



**30<sup>th</sup>**  
**Annual Report**  
**2010-11**

**At NCL Success is not a Destination,  
IT IS A JOURNEY...**

**NCL INDUSTRIES LIMITED**



Serving Building Industry  
Since 28 Years



# NAGARJUNA CEMENT

*Extra*  
The Ordinary Portland Cement  
*α*

OPC 43, 53, 53.S Grades and PPC.



## BOARD OF DIRECTORS

### Chairman

Mr. R. Anand

### Directors

Mr. Vinodrai V. Goradia

Mr. G.D.L.S.N.Raju (upto 31 /05/ 2011)

Mr. M. Bhaskara Rao (IREDA Nominee)

Mr. M. Kanna Reddy

Mr. K. Madhu

Mr. Ashven Datla (from 01/06/ 2011)

Mr. Kamlesh Gandhi

Mr. P.S. Reddy

Mr. K. Gautam - Executive Director

Mr. P.N. Raju - Executive Director

Mr. S. S. Raju - Joint Managing Director  
(upto 31 /05/ 2011)

Mr. K. Ravi - Managing Director

## COMPANY SECRETARY

Mr. T. Arun Kumar

## AUDITOR

P.V. Ratnam

Chartered Accountant

## BANKERS

Axis Bank Ltd

Canara Bank

Central Bank of India

Corporation Bank

IDBI Bank Ltd

Indian Renewable Energy Dev. Agency Ltd

Oriental Bank of Commerce

State Bank of Hyderabad

State Bank of India

State Bank of Mysore

## FACTORIES

### CEMENT DIVISION

#### UNIT – I

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

#### UNIT – II

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

### BOARDS DIVISION

#### UNIT – I

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

#### UNIT – II

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

### PREFAB DIVISION

#### UNIT – I

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

#### UNIT – II

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

### ENERGY DIVISION

#### UNIT – I

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

#### UNIT – II

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

### **Regd. & Admn. Office**

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

Tel : 91 (040) - 23203637, 23202548, 23204243 Fax : 91 (040) - 23202496, 23203417

E-mail : ncl@nclind.com

Website : www.nclind.com



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**AGM on Friday the 30<sup>th</sup> September, 2011 at 10.30 A.M. at  
Bharatiya Vidya Bhavan, King Koti Road, Hyderabad- 500 029.**



Notice is hereby given that the 30<sup>th</sup> Annual General Meeting of NCL Industries Limited will be held on Friday, the 30<sup>th</sup> September, 2011 at 10.30 AM at Bharatiya Vidya Bhavan, King Koti Road, Hyderabad- 500 029, to transact the following business.

## ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet of the company as at 31st March 2011 and the Profit and Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr.P.S.Reddy who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr.Kamlesh Gandhi who retires by rotation and is eligible for re-appointment.
5. To appoint Auditors and fix their remuneration.

## SPECIAL BUSINESS

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

“RESOLVED that Mr. Ashven Datla who was appointed as an Additional Director of the Company with effect from 1st June 2011, and holds office till the date of this meeting in terms of Section 260 of the Companies Act, 1956, be and is hereby appointed as a Director, liable to retire by rotation.”

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

“RESOLVED that in accordance with the provisions of Section 198, 269, 309 read with Schedule XIII and other applicable provisions, if any of the Companies Act 1956, the re-appointment of Mr. K Ravi as Managing Director for a period of five years with effect from 1<sup>st</sup> April 2011 at the following remuneration, be and is hereby approved.”

**Salary:** Rs. 4,00,000/- per month (with an annual increment of Rs. 60,000/- per Month)

**Commission:** 1.5 % of the net profit of the Company computed in a manner laid down under section 198 of the Companies Act, 1956.

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

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

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

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

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

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

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

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

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

**Encashment of Leave:** One full pay and allowances not exceeding onemonth'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 Act, 1962 and Rules made there under.

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

“FURTHER RESOLVED that in the case of inadequacy of profits in any year, the remuneration payable to him shall be limited to the applicable ceiling prescribed under Schedule XIII to the Companies Act, 1956 (Para B of Section II), which at present is Rs. 4,00,000/- per Month.”

8. To consider and if thought fit, pass, with or without modification, the following resolution as an Ordinary Resolution.

“RESOLVED that in accordance with the provision of Sections 198, 309, 310 read with Schedule XIII of the Companies Act, 1956, and other applicable provisions, if any of the Companies Act 1956, the revision in remuneration of Mr. P.N. Raju, Executive Director with effect from 1<sup>st</sup> April, 2011 at the following terms, be and is hereby approved.”



**Salary:** Rs. 2,00,000 /- per month (with an annual increment of Rs. 30,000/- per month)

**Commission:** 0.5 % of the net profit of the company computed in a manner laid down under section 198 of the Companies Act, 1956.

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

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

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

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

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

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

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

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

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

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

"FURTHER RESOLVED that the above remuneration be paid as Minimum Remuneration in the event of inadequacy of profits."

9. To consider and if thought fit, pass, with or without modification, the following resolution as an Ordinary Resolution.

"RESOLVED that in accordance with the provision of Sections 198, 309, 310 read with Schedule XIII of the Companies Act, 1956, and other applicable provisions, if

any of the Companies Act 1956, the revision in remuneration of Mr.K.Gautam Executive Director with effect from 1<sup>st</sup> April, 2011 at the following terms, be and is hereby approved."

**Salary:** Rs. 1,00,000 /- per month (with an annual increment of Rs. 10,000/- per month)

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

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

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

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

**Company's contribution to Provident Fund and Superannuation Fund** shall be as allowed under the Income Tax Act and Rules and as per the 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:** One full pay and allowances not exceeding one month's leave for every twelve months of service, subject to the condition that the leave accumulated, but not availed of shall be dealt with as per the Income Tax Act, 1962 and Rules there under.

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

"FURTHER RESOLVED that the above remuneration be paid as Minimum Remuneration in the event of inadequacy of profits."

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

"RESOLVED that pursuant to the provisions of Section 314(1), Sec 314(1B) and other applicable provisions, if any, of the Companies Act, 1956, the payment of a



remuneration of Rs. 75,000/- per month from 1<sup>st</sup> November, 2010, and Rs. 84,188/- per month from 1<sup>st</sup> June, 2011 on a Cost to the Company basis to Mr. Nirmal Goradia, Vice President (Exports) be and is hereby approved.”

“FURTHER RESOLVED that the Board of Directors be and is hereby authorized to grant such increments as they may deem fit to Mr. Nirmal Goradia, within the ceilings prescribed by Section 314 of the Companies Act, 1956.”

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

“RESOLVED that pursuant to the provisions of Section 314(1) and other applicable provisions, if any, of the

Companies Act, 1956, the payment of a remuneration of Rs. 57,101/- per month from 1<sup>st</sup> June, 2011 on a Cost to the Company basis to Mr. Utkal Goradia, Manager (Materials) be and is hereby approved.”

“FURTHER RESOLVED that the Board of Directors be and is hereby authorized to grant such increments as they may deem fit to Mr. Utkal Goradia, within the ceilings prescribed by Section 314 of the Companies Act, 1956.”

By Order of the Board  
**For NCL INDUSTRIES LIMITED**

Place: Hyderabad  
Date : August 12, 2011

**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 days before the Annual General Meeting.
2. Explanatory Statements pursuant to Section 173(2) of the Companies Act, 1956, in respect of the Special Business is annexed hereto.
3. Shareholders seeking any information with regard to accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready.
4. The Register of Members and Share Transfer Registers will remain closed from 23<sup>rd</sup> September, 2011 to 30<sup>th</sup> September, 2011 (both days inclusive) on account of the Annual General Meeting and Dividend payment.
5. The Dividend as recommended by the Board, if approved at the Meeting, will be paid to those members whose names appear on the Register of Members as on 30<sup>th</sup> September 2011, or to their nominees. In respect of shareholding in dematerialised form, dividend will be paid to the beneficial owners as at the end of business on 22<sup>nd</sup> September 2011, as per details to be furnished by the depositories for the purpose.
6. Members holding shares in physical mode are requested to provide their Bank Account Number, Name and Address of the Bank / Branch to the Registrar of the Company to enable the company to incorporate the same in the dividend warrant, in order to prevent against fraudulent encashment of dividend.
7. Members holding shares in electronic form are requested to inform the changes, if any, in their address or bank particulars etc., to the Depository Participant with whom the demat account is maintained.
8. Individual shareholders can avail the facility of nomination. Shareholders holding shares in physical form may write to the Registrar for assistance. Shareholders holding in electronic form may approach their DP with whom they maintain their account.
9. In terms of clause 49(IV)(G) of the Listing Agreement, brief resumes of Directors proposed to be re-appointed at the Meeting are given. The resume of Mr. K Ravi, Managing Director proposed to be re-appointed under the Special Business is included as a part of Explanatory Statement to Item 7.
10. Members are also requested to lodge their e-mail ID's along with name and Folio/Client ID No. etc to our Registrars and Share Transfer Agents Address to enable us to send all future communications including Annual Reports through e-mode.



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**Brief Resume of Directors proposed to be appointed/re-appointed.**

**Mr. Ashven Datla**

Mr. Ashven Datla is a MBA(Finance) from University of Hartford, CT, USA and Managing Director of NCL Wintech India Limited. Earlier, he was employed with several prestigious organizations like GE, IBM, Bank of America and Deloitte. He is at present a director in Khandaleru Power Company Ltd, NCL-VST Infra Ltd, and Nagarjuna Cerachem Pvt. Ltd.

He is currently holding 1,37,162 shares in the Company.

**Mr. P.S.Reddy**

Mr. P. S. Reddy (58 years) is a graduate in commerce and an associate member of Indian Institute of Bankers. He started his career as a Commercial Banker with SBI in 1975 and later moved to Citibank in 1987 to set up the Investment Bank for Citibank in South India. Thereafter he was heading the Merchant Bank for Western and Southern India before turning entrepreneur in 1990. Over the last 20 years he runs a Investment Banking advisory firm and has been associated with a number of mid sized companies.

He currently holds 25,218 Equity shares in the Company

**Mr. Kamlesh Gandhi**

Mr. Kamlesh Gandhi (61 years) has extensive experience spanning over 35 years in the field of Capital and Financial markets in India and has been a member of BSE for over 14 years. He has been involved in raising funds in over 320 capital issues placement of equities of several companies with retail, high net worth and Institutional Investors, both domestic and overseas. Starting his career with Champaklal Investment & Financial Consultancy Ltd, (CIFCO), Mumbai, he has been responsible for initiating and building the capabilities to offer Equity related capital market services to companies, setting up Investment Management Services division and ramping up the stockbroker activities of two well known stock broking and investment banking firms in India - Centrum Capital Limited and Religare Capital Markets Limited. He was also on the Board of Directors of Association of Merchant Bankers of India (AMBI) for 4 years since its inception and was again Director of AMBI for 2 years from 2004 to 2006. He is also one of the founder Directors of Stock Brokers Underwriters Association and served the organization for 6 years.

He is currently on the Board of Bhagyanagar India Limited, Kirloskar Electric Company Limited, Boruka power Corporation Ltd, Bodhtree Consulting Ltd, Best & Crompton

Engineering projects Ltd, Lalbawa Investment & Trading Company (P) Ltd and Ogene Systems India (P) Ltd.

He does not hold any equity shares in the Company.

**Explanatory Statements pursuant to Section 173(2) of the Companies Act, 1956**

**ITEM NO. 6**

Mr. Ashven Datla was appointed as an Additional Director by the Board of Directors in its meeting held on 30 May, 2011, w.e.f. 1<sup>st</sup> June, 2011. According to Section 260 of the Companies Act 1956, he holds office up to the ensuing Annual General Meeting.

Notice pursuant to Section 257 of the Companies Act, 1956 together with requisite deposits have been received from some members proposing the candidature of Mr. Ashven Datla to the office of Director. A brief resume of Mr. Ashven Datla is already given as a part of this notice.

The Board recommends this resolution for your approval.

Mr. Ashven Datla is the son in Law of Mr. K Ravi, Managing Director. Hence Mr. K Ravi and his brother Mr. K Madhu may be treated as interested in the proposed resolution.

**ITEM NO.7**

At its meeting held on 30<sup>th</sup> May, 2011, the Board of Directors have re-appointed Mr. K.Ravi as Managing Director for a period of 5 years w.e.f 1<sup>st</sup> April, 2011. Further, as per the recommendation of the Remuneration Committee and as prescribed in Schedule XIII of the Companies Act, 1956, the remuneration of Mr. K.Ravi has been fixed at a Salary of Rs, 4,00,000/ per month, Commission of 1.5% of the Net Profits and other perks as detailed in the resolution.

Based on the Net Profits for the year ended 31st March 2011, the remuneration fixed is well within the ceiling prescribed by Section 198 of the Companies Act, 1956. The Board, however, also decided that the consent of the shareholders, as warranted by Para 1(B), Part II, Section II to Schedule XIII of the Companies Act, 1956, be obtained in the ensuing General Meeting of the Company for payment of the above remuneration as Minimum Remuneration in the event of inadequacy of profits.

According to Section 269 of the Companies Act, 1956, read with Para B, Part II, Section II of Schedule-XIII to the said Act, the re-appointment of Managing Director requires the approval of the shareholders in General Meeting by way of a Special Resolution.

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





## I. GENERAL INFORMATION:

- (1) Nature of Industry – The Company is operating in four segments -Cement, Boards, Prefab products and Hydel Power.
- (2) Date of commencement of commercial operation – 16<sup>th</sup> February, 1984.
- (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	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
<b>Parameters</b>					
Turnover	19589.25	27648.64	42639.47	34113.66	56566.20
Net Profit (as computed u/s. 198)	3017.57	4279.47	4458.64	2452.13	2968.71
Net profit as per profit and loss Account	2764.69	2956.93	2985.08	1170.78	2341.29
Amount of Dividend paid#	739.50	965.78	989.18	408.75	609.08
Rate of dividend Declared	20%	25%	25%	10%	15%*

# including dividend Tax

\* Dividend Proposed

- (5) Export performance: Rs.563.61 Lakhs Foreign Currency Earnings- FOB basis for the financial year 2010-11.
- (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 has entered into a Joint Venture agreement with VST-Verbundschalungstechnik GmbH, Austria for erecting high rise building using the VST Technology. A joint venture company called NCL VST infra limited has been formed to take up the activity.

## II. INFORMATION ABOUT THE APPOINTEE:

(1) **Background Details** - Mr. K Ravi (57 years), is a Diploma holder in Electrical Engineering, and has over 25 years experience in managing industrial units. He successfully implemented the hydel power project of NCL Energy Ltd. Apart from being the Managing Director of NCL Industries Ltd., Mr.Ravi holds directorship in Khandaleru Power Company Ltd, NCL-VST Infra Ltd, Kakatiya Industries Pvt. Ltd., Nagarjuna Cerachem Pvt. Ltd., Deccan Nitrates Pvt. Ltd and Vikram Chemicals Private Ltd.

### (2) Past remuneration

Financial Year	Total Remuneration (Rs.)
2010-11	Rs. 79.07/- lakhs
2009-10	Rs. 55.40/- lakhs
2008-09	Rs. 95.25/- lakhs

(3) **Recognition or awards:** Not Applicable

(4) **Job profile and his suitability** – Mr.K.Ravi is the overall in- charge of operations of the Company. Subject to the superintendence, direction and control of the Board, the day to day management and administration of the Company is vested with the Managing Director.

(5) **Remuneration proposed** - as set out in the resolution for the Item No 7 .The remuneration proposed to be paid to the Managing Director has the approval of the Remuneration Committee.

(6) **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:** The proposed remuneration is comparable to the remuneration being paid to the Managing Director or 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, and his holding of 16,47,625 equity shares in the Company, Mr. K Ravi



does not have any other pecuniary relationship with the Company.

Your Directors recommend that the resolution be passed.

None of the Directors except Mr. K. Ravi and Mr. K. Madhu, his brother are interested in the proposed resolution.

#### **ITEM NO. 8**

Mr.P.N.Raju was re-appointed as an Executive Director by the Board of Directors of the Company for a period of 5 years w.e.f. 01.08.2009. In recognition of the contribution made by him, and considering the growth achieved by the Company, the Board in its Meeting held on 30<sup>th</sup> May, 2011 has decided to increase his remuneration with effect from 1<sup>st</sup> April 2011. The increase is in accordance with the conditions specified in Schedule XIII of the Companies Act, 1956.

According to Section 310 of the Companies Act, 1956, read with schedule XIII of the said Act, increase in remuneration validly made by resolution of the Board of Directors needs to be ratified in the next General Meeting of the Company.

Your Directors recommend that the resolution be passed.

None of the Directors, except Mr. P.N.Raju is interested in the proposed resolution.

#### **ITEM NO. 9**

Mr. K.Gautam was appointed as Executive Director of the Company for a period of 5 years w.e.f. 1 August, 2009. In recognition of the contribution made by him, and considering the growth achieved by the Company, your Board of Directors had in their meeting held on 30<sup>th</sup> May 2011, increased his salary w.e.f 1st April 2011.

The increase in remuneration is in accordance with the conditions specified in schedule XIII of the Companies Act 1956.

According to Section 310 of the Companies Act, 1956, read with schedule XIII of the said Act, increase in remuneration validly made by resolution of the Board of Directors needs to be ratified in the next General Meeting of the Company.

The Board recommends this resolution for your approval.

None of the Directors, except Mr. K.Madhu and Mr.K.Ravi deemed to be interested in the proposed resolution.

#### **Item 10**

Members may recall that at the 28<sup>th</sup> Annual General Meeting held on 29<sup>th</sup> September 2009, they have passed a Special Resolution approving the appointment of Mr. Nirmal Goradia as Vice President (Commercial) at a salary of Rs. R. 49,900/- per month

Mr. Nirmal Goradia is the son of Mr. Vinodrai Goradia, Director. Holding of any office of profit by and payment of remuneration to a relative of any director are governed by the provisions of Section 314 of the Companies Act, 1956. This Section requires the approval of the shareholders and/or the approval of the central government if the remuneration is beyond prescribed ceilings.

Subsequently, the Board at its meeting held on 13<sup>th</sup> November,2010 approved the appointment and re-designated Mr. Nirmal Goradia as Vice President (Exports) with enhanced responsibilities, and the payment of remuneration of Rs. 75,000/- per month, subject to the approval of Central Government since the approval of the Central Government was required for any payment beyond Rs. 50,000/- per month as per the prevailing ceilings under Section 314(1B) of the Companies Act, 1956. The Board also decided that till the approval of the enhanced remuneration by the Central Government, Mr. Nirmal Goradia shall draw the remuneration to the extent permitted by Section 314.

Subsequently, vide Notification No. G.S.R.357 (E) Dated 2<sup>nd</sup> May, 2011, the Ministry of Corporate Affairs enhanced the ceiling of payment of remuneration with the approval of the Special Resolution upto Rs 2,50,000/- per month, without the approval of the Central Government.

At the meeting held on 12<sup>th</sup> August, 2011 the Board of Directors of the Company granted an increment to Mr. Nirmal Goradia, revising his remuneration to Rs. 84,188/- per month with effect from 1<sup>st</sup> June, 2011.

Your Directors seek your approval for the above remuneration paid/payable to Mr. Nirmal Goradia, and grant him increments within the ceilings prescribed under the provisions of Section 314 of the Companies Act, 1956.

Your directors recommend that the resolution be passed.

#### **Item 11**

Members may recall that at the Extra-Ordinary General Meeting held on 30<sup>th</sup> July, 2007 they have passed a Special Resolution approving the appointment of Mr. Utkal Goradia as Manager,(Administration)at a salary of Rs. 30,604/- per month(on cost to the company basis). The Resolution also authorized the Board to grant him increments so that his total remuneration would not exceed Rs. 50,000/- per month.

Mr. Utkal Goradia is the grandson of Mr. Vinodrai Goradia, Director. Holding of any office of profit by and payment of remuneration to a relative of any director are governed by the provisions of Section 314 of the Companies Act, 1956. This Section requires the approval of the shareholders and/or the approval of the central government if the remuneration is beyond prescribed ceilings.

At its meeting held on 12<sup>th</sup> August, 2011, the Board approved payment of an increased remuneration of Rs. 57, 101/- per month to Mr. Utkal Goradia, with effect from 1<sup>st</sup> June, 2011. This remuneration is subject to the approval of the Shareholders through a Special Resolution, as required by Section 314 of the Companies Act. 1956.

Your Directors seek your approval for the above remuneration paid/payable to Mr. Utkal Goradia, and grant him increments within the ceilings prescribed under the provisions of Section 314 of the Companies Act, 1956.

Your directors recommend that the resolution be passed.



Your Directors have pleasure in presenting their Report for the financial year ended March 31, 2011.

## FINANCIAL RESULTS

The Audited Balance Sheet of your Company as at March 31, 2011, the Profit & Loss Account for the year ended on that date and the report of the Auditors thereon are being circulated with this report. The salient features of the financial results are as follows:

	(Rs. in lakhs)	
	2010 – 2011	2009 – 2010
<b>Gross Income</b>	<b>56,566.20</b>	<b>34,113.66</b>
<b>Profit Before Tax</b>	<b>2,860.79</b>	2,339.41
Provision for Tax	<b>519.50</b>	1168.63
<b>Net Profit</b>	<b>2,341.29</b>	<b>1,170.78</b>
Profit brought forward from Previous Year	<b>1,153.60</b>	2,500.00
<b>Profit available for Appropriation</b>	<b><u>3,494.89</u></b>	<b><u>3,670.78</u></b>
<b>Appropriations</b>		
Provision for Dividend & Dividend Tax	607.73	441.44
Transfer to General Reserve	1,700.00	2,075.74
<b>Balance carried forward</b>	<b>1,187.16</b>	<b>1,153.60</b>

During the year under review, there has been a 66 % increase in the gross turnover, and 100 % in the Net Profit compared to the previous year. The substantial increase in turnover and profits compared to the previous year was mainly due to overall increase in Cement, Boards and Energy Division turnover and spectacular performance in the last quarter of the financial year 2010-11.

Out of the profits, the Directors propose a transfer of an amount of Rs. 1700.00 lakhs to the General Reserve.

## DIVIDEND

In view of the higher profitability, your Directors are pleased to recommend a higher dividend of 15%, compared to the 10% dividend declared in the previous year. The dividend payout for the year 2010-11 will be Rs.1.50/- per share absorbing a sum of Rs 607.73 lakhs (Rs.441.44 lakhs in the previous year) including the dividend tax, the dividend being free from income tax in the hands of the shareholders.

## EXPANSION/DIVERSIFICATION/JOINT VENTURES

Your Directors are pleased to report that your company has entered into a Joint Venture Agreement with VST-Verbundschalungstechnik GmbH, Austria for erecting high rise building using the VST Technology. A joint venture company called NCL-VST Infra Limited has been formed to take up the activity.

Your directors are also contemplating establishment of a thermal power plant to cater to the needs of the power requirements of the company and also sell surplus power. The Company also proposed to set up Ready Mix Concrete units in Andhra Pradesh. As soon as the plans are crystallized, the Directors will report the details.

## INVESTOR EDUCATION & PROTECTION FUND

The Company has transferred Rs.6.79 Lakhs relating to unpaid Dividend for the Financial Year 2002-03 to the Investor Education & Protection Fund.

## FIXED DEPOSITS

As on 31<sup>st</sup> March 2011, Rs 2,094.65 Lakhs of Public Deposits are outstanding. The Company has repaid all the matured deposits that have been claimed.

## AUDITORS

Mr.P.V.Ratnam, Chartered Accountant, the existing auditor of the Company retires at the conclusion of this Annual General Meeting and is eligible for re-appointment. Your Directors propose that Mr. P V Ratnam be re-appointed as Auditor.

## COST AUDITORS

Mr. R. Srinivasa Rao, Cost Accountant, the existing Cost Auditor of the Company has been re-appointed to conduct the Cost Audit pertaining to the Cement Division as well as the Energy Division of the company for the year 2011-2012.

## DIRECTORS

Mr.S.S.Raju, Joint Managing Director and Mr.G.D.L.S.N.Raju, Director have resigned w.e.f 1<sup>st</sup> June, 2011. Your Board wishes to place on record its appreciation of the valuable contribution made by Mr. S S Raju and Mr. G.D.L.S.N. Raju during their long tenure on the Board of the Company.

Mr. P.S.Reddy, and Mr.Kamlesh Gandhi Directors retire by rotation at the ensuing Annual General Meeting and are eligible, for re-appointment.



Mr.K.Ravi, Managing Director has been re-appointed as Managing Director for a period of five years w.e.f 1<sup>st</sup> April, 2011. Mr.Ashven Datla has been appointed as Additional Director w.e.f 1<sup>st</sup> June,2011 Appropriate resolutions for their appointment/re-appointment are proposed in the Annual General Meeting.

## **CORPORATE GOVERNANCE**

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

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

## **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- I. That all applicable accounting standards have been followed in the preparation of annual accounts and that there are no material departures
- II. That the Directors selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31<sup>st</sup> March, 2011 and of the profit of the Company for the year ended on that date.
- III. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

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

## **PARTICULARS OF EMPLOYEES**

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

## **ADDITIONAL INFORMATION**

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

## **ACKNOWLEDGEMENTS**

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

Your Directors also wish to place on record their appreciation of the excellent 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

Place: Hyderabad  
Date: August 12, 2011

**R. ANAND**  
Chairman



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

	<b>Current Year 2010-11</b>	<b>Previous Year 2009-10</b>
<b>A. POWER AND FUEL CONSUMPTION</b>		
<b>1 ELECTRICITY</b>		
<b>a. Purchased</b>		
Units - Lakhs	<b>1024</b>	625
Total Amount ( Rs.In Lakhs)	<b>3853</b>	2105
Rate/Unit( Rs )	<b>3.76</b>	3.37
<b>b. Own Generation</b>		
Through Diesel Generator ( Units Kwh Lakhs)	<b>1.63</b>	9.19
Total Amount ( Rs.In Lakhs )	<b>19.97</b>	97.42
Rate/Unit( Rs )	<b>12.25</b>	10.60
<b>2 COAL</b>		
Quantity ( Tonnes )	<b>177762</b>	101795
Total Cost (Rs.In Lakhs)	<b>5541</b>	2681
Average Rate/Tonne(Rs)	<b>3117</b>	2634
<b>3 FIRE WOOD</b>		
Quantity ( MT )	<b>18766</b>	4750
Total Cost ( Rs. In Lakhs )	<b>544</b>	111
Average Rate/Tonne(Rs)	<b>2896</b>	2337
<b>4 CONSUMPTION PER MT OF PRODUCTION</b>		
<b>Electricity - Units</b>		
Cement Division	<b>94.25 *</b>	95.97 *
Boards Division	<b>125.36</b>	176.13
<b>Coal - MT (Cement Division)</b>		
Kcal/Kg clinker	<b>770</b>	772

\*Per MT of equivalent Ordinary Portland Cement

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

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

For and on behalf of the Board

Place : Hyderabad  
Date : August 12, 2011

**R. ANAND**  
CHAIRMAN





**(in compliance with Clause 49 of the Listing Agreement)**

**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 for efficient conduct of its business and in meeting its obligations to shareholders.

**2) Board of Directors:**

a) Constitution & Size of the Board

During the year under review, your Board of Directors had 12 Directors, 4 being Executive Directors and 8 Non-Executive Directors. Five of the Non Executive Directors, including the Chairman are independent.

Mr.S.S.Raju, Joint Managing Director and Mr.GDLSN Raju, Director of the Company have resigned w.e.f. 1<sup>st</sup> June, 2011. Mr.Ashven Datla has been inducted as Additional Director w.e.f 1<sup>st</sup> June,2011.

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

Six Board Meetings were held during the year 2010-2011. The dates on which the said meetings were held are as under:

- (1) 30<sup>th</sup> May, 2010
- (2) 13<sup>th</sup> Aug, 2010
- (3) 30<sup>th</sup> Sep 2010
- (4) 13<sup>th</sup> Nov 2010
- (5) 31<sup>st</sup> Jan 2011
- (7) 24<sup>th</sup> Feb 2011.

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

Name of the Director	Categories Of Director-ship*	No of Board Meeting attended	Attendance at last AGM	Directorship in other Companies	No. of memberships of other Committees **as	
					Chairman	Member
R. Anand	I & NED	4	Yes	6	-	3
M. Kanna Reddy	I & NED	6	Yes	1	-	1
M. Bhaskara Rao	I & NED	3	Yes		-	
Kamlesh Gandhi	I & NED	5	Yes	7	1	1
V.V. Goradia	NED	4	Yes		-	
K Madhu	NED	6	Yes	6	-	
P.S.Reddy	I & NED	4	Yes	2		
G.D.L.S.N. Rajui#	NED	4	Yes	2	-	-
K.Gautam	ED	6	Yes	-	-	
P.N.Raju	ED	5	Yes	2	-	-
S.S.RAJU#	JMD	6	Yes	2	-	-
K. Ravi	MD	6	Yes	6	-	-

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

\* I & NED Independent and Non Executive Director

NED - Non-Executive Director

ED - Executive Director # Resigned w.e.f 01/06/2011



### 3) **Audit Committee:**

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

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

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

30<sup>th</sup> May, 2010, 13<sup>th</sup> August 2010, 13<sup>th</sup> November 2010, 31<sup>st</sup> January 2011.

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

Name	Designation	Category	Committee meetings attended
M.Kanna Reddy	Chairman	Independent	4
M. Bhaskara Rao	Member	Independent (IREDA Nominee)	2
K. Madhu	Member	Non Executive	4
Kamlesh Gandhi	Member	Independent	4

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

### 4) **Remuneration Committee:**

The Board also has a Remuneration Committee constituted in pursuance of Clause 49 of the Listing Agreement. This Committee considers and recommends the remuneration payable to Executive Directors. During the year under review, no committee Meeting was convened. The constitution of the committee is given hereunder.

Name	Designation	Category
M.Kanna Reddy	Chairman	Independent
M. Bhaskara Rao	Member	Independent (IREDA Nominee)
K. Madhu	Member	Non Executive
P.S.Reddy	Member	Independent

### **Remuneration Policy**

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

### **Remuneration paid to Executive Directors**

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



(Rs. in lakhs)

Name of the Director	Salary	Perquisites	Commission	Total
K. Ravi, M.D	24.67	9.87	44.53	79.07
S.S.Raju, Jt.M.D	19.20	9.98		29.18
P.N.Raju, E.D	12.80	6.30		19.10
K.Gautam, E.D	6.40	2.56		8.96

Perquisites include HRA, Contribution to PF etc.

- Commission payable to MD (at 1.5% of Net profits of the company) computed in accordance with Section 198 Companies Act, 1956 which is separately shown in Notes to Accounts.

#### Remuneration paid to Non Executive Directors

The Non-Executive Directors were paid sitting fees for attending the meetings of the Board or the Committees thereof at the rate of Rs.5000/- per Board/Committee Meeting. In addition they are entitled to commission at the rate of not exceeding 1% of the net profits of the Company in terms of the resolution approved by the shareholders at the AGM held on 29<sup>th</sup> September, 2009. During the year under review, they will receive @0.25% of the net profits aggregating Rs.7.42 Lakhs which will be paid on approval of accounts at the ensuing AGM.

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

Name of Director	No. of Board/ Committee meetings attended	Sitting Fees paid (Rs)
M.Kanna Reddy	11	55,000
M. Bhaskara Rao	5	25,000
V.V. Goradia	4	20,000
R.Anand	4	20,000
G.D.L.S.N. Raju	5	25,000
K Madhu	11	55,000
Kamlesh Gandhi	9	45,000
P.S.Reddy	4	20,000
<b>Total Sitting Fees Paid</b>		<b>2,65,000</b>

#### Shareholdings of Non Executive Directors as on 12<sup>th</sup> August, 2011:

Non-executive Directors	No. of Shares
R.Anand	540
M. Kanna Reddy	NIL
V.V. Goradia	4,25,470
K. Madhu	11,03,629
M. Bhaskara Rao	NIL
Ashven Datla	1,37,162
Kamlesh Gandhi	NIL
P.S.Reddy	25,218

#### 5) Investor's Grievance Committee :

This committee comprises of three members namely Mr. M. Kanna Reddy as its Chairman and Mr. K. Madhu and Mr. G.D.S.L.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 13<sup>th</sup> December, 2010. The attendance details of the members are given hereunder.

Name	Designation	Category	Committee meeting attended
M. Kanna Reddy	Chairman	Independent	1
K. Madhu	Member	NED	1
G.D.L.S.N. Raju	Member	NED	1

#### Compliance Officer

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

#### i) Details of Investors letters / complaints received during the year ended 31<sup>st</sup> March 2011.

SI No	Nature of letter / complaints	Received	Disposed	Pending
1	Non-receipt of Dividend warrant(s)	32	32	Nil
2	Non - Receipt of Share certificates after transfer / duplicate.	4	4	Nil
3	Non – Receipt of Annual Report	2	2	Nil
4	Miscellaneous – others	-	-	Nil

#### ii) Number of Complaints pending with the Company:

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

#### 6) Subsidiaries:

There are no subsidiaries of the Company.

#### 7) General Body Meetings:

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

Year	Date & Time of AGM	Place
2009-2010	30.09.2010 at 10.00 AM	Bharatiya Vidya Bhavan, King Koti, Hyderabad
2008-2009	29.09.2009 at 10.00 AM	Bharatiya Vidya Bhavan, King Koti, Hyderabad
2007-2008	29.09.2008 at 11.00 AM	Bharatiya Vidya Bhavan, King Koti, Hyderabad

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

Year	Gist of the Resolutions
2009 - 2010	NIL
2008 - 2009	a) Appointment of Mr. P.S.Reddy as Director b) Appointment of Mr. K.Gautam as Director c) Remuneration payable to Mr.K.Gautam- Executive Director d) Remuneration payable to Mr.P.N.Raju - Executive Director e) Appointment of Mr. Nirmal Goradia as Vice President(Commercial) f) Remuneration by way of commission payable to Non-Executive Directors
2007 - 2008	a) Revision of remuneration payable to Mr. K. Ravi, Managing Director b) Revision of remuneration payable to Mr.S.S.Raju Executive Director c) Revision of remuneration payable to Mr.P.N.Raju Executive Director d) Appointment of Mr. Kamlesh Gandhi as Director e) Appointment of Mr. Aswin Goradia as Regional Manager f) Appointment of Mr. G. T. Sandeep as Management Trainee



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

## 8) Disclosures

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

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

i. Independent Directors:

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

ii. Remuneration committee:

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

iii. Audit qualifications:

The Board endeavours to present unqualified financial statements. There are no audit qualifications in the Auditors' report for the financial year ended 31 March, 2011.

## 9) 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, and Andhra Prabha .
- II. Quarterly / Half yearly financial results of the Company are forwarded to the stock exchanges and published in Business Standard/and Andhra Prabha. Half yearly report is not sent to each household of shareholders as the results are published in the news papers.
- III. The results and other official news releases are also published in the Company's website – [www.nclind.com](http://www.nclind.com)

## 10) Shareholders information:

i)	AGM :	30 <sup>th</sup> Annual General Meeting
	Date :	30 <sup>th</sup> September, 2011
	Time :	10.30 AM
	Venue :	Bharatiya Vidya Bhavan, King Koti, HYDERABAD.
ii)	Financial Year	April 1 <sup>st</sup> to March 31 <sup>st</sup> next.
iii)	Date of Book Closure	23/09/2011 to 30/09/2011, (both days inclusive)
iv)	Dividend payment date	Within 30 days from the date of declaration
v)	Listing on Stock Exchanges	BSE & NSE
vi)	A) Script Code	BSE- 502168, NSE – NCLIND
	B) Demat ISIN No in NSDL & CDSL for equity shares	INE 732CO1016
	C) Corporate Id. No.	L33130AP1979SGC002521



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

Month & Year	High (Rs.)	Low (Rs.)	Close (Rs.)	No of Shares Traded (in Lakhs)
Apr - 10	47.90	35.80	41.80	18,07,890
May - 10	44.00	29.00	34.70	5,10,179
Jun - 10	36.50	33.50	33.85	4,07,968
Jul - 10	37.40	33.20	33.80	6,17,922
Aug - 10	35.90	32.25	32.70	4,60,006
Sep - 10	37.20	31.80	32.20	6,62,060
Oct - 10	34.00	29.75	32.00	3,84,119
Nov - 10	36.45	28.05	31.30	6,59,152
Dec - 10	31.95	27.00	28.50	1,37,872
Jan - 11	31.95	25.30	26.75	1,44,652
Feb - 11	31.65	23.30	27.10	2,72,658
Mar - 11	28.40	25.00	26.50	3,26,064

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

**Venture Capital & Corporate Investments (P)Ltd**

12-10-167 (MIG), Bharath Nagar

HYDERABAD 500 018

Phones: **040-23818475/76&23868023**

Fax : 040-23868024

**E-mail: info@vccilindia.com**

ix) **Share transfer system:**

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

x) **Distribution of Shareholding as on 31.03.2011**

Ordinary Shares held	No. of Shareholders	%	No. of Shareheld	%
Up to 5000	39,546	98.86	1,02,28,637	29.28
5001 - 10000	207	0.52	15,04,984	4.31
10001 - 20000	93	0.23	12,97,607	3.71
20001 - 30000	48	0.12	11,69,554	3.35
30001 - 40000	20	0.05	7,04,262	2.01
40001 - 50000	17	0.04	7,78,508	2.23
50001 - 100000	26	0.07	17,85,210	5.11
100001 & ABOVE	45	0.11	1,74,68,573	50.00
<b>TOTAL</b>	<b>40,002</b>	<b>100.00</b>	<b>3,49,37,335</b>	<b>100.00</b>



xi **Shareholding Pattern As on 31.03.2011**

	<b>No. of Shares held</b>	<b>Percentage</b>
<b>Promoters</b>		
Individuals	1,11,58,765	31.94
Body Corporates	44,48,083	12.73
Financial Institutions/Banks	42,400	0.13
<b>Public shareholding</b>		
Individuals holding nominal share capital upto Rs.1 lakh	1,10,07,380	31.50
Individuals holding nominal share capital in excess of Rs.1 lakh	60,48,868	17.31
Body Corporates	20,14,675	5.77
Mutual Funds/FI's	45,190	0.13
NRI's	1,71,974	0.49
<b>TOTAL</b>	<b>3,49,37,335</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 on 31<sup>st</sup> March 2011, 86.87% of shares of the Company were held in Dematerialized form with the following depositories.

<b>Depository</b>	<b>No. of Shares</b>	<b>Percentage</b>
1) NSDL	2,55,58,184	73.15%
2) CDSL	47,93,983	13.72%
<b>Total</b>	<b>3, 03, 52,167</b>	<b>86.87 %</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) **Plants Location:**

**CEMENT UNIT – I** : Simhapuri, Mattampally Mandal, Nalgonda Dist-508204, Andhra Pradesh

**UNIT – II** : Kadimpothavaram Village, Kondappalli, Krishna District- 521228, Andhra Pradesh

**BOARDS UNIT – I** : Simhapuri, Mattampally Mandal, Nalgonda Dist-508204, Andhra Pradesh

**UNIT – II** : Bhothanwali Village, Paonta Sahib, Sirmour District, Himachal Pradesh - 173025

**PREFAB UNIT – I** : Plot No. 34/A, IDA, Jeedimetla Hyderabad- 500 055, Andhra Pradesh.

**UNIT – II** : Bhothanwali Village, Paonta Sahib, Sirmour District, Himachal Pradesh - 173025.

**ENERGY UNIT – I** : Pothireddypadu, Head Regulator, Chabolu Village, Pothulapadu Post, NandikotkurTQ. - 518402, Kurnool District, Andhra Pradesh.

**UNIT – II** : RBHLC Zero Mile Point, Tungabhadra Dam, Tungabhadra Board, Amaravathi Village, Hospet - 583225, Karnataka.

xv) **Address for Investor's Correspondence**

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



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xvi) **CEO/CFO Certification**

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

The above Report was adopted by the Board of Directors at their meeting held on 12<sup>th</sup> August, 2011.

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**DECLARATION FOR COMPLIANCE WITH CODE OF CONDUCT**

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

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

**K. RAVI**

Managing Director

Date: August 12, 2011.

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**CERTIFICATE ON CORPORATE GOVERNANCE**

To the Members of NCL INDUSTRIES LIMITED

We have examined the compliance of conditions of Corporate Governance by NCL Industries Limited, for the year ended on 31.03.2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

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

**P.V. Ratnam**

Chartered Accountant

Membership No. : 9281

Place: Hyderabad

Date: August 12, 2011

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## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Company's performance during the year ended 31st March, 2011 and the Management's view on future outlook are detailed below:

### A. INDUSTRY STRUCTURE AND DEVELOPMENT

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

#### Cement

India's cement industry has witnessed tremendous growth on the back of continuously rising demand from the housing sector, increased activity in infrastructure, and construction boom. The second largest cement producer in the world, with an installed capacity of about 236 million tons (MT) in 2009 – 10, the sector is expected to add an additional capacity of 92.3 MT by 2013. The country's cement production is projected to grow at a compound annual growth rate (CAGR) of around 12 per cent during 2011-12 - 2013-14. The cement production touched 14.50 MT, while the cement despatches quantity was registered at 14.28 MT during April 2011, as per provisional data released by Cement Manufacturer's Association (CMA).

The Indian cement industry has become a forerunner in energy-efficient cement manufacturing in the world with some of the plants operating at the lowest energy consumption levels. The industry has witnessed continuous modernization and adoption of new technologies (93% of the total capacity is based on eco friendly dry process technology).

The south zone has witnessed increased capacity in last few years due to its rich limestone reserves. Growth in the real estate market in the region, coupled with the development of key infrastructure projects such as airport and metro rail, has resulted in increased demand for cement in this region. However, in Andhra Pradesh the fall in consumption of cement during the first quarter of the current financial year 2011-12 has been on account of political instability and little progress in construction and infrastructure activity

Cement prices have witnessed an upward trend across regions over the past few years due to a constricted

supply scenario and an increase in input costs. However, prices are expected to stabilize or decline in the near future, as supply rises as a result of capacity expansions and players focus on captive power generation to reduce input costs. In this direction, your Company is exploring opportunities of setting up a coal based power plant that shall cater to the requirement of the cement manufacturing units.

#### Boards

Your Company is the only manufacturer of Cement Bonded Particle Boards (CBPB) in the country. A cost effective alternative to conventional cement and mortar walls and partitions, the particle boards can be installed with standard carpentry tools. They are also resistant to fire, water, termites, and impact abuse.

#### Prefab

Your Company is a pioneer in the manufacture and supply of prefab shelters widely accepted by both public and private sector undertakings. In-house manufacture of CBPB, one of the major components used in prefabricated structures, is an added advantage. However, with the entry of a number of players in the unorganised sector, the DGS & D rates have become unviable, and your company is concentrating more on project housing and institutional orders.

To upgrade the technology, your Company has entered into a Joint Venture Agreement with VST Verbundschalungstechnik GmbH, Austria for erecting high rise building using the VST Technology. A joint venture company called NCL- VST Infra Limited has been formed to take up the activity. Your Directors foresee bright prospects for the joint venture, since the technology aims at cutting down construction time and achieving substantial savings on labour costs.

#### Hydel Energy

Your Company is at present having two small hydel power projects. With a total capacity of 15.75 MW it is a small player in this field.

### B. OPPORTUNITIES AND THREATS

The high-growth trajectory and buoyancy in sectors such as real estate, infrastructure and construction during the



past four years resulted in further investments and creation of additional capacity in cement over the past two years.

The industry is now passing through a stage of demand-supply adjustment. It finds itself in rather paradoxical situation of concurrent opportunity and threat. If the investment in infrastructure projects keep pace with the projections, the industry is likely to benefit from the enhanced demand. However, any slowing down in the investment poses a threat of increased supplies, depressing prices and realizations.

In the Boards Division, the growing market awareness of the advantages of the Cement Bonded Particle Boards offers a tremendous opportunity. Further, your company expects a boost in the sale of the Boards Division concurrently with the expected growth of the prefab activity of the joint venture with the VST. However the emergence of substitute products to the Boards Division constitutes a constant threat, keeping the company on its toes to maintain its overall market share.

Hydro projects can be unreliable during prolonged droughts and dry seasons when rivers dry up or reduce in volume. Hence the performance of the Energy Division is closely linked to the vagaries of the weather.

### C. SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE.

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

Segments	Percentage contribution to Total Turnover	Quantity of production	(Rs. In Lakhs)	
			Turnover	Segment Profit before Interest & Tax
Cement	83.86	10,22,155 MT	47088.58	5294.80
Boards	10.95	48098 MT	6145.73	768.35
Prefab	3.16	43,323Sq.Mtrs	1775.12	33.12
Energy	2.03	50.63 MU	1141.07	819.76

### D. OUTLOOK

Cement sales have revived across regions since December 2010. Revival of infrastructure and real estate projects especially in rural areas increased funds and tax related incentives offered to infrastructure sector around the country contributed to improving in demand for cement.

### E. RISKS AND CONCERNS.

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

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

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

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

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

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

The Company has cordial relations with employees and staff. As on 31<sup>st</sup> March 2011, the company has 714 employees working in its factories and various offices.

### I. CAUTIONARY STATEMENT

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



## Annexure 'C'

Statement of Particulars of Employees pursuant to Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended and forming part of the Directors' Report for the year ended 31st March 2011.

Name:	Mr. K. Ravi
Age	57 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 26 years
Remuneration	Rs.79.07 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 12/08/2011	4.68 %

**Notes:**

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

For and on behalf of the Board

Place : Hyderabad  
Date: August 12, 2011

**R. Anand**  
Chairman





## To the Members of NCL INDUSTRIES LIMITED

1. I have audited the attached Balance Sheet of NCL Industries Limited, as at 31<sup>st</sup> March 2011, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.
2. I conducted the audit in accordance with the auditing standards generally accepted in India. Those Standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that the audit provides a reasonable basis for my opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (the 'Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 I give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to my comments in the Annexure referred to in paragraph 3 above, I report that:
  - (a) I have obtained all the information and explanations, which to the best of my knowledge and belief, necessary for the purposes of my audit;

- (b) In my opinion, proper books of account as required by law have been kept by the Company so far as it appears from my examination of those books;
- (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) In my opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act 1956.
- (e) On the basis of written representations received from the directors, as on March 31, 2011 and taken on record by the Board of Directors, none of the directors is disqualified as on that date from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
- (f) In my opinion and to the best of my information and according to the explanations given to me, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2011;
  - in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
  - in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**P.V.RATNAM**

Place : Hyderabad

Chartered Accountant

Dated : 30.05.2011

Membership No. : 9281

## ANNEXURE TO AUDITOR'S REPORT:

[Referred to in paragraph 3 of the Auditor's Report to the members of NCL Industries Limited on the financial statements for the year ended 31<sup>st</sup> March, 2011]

1. (a) The Company has maintained adequate records showing full particulars including quantitative details and situation of fixed assets.
- (b) A substantial portion of the fixed assets of the Company has been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In my opinion, the frequency of verification is reasonable.
- (c) In my opinion and according to the information and explanations given to us, fixed assets disposed off by the Company during the year were not substantial and therefore do not effect the going concern assumption.
2. (a) The inventory (excluding stocks with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed

by them. In my opinion, the frequency of verification is reasonable.

- (b) In my opinion, 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) On the basis of my examination of the inventory records, in my opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
3. According to the information and explanations given to me-
  - (a) the company has not granted any loans, secured or unsecured, to companies, firms or other parties covered under the section 301 of the Act.
  - (b) the company has taken Inter Corporate Deposits aggregating to Rs.1055 lakhs from NCL Alltek & Seccolor Ltd and repaid the entire amount during the year. The rate of interest and other terms and conditions are prima facie not prejudicial to the interest of the company. The repayments are regular.



4. In my opinion and according to the information and explanations given to me, having regard to the explanation that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods. Further, on the basis of my examination of the books and records of the Company, and according to the information and explanations given to me, I have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control procedures.

5. In my opinion and according to the information and explanations given to me-

(a) the particulars of contracts or arrangement referred in section 301 of Act have been entered in the register required to be maintained under that section; and

(b) the transactions made in pursuance of such contracts or arrangement has been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

6. The Company has accepted deposits from public and directives issued by the Reserve Bank of India and the provisions of Section 58A, 58AA, relevant provisions of the Act and the rules framed there under, where applicable, have been complied with. According to the information and explanations given to me, sufficient balances are maintained in collection accounts, free from charge or lien, for payment of interest and refund of deposits falling due. No order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any Tribunal regarding the Deposits

7. In my opinion, the Company has adequate internal audit system commensurate to the size and operations of the company.

8. I have broadly reviewed the books of account maintained by the Company in respect of products, where pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. I have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

9. [a] According to the information and explanations given to me and the records of the Company examined by me, in my opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.

[b] The disputed statutory dues not deposited on account of matters pending before appropriate authorities are as under:

Sl. No.	Name of the statute	Nature of Dues	Forum where Pending	Amount (Rs. In Lakhs)
1.	Sales Tax Act (APGST & VAT)	Sales Tax	Tribunal	25.15
			ACCT (Appeals)	14.43
			DCCT (Appeals)	23.83
2.	Central Excise	Disputed Excise Dues	Tribunal	279.52
			High Court	29.22
			CEC	83.83
3.	Nala Tax	Non-Agriculture Tax on Mining Area	High Court	43.56
			A.P.	
4.	Service Tax	Disputed Service Tax	CEC	44.06

10. The Company has no accumulated losses as at March 31, 2011 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.

11. The Company has not defaulted in repayment of dues to any financial institution or bank as at the balance sheet date. There are no debenture holders as at the balance sheet date

12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/ societies are not applicable to the Company as it is not in such business.

14. The Company is not a dealer or trader in shares, securities, debentures and other investments. Therefore, the provisions of clause 4 (xiv) of the Order are not applicable.

15. According to the information and explanations given to me, no guarantee is given by the Company, for loans taken by others from banks or financial institutions during the year.

16. According to the information and explanations given to me, on an overall basis, the term loans have been applied for the purposes for which they were obtained.

17. According to the information and explanations given to me, there are no funds raised on a short-term basis, which have been used for long-term investment, and vice versa.

18. The Company has not made any preferential allotment of equity shares during the year.

19. The Company has not issued any debentures during the year.

20. The company has not made any public issue during the year.

21. During the course of my examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to me, I have neither come across any instance of fraud on or by the Company, nor have I been informed of such case by the management, during the year.

**P.V.RATNAM**

Place : Hyderabad

Chartered Accountant

Dated : 30.05.2011

Membership No. : 9281

**BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2011**



Rs. In Lakhs

	Schedule	As at 31-3-2011		As at 31-3-2010	
<b>SOURCES OF FUNDS</b>					
<b>SHAREHOLDERS FUNDS:</b>					
a) Share Capital	1	3,493.73		3,493.73	
b) Reserves and Surplus	2	12,034.21		10,300.65	
			<b>15,527.94</b>		<b>13,794.38</b>
<b>LOAN FUNDS:</b>					
a) Secured Loans	3	28,896.63		32,494.36	
b) Unsecured Loans	4	7,495.45		6,086.74	
			<b>36,392.08</b>		<b>38,581.10</b>
Deferred Tax	5		<b>3,285.46</b>		<b>2,775.96</b>
<b>TOTAL</b>			<b>55,205.48</b>		<b>55,151.44</b>
<b>APPLICATION OF FUNDS</b>					
<b>FIXED ASSETS:</b>					
a) Gross Block	6	59,824.58		57,107.74	
b) Less: Depreciation		14,100.94		10,998.99	
c) Net Block		45,723.64		46,108.75	
d) Capital Work-in-progress		149.60		1,097.14	
			<b>45,873.24</b>		<b>47,205.89</b>
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>					
a) Inventories	7	5,285.47		4,443.75	
b) Sundry Debtors		5,894.39		4,899.01	
c) Cash & Bank Balances		324.23		453.23	
d) Other Current Assets		28.37		23.67	
e) Loans & Advances		5,658.16		4,406.49	
		<b>17,190.62</b>		<b>14,226.15</b>	
<b>LESS: CURRENT LIABILITIES &amp; PROVISIONS</b>					
a) Liabilities	8	7,088.07		5,717.60	
b) Provisions		817.77		600.01	
		<b>7,905.84</b>		<b>6,317.61</b>	
			<b>9,284.78</b>		<b>7,908.54</b>
<b>MISCELLANEOUS EXPENDITURE</b>					
	9		<b>47.46</b>		<b>37.01</b>
<b>TOTAL</b>			<b>55,205.48</b>		<b>55,151.44</b>
<b>NOTES ON ACCOUNTS</b>					
	16				

As per my report of even date

For and on behalf of the Board

**K. Ravi**  
Managing Director

**R. Anand**  
Chairman

**P.V.Ratnam**  
Chartered Accountant  
Membership No.: 9281

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

**T. Arun Kumar**  
Company Secretary

Place : Hyderabad  
Dated: 30th May 2011

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2011**



Rs. In Lakhs

	Schedule	For the year ended 31-3-2011		For the year ended 31-3-2010	
<b>INCOME:</b>					
Gross Turnover		56,150.50		33,914.38	
Less: Inter Segment Transfers		10,019.94		5,528.78	
Less: Taxes and Duties		9,934.15		5,113.83	
<b>Net Turnover</b>			<b>36,196.41</b>		<b>23,271.77</b>
Other Income	10		<b>415.70</b>		<b>199.28</b>
<b>TOTAL</b>			<b>36,612.11</b>		<b>23,471.05</b>
<b>EXPENDITURE :</b>					
Manufacturing, Administration, Selling and Other Expenses	11		27,049.80		17,033.66
Interest	12		4,055.24		2,513.28
Stock Variation	13		(425.90)		(392.17)
Depreciation, Obsolescence & Amortisation	14		3,114.19		2,087.56
<b>TOTAL</b>			<b>33,793.33</b>		<b>21,242.33</b>
<b>Profit before Prior Year Adjustments</b>			<b>2,818.78</b>		<b>2,228.72</b>
Net Prior Year Adjustments	15		42.01		110.69
<b>Profit Before Tax</b>			<b>2,860.79</b>		<b>2,339.41</b>
Income Tax - Earlier Years			10.00		101.81
Income Tax - Current Year		397.59			-
Less: MAT Credit Entitlement Account		397.59			-
<b>Profit After Tax</b>			<b>2,850.79</b>		<b>2,237.60</b>
Deferred Tax			509.50		1,066.82
<b>Net Profit</b>			<b>2,341.29</b>		<b>1,170.78</b>
Profit brought forward from previous year			1,153.60		2,500.00
<b>PROFIT AVAILABLE FOR APPROPRIATIONS</b>			<b>3,494.89</b>		<b>3,670.78</b>
<b>APPROPRIATIONS:</b>					
Transfer to General Reserve			1,700.00		2,075.74
Excess Provision of Dividend Tax (FY 2009-10)			(1.35)		32.69
Provision for Dividend			524.06		349.37
Provision for Dividend Tax			85.02		59.38
<b>BALANCE CARRIED TO BALANCE SHEET</b>			<b>1,187.16</b>		<b>1,153.60</b>
			<b>3,494.89</b>		<b>3,670.78</b>
<b>Earnings Per Share (In Rs.)</b>					
Basic			6.70		3.39
Diluted			6.70		3.35
<b>NOTES ON ACCOUNTS</b>	16				

As per my report of even date

For and on behalf of the Board

**K. Ravi**  
Managing Director

**R. Anand**  
Chairman

**P.V.Ratnam**  
Chartered Accountant  
Membership No.: 9281

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

**T. Arun Kumar**  
Company Secretary

Place : Hyderabad  
Dated: 30th May 2011

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2011**



Rs. In Lakhs

	31.03.2011		31.03.2010	
<b>CASH FLOW FROM OPERATIONS</b>				
Net Profit / (Loss) before Tax & Extra - Ordinary Items		2,735.10		2,185.71
<b>Adjustments for:</b>				
Depreciation, Obsolescence & Amortisation	3,114.19		2,087.56	
Net Prior Year Adjustments	42.01		110.69	
Profit / (Loss) on Sale of Fixed Assets	49.62	3,205.82	(1.77)	2,196.48
<b>Operating Profit before Working Capital Changes</b>		<b>5,940.92</b>		<b>4,382.19</b>
<b>Adjustments for changes in:</b>				
Receivables	(995.38)		(88.86)	
Inventories	(841.72)		(373.82)	
Other Current Assets	(858.78)		(238.34)	
Current Liabilities	1,387.90		1,033.90	
Bank Borrowings	1,292.87	(15.11)	3,063.20	3,396.08
<b>Net Cash Flow from Operations (A)</b>		<b>5,925.81</b>		<b>7,778.27</b>
<b>Cash Flow from Investing Activities :</b>				
Sale of Net Fixed Assets	14.91		9.33	
Purchase of Fixed Assets & WIP	(1,791.18)		(10,046.64)	
Miscellaneous Expenditure	(15.72)		(2.09)	
<b>Net Cash Flow from Investing Activities (B)</b>		<b>(1,791.99)</b>		<b>(10,039.40)</b>
<b>Cash Flow from Financing Activities :</b>				
Sales Tax Deferment Loan	124.79		134.46	
Proceeds from Issue of Share Capital	-		502.94	
Subscription for Share Warrants	-		(346.98)	
Capital Investment Subsidy	-		30.00	
Term Loans	(5,269.56)		1,162.24	
Deposits / Unsecured Loans	1,283.92		1,633.10	
Hire Purchase Loans	378.96		(18.77)	
Dividend & Tax	(407.40)		(1,021.87)	
Income Tax	(407.59)		(940.35)	
Interest Income	34.06		44.78	
<b>Net Cash Flow from Financing Activities (C)</b>		<b>(4,262.82)</b>		<b>1,179.55</b>
<b>Net Increase in Cash &amp; Cash Equivalents (A+B+C)</b>		<b>(129.00)</b>		<b>(1,081.58)</b>
Opening Cash & Cash Equivalents		453.23		1,534.81
Closing Cash & Cash Equivalents		324.23		453.23

**AUDITORS CERTIFICATE**

I have verified the above Cash Flow Statement of NCL Industries Ltd from the Audited Annual Financial Statements for the Year Ending 31st March 2011 and 31st March 2010 and found the same in accordance therewith and also with the requirements of clause 32 of the Listing Agreements with Stock Exchanges.

As per my report of even date

For and on behalf of the Board

**K. Ravi**  
Managing Director

**R. Anand**  
Chairman

**P.V.Ratnam**  
Chartered Accountant  
Membership No.: 9281

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

**T. Arun Kumar**  
Company Secretary

Place : Hyderabad  
Dated: 30th May 2011

# SCHEDULES



Rs. In Lakhs

	As at 31-3-2011		As at 31-3-2010	
<b>SCHEDULE - I</b>				
<b>SHARE CAPITAL :</b>				
<b>AUTHORISED</b>				
6,20,00,000 (Previous Year 6,20,00,000) Equity Shares of Rs.10/- each		6,200.00		6,200.00
<b>ISSUED AND SUBSCRIBED</b>				
3,49,37,335 (Previous Year 3,49,37,335) Equity Shares of Rs.10/- each		3,493.73		3,493.73
<b>PAID UP CAPITAL</b>				
3,49,37,335 (Previous Year 3,49,37,335) Equity Shares of Rs.10/- each		3,493.73		3,493.73
<b>TOTAL</b>		<b>3,493.73</b>		<b>3,493.73</b>
<b>SCHEDULE - 2</b>				
<b>RESERVES AND SURPLUS</b>				
<b>CAPITAL RESERVE :</b>				
As per last Balance Sheet	240.91		210.91	
Add: Central Subsidy Received	0.00	240.91	30.00	240.91
<b>SHARE PREMIUM</b>				
As per last Balance Sheet	2,106.14		1,714.96	
Add: Received During the Year	0.00	2,106.14	391.18	2,106.14
<b>GENERAL RESERVE :</b>				
As per last Balance Sheet	6,800.00		4,724.26	
Add: Transfer from Profit and Loss Account	1,700.00	8,500.00	2,075.74	6,800.00
<b>Profit and Loss Account Balance</b>		1,187.16		1,153.60
<b>TOTAL</b>		<b>12,034.21</b>		<b>10,300.65</b>
<b>SCHEDULE - 3</b>				
<b>SECURED LOANS:</b>				
Rupee Term Loans		20,322.25		25,591.81
Working Capital Borrowings (Cash Credits)		7,618.52		6,325.65
Lease / Hire Purchase Loans		955.86		576.90
<b>TOTAL</b>		<b>28,896.63</b>		<b>32,494.36</b>
<b>SCHEDULE - 4</b>				
<b>UNSECURED LOANS:</b>				
Sales Tax Deferrment Loan		994.95		870.16
Deposits from Public & Shareholders		2,094.65		1,604.54
Deposits / Loans from Stockists and Others		4,405.85		3,612.04
<b>TOTAL</b>		<b>7,495.45</b>		<b>6,086.74</b>
<b>SCHEDULE - 5</b>				
<b>DEFERRED TAX</b>				
<b>ASSET :</b>				
Others		0.00		0.00
		<b>0.00</b>		<b>0.00</b>
<b>LIABILITY :</b>				
Arising on account of timing difference - Depreciation		3,285.46		2,775.96
<b>NET DEFERRED TAX</b>		<b>3,285.46</b>		<b>2,775.96</b>



**SCHEDULE - 6**

**FIXED ASSETS**

Rs. In Lakhs

Description of the Asset	Gross Block				Depreciation			Net Block	
	As at 01.04.2010	Additions	Transfer	As at 31.03.2011	As at 01.04.2010	For the Year ended	Transfer	As at 31.03.2011	As at 31.03.2010
	FREE HOLD LAND	1,391.78	-	4.88	1,386.90	-	-	-	1,386.90
BUILDINGS	6,140.90	344.46	7.20	6,478.16	1,161.69	181.03	0.83	1,341.89	4,979.21
PLANT AND MACHINERY	48,231.13	1,496.41	-	49,727.54	9,134.47	2,472.85	-	11,607.32	39,096.66
FURNITURES AND FIXTURES	86.96	2.45	-	89.41	45.45	7.64	-	36.32	41.51
OFFICE APPLIANCES & EQUIPMENT	203.78	15.71	0.62	218.87	123.84	15.31	0.15	139.00	79.94
VEHICLES	1,053.19	879.69	9.18	1,923.70	533.54	432.09	5.99	959.64	519.65
	<b>57,107.74</b>	<b>2,738.72</b>	<b>21.88</b>	<b>59,824.58</b>	<b>10,998.99</b>	<b>3,108.92</b>	<b>6.97</b>	<b>14,100.94</b>	<b>46,108.75</b>
Capital Work in Progress	1,097.14		947.54	149.60	-	-	-	149.60	1,097.14
<b>TOTAL</b>	<b>58,204.88</b>	<b>2,738.72</b>	<b>969.42</b>	<b>59,974.18</b>	<b>10,998.99</b>	<b>3,108.92</b>	<b>6.97</b>	<b>45,873.24</b>	<b>47,205.89</b>
PREVIOUS YEAR	48,174.06	10,046.64	15.82	58,204.88	8,921.93	2,083.55	6.49	47,205.89	39,252.13



	As at 31-3-2011	As at 31-3-2010
<b>SCHEDULE - 7</b>		
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
<b>CURRENT ASSETS :</b>		
<b>Inventories</b>		
a) Stores & Spares	1,797.40	1,410.48
b) Raw Materials	654.69	632.61
c) Other Materials	409.83	403.01
d) Work-in-process	460.49	479.56
e) Finished Goods	1,963.06	1,518.09
SUB TOTAL	<b>5,285.47</b>	<b>4,443.75</b>
<b>Sundry Debtors</b>		
(Unsecured & Considered good)		
a) Debts outstanding for a period exceeding six months	168.11	157.91
b) Other Debts	5,726.28	4,741.10
SUB TOTAL	<b>5,894.39</b>	<b>4,899.01</b>
<b>Cash and Bank Balances</b>		
a) Cash on Hand	7.05	35.71
b) Bank Balances (with Scheduled Banks)	<b>7.05</b>	<b>35.71</b>
i) Current Account	109.10	241.03
ii) No Lien Current Account	0.00	5.43
iii) Branch Accounts	2.82	4.02
iv) Deposits With Banks	205.26	167.04
SUB TOTAL	<b>317.18</b>	<b>417.52</b>
SUB TOTAL	<b>324.23</b>	<b>453.23</b>
<b>Accrued Interest</b>		
	28.37	23.67
<b>LOANS AND ADVANCES :</b>		
(Unsecured - Considered Good)		
1. Advances for Purchase of Goods and Services	3,166.85	1,623.95
2. MAT Credit Entitlement Account	397.59	0.00
3. Prepaid Taxes & Duties	347.16	1,235.44
4. Deposit with Electricity Board and Others	928.30	810.30
5. Prepaid Expenses	24.54	22.55
6. Claims Receivables	784.63	705.16
7. Sales Tax paid Under protest	9.09	9.09
SUB TOTAL	5,658.16	4,406.49
SUB TOTAL	<b>17,190.62</b>	<b>14,226.15</b>
<b>TOTAL</b>	<b>17,190.62</b>	<b>14,226.15</b>



# SCHEDULES



Rs. In Lakhs

	As at 31-3-2011		As at 31-3-2010	
<b>SCHEDULE - 8</b>				
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>				
<b>A: CURRENT LIABILITIES :</b>				
Creditors for :				
Goods and Services	2,299.16		2,241.11	
Capital Goods	62.65		273.38	
Expenses	829.74	3,191.55	520.38	3,034.87
Interest accrued but not due		179.62		287.31
Advances from Stockists and Others		3,011.06		2,109.25
Unpaid Dividend		139.06		134.07
Statutory Liabilities		566.78		152.10
		<b>7,088.07</b>		<b>5,717.60</b>
<b>B: PROVISIONS :</b>				
Gratuity		208.69		191.26
Dividend & Dividend Tax		609.08		408.75
		<b>817.77</b>		<b>600.01</b>
<b>TOTAL</b>		<b>7,905.84</b>		<b>6,317.61</b>
<b>SCHEDULE - 9</b>				
<b>MISCELLANEOUS EXPENDITURE</b>				
Mining and Prospecting		47.46		37.01
<b>TOTAL</b>		<b>47.46</b>		<b>37.01</b>
<b>SCHEDULE - 10</b>				
<b>OTHER INCOME</b>				
Interest Received		34.06		44.78
Net Profit / (Loss) on Sale of Assets		49.62		(1.77)
Gain / (Loss) on Exchange Fluctuation		(12.47)		(2.85)
Scrap Sales & Misc.Income		344.49		159.12
<b>TOTAL</b>		<b>415.70</b>		<b>199.28</b>

# SCHEDULES



Rs. In Lakhs

	For the Year ended 31-3-2011		For the Year ended 31-3-2010	
<b>SCHEDULE - 11</b>				
<b>11.A MANUFACTURING EXPENSES</b>				
Consumption of Raw Materials	15,017.87		9,577.14	
Consumption of Stores and Spares	1,305.84		989.65	
Consumption of Trading Goods	26.63		20.73	
<b>SUB TOTAL</b>	<b>16,350.34</b>		<b>10,587.52</b>	
Less: Consumption of Inter Segment Transfer Materials	10,019.94		5,528.78	
<b>Net Consumption of Materials</b>		6,330.40		5,058.74
Power		3,852.78		2,202.38
Fuel		5,700.09		2,792.02
Packing Materials & Expenses		1,566.08		765.06
Direct Manufacturing Expenses:				
a) Labour Charges	11.92		14.53	
b) Erection & Fabrication Charges	230.98		743.12	
c) Others	207.70	450.60	78.20	835.85
Repairs and Maintenance		594.92		236.16
<b>SUB TOTAL</b>		<b>18,494.87</b>		<b>11,890.21</b>
<b>B: STAFF COSTS</b>				
a) Salaries, Wages and other Employee Benefits		1,515.38		1,229.13
b) Contribution to P.F. & E.S.I.		89.11		74.81
<b>SUB TOTAL</b>		<b>1,604.49</b>		<b>1,303.94</b>
<b>C: ADMINISTRATION EXPENSES</b>				
a) Directors' Remuneration	143.73		107.30	
b) Travelling & Conveyance	131.81		118.21	
c) Directors' Travelling & Conveyance	6.64		10.73	
d) Directors' Sitting fees	2.65		3.65	
e) Printing & Stationery	23.35		20.50	
f) Postage and Telephones	44.96		55.42	
g) Legal & Professional Charges	74.11		62.59	
h) Retainer Charges	62.09		69.51	
i) Insurance	35.39		16.91	
j) Auditors' Remuneration				
i) Statutory Audit Fees	1.65		1.65	
ii) Cost Audit Fee	0.25		0.15	
iii) Tax Audit Fees	0.25		0.25	
iv) Certification & Reimbursement of Expenses	0.10		0.10	
k) Internal Auditors' Remuneration	4.20		4.20	
l) Staff Recruitment and Training	10.69		12.52	
m) Licences, Rents, Rates & Taxes	121.43		64.35	
n) Bank Charges	66.63		88.99	
o) Vehicle Maintenance	59.97		49.20	
p) Office Maintenance	112.04		49.22	
q) Donations	1.91		3.11	
r) Bad Debts written off	6.92		7.60	
s) Security Services	61.75		47.02	
t) Miscellaneous Expenses	79.77		70.15	
<b>SUB TOTAL</b>		<b>1,052.29</b>		<b>863.33</b>

# SCHEDULES



Rs. In Lakhs

	For the Year ended 31-3-2011		For the Year ended 31-3-2010	
<b>D SELLING &amp; DISTRIBUTION EXPENSES</b>				
a) Advertisement & Publicity	138.19		141.78	
b) Commission & Selling Expenses	945.59		535.10	
c) Transport & Handling	4,814.37		2,299.30	
<b>SUB TOTAL</b>		<b>5,898.15</b>		<b>2,976.18</b>
<b>TOTAL</b>		<b>27,049.80</b>		<b>17,033.66</b>
<b>SCHEDULE - 12</b>				
<b>INTEREST:</b>				
1. Term Loans		2,645.89		1,620.68
2. Working Capital		896.52		571.39
3. Deposits & Others		512.83		321.21
<b>TOTAL</b>		<b>4,055.24</b>		<b>2,513.28</b>
<b>SCHEDULE - 13</b>				
<b>STOCK VARIATION</b>				
<b>Opening Stock</b>				
i) Work in progress	479.56		85.67	
ii) Finished Goods	1,518.09		1,519.81	
		<b>1,997.65</b>		<b>1,605.48</b>
<b>Closing Stock</b>				
i) Work in progress	460.49		479.56	
ii) Finished Goods	1,963.06		1,518.09	
		<b>2,423.55</b>		<b>1,997.65</b>
<b>DECREASE / (INCREASE)</b>		<b>(425.90)</b>		<b>(392.17)</b>
<b>SCHEDULE - 14</b>				
<b>DEPRECIATION, OBSOLESCE &amp; AMORTISATION:</b>				
1. Depreciation as per Schedule - 6		3,097.77		2,083.55
2. Provision for Impairment		11.15		-
3. Amortisation		5.27		4.01
<b>TOTAL</b>		<b>3,114.19</b>		<b>2,087.56</b>
<b>SCHEDULE - 15</b>				
<b>NET PRIOR PERIOD INCOME / (EXPENSES)</b>				
<b>INCOME :</b>				
<i>(PROVISIONS NO LONGER REQUIRED)</i>				
Taxes & Duties		32.57		-
Power		10.56		-
Others		5.13		145.28
<b>TOTAL</b>		<b>48.26</b>		<b>145.28</b>
<b>EXPENSES:</b>				
Others		6.25		34.59
<b>TOTAL</b>		<b>6.25</b>		<b>34.59</b>
<b>NET PRIOR YEAR ADJUSTMENTS</b>		<b>42.01</b>		<b>110.69</b>



**16. ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

**A. SIGNIFICANT ACCOUNTING POLICIES**

**1. Accounting Concepts**

Accounts are based on historical cost convention and prepared in accordance with the Generally Accepted Accounting Principles and applicable Accounting Standards in India.

**2. Fixed Assets and Depreciation**

Fixed Assets are stated at cost of acquisition and putting to working condition.

Depreciation on Buildings and Plant & Machinery is provided on Straight Line Method and on other assets on Written Down Value method as per the Companies Act, 1956, except assets of Energy Division.

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

**3. Inventories:**

Inventory of (i) Raw materials and other materials are valued at weighted average cost (ii) stores & spares at cost, (iii) Work-in-Process at cost of material plus labour and other overheads and (iv) Finished Goods at cost or net realisable value whichever is lower.

**4. Retirement Benefits:**

Employee retirement benefits are provided on actuarial valuation as required in AS-15.

**5. Taxes on Income**

Deferred tax is provided as required in AS-22.

**6. Foreign Currency Transactions**

Loss or gain due to fluctuations in foreign currencies is recognized as required in AS-11.

**B NOTES ON ACCOUNTS:**

**1. Contingent Liabilities not provided for**

- i. Counter-Guarantees given to Financial Institutions / Banks – Rs.245.51 lakhs (Rs. 345.08 lakhs)
- ii. Disputed Sales tax liability Rs. 63.41 lakhs (Rs. 48.69 lakhs) for which appeals have been filed by the company.
- iii. Central Excise liability Rs. 392.57 lakhs (Rs. 388.58 lakhs) for which appeals have been filed by the company.
- iv. Disputed Nala Tax regarding Non Agricultural Tax on Mining areas Rs.43.56 lakhs (Rs. 43.56 lakhs)
- v. Disputed Service Tax Liability Rs.44.06 lakhs (NIL)

**2. Secured Loans:**

**(1) Term Loans:**

S.No	Facility	Nature of Security
A	Term Loans from Banks and Financial Institutions	<i>pari passu</i> first charge on fixed assets of the Company & second charge on current assets of the Company (both present & future) except receivables of Energy Division.
B	Hire Purchase Loans	Hypothecation of respective assets financed



2) Working Capital:

S.No	Working Capital	Nature of Security
1.	From SBH, IDBI Bank Ltd & Axis Bank Ltd	<i>Pari passu</i> first charge on current assets of the Company excluding receivables of Energy Division (both present & future) and second charge on fixed assets of the company .

The above term loans and working capital are guaranteed by promoter directors in their personal capacity.

3. Earnings per share:

Basic Earning per share has been computed by dividing net profit after tax by the weighted average number of shares outstanding for the period. Diluted earning per share has been computed using the weighted average number of shares and dilutive potential equity shares outstanding during the period. The reconciliation between basic and diluted earnings per share is as under.

Particulars	Units	Year Ended 31.03.2011	Year Ended 31.03.2010
a Net Profit after Tax	Rs. In lakhs	<b>2,341.29</b>	1,170.78
b Weighted average no. of shares used in computing basic earnings per share	No. of Shares in Lakhs	<b>349.37</b>	344.99
c Basic Earnings per Share (a/b)	Rs.	<b>6.70</b>	3.39
d Effect of potential equity shares for preferential allotment	No. of Shares in Lakhs	<b>0.00</b>	4.38
e Weighted average no. of shares used in computing diluted Earnings per Share	No. of Shares in Lakhs	<b>349.37</b>	349.37
f Diluted earnings per share	Rs	<b>6.70</b>	3.35
g Effect of potential equity shares for preferential allotment (c-f)	Rs	<b>0.00</b>	0.04

4. Segment Reporting:

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

A. PRIMARY DISCLOSURES:

Rs. In Lakhs

	Year Ended 31.03.2011	Year Ended 31.03.2010
<b>1 Segment Revenue/Income (Gross)</b>		
a) Cement Division	<b>47,088.58</b>	26,292.38
b) Boards Division	<b>6,145.73</b>	4,646.60
c) Prefab Division	<b>1,775.12</b>	2,068.68
d) Energy Division	<b>1,141.07</b>	906.72
TOTAL	<b>56,150.50</b>	33,914.38
Less : Inter Segment Transfers	<b>10,019.94</b>	5,528.78
<b>Net Sales/Income from Operations</b>	<b>46,130.56</b>	<b>28,385.60</b>
<b>2 Segment Results:</b>		
<b>PROFIT BEFORE INTEREST &amp; TAX</b>		
a) Cement Division	<b>5,294.80</b>	3,771.00
b) Boards Division	<b>768.35</b>	678.85



	c) Prefab Division	33.12	(201.17)
	d) Energy Division	819.76	604.01
	<b>TOTAL</b>	<b>6,916.03</b>	<b>4,852.69</b>
	Less: i) Interest	4,055.24	2,513.28
	ii) Other un-allocable expenses net off un-allocable income	-	-
	<b>TOTAL PROFIT BEFORE TAX</b>	<b>2,860.79</b>	<b>2,339.41</b>
3	<b>Capital Employed</b> <b>(Segment Assets – Segment Liabilities)</b>		
	a) Cement Division	42,355.13	41,181.82
	b) Boards Division	4,875.07	5,158.58
	c) Prefab Division	1,907.54	3,084.27
	d) Energy Division	4,207.63	4,136.20
	d) Unallocated	1,812.73	1,553.56
	<b>TOTAL</b>	<b>55,158.10</b>	<b>55,114.43</b>

**B. SECONDARY DISCLOSURES:**

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

**Segment accounting policies:**

In addition to the significant accounting policies applicable to the business as set out in Schedule 16A – Notes to Accounts, the accounting policies in relation to segment accounting are as under:

a) Segment assets and liabilities:

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

b) Segment revenue and expenses:

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



**5. Related Party Disclosures**

a) List of Related Parties & Relationships

- i. Enterprises controlled by key management personnel/relatives of key management Personnel
  - 1. NCL Alltek & Seccolor Limited
  - 2. NCL Homes Limited
  - 3. Kakatiya Industries (P) Limited
  - 4. Nagarjuna Cerachem (P) Limited
  - 5. NCL Wintech India Limited.
- ii. Key Management personnel  
Mr. K. Ravi, Managing Director

b) Related Party Transactions for the year ended 31<sup>st</sup> March 2011.

**Key Management Personnel**

- i) Remuneration to key management personnel Rs. 79.07 lakhs
- Remuneration to relatives of key management personnel Rs. 8.96 lakhs

**Transactions of Enterprises controlled by Key Management Personnel / Relatives of Key management Personnel**

Rs. In Lakhs

DESCRIPTION	CURRENT YEAR	PREVIOUS YEAR
i) Sale of Finished Goods	37.19	3.71
ii) Purchases / Services	212.39	179.32
iii) ICD Received	1055.00	250.00
iv) ICD Repaid	1055.00	500.00
v) Interest	70.65	14.71
vi) Expenses Reimbursement	14.56	3.90

**6. A)MANAGERIAL REMUNERATION:**

Rs.In Lakhs

Particulars	Mr. K. Ravi Managing Director		Mr. S.S. Raju Jt. Managing Director		Mr. P.N. Raju Executive Director		Mr. K. Gautam Executive Director	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Salary	24.67	12.25	19.20	17.50	12.80	11.30	6.40	2.00
HRA	9.87	4.90	7.68	7.00	5.12	3.77	2.56	0.80
Commission	44.53	36.78	0.00	0.00		0.00		0.00
Others		1.47	2.30	1.80	1.18	1.36		0.24
Total	79.07	55.40	29.18	26.30	19.10	16.43	8.96	3.04

**B) CALCULATION OF COMMISSION PAYABLE TO MANAGING DIRECTOR/NON-EXECUTIVE DIRECTORS**

Rs. In Lakhs

	CURRENT YEAR	PREVIOUS YEAR
Net Profit as per P & L A/c	2341.30	1,170.78
ADD: Depreciation under section 350	3,097.77	2,083.54
Provision for Income Tax	10.00	101.81
Deferred Tax	509.50	1,066.82
Directors Remuneration	143.73	107.30
Sitting fee	2.65	3.65
Loss on Assets sold / discarded	-	1.77
Impairment Loss	11.15	-
	<u>3774.80</u>	<u>3,364.89</u>
	6,116.10	4,535.67
LESS: Depreciation under section 350	3,097.77	2,083.54
Profit on sale of Assets	49.62	0.00
	<u>3,147.39</u>	<u>2,083.54</u>
	2,968.71	2,452.13
Commission @ 1.50%	44.53	36.78
Commission @ 0.25%	7.42	6.13

## NOTES TO ACCOUNTS



An amount of Rs. 7.42 lakhs (Rs.6.13 lakhs) being 0.25% of the profits earned by the Company calculated in the above manner is provided towards commission payable to non executive directors of the Company.

7. As per Guidance note of The Institute of Chartered Accountants of India MAT for the year is to be recognised on payment, no provision is made for MAT amounting to Rs. 570.17 lakhs (Rs. 397.59 lakhs) on the profit for the current year.
8. 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 2011 is Rs. Nil (Rs. Nil).
9. Refund of Adhoc Custom Duty of Rs. 29.47 (Rs. 29.47) lakhs on plant and machinery of Boards Division pursuant to order of CESTAT dated March 24, 2005 is yet to be received.
10. Amounts of incentives from Industries Department (Govt. of Andhra Pradesh) receivable for the year amounting to Rs. 80.69 Lakhs (Rs. 55.62 Lakhs) & Rs.411.92 Lakhs (Rs. 203.08 Lakhs) are deducted from Power and Taxes & Duties respectively. Cumulative total amount of Rs. 783.43 Lakhs (Rs. 258.70 Lakhs) receivable is included in claims receivable.
11. Confirmations of balances from all Debtors, Creditors etc were not received.
12. Employee Retirement benefit plans as per actuarial valuation:

**a) Expense recognized in profit and loss account for the year ended 31.03.2011**

Rs. In Lakhs

Particulars	Gratuity	Leave Encashment
Current Service cost	26.04	16.15
Interest Cost	12.58	1.40
Net Actuarial Loss/(Gain)	(8.11)	(5.46)
Past Service Cost	8.01	0.00
<b>Total Cost</b>	<b>38.52</b>	<b>12.09</b>

**b) Liability recognized in the Balance Sheet as at 31.03.2011 and Changes in present value obligations**

Particulars	Gratuity	Leave Encashment
Present value of obligations as at 01.04.2010	166.60	24.66
Current Service cost	26.04	16.15
Interest Cost	12.58	1.40
Actuarial Loss /(Gain)	<b>(8.11)</b>	(5.46)
Past Service Cost	<b>8.01</b>	0.00
Settlements	<b>(18.82)</b>	(14.36)
Present value of obligations as at 31.03.2011	186.30	22.39

13. Additional Information required under Part II of Schedule VI .

**i) CAPACITY AND PRODUCTION:**

Rs. In Lakhs

PRODUCTS	UNITS	INSTALLED CAPACITY		PRODUCTION (QTY)	
		2010-2011	2009-2010	2010-2011	2009-2010
a) Cement					
(1) Simhapuri	M.T	9,57,000	<b>3,13,000*</b>	<b>4,47,753</b>	<b>2,81,314</b>
(2) Kondapalli	M.T	9,90,000	<b>8,25,000**</b>	<b>5,74,402</b>	<b>3,08,827</b>
b) Cement Boards					
(1) Simhapuri	M.T	<b>30,000</b>	30,000	<b>26,496</b>	22,328
(2) Paonta sahib	M.T	<b>50,000</b>	50,000	<b>21,602</b>	15,710
c) Prefab	Sq.Mtr	—	—	<b>43,323</b>	38,781
d) Energy	M U	<b>53</b>	53	<b>50.63</b>	40.47

\* Line 1 - 2,97,000 MTs and for Line - 2 Proportionate to the no. of days in operation

\*\* Line 1 - 3,30,000 MTs and for Line - 2 Proportionate to the no. of days in operation



# NOTES TO ACCOUNTS



## ii) TURNOVER AND STOCKS:

Rs. In Lakhs

PRODUCTS UNITS	TURN OVER				STOCKS			
	2010-2011		2009-2010		As on 31.03.2011		As on 31.03.2010	
	QTY (M.Ts)	VALUE	QTY (M.Ts)	VALUE	QTY (M.Ts)	VALUE	QTY (M.Ts)	VALUE
a. Cement {Incl 27,021 M.Ts (27,732 MTs p.y) for self consumption}	10,04,478	38,080.55	5,87,695	21,767.05	22,828.96	622.61	5,152	117.90
b. Clinker	4,77,992	8,999.19	2,11,403	4,525.33		0		0
c. Cement Boards (incl 4434 M.Ts (3344 MTs) for self consumption)	48,940	6,127.49	38,840	4,616.33	16,469.70	1,340.45	17,311	1,375.13
d. Prefab structures (Sq Mtr)	43,323	1,775.13	38,781	2,068.68	—	0	—	25.06
e. Energy (MU)	50.63	1,141.07	40.47	906.72	—	0	—	0
f. Trading Turnover	—	27.07	—	30.27	—	0	—	—
<b>TOTAL</b>		<b>56,150.50</b>		<b>33,914.38</b>		<b>1,963.06</b>		<b>1,518.09</b>

## iii) RAW MATERIALS, STORES, SPARE PARTS AND CONSUMABLES

### a) RAW MATERIALS CONSUMED

Rs. In Lakhs

	Unit	2010-2011		2009-2010	
		Qty	Value	Qty	Value
<b>CEMENT DIVISION</b>					
Limestone	M.Ton	11,80,500	1,539.30	6,60,000	837.42
Al.Laterite	"	41,483	309.54	20,228	146.66
Gypsum	"	42,891	613.65	24,034	325.01
Iron Ore / Powder	"	21,528	211.26	13,379	123.02
Fly Ash	"	1,16,772	408.23	96,239	282.86
Clinker Purchased/Transfer from Mattapally Plant.	"	4,77,900	8,628.94	2,48,311	5,357.19
Cement Transfer to Kondapalli Plant.	"			3,470	77.89
<b>BOARDS DIVISION</b>					
Cement	"	33,167	1,153.73	25,056	812.71
Wood	"	31,264	1,153.85	23,585	721.50
Chemicals(Boards)	"	1,630	168.49	1,138	123.12
Paper			88.14		42.89
Chemicals (Lam)			43.36		32.59
<b>PREFAB DIVISION</b>					
Cement Boards	Sq.Mtr	1,56,031	211.55	1,30,906	170.42
Steel	M.Ton	1,161.09	475.06	1,120	464.34
Others			12.78		59.52
<b>TOTAL</b>			<b>15,017.88</b>		<b>9,577.14</b>

# NOTES TO ACCOUNTS



## b) IMPORTS AT CIF VALUE

Rs. In Lakhs

	2010-2011		2009-10	
i) Raw Materials	Nil	Nil	Nil	Nil
ii) Components & Spares	—	102.81	—	11.28
iii) Capital Goods	—	—	—	Nil
iv) Trading Goods	—	20.41	—	24.70
<b>TOTAL</b>		<b>123.22</b>		<b>35.98</b>

## c) VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS, STORES & SPARE PARTS CONSUMED.

Rs. In Lakhs

UNITS	RAW MATERIALS				STORES, SPARES, COMPONENTS ETC.			
	2010-2011		2009-2010		2010-2011		2009-2010	
	Value	%	Value	%	Value	%	Value	%
Imported			-	-	80.70	6.18	9.73	0.99
Indigenous	15,017.87	100	9,577.14	100	1,225.14	93.82	979.92	99.01
<b>TOTAL</b>	<b>15,017.87</b>	<b>100</b>	<b>9,577.14</b>	<b>100</b>	<b>1,305.84</b>	<b>100</b>	<b>989.65</b>	<b>100</b>

## iv) EARNINGS IN FOREIGN EXCHANGE:

Rs. In Lakhs

	PRODUCT	2010-2011		2009-2010	
		QTY	VALUE	QTY	VALUE
		Export of goods FOB basis			
	1. Cement Boards (MT)	3,452.90	467.15	732	102.81
	2. Prefabricated Structures	-	96.46	-	-
	<b>TOTAL</b>	<b>3,452.90</b>	<b>563.61</b>		<b>102.81</b>

## v) EXPENDITURE IN FOREIGN CURRENCY:

Rs. In Lakhs

	2010 - 2011	2009-2010
i) Traveling Expenses	0.65	2.79
ii) Trading Goods	13.95	12.96
iii) Import of Capital Goods	Nil	Nil
iv) Import of Stores and Spares	86.88	9.73
v) Others	0.00	0.20
<b>TOTAL</b>	<b>101.48</b>	<b>25.68</b>

14. Previous year numbers are regrouped wherever necessary to be comparable to those of current year.

15. Numbers shown in parenthesis are of previous year.

### SIGNATURES TO SCHEDULES 1 TO 16

As per my report of even date attached

For and on behalf of the Board

**K. Ravi**  
Managing Director

**R. Anand**  
Chairman

**P.V.Ratnam**  
Chartered Accountant  
Membership No.: 9281

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

**T. Arun Kumar**  
Company Secretary

Place : Hyderabad  
Dated: 30th May 2011

**I. Registration Details**

Registration No. (CIN)	:	2521			
Balance Sheet	:	31.03.2011	State Code	:	01

**II. Capital raised during the year (Rs. in Thousands)**

Public Issue	:	NIL	Right Issue	:	NIL
Bonus Issue	:	NIL	Private Placement	:	NIL
			Warrants issue	:	NIL

**III. Position of Mobilization and Deployment of funds (Rs. in Thousands)**

Total Liabilities	:	5520548	Total Assets	:	5520548
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**Sources of Funds**

Paid- Up Capital	:	349373	Reserves & Surplus	:	1203421
Secured Loans	:	2889663	Unsecured Loans	:	749545
			Deferred Tax	:	328546

**Appication of funds**

Net Fixed Assets	:	4587324	Investments	:	NIL
Net Current Assets	:	928478	Misc. Expenditure	:	4746
Deferred Rev. Expenditure:	:	NIL	Accumulated Losses	:	NIL

**IV Performance of Company (Rs. in Thousands)**

Turnover (Net) & Other Income	:	3661211	Profit After Tax	:	234129
Profit Before Tax	:	286079	Dividend Rate (%)	:	15%
Earnings per Share (in Rs.)	:	6.70			

**V. Generic Name of Three Principal Products/Services of Company**

1. Product Description	:	Cement
Item Code No	:	25232901
2. Product Description	:	Cement Bonded Particle Board
Item Code No	:	6808000
3. Product Description	:	Prefab House
Item Code No	:	94060001
4. Product Description	:	Distribution and Generation of Hydel Power
Item Code	:	Not Applicable





## NCL INDUSTRIES LIMITED

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

### PROXY FORM

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

I/We .....of .....being a Member / Member (s) of NCL Industries Limited hereby appoint ..... or failing him / her ..... of ..... as my / our proxy to vote for me / us on my / our behalf at the 30<sup>th</sup> Annual General Meeting of the Company to be held on Friday, the 30<sup>th</sup> September, 2011 and at any adjournment thereof.

Signed this .....day of ..... 2011.

Signature .....

<b>Affix Rs. 1/- Revenue Stamp</b>
--

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

## NCL INDUSTRIES LIMITED

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

### ATTENDANCE FORM

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



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

I hereby record my presence at the 30<sup>th</sup> Annual General Meeting of the Company held on Friday, the 30<sup>th</sup> September, 2011 at 10.30 A.M. at Bharatiya Vidya Bhavan (Auditorium), King Koti Road, Hyderabad - 500 029.

Member / Proxy's Name
-----------------------

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

Note :

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





FIRE RESISTANT



WEATHER RESISTANT



TERMITE RESISTANT



SOUND INSULATION



WOOD WORKABILITY



CHEMICALLY STABLE



- ▶ ASBESTOS FREE
- ▶ ECO FRIENDLY
- ▶ RECOGNIZED BY INDIAN GREEN BUILDING COUNCIL



DIMENSIONALLY STABLE



SMOOTH SURFACE

Partitions, Work Stations, False Ceilings, Door Panels, Cup Boards, Cabinets, Table Tops, Almarah Planks, Fixed Furniture, Duct Covers, Wall Claddings, Curtain Walling, Stair Cases, Flooring, Pre Fabricated Shelters etc.,



# BISON PANEL



CEMENT BONDED PARTICLE BOARD

*From floor to roof and every thing in between*

Printed Matter  
**BOOK POST**



If undelivered, Please return to:

**NCL INDUSTRIES LIMITED**

Raghava Ratna Towers, 7th Floor, Abids, Hyderabad - 500 001, India  
Tele: 23202548, 23203637, 23204243, Fax: 91 (040) 23202496, 23203417  
Email: [ncl@nclind.com](mailto:ncl@nclind.com), Website: [www.nclind.com](http://www.nclind.com)