

NCLIL/SEC/2019-20

04/09/2019

To  
Deputy General Manager  
BSE Limited  
Phirojee Jeejeebhoy Towers  
Floor No.25, Dalal Street  
MUMBAI – 400 001.  
Telephone. 022-22721234 / 33  
Scrip Code: 502168

Manager – Listing Department  
National Stock Exchange of India  
Limited  
'Exchange Plaza'. C-1, Block G,  
BandraKurla Complex, Bandra (E),  
Mumbai-400051  
Telephone: 022- 26598100  
Symbol: NCLIND

Dear Sir

**Re: Filing of Annual Report-2018-19**


In terms of Regulation 34 (1) of SEBI (Listing obligations and Disclosure Requirements) 2015, please find enclosed the Annual Report of the company for the Financial year 2018-19 (Notice of AGM).

Today we are going to dispatch the Annual Report to all the shareholders and other eligible persons by e-mail / other approved modes.

Thanking You

Yours faithfully

For **NCL INDUSTRIES LTD.**

  
T. Arun Kumar  
Company Secretary  
Encl :as above





**NCL INDUSTRIES LIMITED**



**BUILDING ON STRENGTHS**  
ANNUAL REPORT 2018-19

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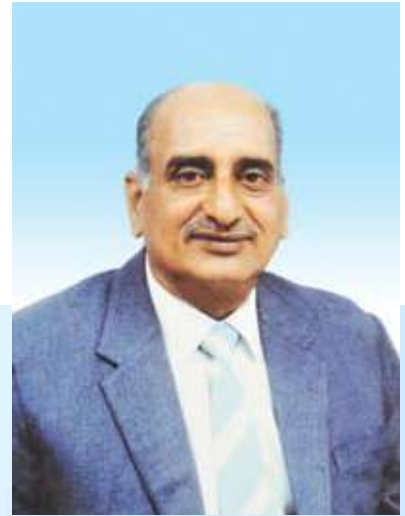
Attendance Slip & Proxy Form

### Disclaimer

Statements in this report that describe the Company's objectives, projections, estimates, expectations or predictions of the future may be 'forward-looking statements' within the meaning of the applicable securities laws and regulations. The Company cautions that such statements involve risks and uncertainty and that actual results could differ materially from those expressed or implied. Important factors that could cause differences include raw materials' cost or availability, cyclical demand and pricing in the Company's principal markets, changes in government regulations, economic developments within the countries in which the Company conducts business, and other factors relating to the Company's operations, such as litigation, labour negotiations and fiscal regimes.



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  
”



## Who We Are

# NCL Industries Ltd is a leading manufacturer of cement under the brand name Nagarjuna Cement & Cement Bonded Particle Boards under the brand name Bison Panel

In FY19 the company has also commenced production of High end specialised doors in technical collaboration with AGT Turkey under the brand name Duradoor.

The company derives over 80% of its revenues from the cement business operating mainly in south India with an annual installed capacity of 2.70 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 its markets and low-cost capacity expansion and product diversifications are key triggers for the company's future growth. The company is poised to benefit from the uptick in infrastructure and construction sector.

## Our Brands



## Products and Plant Locations

### CEMENT

Ordinary Portland Cement  
Portland Pozzolona Cement  
Ready Mix Concrete

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

Capacity : 2.70 Million Tons  
Dealers: 1800  
Markets: Andhra Pradesh, Telangana, Tamil Nadu, Karnataka, Pondicherry.

### READY MIX CONCRETE

Unit 1 & 4 : Visakhapatnam, Andhra Pradesh  
Unit 2 & 3 : Hyderabad, Telangana

Markets: Hyderabad & Visakhapatnam

### CEMENT BONDED PARTICLE BOARD

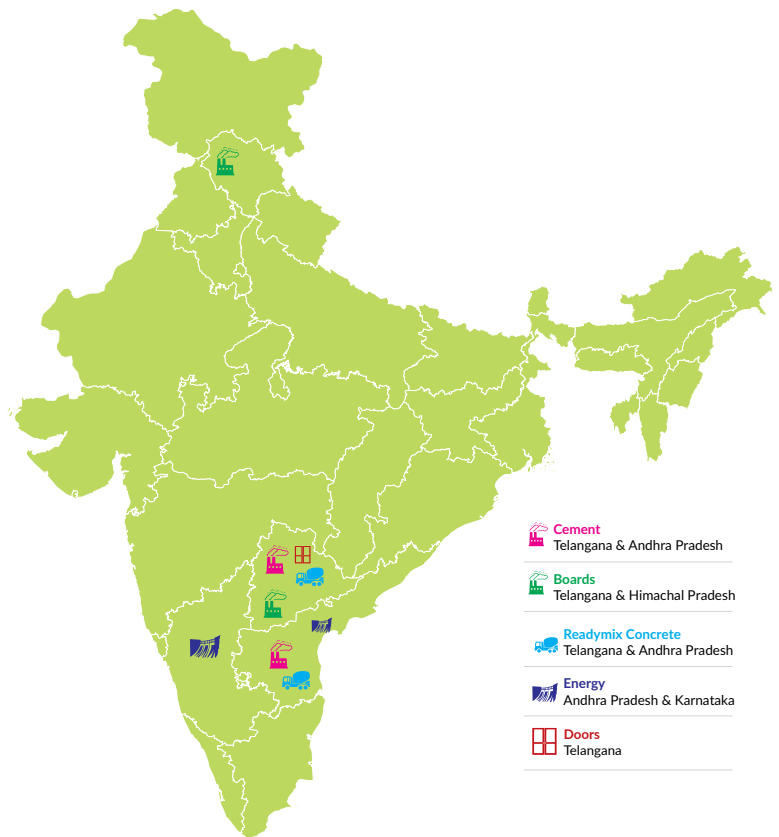
Plain, Laminated, Designer Boards & Planks  
Unit 1 & 3 : Simhapuri, Telangana  
Unit 2 : Paonta Sahib, Himachal Pradesh

Capacity: 90,000 tons  
Distributors: 350+

### HYDRO POWER PROJECTS

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

Installed capacity: 15.75 MW





Review by

## The Managing Director



### Dear Shareholders,

There have been quite a few significant developments since I communicated with you last.

On the gross turnover front, we bettered the best-ever performance of last year by recording a further growth of 9.81%. Despite pressures on price realisations and margins, we have been able to nearly maintain the profit figures in absolute terms.

The Ready-made Doors project was successfully completed. DuraDoor has made its debut in the market and is poised to carve out a niche for itself in the construction industry.

Moving into our own Corporate Office building has been another significant milestone. NCL Pearl has now become a landmark in the topography of the region.

The signing of a Joint Venture agreement with Qingdao Xinguangzheng Steel Structure Ltd has been another momentous development. It marks the beginning of an era of partnership with overseas entities. This joint venture has the potential of being a trend-setter. If it succeeds, long gestation periods for large structures will be the exception rather than the rule.

Our efforts in enriching the quality of our human resources continues. Our commitment to contribute to improvement of the quality of life in our neighbourhood through CSR activities is steadfast. Our quest for excellence is ongoing.

All this has been possible, dear Shareholders, with your continued support and encouragement. That has been our strength. I am sure this will help us in reaching greater heights.

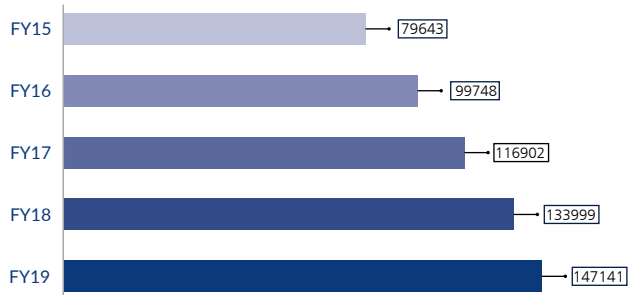
Thank you,

**K Ravi**  
Managing Director

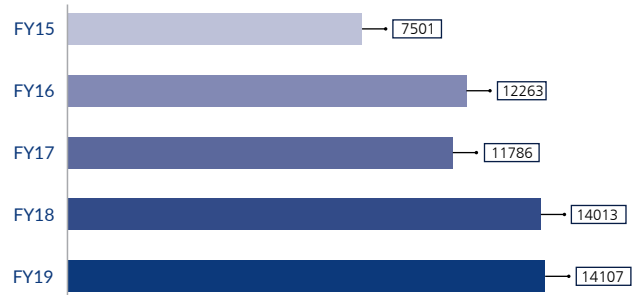
## How We Performed

# Financial Highlights

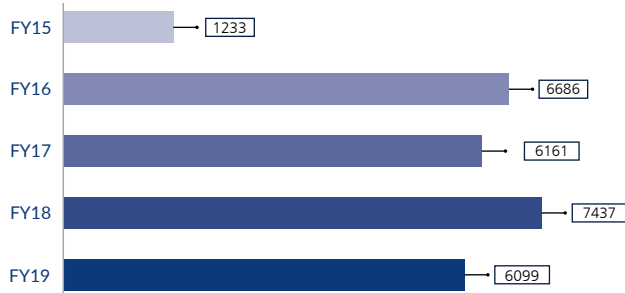
### Revenue (₹ in Lakhs)



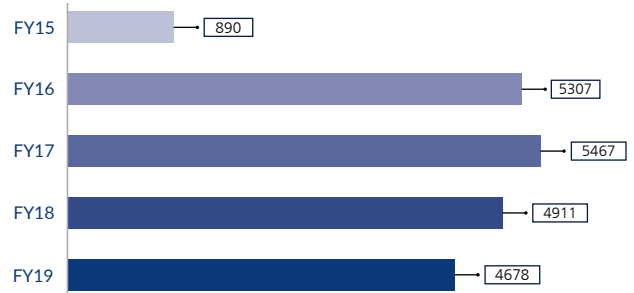
### EBIDTA (₹ in Lakhs)



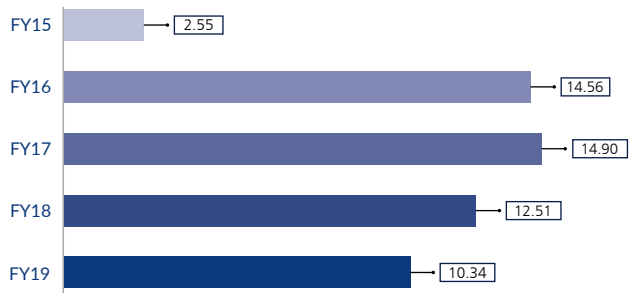
### PBT (₹ in Lakhs)



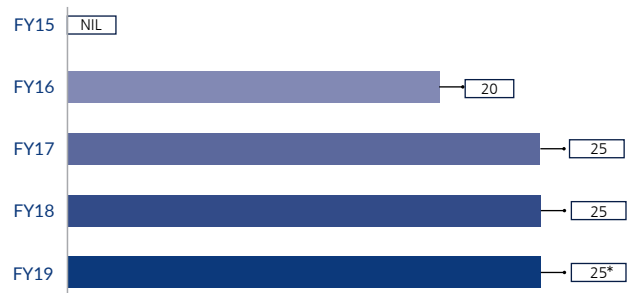
### PAT (₹ in Lakhs)



### EPS (₹ in Lakhs)

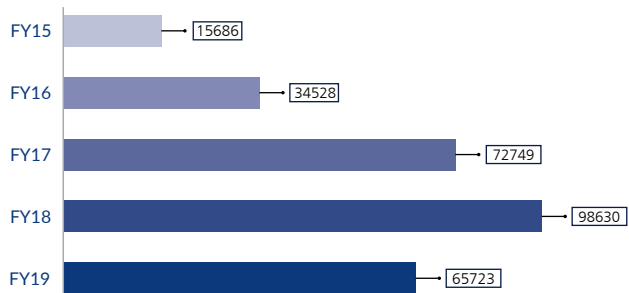


### Dividend (%)

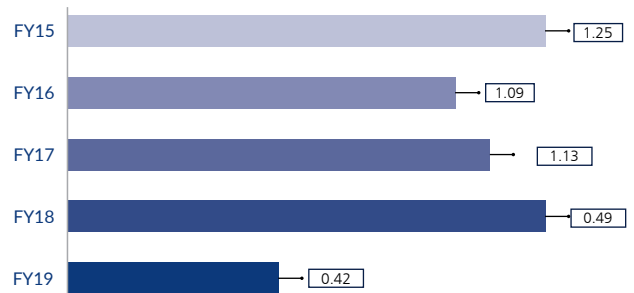


\* Proposed dividend

### Market Cap (₹ in Lakhs)



### Debt to Equity





## Review of Business – Cement Division

# Revenue from Cement increased 8.3% year on year basis

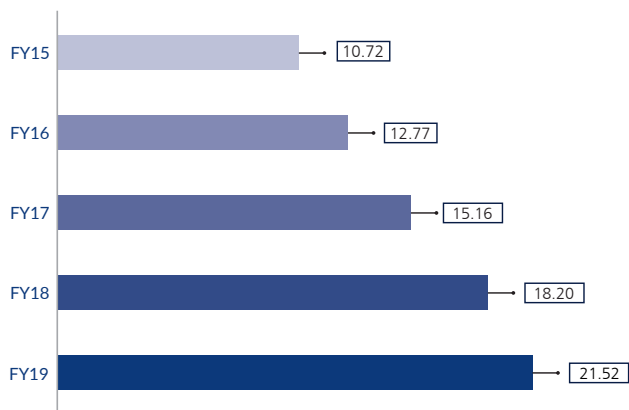
The company markets cement under the brand name 'Nagarjuna' which is available in various grades of ordinary Portland and pozzolana Portland cement. In addition, the company also manufactures special grade cement popularly known as 53S, used for special applications like railway sleepers and pre-stressed concrete works. NCL is one the major cement suppliers for Polavaram Irrigation project.

### Cement division revenue FY19

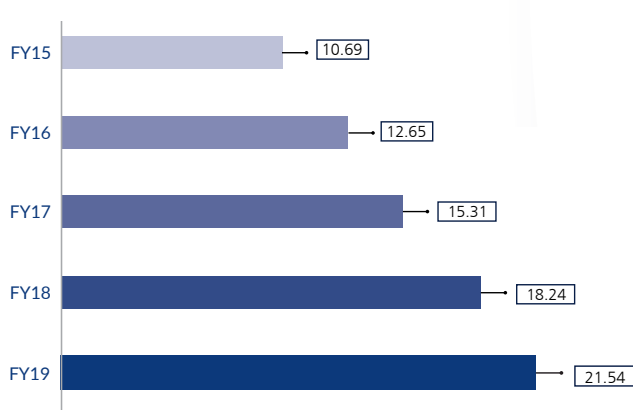
₹ **1252** Cr

As against 1156 Cr in FY18

### Cement Production (Lakh Mts)



### Cement Sales (Lakh Mts)



## Review of Business – Boards Division

# We are India's only Cement Bonded Particle Board (CBPD) Manufacturer

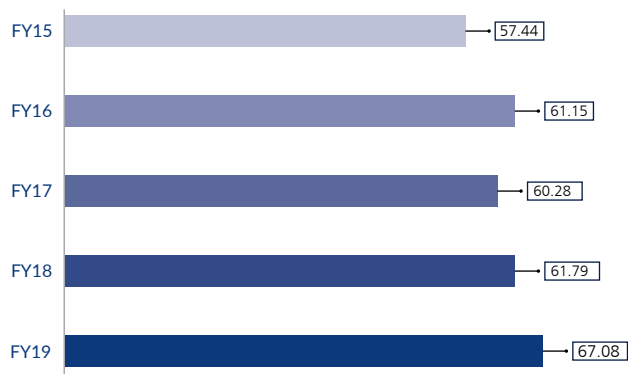
'Bison Panel' is a cement bonded particle board made out of 62% cement & 28% wood. Due to adoption of a special manufacturing process, the panel acquires the strength & durability of cement & the workability of wood. Bison Panels are extensively used for several interior and exterior applications such as roof sarking of the modern airports in India. Bison Panels are strong, durable and fire, termite, moisture resistant.

### Board division revenue FY19

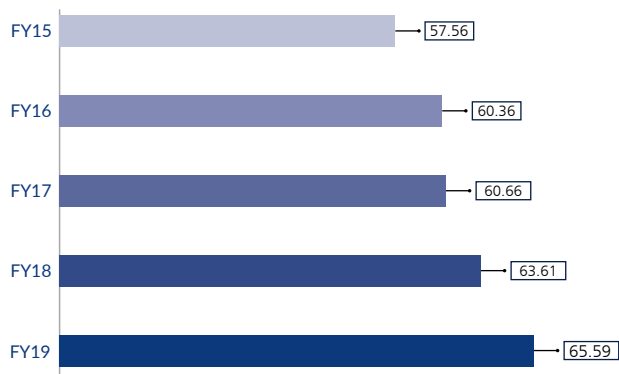
₹ **135** Cr

As against 120.26 Cr in FY18

### Boards Production (Thousand Mts)



### Boards Sales (Thousand Mts)



## Review of Business – Others

### Ready Mix Concrete

'Nagarjuna RMC' has Four plants catering to the markets of Hyderabad & Visakhapatnam. These plants are equipped with adequate number of transit mixers.



### Hydro Power

Energy Division has two hydro power projects - the first is at the head regulator of Srisaillam Right Main Canal and the second hydel project is on Right Bank High Level Canal of Tungabhadra dam, both together producing 40-50 million units of green power per annum

### Duradoors

NCL Industries has collaborated with AGT, a global manufacturer with advanced technology in building materials based in Turkey. NCL has set up a two lakh square feet factory in Malkapur, Hyderabad, to produce 1000 doors per day. Duradoor has made its debut in the market and is poised to carve out a niche for itself in the construction industry.





# Corporate Information

## BOARD OF DIRECTORS

Kamlesh Gandhi  
Chairman

Dr.R.Kalidas  
Independent Director

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

V.S.Raju  
Independent Director

V.V.Goradia  
Non-Executive Director

K Madhu  
Non-Executive Director

P.N Raju  
Non-Executive Director

Ashven Datla  
Non-Executive Director

Mrs. Roopa Bhupatiraju  
Non-Executive Director

K.Ravi  
Managing Director

Bhupatiraju Subba Raju  
Executive 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, Telangana

## COST AUDITORS

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

## SECRETARIAL AUDITORS

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

## FACTORIES CEMENT DIVISION

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

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

## BOARDS DIVISION

**UNIT - I & III**  
Simhapuri, Mattampally Mandal  
Suryapet Dist.  
Telangana State  
Pincode - 508204

## UNIT - II

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

## DOORS DIVISION

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

## ENERGY DIVISION

### UNIT - I

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

### UNIT - II

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

## READY MIX CONCRETE DIVISION

### UNIT - I

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

### UNIT - II

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

### UNIT - III

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

### UNIT - IV

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

## BANKERS

Yes Bank Ltd.  
Axis Bank Ltd.  
HDFC Bank Ltd.

Regd. & Admn. Office  
CIN : L33130TG1979PLC002521  
7<sup>th</sup> Floor, "NCL Pearl",  
Near Rail Nilayam,  
S D Road, Secunderabad-500026, India.  
Ph : 91-40-30120000  
e-mail : ncl@nclind.com Website : www.nclind.com



## Milestones to Smile About

**1979**

Late Shri K Ramachandra Raju – first generation entrepreneur established Nagarjuna Cements Ltd.

**1982**

IPO of 11,10,000 equity shares.

**1984**

Commercial production of cement at 66,000 tonnes started.

**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.

**2003**

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

**2006**

Issued shares on right basis 4:5 at ₹ 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

**2011**

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

**2012**

Company's Gross Turnover crossed ₹ 750 Crores

**2015**

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

**2019**

Redeemed entire NCDs outstanding

Trial production of Ready Made Doors commenced

Achieved record revenue of ₹ 1471 Crores – Highest since the inception of the company

**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.

**1996**

Prefab division executes orders worth ₹ 2148 Lacs.

**1997**

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

**1998**

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

**2008**

Issue of shares to the promoters on preferential basis at ₹ 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 Simhapuri 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.

**2016**

Issue of NCDs on private placement basis to pay off the term lenders and augmenting production capacities in cement & boards division. NCL High School completed 25 years Silver Jubilee

**2017**

Company's Gross Turnover crossed ₹ 1,000 Crores. 2nd RMC plant in Hyderabad at Rampalli commenced commercial production

**2018**

Successfully raised an amount of ₹ 202 crores by allotment of 85 Lakhs Equity Shares by way of Qualified Institutional Placement (QIP). Commencement of commercial production from line 3 cement & clinker plants at Simhapuri and 3rd Boards Plant at Simhapuri. Commencement of commercial production at 4th RMC Plant at Vishakapatnam

Duradoor™



Doors that  
make everyday  
Earth day



# NOTICE

Notice is hereby given that the 38<sup>th</sup> Annual General Meeting of NCL Industries Limited will be held on Friday, the 27<sup>th</sup> September, 2019 at 10.30 A.M at KLN Prasad Auditorium, the Federation of Telangana Chambers of Commerce and Industry, 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 Standalone Financial Statements of the company for the financial year ended 31<sup>st</sup> March, 2019 together with the Reports of the Directors and Auditors thereon.
2. To declare Dividend
3. To appoint a Director in place of Mr Vinodrai V Goradia, (DIN:00040369) who, retires by rotation and being eligible, offers himself for re-appointment, and pass the following as an **Ordinary Resolution**.

"RESOLVED THAT pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable provisions of the Companies Act, 2013 Mr Vinodrai V Goradia, (DIN: 00040369), be and is hereby reappointed as a Director liable to retire by rotation, notwithstanding the fact he has already attained the age of 75 years."

4. To re-appoint 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 and other Rules framed there under from time to time, the company hereby reappointed M/s. Venugopal & Chenoy, Chartered Accountants (ICAI Firm Registration No.004671S) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of sixth Annual General Meeting to be held after this meeting at a remuneration to be fixed by the Board of Directors from time to time."

## SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 the remuneration payable to M/s. S R. and ASSOCIATES, Cost Accountants, the Cost Auditors appointed by the Board of Directors of the Company, fixed as ₹ 1,00,000 /- (Rupees One Lakh only) for the financial year ending March 31, 2020 be and is hereby ratified."

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

"RESOLVED THAT Mr. Bhupatiraju Subba Raju (DIN:008408400) who was appointed as an Additional Director and holds office up to the date of this meeting be and is here by appointed as a Director of the Company not liable to retire by rotation"

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, 150, 152 and other applicable provisions of the Companies Act, 2013 and the Securities and exchange board of India (Listing obligations & Disclosure Requirements) Regulations, 2015 Mr. Kamlesh Gandhi (DIN: 00004969) be and is hereby re-appointed as an Independent Director of the Company to hold office for a period of five years w.e.f from 28<sup>th</sup> September, 2019 to 27<sup>th</sup> September, 2024 not liable to retire by rotation."

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

(i) "RESOLVED that pursuant to Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 approval of the Company be and is hereby accorded to the appointment of Mr. Bhupatiraju Subba Raju as Executive Director of the company for a period of 5 years with effect from 4<sup>th</sup> July, 2019 on the following terms and conditions as recommended by the Nomination and Remuneration committee".

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

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

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

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

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

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

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

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



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

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

"FURTHER RESOLVED THAT the above remuneration by way of salary and perquisites be paid 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."

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

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

Place: Hyderabad  
Date: 9<sup>th</sup> August, 2019

**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 Nos. 5 to 8 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 21<sup>st</sup> September, 2019 to

27<sup>th</sup> September, 2019 (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 38<sup>th</sup> 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 38<sup>th</sup> 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](http://www.nclind.com) where the notice is uploaded.**
9. Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) and Bank Account details. Members holding shares in electronic form are requested to furnish the PAN Card and Bank Account details to their DPs with whom they are maintaining Demat Accounts. Members holding shares in physical form are requested to submit PAN and Bank Account details to the Registrar and Share Transfer Agents.
10. As per the circular issued by Securities and Exchange Board of India w.e.f. 1<sup>st</sup> April, 2019 it has been mandated that transfer of securities would be carried out in dematerialized form only. Share holders who are holding shares in Physical mode should ensure

that shares which are lodged for transfer shall be in dematerialized form only.

11. Shareholders who have not encashed their dividend warrants for the years 2011-12, 2015-16, 2016-17 and 2017-18 may approach the company for revalidation, issue of duplicate warrants etc; quoting the Folio No. / Client ID. Please note that as per Section 24(5) and 124(6) of the Companies Act, 2013 dividend which remains unpaid /unclaimed over a period of 7 years, such unclaimed dividends and such shares whether held in demat form or in physical form are required to be transferred by the company to the Investor Education & Protection Fund (IEPF). Any person whose unclaimed dividends / shares so transferred to IEPF, may claim the shares for refund / apply to IEPF by submitting an online application form to IEPF along with fee specified by IEPF from time to time.

12. **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 send all future communications including Annual Reports through e-mode.**

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

**14. 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 24<sup>th</sup> September, 2019 (10:00AM) and ends on 26<sup>th</sup> September, 2019 (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 20<sup>th</sup> September, 2019 (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](http://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](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

**For Members holding shares in Demat Form and Physical Form**

- |                       |  |
|-----------------------|--|
| PAN                   | <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul> |
| 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 | <p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>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)</li> </ul>   |
- (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 [helpdesk.evoting@cdslindia.com](mailto: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](mailto: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 24<sup>th</sup> September, 2019 at 10.00 AM and ends on 26<sup>th</sup> September, 2019 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 (20<sup>th</sup> September, 2019), 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](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

15. 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 20<sup>th</sup> September, 2019. (Record date) The Cut-off date fixed for determination of eligibility for dispatch of Annual Report is 30<sup>th</sup> August, 2019.
16. The Company has appointed Mr. A.Ravishankar, (COP No.4318) failing him Mr. K.V.Subramanyam, (COP No.4815) Practicing Company Secretaries have been appointed as the Scrutinizers to scrutinize the e- voting process in a fair and transparent manner. 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 26<sup>th</sup> September, 2019. 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's 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 under either head.
- VI Duly completed Forms should reach the Scrutinizer not later than the close of working hours (1700 hours) on 26<sup>th</sup> September, 2019. Ballot Forms received after 26<sup>th</sup> September, 2019 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 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](http://www.nclind.com) and be communicated to the Stock exchanges where the company is listed i.e BSE and NSE.
17. The company has paid the listing fees for the year 2019-20 to BSE and NSE where the equity shares of the company are listed.
18. Members / Proxies are requested to kindly take note of the following:
  - i. Attendance slip, as sent herewith, is required to be brought at the venue duly filled in and signed, for attending the meeting.
  - ii. Folio No. / DP & Client ID No. may please be quoted in all correspondence with the Company and or the RTA.

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

**Address of Registrar and**  
**Share Transfer Agents**  
**Venture Capital & Corporate**  
**Investments (P) Ltd,**  
 12-10-167(MIG)  
 Bharath Nagar,  
 Hyderabad 500 018  
 Phones: 040-23818475/76 &  
 23868023  
 e-mail: [info@vccilindia.com](mailto:info@vccilindia.com)

**EXPLANATORY STATEMENT**

**(Pursuant to Regulation 36(5) of SEBI (LODR) Regulations 2015**

The current tenure of the statutory auditors, M/s Venugopal & Chenoy, Chartered Accountants, expires at the ensuing Annual General Meeting in terms of Section 139 of the Companies Act, 2013. The Board upon recommendation of the Audit Committee has recommended their reappointment for a second consecutive term, as permitted by the Statute. The proposed auditors have given consent for their re-appointment and have also issued a certificate confirming that their appointment, if made, will be within the limits prescribed under the provisions of Section 139 of the Companies Act 2013.

As for credentials, the proposed appointee, founded in the year 1964 is one of the oldest firms of Chartered Accountants in Hyderabad, and has acted as auditors / advisors in respect of several reputed corporate houses.

The Resolution also seeks to authorise the Board to fix their remuneration from time to time. For the year 2019-20,

the proposed total rémunération as recommended by the Audit Committee and approved by the Board is ₹ 10.25 Lakhs plus reimbursement of actual out of pocket expenses.

**STATEMENT CONTAINING MATERIAL FACTS**

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

**ITEM NO. 5:**

The Board of Directors, on recommendation of the Audit committee, appointed M/s S R and Associates, Cost Accountants as Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2020 in respect of Cement and Ready Mixed Concrete, at a total remuneration of ₹ 1,00,000 /-(Rupees One lakh only).

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

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

**ITEM NO. 7:**

Mr. Kamlesh Gandhi, (aged about 69 years) who has been appointed as Independent Director for a period of five years at the Annual General Meeting held on 29<sup>th</sup> September, 2014 holds office till the conclusion of the ensuing AGM under the provisions of the Companies Act, 2013. In terms of Section 149 (10) of the Companies Act, 2013, he is eligible for re-appointment on passing of a Special Resolution by the company. Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors proposes the re-appointment of Mr.Kamlesh Gandhi (DIN: 00004969) as an Independent Director, for a second term of five years from September 28, 2019 to September 27, 2024. In terms of Section 149 of the Companies Act, 2013, Independent Directors are not liable for retirement by rotation.

Considering his background, experience and contribution, the Board feels that the continued association of Mr.Kamlesh Gandhi would be beneficial to the Company and it is desirable to continue to avail his services as Independent Director.

Mr.Kamlesh Gandhi has been an investment banker of repute, and has served with distinction on the Boards of several prestigious companies and Groups including Dr. Reddy's, Kiroloskar and TVS Group. He brings to the Board invaluable insights arising out of his knowledge of sound corporate practices.

In the opinion of the Board, Mr. Kamlesh Gandhi fulfills the conditions for his re-appointment as an Independent Director as specified in the Companies Act, 2013 and the SEBI (LODR) regulations, 2015 and that Mr. Kamlesh Gandhi is independent of the management.

The Board therefore recommends that the Resolution be passed.

The Company has received from Mr. Kamlesh Gandhi

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

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

Mr. Kamlesh Gandhi may be treated as interested in the resolution.

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

#### ITEM NO. 6 & 8:

The Board of directors at its meeting held on 14<sup>th</sup> February, 2019 appointed Mr. Bhupatiraju Subba Raju as additional director and Executive Director as recommended by the Nomination and Remuneration Committee. He assumed office w.e.f 4<sup>th</sup> July, 2019.

Mr. Bhupatiraju Subba Raju, aged about 43 years is a Bachelor in Management Studies from BITS Pilani, M.S in Information Systems and MBA in General Business, Mississippi State University, Mississippi (USA). He has over 24 years of experience in Nationalised banks in India and Multi National Companies in USA such as Visa Inc., SVB Financial Group in various capacities. Prior to joining in NCL group, he was employed in SVB Financial Group, Santa Clara, CA (USA) as Sr. Director, Regulatory Relations.

He holds 1,00,000 Equity shares in the company.

In terms of Section 161 of the Companies Act, 2013, Mr. Bhupatiraju Subba Raju holds office as Additional Director till the ensuing AGM. Resolution No 6 seeks to confirm the appointment of Mr. Bhupatiraju Subba Raju as a Director. Resolution 8 seeks the approval of the shareholders for the appointment and remuneration of Mr. Bhupatiraju Subba Raju as Executive Director

Your Directors feel that his appointment will be beneficial to the company, and recommend that the resolutions be passed.

The Resolution also proposes that the remuneration as specified therein be paid as minimum remuneration in the absence of inadequacy of profits, 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 Ready Mix Concrete.
- (2) Date of commencement of commercial operation – 16<sup>th</sup> February, 1984 onwards.
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus – Not Applicable.
- (4) Financial Performance: (Rs. In Lakhs)

Financial Year Parameters	2014-15	2015-16	2016-17	2017-18	2018-19
Gross income	79643.09	99,748.01	1,16,902.06	1,33,998.75	1,47,140.89
Net Profit (as computed u/s. 198)	1416.13	6686.54	6581.20	7,663.57	6,486.88
Net profit as per profit and loss Account	890.01	5,307.91	5,467.32	4,910.76	4,678.09
Amount of Dividend paid#	Nil	884.22	1105.27	1208.17	1208.17#*
Rate of dividend Declared	Nil	20%	25%	25 %	25 %

# including dividend & Tax

\* including proposed dividend

- (5) Export performance: ₹ 32.98 Lakhs Foreign Currency Earnings - CIF basis for the Financial Year 2018-19.
- (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. (b) The Company also manufactures Readymade doors in Technical Collaboration with AGT, Turkey.

## II. INFORMATION ABOUT THE APPOINTEE:

### Mr. Bhupatiraju Subba Raju

#### 1. Background Details

Mr. Bhupatiraju Subba Raju is a graduate in Management Studies from BITS Pilani. He has also done his Masters in Information Systems and MBA from Mississippi State University, United States in 2000. Upon completing his professional education, he joined Visa Inc, the global payment technologies company as Global Products Manager. Over the past 18 years, he enjoyed a steady growth in his career with Visa Group, rising upto the level of Senior Director. His responsibilities over the period included business and strategic planning, product development, product management, risk and compliance management. He also had exposure to varied business environments in US, Canada, Europe and Latin America. 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	2016-17	2017-18	2018-19
	Nil	Nil	Nil

#### 3. Recognition and Awards: NIL

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

Mr. Bhupatiraju Subba Raju is in-Charge of operations of new projects 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. Bhupatiraju Subba Raju is holding 1,00,000 equity shares in the Company. Mr. Bhupatiraju Subba Raju does not have any other pecuniary relationship with the Company. Mr. Subba Raju is the Son in Law of Mr. K. Ravi, Managing Director and spouse of Mrs. Roopa Bhupatiraju, Director and related to Mr. K. Madhu 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, improving RMC division operational performance, meeting customer requirements, as warranted by the market demand.

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

The Board recommends that the Resolution be passed.

Apart from Mr. Bhupatiraju Subba Raju himself, Mr. K Ravi Managing Director and Mrs. Roopa Bhupatiraju, Director, being the father in law and spouse of Mr. Bhupatiraju Subba Raju may be treated as interested in the Resolution.

## 38<sup>th</sup> Report of the Board of Directors

Your Directors have pleasure in presenting their Report for the financial year ended March 31, 2019.

### Financial Results

The Audited Financial Statements for the year ended March 31, 2019, and the report of the Auditors thereon are being circulated with this report. The salient features of the financial results are as follows:

	(₹ in lakhs)	
	2018-19	2017-18
<b>Total Revenue</b>	<b>1,47,140.89</b>	<b>1,33,998.75</b>
<b>Profit Before Tax</b>	<b>6,098.68</b>	<b>7,436.91</b>
Provision for Tax (including deferred tax)	1,420.58	2,526.15
<b>Profit for the year after tax</b>	<b>4,678.10</b>	<b>4,910.76</b>
Transfer to General Reserve	3,500.00	4,000.00

Your Directors are pleased to report that the year under review marked the highest turnover achieved since its inception of your Company. The total revenue of ₹ 1,471.40 Crores represented a growth of over 9.81 % compared to the previous year. Improvement in cement production and sales during the year under review contributed to the healthy performance.

The Boards Division recorded a Turnover of ₹ 134.66 Crores during the year under review.

The generation of hydel power during the year increased to 22.36 million units, compared to 18.54 million units in the previous year. However, optimal generation of power could not be achieved by the Energy Division in the absence of release of adequate water during the year under review. The Ready Mix Concrete division improved its performance during the year under review.

While the physical performance in terms of production and sales improved, there was a marginal fall in the Profit After Tax (₹ 46.78 Crores) compared to 49.11 Crores in the previous year. This was mainly due to pressures on the average net realization of cement and the demand supply dynamics.

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

#### Change in Capital Structure

During the year under review, the Company availed Term loan of ₹ 135.00 Crores from Yes Bank at lower rate of interest and the entire proceeds were utilized for redemption of high cost of outstanding Non Convertible Debentures (NCD's). With this tranche, the entire amount of ₹ 320 Crores NCDs raised in the earlier years stand redeemed.

#### Readymade Doors:

As intimated in the last Annual Report, the plant for

manufacture of Readymade Doors to produce 1000 doors per day has been installed at Malkapur near Hyderabad. The exercise of marketing and brand building has started in earnest. Your Board hopes to report further progress in the performance of this plant in its next report.

### Dividend

Considering the stable performance, your Directors are pleased to maintain the dividend level, and recommend a dividend @ 25 % i.e. ₹ 2.50 per share (Face value of ₹ 10/- each) for the financial year 2018-19.

### Registered Office

During the year under review, the Registered & Corporate Office of the Company relocated to its own premises situated in Secunderabad w.e.f 21<sup>st</sup> December, 2018.

### 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:

- All applicable accounting standards have been followed in the preparation of annual accounts and that there are no material departures.
- The Directors selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31<sup>st</sup> March, 2019 and of the profit of the Company for the year ended on that date.
- 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.
- The Directors prepared the Annual Accounts on a going concern basis.
- Proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- 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.V.S.Raju, Mr. Kamlesh Gandhi, Dr. R.Kalidas and Lt.General (Retd) T.A.D Cunha. There were three executive directors namely Mr. K Ravi, Managing Director, Mr.K.Gautam, Executive Director and Mr.N.G.V.S.G.Prasad, ED & CFO.

There has been no change in the composition of Board during the year under review.



Mr.R.Anand Chairman, having crossed the statutory age limit of 75 years, demitted office as Director and Chairman w.e.f 1<sup>st</sup> April, 2019 by virtue of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015,

A Special Resolution has been passed by the Shareholder through postal ballot on 25<sup>th</sup> March, 2019 approving continuation of Mr.V.S.Raju as an Independent Director beyond April 1, 2019 though he has already attained the age of 75 years.

The present term of the Mr. Kamlesh Gandhi, Independent Director is till 28<sup>th</sup> September, 2019 and he has been proposed to be reappointed for another term of 5 years. The Board has recommended his reappointment for a period of five years at the ensuing Annual General Meeting of the Company.

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

Pursuant to Section 2(51) and Section 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, there is no change in the key managerial personnel of the Company during the year under review. Mr. T. Arun Kumar is the Company Secretary and Compliance officer.

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 as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 25 of the SEBI (LODR) Regulations, 2015.

At a meeting of the Board held on 30<sup>th</sup> May, 2019, Mr.Kamlesh Gandhi has been elected as the Chairman of the Board of Directors of the Company.

### Board Evaluation

The annual performance evaluation of individual directors was carried out by the Board in compliance of the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The criteria in which the performance of the individual directors was carried out has been disclosed in the Corporate Governance Report. The Performance evaluation of independent directors was done by the entire Board of Directors excluding the director being evaluated.

### Directors

Mr. K Madhu, Promoter Director has expressed his desire to step down from the Board as a part of his plans for gradual retirement from his corporate responsibilities. The Board has requested him to hold office till the ensuing Annual General Meeting so that the shareholders can meet him and bid farewell to him before demitting office.

Mr.Vinodrai V Goradia retires by rotation at the ensuing Annual General Meeting, and is eligible for reappointment. The Shareholders passed a Special resolution through postal ballot on 25<sup>th</sup> March, 2019 approving his continuation as Director beyond April 1, 2019 though he has already attained the age of 75 years.

At a meeting of the Board held on 14<sup>th</sup> February, 2019, Mr. Bhupatiraju Subba Raju has been appointed as a Director and Executive Director with effect from the date of assumption of office. Mr. Bhupatiraju Subba Raju assumed office on the 4<sup>th</sup> July 2019. Appropriate resolutions are being placed before the ensuing Annual General Meeting seeking approval of his appointment.

The Board wishes to place on record its appreciation of the valuable contribution made by Mr. R Anand and Mr. K Madhu during their tenures as Chairman and Director respectively.

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

### BOARD MEETINGS

During the year under review, five Board meetings were held on 30<sup>th</sup> May, 2018, 10<sup>th</sup> August, 2018, 25<sup>th</sup> September, 2018, 12<sup>th</sup> November, 2018 and 14<sup>th</sup> February, 2019. The maximum time gap between any two consecutive meetings was within the period prescribed under the Companies Act, 2013.

### Committees of the Board

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

### Plans for Orderly Succession for appointments to Board etc,

Your 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 headed by Independent Director as Chairman and one Independent Director and two other Non Executive Directors are the members. As and when required, the Committee and its members review various risks and steps taken to manage the risks. The Board is of the opinion that there are no elements of risks that may threaten the existence of the Company.

### 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 (3) (h) of the companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, the details of the Related Party Transactions are contained in **Annexure 'A-2'** to this Report.

### Management Discussion and Analysis Report

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

### 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.

### Penalties

Vide an Adjudication Order dated 29<sup>th</sup> October 2018, the company has been imposed a monetary penalty of ₹ 5 lakhs by SEBI for alleged failure to comply with Regulation 78(6) of SEBI (ICDR) Regulations.

The non-compliance with the regulations cited above were technical in nature, and did not result in any undue benefit or advantage to the Promoters. The above facts are brought out in the Adjudication Order itself.

For more details, shareholders may refer to the full text of the order which can be accessed at <https://www.sebi.gov.in>.

### Corporate Social Responsibility (CSR) Activities

The company has a CSR Committee as prescribed by

the Statute with Dr.R.Kalidas, Independent Director as Chairman. The Committee also includes one Executive and one Non-Executive Director. The CSR Committee meeting was held on 29<sup>th</sup> May, 2018 and reviewed the CSR Policy and CSR activities.

Under the provisions of Section 135 of the Companies Act, 2013 an amount of ₹ 140.49 Lakhs was required to be spent on CSR activities for the financial year 2018-19. Your Directors are glad to report that the CSR expenditure incurred during the year towards education and health care exceeded the mandatory requirement. The total CSR expenditure was ₹ 196.80 Lakhs. 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 ₹ 17.77 Lakhs relating to unpaid Dividend for the Financial Year 2010-11 to the Investor Education & Protection Fund. As required by Section 124 of the Companies Act, 2013 and the rules made there under, a total of 8,848 equity shares of ₹ 10/- each were transferred to the Investor Education and Protection Authority.

### Fixed Deposits

The details relating to Fixed Deposits are as follows:

As on 31<sup>st</sup> March 2019, ₹ 5754.68 Lakhs of Public Deposits were outstanding. The Company has repaid all the matured deposits that have been claimed, and there have been no defaults in payment of interest or repayment of principal. The details of deposits received from the directors / relatives of directors during the year under review in terms of MCA Notification No.GSR 695 (E) dated 15<sup>th</sup> September, 2015 are as under:

S.No	Name of the Director / Relative of Director	Amount (₹ in Lakhs)	Inter-se Relationship
1	Mr.R.Anand	20.00	Chairman (up to 31.3.2019)
2	Mr.Vinodrai.V.Goradia	20.00	Director
3	Mr.Kamlesh Gandhi	15.00	Director
4	Mrs.Roopa Bhupatiraju	59.50	Director
5	Mr.K.Ravi	45.00	Managing Director
6	Mrs.K.Sailaja	80.00	Wife of Mr.K.Ravi
7	Mrs.Charulatha V.Goradia	10.00	Wife of Mr.V.V.Goradia
8	Master B.Arjun	15.40	Son of Mrs. Roopa Bhupatiraju-Director
9	Baby Anika Bhupatiraju	5.00	Daughter of Mrs. Roopa Bhupatiraju-Director
10	Mrs.K.Sarojini	3.00	Mother of Mr.K.Ravi & Mr.K.Madhu (Director)
11	Mr.R.Kiran	30.00	Son of Mr.R.Kalidas-Director
12	Mr.R.Arun	30.00	Son of Mr.R.Kalidas-Director
13	Mrs. N.Sita Mahalakshmi	3.50	Mother of Mr.N.G.V.S.G.Prasad
14	Ms.N.Suchitra Katyayani	20.00	Daughter of Mr.N.G.V.S.G.Prasad
15	Ms.N.Chaitra Sarada	26.50	Daughter of 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 30<sup>th</sup> June, 2016 are annexed as **Annexure 'D'** to this Report.

### Auditors

The current tenure of the statutory auditors, M/s Venugopal & Chenoy, Chartered Accountants, expires at the ensuing AGM. Pursuant to Section 139 of the Companies Act, 2013 the Board of Directors upon recommendation of the Audit Committee has recommended their reappointment for a second consecutive term as permitted by the Statute. The proposed auditors have given consent for their re-appointment and have also issued a certificate confirming that their appointment, if made, will be within the limits prescribed under the provisions of Section 139 of the Companies Act 2013.

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

### Cost Audit

M/s S.R. and ASSOCIATES, Cost Accountants have been reappointed to conduct the cost audit pertaining to Cement as well as RMC of the company for the year 2018-19. They have been reappointed by the Board of Directors as Cost Auditor of the Company for the Financial Year 2019-20. The remuneration of the cost auditor is required to be ratified by the members in terms of the relevant Rules. Accordingly, the matter is being placed before the Members for ratification at the ensuing Annual General Meeting.

The Cost Audit Report for the financial year ended March, 31<sup>st</sup>, 2018 was duly filed with Ministry of Corporate Affairs on 07 /09 / 2018.

### Secretarial Audit

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

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

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

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

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

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

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

### 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 'G'** and forms part of this Report.

### Acknowledgements

Your Directors wish to place on record their appreciation of the support and co-operation extended by Axis Bank, Yes Bank, HDFC 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

Kamlesh Gandhi  
Chairman  
DIN: 00004969

Place: Hyderabad  
Date: 9<sup>th</sup> August, 2019

## Annexure “A” to the Directors’ Report

## Report on Corporate Governance

(In compliance with Regulation 27&amp;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 13 Directors, 3 being Executive Directors and 10 Non-Executive Directors. Five of Non Executive Directors were Independent Directors. The Chairman of the Board was 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.

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

Five Board Meetings were held during the year 2018-19. The dates on which the said meetings were held areas under:

(1) 30<sup>th</sup> May, 2018 (2) 10<sup>th</sup> August, 2018 (3) 25<sup>th</sup> September, 2018

(4) 12<sup>th</sup> November, 2018 (5) 14<sup>th</sup> February, 2019.

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

Name of the Director	Categories of Directorship*	No of Board Meeting attended	Attendance at last AGM	Directorship in other companies***	No. of memberships of other Committees **as	
					Chairman	Member
R. Anand	I & NED	4	Yes	3	-	1
Dr.R.Kalidas	I & NED	4	Yes	-	-	1
Lt.Gen.(Retd) T.A.DCunha	I & NED	5	Yes	-	-	-
Kamlesh Gandhi	I & NED	5	Yes	4	2	2
V.S.Raju	I&NED	5	Yes	3	2	1
V.V. Goradia	NED	5	Yes	-	-	-
Ms.Roopu Bhupatiraju	NED/WD	2	No	-	-	-
K Madhu	NED	4	Yes	4	-	1
Ashven Datla	NED	3	Yes	5	-	1
P.N.Raju	NED	5	Yes	-	-	1
N.G.V.S.G.Prasad	ED&CFO	5	Yes	-	-	-
K.Gautam	ED	5	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



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

Name of Director	Inter se relationship
Mr. K Ravi	Managing Director
Mr. K Madhu	Brother of Mr. K Ravi
Mr. K Gautam	Son of Mr. K Madhu
Mrs. Roopa Bhupatiraju	Daughter of Mr. K Ravi
Mr. Ashven Datla	Son in law of Mr. K Ravi

#### 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 14<sup>th</sup> February, 2019 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:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Reviewing, with the management, the quarterly and annual financial statements before submission to the board for approval.
- Reviewing the adequacy of internal audit function and the adequacy of the internal control systems.
- 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 30<sup>th</sup> May, 2018, 9<sup>th</sup> August, 2018, 12<sup>th</sup> November, 2018 and 14<sup>th</sup> February, 2019.

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
Kamlesh Gandhi	Chairman	Independent	4
Dr.R.Kalidas	Member	Independent	3
Ashven Datla	Member	Non Executive	2
V.S.Raju	Member	Independent	4

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 the 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 meeting attended
Kamlesh Gandhi	Chairman	Independent	1
Lt.Gen. (Retd) T.A.DCunha	Member	Independent	1
Ashven Datla	Member	Non Executive	-

This Committee considers and recommends the remuneration payable to Executive Directors. During the year under review, one meeting of the Committee was convened on 14<sup>th</sup> February, 2019.

Consequent upon the election of Mr. Kamlesh Gandhi as Chairman of the Board, Committee has been reconstituted w.e.f 30<sup>th</sup> May 2019 with Lt.Gen (Retd) T A DCunha as Chairman and Mr.V S Raju (Independent Director) and Mr.Ashven Datla as members.

#### 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:

(₹ in lakhs)

Name of the Director	Salary	Allowances/Benefits	Commission	Total
K. Ravi, MD	114.00	59.28	129.73	303.01
K.Gautam, ED	51.20	20.48	-	71.68
N.G.V.S.G.Prasad ED & CFO	30.62	12.25	-	42.87

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 ₹ 15,000/- per Board Meeting and ₹ 10,000/- for meeting of any Committee thereof.

In addition, they are entitled to commission at the rate of not exceeding 1% of the net profits of the Company. During the year under review, commission @ 0.25% of the net profits of the Company paid.

The remuneration paid to the Non Executive Directors during the year under review was as follows:

Name of Director	No. of Board/ Committee meetings attended	Sitting Fees paid (Rs)	Commission paid (Rs)
R.Anand	5	70,000	1,24,748
Dr.R.Kalidas	8	1,00,000	1,99,595
Lt.Gen(Retd).T.A.Dcunha	6	95,000	1,49,697
V.V. Goradia	6	85,000	1,49,697
K. Madhu	5	70,000	1,24,748
Ashven Datla	5	65,000	1,24,748
Kamlesh Gandhi	11	1,35,000	2,74,445
Mrs.Roopa Bhupatiraju	2	30,000	49,899
P.N.Raju	6	85,000	1,49,697
V.S.Raju	11	1,35,000	2,74,445
<b>Total</b>		<b>8,70,000</b>	<b>16,21,719</b>

#### Shareholdings of Non Executive Directors as on 31<sup>st</sup> March, 2019:

Non-Executive Directors	No.of Shares
R.Anand	540
Dr.R.Kalidas	Nil
Lt.Gen(Retd).T.A.Dcunha	1,000
V.V. Goradia	5,48,602
K. Madhu	6,13,662
Ashven Datla	6,49,194
Kamlesh Gandhi	Nil
Mrs.Roopa Bhupatiraju	21,00,320
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 Mr. V.S.Raju as its Chairman and Mr. K. Madhu and Mr. P.N.Raju as its members. The Committee is formed for the purpose of complying with the guidelines on Corporate Governance to monitor redressal of complaints received from the shareholders.

During the period under review, the Committee met once on 25<sup>th</sup> March, 2019. The attendance details of the members are given hereunder.

Name	Designation	Category	Committee meeting attended
V.S.Raju	Chairman	Independent	1
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.

**5(i) Details of Investors letters / complaints received during the year ended 31<sup>st</sup> March 2019.**

Sl No	Nature of letter / complaints	Received	Disposed of	Pending
1	Non-receipt of Dividend warrant(s)	5	5	Nil
2	Non - Receipt of Share certificates after transfer / duplicate.	Nil	Nil	Nil
3	Non - Receipt of Annual Report	1	1	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 has a 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. It recommends to the Board allocation of funds under CSR activities and considers additional voluntary allocations if any for CSR activities of the company.

During the period under review, the Committee met once on 29<sup>th</sup> May, 2018. The attendance details of the members are given hereunder.

Name	Designation	Category	Committee meeting attended
Dr.R.Kalidas	Chairman	Independent	1
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
2017-2018	25.09.2018 at 10.30 AM	KLN Prasad Auditorium, FAPCCI Hall, Lakdika pool, Hyderabad
2016-2017	22.09.2017 at 10.30 AM	KLN Prasad Auditorium, FAPCCI Hall, Lakdika pool, Hyderabad
2015-2016	20.09.2016 at 10.30 AM	KLN Prasad Auditorium, FAPCCI Hall, Lakdika pool, Hyderabad

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

Year	Gist of the Resolutions
2017-18	Nil
2016-17	<ol style="list-style-type: none"> <li>1. Appointment of Mr.V.S.Raju as an Independent Director for five years</li> <li>2. Approval of re-appointment and remuneration of Mr.K.Gautam as Executive Director</li> <li>3. Consent for payment of remuneration by way of commission to all the Non Executive Directors</li> <li>4. Issue of Equity Shares under the provisions of Sections 23, 42 and 62 of the Companies Act, 2013 under Qualified Institutional Placement (QIP).</li> </ol>
2015-16	<ol style="list-style-type: none"> <li>1. Approval of reappointment and remuneration of Mr.K.Ravi as Managing Director</li> <li>2. Approval of appointment and remuneration of Mr.N.G.V.S.G.Prasad as Executive Director &amp; CFO</li> <li>3. Appointment of Mr. R.Anand as Independent Director</li> <li>4. Alteration of Articles of Association by adopting Table 'F' in the Schedule 1 to the Companies Act, 2013.</li> </ol>

**C) Resolutions passed through Postal Ballot:**

The Company sought the approval of shareholders by way of Special Resolution through postal ballot dated 25<sup>th</sup> March, 2019 seeking:

- a) Continuation of Mr.Vinodrai V Goradia as Director beyond after April 1, 2019 though he has already attained the age of 75 years
- b) Continuation of Mr.V S.Raju as an Independent Director beyond after April 1, 2019 though he has already attained the age of 75 years

These resolutions were passed and the results were announced on 28<sup>th</sup> March, 2019. Mr.A.Ravi Shankar, Practicing Company Secretary acted as the Scrutinizer to scrutinize the postal ballot and remote e-voting process in a fair and transparent manner

**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) The Company paid the penalty amount of ₹ 5.00 lakhs imposed under Section 15 HB to SEBI vide adjudication order dated 29<sup>th</sup> October 2018 for violation of Regulation 78(6) of SEBI (ICDR) Regulations 2009 relating to not initiating corporate action for lock in of pre-preferential shares of allottees in promoter group during 2014-15. The case is closed.  
Except as above, 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 has a formal whistle blower policy, which was adopted by the Board. The details of the policy are displayed in the company's website in the link <https://www.nclind.com/whistle-blower-policy>.
- d) The Company has complied with the mandatory requirements stipulated under SEBI (LODR) Regulations, 2015 and / or the erstwhile listing agreement entered into with the stock exchanges.
- e) Management Discussion and analysis Report on the business of the Company forms part of this Annual Report.
- f) The CEO / CFO certification on the financial statements for the financial year 2018-19 is provided elsewhere in this Annual Report.
- g) Any of the associated /group entities of the Company have not paid any fees to the Statutory Auditors of the Company nor availed any services from the Statutory Auditors. The details of fees paid to Statutory Auditors are furnished in the Note No.31 of the financial statements.
- h) The Company has complied with all the requirements of the Corporate Governance Report relating to the financial year 2018-19.

**i) 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, Eenadu and Andhra Prabha.
- II Quarterly / Half yearly financial results of the Company are forwarded to the Stock Exchanges and published in Economic Times and Eenadu. 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](http://www.nclind.com) and BSE & NSE websites.



**10) Shareholders information:**

i) AGM:	38 <sup>th</sup> Annual General Meeting
Date :	27 <sup>th</sup> September, 2019
Time :	10.30 A.M
Venue :	KLN Prasad Auditorium, 3 <sup>rd</sup> 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	21 /09/2019 to 27 /09/2019, (both days inclusive)
iv) Final Dividend payment date	Within 30 days from the date of AGM i.e. 27 <sup>th</sup> September, 2019.
v) Listing on Stock Exchanges and status of Listing fees	BSE & NSE Listing Fees paid Up to date.
vi) A) Script Code	BSE- 502168, NSE - NCLIND
B) Demat ISIN No in NSDL & CDSL for Equity Shares	INE732C01016
C) Corporate Id. No.	L33130TG1979PLC002521

**vii) Stock Market Data - SHARE PRICE (BSE)****BOMBAY STOCK EXCHANGE LTD****01/04/2018 to 31/03/2019**

Month	High Price	Low Price	Close Price	No of Shares
April 2018	256.50	222.00	240.10	12,55,645
May 2018	242.10	198.00	201.00	4,43,895
June 2018	204.50	154.80	164.85	11,62,927
July 2018	175.00	135.90	167.25	1,55,365
August 2018	175.25	142.10	162.90	1,59,342
September 2018	165.00	120.50	134.25	1,42,965
October 2018	135.00	110.05	125.60	2,74,468
November 2018	146.00	123.45	126.75	84,984
December 2018	153.70	115.00	135.75	61,610
January 2019	143.50	116.85	119.00	45,700
February 2019	132.00	99.25	122.05	1,00,255
March 2019	161.10	123.05	145.30	4,88,242

**SHARE PRICE (NSE)****NATIONAL STOCK EXCHANGE LTD****01/04/2018 to 31/03/2019**

Month	High Price	Low Price	Close Price	No of Shares
April 2018	255.80	219.00	240.35	19,50,721
May 2018	245.65	198.25	200.45	7,64,441
June 2018	208.70	156.55	163.90	20,85,840
July 2018	178.80	135.05	167.40	12,93,958
August 2018	176.00	142.50	162.20	27,27,367
September 2018	164.65	130.00	134.80	7,40,920
October 2018	139.60	109.00	124.55	11,19,179
November 2018	145.00	124.00	126.75	7,90,682
December 2018	153.90	118.05	135.60	6,07,681
January 2019	141.00	116.05	119.75	2,72,987
February 2019	129.90	97.00	123.30	7,28,223
March 2019	159.90	124.00	143.95	12,21,661

**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 31.03.2019**

No. of Equity Shares Held	No. of Shareholders	Percentage	No. of Shares Held	Percentage
Up to 500	31,128	89.59	36,87,855	8.15
501 - 1000	1,789	5.15	13,99,876	3.10
1001 - 2000	852	2.45	13,04,570	2.88
2001 - 3000	283	0.82	7,21,130	1.60
3001 - 4000	135	0.39	4,81,167	1.06
4001 - 5000	101	0.29	4,72,896	1.05
5001 - 10000	219	0.63	16,11,737	3.56
10001 & ABOVE	237	0.68	3,55,53,559	78.60
<b>TOTAL</b>	<b>34,744</b>	<b>100.00</b>	<b>4,52,32,790</b>	<b>100.00</b>

**xi) Shareholding Pattern as on 31.03.2019**

Category	No. of Shares Held	Percentage
<b>Promoters/Promoter Group</b>		
Individuals	1,61,95,369	35.80
Individuals(NRIs)	1,00,000	0.22
Bodies Corporate	19,46,480	4.30
<b>Public shareholding</b>		
Individuals holding nominal share capital upto ₹ 1 lakh	88,58,629	19.58
Individuals holding nominal share capital in excess of ₹ 1 lakh	57,13,065	12.63
Body Corporates in excess of 1%	17,81,746	3.95
Mutual Funds/FI's / Central & State Governments	62,15,855	13.74
Clearing Member/Trust	1,52,562	0.34
NRI's/FPIs	19,77,912	4.37
Trusts/others	22,91,172	5.07
<b>TOTAL</b>	<b>4,52,32,790</b>	<b>100.00</b>

**xii) Dematerialization of Shares**

The shares of the Company are compulsorily traded in DEMAT form by all categories of investors. The Company has arrangements with National Securities Depositories Ltd (NSDL) and Central Depository Services India Ltd (CDSL) to establish electronic connectivity of shares for script-less trading. As stipulated by SEBI, a practicing Company secretary carries Secretarial Audit to reconcile the total admitted capital with National Securities depository Ltd (NSDL) and Central depository Services Ltd (CDSL) and total issued and listed capital. As on 31<sup>st</sup> March 2019, 97.02 % of shares of the Company were held in Dematerialized form with the following depositories.

S.No	Depositories	No.of shares	% on Paid up Capital
1)	NSDL	3,68,36,518	81.44 %
2)	CDSL	70,45,596	15.58 %
	<b>Total</b>	<b>4,38,82,114</b>	<b>97.02 %</b>

**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. One Independent Director and two Non Executive Directors are the other members. The company had laid down procedures to inform Board members about the risk assessment and minimization procedures.

**xv) Plants Location:**

<b>CEMENT UNIT - I</b> Simhapuri Mattampally Mandal Suryapet Dist-508204 Telangana	<b>BOARDS UNIT - I &amp; III</b> Simhapuri Mattampally Mandal Suryapet Dist-508204 Telangana	<b>ENERGY UNIT - I</b> Pothireddypadu Head Regulator Chabolu Village Pothulapadu Post Nandikotkur TQ. - 518402 Kurnool District Andhra Pradesh	<b>DOORS</b> Sy.No.222 Malkapur(V), Choutuppal Mandal, Yadadri Bhuvanagiri (Dt), 508252 Telangana	<b>READYMIX CONCRETE UNIT -I</b> Plot No.11 A/2-IDA Patancheru Hyderabad-502319 Telangana
<b>UNIT - II</b> Kadimpothavaram Village Kondapalli Krishna District-521228 Andhra Pradesh	<b>UNIT - II</b> Bhothanwali Village Paonta Sahib Sirmour District 173025 Himachal Pradesh	<b>UNIT - II</b> RBHLC Zero Mile Point Tungabhadra Dam Tungabhadra Board Amaravathi Village Hospet-583225 Karnataka		<b>UNIT -II</b> Survey No.83 Plot No.91/C D-Block-IDA Auto Nagar Visakhapatnam-530026 Andhra Pradesh
				<b>UNIT -III</b> Survey No.282 (P) Rampally (V) Keesara Mandal Medchal Dist-501301 Telangana
				<b>UNIT -IV</b> Sy. No.228/1 &228/5, Vellanki (V) Anandapuram Mandal Visakhapatnam-531163 A P

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

**xvii) CEO/CFO Certification**

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

**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.

**xiv) Credit Rating**

CRISIL Ltd issued ratings to long term and short term financial facilities availed by the Company from Banks and deposits from public. The details of credit ratings are as under:

Rating Action	Rating
Long Term Rating	CRISIL A- / Stable
Short Term Rating	CRISIL A2+
Fixed Deposits	FA / Stable

#### xv) Core Skills / Expertise / Competencies

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

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

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

Sl	Name	Field of Specialization / Expertise / Competence	Details of other Directorship in Listed entities
1	Mr. Kamlesh Gandhi (Independent)	Investment Banking Corporate Governance	Bhagyanagar (I) Ltd, Sundaram Clayton Ltd and Kirloskar Electric Company Limited
2	Dr.R.Kalidas, (Independent)	Research & Technical Operations	Nil
3	Lt.Gen (Retd) T A DCunha (Independent)	Materials Management & Logistics Planning	Nil
4	Mr.V.S.Raju (Independent)	Legal Knowledge & Corporate Law	Andhra Sugars Ltd Jocil Ltd
5	Mr. K Madhu (Promoter – Non Executive)	Business Management and Commercial	Nil
6	Mr. Vinodrai V Goradia (Promoter – Non Executive)	Commercial	Nil
7	Mr. Ashven Datla (Promoter – Non Executive)	Industrial Management	Nil
8	Mr. P N Raju (Promoter – Non Executive)	Manufacturing & Construction	Nil
9	Mrs. Roopa Bhupatiraju (Promoter Non Executive, Woman)	Business Management	Nil
10	Mr. K Gautam (Promoter – Executive Director)	Marketing and Industrial Management	Nil
11	Mr. N G V S G Prasad Professional - Executive Director & CFO	Finance, Accounting and Taxation	Nil
12	Mr. Bhupatiraju Subba Raju (Promoter – Executive Director)	Risk Management including Foreign Exchange Management and Business Analyst.	Nil
13	Mr. K Ravi, Managing Director (Promoter – Executive )	Industrial Management	Nil

The above Report was adopted by the Board of Directors at their meeting held on 9<sup>th</sup> August, 2019.



## DECLARATION FOR COMPLIANCE WITH CODE OF CONDUCT

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

**K. RAVI**

Managing Director

Date: 9<sup>th</sup> August, 2019.

## 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 31.03.2019, 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: 9<sup>th</sup> August, 2019

## Annexure A-1

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

Name of the Director				Mr. Vinodrai V.Goradia	Mr.Kamlesh Gandhi	Mr. Bhupatiraju Subba Raju
Date of Birth				29/08/1937	16/06/1950	10/05/1976
Qualifications						Graduate in Management Studies (BITS Pilani), Masters in Information Systems and MBA from Mississippi State University, USA
Directorship in other companies		Nil			Bhagyanagar (I) Ltd, Sundaram Clayton Ltd Kirloskar Electric Company Ltd and NCL Alltek & Seccolor Ltd	Nil
Membership of Stakeholders Committees of other public Ltd companies		Audit/ Relationship of other public	Nil		2	Nil
No. of shares held in NCL Industries Ltd				5,48,602	Nil	1,00,000
Inter-se relationship with other Directors of the company				NA	NA	Son in Law of Mr.K.Ravi, Managing Director and Spouse of Mrs.Roopa Bhupatiraju, Director and related to Mr.Ashven Datla and Mr.K.Madhu, Directors
Awards/ Medals etc:				Nil	Nil	Nil

## 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),

## Parties and Nature of Relationship:

Name	Nature of Relationship
NCL Alltek & Seccolor Ltd	Director(s) holding more than 2% equity share capital in the other company or its holding company
NCL Homes Ltd	
NCL Veka Ltd	
Kakatiya Industries (P) Ltd	
NCL Green Habitat (P) Ltd	
Khandaleru Power Co Ltd	
NCL Holdings (A & S) Ltd	

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

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

Mr K Ravi- Managing Director	From 01/04/2016 To 31/03/2021	Total Remuneration of ₹ 303.01 Lakhs for FY2018-19 (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 Executive Director	01/08/2017 To 31/07/2022	Total Remuneration of ₹ 71.68 lakhs for F.Y.2018-19 (Including salary and other perks and benefits).	Board Approval 27/05/2017 and Shareholders' Approval Dt.22/09/2017
Mr. NGVSG Prasad Executive Director & CFO	From 30/05/2016 To 30/05/2021	Total Remuneration of ₹ 42.87 Lakhs for F.Y.2018-19 (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

NCL Alltek & Seccolor Ltd	No fixed duration.	₹ 1143.26 lakhs	Omnibus Audit Committee approval dated 30.05.2018
NCL Homes Ltd	As per the requirement.	₹ 60.73 Lakhs	
NCL Veka Ltd	Director(s) holding more than 2%	₹ 0.54 Lakhs	
Kakatiya Industries (P) Ltd	Equity share capital in the other company.	₹ 3.05 Lakhs	
NCL Green Habitat (P) Ltd		₹ 19.38 Lakhs	

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

NCL Alltek & Seccolor Ltd	No fixed duration. As per the requirement.	₹ 331.91 Lakhs for the year	Omnibus Audit Committee approval dated 30.05.2018
		Terms as applicable to other parties	
Kakatiya Industries (P) Ltd	Director(s) holding more than 2% equity share capital in the other company.	₹ 136.36 Lakhs	
NCL Veka Ltd		₹ 14.78 Lakhs	

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

Sri.K.Ravi	5 years w.e.f 15.12.2016	Lease Rent on 3.00 Acres of land situated at S.No.281&282 in Rampally (V) Keesara Mandal. Total amount paid in FY 2018-19 ₹ 9.53 Lakhs.	11.11.2016
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## Annexure - B

# Management Discussion And Analysis Report

The Company's performance during the year ended 31<sup>st</sup> March, 2019 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 indispensable for building and construction work and cement industry is considered one of the vital constituents of the country's economy. 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. Demand for housing is driven by income growth while infrastructure development largely depends on both state and central government expenditure.

The outlook of the cement industry has been encouraging, given the importance accorded by successive governments to infrastructure and housing. The demand drivers in cement are major initiatives like Housing for All by 2022, Prime Minister's Gram Sadak Yojana, the National Investment and Infrastructure Fund (NIIF) and the Dedicated Freight Corridor (DFC) project,

#### Ready Mix Concrete (RMC)

RMC is a natural adjunct to the cement industry. Over the past decade, more and more cement manufacturers have been opting for setting up their in-house RMC units as an outlet for their main product of cement, and also to retain and propagate their brand image. RMC is also eco-friendly as it reduces the noise and air pollution because mixing is done in closed chamber as compared to site mix concrete. The relatively low shelf life of RMC – 3 to 5 hours - imposes severe restrictions on the distance between the end user and plant site. In spite of this handicap, RMC industry is likely to witness a steady growth in the next few years.

#### Boards

Your Company is the only manufacturer of Cement Bonded Particle Boards (CBPB) in the country, marketed under the brand name Bison Panel. Bison Panels are normally used for construction of prefab structures and have been extensively used in the infrastructure and housing sectors. The third Bison Panels unit set up by your Company at Simhapuri has commenced its operations, and has been performing satisfactorily.

#### Prefab

As mentioned in the report for the previous year, your company is no more active in the direct retail business of the Prefab structures. There were no operations in the Prefab Division during the year under review. Your Company's quest for identifying a technology partner in this field is continuing.

#### Hydel Energy (Small Hydro)

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

### B OPPORTUNITIES AND THREATS

The continued focus of the Central and State Governments on infrastructure projects offer an ongoing opportunity to cement manufacturers. As already mentioned, the thrust given by the Governments for infrastructure development is a demand driver, and a major opportunity.

Creation of fresh capacities, a possible scenario of supply outstripping the demand, resulting in intense competition and pressure on operating margins are threats. This cyclical phenomenon is threat that every cement unit has to face. Continued quest for increasing efficiencies and optimizing costs is the only way forward to survive and thrive.

Its products being building materials, the Boards Division is also likely to be a beneficiary of the expected growth in the infrastructure industry. With more and more houses and commercial buildings coming up, the prospect of enhanced sales offers fresh opportunities for growth in 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.

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

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



S.No	Ratios	2017-18	2018-19
1	Inventory Turnover Ratio	13.51	13.88
2	Interest coverage Ratio	4.52	4.05
3	Current Ratio	1.53	1.74
4	Debt Equity Ratio	0.49	0.42
5	Return on investment (%)	13%	12 %
6	Debtors Turnover Ratio	16.90	9.69
7	Net Profit Margin (%)	3.93	3.44
8	Operating Profit Margin (%)	11.58	9.77

**D. SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE.**

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

Segments	Percentage contribution to total turnover	Quantity of production	Turnover (₹ Lakhs)	Segment Profit before Interest & Tax (₹ Lakhs)
Cement	85.45	21,51,679 Mt	1,25,183.66	7,315.02
Boards	9.19	67,077 Mt	13,465.93	1,737.78
Energy	0.30	22.36 MU	438.84	107.31
Ready Mix Concrete	5.06	1,77,827 (Cu.Mtrs)	7,417.33	417.66

**E. 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.

**F. RISKS AND CONCERNS.**

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

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

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

**H. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE.**

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

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

The senior management team has been strengthened with the recruitment of additional personnel to provide leadership below the executive director level. Systematic training in site operational control and management are imparted regularly to ensure efficient execution. The Company has cordial relations with employees and staff. As on 31<sup>st</sup> March 2019, the company has 833 employees working in its factories and various offices.

**J. CAUTIONARY STATEMENT**

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

## 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

It has been the core belief of NCL that "Quality Education" leads to development of people. With this belief, NCL established a school in Mattapally more than 25 years ago. The Elementary and High School in English medium caters to the educational needs of nearby tribal villagers within 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.

773 Students are studying in NCL School in the current Academic Year (2018-19). Out of overall strength, 633 Students are from nearby tribal areas

The children from local Thandas, who studied at NCL High School over the years, are now holding various responsible positions within Public / Private Organizations. The quality education imparted by NCL High School, is, thus, a great testimonial to its efforts.

The Company has taken the initiative to set up an Activity Room for the children of the Elementary School, to improve the creativity, initiative and innovativeness of the children at a very early stage.

NCL 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.

### Junior College:

- The Junior College has started functioning from the Academic year 2018-19.
- It offers courses in four Groups, namely MPC, CEC, BIPC, and MEC.
- Qualified Academic Staff has been recruited to impart quality education.

The total expenditure for the Education and related activity during the year 2018-2019 was ₹ 156.25 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 102 patients per day or over 36,035 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 4,17,373 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.

- NCL is not only offering free treatment, but also supplying the basic drugs at free of cost.

In addition to hospital facility and basic drugs at free of cost, NCL has conducted more than 100 Medical Camps during last 3 years covering all surrounding villages.

This Health Center conducts medical camps in nearby villages every year. 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.

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

The total expenditure for the health related activity during the year 2018-19 was ₹ 40.55 Lakhs.

**ENVIRONMENT**

- NCL has always been a compliant to all prescribed norms of State and Central Pollution Control Board.
- NCL has contributed significantly to development of green belt at all of its plant location i.e. Mattapally, Kondapally, Paonta Saheb, Malkapur and also its 2 of its hydro power plants.
- NCL has set up a Sewage Treatment Plant (250 KLD) on a voluntary basis for recycling the water for use of the plantation.

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)**

2017-18	₹ 7436.91	Lakhs
2016-17	₹ 7409.75	Lakhs
2015-16	₹ 6226.91	Lakhs
	<b>₹ 21,073.57</b>	<b>Lakhs</b>
<b>Average</b>	<b>₹ 7024.52</b>	<b>Lakhs</b>

**Prescribed CSR Expenditure for 2018-19**

(2% of the average as above) ₹ 140.49 lakhs

**Details of amounts spent during the year**

Project/Activity	Sector	Amount spent (Rs Lakhs)	Mandatory Outlay(Fully utilized) (Rs Lakhs)	Amount Spent: Directly or through Implementing Agency
Elementary & High Schools and Junior College	Promoting Education (Local Area)	156.25	108.40	Direct
Health Center	Promoting preventive Health-care (Local Area)	40.55	32.09	Direct
<b>Total</b>		<b>196.80</b>	<b>140.49</b>	

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

Statement:

The CSR Committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR Policy and its objectives of the company.

**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	64 years
Qualification	Diploma holder in Electrical Engineering
Designation:	Managing Director
Date of commencement of employment	Since 11 <sup>th</sup> January 2003
No. of year of experience	over 42 years
Remuneration	Rs 303.01 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 09/08/2019)	4.75 %

**Notes:**

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

For and on behalf of the Board

Date: 9<sup>th</sup> August, 2019

**Kamlesh Gandhi**  
Chairman

**Registered Office:**

7<sup>th</sup> Floor, 'NCL Pearl'  
Near Rail Nilayam,  
S D Road, Secunderabad -500026.

## Annexure - E

Form No. MR-3

# Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED March 31, 2019

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

To,

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2019 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, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings  
**Not applicable during the audit period**

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

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 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: **Not applicable to the Company during the audit period.**
- (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not applicable during the audit period.**
- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- **Not applicable to the Company during the audit period**
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- **Not applicable to the Company during the audit period**

vi) Other applicable laws including the following

1. Factories Act, 1948
2. Industrial Disputes Act 1947
3. Payment of wages Act 1936
4. The Minimum wages Act 1948
5. Employees state insurance Act 1948
6. Employees Provident Funds and Miscellaneous Provisions Act 1952
7. Payment of Bonus Act 1965
8. Payment of gratuity Act 1972
9. Contract Labour (Regulation & Abolition ) Act, 1970
10. Maternity Benefit Act 1961



11. Equal Remuneration Act.
12. Environment Protection Act 1986
13. Explosives Act 1884
14. Indian Boilers Act 1923
15. Mines Act 1952 & Mines and Minerals (Development & Regulations) Act, 1957
16. Legal Metrology Act 2009
17. Income Tax Act 1961, Central Excise Act 1944 and VAT Act
18. Cement Quality Control Order 2003
19. Electricity Act 2003
20. Air (Prevention & control of pollution) Act 1981 and water (Prevention & control of Pollution) Act 1974

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

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

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

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

- 1 The Company paid the penalty amount of ₹ 5.00 lakhs imposed under Section 15 HB to SEBI vide adjudication order dated 29<sup>th</sup> October 2018 for violation of Regulation 78(6) of SEBI (ICDR) Regulations 2009 relating to not initiating corporate action for lock in of pre-preferential shares of allottees in promoter group during 2014-15. The case is closed.

#### **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.

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,** as per the explanations given to us and the representation made by the Management and relied upon by me, 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, there were no other specific events /actions in pursuance of the above referred laws, rules, regulations, guidelines etc. having major bearing on the Company's affairs.

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

For A.J.Sharma & Associates  
Company Secretaries

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

Place: Hyderabad  
Date: 17<sup>th</sup> July 2019

## Annexure

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

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

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

For A.J.Sharma & Associates  
Company Secretaries

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

Place: Hyderabad  
Date: 17<sup>th</sup> July 2019

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

**Certificate under Schedule V (C)(10)(i) of SEBI (Listing Obligations and Disclosure Requirements), 2015**

We A.J.Sharma & Associates, Practicing Company Secretaries, have examined the records, books and papers of NCL Industries Limited (CIN: L33130TG1979PLC002521) having its registered office at 10-3-162, NCL Pearl, 7<sup>th</sup> Floor, Opp Hyderabad Bhavan, East Marredpally, Secunderabad-500026, Telangana State, India (the Company) as required to be maintained under the Companies Act, 2013, SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and other applicable rules and regulations made there under for the Financial year ending 31<sup>st</sup> March 2019.

In our opinion and to the best of our information and according to the examinations carried out by us and explanations and representation furnished to us by the company, its officers and agents, we certify that none of the following Directors of the Company have been debarred or disqualified from being appointed or continuing as Director of Companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority as on 31<sup>st</sup> March 2019.

S.No	Name of the Director	Designation	DIN
1.	Kamlesh Suresh Gandhi	Independent Director	00004969
2.	Dr. Kalidas Raghavapudi	Independent Director	02204518
3.	Vuppapati Sitarama Raju	Independent Director	00101405
4.	Lt.Gen(Retd). Trevor Aloysius D'Cunha	Independent Director	07207066
5.	Vinodrai Vachhraj Goradia	Director	00040369
6.	Madhu Kalidindi	Director	00040253
7.	Narasimha Raju Penmetsa	Director	01765409
8.	Ashven Datla	Director	01837573
9.	Mrs Roopa Bhupatiraju	Director	01197491
10.	Kalidindi Ravi	Managing Director	00720811
11.	Gautam Kalidindi	Executive Director	02706060
12.	Gurunadha Prasad Gnana Venkata Satya Nimmagadda	Executive Director & CFO	07515455

For A.J.Sharma & Associates  
Company Secretaries

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

Place: Hyderabad  
Date: 17<sup>th</sup> July 2019

## ANNEXURE -F

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

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

#### A. Conservation of Energy:

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

- a) Improvement of raw mix design and continuous operation of pyro-process led to higher outputs which resulted in reduction of specific energy consumption.
- b) Reduction in specific power consumption of cement mills (ball mills) by optimizing the operations.
- c) Improvement of Raw Mill output by using high efficiency fan and optimizing the VRM operations reduced the specific power consumption.
- d) Installation of high efficiency process fans to reduce the energy consumption.
- e) Installation of Variable Frequency Drives (VFDs) for process fans to reduce the electrical energy consumption.
- f) Replacement of normal lights with LED lights to conserve electrical energy.

#### B. Technology Absorption:

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

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

₹ In Lakhs

Sl. No.	Particulars	For the year 2018-19	For the year 2017-18
1	Earnings	32.98	41.35
2	Outgo	798.24	497.87

**ANNEXURE - G****Form No. MGT-9****EXTRACT OF ANNUAL RETURN****As on the financial year ended on 31<sup>st</sup> March, 2019**

[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	10 <sup>th</sup> 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	10-03-162, NCL Pearl, 7 <sup>th</sup> Floor, Near Rail Nilayam, Opp.Hyderabad Bhawan, S.D.Road, Secunderabad – 500 026 Telangana State, India. Tel No : (040) 30120000 Email : cs@nclind.com 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 12-10-167 (MIG), Bharat Nagar, Hyderabad – 500 018. Tel No : (040) 23818475 / 76 & 23868023 Fax No : (040) 2386 8024 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	85.45
2	Plain and laminated Cement Bonded Particle Boards	44	9.19

**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 Shareholding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year (As on 31-03-2019)				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Promoters & Promoter Group									
(1) Indian									
a) Individual/ HUF	13890095	0	13890095	30.71	16195369	35.80	16195369	35.80	5.10
b) Central Govt/State Govt(s)	0	0	0	0.00	0	0.00	0	0.00	0.00
c) Bodies Corporates	4152695	0	4152695	9.18	1946480	4.30	1946480	4.30	(4.88)
d) Financial Institutions/Banks	0	0	0	0.00	0	0.00	0	0.00	0.00
e) Any Others (PAC)	0	0	0	0.00	0	0.00	0	0.00	0.00
f) Trust	0	0	0	0.00		0.00		0.00	0.00
Sub-total (A) (1):-	18042790	0	18042790	39.89	18141849	40.11	18141849	40.11	0.22
(2) Foreign									
a) Individuals - (Non-Resident Individuals / Foreign Individuals)	100000	0	100000	0.22	100000	0.22	100000	0.22	
b) Other –Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (2):-	100000	0	100000	0.22	100000	0.22	100000	0.22	0.22
Total shareholding of Promoter (A)=(A) (1)+(A)(2)	18142790	0	18142790	40.11	18241849	0	18241849	40.33	0.22
(B) Public Shareholding									
1 Institutions									
a) Mutual Funds / UTI	6737375	5300	6742675	14.91	6172155	5250	6177405	13.66	(1.25)
b) Financial Institutions/Banks	26307	8750	35057	0.08	22750	8650	31400	0.07	(0.01)
c) Central Government/State Government(s)	0	7350	7350	0.02	0	7050	7050	0.02	0.00
b) Venture Capital Funds	0	0	0	0.00	0	0	0	0	0.00
c) Alternate Investment Funds	1544851	0	1544851	3.42	1575851	0	1575851	3.48	0.07
d) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0	0.00
e) Foreign Portfolio Investors – Individual (FPI)	0	0	0	0.00	0	0	0	0	0.00
f) Foreign Portfolio Investors – Corporate (FPI)	1078807	0	1078807	2.39	1095557	0	1095557	2.42	0.04
g) Insurance Companies	0	0	0	0.00	0	0	0	0	0.00
Provident Funds/Pension Funds									
Any Other									
Foreign Institutional Investors	0	0	0	0.00	0	0	0	0	0.00
Qualified Foreign Investor	0	0	0	0.00	0	0	0	0	0.00
Qualified Foreign Investor–Corporate	0	0	0	0.00	0	0	0	0	0.00
Foreign Bodies Corp	0	0	0	0.00	0	0	0	0	0.00
Foreign Nation	0	0	0	0.00	0	0	0	0	0.00
Sub-total (B)(1):-	9387340	21400	9408740	20.80	8866313	20950	8887263	19.65	(1.15)
B(2) Non-Institutions									
i) Individual shareholders holding nominal share capital upto ₹ 1 Lakh	7336421	1504956	8841377	19.55	7567652	1290977	8858629	19.58	0.04
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	5874576	53992	5928568	13.11	5681156	31909	5713065	12.63	(0.48)
Any Other									
a) Bodies Corporates	1540636	6650	1547286	3.42	1775201	6545	1781746	3.94	0.52
b) Clearing Member	116171	0	116171	0.26	148012	0	148012	0.33	0.07
c) Trust	23550	0	23550	0.05	4550	0	4550	0.01	(0.04)
d) NRI'S	564845	295	565140	1.25	882060	295	882355	1.95	0.70
e) IEPF Authority	659168	0	659168	1.46	715321	0	715321	1.58	0.12
Sub-Total(B)(2)	16115367	1565893	17681260	39.09	16773952	1329726	18103678	40.02	0.93
Total Public Shareholding B = (B)(1)+(B) (2)	25502707	1587293	27090000	59.89	25640265	1350676	26990941	59.67	(0.22)
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0	0
Grand Total (A+B+C)	43645497	1587293	45232790	100.00	43882114	1350676	45232790	100.00	0.00

## ii) Shareholding of Promoters:

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholders Name	Shareholding at the end of the year 31.03.2019			% 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	
1	Kalidindi Madhu Huf	0	0.00	0.00	Kalidindi Madhu Huf	1660	0.00	0.00	0.00
2	Nirhmal V Goradia Geeta Goradia	85963	0.19	100.00	Nirhmal V Goradia Geeta Goradia	85963	0.19	0.00	0.00
3	Geeta Goradia Nirhmal V Goradia	133815	0.30	100.00	Geeta Goradia Nirhmal V Goradia	133815	0.30	0.00	0.00
4	Meena Shah	13253	0.03	86.24	Meena Shah	11430	0.03	0.00	0.00
5	Ashwin Goradia Bharti Goradia	82844	0.18	94.99	Ashwin Goradia Bharti Goradia	82844	0.18	0.00	0.00
6	Vinodrai V Goradia Charulata V Goradia	548602	1.21	96.35	Vinodrai V Goradia Charulata V Goradia	548602	1.21	0.00	0.00
7	Meera Bimal Goradia Bimal V Goradia	114049	0.25	99.50	Meera Bimal Goradia Bimal V Goradia	114049	0.25	0.00	0.00
8	Bimal V Goradia Meera B Goradia	289537	0.64	61.36	Bimal V Goradia Meera B Goradia	290037	0.64	0.00	0.00
9	G Jyothi	166992	0.37	91.02	G Jyothi	166992	0.37	0.00	0.00
10	Kanumilli Malathi	8493	0.02	100.00	Kanumilli Malathi	8493	0.02	0.00	0.00
11	Ashven Datla	649194	1.44	93.94	Ashven Datla	649194	1.44	10.85	0.00
12	G D L Surya Narayana Raju	165437	0.37	43.65	G D L Surya Narayana Raju	0	0.00	0.00	(0.37)
13	Kalidindi Ravi	2914656	6.44	81.41	Kalidindi Ravi	2149460	4.75	0.00	(1.69)
14	Madhu Kalidindi	1171774	2.59	93.85	Madhu Kalidindi	613662	1.36	8.15	(1.23)
15	Bharti Goradia Ashwin Goradia	45941	0.10	94.56	Bharti Goradia Ashwin Goradia	45941	0.10	0.00	0.00
16	Penumatsa Satyanarayana Raju	54234	0.12	7.81	Penumatsa Satyanarayana Raju	54234	0.12	0.00	0.00
17	Valli P	2575	0.01	0.00	Valli P	2575	0.01	0.00	0.00
18	Penmetcha Ramalinga Raju	31321	0.07	100.00	Penmetcha Ramalinga Raju	31381	0.07	0.00	0.00
19	Vijaya Lakshmi Kanumilli	6692	0.01	100.00	Vijaya Lakshmi Kanumilli	0	0.00	0.00	(0.01)
20	Sarojini Kalidindi	317094	0.70	87.91	Sarojini Kalidindi	0	0.00	0.00	(0.70)
21	K Anuradha	770128	1.70	86.20	K Anuradha	811333	1.79	0.00	0.09
22	N Janaki	45155	0.10	100.00	N Janaki	45155	0.10	0.00	0.00
23	Goradia Charulata Vinodrai Goradia Vinodrai Vachharaj	311515	0.69	93.58	Goradia Charulata Vinodrai Goradia Vinodrai Vachharaj	313338	0.69	0.00	0.00
24	Utkal B Goradia Bimal V Goradia	57019	0.13	99.91	Utkal B Goradia Bimal V Goradia	57019	0.13	0.00	0.00
25	Penmettsa Narasimha Raju	1163119	2.57	97.29	Penmettsa Narasimha Raju	1163119	2.57	0.00	0.00
26	Penmettsa Vara Lakshmi	350355	0.77	95.92	Penmettsa Vara Lakshmi	350355	0.77	0.00	0.00
27	G V V R P Varma	72445	0.16	53.99	G V V R P Varma	72445	0.16	0.00	0.00
28	Madhavi Penumasta	12000	0.03	0.00	Madhavi Penumasta	41983	0.09	0.00	0.06
29	Kanumilli Sudheer	63710	0.14	64.06	Kanumilli Sudheer	63710	0.14	0.00	0.00
30	Gautam Kalidindi	688029	1.52	88.36	Gautam Kalidindi	1139630	2.52	17.55	1.00
31	Kalidindi Shilpa	1201797	2.66	82.48	Kalidindi Shilpa	2760833	6.10	0.00	3.44
32	Sridhar Bhupatiraju	204642	0.45	100.00	Sridhar Bhupatiraju	204642	0.45	0.00	0.00
33	Harini Gokul	60022	0.13	100.00	Harini Gokul	60022	0.13	0.00	0.00
34	S Gokul	81910	0.18	83.98	S Gokul	81910	0.18	0.00	0.00
35	Pooja Kalidindi	928292	2.05	78.00	Pooja Kalidindi	1217250	2.69	16.43	0.64
36	G.t.sandeep	152904	0.34	35.71	G.t.sandeep	233122	0.52	0.00	0.18
37	Vegesana Sailaja	10500	0.02	0.02	Vegesana Sailaja	10650	0.02	0.00	0.00
38	K Mallika	36263	0.08	100.00	K Mallika	36263	0.08	0.00	0.00
39	Roopa Kalidindi	561882	1.24	80.27	Roopa Kalidindi	2100320	4.64	0.00	3.40
40	Divya Penumacha	249942	0.55	100.00	Divya Penumacha	288521	0.64	0.00	0.09
41	Diti Ashwin Goradia	30000	0.07	91.67	Diti Ashwin Goradia	30000	0.07	0.00	0.00
42	Nishi Ashwin Goradia	30000	0.07	91.67	Nishi Ashwin Goradia	30000	0.07	0.00	0.00
43	Bhupatiraju Subba Raju	100000	0.02	100.00	Bhupatiraju Subba Raju	100000	0.22	0.00	0.20
44	Sai Sreedhar Kanumilli	6000	0.01	100.00	Sai Sreedhar Kanumilli	8192	0.02	0.00	0.01
45	Blue Valley Developers (P) Ltd	205658	0.45	100.00	Blue Valley Developers (P) Ltd	205658	0.45	0.00	0.00
46	Ncl Homes Ltd	437347	0.97	100.00	Ncl Homes Ltd	190451	0.42	0.00	(0.55)
47	Padma Gottumukkala	0	0.00	0.00	Padma Gottumukkala	85225	0.19	0.00	0.19
48	Ncl Holdings (A&S) Limited	0	0.00	0.00	Ncl Holdings (A&S) Limited	1550371	3.43	0.00	3.43
49	Ncl Alltek And Seccolor Ltd	1550371	3.43	100.00	Ncl Alltek And Seccolor Ltd	0	0.00	0.00	(3.43)
50	Deccan Nitrates Private Ltd	1209470	2.67	89.66	Deccan Nitrates Private Ltd	0	0.00	0.00	(2.67)
51	Kakatiya Industries Pvt Ltd	507827	1.12	100.00	Kakatiya Industries Pvt Ltd	0	0.00	0.00	(1.12)
52	Nagarjuna Cerachem Pvt Ltd	116567	0.26	100.00	Nagarjuna Cerachem Pvt Ltd	0	0.00	0.00	(0.26)
53	Vikram Chemicals Pvt Ltd	125455	0.28	100.00	Vikram Chemicals Pvt Ltd	0	0.00	0.00	(0.28)

## iii) Change in Promoters' Shareholding:

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
18142790			40.11				
S. No	Date	Increase	Decrease	Perc %	Reason		
1	26-12-2018	50000	0	0.11	Inter-se Transfer	18192790	40.22
2	26-12-2018	200000	0	0.44	Inter-se Transfer	18392790	40.66
3	26-12-2018	200000	0	0.44	Inter-se Transfer	18592790	41.10
4	7-1-2019	0	(507827)	0.00	Inter-se Transfer	18084963	39.98
5	26-11-2018	500	0	0.00	Purchase	18085463	39.98
6	12.10.2018	0	(5000)	0.00	Transmission	18080463	39.97
7	10-10-2018	0	(246896)	0.00	Inter-se Transfer	17833567	39.43
8	21-11-2018	0	(160437)	0.00	Transmission	17673130	39.07
9	18-12-2018	1138155	0	2.52	Inter-se Transfer	18811285	41.59
10	3-1-2019	400283	0	0.88	Inter-se Transfer	19211568	42.47
11	6-6-2018	1010	0	0.00	Purchase	19212578	42.47
12	2-7-2018	4251	0	0.01	Purchase	19216829	42.48
13	9-7-2018	8300	0	0.02	Purchase	19225129	42.50
14	12-7-2018	25000	0	0.06	Purchase	19250129	42.56
15	19-7-2018	10000	0	0.02	Purchase	19260129	42.58
16	18-9-2018	2609	0	0.01	Purchase	19262738	42.59
17	30-10-2018	8495	0	0.02	Purchase	19271233	42.60
18	18-12-2018	0	(830543)	0.00	Inter-se Transfer	18440690	40.77
19	3-1-2019	5682	0	0.01	Purchase	18446372	40.78
20	5-12-2018	809187	0	1.79	Inter-se Transfer	19255559	42.57
21	7-1-2019	507827	0	1.12	Inter-se Transfer	19763386	43.69
22	8-1-2019	242022	0	0.54	Inter-se Transfer	20005408	44.23
23	5-12-2018	0	(809187)	0.00	Inter-se Transfer	19196221	42.44
24	3-1-2019	0	(400283)	0.00	Inter-se Transfer	18795938	41.55
25	18-12-2018	0	(307612)	0.00	Inter-se Transfer	18488326	40.87
26	3-1-2019	0	(5682)	0.00	Inter-se Transfer	18482644	40.86
27	27-3-2019	60	0	0.00	Purchase	18482704	40.86
28	4-1-2019	1823	0	0.00	Inter-se Transfer	18484527	40.87
29	4-1-2019	0	(1823)	0.00	Inter-se Transfer	18482704	40.86
30	16-1-2019	0	(6692)	0.00	Inter-se Transfer	18476012	40.85
31	26-11-2018	0	(36154)	0.00	Inter-se Transfer	18439858	40.77
32	28-11-2018	0	(421938)	0.00	Inter-se Transfer	18017920	39.83
33	21-11-2018	80218	0	0.18	Transmission	18098138	40.01
34	18-12-2018	0	(70455)	0.00	Inter-se Transfer	18027683	39.86
35	30-3-2019	0	(1550371)	0.00	Inter-se Transfer	16477312	36.43
36	8-1-2019	0	(116567)	0.00	Inter-se Transfer	16360745	36.17
37	12-10-2018	38579	0	0.09	Inter-se Transfer	16399324	36.26
38	8-1-2019	0	(125455)	0.00	Inter-se Transfer	16273869	35.98

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
18142790			40.11				
S. No	Date	Increase	Decrease	Perc %	Reason		
39	6-7-2018	625	0	0.00	Purchase	16274494	35.98
40	20-7-2018	1000	0	0.00	Purchase	16275494	35.98
41	12-10-2018	35331	0	0.08	Inter-se Transfer	16310825	36.06
42	15-10-2018	3249	0	0.01	Inter-se Transfer	16314074	36.07
43	27-2-2019	1000	0	0.00	Purchase	16315074	36.07
44	14-9-2018	22083	0	0.05	Purchase	16337157	36.12
45	26-2-2019	3800	0	0.01	Inter-se Transfer	16340957	36.13
46	28-2-2019	4100	0	0.01	Purchase	16345057	36.14
47	12-10-2018	65579	0	0.14	Inter-se Transfer	16410636	36.28
48	28-11-2018	386022	0	0.85	Inter-se Transfer	16796658	37.13
49	26-12-2018	0	(200000)	0.00	Inter-se Transfer	16596658	36.69
50	12-10-2018	104158	0	0.23	Inter-se Transfer	16700816	36.92
51	26-11-2018	36154	0	0.08	Inter-se Transfer	16736970	37.00
52	28-11-2018	35916	0	0.08	Inter-se Transfer	16772886	37.08
53	30-11-2018	112730	0	0.25	Inter-se Transfer	16885616	37.33
54	26-12-2018	0	(200000)	0.00	Inter-se Transfer	16685616	36.89
55	5-6-2018	500	0	0.00	Purchase	16686116	36.89
56	4-7-2018	650	0	0.00	Purchase	16686766	36.89
57	5-7-2018	2000	0	0.00	Purchase	16688766	36.90
58	6-7-2018	1360	0	0.00	Purchase	16690126	36.90
59	7-7-2018	7500	0	0.02	Purchase	16697626	36.91
60	24-7-2018	700	0	0.00	Purchase	16698326	36.92
61	30-11-2018	0	(112730)	0.00	Inter-se Transfer	16585596	36.67
62	26-12-2018	0	(50000)	0.00	Inter-se Transfer	16535596	36.56
63	26-2-2019	0	(3800)	0.00	Inter-se Transfer	16531796	36.55
64	9-5-2018	500	0	0.00	Purchase	16532296	36.55
65	16-1-2019	1692	0	0.00	Purchase	16533988	36.55
66	18-12-2018	70455	0	0.16	Inter-se Transfer	16604443	36.71
67	25-05-2018	5	0	0.00	Purchase	16604448	36.71
68	20-07-2018	45	0	0.00	Purchase	16604493	36.71
69	27-07-2018	100	0	0.00	Purchase	16604593	36.71
70	2-4-2018	6	0	0.00	Purchase	16604599	36.71
71	12.10.2018	5000	0	0.01	Transmission	16609599	36.72
72	23.11.2018	80219	0	0.18	Transmission	16689818	36.90
73	21-09-2018	660	0	0.00	Purchase	16690478	36.90
74	22.02.2019	1000	0	0.00	Purchase	16691478	36.90
75	30.03.2019	1550371	0	3.43	Inter-se Transfer	18241849	40.33
At the end of the Year						18241849	40.33

## iv) Shareholding Pattern of Top 10 Shareholders (other than Promoters, Directors and Holder of GDRs &amp; ADRs) :

Shareholder(s)	Date	Shareholding at the beginning of the year			Cumulative Shareholding during the year	
		Purchase	Sale	As a Percentage	No. of Shares	As a Percentage
		(P)	(S)		(Tot)	
1 HDFC TRUSTEE CO LTD A/C HDFC HOUSING OPPORTUNITIES FUND-1140D NOVEMBER 2017 (1)	31-03-2018	0	0	0.00	1700000	3.76
	17-08-2018	1000000	0	2.21	2700000	5.97
	31-03-2019		0	0.00	2700000	5.97
2 RELIANCE CAPITAL TRUSTEE CO LTD.A/C RELIANCE VALUE FUND	30-06-2018	1325200	0	2.93	1325200	2.93
	31-03-2019	1325200	0	2.93	1325200	2.93
	06-07-2018	736950	0	1.63	2062150	4.56
3 SUNDARAM ALTERNATIVE OPPORTUNITIES FUND - NANO CAP SERIES I SUNDARAM ALTERNATIVE OPPORTUNITIES FUND - NANO CAP SERIES II	31-03-2018	0	0	0.00	1160061	2.56
	31-03-2019	0	0	0.00	1160061	2.56
	06-04-2018	0	0	0.00	384790	0.85
	31-03-2019	0	0	0.00	384790	0.85
4 SUMANTHA KUMAR REDDY B	31-03-2018	0	0	0.00	803801	1.78
	31-03-2019	0	0	0.00	803801	1.78
5 HSBC SMALL CAP EQUITY FUND	31-03-2018	0	0	0.00	151000	0.33
	10-08-2018	22933	0	0.05	173933	0.38
	17-08-2018	15000	0	0.03	188933	0.42
	24-08-2018	50000	0	0.11	238933	0.53
	07-09-2018	11067	0	0.02	250000	0.55
	05-10-2018	10000	0	0.02	260000	0.57
	26-10-2018	340000	0	0.75	600000	1.33
	31-03-2019	0	0	0	600000	1.33
6 THE MASTER TRUST BANK OF JAPAN, LTD. AS TRUSTEE OF HSBC INDIA INFRASTRUCTURE EQUITY MOTHER FUND	31-03-2018	0	0	0.00	477043	1.05
	16-11-2018	23424	0	0.05	500467	1.11
	07-12-2018	41668	0	0.09	542135	1.20
	31-03-2019		0	0.00	542135	1.20
7 HSBC INDIAN EQUITY MOTHER FUND	31-03-2018	0	0	0.00	517169	1.14
	31-03-2019	0	0	0.00	517169	1.14
8 CHANDRAVADAN DESAI	31-03-2018	0	0	0.00	473041	1.05
	02-11-2018	0	-4657	-0.01	468384	1.04
	09-11-2018	0	-16616	-0.04	451768	1.00
	31-03-2019	0			451768	1.00
9 CD EQUIFINANCE PRIVATE LIMITED	31-03-2018	0	0	0.00	368963	0.82
	01-06-2018	39182	0	0.09	408145	0.09
	15-06-2018	24166	0	0.05	432311	0.96
	30-06-2018	2000	0	0.00	434311	0.96
	01-03-2019	5007	0	0.01	439318	0.97
	08-03-2019	0	-25173	-0.06	414145	0.92
	31-03-2019	0			414145	0.92
	31-03-2018		0		150355	0.33
	01-06-2018		-39182	0.08	111173	0.24
	15-06-2018		-24166	0.05	87007	0.19
	30-06-2018		-2000	0.00	85007	0.18
	01-03-2019		-5007	0.01	80000	0.17
	08-03-2019	50000		0.11	130000	0.28
	22-03-2019		-80000	0.17	50000	0.11
	31-03-2019				50000	0.11
10 SUBRAMANIAN P	31-03-2018	0	0	0.00	409390	0.91
	31-03-2019	0	0	0.00	409390	0.91



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

## Shareholding of Directors:

Sl. No.	Name of Director	Shareholding beginning of the year		Shareholding as at 31 <sup>st</sup> March, 2019	
		Number of shares	% of total shares of the Company	Number of Shares	% of total shares of the Company
1	Mr. Anand Ramanna	540	0.00	540	0.00
2	Mr. K. Ravi	2914656	6.44	2149460	4.75
3	Mr. K. Madhu	1171774	2.59	613662	1.36
4	Mr. Vinodrai V. Goradia	548602	1.21	548602	1.21
5	Mr. Ashven Datla	649194	1.44	649194	1.44
6	Mr. Kamlesh Gandhi	Nil	Nil	0	0
7	Mrs.Roopa Bhupatiraju	561882	1.24	2100320	4.64
8	Mr.P.N.Raju	1163119	2.57	1163119	2.57
9	Dr.Kalidas Raghavapudi	Nil	Nil	0	0
10	Lt.Gen.(Retd) T.A.DCunha	1000	0.00	1000	0.00
11	Mr.V.Sitarama Raju	1040	0.00	1040	0.00
12	Mr. K.Gautam	688029	1.52	1139630	2.52
13	Mr.N.G.V.S.G.Prasad	50	0.00	50	0.00

## 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
K.Ravi	As at 1 <sup>st</sup> April, 2018	2914656	6.44
	Purchase	59665	0.13
	Add:Inter-se Transfers -Transmission	5682	0.01
	Less:Inter-se Transfer of Shares	830543	1.84
	As at 31 <sup>st</sup> March, 2019	2149460	4.75

Name of the Director	Particulars	Number of shares	% to total shares of the Company
K.Madhu	As at 1 <sup>st</sup> April, 2018	1171774	2.59
	Purchase (Increase)	62710	0.14
	Less: Inter-se Transfers	620822	1.37
	As at 31 <sup>st</sup> March, 2019	613662	1.36

Name of the Director	Particulars	Number of shares	% to total shares of the Company
Kalidindi Roopa	As at 1 <sup>st</sup> April, 2018	561882	1.24
	Inter-se Transfer -Transmission (Increase)	1538438	3.40
	Sale	-	-
	As at 31 <sup>st</sup> March, 2019	2100320	4.64

Name of the Director	Particulars	Number of shares	% to total shares of the Company
Gautam Kalidindi	As at 1 <sup>st</sup> April, 2018	688029	1.52
	Purchase ( Inter-se Transfer )	451601	1.00
	Sale	-	-
	As at 31 <sup>st</sup> March, 2019	1139630	2.52

- 1 There are no purchase and sale of shares by other Directors during the year.
- 2 The above details are based on the legal ownership and not on beneficial ownership.
- 3 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 1 <sup>st</sup> April, 2018		Shareholding as at 31 <sup>st</sup> March, 2019	
		Number of shares	% to total shares of the Company	Number of shares	% to total shares of the Company
1	Mr. K. Ravi Managing Director	2914656	6.44	2149460	4.75
2	K.Gautam – Executive Director	688029	1.52	1139630	2.52
3	Mr.N.G.V.S.G Prasad Executive Director & CFO	50	0.00	50	0.00
4	Mr. T. Arun Kumar Company Secretary & Compliance officer	4,650	0.01	4,650	0.01

**Notes :**

1. Details of changes in the shareholding of Mr. K.Ravi & Mr.K.Gautam are as per Note 1 to Clause (v) above.

**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
<b>Indebtedness as at 1<sup>st</sup> April,2018</b>				
i) Principal Amount	18,582.47	-	5,510.43	24,092.90
ii) Interest Due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	663.017	663.17
Total (i+ii+iii)	18,582.47	-	6,173.60	24,756.07
<b>Change in Indebtedness during the financial year</b>				
Addition	19,327.62	-	269.18	19,596.80
(Reduction)	(15,052.63)	-	-	(15,052.63)
Net Change	4,274.99	-	269.18	4,544.17
<b>Indebtedness as at 1<sup>st</sup> April,2019</b>				
i) Principal Amount	22,857.46	-	5,754.68	28,612.14
ii) Interest Due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	688.10	688.10
Total (i+ii+iii)	22,857.46	-	6,442.78	29,300.24

**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	2,74,14,710
	(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	1,29,72,614
	- as percentage of profit	2 %
	- others	
5.	Others	13,68,000
	<b>Total</b>	<b>4,17,55,324</b>
	Ceiling as per the Act (as Section 197&198 of the Companies Act,2013)	6,48,68,776

**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	
<b>1</b>	<b>Independent Directors</b>				
	Mr. Anand Ramanna	70,000	1,24,748	-	1,94,748
	Mr. Kamlesh Gandhi	1,35,000	2,74,445	-	4,09,445
	Dr. Kalidas Raghavapudi	1,00,000	1,99,595	-	2,99,595
	Lt.Gen.(Retd) T.A.DCunha	95,000	1,49,697	-	2,44,697
	V.S.Raju	1,35,000	2,74,445	-	4,09,445
	<b>Total (1)</b>	<b>5,35,000</b>	<b>10,22,930</b>	-	<b>15,57,930</b>
<b>2.</b>	<b>Other Non-Executive Directors</b>				
	Mr.K.Madhu	70000	1,24,748	-	1,94,748
	Mr.Ashven Datla	65,000	1,24,748	-	1,89,748
	Mrs.Roopa Bhupatiraju	30,000	49,899	-	79,899
	Mr. P.N. Raju	85,000	1,49,697	-	2,34,697
	Mr.Vinodrai V.Goradia	85,000	1,49,697	-	2,34,697
	<b>Total (2)</b>	<b>3,35,000</b>	<b>5,98,789</b>	-	<b>9,33,689</b>
	<b>Total (B)=(1+2)</b>	<b>8,70,000</b>	<b>16,21,719</b>	-	<b>24,91,719</b>
	Ceiling as per the Act				64,86,878
	<b>Total Managerial Remuneration</b>				<b>4,42,47,043</b>
	<b>Overall Ceiling as per the Act</b>				<b>7,13,55,654</b>

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

(Amount in rupees)

Sl. No.	Particulars of Remuneration	Company Secretary T.Arun Kumar	Total Amount
1.	Gross Salary		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	11,96,088	11,96,088
	(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		-
	Commission		-
4.	- as percentage of profit		-
	- others		-
5.	Others		-
	<b>Total</b>	<b>11,96,088</b>	<b>11,96,088</b>

**VII. PENALTIES /PUNISHMENTS/COMPOUNDING OFFENCES**

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

Vide an Adjudication Order dated 29<sup>th</sup> October 2018, the company has been imposed a monetary penalty of ₹ 5 lakhs on the company by SEBI for alleged failure to comply with Regulation 78(6) of SEBI (ICDR) Regulations.

The non-compliance with the regulations cited above were technical in nature, and did not result in any undue benefit or advantage to the Promoters. The above facts are brought out in the Adjudication Order itself.

**ANNEXURE - H 1****REMUNERATION DETAILS PURSUANT TO SECTION 197(2) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES**

(APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

- (i) The ratio of the remuneration of each director to the median remuneration of the employees of the company during the financial year 2018-19.

Sr. No.	Name of the Director	Ratio of remuneration of each Director to the median remuneration of the employees of the Company
1	Mr. Anand Ramanna	0.72
2	Mr. K. Madhu	0.72
3	Mr. Vinodrai V. Goradia	0.86
4	Mr. Ashven Datla	0.70
5	Mr. Kamlesh Gandhi	1.51
6	Mrs. Roopa Bhupatiraju	0.29
7	Mr. P.N. Raju	0.86
8	Dr. Kalidas Raghavapudi	1.10
9	Lt. Gen. (Retd.) T.A.D'Cunha	0.90
10	Mr. V. Sitarama Raju	1.51
11	Mr. K. Gautam	26.38
12	Mr. N.G.V.S.G. Prasad	15.78
13	Mr. K. Ravi	111.51

**ANNEXURE - H 2**

(ii) The percentage in increase in remuneration of directors/KMP if any during the Financial Year.

Sr. No.	Name of the Director/KMP	Designation	% Increase / (Decrease) in the Remuneration
1	Mr. R. Anand	Director	(2.36)
2	Mr. K. Madhu	Director	(44.83)
3	Mr. Vinodrai V. Goradia	Director	(2.35)
4	Mr. Ashven Datla	Director	(50.57)
5	Mr. Kamlesh Gandhi	Director	(11.12)
6	Mrs.Roopa Bhupatiraju	Director	95.40
7	Mr.P.N.Raju	Director	(16.55)
8	Dr.Kalidas Raghavapudi	Director	54.07
9	Lt.Gen.(Retd) T.A.D'Cunha	Director	22.68
10	Mr.V.Sitarama Raju	Director	(22.38)
11	Mr. K. Ravi	Managing Director & KMP	(3.15)
12	Mr. K.Gautam	Executive Director & KMP	14.29
13	Mr. N.G.V.S.G.Prasad	Executive Director & CFO & KMP	13.32
14	Mr. T. Arun Kumar	Company Secretary & KMP	8.30

- 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 31/03/2019 is 833
- The remuneration of Directors is as per the remuneration policy of the company.



# Independent Auditor's Report

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

## Opinion

We have audited the accompanying standalone Ind AS financial statements of **NCL Industries Limited** ('the Company'), which comprise the balance sheet as at 31<sup>st</sup> March 2019, the statement of profit and loss (including other comprehensive income), statement of changes in Equity and the statement of cash flows for the year the ended on 31<sup>st</sup> March, 2019 and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

## Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	Auditor's response
Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard) Principal Audit Procedures We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: The application of the new revenue accounting standard involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date	<b>Principal Audit Procedures:</b> We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: The application of the new revenue accounting standard involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period. Additionally, Evaluated the design of internal controls relating to implementation of the new revenue accounting standard. Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings. We reviewed the collation of information and the logic of the report generated from the budgeting system used to prepare the disclosure relating to the periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.

**Other Information:**

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued there under. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

**Auditor's Responsibility for the Audit of the Financial statements.**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from

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

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

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality

and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A to this report, a statement on the matters specified in the paragraph 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 it appears from our examination of those books;
  - c) the balance sheet, the statement of profit and loss, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued there under;

- e) on the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 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"; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion, and to the best of our information and according to the explanations given to us:
  - i. The pending litigations of the company that might impact the financial position of the company are disclosed in the standalone financial statements – Refer note no.34 to the financial statements.
  - ii. The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. The Company transferred an amount of ₹ 17.77 lakhs, being the unpaid dividend for the financial year 2010-11 to the Investor Education and Protection Fund during the year.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended.

The managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

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

**(P.V.SRI HARI)**  
Partner

Place : Hyderabad  
Date : 30.05.2019

Membership No.021961

## 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 2019, 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 not granted any Inter Corporate Deposits during the year to companies covered in the register maintained under section 189 of the Companies Act, 2013.
- (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, GST, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, the Company has generally been regular in depositing with the appropriate authorities during the year.  
  
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, 2019, 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 31<sup>st</sup> March 2019 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	3	CESTAT
Central Excise Department	Denying benefit of Cenvat Credit	63.85	Commissioner of Appeals
A.P. General Sales Tax Act	Declaring lesser turnover	8.97	Sales Tax Appellate Tribunal
Central Excise Department	Denying benefit of Cenvat Credit	977.68	CESTAT
Central Excise Department	Denying benefit of Cenvat Credit	14.81	CESTAT
Central Excise Department	Denying benefit of Cenvat Credit	22.46	CESTAT
Central Excise Department	Denying benefit of Cenvat Credit	24.92	CESTAT
A.P. General Sales Tax Act	Entry Tax on Notified Goods purchases	0.58	Sales Tax Appellate Tribunal
A.P. General Sales Tax Act	Entry Tax on Notified Goods purchases	2.22	Sales Tax Appellate Tribunal
A.P. General Sales Tax Act	Entry Tax on Notified Goods purchases	1.68	Sales Tax Appellate Tribunal
A.P. General Sales Tax Act	Entry Tax on Notified Goods purchases	78.99	Sales Tax Appellate Tribunal
A.P. General Sales Tax Act	Entry Tax on Notified Goods purchases	192.60	Sales Tax Appellate Tribunal
A.P. General Sales Tax Act	Sales Tax demand on additional turnover and denying ITC on Capital goods	77.01	Sales Tax Appellate Tribunal
A.P. General Sales Tax Act	Entry Tax on Notified Goods purchases	333.29	Sales Tax Appellate Tribunal
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)
Service Tax	Demand raised denying the Cenvat Credit of Service tax against outward Transport to Godowns, dealers and consumers	18.09	CESTAT
Central Tax	Demand of denying CENVAT credit on Capital goods(Steel items)	31.86	Central Tax(Appeals), Hyderabad.
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 given 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 given to us and based on our examination of the records of the Company, the Company has not made private placement of Equity Shares during the Year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with 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

Place: Hyderabad  
 Date: 30.05.2019



## **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, 2019 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.

#### **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 2019, 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

Place: Hyderabad  
Date: 30.05.2019

Membership No.021961

# Balance Sheet as at 31<sup>st</sup> March 2019

(₹ In Lakhs)

Particulars	Note No	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	3	65,839.87	69,250.64
(b) Capital work-in-progress		9,047.62	3,296.92
(c) Investment Property			
(d) Other intangible assets			
(e) Financial Assets			
(i) Investments			
(ii) Trade Receivables	4	59.94	63.43
(iii) Loans			
(iv) Other Financial Assets	5	1,454.41	1,197.51
(f) Deferred tax Assets (net)			
(g) Other non-current Assets	6	252.63	84.09
<b>Current Assets</b>			
(a) Inventories	7	8,462.47	7,907.77
(b) Financial Assets			
(i) Investments			
(ii) Trade Receivables	8	15,051.97	7,823.57
(iii) Cash & Cash Equivalents	9	1,298.53	1,216.03
(iv) Bank Balances other than (iii) above	10	939.85	392.28
(v) Loans	11	-	-
(vi) Other Financial Assets	12	639.94	593.32
(c) Current Tax Assets			
(d) Other Current Assets	13	6,441.80	4,401.35
<b>Total</b>		<b>109,489.03</b>	<b>96,226.91</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	14	4,523.28	4,523.28
(b) Other Equity	15	45,443.22	41,581.75
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	18,670.97	20,464.06
(ii) Trade Payables			
(iii) Other Financial Liabilities			
(b) Provisions	17	635.00	562.29
(c) Deferred Tax Liabilities (Net)	18	7,612.95	7,114.01
(d) Other non-current liabilities			
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	19	7,940.17	1,437.55
(ii) Trade payables	20		
a) Total outstanding dues of micro and small enterprises		26.68	25.78
b) Total outstanding dues of Creditors other than micro and small enterprises		7,217.14	4,776.99
(iii) Other Financial Liabilities	21	10,001.76	9,656.68
(b) Provisions	22	191.62	170.25
(c) Current Tax Liabilities (Net)	23	1,807.37	1,587.16
(d) Other current liabilities	24	5,418.87	4,327.11
<b>Total Equity and Liabilities</b>		<b>109,489.03</b>	<b>96,226.91</b>

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

For and on behalf of the Board

**K. Ravi**  
Managing Director

**Kamlesh Gandhi**  
Chairman

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

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

**T. Arun Kumar**  
Company Secretary

Hyderabad  
Dated: 30<sup>th</sup> May 2019

# Statement of Profit and Loss for the year ended 31<sup>st</sup> March 2019

Particulars	Note No.	(₹ In Lakhs)	
		Year Ended March 31, 2019	Year Ended March 31, 2018
<b>Income</b>			
i) Revenue From Operations			
Gross Revenue from Operations	25	146,505.76	133,291.13
Less: Inter Segment Transfers & Taxes on Sales		48,517.97	42,335.40
<b>Revenue From Operations (Net)</b>		<b>97,987.79</b>	<b>90,955.73</b>
ii) Other Income	26	635.13	707.62
<b>Total Income</b>		<b>98,622.92</b>	<b>91,663.35</b>
<b>Expenses</b>			
i) Cost of materials consumed	27	14,915.58	12,333.68
ii) Purchases of stock-in-trade	28	0.79	-
iii) Changes in inventories of finished goods, work-in-progress and stock-in-trade	29	(514.34)	(292.10)
iv) Excise Duty		-	2,915.61
v) Employee benefits expense	30	4,352.89	3,955.40
vi) Manufacturing Expenses	31	40,985.87	35,538.07
vii) Administration Expenses		2,107.11	1,838.91
viii) Selling and Distribution Expenses		22,668.40	21,360.56
ix) Finance Costs	32	3,479.12	3,101.53
x) Depreciation and amortisation expense	33	4,528.82	3,474.78
<b>Total expenses</b>		<b>92,524.24</b>	<b>84,226.44</b>
<b>Profit/(loss) before exceptional items and tax</b>		<b>6,098.68</b>	<b>7,436.91</b>
Exceptional Items		-	-
<b>Profit Before Tax</b>		<b>6,098.68</b>	<b>7,436.91</b>
Tax Expenses			
-Earlier Years' Tax		96.55	187.06
-Current Tax		825.09	1,587.16
-Deferred Tax		498.94	751.93
<b>Profit/(loss) for the period from continuing operations</b>		<b>4,678.10</b>	<b>4,910.76</b>
Profit/(loss) from discontinued operations		-	-
Tax expense of discontinued operations		-	-
<b>Profit/(loss) from discontinued operations after tax</b>		<b>-</b>	<b>-</b>
<b>I Profit/(loss) for the Period</b>		<b>4,678.10</b>	<b>4,910.76</b>
<b>II Other Comprehensive Income</b>		<b>-</b>	<b>-</b>
i) Items that will not be reclassified to profit or loss:			
- Impairment of allowances in doubtful debt		-	-
- Remeasurements of the defined benefit plans		-	-
- Equity Instruments through other comprehensive income		-	-
- Income Tax relating to these items		-	-
ii) Items that will be reclassified to profit or loss:			
- Debt Instruments through Other Comprehensive Income		-	-
- The effective portion of gains and loss on hedging instruments in a cash flow hedge		-	-
- Income Tax relating to these items		-	-
<b>Other Comprehensive Income</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive Income for the period</b>		<b>4,678.10</b>	<b>4,910.76</b>
Earnings per equity share :			
(1) Basic (in ₹)		<b>10.34</b>	<b>12.51</b>
(2) Diluted (in ₹)		<b>10.34</b>	<b>12.51</b>

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

For and on behalf of the Board

**K. Ravi**  
Managing Director

**Kamlesh Gandhi**  
Chairman

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

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

**T. Arun Kumar**  
Company Secretary

Hyderabad  
Dated: 30<sup>th</sup> May 2019

# Statement of Changes in Equity for the year ended 31<sup>st</sup> March 2019

## A. Equity Share Capital

(In Rupees lakhs)

Particulars	No of Shares	Amount
Balance as on 1 <sup>st</sup> April, 2017	36,732,790	3,673.28
Changes in Equity Share Capital during the year	8,500,000	850.00
Balance as on 31 <sup>st</sup> March, 2018	45,232,790	4,523.28
Changes in Equity Share Capital during the year	-	-
Balance as on 31 <sup>st</sup> March, 2019	45,232,790	4,523.28

## B. Other Equity

	Reserves and Surplus					Total
	General Reserve	Capital Reserve	Securities Premium Reserve	Debenture Redemption Reserve	Retained Earnings	
Balance as on 31 <sup>st</sup> March, 2017	7,500.00	240.91	2,321.59	5,500.00	3,430.54	18,993.04
Changes in Accounting Policy or Prior period errors					-	-
Balance as on 1 <sup>st</sup> April, 2017	7,500.00	240.91	2,321.59	5,500.00	3,430.54	18,993.04
Profit for the year					4,910.76	4,910.76
Payment of Dividend and Dividend Distribution Tax					(1,208.17)	(1,208.17)
Deferred Tax on fixed assets						-
Prior Period Adjustments					(15.13)	(15.13)
Securities Premium on shares issued		-	18,901.25			18,901.25
Transfer to Debenture Redemption Reserve	2,125.00			(2,125.00)		-
Transfer to General Reserve	4,000.00				(4,000.00)	-
Balance as on 31 <sup>st</sup> March, 2018	13,625.00	240.91	21,222.84	3,375.00	3,117.99	41,581.75
Profit for the year					4,678.10	4,678.10
Payment of Dividend and Dividend Distribution Tax					(816.62)	(816.62)
Deferred Tax on fixed assets					-	-
Prior Period Adjustments					-	-
Securities Premium on shares issued net of expenses		-	-			-
Transfer to/from Debenture Redemption Reserve	3,375.00			(3,375.00)		-
Transfer to General Reserve	3,500.00				(3,500.00)	-
Balance as on 31 <sup>st</sup> March, 2019	20,500.00	240.91	21,222.84	-	3,479.47	45,443.22

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. 0046715

For and on behalf of the Board

**K. Ravi**  
 Managing Director

**Kamlesh Gandhi**  
 Chairman

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

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

**T. Arun Kumar**  
 Company Secretary

Hyderabad  
 Dated: 30<sup>th</sup> May 2019

# Cash Flow Statement for the year ended 31<sup>st</sup> March 2019

(In Rupees Lakhs )

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Cash flow from operating activities		
Profit before income tax from		
Continuing operations	6,098.68	7,436.91
Discontinued operations	-	-
Profit before income tax including discontinued operations	6,098.68	7,436.91
Adjustments for		
Depreciation and amortisation expense	4,528.82	3,474.78
Finance costs	3,479.12	3,101.53
	<b>14,106.62</b>	<b>14,013.22</b>
Change in operating assets and liabilities, net of effects from purchase of controlled entities and sale of subsidiary:		
(Increase)/Decrease in trade receivables	(7,224.91)	(3,122.54)
(Increase)/Decrease in inventories	(554.70)	(818.97)
Increase/(Decrease) in trade payables	2,441.05	325.39
(Increase)/Decrease in other financial assets	(303.52)	1,919.05
(Increase)/Decrease in other non-current assets	(168.54)	(8.19)
(Increase)/Decrease in other current assets	(1,058.18)	3,368.78
Increase/(Decrease) in provisions	21.37	9.94
Increase/(Decrease) in employee benefit obligations	72.71	38.24
Increase/(Decrease) in other current liabilities	1,091.76	965.26
Increase/(Decrease) in financial liabilities	345.08	495.51
Cash generated from operations	8,768.74	17,185.69
Income taxes paid	1,683.71	1,547.06
Net cash inflow from operating activities	7,085.03	15,638.64
Cash flows from investing activities		
Payments for property, plant and equipment	(6,890.76)	(22,283.06)
Proceeds from sale of property, plant and equipment	22.01	18.13
Net cash outflow from investing activities	(6,868.75)	(22,264.93)
Cash flows from financing activities		
Proceeds from issues of shares	-	20,187.50
Share issue costs	-	(436.25)
Proceeds/(Repayment) of borrowings	4,709.53	(8,523.19)
Interest paid	(3,479.12)	(2,970.92)
Dividends paid to Company's share holders	(816.62)	(1,208.17)
Net cash inflow (outflow) from financing activities	413.79	7,048.97
Net increase (decrease) in cash and cash equivalents	630.07	422.67
Cash and cash equivalents at the beginning of the financial year	1,608.31	1,185.64
Cash and cash equivalents at end of the year	2,238.38	1,608.31

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

For and on behalf of the Board

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

**K. Ravi**  
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Chairman

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Executive Director & CFO

**T. Arun Kumar**  
Company Secretary

Hyderabad  
Dated: 30<sup>th</sup> May 2019

# Notes forming part of the Financial Statements

## Note 1: COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES:

### Company Overview

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

### Basis of Preparation of Financial Statements:

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

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

These financial statements were approved for issue in accordance with the resolution of the Board of Directors on May 30, 2019.

### Basis of Measurement

These financial statements have been prepared on a historical cost convention and on an accrual basis, except for certain assets and liabilities which have been measured at fair value as per Ind AS.

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

The financial statements are presented in Indian Rupees (INR) being the functional currency of the Company. All

financial information presented in Indian rupees has been rounded to the nearest lakhs, except otherwise indicated.

### Use of Estimates

The preparation of financial statements in conformity with Ind AS requires management to make estimates, judgments' and assumptions (including revisions, if any). These estimates, judgments and assumptions affect the application of accounting policies and reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenue and expenses during the period.

Appropriate changes in the estimates are made as management becomes aware of changes in circumstances. Changes in the estimates are reflected in the financial statements in the period in which changes are made.

### Classification of Current / Non-Current Assets and Liabilities

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

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

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

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

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

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

Based on the nature of products and the time between the acquisition of assets for processing and their realisation in Cash or cash equivalents, the Company has ascertained its



normal operating cycle as 12 months for the purpose of Current / Non-current classification of assets and liabilities.

#### **Revenue of Recognition:**

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

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018).

The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. Refer note 1 on – Significant accounting policies – Revenue recognition in the Annual report of the Company for the year ended March 31, 2018, for revenue recognition policy as per Ind AS 18 and Ind AS 11. The impact of adoption of the standard on the financial statements of the Company is insignificant.

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

**Rendering of services:** Revenue arising from services is recognised in the accounting period in which the services are rendered, and it is measured using either output methods or input methods, depending on the nature of service provided. A receivable is recognized when there is an unconditional right to consideration for the performance obligations to the customer that are satisfied. Interest income is recognized using the effective interest rate method.

A contract asset is recognized when the performance obligation to the customer is satisfied before the customers pays or before payment is due, usually when

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

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

**Sale of Goods:** Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer on delivery of the goods.

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

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

#### **Property Plant and Equipment:**

Property, Plant and Equipment are stated at cost net of GST, wherever eligible and subsequently at cost less depreciation and impairment losses if any.

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. 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). Depreciation for assets purchased/sold during the period is proportionately charged. Individual low cost assets (acquired for ₹ 5,000/- or less) are depreciated at 100 % in the year of acquisition/ purchase.

#### **Inventories**

Inventories are valued at lower of cost or net realizable value.

Basis of determination of cost remain as follows:

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

Spares- at Cost

Work-in-process: At cost of inputs plus overheads up to the stage of completion.

Finished goods are valued at lower of cost or net realizable value.

**Impairment:**

As at the end of each Balance Sheet date, the carrying amount of assets is assessed as to whether there is any indication of impairment. If the estimated recoverable amount is found less than its carrying amount, the impairment loss is recognized and assets are written down to their recoverable amount.

**Borrowing Costs**

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

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

**Foreign Exchange Transactions/Translation**

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

**Research and Development**

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

**Provisions, Contingent Assets/ Contingent Liabilities**

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

Show cause notices issued by Government Authorities where the probability of outflow of economic resources is remote are not considered as obligations. When the demands are raised against show-cause notices and are disputed by the company, these are treated as disputed obligations along with other contingent liabilities. Such contingent liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

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

**Leases**

Where the company is a lessee Operating lease payments are recognized as expense on a straight line basis over the lease term.

**Income Tax:**

Income tax expense represents the sum of current tax payable and deferred tax. Current Tax: The tax currently payable is based on the current year taxable profit for the year. The current tax is calculated using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax: Deferred tax is provided using the Balance Sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that the taxable profits will be available against which those deductible temporary differences can be utilized. Deferred tax is calculated using the tax rates that have been enacted or substantively enacted at the end of the reporting period. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

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

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

**Earnings per Share**

The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for shares held. Diluted earnings per share is determined by adjusting the profit or loss attribute to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for shares held, for the effects of all dilutive potential ordinary shares.

**Employee benefits:**

Defined Contribution Plans: Payments made to a defined contribution plan such as provident Fund are charged as an expense in the Profit and Loss Account as they fall due.

Defined Benefit Plans: Company's liability towards gratuity to past service of employees is determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past services are recognized on a straight-line basis over the average period until the amended benefits become vested. Actuarial gain and losses are recognized immediately in the statement of profit and

loss Account as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government Securities where the currency and terms of the Government Securities are consistent with the currency and estimate terms of the defined benefit obligations.

#### **Financial Instruments:**

##### **Non-derivative financial instruments**

Non-derivative financial instruments consist of:

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

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

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

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

##### **Cash and cash equivalents**

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

##### **Loans and receivables**

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

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

#### **Borrowings**

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

#### **Trade and payable**

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

#### **Cash Flow Statement:**

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

#### **Segment Information:**

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

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

**Allocation of common costs:** Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

**Inter-segment transfers:** Inter-segment revenue has been accounted for based on the transaction price agreed to between segments which is based on current market prices.

##### **a) Segment Assets and Liabilities:**

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

##### **b) Segment Revenue and Expenses:**

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

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

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

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

#### **Events after the reporting period :**

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

#### **Prior Period Errors**

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

that condition and the description of how and from where the error is corrected are disclosed in Notes to Accounts.

2. Ind AS 116 Ministry of Corporate affairs notified this amendment on 30<sup>th</sup> March 2019, Measurement will be effective from the year beginning on or after 1<sup>st</sup> April 2019. The Company is currently evaluating the effect of this standard on the financial statements.

Ind AS 12 Appendix C Uncertainty over Income tax treatments: Ministry of Corporate affairs notified this amendment on 30<sup>th</sup> March 2019, with an effective date of adoption of Ind AS 12 Appendix C from 1<sup>st</sup> April 2019. The Company is currently evaluating the effect of this standard on the financial statements.

Amendment to Ind AS 12: Ministry of Corporate affairs notified this amendment on 30<sup>th</sup> March 2019 relating to income tax consequences on dividend and distribution tax. The company has no investments and hence the impact of this amendment may not be applicable to this company.

Amendment to Ind AS 19 – Plan amendment, curtailment and settlement Ministry of Corporate affairs notified this amendment on 30<sup>th</sup> March 2019, issued amendments to Ind AS 19 Employee Benefits. These amendments are applicable to the accounting period beginning on 1<sup>st</sup> April 2019. The Company is evaluating the impact of this amendment in the financial statements.

### 3 Property, Plant and Equipment

(In Rupees lakhs)

Particulars	Gross carrying value as at April 1, 2018	Additions	Disposal/adjustments	Gross carrying value as at March 31, 2019	Accumulated depreciation as at April 1, 2018	Additions	Disposal/adjustments	Accumulated depreciation as at March 31, 2019	Carrying Value as at March 31, 2019
Land	4,363.80	601.79	-	4,965.59	-	-	-	-	4,965.59
Buildings	11,063.31	272.42	12.81	11,322.92	544.92	390.75	0.55	935.12	10,387.79
Plant and Machinery	52,004.35	71.39	-	52,075.74	2,802.02	2,247.21	-	5,049.23	47,026.51
Electrical Installations	2,322.41	-	-	2,322.41	1,243.62	647.10	-	1,890.72	431.69
Railway Siding	521.41	-	-	521.41	118.16	59.08	-	177.25	344.16
Furniture and Fixtures	83.65	137.52	-	221.17	30.61	14.59	-	45.20	175.97
Office Equipment & Appliances	121.11	34.25	-	155.36	65.41	32.36	-	97.77	57.59
Vehicles	4,758.88	22.69	23.22	4,758.35	1,183.53	1,137.73	13.47	2,307.79	2,450.56
<b>Total</b>	<b>75,238.91</b>	<b>1,140.06</b>	<b>36.03</b>	<b>76,342.94</b>	<b>5,988.27</b>	<b>4,528.82</b>	<b>14.02</b>	<b>10,503.07</b>	<b>65,839.87</b>
Particulars	Deemed cost as at April 1, 2017	Additions	Disposal/adjustments	Gross carrying value as at March 31, 2018	Accumulated depreciation as at April 1, 2017	Additions	Disposal/adjustments	Accumulated depreciation as at March 31, 2018	Carrying Value as at March 31, 2018
Land	1,610.56	2,753.24	-	4,363.80	-	-	-	-	4,363.80
Buildings	6,999.93	4,078.83	15.45	11,063.31	262.12	282.91	0.11	544.92	10,518.39
Plant and Machinery	27,062.44	24,941.91	-	52,004.35	1,343.27	1,458.75	-	2,802.02	49,202.33
Electrical Installations	2,322.41	-	-	2,322.41	652.92	590.69	-	1,243.62	1,078.79
Railway Siding	521.41	-	-	521.41	59.08	59.08	-	118.16	403.24
Furniture and Fixtures	68.14	15.51	-	83.65	15.68	14.93	-	30.61	53.04
Office Equipment & Appliances	93.10	28.01	-	121.11	26.25	39.16	-	65.41	55.70
Vehicles	2,372.98	2,388.69	2.79	4,758.88	154.28	1,029.25	-	1,183.53	3,575.35
	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>41,050.96</b>	<b>34,206.19</b>	<b>18.24</b>	<b>75,238.91</b>	<b>2,513.60</b>	<b>3,474.78</b>	<b>0.11</b>	<b>5,988.27</b>	<b>69,250.64</b>

#### Capital Work in Progress

Balance as at April 1, 2017	15,220.05
Additions/ Adjustments during the year	17,163.68
Capitalized during the year	29,086.81
<b>Balance as at March 31, 2018</b>	<b>3,296.92</b>
Additions/ Adjustments during the year	5,750.70
Capitalized during the year	0
<b>Balance as at March 31, 2019</b>	<b>9,047.62</b>

**4. Trade Receivables Non Current**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Other Trade Receivables</b>		
Secured, considered good	-	-
Unsecured, considered good	173.94	135.43
Doubtful	-	-
Allowances for doubtful debts	114.00	72.00
<b>Total</b>	<b>59.94</b>	<b>63.43</b>

The Company applies Expected Credit Loss and provision is made for recognition of impairment loss on its trade receivables.

**Movement in allowances for doubtful debt**

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	72.00	36.00
Impairment losses recognised	42.00	36.00
<b>Balance at the end of the year</b>	<b>114.00</b>	<b>72.00</b>

**5. Other Financial Assets Non Current**

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured (considered good)		
Security Deposits		
Deposits with AP & TS SEB	1,095.22	847.94
Deposits with Government Departments	254.09	198.24
Deposits with Others	27.86	15.95
Rental Deposits	77.25	135.37
<b>Total</b>	<b>1,454.41</b>	<b>1,197.51</b>

**6. Other Non-Current Assets**

Particulars	As at March 31, 2019	As at March 31, 2018
Deposits in disputed cases		
Taxes paid under protest	252.63	84.09
<b>Total</b>	<b>252.63</b>	<b>84.09</b>

**7. Inventories**

Particulars	As at March 31, 2019	As at March 31, 2018
Raw Materials	1,441.04	1,275.77
Finished Goods	2,177.00	1,925.96
Work in Progress	769.79	506.49
Packing & Other Materials	1,175.40	1,466.75
Stores & Spares	2,899.24	2,732.80
<b>Total</b>	<b>8,462.47</b>	<b>7,907.77</b>



**8. Trade Receivables Current**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>(i) Trade Receivables from related parties</b>		
Secured, considered good	-	-
Unsecured, considered good	314.43	321.45
Doubtful	-	-
Allowances for doubtful debts	-	-
Sub-Total	314.43	321.45
<b>(ii) Other Trade Receivables</b>		
Secured, considered good	-	-
Unsecured, considered good	14,737.54	7,502.12
Doubtful	-	-
Allowances for doubtful debts	-	-
Sub-Total	14,737.54	7,502.12
<b>Total</b>	<b>15,051.97</b>	<b>7,823.57</b>

Out of the above, amount due by directors or other officers of the company or any of them either severally or jointly with any other person or amounts due by firms or private companies respectively in which any director is a partner or a director or a member is ₹ 314.43 lakhs (₹ 321.45 lakhs, 31<sup>st</sup> March 2018).

**9. Cash & Cash Equivalents**

Particulars	As at March 31, 2019	As at March 31, 2018
Cash on hand	5.16	10.64
Cheques, Drafts on hand	-	-
Balances with Banks		
(a) in Current Account	496.29	437.00
(b) in Cash Credit Account	-	-
Fixed Deposits Redemption Reserve	797.08	768.39
<b>Total</b>	<b>1,298.53</b>	<b>1,216.03</b>

**10. Bank Balances other than above**

Particulars	As at March 31, 2019	As at March 31, 2018
Unclaimed Dividend	114.49	129.43
Margin money deposits with Banks	823.83	260.66
Others	1.53	2.19
<b>Total (A)</b>	<b>939.85</b>	<b>392.28</b>

**11. Loans**

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**12. Other Financial Assets Current**

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured (considered good)		
Incentives Receivable from A.P/Telangana State Governments	593.32	593.32
Cash Ledger balance in GST		
Other Advances	46.62	-
<b>Total</b>	<b>639.94</b>	<b>593.32</b>

**13. Other Current Assets**

Particulars	As at March 31, 2019	As at March 31, 2018
Un Secured Considered Good		
Advances to Suppliers	1,951.23	2,176.77
Advances for Capital Goods	1,697.34	626.78
Advances to Others	80.98	123.48
GST, Central Excise, Service Tax, VAT & Other Receivables	833.54	552.28
MAT Credit Entitlement Account	1,778.64	796.37
Accrued Interest	57.23	57.23
Prepaid expenses	42.84	68.44
<b>Total</b>	<b>6,441.80</b>	<b>4,401.35</b>

**14 Equity Share Capital**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Authorized</b>		
6,20,00,000 (Previous Year 6,20,00,000) Equity shares of ₹ 10/- each	6,200.00	6,200.00
<b>Issued,Subscribed &amp; Paid up</b>		
4,52,32,790 (Previous Year 4,52,32,790) Equity Shares of ₹ 10/- each	4,523.28	4,523.28
<b>Total</b>	<b>4,523.28</b>	<b>4,523.28</b>

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

The Company does not have any Subsidiary companies.

(b) No. of Shares in the company held by shareholder holding more than 5 percent

Name of the Shareholder	31 Mar 2019		31 Mar 2018	
	No of Shares	% of Holding	No of Shares	% of Holding
<b>K. Ravi</b>	2,149,450	4.75	2,914,656	6.44
<b>HDFC Trustee Co Limited ( HDFC Housing Opportunities Fund)</b>	2,700,000	5.97	1,700,000	3.76
<b>Kalidindi Shilpa</b>	<b>2,760,833</b>	<b>6.10</b>	<b>1,201,797</b>	<b>2.66</b>

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

Equity shares	31 Mar 2019		31 Mar 2018	
	No. of shares	₹ Lakhs	No. of shares	₹ Lakhs
At the beginning of the year	45,232,790	4,523.28	36,732,790	3,673.28
Equity Shares issued during the year	-	-	8,500,000	850.00
<b>At the end of the year</b>	<b>45,232,790</b>	<b>4,523.28</b>	<b>45,232,790</b>	<b>4,523.28</b>

**15. Other Equity**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Capital Reserve</b>	<b>240.91</b>	<b>240.91</b>
<b>Securities Premium Reserve</b>		
Balance as per the last Financial statement	21,222.84	2,321.59
Add: Premium on shares issued during the current year	-	18,901.25
<b>Closing balance</b>	<b>21,222.84</b>	<b>21,222.84</b>
<b>General Reserve</b>		
Balance as per the last Financial statement	13,625.00	7,500.00
Less: Transfer to/from Debenture Redemption Reserve	3,375.00	2,125.00
Add: Amount transferred from surplus	3,500.00	4,000.00
<b>Closing balance</b>	<b>20,500.00</b>	<b>13,625.00</b>
<b>Debenture Redemption Reserve</b>		
Balance as per the last Financial statement	3,375.00	5,500.00
Add: Amount transferred to/from General Reserve	(3,375.00)	(2,125.00)
<b>Closing balance</b>	<b>-</b>	<b>3,375.00</b>
<b>Retained Earnings</b>		
Balance as per the Last Financial Statement	3,117.99	3,430.54
Add: Profit / (Loss) for the Year	4,678.10	4,910.76
Less: Interim Dividend and Dividend tax paid	-	545.01
Less: Final Dividend and Dividend tax paid	816.62	663.16
Less: Transfer to General Reserve	3,500.00	4,000.00
Less: Prior Period adjustments		15.13
<b>Total Appropriations</b>		
<b>Closing Balance</b>	<b>3,479.47</b>	<b>3,117.99</b>
<b>Total</b>	<b>45,443.22</b>	<b>41,581.75</b>

Nature of Reserves:

Capital Reserve: Represent the Capital Subsidies received from government.

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

General Reserve: This represents the appropriation of Profit

Retained Earnings: Represents the undistributed earnings post taxes.

**Dividends:**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Dividends Recognised</b>		
Final Dividend for the year ended March 31, 2018 of ₹ 1.50 (Rs 1.50 for year 2017) per fully paid up share.	678.49	550.99
Interim Dividend for the year ended March 31, 2019 of ₹ 0.00 (₹ 1.00 for year 2018) per fully paid up share.	-	452.33
<b>Dividends not recognised at the end of reporting period</b>		
In addition to above, dividend proposed of ₹ 2.50 (₹1.50 for year ended March 31, 2018) per fully paid equity share. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting	1,130.82	678.49

## Non Current Liabilities

## 16. Borrowings

	As at March 31, 2019	As at March 31, 2018
<b>Secured</b>		
Term Loans		
- From Banks (Refer Note 'a')	10,125.00	-
- From Other parties		
Secured Redeemable Non Convertible Debentures	-	13,500.00
Vehicle & Equipment Finance Loans from Banks & Financial Companies (Refer Note 'b')	1,975.73	2,067.54
<b>Total Secured Loans</b>	<b>12,100.73</b>	<b>15,567.54</b>
<b>Un Secured</b>		
Deposits from Dealers / Stockists (Note 'c')	4,950.39	3,675.76
Deposits from Public & Shareholders (Note 'd')	1,619.85	1,220.76
<b>Total Un Secured Loans</b>	<b>6,570.24</b>	<b>4,896.52</b>
<b>Total</b>	<b>18,670.97</b>	<b>20,464.06</b>

- a. The Company has raised an amount of ₹ 135 Crores as term loan and redeemed Non Convertible debentures. The term loan is repayable in five years with equal quarterly repayments. The term loan is secured by pari passu first charge on the fixed assets of the Company excluding exclusive charge given to equipment lenders & second charge on all current assets of the Company (both present & future) along with personal guarantees of Promoter Directors. The term loan carries an interest rate of 9.85% per annum.
- 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 @ 7.80% to 9.50% p.a.
- c. 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.
- d. Deposits from Public & Shareholders carry interest from 9% to 11.5%. The maturity of these deposits fall on different dates depending on the date of each deposit.

## 17. Provisions Non Current

	As at March 31, 2019	As at March 31, 2018
<b>Provision for Employee Benefits</b>		
Provision for Gratuity	501.81	446.92
Provision for Leave benefits	133.19	115.37
<b>Total Provisions</b>	<b>635.00</b>	<b>562.29</b>

## 18. Deferred Tax Assets and Liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Deferred Tax Liability</b>		
Property, plant and equipment	7,867.27	7,379.98
Intangible assets	-	-
<b>Sub Total</b>	<b>7,867.27</b>	<b>7,379.98</b>
<b>Deferred Tax Assets</b>		
Unabsorbed Depreciation as per Income Tax	-	-
Short Term Capital Loss as per Income Tax	-	-
Employee benefits	(239.78)	(253.52)
Provisions	(14.54)	(12.46)
<b>Sub Total</b>	<b>(254.32)</b>	<b>(265.98)</b>
<b>Net Deferred Tax Assets</b>	<b>7,612.95</b>	<b>7,114.01</b>

**Movement in Deferred Tax balances during the year**

Particulars	Balance As at March 31, 2018	Recognised in Profit and Loss	Recognised in OCI	Recognised Directly in equity	Reclassified from Equity to Profit and Loss Statement	Balance As at March 31, 2019
Property, plant and equipment	7,694.67	172.59	-	-	-	7,867.27
Intangible assets			-	-	-	-
Employee benefits	(449.52)	209.73	-	-	-	(239.78)
Provisions	(131.15)	116.61	-	-	-	(14.54)
Unabsorbed Depreciation as per Income Tax	-	-	-	-	-	-
Short Term Capital Loss as per Income Tax	-	-	-	-	-	-
<b>Total</b>	<b>7,114.01</b>	<b>498.94</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,612.95</b>

**19. Borrowings Current**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Loans payable on Demand</b>		
- From Banks		
- Secured		
- Cash Credit Loans from Banks	7,940.17	1,437.55
<b>Total</b>	<b>7,940.17</b>	<b>1,437.55</b>

Cash credit Loans from Banks viz. Axis Bank Ltd, and Yes Bank 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.

**20. Trade Payable Current**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>CURRENT</b>		
Other than Micro and Small Enterprises		
-Trade Payables	5,435.87	4,047.74
-Sundry Creditors - Capital goods	1,781.27	729.25
Micro and Small Enterprises	26.68	25.78
<b>Total</b>	<b>7,243.82</b>	<b>4,802.77</b>

Based on the information available with the Company, amount of dues to Micro, Small and Medium Enterprises outstanding for more than 45 days as at 31<sup>st</sup> March 2019 is ₹ 6.41 lakhs (2017-18 : ₹ 4.44 lakhs)

**21. Other Financial Liabilities Current**

Particulars	As at March 31, 2019	As at March 31, 2018
Vehicle & Equipment Finance Loans from Banks & Financial Companies	116.56	1,577.38
Deposits from Public & Shareholders	4,134.83	4,289.67
Interest accrued and not due	688.10	663.17
Unclaimed Dividend	114.49	129.43
Other Expenses including Provisions	2,217.50	2,967.82
Employee related payables PF, ESI & Others	30.28	29.21
Current Maturities of Long term Debt	2,700.00	-
<b>Total</b>	<b>10,001.76</b>	<b>9,656.68</b>

**22. Provisions Current**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Provision for Employee Benefits</b>		
Provision for Gratuity	40.94	35.89
Provision for Leave benefits	16.92	10.04
Provision for Employee Bonus & Ex-Gratia	133.76	124.32
<b>Total Provisions</b>	<b>191.62</b>	<b>170.25</b>

**23. Current Tax Liabilities (Net)**

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	1,587.16	1,360.00
Current Tax Payable for the Year	1,903.92	1,774.22
Less: Taxes Paid	1,683.71	1,547.06
<b>Total</b>	<b>1,807.37</b>	<b>1,587.16</b>

**24. Other Current Liabilities**

Particulars	As at March 31, 2019	As at March 31, 2018
Advance Received from Customers	2,713.64	2,301.86
<b>Statutory dues Payable</b>		
GST, Value Added Tax & CST Payable	2,595.37	1,935.20
TDS Payable	109.86	90.05
<b>Total</b>	<b>5,418.87</b>	<b>4,327.11</b>

**25. Revenue From Operations****Disclosure in respect of Indian Accounting Standard (Ind AS)-115: "Revenue from Contract with Customers"****Transitional Provision**

The company has adopted the new Indian Accounting Standard 115 (Revenue from Contract with Customers) retrospectively with cumulative effect of adoption as an adjustment to opening retained earnings as on 01.04.2018. The company has examined the changes brought in under Ind AS 115 and observed that there has been no impact on the opening retained earnings as at 01.04.2018.

**A. (i) Contract with Customers****(a) Company has recognized the following revenue during the year from contracts with its customers**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Sale/ Transfer of Products</b>		
Finished Goods	130,311.04	116,819.07
Semi Finished Goods (Clinker Transfer to Kondapalli Grinding Unit)	16,193.69	16,327.96
Traded Goods	1.03	144.10
<b>Total Gross Sales</b>	<b>146,505.76</b>	<b>133,291.13</b>
Less: Inter segment Transfers	19,468.89	18,754.60
Less: Taxes on Sales	29,049.08	23,580.80
<b>Revenue from Operations</b>	<b>97,987.79</b>	<b>90,955.73</b>

**Note on Revenue from operations:** With the introduction of GST from 01.07.2017 revenue from operations is accounted Net of GST. However, upto 30<sup>th</sup> June 2017 revenue from operations includes Excise duty in line with INDAS compliance



- (b) Company has recognized the ₹ 42 lakhs as impairment loss against the amount receivables from its customers or contract assets arising due to contract with its customers.

(ii) **Contract Balances**

(a) **Receivables**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening Balance	7,823.57	4,709.13
Addition/deduction during the year	7,228.39	3,114.44
Closing Balance	15,051.97	7,823.57

b) **Contract Assets**

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

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening Balance	-	-
Addition/deduction during the year	46.41	-
Closing Balance	46.41	-

c) **Practical expedients**

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

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

- (i) Revenue is recognized by the company when the company satisfies a performance obligation by transferring a promised good or service to its customers. Asset/goods/services are considered to be transferred when the customer obtains control of those asset/goods/services.
- (ii) The company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, GST etc.).
- (iii) The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both. Any further adjustment will be made by raising debit/credit notes on the customer. While determining the transaction price effects of variable consideration, constraining estimates of variable consideration, the existence of a significant financing component in the contract, non-cash consideration and consideration payable to a customer is also considered.

**26. Other Income**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest Income	-	-
- From Fixed Deposits	34.25	106.15
- Income from Operation of Trucks	28.76	123.72
- Others*	65.37	67.90
Scrap Sales	283.85	196.91
<b>Other Non Operating Revenue (Net of expenses directly attributable to such income)</b>		
-Profit on Sale of Assets	98.46	210.66
-Foreign Exchange Gain	0.11	0.23
-Misc. Receipt	124.33	2.05
<b>Total</b>	<b>635.13</b>	<b>707.62</b>

\* Includes interest on power consumption deposits of ₹ 65.26 lakhs ( Previous Year ₹ 66.61 lakhs)

**27. Cost of Materials Consumed**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Details of Rawmaterials Consumed</b>		
Limestone	4,695.41	4,020.48
Al. Laterite	2,093.10	1,494.88
Gypsum	1,121.64	1,450.40
Iron ore / Iron ore powder	593.49	732.52
Fly Ash	1,813.25	1,226.02
Clinker Consumption at Kondapalli Plant	15,310.03	15,200.23
Cement Consumption in other Divisions	3,610.71	3,156.93
Wood	1,799.02	1,593.64
Chemicals	462.43	414.95
Paper	274.72	241.36
Ready Mix Concrete Materials	2,261.26	1,548.61
Other Materials	349.41	8.25
<b>Total</b>	<b>34,384.47</b>	<b>31,088.28</b>
<b>Less: Inter Segment Transfers</b>	<b>19,468.89</b>	<b>18,754.60</b>
<b>Net Consumption of Materials</b>	<b>14,915.58</b>	<b>12,333.68</b>

**28. Purchase of Stock-in-Trade**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Purchases	0.79	-
<b>TOTAL</b>	<b>0.79</b>	<b>-</b>

**29. Changes in Inventory**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>A. Finished Goods</b>		
Opening Balance	1,925.96	1,869.16
Closing Balance	2,177.00	1,925.96
Changes in Inventory of Finished Goods	(251.04)	(56.80)
<b>B. Work in Progress</b>		
Opening Balance	506.49	271.19
Closing Balance	769.79	506.49
Changes in Inventory of Work in Progress	(263.30)	(235.30)
<b>Net (Increase) / Decrease</b>	<b>(514.34)</b>	<b>(292.10)</b>

**30. Employees' Benefit Expenses**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries and Wages		
Salaries, Wages and Bonus	3401.62	3097.19
Leave Encashment	64.60	15.51
Gratuity	95.04	60.30
Managerial Remuneration	477.97	432.59
Contribution to Provident Fund & Other Funds	177.73	170.25
Staff Welfare Expenses	135.93	179.56
<b>TOTAL</b>	<b>4,352.89</b>	<b>3,955.40</b>

**31. Other Expenses**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Manufacturing Expenses :</b>		
Cost of Fuel	20,569.78	17,630.31
Cost of Power	12,235.45	10,341.35
Packing Materials	3,015.03	3,005.84
Stores & Spares consumed	2,635.20	2,768.14
Repairs & Maintenance - Plant & Machinery	1,285.10	1,159.07
Repairs & Maintenance - Buildings	12.66	-
Repairs & Maintenance - Others	96.26	72.44
Direct Manufacturing Expenses	1,136.39	560.92
<b>Sub total (a)</b>	<b>40,985.87</b>	<b>35,538.07</b>
<b>Administrative Expenses :</b>		
Rent	228.32	254.16
Security Expenses	153.48	164.36
Directors' Sitting fees	8.70	9.68
Licences, Fees & Taxes	259.45	134.74
Insurance	20.45	28.19
Computer Maintenance	71.53	98.82
Office Maintenance	124.78	108.58
Printing & Stationery	33.91	38.46
Postage & Courier	15.99	14.04
Telephone	31.63	44.31
Travelling	286.25	271.00
Vehicle Maintenance	71.43	64.52
Legal & Professional Charges	131.04	108.36
Auditors' Remuneration (i)	8.75	8.68
Bank Charges	217.77	110.50
Staff recruitment and training	33.97	63.59
CSR Expenditure	196.80	145.55
Donations	3.23	1.55
Repairs & Maintenance - Vehicles	7.80	12.35
R & D Expenses	0.15	0.23

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Allowance for Bad and Doubtful Debts	42.00	36.00
Miscellaneous Expenses	159.68	121.24
<b>Sub total (b)</b>	<b>2,107.11</b>	<b>1,838.91</b>
Selling & Distribution Expenses		
Transportation Paid	18,900.29	14,310.56
Advertisement & Publicity	400.57	693.00
Selling Expenses	3,367.54	6,357.00
<b>Sub Total (c)</b>	<b>22,668.40</b>	<b>21,360.56</b>
<b>TOTAL (a+b+c)</b>	<b>65,761.38</b>	<b>58,737.54</b>

(i) Amount paid to auditors'

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
As Auditor	8.25	7.68
For Taxation Matters/Tax Audit	0.50	0.50
For Certification	-	0.50
<b>TOTAL</b>	<b>8.75</b>	<b>8.68</b>

### 32. Finance Cost

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest Expenses & Other Borrowing Costs	3,479.12	3,101.53
<b>TOTAL</b>	<b>3,479.12</b>	<b>3,101.53</b>

### 33. Depreciation And Amortization Expenses

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Depreciation / Amortisation for the year</b>		
Depreciation on Plant, Property & Equipment	4,528.82	3,474.78
<b>TOTAL</b>	<b>4,528.82</b>	<b>3,474.78</b>

### 34. Contingent Liabilities:

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

Claims against the Company not acknowledged as Debts	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018	
	Disputed Amount	Paid Under Protest	Disputed Amount	Paid Under Protest
Indirect Taxes Related	2,290.57	252.63	2,175.47	84.09
Others	806.89	268.59	666.39	221.80

ii) The Company has given Counter Guarantees to Banks / Financial Institutions for ₹ 675.96 lakhs as at 31<sup>st</sup> March 2019 (₹ 618.67 lakhs as at 31<sup>st</sup> March 2018) against the Bank Guarantees obtained.

**35. Capital Commitments**

Capital expenditure contracted for at the end of the reporting period but not recognised/provided in the books as liabilities is as follows:

Description	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
Estimated amount Plant, Property and Equipment of Projects	11951	2462

**36. Employee Benefits**

- a) **Provident Fund:** Company pays fixed contribution to provident fund at predetermined rates to the government authorities. The contribution of ₹ 160.19 lakhs (Previous year ₹ 144.23 lakhs ) including administrative charges is recognized as expense and is charged in the Statement of Profit and Loss.
- b) **Gratuity:** Gratuity is provided as per the payment of Gratuity Act 1972, covering all the eligible employees. Gratuity is a non fund based Defined Benefit Plan payable to the qualifying employees on separation. Company considers the liabilities with regard to gratuity, are independently measured on actuarial valuation carried out as on Balance Sheet date. The liability has been assessed using Projected Unit Credit Method.

Reconciliation of opening and closing balances of the present value of the defined benefit obligation as at the year ended March 31, 2019 are as follows:

**a) Expense recognized during the year**

Description	For the year ended March 31, 2019		For the year ended March 31, 2018	
	Gratuity	Leave encashment	Gratuity	Leave encashment
Current Service Cost	46.85	57.49	44.41	54.02
Interest Cost	35.59	8.07	29.13	7.74
Net Actuarial (Gain) / Loss	12.60	(0.96)	(30.01)	(46.25)
Past Service Cost	-	-	16.77	-
Short Term Compensated Absence Liability	-	-	-	-
<b>Total Cost</b>	<b>95.04</b>	<b>64.60</b>	<b>60.30</b>	<b>15.51</b>

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

Description	As at 31 <sup>st</sup> March, 2019		As at 31 <sup>st</sup> March, 2018	
	Gratuity	Leave encashment	Gratuity	Leave encashment
Present Value of Obligations at beginning of the year	482.81	125.41	448.41	121.39
Changes in Present Value of Obligations	-	-	-	-
Current Service Cost	46.85	57.49	44.41	54.02
Interest Cost	35.59	8.07	29.13	7.74
Actuarial Loss / (Gain)	12.60	(0.96)	(30.01)	(46.25)
Past Service Cost	-	-	16.77	-
Settlements	(35.11)	(39.90)	(25.90)	(11.49)
Short Term Compensated Absence Liability	-	-	-	-
Present Value of Obligations at the end of the year	542.74	150.11	482.81	125.41
Present Value of Obligations - Current	40.94	16.92	28.17	10.04
Present Value of Obligations - Non - Current	501.80	133.19	454.64	115.37

**Actuarial assumptions**

- a) Mortality IALM 2006-08 (ultimate)
- b) Discounting rate – 7.61% Previous year 7.65 %
- d) Expected average remaining working lives of employees–12.74 Years (PY12.90 Years)
- e) Rate of escalation in salary – 6 %

**Sensitivity Analysis:**

Sensitivity to significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by one percentage, keeping all other actuarial assumptions constant.

**Gratuity**

Particulars	As at		As at	
	March 31, 2019	March 31, 2019	March 31, 2018	March 31, 2018
	1% Increase	1% decrease	1% Increase	1% decrease
Effect of 1% change in assumed discount rate	499.47	592.94	443.39	528.57
Effect of 1% change in assumed salary rate	590.46	500.83	526.53	443.62
Effect of 1% change in assumed attrition rate	548.22	536.53	487.72	477.25

**Leave Encashment**

Particulars	As at		As at	
	March 31, 2019	March 31, 2019	March 31, 2018	March 31, 2018
	1% Increase	1% decrease	1% Increase	1% decrease
Effect of 1% change in assumed discount rate	136.23	166.53	112.71	140.52
Effect of 1% change in assumed salary rate	166.44	136.07	140.45	112.57
Effect of 1% change in assumed attrition rate	151.91	148.08	127.21	123.36

**37. Income Tax Expenses:**

Income Tax recognised in the statement of Profit and Loss	For the year ended 31.03.2019	For the year ended 31.03.2018
Current Tax		
(i) In respect of Current Year	1,807.36	1,587.16
MAT Credit entitlement adjusted	(982.27)	-
(ii) In respect of Previous Year	96.55	187.06
<b>Total Current Tax</b>	<b>921.64</b>	<b>1774.22</b>
Deferred Tax		
(i) In respect of Current Year	498.94	751.93
<b>Total Deferred Tax</b>	<b>498.94</b>	<b>751.93</b>
<b>Total Tax Expense</b>	<b>1,420.58</b>	<b>2,526.15</b>



**38. Financial Instruments- Fair Values and Risk Management****a. Financial Instruments by Categories**

The following tables show the carrying amounts and fair values of financial assets and financial liabilities by categories. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value

Amount in ₹ lakhs as of March 31, 2019

Particulars	Cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
<b>Assets:</b>					
Cash & Cash Equivalents	1,298.53	-	-	1,298.53	1,298.53
Trade Receivable	15,051.97	-	-	15,051.97	15,051.97
Other Financial Assets	639.94	-	-	639.94	639.94
<b>Liabilities:</b>					
Trade Payable	7,243.82	-	-	7,243.82	7,243.82
Borrowings	7,940.17	-	-	7,940.17	7,940.17
Other Financial Liabilities	10,001.76	-	-	10,001.76	10,001.76

Amount in ₹ lakhs as of March 31, 2018

Particulars	Cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at fair value through OCI	Total carrying value	Total fair value
<b>Assets:</b>					
Cash & Cash Equivalents	1,216.03	-	-	1,216.03	1,216.03
Trade Receivable	7,823.57	-	-	7,823.57	7,823.57
Other Financial Assets	593.32	-	-	593.32	593.32
<b>Liabilities:</b>					
Trade Payable	4,802.77	-	-	4,802.77	4,802.77
Borrowings	1,437.55	-	-	1,437.55	1,437.55
Other Financial Liabilities	9,656.68	-	-	9,656.68	9,656.68

Fair Value Hierarchy Management considers that, the carrying amount of those financial assets and financial liabilities that are not subsequently measured at fair value in the Financial Statements approximate their transaction value. No financial instruments are recognized and measured at fair value for which fair values are determined using the judgments and estimates. The fair value of Financial Instruments referred below has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities. (Level-1 measurements) and lowest priority to unobservable (Level-3 measurements).

The Company does not hold any equity investment or financial instruments, hence the disclosure are nil.

**b) Financial Risk Management:**

The Company's actual exposure to a variety of financial risks viz., market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is credit risk and liquidity risk.

**c) Management of Market Risk:**

Market risks comprises of Price risk and Interest rate risk. The Company does not designate any fixed rate financial assets as fair value through Profit and Loss nor at fair value through OCI. Therefore, the Company is not exposed to any interest rate risk. Similarly, the Company does not have any Financial Instrument which is exposed to change in price.

**d) Foreign Currency Risks:**

The Company is exposed to foreign exchange risk arising from various Currency exposures with respect to the US Dollars (USD)/EURO/CNY, for the imports being made by the Company.

The Company exposure to foreign currency risk as at the end of the reporting period expressed in INR as on March 31, 2019 is as follows:

Particulars	Amount in ₹ Lakhs	USD exposure in INR (Lakhs)	CNY exposure in INR (Lakhs)
<b>Financial Assets:</b>			
Cash & Cash Equivalents	-	-	-
Trade Receivable	-	-	-
Deposits	-	-	-
Other Financial Assets	-	-	-
<b>Financial Liabilities:</b>			
Trade Payable	435.34	431.15	4.19
Borrowings	-	-	-
Other Financial Liabilities	-	-	-

Other than the above, Foreign Letters of Credit ( USD exposure) amounting to INR 1185 lakhs are due in the next financial year.

The Company exposure to foreign currency risk as at the end of the reporting period expressed in INR as on March 31, 2018 is ₹ Nil.

**e) Credit Risk:**

Credit risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligations. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. The company considers that, all the financial assets that are not impaired and past due as on each reporting dates under review are considered credit worthy.

Credit risk is the risk arising from credit exposure to customers, cash and cash equivalents held with banks and current and non-current financial assets.

With respect to credit exposure from customers, the Company has a procedure in place aiming to minimise collection losses. Credit Control team assesses the credit quality of the customers, their financial position, past experience in payments and other relevant factors. Cash or other collaterals are obtained from customers as and when required.

The carrying amount of trade receivables represents company's maximum exposure to the credit risk. No other financial asset carry a significant exposure with respect to the credit risk. Bank deposits and cash balances are placed with reputable banks.

The credit quality of financial assets is satisfactory, taking into account the allowance for credit losses. The management also considers the factors that may influence the credit risk of its customer base, including default risk associated with the industry and country in which customers operate. Credit quality of a customer is assessed based on the past track record.

An impairment analysis is performed at each reporting date on an individual basis for receivables. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company also holds deposits as security from certain customers to mitigate credit risk.

Credit risk on trade receivables and other financial assets is evaluated as follows:

For the year ended March 31, 2019

Paticulars	Gross Carrying Amount	Less than one year	More than one year	More than two year	More than three year
Gross Carrying Amount	15,225.91	15,051.97	103.86	35.98	34.10
Expected Credit loss	114.00		43.92	35.98	34.10
Carrying amount (net of impairment)	15,111.91	15,051.97	59.94	-	-

For the year ended March 31, 2018

Paticulars	Gross Carrying Amount	Less than one year	More than one year	More than two year	More than three year
Gross Carrying Amount	7,959.00	7,823.57	44.10	55.40	35.93
Expected Credit loss	72.00			36.07	35.93
Carrying amount (net of impairment)	7,887.00	7,823.57	44.10	19.33	(0.00)

**f) Liquidity Risk:**

The company's liquidity needs are monitored on the basis of monthly projections. The principal sources of liquidity are cash and cash equivalents, cash generated from operations and availability of cash credit and overdraft facilities to meet the obligations as and when due.

Short term liquidity requirements consist mainly of sundry creditors, expenses payable and employee dues during the normal course of business. The company maintains sufficient balance in cash and cash equivalents and working capital facilities to meet the short term liquidity requirements.

The company assesses long term liquidity requirements on a periodical basis and manages them through internal accruals and committed credit lines.

The following table shows the maturity analysis of the Companies Financial Liabilities based on contractually agreed, undiscounted cash flows as at the balance sheet date

Particulars	Gross Carrying Amount	Less than one year	More than one year	More than two year	More than three year
<b>As on March 31 2019</b>					
Trade Payables	7,243.82	7,243.82			
Other Financial liabilities	10,001.76	10,001.76			
<b>As on March 31 2018</b>					
Trade Payables	4,802.77	4,802.77			
Other Financial liabilities	9,656.68	9,656.68			

**39. Capital Management**

The Company's objectives when managing capital are to

Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the group monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents) divided by Total 'equity' (as shown in the balance sheet, including non-controlling interests).

The gearing ratio at the end of the reporting period was as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Borrowings		
Current	7,940.17	1,437.55
Current maturities of Non-Current borrowings	6,951.39	5,867.05
Non Current	18,670.97	20,464.06
Less: Cash & Bank Balances	1,298.53	1,216.03
Net Debt	32,264.00	26,552.63
Equity		
Equity Share Capital	4,523.28	4,523.28
Other Equity	45,443.22	41,581.75
Total Capital	49,966.50	46,105.03
Gearing ratio in % (Debt/Capital)	64.57	57.59

In order to achieve the overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

There are no changes in the objectives, policies or processes for managing capital during the years ended 31 March 2019 and 31 March 2018.

#### 40 Segmental Reporting :

Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the company's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented for each business segment. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual business segments, and are as set out in the significant accounting policies. Business segments of the company are.

1. Cement
2. Boards
3. RMC
4. Energy
5. Prefab

Types of products and services in each business segments (1) OPC/PPC/53 S Cement (2) Plain and laminated Cement Bonded Particle Boards. (3) Ready Mix Concrete. (4) Generation of Hydel power. (5) Prefab Shelters

#### Segment Revenue and Expense

Details regarding revenue and expenses attributable to each segment are disclosed below

Segment assets include all operating assets in respective segments comprising of net fixed assets and current assets, loans and advances etc. Assets relating to corporate and construction are included in unallocated segments. Segment liabilities include liabilities and provisions directly attributable to respective segment.

#### Segment revenues and results:

For the year ended March 31, 2019

Amount in ₹ lakhs

Particulars	Cement	Boards	Energy	RMC	Unallocable	Total
<b>Segment Revenue from External Customers</b>						
Within India	79,909.21	11,434.62	438.84	6,205.12	-	97,987.79
Outside India	-	-	-	-	-	-
<b>Inter-Segment Revenue</b>	18,604.59	598.92	-	265.38	-	19,468.89
<b>Total Segment Revenue</b>	<b>98,513.79</b>	<b>12,033.54</b>	<b>438.84</b>	<b>6,470.50</b>	-	<b>117,456.68</b>
<b>Segment Results</b>						
Within India	7,315.04	1,737.78	107.31	417.67	-	9,577.80
Outside India	-	-	-	-	-	-
<b>Total segmental results</b>	<b>7,315.04</b>	<b>1,737.78</b>	<b>107.31</b>	<b>417.67</b>	-	<b>9,577.80</b>
<b>Unallocated Corporate expenses:</b>						
Interest expenses (net)					3,479.12	3,479.12
Other unallocated expenses net of other income					-	-
<b>Profit before tax from ordinary activities</b>	<b>7,315.04</b>	<b>1,737.78</b>	<b>107.31</b>	<b>417.67</b>	<b>(3,479.12)</b>	<b>6,098.68</b>

**For the year ended March 31, 2018**

Amount in ₹ lakhs

Particulars	Cement	Boards	Energy	RMC	Unallocable	Total
<b>Segment Revenue from External Customers</b>						
Within India	75,460.24	10,779.80	417.26	4,298.44	-	90,955.73
Outside India						-
Inter-Segment Revenue	18,382.35	174.09	-	198.16	-	18,754.60
<b>Total Segment Revenue</b>	<b>93,842.59</b>	<b>10,953.89</b>	<b>417.26</b>	<b>4,496.60</b>	<b>-</b>	<b>109,710.33</b>
<b>Segment Results</b>						
Within India	8,651.09	1,821.72	98.14	(32.50)		10,538.45
Outside India	-	-	-	-	-	-
<b>Total segmental results</b>	<b>8,651.09</b>	<b>1,821.72</b>	<b>98.14</b>	<b>(32.50)</b>	<b>-</b>	<b>10,538.45</b>
<b>Unallocated Corporate expenses:</b>						
Interest expenses (net)					3,101.54	3,101.54
Other unallocated expenses net of other income						-
Profit before tax from ordinary activities					3,101.54	7,436.91

**Segment assets and liabilities**

Amount in ₹ lakhs

**For the year ended March 31, 2019**

Particulars	Cement	Boards	Energy	RMC	Unallocable	Total
<b>Segment Assets :</b>						
Assets	78,482.62	11,446	2,867.10	2,340.26	14,272.73	109,489.03
<b>Total Assets</b>						
<b>Segment Liabilities :</b>						
Liabilities	28,411.26	1,945.34	40.26	1,136.51	19,658.67	51,216.74
<b>Total Liabilities</b>						

**For the year ended March 31, 2018**

Particulars	Cement	Boards	Energy	RMC	Unallocable	Total
<b>Segment Assets :</b>						
Assets	66,886.27	10,983.17	3,076.53	2,214.87	12,981.26	96,226.91
<b>Total Assets</b>						
<b>Segment Liabilities :</b>						
Liabilities	27,126.89	1,615.88	33.54	723.98	12,874.05	42,399.03
<b>Total Liabilities</b>						

**41 Earnings Per Share**

	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
Net Profit / (Loss) for the Period	4,678.10	4,910.76
<b>Shares</b>		
Number of shares at the beginning and at the end of the year	45,232,790	36,732,790
Number of shares at the beginning and at the end of the year	45,232,790	45,232,790
<b>Earnings per share of par value ₹ 10/- Basic and Diluted</b>		
Basic (in ₹)	10.34	12.51
Diluted (in ₹)	10.34	12.51

**42. Expenditure in Foreign Currency:**

Particulars	2018-2019	2017-2018
Foreign Travel	9.54	6.35
Raw Materials	509.79	105.69
Components, Stores & Spares	94.00	39.39
Capital Goods	82.78	42.10
Advance for Capital Goods	-	294.57
Fees paid for certification	0.82	4.26
Others	101.31	5.50
<b>Total</b>	<b>798.24</b>	<b>497.87</b>

### 43. Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013 and rules made there under on CSR Activities, the Company has incurred an amount of ₹ 196.80 (2018 year ₹ 145.55) towards Corporate Social Responsibility activities during the Financial Year 2018-19 and debited to Statement of Profit and Loss.

The amount of expenditure to be spent on CSR activities and financial details as per the Companies Act, 2013 for the F.Y 2018-19 are as under:

Particulars	2018-2019	2017-2018
Average of net profits of last three financial years as per Section 198 of the Companies Act, 2013	7024.52	4943.54
Earmarked percentage U/s 135 of the Companies Act, 2013 towards CSR Activities	2%	2%
Amount to be spent towards CSR Activities	140.49	98.87
Amount actually spent on CSR Activities	196.80	145.55

As per Paragraph 17(b) of the Guidance Note on CSR issued by ICAI, the details of expenditure incurred by the Company on CSR activities are as follows:

Particulars	In Cash	Yet to be paid in Cash	Total
i) Construction/Acquisition of asset	-	-	-
ii) Other than (i) above:	196.80	-	196.80

### 44. Related Party Transactions

#### a) Names of related parties and nature of relationships:

##### i) Key Managerial Personnel (KMP):

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

##### ii) Non Whole Time Directors

1. Mr. Kamlesh Gandhi	Chairman
2. Dr. R Kalidas	Director
3. Lt. Gen. (Retd) T A Dcunha	Director
4. Mr. V S Raju	Director
5. Mr. V V Goradia	Director
6. Mr. K Madhu	Director
7. Mr. P N Raju	Director
8. Mr. Ashven Datla	Director
9. Mrs. Roopa Bhoopathiraju	Director

##### iii) Relatives of Key Management Personnel

1. Mrs. K Sarojini	Mother of Mr. K Ravi
2. Mrs. K Sailaja	Wife of Mr. K Ravi
3. Mrs. Roopa Bhoopathiraju	Daughter of Mr. K Ravi
4. Mrs N Sita Maha Lakshmi	Mother of Mr. N G V S G Prasad
5. Ms. N Chaitra Sarada	Daughter of Mr. N G V S G Prasad
6. Ms N Suchitra Katyayani	Daughter of Mr. N G V S G Prasad



**iv) 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. Deccan Nitrates Pvt Limited
9. NCL Green Habitat Pvt Limited

**b. Related Party Transactions for the Year**

<b>i) Remuneration to Key Managerial Personnel</b>	<b>31<sup>st</sup> March 2019</b>	<b>31<sup>st</sup> March 2018</b>
Mr. K Ravi, Managing Director	303.01	312.87
Mr. K Gautam, Executive Director	71.68	62.72
Mr. N G V S G Prasad, Executive Director & CFO	42.87	37.83
Mr. T Arun Kumar, Company Secretary	11.96	11.04

**ii) Transactions during the year where related party relationship was existing:**

	<b>31<sup>st</sup> March 2019</b>	<b>31<sup>st</sup> March 2019</b>	<b>31<sup>st</sup> March 2018</b>	<b>31<sup>st</sup> March 2018</b>
<b>Sale of Finished Goods</b>				
NCL Alltek & Seccolor Limited	1,143.26		1,028.95	
NCL Homes Limited	60.73		45.02	
NCL Veka Limited	168.18		28.53	
Kakatiya Industries (P) Limited	0.54		0.63	
NCL Green Habitat Pvt Limited	3.05	<b>1,375.76</b>	19.38	<b>1,122.51</b>
<b>Purchases / Services</b>				
NCL Alltek & Seccolor Limited	133.91		94.65	
Kakatiya Industries (P) Limited	136.36		-	
NCL Veka Limited	14.78	<b>285.05</b>	111.10	<b>205.75</b>
<b>Rent Paid</b>				
Sri K Ravi	9.53	<b>9.53</b>	9.08	<b>9.08</b>
<b>ICD Received</b>				
NCL Green Habitat Pvt Limited	-	-	1,130.00	-
<b>ICD Repaid</b>				
NCL Green Habitat Pvt Limited	-	-	1,130.00	<b>1,130.00</b>
<b>ICD Returned</b>				
NCL Alltek & Seccolor Limited	-	-	335.00	<b>335.00</b>
<b>Reimbursement of Expenses</b>				
NCL Alltek & Seccolor Limited	22.16		44.23	
Khandaleru Power Company Ltd	-	<b>22.16</b>	0.56	<b>44.79</b>

	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2018
<b>Fixed Deposits Received</b>				
Mr. K Ravi	45.00		46.50	
Mrs. K Sarojini	3.00		3.00	
Mrs. K Sailaja	80.00		31.00	
Mrs. Roopa Bhoopathiraju	59.50		-	
Ms B Anika	5.00			
Master B Arjun	15.40		13.55	
Mr. Ramanna Anand	20.00		20.00	
Mr. V V Goradia	20.00		10.00	
Mrs. Charulatha V Goradia	10.00		10.00	
Ms. N Chaitra Sarada	26.50		60.00	
Ms N Suchitra Katyayani	20.00			
Mrs Sita Maha Lakshmi	3.50		-	
Kamlesh Suresh Gandhi	15.00			
Mr. Kiran Raghavapudi	30.00			
Mr. Arun Raghavapudi	30.00	<b>382.90</b>	-	<b>194.05</b>

**Note 45 Confirmations**

The Company requested its debtors and creditors to confirm the balances as at the end of year in respect of trade payables, trade receivables and advances.

**Note 46**

Previous year's figures have been regrouped/reclassified/recasted wherever necessary to confirm to the current year's presentation.





## NCL INDUSTRIES LTD

CIN. L33130TG1979PLC002521

7<sup>th</sup> Floor, "NCL Pearl", Near Rail Nilayam, S D Road, Secunderabad – 500026.

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 38<sup>th</sup> Annual General Meeting of the Company held on Friday, the 27<sup>th</sup> September, 2019 at 10:30A.M. at KLN Prasad Auditorium, 3<sup>rd</sup> 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 \_\_\_\_\_



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### PROXY FORM

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

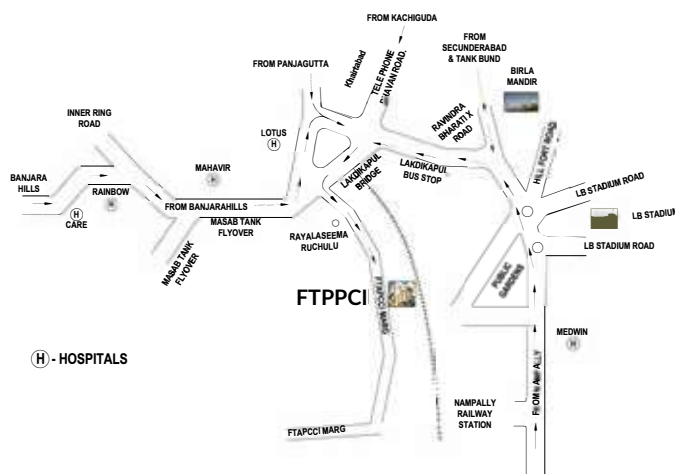


Folio No/DP ID - Client ID : \_\_\_\_\_  
Name of the Member(s) : \_\_\_\_\_  
Registered address : \_\_\_\_\_  
E-mail ID : \_\_\_\_\_  
I/We, being the Members(s) of \_\_\_\_\_ shares of the above company, hereby appoint

- 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 38<sup>th</sup> Annual General Meeting of the Company, to be held on Friday, the 27<sup>th</sup> September, 2019 at 10:30 A.M. at KLN Prasad Auditorium, 3<sup>rd</sup> Floor, 11-06-841, FTAPCCI Marg. Red Hills, Hyderabad - 500 004. and at any adjournment there of in respect of such resolutions as are indicated below:

# ROAD MAP (VIA LAKDIKAPUL) TO FTPPCI



Resolution No.	Resolutions	No. of shares	I / We assent to the Resolution (FOR)	I / We dissent to the Resolution (AGAINST)
<b>Ordinary Business :</b>				
1.	Consider and adopt the Audited Balance Sheet as at 31 <sup>st</sup> March,2019 and Profit & Loss A/c for the year ended 31 <sup>st</sup> March,2019 together with Report of the Directors and Auditors			
2.	Declaration of dividend for the FY 2018-19			
3.	Re-appointment of Mr.Vinodrai V Goradia who retires by rotation.			
4.	Reappointment of M/s Venugopal & Chenoy, Chartered Accountants as Statutory Auditors and fix their remuneration.			
<b>Special Business :</b>				
5.	Ratification of remuneration payable to S.R and Associates, Cost Auditors for the Financial Year 2019-20 - <b>Ordinary Resolution</b>			
<b>Ordinary Resolution</b>				
6.	Appointment of Mr.Bhupatiraju Subba Raju as Director - <b>Ordinary Resolution</b>			
7.	Reappointment of Mr.Kamlesh Gandhi as an Independent Director - <b>Special Resolution</b>			
8.	Appointment of Mr.Bhupatiraju Subba Raju as Executive Director - <b>Special Resolution</b>			

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.

## Notes

[illegible]



## Notes

[illegible]





If undelivered, Please return to:

## **NCL Industries Limited**

7<sup>th</sup> Floor, "NCL Pearl",

Near Rail Nilayam,

S D Road, Secunderabad-500026, India.

Ph : 91-40-30120000

E-mail : [ncl@nclind.com](mailto:ncl@nclind.com) Website : [www.nclind.com](http://www.nclind.com)

