | | | | | | | |
| At 1st April 2015 | - | 2,232.49 | 18,612.47 | 2,056.53 | 282.03 | 91.40 | 295.13 | 1,900.87 | 25,470.92 |
| Charge for the year | - | 266.15 | 1,355.96 | 650.91 | 59.06 | 7.47 | 36.21 | 111.01 | 2,486.78 |
| Disposals | - | 14.68 | - | - | - | 0.48 | 8.96 | 13.32 | 37.44 |
| **At 31st March,2016** | **-** | **2,483.96** | **19,968.43** | **2,707.44** | **341.09** | **98.39** | **322.38** | **1,998.56** | **27,920.26** |
| Charge for the year | - | 262.12 | 1,343.27 | 652.92 | 59.08 | 15.68 | 26.25 | 154.28 | 2,513.60 |
| Disposals | - | - | - | - | - | - | 0.23 | 7.05 | 7.28 |
| **At 31st March,2017** | **-** | **2,746.08** | **21,311.70** | **3,360.36** | **400.18** | **114.07** | **348.40** | **2,145.79** | **30,426.58** |
| **Net Block** | | | | | | | | | |
| At 31st March,2016 | 1,420.79 | 6,957.69 | 26,731.37 | 2,322.41 | 521.41 | 58.57 | 48.52 | 1,100.70 | 39,161.45 |
| **At 31st March,2017** | **1,610.56** | **6,737.81** | **25,719.17** | **1,669.49** | **462.32** | **52.46** | **66.85** | **2,218.70** | **38,537.36** |

## 2.12 LONG-TERM LOANS & ADVANCES

(₹ in lakhs)

| | 31 Mar 2017 | 31 Mar 2016 | 31 Mar 2017 | 31 Mar 2016 |
|---|---|---|---|---|
| | Non-Current portion | | Current Maturities | |
| Unsecured, considered good | | | | |
| **Security Deposits** | | | | |
| Deposits with AP & TS SEB | 1,264.10 | 1,163.37 | - | - |
| Deposits with Government Departments | 233.87 | 201.76 | - | - |
| Deposits with Others | 17.71 | 17.37 | - | - |
| **Total of Security Deposits** | **1,515.69** | **1,382.49** | **-** | **-** |
| **Other Loans & Advances** | | | | |
| Rental Deposit | 125.77 | 104.18 | - | - |
| Deposit South Central Railways & Suppliers | - | - | - | - |
| **Total of Loans & Advances** | **125.77** | **104.18** | **-** | **-** |
| **Deposits in disputed cases** | | | | |
| Taxes paid under Protest | 75.90 | 84.88 | - | - |
| **Total of Deposits in Disputed Cases** | **75.90** | **84.88** | **-** | **-** |
| **Total** | **1,717.35** | **1,571.55** | **-** | **-** |

## 2.13 INVENTORIES

(₹ in lakhs)

| | 31 Mar 2017 | 31 Mar 2016 |
|---|---|---|
| Raw Materials | 858.84 | 942.50 |
| Work In Progress | 271.19 | 405.85 |
| Finished goods | 1,869.16 | 2,368.19 |
| Stores | 2,708.86 | 2,387.65 |
| Packing & Other Materials | 1,380.75 | 1,110.19 |
| **Total** | **7,088.80** | **7,214.38** |

## 2.14 TRADE RECEIVABLES

(₹ in lakhs)

| | 31 Mar 2017 | 31 Mar 2016 |
|---|---|---|
| Debtors outstanding for a period exceeding six months from the date they are due | | |
| Secured, considered good | - | - |
| Unsecured, considered good | 177.51 | 263.34 |
| **Total** | **177.51** | **263.34** |
| Debtors outstanding for a period less than six months from the date they are due | | |
| Secured, considered good | - | - |
| Unsecured, considered good | 4,591.31 | 5,006.27 |
| **Total** | **4,591.31** | **5,006.27** |
| **Total Trade Receivables** | **4,768.82** | **5,269.61** |

## 2.15 CASH & CASH EQUIVALENTS

(₹ in lakhs)

| | 31 Mar 2017 | 31 Mar 2016 | 31 Mar 2017 | 31 Mar 2016 |
|---|---|---|---|---|
| | Non-Current | | Current | |
| Cash in Hand | - | - | 14.06 | 26.04 |
| Cash at Banks* | - | - | 948.48 | 1,981.04 |
| Cash with Branches | - | - | 4.91 | 3.16 |
| Margin Money Deposits with Banks | - | - | 218.19 | 102.52 |
| **Total** | **-** | **-** | **1,185.64** | **2,112.76** |

* Includes Unclaimed Dividend of Rs. 115.29 Lakhs ( Previous Year: Rs. 107.83 Lakhs)

## 2.16 SHORT TERM LOANS & ADVANCES

(₹ in lakhs)

| | 31 Mar 2017 | 31 Mar 2016 | 31 Mar 2017 | 31 Mar 2016 |
|---|---|---|---|---|
| | Non-Current | | Current | |
| Unsecured, considered good | | | | |
| Advances to Suppliers | - | - | 847.49 | 929.19 |
| Advances for Capital Goods | - | - | 4,160.14 | 1,203.74 |
| Inter Corporate Deposit | - | - | 335.00 | 450.00 |
| Advances to Others | - | - | 145.77 | 378.87 |
| Central Excise, Service Tax, VAT & Other Receivables | - | - | 1,052.64 | 777.62 |
| MAT Credit Entitlement Account | - | - | 1,469.67 | 225.69 |
| **Total** | **-** | **-** | **8,010.71** | **3,965.11** |

## 2.17 OTHER CURRENT ASSETS

(₹ in lakhs)

| | 31 Mar 2017 | 31 Mar 2016 | 31 Mar 2017 | 31 Mar 2016 |
|---|---|---|---|---|
| | Non-Current | | Current | |
| Incentives Receivable from A.P/Telangana Governments | - | - | 1,733.43 | 1,797.36 |
| Other Current Assets | - | - | 109.55 | 120.22 |
| **Total** | **-** | **-** | **1,842.98** | **1,917.58** |

| 2.18 REVENUE FROM OPERATIONS | | (₹ in lakhs) |
|---|---|---|
| | **31 Mar 2017** | 31 Mar 2016 |
| **Sale / Transfer of Products:** | | |
| Finished Goods | 100,788.80 | 86,773.52 |
| emi Finished Goods (Clinker Transfer to Kondapalli Grinding Unit) | 15,609.55 | 12,635.48 |
| Traded Goods | 144.10 | 22.74 |
| **Total Sales** | **116,542.45** | **99,431.74** |
| Less: Inter Segment Transfers | 18,135.60 | 14,568.29 |
| Less: Taxes on Sales | 10,290.80 | 8,948.07 |
| Net Sales of Products | **88,116.05** | **75,915.38** |
| Less: Excise Duty | 11,564.22 | 9,838.49 |
| Net Sales | **76,551.83** | **66,076.89** |
| Other Operating Income | 363.97 | 316.27 |
| **Total** | **76,915.80** | **66,393.16** |

| 2.19 OTHER INCOME | | (₹ in lakhs) |
|---|---|---|
| | **31 Mar 2017** | 31 Mar 2016 |
| Interest Income | 183.45 | 118.78 |
| Profit / (Loss) on Sale of Assets | (0.10) | - |
| Scrap Sales | 52.69 | 57.31 |
| Income from Operations of Trucks | 116.85 | 122.83 |
| Other Income | 10.76 | 12.71 |
| Exchange Fluctuation | 0.31 | 2.30 |
| Net Prior Year Adjustments | - | 2.33 |
| **Total** | **363.97** | **316.27** |

| NET PRIOR YEAR ADJUSTMENTS | | (₹ in lakhs) |
|---|---|---|
| | **31 Mar 2017** | 31 Mar 2016 |
| Taxes & Duties | - | 0.95 |
| Power | - | 1.38 |
| **Total Income / (Expense)** | - | 2.33 |

| 2.20 COST OF MATERIAL CONSUMED | | (₹ in lakhs) |
|---|---|---|
| | **31 Mar 2017** | 31 Mar 2016 |
| Rawmaterials Inventory at the Beginning of the year | 942.50 | 678.54 |
| Add: Purchases | 30,423.43 | 25,870.74 |
| **Total** | **31,365.93** | **26,549.28** |
| Less: Inventory at the End of the year | 858.84 | 942.50 |
| **Cost of Raw materials Consumed** | **30,507.09** | **25,606.78** |
| **Details of Rawmaterials Consumed** | | |
| Limestone | 3,393.40 | 2,488.30 |
| Al. Laterite | 1,117.69 | 767.28 |
| Gypsum | 1,144.94 | 858.81 |
| Iron ore / Iron ore powder | 641.56 | 825.12 |
| FlyAsh | 813.10 | 748.68 |
| Purchased Clinker Consumption | - | - |
| Clinker Consumption at Kondapalli Plant | 16,277.31 | 13,106.62 |
| Cement Consumption in Other Divisions | 3,167.55 | 3,081.17 |
| Wood | 1,587.00 | 1,693.89 |
| Chemicals | 394.52 | 364.38 |
| Paper | 212.65 | 200.43 |
| Ready Mix Concrete Materials | 1,609.90 | 1,446.08 |
| Other Materials | 17.00 | 9.61 |
| Cost of Trading Goods | 130.47 | 16.41 |
| **Total** | **30,507.09** | **25,606.78** |
| Less: Inter Segment Transfers | 18,135.60 | 14,568.29 |
| **Net Consumption of Materials** | **12,371.49** | **11,038.49** |
| **Details of Inventory** | | |
| Limestone | 39.11 | 19.21 |
| Al. Laterite | 48.59 | 50.72 |
| Gypsum | 60.01 | 52.64 |
| Iron ore / Iron ore powder | 37.92 | 21.36 |
| FlyAsh | 12.64 | 9.96 |
| Clinker at Kondapalli Plant | 88.58 | 103.75 |
| Cement in Boards & RMC Divisions | 53.68 | 40.31 |
| Wood | 410.26 | 523.30 |
| Chemicals | 22.28 | 29.07 |
| Bison Panel Boards in Prefab Division | 21.45 | 21.45 |
| Steel | 36.73 | 36.73 |
| Other Materials | 27.61 | 34.01 |
| **Total** | **858.84** | **942.50** |

## 2.21 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS

(₹ in lakhs)

| | 31 Mar 2017 | 31 Mar 2016 |
|---|---|---|
| Closing stock of Work in Progress | 271.19 | 405.85 |
| Closing stock of Finished goods | 1,869.16 | 2,368.19 |
| **Total** | **2,140.35** | **2,774.04** |
| Opening stock of Work in Progress | 405.85 | 186.17 |
| Opening stock of Finished goods | 2,368.19 | 1,819.92 |
| **Total** | **2,774.04** | **2,006.09** |
| Increase / (Decrease) in Stocks | **633.69** | **(767.95)** |

## 2.22 EMPLOYEE BENEFIT EXPENSES

(₹ in lakhs)

| | 31 Mar 2017 | 31 Mar 2016 |
|---|---|---|
| Salaries, Wages, Bonus & Allowances | 2,786.51 | 2,554.49 |
| Managerial Remuneration | 404.87 | 422.35 |
| Contribution to Provident Fund & Other Funds | 135.39 | 110.28 |
| Staff Welfare Expenses | 179.56 | 87.70 |
| **Total** | **3,506.33** | **3,174.82** |

## 2.23 OTHER EXPENSES

(₹ in lakhs)

| | | 31 Mar 2017 | 31 Mar 2016 |
|---|---|---|---|
| Cost of Fuel | | 12,291.75 | 10,353.24 |
| Cost of Power | | 8,349.82 | 7,855.76 |
| Packing Materials | | 3,362.61 | 2,801.91 |
| Stores & Spares consumed | | 2,592.41 | 2,581.49 |
| Rep & Maintenance Plant & Machinery | | 925.70 | 952.58 |
| Rep & Maintenance Buildings | | - | 0.10 |
| Rep & Maintenance Others | | 100.70 | 59.63 |
| Direct Manufacturing Expenses | | 371.42 | 320.97 |
| **a.** | **Sub-Total: Other Manufacturing Expenses** | **27,994.41** | **24,925.68** |
| | Transportation Paid | 12,638.27 | 10,677.00 |
| | Advertisement & Publicity | 458.56 | 167.85 |
| | Selling Expenses | 5,632.88 | 2,788.53 |
| **b.** | **Sub-Total: Selling & Distribution Expenses** | **18,729.71** | **13,633.38** |
| | Security Services | 128.57 | 77.81 |
| | Bank Charges* | 74.88 | 86.99 |
| | Administrative Expenses | 555.30 | 456.96 |
| | Legal & Professional Expenses | 137.83 | 89.36 |
| | Retainer Charges | 62.45 | 54.35 |
| | Payments to Auditors (refer details below) | 9.62 | 6.53 |
| | Internal Audit Fees | 7.28 | 6.62 |
| | Insurance | 26.42 | 23.15 |
| | Travelling & Conveyance | 277.50 | 265.03 |
| | Rent | 232.56 | 96.47 |
| | Rates, Taxes & Licenses | 78.25 | 138.12 |

| | | | |
|---|---|---|---|
| | Donations | 104.49 | 89.75 |
| | Bad Debts | 5.38 | 229.53 |
| | Provision for Bad Debts | 36.00 | 353.30 |
| | Corporate Scocial Responsibility (CSR) Expenditure ** | 152.93 | - |
| **c.** | **Sub-Total: Other Administrative Expenses** | **1,889.46** | **1,973.97** |
| | **Total Other Expenses (a+b+c)** | **48,613.58** | **40,533.03** |

* Bank Charges includes Rs 56.60 lakhs (PY Rs 62.90 lakhs) incurred towards Processing Charges, BG Commission Charges and other Charges.

** Pursuant to section 135(5) of the Companies Act 2013, CSR obligation for the year 2016-17 is Rs. 24.70 lakhs, amount spent by the company during the year on education and health sector is Rs. 152.93 lakhs

**PAYMENT TO AUDITORS** (₹ in lakhs)

| | **31 Mar 2017** | 31 Mar 2016 |
|---|---|---|
| Statutory Audit Fees | 7.87 | 5.53 |
| Tax Audit Fees | 0.50 | 0.50 |
| Cost Audit Fees | 0.75 | 0.50 |
| Certifications & Reimbursement of Expenses | 0.50 | 0.00 |
| **Total Payment to Auditors** | **9.62** | **6.53** |

**2.24 FINANCE COST** (₹ in lakhs)

| | **31 Mar 2017** | 31 Mar 2016 |
|---|---|---|
| **Interest** | | |
| on Term Loans | 47.02 | 1,335.97 |
| on Redeemable Non Convertible Debentures | 1,557.23 | 34.51 |
| on Working Capital | 587.19 | 647.56 |
| on Deposits & Others | 919.89 | 1,042.44 |
| **Total Finance Cost*** | **3,111.33** | **3,060.48** |

* In addition to the above Finance Cost, Rs 56.60 lakhs (PY Rs 62.90 lakhs) incurred towards Processing Charges, BG Commission Charges and Other Expenses accounted under Bank Charges and grouped under Administrative Expenses.

**2.25 DEPRECIATION AND AMORTISATION EXPENSE** (₹ in lakhs)

| | **31 Mar 2017** | 31 Mar 2016 |
|---|---|---|
| Depreciation & Obsolesence | 2,513.60 | 2,486.78 |
| Amortisation | - | 29.22 |
| **Total** | **2,513.60** | **2,516.00** |

**2.26 Exceptional Items** (₹ in lakhs)

| | **31 Mar 2017** | 31 Mar 2016 |
|---|---|---|
| Profit on Sale of Assets | - | 542.07 |
| Right of Recompense payable to Bankers | - | (693.82) |
| **Total** | **-** | **(151.75)** |

**2.27 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 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:

(₹ in lakhs)

| Particulars | Cement | | Boards | | Prefab | | Energy | | RMC | | Unallocable | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **31 Mar 2017** | 31 Mar 2016 | **31 Mar 2017** | 31 Mar 2016 | **31 Mar 2017** | 31 Mar 2016 | **31 Mar 2017** | 31 Mar 2016 | **31 Mar 2017** | 31 Mar 2016 | **31 Mar 2017** | 31 Mar 2016 | **31 Mar 2017** | 31 Mar 2016 |
| **Segment Revenue:** | | | | | | | | | | | | | | |
| External Turnover | 73,109.43 | 61,427.53 | 10,320.31 | 10,039.46 | - | - | 204.78 | 237.32 | 4,481.53 | 4,211.06 | - | - | 88,116.05 | 75,915.38 |
| Inter Segment Transfers | 17,975.87 | 14,471.75 | 103.86 | 96.54 | - | - | - | - | 55.88 | - | - | - | 18,135.60 | 14,568.29 |
| Gross Turnover | 91,085.30 | 75,899.29 | 10,424.17 | 10,136.00 | - | - | 204.78 | 237.32 | 4,537.41 | 4,211.06 | - | - | 106,251.65 | 90,483.67 |
| Less: Excise Duty / Service Tax | 11,473.08 | 9,748.18 | 3.64 | 8.62 | - | - | - | - | 87.49 | 81.70 | - | - | 11,564.22 | 9,838.49 |
| **Net Turnover** | **79,612.21** | **66,151.11** | **10,420.53** | **10,127.39** | **-** | **-** | **204.78** | **237.32** | **4,449.92** | **4,129.36** | **-** | **-** | **94,687.43** | **80,645.18** |
| | | | | | | | | | | | | | | |
| **Segment Result:** | | | | | | | | | | | | | | |
| Profit before Interest and Taxes | 6,899.24 | 7,594.20 | 2,358.64 | 2,421.72 | 0.79 | 376.94 | (122.00) | (74.74) | 140.44 | 122.68 | - | - | 9,277.11 | 10,440.82 |
| Less: Interest Expense | - | - | - | - | - | - | - | - | - | - | 3,111.33 | 3,754.30 | 3,111.33 | 3,754.30 |
| Profit Before Tax | 6,899.24 | 7,594.20 | 2,358.64 | 2,421.72 | 0.79 | 376.94 | (122.00) | (74.74) | 140.44 | 122.68 | (3,111.33) | (3,754.30) | 6,165.78 | 6,686.52 |
| Current Tax | - | - | - | - | - | - | - | - | - | - | 616.02 | 1,288.89 | 616.02 | 1,288.89 |
| Deferred Tax | - | - | - | - | - | - | - | - | - | - | 76.77 | 89.74 | 76.77 | 89.74 |
| **Profit After Tax** | **6,899.24** | **7,594.20** | **2,358.64** | **2,421.72** | **0.79** | **376.94** | **(122.00)** | **(74.74)** | **140.44** | **122.68** | **(3,804.12)** | **(5,132.93)** | **5,472.99** | **5,307.89** |
| | | | | | | | | | | | | | | |

(₹ in lakhs)

| Particulars | Cement | | Boards | | Prefab | | Energy | | RMC | | Unallocable | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **31 Mar 2017** | 31 Mar 2016 | **31 Mar 2017** | 31 Mar 2016 | **31 Mar 2017** | 31 Mar 2016 | **31 Mar 2017** | 31 Mar 2016 | **31 Mar 2017** | 31 Mar 2016 | **31 Mar 2017** | 31 Mar 2016 | **31 Mar 2017** | 31 Mar 2016 |
| **Other Information:** | | | | | | | | | | | | | | |
| Segment Assets | 58,321.47 | 45,592.46 | 8,806.68 | 5,685.07 | 80.81 | 79.51 | 3,210.45 | 3,620.21 | 1,715.78 | 1,523.08 | 6,236.55 | 5,767.86 | 78,371.74 | 62,268.19 |
| Segment Liabilities | 33,868.90 | 20,875.45 | 1,320.47 | 907.34 | 24.69 | 24.99 | 25.77 | 868.94 | 607.09 | 789.21 | 13,584.78 | 14,369.12 | 49,431.72 | 37,835.04 |
| Capital Expenditure | 13,708.57 | 1,821.60 | 1,978.28 | 3.93 | - | (74.29) | - | 0.77 | 359.68 | 2.39 | - | - | 16,046.54 | 1,754.40 |
| Depreciation & Amortisation | 2,177.30 | 2,157.23 | 128.28 | 126.29 | 0.00 | 14.15 | 164.85 | 164.84 | 43.17 | 53.51 | - | - | 2,513.60 | 2,516.02 |

**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.

**2.28 Earnings Per Share**

(₹ in lakhs)

| | 31 Mar 2017 | 31 Mar 2016 |
|---|---|---|
| Net Profit / (Loss) for the Period | 5,472.99 | 5,307.91 |
| Cash Profit / (Loss) for the Period | 8,063.36 | 7,913.65 |
| **Shares** | | |
| Number of shares at the beginning of the year | 36,732,790 | 34,937,335 |
| Number of shares at the end of the year | 36,732,790 | 36,732,790 |
| **Earnings per share of par value Rs. 10/ – Basic and Diluted in Rupees.** | | |
| Basic | 14.90 | 14.56 |
| Diluted | 14.90 | 14.45 |
| Cash | 21.95 | 21.71 |

**2.29 a) Contingent Liabilities**

i) Based on the Legal opinion/advice obtained, no financial implication to the Company with respect to the following cases is perceived as on the Date of the Balance Sheet

(₹ in lakhs)

| | 2016-17 | | 2015-16 | |
|---|---|---|---|---|
| | **Disputed Amount** | **Paid Under Protest** | Disputed Amount | Paid Under Protest |
| Indirect Taxes Related | 1,493.64 | 75.90 | 1,097.73 | 84.88 |
| Others | 559.89 | 186.33 | 471.45 | 156.88 |

ii) The Company has given Counter Guarantees to Banks / Financial Institutions for Rs.531.51 lakhs (Rs. 262.85 lakhs)

**2.29 b) Capital Commitments :**

The Company is Committed to incur Capital Expenditure of Rs. 18,150 lakhs on its Cement Expansion Projects and Rs. 4,170 lakhs on its Boards expansion project. The Orders placed/ Contracts entered not provided in the books are as follows:

(₹ in lakhs)

| **Description** | **31 Mar 2017** | 31 Mar 2016 |
|---|---|---|
| Estimatated amount of Cement Expansion Project | 5,420.00 | 5,964.00 |
| Estimatated amount of Boards Expansion Project | 2,192.00 | 940.00 |

**2.29 c) Future Minimum Lease Payments:**

| **Description** | **31 Mar 2017** | 31 Mar 2016 |
|---|---|---|
| Lease Rentals Outstanding | | |
| - Within one Year | 236.40 | 75.11 |
| - Later than one Year and not Later than 5 years | 226.14 | 101.53 |

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

**a) Expense recognized during the year**

| Description | 31 Mar 2017 | | 31 Mar 2016 | |
|---|---|---|---|---|
| | **Gratuity** | **Leave encashment** | Gratuity | Leave encashment |
| Current Service Cost | 36.40 | 59.07 | 29.72 | 41.21 |
| Interest Cost | 27.05 | 7.17 | 25.04 | 4.11 |
| Net Actuarial (Gain) / Loss | 43.60 | (13.46) | 30.35 | 41.53 |
| Past Service Cost | - | - | - | - |
| **Total Cost** | **107.05** | **52.78** | **85.11** | **86.85** |

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

| Description | 31 Mar 2017 | | 31 Mar 2016 | |
|---|---|---|---|---|
| | **Gratuity** | **Leave encashment** | Gratuity | Leave encashment |
| Present Value of Obligations at beginning of the year | 383.93 | 123.48 | 345.71 | 95.10 |
| Changes in Present Value of Obligations | - | - | - | (13.00) |
| Current Service Cost | 36.40 | 59.07 | 29.72 | 41.21 |
| Interest Cost | 27.05 | 7.17 | 25.04 | 4.11 |
| Actuarial Loss / (Gain) | 43.60 | (13.46) | 30.35 | 41.53 |
| Past Service Cost | - | - | - | - |
| Settlements | (42.57) | (54.87) | (46.89) | (45.47) |
| Short Term Compensated Absence Liability | - | - | - | - |
| **Present Value of Obligations at the end of the year** | **448.41** | **121.39** | **383.93** | **123.48** |
| Present Value of Obligations - Current | 35.89 | 9.86 | 39.60 | 13.03 |
| Present Value of Obligations - Non - Current | 412.52 | 111.53 | 344.33 | 110.45 |

**Actuarial assumptions**

a) Mortality IALM 2006-08 (ultimate)

b) Discounting rate – 6.69% Previous year 7.46 %

d) Expected average remaining working lives of employees–12.47 Years

e) Rate of escalation in salary – 6 %

**2.31 Details of Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016**

Amount in Rupees

| | SBNS | OTHER DENOMINATION NOTES | TOTAL |
|---|---|---|---|
| Closing cash in hand as on 08.11.2016 | 2,774,500 | 855,969 | 3,630,469 |
| Permitted receipts | - | 9,100,167 | 9,100,167 |
| Permitted payments | 2,486,500 | 8,835,850 | 11,322,350 |
| Amount deposited in Banks | 288,000 | - | 288,000 |
| Closing cash in hand as on 30.12.2016 | - | 1,120,286 | 1,120,286 |

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

**a. List of related parties and relationships**

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

1. NCL Alltek & Seccolor Limited
2. NCL Homes Limited
3. Kakatiya Industries (P) Limited
4. Nagarjuna Cerachem (P) Limited
5. NCL Wintech India Limited
6. Khandaleru Power Company Limited
7. Vikram Chemicals Pvt Limited
8. Ashven Datla
9. Deccan Nitrates Pvt Limited
10. NCL Green Habitat Pvt Limited

**ii. Key Managerial Personnel :**

1. Mr. K Ravi, Managing Director
2. Mr. K Gautam, Executive Director
3. Mr. N G V S G Prasad, Executive Director & CFO
4. Mr. T Arun Kumar, Company Secretary

**b. Related Party Transactions for the Year** (₹ in lakhs)

| Remuneration to Key Managerial Personnel | **31 Mar 2017** | 31 Mar 2016 |
|---|---|---|
| Mr. K Ravi, Managing Director | 277.54 | 264.32 |
| Mr. K Gautam, Executive Director | 52.08 | 47.04 |
| Mr. N V Suvarna, Executive Director | 30.58 | 30.40 |
| Mr. N G V S G Prasad, Executive Director & CFO | 28.21 | - |
| Remuneration to Other Managerial Personnel | 9.08 | 71.48 |

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

(₹ in lakhs)

| | 31 Mar 2017 | 31 Mar 2017 | 31 Mar 2016 | 31 Mar 2016 |
|---|---|---|---|---|
| **Sale of Finished Goods** | | | | |
| NCL Alltek & Seccolor Limited | 808.12 | | 466.36 | |
| NCL Homes Limited | 52.94 | | 157.61 | |
| Nagarjuna Cerachem (P) Limited | - | | 0.14 | |
| NCL Wintech India Limited | - | | 1.44 | |
| Kakatiya Industries (P) Limited | 0.21 | | - | |
| NCL Green Habitat Pvt Limited | 85.57 | | - | |
| Khandaleru Power Company Ltd | - | 946.84 | 38.86 | 664.41 |
| **Purchases / Services** | | | | |
| NCL Alltek & Seccolor Limited | 45.88 | | 4.30 | |
| Nagarjuna Cerachem (P) Limited | 1.55 | | 25.50 | |
| Kakatiya Industries (P) Limited | 120.80 | 168.22 | 86.64 | 116.43 |
| **Rent Paid** | | | | |
| NCL Alltek & Seccolor Limited | - | | 2.54 | |
| Sri K Ravi | 1.91 | | - | |
| Vikram Chemicals Pvt Limited | 1.53 | 3.44 | 1.91 | 4.45 |
| **Rent Received** | | | | |
| NCL Alltek & Seccolor Limited | - | - | 2.34 | 2.34 |
| **ICD Repaid** | | | | |
| NCL Alltek & Seccolor Limited | - | - | 1,374.53 | 1,374.53 |
| **ICD Paid** | | | | |
| NCL Alltek & Seccolor Limited | - | - | 450.00 | 450.00 |
| **ICD Returned** | | | | |
| NCL Alltek & Seccolor Limited | 115.00 | 115.00 | - | - |
| **Interest Paid** | | | | |
| NCL Alltek & Seccolor Limited | - | - | 112.81 | 112.81 |
| **Interest Received** | | | | |
| NCL Alltek & Seccolor Limited | 69.53 | 69.53 | 12.80 | 12.80 |
| **Reimbursement of Expenses** | | | | |
| NCL Alltek & Seccolor Limited | 12.27 | | 1.25 | |
| Kakatiya Industries (P) Limited | - | | 0.15 | |
| Khandaleru Power Company Ltd | 5.83 | | - | |
| Nagarjuna Cerachem (P) Limited | 0.14 | 18.24 | 0.28 | 1.68 |

**2.33 Imported and Indigenous Raw Materials,Components and Spare Parts Consumed**

(₹ in lakhs)

| RAW MATERIALS | 31 Mar 2017 % of Total Consumption | 31 Mar 2017 Value of Consumption | 31 Mar 2016 % of Total Consumption | 31 Mar 2016 Value of Consumption |
|---|---|---|---|---|
| Imported | - | - | - | - |
| Indigenous | 100.00 | 30,507.09 | 100.00 | 25,606.78 |
| **Total** | **100.00** | **30,507.09** | **100.00** | **25,606.78** |
| **SPARE PARTS** | | | | |
| Imported | 4.12 | 109.54 | 1.77 | 45.66 |
| Indigenous | 95.88 | 2,546.75 | 98.23 | 2,535.83 |
| **Total** | **100.00** | **2,656.29** | **100.00** | **2,581.49** |

**2.34 Value of Imports Calculated on CIF Basis**

(₹ in lakhs)

| | 31 Mar 2017 | 31 Mar 2016 |
|---|---|---|
| Raw Materials | - | - |
| Components & Spares | 109.54 | 45.66 |
| Other Materials | 106.92 | 61.31 |
| Capital Goods | 1,136.76 | - |
| Trading Goods | - | - |

**2.35 Expenditure in Foreign Currency**

(₹ in lakhs)

| | 31 Mar 2017 | 31 Mar 2016 |
|---|---|---|
| Travelling | 9.61 | 13.98 |
| Advance for Capital Goods | - | 180.40 |
| Capital Goods | 1,135.85 | - |
| Stores and Spares | 109.54 | 45.43 |
| Others | 106.92 | 61.54 |
| **Total** | **1,361.92** | **301.35** |

**2.36 Figures for the previous year are reclassified / regrouped and rearranged wherever necessary.**

As per our report of even date
**For Venugopal & Chenoy,**
Chartered Accountants
Firm Registration No. 004671S

**P.V. Sri Hari**
Partner
Membership No. 21961

Hyderabad
Dated: 27th May 2017

For and on behalf of the Board

**K. Ravi**
Managing Director

**Kamlesh Gandhi**
Director

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

**T. Arun Kumar**
Company Secretary

# NCL INDUSTRIES LTD

**CIN. L33130TG1979PLC002521**

4th Floor, Vaishnavi's Cynosure, Gachibowli, Hyderabad – 500 032.

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

## ATTENDANCE SLIP

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

I hereby record my presence at the 36th Annual General Meeting of the Company held on Friday, the 22nd September, 2017 at 10:30A.M. at KLN Prasad Auditorium, 3rd Floor, 11-06-841, FTAPCCI Marg. Red Hills, Hyderabad - 500 004.

| Regd. Folio No/Client Id | No. of Shares held |
|---|---|
| | |

Name of the Share holder (In block letter) _____

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

e-mail id: _____

Signature of Shareholder / proxy


# NCL INDUSTRIES LTD

**CIN. L33130TG1979PLC002521**

4th Floor, Vaishnavi's Cynosure, Gachibowli, Hyderabad – 500 032.


## PROXY FORM

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

Folio No/DP ID - Client ID : _____

Name of the Member(s) : _____

Registered address : _____

E-mail ID : _____

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

1) Name : _____
   Address : _____
   E-mail : _____
   Signature : _____ or failing him
2) Name : _____
   Address : _____
   E-mail : _____
   Signature : _____ or failing him
3) Name : _____
   Address : _____
   E-mail : _____
   Signature : _____

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 36th Annual General Meeting of the Company, to be held on Friday, the 22nd September, 2017 at 10:30 A.M. at KLN Prasad Auditorium, 3rd Floor, 11-06-841, FTAPCCI Marg. Red Hills, Hyderabad - 500 004. and at any adjournment thereof in respect of such resolutions as are indicated below:

| Resolution No. | Resolutions | No. of shares | I / We assent to the Resolution (FOR) | I / We dissent to the Resolution (AGAINST) |
|---|---|---|---|---|
| **Ordinary Business :** | | | | |
| 1. | Consider and adopt the Audited Balance Sheet as at 31st March, 2017 and Profit &Loss A/c for the year ended 31st March, 2017 together with Report of the Directors and Auditors | | | |
| 2 | Approval of interim dividend paid and declaration of final dividend. | | | |
| 3. | Re-appointment of Mr. Ashven Datla who retires by rotation. | | | |
| 4 | Re-appointment of Mrs. Roopa Bhupatiraju (Knee Kalidindi) who retires by rotation. | | | |
| 5. | Ratification of appointment of M/s Venugopal & Chenoy, Chartered Accountants as auditors and fix their remuneration. | | | |
| **Special Business :** | | | | |
| 6. | Ratification of remuneration payable to S.R and Associates, Cost Auditors for the Financial Year 2017-18.<br>**Ordinary Resolution** | | | |
| 7. | Appointment of Mr. V.S. Raju as an Independent Director of the company<br>**Special Resolution** | | | |
| 8. | Re-appointment of Mr. K.Gautam as Executive Director of the company for a period of Five years w.e.f 01st August, 2017.<br>**Special Resolution** | | | |
| 9. | Payment of Remuneration by way of Commission to Non-Executive Directors<br>**Special Resolution** | | | |
| 10. | Issue of equity Shares under the provisions of Sections 23, 42 and 62 of the Companies Act, 2013.<br>**Special Resolution** | | | |

Date :

Place :

**Signature of Shareholder/Authorized Representative**

**Notes:**

1. This form of Proxy in order to be effective should be duly completed and deposited at the Registered office of the company not less than 48 hours before the commencement of the meeting.
2. A Proxy need not be a member of the company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the company carrying voting rights. A member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

If undelivered, Please return to:


**NCL Industries Limited**

CIN L33130TG1979PLC002521

4th Floor, Vaishnavi Cynosure,
Near Gachibowli Flyover,
Gachibowli, Hyderabad, INDIA-500032.
T: +91-40-30120000, E: ncl@nclind.com


NCL GROUP

NAGARJUNA CEMENT

NAGARJUNA RMC
Powering Constructions

BISON PANEL
Cement Bonded Particle Board

NCL Prefab HOUSES

NCL ENERGY


Concept, Content & Design: www.corpcommstudio.in