



31st ANNUAL REPORT 2011-12



NCL INDUSTRIES LIMITED



Sri K. Ravi, Managing Director of NCL Industries Limited, receiving the **“Excellence in Workers’ Welfare” - FAPCCI Award for 2010-11** from the Hon'ble Chief Minister of Andhra Pradesh, Sri N. Kiran Kumar Reddy.



BOARD OF DIRECTORS

Chairman

Mr. R. Anand

Directors

Mr. Vinodrai V. Goradia

Mr. M. Bhaskara Rao (IREDA Nominee)

Mr. M. Kanna Reddy

Mr. K. Madhu

Mr. Ashven Datla

Mr. Kamlesh Gandhi

Mr. K. Gautam - Executive Director

Mr. P.N. Raju - Executive Director

Mr. K. Ravi - Managing Director

COMPANY SECRETARY

Mr. T. Arun Kumar

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,
Nandikotkur TQ.
Kurnool District
Andhra Pradesh
Pincode - 518402

UNIT – II

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

READY MIX CONCRETE DIVISION

Unit - I

Plot No 91/c, D Block ,
Autonagar, Gajuwaka,
Visakhapatnam

Unit - II

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

Regd. & Admn. Office

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

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

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**AGM on Friday the 14th September, 2012 at 11.00 A.M. at
Bharatiya Vidya Bhavan, King Koti Road, Hyderabad- 500 029.**



Notice is hereby given that the 31st Annual General Meeting of NCL Industries Limited will be held on Friday, the 14th September, 2012 at 11.00 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 2012 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.M.Kanna Reddy who retires by rotation and is eligible for reappointment.
4. To appoint a Director in place of Mr.K.Gautam who retires by rotation and is eligible for reappointment.
5. To appoint a Director in place of Mr.P.N.Raju who retires by rotation and is eligible for reappointment.
6. To appoint Auditors and fix their remuneration.

Members are hereby informed pursuant to Section 225 of the Companies Act, 1956 that a Special Notice has been received from a Member, signifying his intention to propose the following Resolution at the Meeting:

“RESOLVED that M/s Venugopal & Chenoy, Chartered Accountants be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Meeting till the conclusion of the next Annual General Meeting, at a remuneration to be mutually agreed to between the said Auditors and the Board of Directors of the Company.”

SPECIAL BUSINESS

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 provision of Sections 198, 309, 310 read with Schedule XIII and other applicable provisions, if any of the Companies Act 1956, the revision in remuneration of Mr. K Ravi, Managing Director with effect from 1st April 2012 at the following remuneration, be and is hereby approved.”

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

Commission: 2% of the net profit of the Company computed in a manner laid down under section 198 of the Companies Act, 1956 (subject to a monetary ceiling as fixed by the Board from time to time).

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 purposes.

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

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

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

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 Special Resolution.

“RESOLVED that in accordance with the provision of Sections 198, 309, 310 read with Schedule XIII 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 1st April, 2012 at the following terms, be and is hereby approved.”

Salary: Rs. 3,00,000 /- per month (with an annual increment of Rs. 45,000/-per month)

Commission: 1% of the net profit of the company computed in a manner laid down under section 198 of the



Companies Act, 1956 (subject to a monetary ceiling as fixed by the Board from time to time)

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 purposes.

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

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

He 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."

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 and other applicable provisions, if any of the Companies Act 1956, the revision in remuneration of Mr.K.Gautam Executive Director with effect from 1st April, 2012 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)

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 purposes.

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

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

He 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) and other applicable provisions, if any, of the Companies Act, 1956, the payment of remuneration of Rs. 57,114/- per month from 1st April, 2012 on a Cost to the Company basis to Mr. Aswin Goradia, Asst.General Manager (Marketing) 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. Aswin Goradia, within the ceilings prescribed by Section 314 of the Companies Act, 1956."

By Order of the Board.
for NCL INDUSTRIES LIMITED,

Place: Hospet
Date: 31st July, 2012

T. ARUN KUMAR
Company Secretary



1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy instead of himself to attend and vote only in a poll and the proxy need not be a member. Proxies in order to be effective should be duly stamped, completed and signed and must be received by the company not less than 48 hours before the Annual General Meeting.
2. 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 7th September, 2012 to 14th September, 2012 (both days inclusive) on account of the Annual General Meeting and Dividend payment.
5. The Dividend as recommended by the Board, if sanctioned at the Meeting, will be paid within 30 days from the date of declaration at the ensuing meeting to those members whose names appear on the Register of Members as on 14th September 2012, 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 hours on 6th September 2012, 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 appointed or reappointed at the Meeting are given. The resumes of Mr. K Ravi, Managing Director, Mr.P.N. Raju, and Mr.K.Gautam, Executive Directors under the Special Business are included as a part of Explanatory Statement to Item 7, 8 & 9.
10. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" vide MCA Circular No.18/2011 read with Circular No 17/95/2011 CL.V, Government of India, Ministry of Corporate Affairs dated 29/04/2011 by allowing paperless compliances by the companies and has issued circulars stating that notices/documents including Annual Reports can be sent by e-mail to its members. The company appreciates and supports this green initiative and requests the members to give their consent and register their e-mail address to receive the future correspondence, including Annual Reports through e-mails. Members who are holding shares in demat form are requested to register their e-mail through their Depository Participants concerned and the members who hold the shares in physical form are requested to send their consent and e-mail address to the Company's Registrar and Share Transfer Agents M/s Venture Capital & Corporate Investments (P)Ltd .
11. Members are also requested to lodge their e-mail ID's along with name and Folio/Client ID No. at the following address /e-mail to enable us to send all future communications including Annual Reports through e-mode.

Company Secretary,

NCL Industries Limited

7th Floor, Raghavaratna Towers, Chirag Ali Lane
Abids, Hyderabad-500001

e- mail cs@nclind.com

Address of Registrar and Share Transfer Agents

Venture Capital & Corporate Investments (P)Ltd
12-10-167 (MIG), Bharath Nagar, Hyderabad -500 018
Phone : 040-23818475/76&23868023

e-mail: info@vccilindia.com



Brief Resume of Directors proposed to be reappointed.

Mr.M.Kanna Reddy

Mr. M. Kanna Reddy (78 years) is associated with the company as non executive independent Director since 19.12.1997. As a Chartered Accountant he has rich work experience, having worked at senior levels in public sector undertakings for about 30 years including 10 years at the Board level.

Besides being a Director of the company, he is also a Director in NCL Alltek & Seccolor Limited .He holds the chairmanship of the Audit Committee, Remuneration Committee and Investor Grievance Committee of the company.

He does not hold any equity shares in the company.

Mr.K.Gautam

Mr. K. Gautam (31 years) is a BBM(Hons) from ICFAI, Hyderabad and M.Sc (Entrepreneurship and Business Management from University of Bedfordshire, UK). He has been associated with the company as Management Trainee since 1st June, 2007. Later he was promoted as Manager (Projects) during the year 2008.

Mr. Gautam does not hold directorship of any other company. He currently holds 4,87,907 Equity shares in the Company.

He has been appointed as Additional Director and Executive Director (Corporate Affairs) of the company with effect from 1st August, 2009. He is related to Mr. K. Madhu, Director as his son and to Mr. K. Ravi as his nephew.

Mr. P.N.Raju

Mr. P. N. Raju (61 years) is B.E (Mech.) and has rich experience in Marine Engineering and other business activities. He was earlier associated with the company as Whole Time Director from 12.06.1987 to 12.09.1990. Later he was once again inducted as Executive Director of the company from 12th April, 2006.

Mr. Raju is also a Director in Khandaleru Power Company Ltd. He currently holds 7,44,241 Equity shares in the Company.

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

ITEM NO.7 & 8

At its meeting held on 30th May, 2012, the Board of Directors have revised the remuneration of Mr. K. Ravi, Managing Director and Mr.P.N. Raju, Executive Director w.e.f. 1st April, 2012 as per the recommendation of the Remuneration Committee and as prescribed in Schedule XIII of the Companies Act, 1956 as detailed in the resolution.

Based on the Net Profits for the year ended 31st March 2012, 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 310 of the Companies Act, 1956 read with Para B, Part II, Section II of Schedule-XIII of the said Act, any revision in remuneration payable to Managing /Whole time Director (subject to ceiling limits as prescribed) requires the approval of the shareholders in General Meeting by way of a Special Resolution.

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

I. GENERAL INFORMATION:

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



Financial Year	2007-2008	2008-2009	2009-2010	2010-2011	2011-12
Parameters					
Turnover	27648.64	42639.47	34113.66	56566.20	76383.84
Net Profit (as computed u/s. 198)	4279.47	4458.64	2452.13	2968.71	6639.30
Net profit as per profit and loss Account	2956.93	2985.06	1170.78	2341.29	4425.48
Amount of Dividend paid#	965.78	989.18	408.75	609.08	812.10
Rate of dividend Declared	25%	25%	10%	15%	20%*

including dividend Tax

* Dividend Proposed

- (5) Export performance: Rs. 302.20 Lakhs Foreign Currency Earnings- FOB basis for the Financial Year 2011-12.
- (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. (JV put on hold for the time being)

II. INFORMATION ABOUT THE APPOINTEES:

(1) Background Details –

- (a) Mr. K Ravi (58 years), is a Diploma holder in Electrical Engineering with specialization in power stations network and systems, and has over 35 years of rich experience in managing cement, chemical and hydel power plants. He successfully implemented the hydel power projects 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.
- (b) Mr. P. N. Raju (61 years), was appointed as an Executive Director by the Board of Directors of the Company for a period of 5 years w.e.f. 12.04.2006.and re-appointed him as Executive Director w.e.f from 1st August, 2009. In recognition of the contribution made by him, and considering the growth achieved by the Company, the Board has decided to revise his remuneration with effect from 1st April,2012. The revised terms of his remuneration, is in accordance with the provisions of Schedule XIII of the Companies Act, 1956, as detailed in the resolution. Mr. Raju is also a Director in Khandaleru Power Company Ltd

(2) Past Remuneration -

Financial Year	Mr.K.Ravi(MD)	Mr.P.N.Raju(ED)
2011-12	Rs.166.79 Lakhs	Rs.69.67 Lakhs
2010-11	Rs. 79.07 Lakhs	Rs.19.10 Lakhs
2009-10	Rs. 55.40 Lakhs	Rs.16.43 Lakhs

(3) Recognition and Awards:

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

(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.

Mr.P.N.Raju is in-Charge of operations of both cement and Ready Mix Concrete divisions subject to the superintendence, direction and control of the Managing Director.



(5) Remuneration proposed -

As set out in the resolution for the Item No 7 &8 .The remuneration proposed to be paid to the Managing Director/ Executive 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 /Executive Director in other companies of similar size and operations.

(7) Pecuniary relationship directly or indirectly with the company, or relationship with managerial personnel, if any

Besides, the remuneration proposed, Mr.K.Ravi is holding of 18,57,421 equity shares and Mr.P.N.Raju is holding 7,44,241 equity shares in the Company. Mr. K Ravi and Mr.P.N.Raju do not have any other pecuniary relationship with the Company.

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

Your Directors recommend that the resolution be passed

None of the Directors except Mr. K. Ravi, Mr. K. Madhu, his brother and Mr.P.N.Raju are 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. 1st 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 30th May 2012, increased his salary w.e.f 1st April 2012.

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 No.10

Mr. Aswin Goradia is the son of Mr. Vinodrai Goradia, Director. Holding of any office of profit 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.

Members may recall that at the 27th Annual General Meeting held on 29th September, 2008 they have passed a Special Resolution approving the appointment of Mr. Aswin Goradia as Regional Manager. The Board was also authorized to grant him increments so that his total remuneration would not exceed Rs. 50,000/- per month, which was at that time the ceiling of remuneration that could be approved by the shareholders by way of a special resolution.

Subsequently, vide Notification No. G.S.R.357 (E) Dated 2nd May, 2011, the Ministry of Corporate Affairs enhanced the ceiling of payment of remuneration with the approval of the Special Resolution up to Rs 2,50,000/- per month.

At its meeting held on 31st July, 2012 the Board approved re-designation of Mr. Aswin Goradia as Asst.General Manager (Marketing) with enhanced responsibilities, and the payment of an increased remuneration of Rs. 57, 114/- per month with effect from 1st April, 2012. 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. Aswin Goradia, and grant him increments within the ceilings prescribed under the provisions of Section 314 of the Companies Act, 1956.

None of the Directors except Mr.Vinodrai V.Goradia deemed to be concerned or interested in the proposed resolution. Your directors recommend that the resolution be passed.

DIRECTORS' REPORT



Your Directors have pleasure in presenting their Report for the financial year ended March 31, 2012.

Financial Results

The Audited Balance Sheet of your Company as at March 31, 2012, 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	
	2011 – 2012	2010 – 2011
Gross Income	76230.68	56566.20
Profit Before Tax	6361.20	2860.79
Provision for Tax	1935.72	519.50
Net Profit	4425.48	2341.29
Profit brought forward from Previous Year	1187.16	1153.60
Profit available for Appropriation	5612.64	3494.89

Appropriations		
Provision for Dividend & Dividend Tax	812.10	607.73
Transfer to General Reserve	3000.00	1700.00
Balance carried forward	1800.54	1187.16

The Financial year 2011-12 turned out as another remarkable year for the company with highest ever turnover and net profit. During the year under review, there has been an increase of 35 % in the gross income, and 89 % 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 the realisation in Cement, and Boards Divisions.

Out of the profits, the Directors propose a transfer of an amount of Rs. 3000 lakhs to the General Reserve.

Dividend

In view of the improved profitability, your Directors are pleased to recommend a higher dividend of 20%, compared to the 15% dividend paid in the previous year. If approved, the dividend payout for the year 2011-12 will be Rs.2.00/- per share absorbing a sum of Rs 812.10 lakhs including the

dividend tax (Rs.607.73 lakhs in the previous year), the dividend being free from income tax in the hands of the shareholders.

Expansion/Diversification Plans

During the year under review, the company has entered the ready-mix concrete segment and successfully launched two units at Hyderabad and Visakhapatnam in Andhra Pradesh. The operations of the Units are very encouraging, and your directors are confident that this segment will generate sizable revenues in future. Your directors are planning to set up two more units in the current financial year (2012-13).

As reported earlier, implementation of a 30 MW thermal power plant to cater to the needs of the power requirements of the company is still under clearances stage. The project cost is expected to be around Rs.150 Crores.

Investor Education & Protection Fund

The Company has transferred Rs.5.56 lakhs relating to unpaid Dividend for the Financial Year 2003-04 to the Investor Education & Protection Fund.

Fixed Deposits

As on 31st March 2012, Rs 2,887.03 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. The Company has received a communication from the retiring auditor expressing his inability to accept his reappointment.

It is therefore proposed to appoint M/s Venugopal & Chenoy, one of the leading firms of Chartered Accountants in Hyderabad as Auditors of the Company. As required by Section 225 of the Companies Act, 1956, a notice has been received from a member signifying his intention to propose a Resolution at the next Annual General Meeting, appointing M/s Venugopal & Chenoy,Chartered Accountants as Auditors of the Company.

Your directors recommend that the Resolution be passed.

Cost Auditors

Mr. R. Srinivasa Rao, Cost Accountant, the Cost Auditor of the Company has been re-appointed to conduct the cost audit pertaining to the Cement Division as well as the Energy Division of the company for the year 2012-2013.



Directors

Mr. P.S.Reddy, Director resigned from the board w.e.f 18th October,2011. Your board wishes to place on record its appreciation of the valuable contribution made by Mr.P.S.Reddy during his tenure on the board of the company.

Mr. K.Gautam, Mr. P.N.Raju and Mr. M. Kanna Reddy retire by rotation at the ensuing Annual General Meeting and are eligible, for re-appointment.

Appropriate resolutions for their re-appointment are proposed in the Annual General Meeting.

Corporate Social Responsibility

Your Company is conscious that it is an integral part of the society at large, and it has a responsibility to contribute to the general welfare of the society to which it belongs. Right from its inception, your company has been actively engaged in efforts to improve the quality of life in the contiguous localities. The focus of the company has mainly been in the fields of education and training, and the health needs of the society surrounding its plant locations.

The initiatives of the company are briefly summarized below:

Education and Training

The Company's plant in Mattapalli is located in a class 'C' backward area in Andhra Pradesh. The facilities for education which prevailed in the area can be described as rudimentary at best.

With a view to bring quality education accessible to the villages, your company is running an English Medium School to impart education from LKG to Class X. Established in the year 1991, this school provides free education, is thrown open to children from all the surrounding tribal and rural areas. 854 students are enrolled in the School as on 30th June 2012. The strength of the school has been increasing consistently over the last six years as is evident from the following table.

S.No.	Academic Year	Strength
1	2006-07	360
2	2007-08	425
3	2008-09	430
4	2009-10	550
5	2010-11	745
6	2011-12	854

This school has the distinction of having achieved 100%

success rate in 10th Class Public Examination conducted by A.P.State Board of Secondary Education consistently for the past four years and achieved ranks since 2001-02

To encourage and facilitate regular attendance, the company has also been providing free transportation to school children over a radius of 10 kilometers.

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

Medical &Health

Your Company has established a full-fledged health centre, with a 5 bedded hospital for the benefit of the employees as well as inmates of the surrounding villages. Fully qualified medical staff is available at the Health Centre round the clock to cater to emergencies. Specialists from various faculties visit the hospital every week to provide Medicare to the patients. In addition specialist doctors from super specialty hospitals from Hyderabad visit the hospital once in a month.

This health centre is more popular in Mattapalli village. Nearly 75 to 100 out patients from 5 surrounding villages visit the hospital daily on an average for medical treatment.

In addition, the company organizes several Medical and Health camps each year in surrounding villages to provide health care and to improve the awareness of health and sanitation among villagers.

Environment

A massive plantation drive was undertaken in and around NCL plant locations to convert areas in to green zones. Besides providing clean drinking water to staff quarters located in plant areas, a separate Sewage Treatment Plant (STP) was set up near the plant area located at Mattapalli village to treat the sewage water coming out from staff quarters and use the recycled water to plantation areas to grow it as lush greenery and to balance ecology and environment.

Awards and Recognitions

Your company has been awarded for 'Excellence in Worker's Welfare' for the Year-2010-11 by the Federation of A.P.Chambers of Commerce and Industry (FAPCCI).

Mr. K Ravi, Managing Director of your Company has been conferred 'Entrepreneur of the Year-2012' Award by the Hyderabad Management Association (HMA).



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.

Director's Responsibility Statement

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

- I. That all applicable accounting standards have been followed in the preparation of annual accounts and that there are no material departures.
- II. That the Directors selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2012 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 enthusiastic support received from the shareholders.

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

For and on behalf of the Board

R. ANAND
Chairman

Place: Hospet
Date : 31st July, 2012



FORM-A

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

	Current Year 2011-12	Previous Year 2010-11
A. POWER AND FUEL CONSUMPTION		
1 ELECTRICITY		
a. Purchased		
Units -Lacs	1220	1024
Total Amount (Rs.In lacs)	4518	3853
Rate/Unit(Rs)	3.70	3.76
b. Own Generation		
Through Diesel Generator (Units Kwh lakhs)	1.53	1.63
Total Amount (Rs. In Lacs)	18.05	19.97
Rate/Unit(Rs)	11.80	12.25
2 COAL		
Quantity (Tonnes)	205374	177762
Total Cost (Rs.Lacs)	9531	5541
Average Rate/Tonne(Rs)	4641	3117
3 FIRE WOOD		
Quantity (MT)	8155	18766
Total Cost (Rs.Lacs)	188	544
Average Rate/Tonne(Rs)	2304	2896
4 CONSUMPTION PER UNIT OF PRODUCTION		
Electricity -Units		
Cement Division (per MT)*	93.53	94.25
Boards Division (per Sq Mtr)	4.18	3.30
Coal -MT (Cement Division) *	0.205	0.17
Kcal/Kg clinker	789	770
*Per MT of equivalent Ordinary Portland Cement		

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 : Hospet
Date : 31st July, 2012

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

2) Board of Directors:

a) Constitution & Size of the Board

During the year under review, your Board of Directors had 11 Directors, 3 being Executive Directors and 8 Non-Executive Directors. Five of the Non Executive Directors, including the Chairman are independent.

Mr. P.S.Reddy, Director of the Company resigned w.e.f. 18th October, 2011.

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

Six Board Meetings were held during the year 2011-2012. The dates on which the said meetings were held are as under:

- | | | |
|--------------------------------|--------------------------------|--------------------------------|
| (1) 30 th May, 2011 | (2) 12 th Aug, 2011 | (3) 30 th Sep, 2011 |
| (4) 11 th Nov, 2011 | (5) 16 th Dec, 2011 | (6) 31 st Jan, 2012 |

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

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

**As per the explanation to clause 49(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 18/10/2011 ; ## inducted from 1st, June,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 :

30th May, 2011, 12th August, 2011, 11th November, 2011, 31st January, 2012.

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, one committee Meeting was convened on 30th May, 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	1
M. Bhaskara Rao	Member	Independent (IREDA Nominee)	-
K. Madhu	Member	Non Executive	1
P.S.Reddy	Member	Independent	1

Mr.P.S.Reddy, Director resigned w.e.f. 18th October, 2011. Consequently remuneration committee has been reconstituted by inducting Mr.Kamlesh Gandhi in the place of Mr.P.S.Reddy w.e.f. 31st January, 2012.

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	48.00	19.20	99.59	166.79
S.S.Raju,* Jt.M.D	3.30	1.72	-	5.02
P.N.Raju, E.D	24.00	12.48	33.19	69.67
K.Gautam, E.D	12.00	4.80	-	16.80

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.

* Part of the year (Up to 31st May, 2011)

Remuneration paid to Non Executive Directors

The Non-Executive Directors were paid sitting fees for attending the meetings of the Board or the Committees thereof at the rate of Rs.7500/- per Board/Committee Meeting (Rs.5000 per Board/Committee Meeting up to 31st August,2011). In addition they are entitled to commission at the rate of not exceeding 1% of the net profits of the Company in terms of the resolution approved by the shareholders at the AGM held on 29th September, 2009. During the year under review, they are entitled to receive @0.25% of the net profits aggregating Rs.16.60 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	13	82,500
M. Bhaskara Rao	6	45,000
V.V. Goradia	5	35,000
R.Anand	5	32,500
Ashven Datla	6	42,500
K Madhu	13	82,500
Kamlesh Gandhi	9	57,500
P.S.Reddy	4	22,500
Total Sitting Fees Paid		4,00,000

Shareholdings of Non Executive Directors as on 31st July, 2012:

Non-executive Directors	No. of Shares
R.Anand	540
M. Kanna Reddy	NIL
V.V. Goradia	4,19,270
K. Madhu	11,13,629
M. Bhaskara Rao	NIL
Ashven Datla	1,37,162
Kamlesh Gandhi	NIL



5) Investor's Grievance Committee :

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

During the period under review, the Committee met once on 31st January, 2012. The attendance details of the members are given hereunder.

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

Compliance Officer

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

i) Details of Investors letters / complaints received during the year ended 31st March 2012.

Sl No	Nature of letter / complaints	Received	Disposed	Pending
1	Non-receipt of Dividend warrant(s)	36	36	Nil
2	Non - Receipt of Share certificates after transfer / duplicate.	4	4	Nil
3	Non – Receipt of Annual Report	7	7	Nil
4	Miscellaneous – others	-	-	Nil

ii) Number of Complaints pending with the Company:

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

6) Subsidiaries:

There are no subsidiaries of the Company.

7) General Body Meetings:

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

Year	Date & time of AGM	Place
2010-2011	30.09.2011 at 10.30 AM	Bharatiya Vidya Bhavan, King Koti, Hyderabad
2009-2010	30.09.2010 at 10.00 AM	Bharatiya Vidya Bhavan, King Koti, Hyderabad
2008-2009	29.09.2009 at 10.00 AM	Bharatiya Vidya Bhavan, King Koti, Hyderabad

b) Details of Special Resolutions passed in last three AGMs

Year	Gist of the Resolutions
2010 - 2011	<ul style="list-style-type: none"> a) Appointment of Mr. K.Ravi as Managing Director b) Increase in remuneration of Mr.Nirmal Goradia, Vice President (Exports) c) Increase in remuneration of Mr. Utkal Goradia, Manager (Materials)
2009 - 2010	NIL
2008 - 2009	<ul style="list-style-type: none"> 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



- 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 determined applicable and suitable by the Board. They are:

i. Independent Directors –

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

ii. Remuneration committee-

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

iii. Audit qualifications:

The Board endeavors to present unqualified financial statements. There are no audit qualifications in the Auditors' report for the financial year ended 31 March, 2012.

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/Andhra Prabha/Surya. 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

10) Shareholders information:

i)	AGM Date Time Venue	31 st Annual General Meeting 14 th September, 2012 11.00 AM Bharatiya Vidya Bhavan, King Koti, HYDERABAD.
ii)	Financial Year	April 1 to March 31 next.
iii)	Date of Book Closure	07/09/2012 to 14/09/2012, (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 B) Demat ISIN No in NSDL & CDSL for equity shares C) Corporate Id. No.	BSE- 502168, NSE – NCLIND INE 732CO1016 L33130AP1979SGC002521



vii) **Stock Market Data**

SHARE PRICE (BSE)

Month & Year	High (Rs.)	Low (Rs.)	Close (Rs.)	No of Shares Traded (in Lakhs)
Apr - 11	32.40	26.50	31.85	2,47,413
May - 11	39.50	31.00	36.65	10,51,436
Jun - 11	39.60	34.85	36.20	4,74,248
Jul - 11	38.65	34.70	35.95	2,94,857
Aug - 11	39.50	32.50	35.15	2,59,546
Sep - 11	39.90	34.10	37.00	3,05,310
Oct - 11	39.00	34.15	36.55	1,41,393
Nov - 11	40.00	33.50	34.90	3,07,716
Dec - 11	39.60	31.30	32.00	5,07,186
Jan - 12	42.80	31.90	41.85	6,10,006
Feb - 12	53.20	40.80	49.00	19,10,589
Mar - 12	51.00	44.20	48.95	3,75,522

SHARE PRICE (NSE)

Month & Year	High (Rs.)	Low (Rs.)	Close (Rs.)	No of Shares (in Lakhs)
Apr - 11	32.45	26.75	31.95	2,33,054
May - 11	39.00	30.35	37.50	11,58,337
Jun - 11	39.70	34.70	37.85	5,70,486
Jul - 11	41.00	34.80	37.10	3,87,440
Aug - 11	39.50	32.60	36.50	3,00,660
Sep - 11	40.00	33.80	39.15	5,13,912
Oct - 11	38.05	34.65	37.15	1,43,659
Nov - 11	40.80	33.30	38.70	3,05,181
Dec - 11	39.80	31.40	38.50	6,31,775
Jan - 12	42.90	31.95	41.80	8,35,586
Feb - 12	53.45	40.70	50.25	24,44,388
Mar - 12	51.90	44.25	49.50	3,43,600

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

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

ix) **Share transfer system:**

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



x) **Distribution of Shareholding as on 31.03.2012**

No. of Equity Shares Held	No. of Shareholders	%	No. of Shares Held	%
Up to 500	34,609	89.90	44,61,194	12.77
501 - 1000	2036	5.29	16,07,144	4.61
1001 - 2000	892	2.32	13,54,974	3.88
2001 - 3000	289	0.75	7,45,536	2.13
3001 - 4000	151	0.39	5,35,170	1.53
4001 - 5000	94	0.24	4,48,295	1.28
5001 - 10000	189	0.49	13,86,913	3.97
10001 & ABOVE	238	0.62	2,43,98,109	69.83
Total	38498	100.00	3,49,37,335,	100

xi **Shareholding Pattern as on 31.03.2012**

	No. of Shares Held	Percentage
Promoters/Promoter Group		
Individuals	1,20,34,444	34.45
Body Corporates	42,84,906	12.26
Public shareholding		
Individuals holding nominal share capital upto Rs. 1 lakh	98,98,697	28.33
Individuals holding nominal share capital in excess of Rs. 1 lakh	69,34,088	19.85
Body Corporates	14,42,659	4.13
Mutual Funds/FI's	29,090	0.08
Clearing Member/Trust	1,22,268	0.35
NRI's	1,91,183	0.55
TOTAL	3,49,37,335	100.00

xii) **Dematerialization of Shares**

The shares of the Company are compulsorily traded in DEMAT form by all categories of investors. The Company has arrangements with National Securities Depositories Ltd (NSDL) and Central Depository Services India Ltd (CDSL) to establish electronic connectivity of our shares for script-less trading. As on 31st March 2012, 90.64% of shares of the Company were held in Dematerialized form with the following depositories.

Depository	No. of Shares	Percentage
1) NSDL	2 73, 91,411	78.40%
2) CDSL	42, 75,941	12.24%
Total	3, 16, 67,352	90.64 %

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.



CEMENT	UNIT – I : Simhapuri, Mattampally Mandal, Nalgonda Dist-508204, Andhra Pradesh
	UNIT – II : Kadimpothavaram Village, Kondapalli, Krishna District- 521228, Andhra Pradesh
BOARDS	UNIT – I : Simhapuri, Mattampally Mandal, Nalgonda Dist-508204, Andhra Pradesh
	UNIT – II : 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, Nandikotkur TQ. - 518402, Kurnool District, Andhra Pradesh.
	UNIT – II : RBHLC Zero Mile Point, Tungabhadra Dam, Tungabhadra Board, Amaravathi Village, Hospet - 583225, Karnataka.
READY MIX CONCRETE	UNIT – I : Plot No. 91/c, D Block , Autonagar, Gajuwaka, Visakhapatnam, Andhra Pradesh.
	UNIT – II : Plot No. 11, A/2, Phase 1, IDA, Patancheru (V), Medak District, Andhra Pradesh.

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

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

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 31st July, 2012.



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: 31st July 2012.

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 31.03.2012, 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
Dated: 31st July, 2012.



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Company’s performance during the year ended 31st March, 2012 and the Management’s view on future outlook are detailed below:

A. INDUSTRY STRUCTURE AND DEVELOPMENT

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

CEMENT

Cement Industry in India has been marked by significant addition to the capacities in the recent years, and consolidation of market shares by some of the major players through expansion as well as M & A activity.

The industry has been facing major challenges in terms of availability and cost of major inputs like coal and power. The market also witnessed swings in the demand- supply position resulting in the performance of individual companies varying from dismal to encouraging in different quarters.

Cement being a bulk commodity, the transportation cost plays a major role in determining the end-use price as well as the profitability of the cement producers. The supply-demand position in different Regions is therefore a vital determinant of the fortunes of the cement manufacturers.

Southern India in general and Andhra Pradesh in particular have witnessed a scenario of increased supplies with additional capacities, accompanied by sluggish demand due to slow down in Government as well as private sector construction projects. It has therefore become imperative for cement producers to look for distant markets in spite of higher transportation costs.

The year has been marked by higher realizations in the first three quarters of the year under review. However, this period was flanked by indifferent performance in the Quarters preceding and following.

Boards

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

the Board Industry is closely linked to the construction activity.

Prefab

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

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

Hydel Energy

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

B. OPPORTUNITIES AND THREATS

Expenditure on infrastructure and housing sectors is likely to grow over the years, both in the Government and Private Sectors. Since cement is an integral part of all infrastructure projects, the potential for growth in the cement industry offers an opportunity.

However, heightened competition with the entry of new players and consolidation by major players, coupled with the pressures on input costs constitutes a threat, which cannot be ignored. The ability of the marginal players to withstand uncertain price and realizations will be severely tested in the coming years.

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

Hydro projects can be unreliable during prolonged droughts and dry seasons when rivers dry up or reduce



in volume. 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	87.57	11,55,275 MT	66480.48	9462.89
Boards	8.88	5,1812 MT	6740.40	981.01
Prefab	2.37	51,812 Sqm	1797.18	(187.18)
Energy	0.88	32.37 MU	668.28	331.13
Ready Mix Concrete	0.30	6474 CU.Mtr	228.08	(79.57)

D. OUTLOOK

The Indian cement industry is currently positioned in the second rank globally and is likely to maintain its growth momentum at around 8 to 9 per cent in the medium to long term propelled by Government initiatives in housing and infrastructure sectors. The share of the infrastructure sector in the total cement consumption is estimated to reach a level of 35 per cent by FY 2017. However, the supply overhang will continue for sometime putting pressure on cement realizations. Muted demand growth coupled with over capacity scenario is likely to reduce the operating efficiencies.

E. RISKS AND CONCERNS.

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

F. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY.

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

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

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

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

The Company has cordial relations with employees and staff. As on 31st March 2012, the company has 972 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 2012.

Name:	Mr. K. Ravi	Mr.P.N.Raju
Age	58 years	61 Years
Qualification	Diploma holder in Electrical Engineering	B.E.(Mech)with specialization in Marine Engineering
Designation:	Managing Director	Executive Director
Date of commencement of employment	Since 11 th January 2003	Since 12 th April,2006
No. of year of experience	over 35 years	over 38 years
Remuneration	Rs166.79 lakhs Per Annum. **	Rs.69.67 lakhs Per Annum. **
Last employment held	Managing Director of NCL Energy Ltd.	Island Prawn Culture Farms
Nature of employment	As per the terms approved by the shareholders	As per the terms approved by the shareholders
Percentage of equity shares held in the company (as on 31/07/2012)	5.32 %	2.13%

Notes:

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

For and on behalf of the Board

Date: 31st July, 2012

R. Anand
Chairman



To the Members of NCL INDUSTRIES LIMITED

1. I have audited the attached Balance Sheet of NCL Industries Limited, as at 31st March 2012, 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 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, 2012 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 Companies Act, 1956 ;
 - (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 31st March 2012;
 - 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

Chartered Accountant
Membership No. 9281

Hyderabad
Dated: 30.05.2012

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 31st March, 2012]

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 me, 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.1450 lakhs and repaid Rs. 825 lakhs 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 purchase of inventory, fixed assets and for 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-
- the particulars of contracts or arrangement referred in section 301 of Companies Act, 1956 have been entered in the register required to be maintained under that section; and
 - the transactions made in pursuance of such contracts or arrangement have 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, and other relevant provisions of the Companies Act, 1956 and the rules framed there under, where applicable, have been generally complied with. Balances maintained in bank accounts, free from charge or lien, prima facie sufficient, according to the information and explanations given to me, for payment of interest and refund of deposits falling due. There is no default in repayment of matured deposits or payment of interest due. No order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any Tribunal regarding the Deposits.
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	9.81
			Appellate Deputy Commissioner	14.91
			High Court	21.14
2.	Central Excise	Disputed Excise Dues	Tribunal	744.50
			High Court	29.22
			CEC	156.58
3.	Nala Tax	Non-Agriculture Tax on Mining Area	High Court	
			A.P.	43.56
4.	Service Tax	Disputed Service Tax	CEC	2.17
5.	Permit Fee to Forest Department	Disputed permit permit fee	High Court	105.39

10. The Company has no accumulated losses as at March 31, 2012 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

Hyderabad
Dated: 30.05.2012

Chartered Accountant
Membership No. 9281

BALANCE SHEET AS AT 31st MARCH, 2012

Rs. in Lakhs

	Notes	31 March 2012	31 March 2011
I) EQUITY AND LIABILITIES			
1) Share holders' Funds			
a) Share Capital	2.1	3,493.73	3,493.73
b) Reserves and Surplus	2.2	15,647.59	12,034.21
Sub-Total : Shareholders' Funds		<u>19,141.32</u>	<u>15,527.94</u>
2) Non-Current Liabilities			
a) Long - Term Borrowings	2.3	11,760.54	16,569.39
b) Deferred Tax Liabilities	2.4	3,389.11	3,285.46
c) Other - Long Term Liabilities	2.5	4,080.25	4,094.10
d) Long - Term Provisions	2.6	214.52	195.49
Sub-Total : Non Current Liabilities		<u>19,444.42</u>	<u>24,144.44</u>
3) Current Liabilities			
a) Short - Term Borrowings	2.7	8,303.34	7,618.52
b) Trade Payables	2.8	3,309.74	2,299.16
c) Other Current Liabilities	2.9	13,284.22	12,838.33
d) Short - Term Provisions	2.10	2,435.01	682.93
Sub-Total : Current Liabilities		<u>27,332.31</u>	<u>23,438.94</u>
TOTAL EQUITY AND LIABILITIES		<u>65,918.05</u>	<u>63,111.32</u>
II) ASSETS			
1) Non-Current Assets			
a) Fixed Assets			
i) Tangible Assets	2.11	44,986.51	45,723.64
ii) Capital Work - in- Progress		1,714.21	149.60
		<u>46,700.72</u>	<u>45,873.24</u>
b) Non - Current Investments		-	-
Long - Term Loans & Advances	2.12	1,360.66	890.55
Sub-Total : Non - Current Assets		<u>48,061.38</u>	<u>46,763.79</u>
2) Current Assets			
a) Inventories	2.13	5,874.55	5,285.47
b) Trade Receivables	2.14	6,189.37	5,894.39
c) Cash and Cash Equivalents	2.15	406.96	324.23
d) Short- Term Loans and Advances	2.16	3,350.94	3,996.81
e) Other Current Assets	2.17	2,034.85	846.63
Sub-Total : Current Assets		<u>17,856.67</u>	<u>16,347.53</u>
TOTAL - ASSETS		<u>65,918.05</u>	<u>63,111.32</u>
Significant Accounting Policies	1		

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
 President (F&A)

T. Arun Kumar
 Company Secretary

 Place : Hyderabad
 Dated: 30th May 2012

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2012



Rs. in Lakhs

	Notes	31 March 2012	31 March 2011
REVENUE			
Revenue from Operations (Gross)	2.18	75,914.39	56,150.50
Less: Inter Segment Transfers & Taxes on Sales		18,471.90	13,761.34
Revenue from Operations		57,442.49	42,389.16
Less : Excise Duty		7,434.98	6,192.76
Revenue from Operations (Net)		50,007.51	36,196.41
Other Income	2.19	469.45	457.71
Total Revenue		50,476.96	36,654.12
EXPENSES			
Net Consumption of Materials	2.20	6,486.74	5,024.56
Change in Inventories	2.21	264.34	(425.90)
Employee Benefit Expenses	2.22	1,948.41	1,604.49
Other Expenses	2.23	28,091.35	20,420.75
Finance Costs	2.24	4,146.51	4,055.24
Depreciation & Amortisation	2.25	3,178.41	3,114.19
Total Expenses		44,115.76	33,793.33
Profit /(Loss) Before Tax		6,361.20	2,860.79
Tax Expense:			
Current Tax		2,194.91	407.59
Deferred Tax Charge / (Credit)		103.66	509.50
MAT Credit Entitlement (Credit)		(362.85)	(397.59)
Total of Tax Expenses		1,935.72	519.50
Profit for the Period		4,425.48	2,341.29
Basic & Diluted Earnings per Share of Rs 10/- each	2.27	12.67	6.70
Cash Earnings per share of Rs. 10/- each	2.27	22.06	17.07
Significant Accounting Policies	1		

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
President (F&A)

T. Arun Kumar
Company Secretary

Place : Hyderabad
Dated: 30th May 2012

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2012



Rs. in Lakhs

	31st March 2012	31st March 2011
Cash flow from Operating Activities		
Profit Before Tax	6,361.20	2,860.79
Adjustments for:		
Depreciation & Amortisation	3,178.41	3,114.19
	9,539.61	5,974.98
Less: Expenses		
Income Tax Paid	658.49	407.59
Operating Profit Before Working Capital Changes	8,881.11	5,567.39
Movement of Working Capital:		
Increase/(Decrease) in Trade Payables	1,010.58	(152.68)
Increase/(Decrease) in Long Term Provisions	19.03	-
Increase/(Decrease) in Short Term Provisions	12.64	-
Increase/(Decrease) in Other Current Liabilities	306.23	1,540.58
Decrease/(Increase) in Trade Receivables	(294.98)	(995.38)
Decrease/(Increase) in Inventories	(589.08)	(841.72)
Decrease/(Increase) in Long Term Loans & Advances	(475.87)	(15.72)
Decrease/(Increase) in Short Term Loans & Advances	1,008.72	-
Decrease/(Increase) in Other Current Assets	(1,188.22)	(858.78)
Net Movement in Working Capital	(190.95)	(1,323.70)
Cash Generated from Operations	8,690.17	4,243.69
Cash Flow from Investing Activities		
Purchase of Fixed Assets including CWIP	(4,002.57)	(1,791.18)
Sale of Net Fixed Assets	2.43	14.91
Net Cash Used in Investing Activities	(4,000.14)	(1,776.27)
Cash flow from Financing Activities		
Proceeds / (Repayment) of Long Term Borrowings	(4,976.02)	(4,890.60)
Proceeds / (Repayment) of Other Long Term Liabilities	292.98	1,408.71
Proceeds / (Repayment) of Sort Term Borrowings	684.82	1,292.87
Dividend & Dividend Tax Paid	(609.08)	(407.40)
Net Cash used in Financing Activities	(4,607.30)	(2,596.42)
Net Increase in Cash and Cash Equivalent	82.73	(129.00)
Cash and Cash Equivalent at the Beginning of the Year	324.23	453.23
Cash and Cash Equivalent at the End of the Year	406.96	324.23

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
President (F&A)

T. Arun Kumar
Company Secretary

Place : Hyderabad
Dated: 30th May 2012



1. SIGNIFICANT ACCOUNTING POLICIES

a) Accounting Concepts

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

b) Fixed Assets and Depreciation

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

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

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

c) Inventories

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

ii) Stores and Spares at Cost

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

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

d) Employee Benefits

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

e) Income Tax Expense

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

f) Foreign Currency Transactions

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

2. Notes to Financial Statements for the year ended 31 March 2012

Rs. in Lakhs

2.1 SHARE CAPITAL	31 March 2012	31 March 2011
Authorized		
6,20,00,000 (31 March 2011: 6,20,00,000) Equity shares of Rs. 10/- each	<u>6,200.00</u>	<u>6,200.00</u>
Issued,Subscribed & Paid up		
3,49,37,335 (31 March 2011: 3,49,37,335) Equity shares of Rs 10/- each	3,493.73	3,493.73
Total	3,493.73	3,493.73

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

Equity shares	31 March 2012		31 March 2011	
	No. of shares	Rs. Lakhs	No. of shares	Rs. Lakhs
At the beginning and at the end of the year	34,937,335	3,493.73	34,937,335	3,493.73

- The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of Equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual general Meeting.
- For the Year Ended 31st March,2012, the amount of per share dividend recognized as distribution to equity share holders was Rs.2/- (31st March 2011: Rs.1.50 per share)



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

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

Rs. in Lakhs

	31 March 2012		31 March 2011	
	No. of Shares	% of holding	No. of Shares	% of holding
Nil	-	-	-	-

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

2.2 RESERVES AND SURPLUS

Rs. in Lakhs

	31 March 2012	31 March 2011
Capital Reserve	240.91	240.91
Securities Premium Reserve	2,106.14	2,106.14
General Reserve		
Balance as per the last Financial statement	8,500.00	6,800.00
Add: Amount transferred from surplus	3,000.00	1,700.00
Closing balance	11,500.00	8,500.00
Profit & Loss Account		
Balance as per the Last Financial Statement	1,187.16	1,153.60
Add: Profit for the Year	4,425.48	2,341.29
Add: Excess Provision of Dividend Tax	-	1.35
Less: Proposed Dividend	698.75	524.06
Less: Tax on Proposed Dividend	113.35	85.02
Less: Transfer to General Reserve	3,000.00	1,700.00
Total Appropriations	3,812.10	2,309.08
Closing Balance	1,800.54	1,187.16
Total	15,647.59	12,034.21

2.3 LONG-TERM BORROWINGS

Rs. in Lakhs

	31 March 2012	31 March 2011	31 March 2012	31 March 2011
	Non-Current portion		Current Maturities	
Secured				
Term Loans from FIs & Banks (Refer Note Nos. 'a' to 'd')	10,080.58	15,072.40	5,088.41	5,249.85
Hire Purchase Loans (Secured) Vehicle/Equipment Finance Loans from Banks (Refer Note No. 'e')	685.00	502.04	448.10	453.82
Total Secured Borrowings (i)	10,765.59	15,574.44	5,536.50	5,703.67
Other Loans & Advances (Unsecured)				
Sales Tax Deferment Loan (Refer Note No. 'f')	994.95	994.95	-	-
Total Unsecured Borrowings (ii)	994.95	994.95	-	-
Total of Secured & Unsecured (i+ii)	11,760.54	16,569.39	5,536.50	5,703.67



- a. Term Loans from the Banks and Financial Institutions viz. Axis Bank Ltd, Canara Bank, Central Bank of India, Corporation Bank, Indian Renewable Energy Development Agency Ltd (IREDA), Oriental Bank of Commerce, State Bank of Hyderabad, State Bank of India and State Bank of Mysore are secured by a pari passu first charge on all movable and immovable properties of the Company and second charge on current assets of the Company (both present and future) except receivables of Energy Division.
- b. Term Loans availed from all Banks and Financial Institutions except Axis Bank are repayable in Quarterly Installments of Rs 1140 lakhs each.
- c. Term Loans availed from Axis Bank are repayable in Monthly Installment of Rs 57 lakhs each.
- d. Term Loans carries interest @ 9% to 14.50% p.a.
- e. Vehicle and Equipment Loans from various Banks are secured by Hypothecation of respective assets financed, for a tenure of 35 to 45 months and carries Interest @ 9% to 11% p.a.
- f. Represents 8 years Interest free Sales Tax Deferment Loan received from Government of Andhra Pradesh. Repayment commences from January 31, 2014 based on the deferment availed in the corresponding year.
- g. No Default in repayment of any loan or interest thereon.

2.4 DEFERRED TAX LIABILITIES

Rs. in Lakhs

	As at Mar, 2012	As at Mar, 2011
Deferred Tax Liabilities	3,389.11	3,285.46

2.5 OTHER LONG TERM LIABILITIES

Rs. in Lakhs

	31 March 2012	31 March 2011	31 March 2012	31 March 2011
	Non-Current portion		Current Maturities	
Deposits from Dealers / Stockists (Note 'a')	3,906.45	3,906.45	-	499.40
Deposits from Public & Shareholders (Note 'b')	173.80	187.65	2,713.23	1,907.00
Sundry Creditors - Capital goods	-	-	5.84	62.65
Total	4,080.25	4,094.10	2,719.07	2,469.05

- a. Deposits from Dealers / Stockists represents amounts collected from Dealers / Stockists / Agents as collateral at the time of granting the dealership to sell the products of the Company which is repayable on cancellation of the said dealership. These deposits attract interest @ 6% p.a.
- b. Public Deposits aggregating to Rs 2,713.23 lakhs (Previous year Rs 1,907 lakhs) is repayable within one year and Rs 173.80 lakhs (Previous Year Rs 187.65 lakhs) is repayable within two years.

2.6 LONG TERM PROVISIONS

Rs. in Lakhs

	31 March 2012	31 March 2011	31 March 2012	31 March 2011
	Non-Current portion		Current Maturities	
Provision for Employee Benefits				
Provision for Gratuity	190.90	173.10	25.72	10.35
Provision for Leave benefits	23.62	22.39	2.65	2.85
Total (i)	214.52	195.49	28.37	13.20
Other Provisions				
Provision for Income Tax	-	-	1,536.42	-
Provision for Dividend	-	-	698.75	524.06
Provision for Dividend Tax	-	-	113.35	85.02
Total (ii)	-	-	2,348.52	609.08
Total (i+ii)	214.52	195.49	2,376.89	622.28



2.7 SHORT TERM BORROWINGS

Rs. in Lakhs

	31 March 2012	31 March 2011
Cash Credit Loans from Banks (Secured)	8,303.34	7,618.52
Total Short Term Borrowings	8,303.34	7,618.52

Cash credit Loans from Banks viz. Axis Bank Ltd, IDBI Bank Ltd and State Bank of Hyderabad are secured by pari passu first charge on current assets of the Company excluding receivables of Energy Division (both present & future) and second charge on fixed assets of the company and are guaranteed by four promoter directors in their personal capacity. The cash credit is repayable on demand and carries interest @ 13% to 14.5% p.a.

2.8 TRADE PAYABLES

Rs. in Lakhs

	31 March 2012	31 March 2011
Trade Payables	3,309.74	2,299.16

Based on the information available with the Company, amount of dues to Micro, Small and Medium Enterprises outstanding for more than 45 days as at 31st March 2012 is Rs. Nil (Previous Year: Rs. Nil)

2.9 OTHER CURRENT LIABILITIES

Rs. in Lakhs

	31 March 2012	31 March 2011
1. Current Maturities of Long term Borrowings		
Term Loans from Banks & Fls	5,088.41	5,249.85
Hire Purchase Loans	448.10	453.82
Total of Current Maturities on Long Term Borrowings	5,536.50	5,703.67
2. Other Liabilities		
Deposits from Dealers	-	499.40
Deposits from Public & Shareholders	2,713.23	1,907.00
Sundry Creditors - Capital Goods	5.84	62.65
Advances from Customers & Others	2,846.55	3,011.06
Value Added Tax & CST Payable	589.12	518.28
Service Tax Payable	4.13	1.12
TDS Payable	37.14	26.82
Employee related payables PF, ESI & Others	17.82	15.14
Unclaimed Debentures	3.77	5.43
Unclaimed Dividends (Note)	153.15	139.06
Interest Accrued but not Due	234.57	179.62
Other Expenses including Provisions	1,142.40	769.09
Total Other Liabilities	7,747.72	7,134.66
Total Other Current Liabilities	13,284.22	12,838.33

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

2.10 SHORT TERM PROVISIONS

Rs. in Lakhs

	31 March 2012	31 March 2011
Provision for Income Tax	1,536.42	-
Provision for Dividend	698.75	524.06
Provision for Dividend Tax	113.35	85.02
Current Maturities of Long-Term Provisions of Employee Benefits	28.37	13.20
Provision for Employee Bonus & Ex-gratia	58.12	60.65
Total	2,435.01	682.93


2.11 FIXED ASSETS
Rs. in Lakhs

	Land	Buildings	Plant & Machinery	Electrical Installations	Railway Siding	Furniture & Fixtures	Office Equipment	Vehicles	Trucks	Total
At 1st April 2010	1,391.78	6,140.90	42,649.66	4,770.78	810.70	86.96	203.78	224.04	829.15	57,107.74
Additions	-	344.46	1,252.20	192.41	51.80	2.45	15.71	84.83	794.86	2,738.72
Disposals	4.88	7.20	-	-	-	-	0.62	9.18	-	21.88
At 31st March, 2011	1,386.90	6,478.16	43,901.85	4,963.19	862.50	89.41	218.87	299.68	1,624.02	59,824.58
Additions	71.80	1,237.98	524.88	66.66	-	16.52	33.59	93.82	392.71	2,437.96
Disposals	-	-	-	-	-	-	-	11.10	-	11.10
At 31st March, 2012	1,458.70	7,716.14	44,426.73	5,029.85	862.50	105.93	252.46	382.41	2,016.72	62,251.44
Depreciation										
At 1st April 2010	-	1,161.69	8,733.37	358.77	42.33	45.45	123.84	121.36	412.18	10,998.99
Charge for the year	-	181.03	2,176.93	251.90	44.02	7.64	15.31	27.98	404.11	3,108.92
Disposals	-	0.83	-	-	-	-	0.15	5.99	-	6.97
At 31st March, 2011	-	1,341.89	10,910.30	610.67	86.35	53.09	139.00	143.35	816.29	14,100.94
Charge for the year	-	186.95	2,236.23	262.24	45.54	8.52	16.65	67.63	348.90	3,172.66
Disposals	-	-	-	-	-	-	-	8.67	-	8.67
At 31st March, 2012	-	1,528.84	13,146.53	872.91	131.89	61.61	155.65	202.30	1,165.20	17,264.93
Net Block										
At 31st March, 2011	1,386.90	5,136.27	32,991.55	4,352.52	776.14	36.32	79.87	156.34	807.72	45,723.64
At 31st March, 2012	1,458.70	6,187.30	31,280.21	4,156.94	730.60	44.32	96.81	180.11	851.52	44,986.51


2.12 LONG-TERM LOANS & ADVANCES

Rs. in Lakhs

	31 March 2012	31 March 2011	31 March 2012	31 March 2011
	Non-Current portion		Current Maturities	
Unsecured, considered good				
Capital Advances				
Advance for Land	333.78	-	-	-
Total of Capital Advances	333.78	-	-	-
Security Deposits				
Deposits with APSEB	691.60	538.97	-	-
Deposits with Government Departments	230.27	245.10	-	-
Deposits with Others	20.28	30.13	-	85.21
Total of Security Deposits	942.15	814.21	-	85.21
Other Loans & Advances				
Rental Deposit	29.83	19.98	-	-
Deposit with South Central Railways & Suppliers		-	-	-
Total of Loans & Advances	29.83	19.98	-	-
Deposits in disputed cases				
APGST paid under Protest	8.90	8.90	-	-
Total of Deposits in Disputed Cases	8.90	8.90	-	-
Total	1,314.66	843.09	-	85.21

2.13 INVENTORIES

Rs. in Lakhs

	31 March 2012	31 March 2011
Raw Materials	613.76	654.69
Work In Progress	242.04	460.49
Finished goods	1,917.17	1,963.06
Stores	2,446.71	1,797.40
Packing & Other Materials	654.87	409.83
Total	5,874.55	5,285.47

2.14 TRADE RECEIVABLES

Rs. in Lakhs

	31 March 2012	31 March 2011
Debtors outstanding for a period exceeding six months		
Secured, considered good	-	-
Unsecured, considered good	228.82	168.11
Total	228.82	168.11
Debtors outstanding for a period less than six months		
Secured, considered good	-	-
Unsecured, considered good	5,960.55	5,726.28
Total	5,960.55	5,726.28
Total Trade Receivables	6,189.37	5,894.39


2.15 CASH & CASH EQUIVALENTS
Rs. in Lakhs

	31 March 2012	31 March 2011	31 March 2012	31 March 2011
	Non-Current		Current	
Cash in Hand	-	-	4.83	7.05
Cash at Banks	-	-	252.76	109.10
Branch Accounts	-	-	2.22	2.82
Deposits with Banks	-	-	147.15	205.26
Total	-	-	406.96	324.23

2.16 SHORT TERM LOANS & ADVANCES
Rs. in Lakhs

	31 March 2012	31 March 2011	31 March 2012	31 March 2011
	Non-Current		Current	
Unsecured, considered good	-	-	-	-
Advances to Suppliers	-	-	1,991.36	1,928.40
Advances to Others	-	-	133.28	1,238.45
Deposits with Electricity Board	-	-	-	-
Deposits with Government Departments	-	-	-	-
Deposits with Others	-	-	-	85.21
Central Excise, Service Tax & VAT Receivable	-	-	465.86	347.16
MAT Entitlement Credit Account	-	-	760.44	397.59
Total	-	-	3,350.94	3,996.81

2.17 OTHER CURRENT ASSETS
Rs. in Lakhs

	31 March 2012	31 March 2011	31 March 2012	31 March 2011
	Non-Current		Current	
Incentives Receivable from A.P Government	-	-	1,966.26	784.63
Other Current Assets	46.00	47.46	68.59	62.00
Total	46.00	47.46	2,034.85	846.63

2.18 REVENUE FROM OPERATIONS
Rs. in Lakhs

	31 March 2012	31 March 2011
Sale / Transfer of Products:		
Finished Goods	64,264.45	47,124.24
Semi Finished Goods (Clinker Transfer to Kondapalli Grinding Unit)	11,635.40	8,999.19
Traded Goods	14.54	27.08
Total Sales	75,914.39	56,150.50
Less: Inter Segment Transfers	12,810.90	10,019.94
Less: Taxes on Sales (Refer Note)	5,661.00	3,741.40
Net Sales of Products	57,442.49	42,389.16
Less: Excise Duty	7,434.98	6,192.76
Net Sales	50,007.51	36,196.41
Other Operating Income	469.45	457.71
Total	50,476.96	36,654.12

Note: As per Andhra Pradesh State Industrial Policy 2005-10, Amounts of incentives from Industries Department receivable for the year amounting to Rs.793.12 lakhs (Previous Year Rs. 411.92 lakhs) is deducted from Taxes on Sales.


2.19 OTHER INCOME
Rs. in Lakhs

	31 March 2012	31 March 2011
Interest Income	63.70	34.06
Profit on Sale of Assets	0.76	49.62
Scrap Sales	31.23	184.07
Income from Operations of Trucks	274.83	128.46
Other Income	4.56	31.96
Exchange Fluctuation	5.67	(12.47)
Net Prior Year Adjustments	88.70	42.01
Total	469.45	457.71

NET PRIOR YEAR ADJUSTMENTS

	31 March 2012	31 March 2011
Taxes & Duties	35.48	32.57
Power	121.79	10.56
Others	(68.57)	(1.12)
Total Income / (Expense)	88.70	42.01

2.20 COST OF MATERIAL CONSUMED
Rs. in Lakhs

	31 March 2012	31 March 2011
Rawmaterials Inventory at the Beginning of the year	654.69	632.61
Add: Purchases	19,256.71	15,066.58
Total	19,911.40	15,699.19
Less: Inventory at the End of the year	613.76	654.69
Cost of Raw materials Consumed	19,297.64	15,044.50
Details of Rawmaterials Consumed		
Limestone	1,697.65	1,539.30
Al. Laterite	390.45	309.54
Gypsum	810.87	613.65
Iron ore / Iron ore powder	551.64	211.26
FlyAsh	564.08	408.23
Clinker Consumption at Kondapalli Plant	11,462.75	8,628.94
Cement Consumption in Boards Division	1,188.71	1,153.73
Wood	1,175.80	1,153.85
Chemicals	240.86	211.85
Paper	109.95	88.14
Bison Panel Boards Consumption in Prefab Division	302.60	211.55
Steel	629.18	475.06
Ready Mix Concrete Materials	151.04	-
Other Materials	8.86	12.77
Cost of Trading Goods	13.20	26.63
Total	19,297.64	15,044.50



Rs. in Lakhs

	31 March 2012	31 March 2011
Less: Inter Segment Transfers	12,810.90	10,019.94
Net Consumption of Materials	6,486.74	5,024.56
Details of Inventory		
Limestone	32.15	18.03
Al. Laterite	35.97	60.37
Gypsum	18.91	38.97
Iron ore / Iron ore powder	121.15	48.57
FlyAsh	8.28	5.99
Clinker at Kondapalli Plant	27.54	90.09
Cement in Boards & RMC Divisions	25.41	5.72
Wood	161.15	230.35
Chemicals	21.54	16.05
Bison Panel Boards in Prefab Division	52.25	50.85
Steel	92.74	66.39
Other Materials	16.67	23.31
Total	613.76	654.69

2.21 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS

Rs. in Lakhs

	31 March 2012	31 March 2011
Closing stock of Work in Progress	242.04	460.49
Closing stock of Finished goods	1,917.17	1,963.06
Total	2,159.21	2,423.55
Opening stock of Work in Progress	460.49	479.56
Opening stock of Finished goods	1,963.06	1,518.09
Total	2,423.55	1,997.65
Increase / (Decrease) in Stocks	264.34	(425.90)

2.22 EMPLOYEE BENEFIT EXPENSES

Rs. in Lakhs

	31 March 2012	31 March 2011
Salaries, Wages, Bonus & Allowances	1,723.63	1,421.79
Contribution to Provident Fund & Other Funds	106.53	89.11
Staff Welfare Expenses	118.25	93.59
Total	1,948.41	1,604.49

2.23 OTHER EXPENSES

Rs. in Lakhs

	31 March 2012	31 March 2011
Cost of Fuel	9,718.82	5,700.09
Cost of Power (Refer Note)	4,536.53	3,852.78
Packing Materials	1,923.31	1,566.08
Stores & Spares consumed	1,758.24	1,305.84
Rep & Maintenance Plant & Machinery	552.41	482.92
Rep & Maintenance Buildings	0.30	1.29



Rs. in Lakhs

	31 March 2012	31 March 2011
Rep & Maintenance Others	107.39	110.71
Direct Manufacturing Expenses	304.85	450.60
a. Sub-Total: Other Manufacturing Expenses	18,901.85	13,470.31
Transportation Paid	6,489.88	4,814.37
Advertisement & Publicity	176.23	138.19
Selling Expenses	1,236.83	945.59
b. Sub-Total: Selling & Distribution Expenses	7,902.94	5,898.15
Managerial Remuneration	274.88	143.73
Security Services	57.60	61.75
Bank Charges	74.95	66.63
Administrative Expenses	363.36	340.35
Legal & Professional Expenses	35.06	66.69
Retainer Charges	87.45	69.51
Payments to Auditors (refer details below)	2.70	2.25
Internal Audit Fees	4.80	4.20
Insurance	36.95	35.39
Travelling & Conveyance	190.56	138.45
Rent	90.97	57.19
Rates, Taxes & Licenses	63.55	64.24
Donations	3.73	1.91
c. Sub-Total: Other Administrative Expenses	1,286.56	1,052.29
Total Other Expenses (a+b+c)	28,091.35	20,420.75

Note: As per Andhra Pradesh State Industrial Policy 2005-10, Amounts of incentives from Industries Department receivable for the year amounting to Rs. 388.51 lakhs (Previous Year Rs. 80.69 lakhs) is deducted from the Cost of Power.

PAYMENT TO AUDITORS

Rs. in Lakhs

	31 March 2012	31 March 2011
Statutory Audit Fees	1.65	1.65
Tax Audit Fees	0.25	0.25
Cost Audit Fees	0.40	0.15
Certifications & Reimbursement of Audit Expenses	0.40	0.20
Total Payment to Auditors	2.70	2.25

2.24 FINANCE COST

Rs. in Lakhs

	31 March 2012	31 March 2011
Interest		
on Term Loans	2,339.32	2,645.89
on Working Capital	1,060.50	896.52
on Deposits & Others	746.69	512.83
Total Finance Cost	4,146.51	4,055.24



2.25 DEPRECIATION AND AMORTISATION EXPENSE

Rs. in Lakhs

	31 March 2012	31 March 2011
Depreciation	3,172.66	3,108.92
Amortisation	5.75	5.27
Total	3,178.41	3,114.19

2.26 SEGMENT REPORTING

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

A. PRIMARY DISCLOSURES:

Rs. in Lakhs

	31 March 2012	31 March 2011
Segment Revenue / Income (Gross)		
a) Cement Division	66,480.48	47,088.58
b) Boards Division	6,740.40	6,145.73
c) Prefab Division	1,797.18	1,775.12
d) Energy Division	668.25	1,141.07
e) Ready Mix Concrete Division	228.08	-
TOTAL	75,914.39	56,150.50
Less : Inter Segment Revenue	12,810.90	10,019.94
Net Sales / Income from Operations	63,103.49	46,130.56
Segment Results:		
Profit Before Interest & Tax		
a) Cement Division	9,462.89	5,294.80
b) Boards Division	981.01	768.35
c) Prefab Division	(187.76)	33.12
d) Energy Division	331.13	819.76
e) Ready Mix Concrete Division	(79.56)	-
TOTAL	10,507.71	6,916.03
Less: i) Interest	4,146.51	4,055.24
ii) Other un-allocable expenses net off un-allocable income	-	-
Total Profit Before Tax	6,361.20	2,860.79
Capital Employed (Segment Assets – Segment liabilities)		
a) Cement Division	42,606.60	42,355.13
b) Boards Division	4,584.11	4,875.07
c) Prefab Division	1,144.58	1,907.54
d) Energy Division	4,067.50	4,207.63
e) Ready Mix Concrete Division	801.67	-
f) Unallocated	2,486.00	1,812.73
TOTAL	55,690.46	55,158.10



B. SECONDARY DISCLOSURES:

Revenue from external customers by location of customers	The main customer base of company's products are in India only
Carrying amount of segment assets by location of assets	All manufacturing units are located in India
Costs to acquire tangible and intangible fixed assets by location of assets.	
Other disclosures:	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 (5) Ready Mix Concrete

Segment Accounting Policies:

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

a) Segment Assets and Liabilities:

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

b) Segment Revenue and Expenses:

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

2.27 Earnings Per Share

Rs. in Lakhs

	31 March 2012	31 March 2011
Net Profit / (Loss) for the Period	4,425.48	2,341.29
Cash Profit / (Loss) for the Period	7,707.55	5,964.98
Shares		
Number of shares at the beginning and at the end of the year	34,937,335	34,937,335
Earnings per share of par value Rs. 10/- each		
Basic & Diluted (in Rupees)	12.67	6.70
Cash (in Rupees)	22.06	17.07



2.28 Contingent Liabilities

Rs. in Lakhs

	31-Mar-12		31-Mar-11	
	Disputed Amount	Paid Under Protest	Disputed Amount	Paid Under Protest
Demand by Sales tax authorities -Interest on HSD Oil used in Tippers for transportation of lime stone (Note 'a')	4.26	-	4.26	-
Demand by Sales tax authorities-Interest on delayed payment (Note 'b')	16.88	4.00	16.88	4.00
Demand by Sales tax authorities for the year 1997-98 - on revised assessment (Note 'c')	9.81	4.90	9.81	4.90
Demand by Sales tax authorities for the year 2004-05 - Rate of tax on erection of prefab structures on CST. (Note 'd')	14.92	-	14.92	-
Claim of Input Tax on purchase of Coal not accepted by Sales Tax Authorities , the appeal was decided in Company's favour.	-	-	14.42	-
Issues pertaining to F forms non submission, Entry Tax on CST purchases which were decided in company's favour	-	-	3.12	-
Demand of Central Excise Department denying benefit of Cenvat credit on capital goods (Note 'e')	744.50	-	279.52	-
Demand of Central Excise Department denying benefit of Cenvat credit on capital goods (Note 'f')	100.72	-	83.83	-
Excise department claimed return refund of Excess Excise duty paid by the Company (Note 'g')	29.22	-	29.22	-
Demand of Central Excise Department denying benefit of Cenvat credit on capital goods (Note 'h')	17.77	-	17.77	-
Demand of Central Excise Department denying benefit of Cenvat credit on cement transferred to Kondapalli unit from Mattapally unit for despatch in a railway rake (Note 'i')	11.18	-	11.18	-
Return of Refund of Additional duty paid under protest made to the Company , claimed by Excise department. (Note 'j')	18.41	-	-	-
Miscellaneous Issues pending with Excise department	8.52	-	-	-
Demand of NALA Tax pertaining to Non Agricultural Tax in Mining Areas by the state government (Note 'k')	43.56	-	43.56	-
Service Tax on outward transport & Insurance	2.17	-	15.10	-
Demand raised for payment of permit fee by the forest department for mining and transportation of Lime Stone (Note 'l')	105.39	-	52.36	-
Counter Guarantees given to Banks / FIs	342.61	-	245.51	-



- a. Sales Tax Authorities treated the usage of HSD oil on Hired tippers on cost recovery basis for transport of Lime Stone From Mines to Factory, on the presumption that it is a sale. The company filed an appeal before the Sales Tax Appellate Tribunal. The matter is pending before STAT.
- b. In the year 1999-00, Sales Tax Authorities raised a demand for Rs.16.88 lakhs as penalty on delayed payment. The Company has preferred an Appeal before the Sales Tax Appellate Tribunal. The company has paid an amount of Rs. 4.00 lakhs and and obtained a stay from the Commissioner of Commercial Taxes
- c. Demand raised by the Sales Tax Authorities on revised assessment for the year 1997-98 for a sum of Rs. 9.81 Lakhs levying tax on regular rate when the turnover was under works contract. Obtained a stay on payment after payment of 50% of Sales Tax demanded. Appeal is pending before STAT.
- d. Sales Tax Authorities disputed the rate of tax for interstate supplies of prefab structures in the year 2004-05 and raised a demand for a sum of Rs. 14.92 Lakhs. Company preferred an appeal before STAT and is pending.
- e. The Excise Department has raised a demand of Rs.744.50 lakhs disallowing the Cenvat credit on Steel items used in construction of plant structure at both Mattapally and Kondapalli. Company has preferred an appeal before CESTAT and is pending.
- f. The Excise Department has raised a demand of Rs.100.72 lakhs disallowing the Cenvat credit on Steel items used in construction of plant structure at both Mattapally and Kondapalli. Company has preferred an appeal before Commissioner.
- g. The Excise Department has claimed return of the refund of Rs. 29.22 lakhs paid to the Company on their appeal decided in their favour by the Commissioner (Appeals). The Company preferred an appeal before the Honourable High Court.
- h. Excise department has raised a demand of Rs. 17.77 lakhs denying the cenvat credit on usage of Cement, Steel, M.S. Plates, M.S.Flats, M.S.Angles, M.S.Channels M.S.Coils, Steel Tubes, Pipes, beams, Plates/Sheets, Rebars, Conductors in construction of civil structures like Silo, Dump Hopper etc. The matter is contested and pending before the Appellate Authority.
- i. Excise department has raised a demand of Rs. 11.18 lakhs denying the cenvat credit taken on transfer of cement from Mattapally unit to Kondapalli unit for despatch by rail. The Company preferred an appeal.
- j. The Excise Department has issued a notice to return the refund of Additional Excise duty paid under protest, amounting to Rs. 18.41 lakhs paid to the Company. Company has filed a reply to the notice.
- k. The State Government has issued a notice claiming NALA Tax of Rs. 43.56 lakhs regarding Non Agricultural Tax on Mining areas.On dismissal of our appeal by the Joint Collector of Nalgonda, Company filed a writ petition before the Honourable High Court of Andhra Pradesh. High Court has granted an interim stay on the total amount demanded.
- l. Forest department demanded payment of permit fee for Lime Stone mining & Transportation @ 10/- per ton. Company filed a writ petition before the Honourable High Court of Andhra Pradesh. High Court has granted an interim stay subject to payment of 1/3rd of the demanded fee.

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

a) Expense recognized during the year

Rs. in Lakhs

Description	31 st March 2012		31 st March 2011	
	Gratuity	Leave encashment	Gratuity	Leave encashment
Current Service Cost	31.22	15.65	26.04	16.15
Interest Cost	14.56	0.30	12.58	1.40
Net Actuarial (Gain) / Loss	(2.83)	25.36	(8.11)	(5.46)
Past Service Cost	-	-	8.01	-
Total Cost	42.95	41.31	38.52	12.09



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

Rs. in Lakhs

Description	31 st March 2012		31 st March 2011	
	Gratuity	Leave encashment	Gratuity	Leave encashment
Present Value of Obligations at beginning of the year	186.30	22.39	166.60	24.66
Current Service Cost	31.22	15.65	26.04	16.15
Interest Cost	14.56	0.30	12.58	1.40
Actuarial Loss / (Gain)	(2.83)	25.36	(8.11)	(5.46)
Past Service Cost	-	-	8.01	-
Settlements	(16.17)	(37.43)	(18.82)	(14.36)
Present Value of Obligations at the end of the year	213.08	26.27	186.30	22.39
Present Value of Short Term compensated leave	-	3.53	-	-
Present Value of Obligations - Current	25.72	6.18	10.35	2.85
Present Value of Obligations - Non - Current	187.36	23.62	175.95	19.54

Actuarial assumptions

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

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

a. List of related parties and relationships

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

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

ii. Key Management Personnel : Mr. K. Ravi, Managing Director

b. Related Party Transactions for the Year

Rs. in Lakhs

	31 March 2012	31 March 2011
Remuneration to Key Managerial Personnel	166.79	79.07
Remuneration to Relatives of Key Managerial Personnel	16.80	8.96



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

Rs. in Lakhs

	31 March 2012	31 March 2011
Sale of Finished Goods	42.62	37.19
Purchases / Services	78.24	212.39
ICD Received	1,450.00	1,055.00
ICD Repaid	825.00	1,055.00
Interest	123.85	70.65
Reimbursement of Expenses	2.16	14.56

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

Rs. in Lakhs

RAW MATERIALS	31 March 2012	31 March 2012	31 March 2011	31 March 2011
	% of Total Consumption	Value of Consumption	% of Total Consumption	Value of Consumption
Imported	0.07	13.20	0.18	26.63
Indigenous	99.93	19,284.44	99.82	15,017.87
Total	100.00	19,297.64	100.00	15,044.50
SPARE PARTS				
Imported	9.60	168.74	6.18	80.70
Indigenous	90.40	1,589.50	93.82	1,225.14
Total	100.00	1,758.24	100.00	1,305.84

2.32 Value of Imports Calculated on CIF Basis

Rs. in Lakhs

	31 March 2012	31 March 2011
Raw Materials	-	-
Components & Spares	165.71	102.81
Capital Goods	75.36	-
Trading Goods	-	20.41

2.33 Expenditure in Foreign Currency

Rs. in Lakhs

	31 March 2012	31 March 2011
Travelling	4.41	0.65
Trading Goods	-	13.95
Capital Goods	58.90	-
Stores and Spares	159.95	86.88
Others	39.33	-
Total	262.59	101.48

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
President (F&A)

T. Arun Kumar
Company Secretary

Place : Hyderabad
Dated: 30th May 2012





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 31st Annual General
Meeting of the Company to be held on Friday, the 14th September, 2012 and at any adjournment thereof.

Signed this day of 2012.

Signature

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

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

**No Gifts will be
distributed
at AGM**

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

I hereby record my presence at the 31st Annual General Meeting of the Company held on Friday, the 14th September, 2012 at 11.00 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.

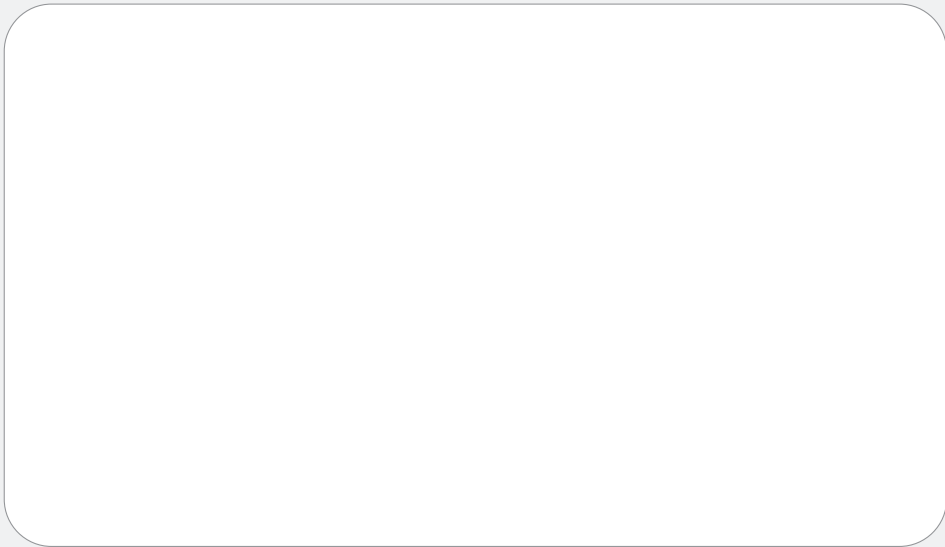




Sri K. Ravi, Managing Director, NCL Industries Ltd., receiving HMA's **"Entrepreneur of the Year Award"** for 2012 from D. Sridhar Babu, Hon'ble Minister for Civil Supplies, Government of Andhra Pradesh.

Printed Matter

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