Placement Document
Not for Circulation
Private and Confidential
Serial Number: _____

NCL INDUSTRIES LIMITED

*NCL Industries Limited (the "**Company**" or "**Issuer**") was incorporated in the Republic of India as a public company limited by shares under the Companies Act, 1956, asamended pursuant to a certificate of incorporation dated September 10, 1979 issued by the Registrar of Companies, Hyderabad ("**RoC**"). Its corporate identity number L33130TG1979PLC002521. For further details, please see "General Information" on page 192.*

Registered Office: Vaishanavi Cynosure, 4th Floor, Sy. No. 18, Gachibowli Village, Serilingampally Mandal, Hyderabad, Telangana– 500032, India, **Tel:** +91 – 40 – 3012 0000; **Fax:** +91 – 40 – 29807871; **Website:**www.nclind.com; **Email:** ncl@nclind.com

Our Company is issuing 85,00,000 equity shares of face value ₹ 10 each (the "**Equity Shares**") at a price of ₹ 237.50 per Equity Share, including a premium of ₹ 227.50 per Equity Share, aggregating ₹ 20,187.50 Lakhs (the "**Issue**").

ISSUE IN RELIANCE UPON CHAPTER VIII OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED (THE "ICDR REGULATIONS") AND SECTION 42 OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER.

THIS ISSUE AND THE DISTRIBUTION OF THIS PLACEMENT DOCUMENT IS BEING MADE ONLY TO QUALIFIED INSTITUTIONAL BUYERS AS DEFINED UNDER THE ICDR REGULATIONS ("QIBs") IN RELIANCE UPON CHAPTER VIII OF THE ICDR REGULATIONS AND SECTION 42 OF THE COMPANIES ACT, 2013, READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014. THIS PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR TO ANY OTHER PERSON OR CLASS OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN TO QIBs. THIS PLACEMENT DOCUMENT WILL BE CIRCULATED ONLY TO SUCH QIBs WHOSE NAMES ARE RECORDED BY OUR COMPANY PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO EQUITY SHARES.

YOU MAY NOT AND ARE NOT AUTHORIZED TO (1) DELIVER THIS PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER.; OR (3) RELEASE ANY PUBLIC ADVERTISEMENT OR UTILISE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE ICDR REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OTHER JURISDICTIONS.

Invitations and subscription of the Equity Shares shall only be made pursuant to the Preliminary Placement Document together with the Application Form, this Placement Document and the Confirmation of Allocation Note. See the section "*Issue Procedure*" beginning on page 156. The distribution of this Placement Document or the disclosure of its contents without our Company's prior consent to any person other than QIBs and persons retained by QIBs to advise them with respect to their purchase of the Equity Shares is unauthorized and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Placement Document or any documents referred to in this Placement Document.

INVESTMENTS IN EQUITY SHARES INVOLVE A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THIS ISSUE UNLESS THEY ARE PREPARED TO RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ THE SECTION "RISK FACTORS" BEGINNING ON PAGE 38 BEFORE MAKING AN INVESTMENT DECISION IN THIS ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES TO IT OF AN INVESTMENT IN THE EQUITY SHARES PROPOSED TO BE ISSUED PURSUANT TO THIS PLACEMENT DOCUMENT.

Our Company's outstanding Equity Shares are listed on the BSE Limited (the "**BSE**") and the National Stock Exchange of India Limited (the "**NSE**") (the BSE and the NSE collectively the "**Stock Exchanges**"). The closing price of the outstanding Equity Shares on the BSE and the NSE on December 07, 2017 was ₹ 244.50 and ₹ 243.70 per Equity Share, respectively. We have received in-principle approval under Regulation 28(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**Listing Regulations**") to list our Equity Shares from the Stock Exchanges on December 07, 2017. Applications will be made for obtaining the final listing and trading approvals for the Equity Shares offered through this Placement Document on the Stock Exchanges. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares to trading on the Stock Exchanges should not be taken as an indication of the merits of the business of our Company or the Equity Shares.

OUR COMPANY HAS PREPARED THIS PLACEMENT DOCUMENT FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE.

A copy of this Placement Document (which includes disclosures prescribed under Form PAS – 4(as defined hereinafter) has been delivered to the Stock Exchanges. A copy of the Placement Document (which will include disclosures prescribed under Form PAS – 4(as defined hereinafter)) will be filed with the Stock Exchanges. Our Company shall also make the requisite filings with the RoC, Listing Regulations and the Securities and Exchange Board of India ("**SEBI**") within the stipulated period as required under the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014.

This Placement Document has not been reviewed by SEBI, the Reserve Bank of India (the "**RBI**"), the Stock Exchanges, the RoC or any other regulatory or listing authority. The Equity Shares offered in the Issue have not been recommended or approved by SEBI, nor does SEBI guarantee the accuracy or adequacy of this Placement Document. This Placement Document has not been and will not be registered as a prospectus with any Registrar of Companies in India, and will not be circulated or distributed to the public in India or any other jurisdiction or will not constitute a public offer in India or any other jurisdiction. This Placement Document will be circulated or distributed to QIBs only and will not constitute an offer to any other class of investors in India or any other jurisdiction.

The information on our Company's website or any website directly or indirectly linked to our Company's website or the websites of the Global Coordinator and Book Running Lead Manager or any of their affiliates, does not constitute nor form part of this Placement Document and prospective investors should not rely on such information contained in, or available through, any such websites.

The Equity Shares being offered and sold in this Issue have not been and will not be registered under the U.S. Sec urities Act of 1933, as amended ("**U.S. Securities Act**"), or any state securities laws of the United States and may not be offered, sold or delivered within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in "offshore transactions" (as defined Regulation S under the U.S. Securities Act ("**Regulation S**")) in accordance with Regulation S and the applicable laws of the jurisdictions where those offers and sales are made.For description of these and certain further restrictions on offer, sale and transfer of the Equity Shares and distribution of this Placement Document, see "*Notice to Investors*", "*Distribution and Solicitation Restrictions*" and "*Transfer Restrictions*" beginning on pages 2, 168 and 174, respectively.

This Placement Document is dated December 12, 2017.

GLOBAL COORDINATOR AND BOOK RUNNING LEAD MANAGER

ANAND RATHI ADVISORS LIMITED

TABLE OF CONTENTS

NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for the information contained in this Placement Document and to the best of its knowledge and belief, having made all reasonable enquiries, confirms that this Placement Document contains all information with respect to our Company and the Equity Shares, which is material in the context of the Issue. The statements contained in this Placement Document relating to our Company and the Equity Shares are, in material respects, true and accurate and not misleading. The opinions and intentions expressed in this Placement Document with regard to our Company and the Equity Shares are honestly held, have been reached after considering all relevant circumstances, and are based on information presently available to our Company. There are no other facts in relation to our Company and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Placement Document misleading in any material respect. Further, all reasonable enquiries have been made by our Company to ascertain such facts and to verify the accuracy of all such information and statements.

Anand Rathi Advisors Limited (the "**Global Coordinator and Book Running Lead Manager**") has not separately verified all of the information contained in this Placement Document (financial, legal or otherwise). Accordingly, neither the Global Coordinator and Book Running Lead Manager nor any of its respective members, employees, counsel, officers, directors, representatives, agents or affiliates makes any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the Global Coordinator and Book Running Lead Manager, or any of its members, employees, counsel, officers, directors, representatives, agents or affiliates in connection with its investigation of as to the accuracy or completeness of the information contained in this Placement Document or any other information supplied in connection with the Equity Shares. Each person receiving this Placement Document acknowledges that such person has relied neither on the Global Coordinator and Book Running Lead Manager, nor any of its members, employees, counsel, officers, directors, representatives, agents or affiliates in connection with its investigation of the accuracy of such information or its investment decision, and each such person must rely on its own examination of our Company and the merits and risks involved in investing in the Equity Shares.

No person is authorized to give any information or to make any representation not contained in this Placement Document and any information or representation not so contained must not be relied upon as having been authorized by or on behalf of our Company or the Global Coordinator and Book Running Lead Manager. The delivery of this Placement Document at any time does not imply that the information contained in it is correct as at any time subsequent to its date.

The Equity Shares have not been approved, disapproved or recommended by any other regulatory authority in any jurisdiction including the United States Securities and Exchange Commission, any other federal or state authorities in the United States or the securities authorities of any non-United States jurisdiction or any other United States or non-United States regulatory authority. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Placement Document. Any representation to the contrary is a criminal offense in the United States and may be a criminal offense in other jurisdictions.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The Equity Shares have not been and will not be registered under the U.S. Securities Act, or any state securities laws of the United States and unless so registered may not be offered, sold or delivered within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are only being offered and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of the jurisdictions where those offers and sales are made. The Equity Shares are transferable only in accordance with the restrictions described in the section *"Transfer Restrictions"*. Subscriber of the Equity Shares will be deemed to make the representations set forth below under *"Representations by Investors"* and in the sections "*Distribution and Solicitation Restrictions*" and *"Transfer Restrictions"*.

The distribution of this Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than QIBs whose names are recorded by our Company prior to the invitation to subscribe to the Issue (in consultation with the Global Coordinator and Book Running Lead Manager or their representatives), and those retained by QIBs to advise them with respect to their purchase of the Equity Shares is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and to not make copies of this Placement Document or any documents referred to in this Placement Document.

The distribution of this Placement Document and the issue of the Equity Shares may be restricted in certain jurisdictions by law. This Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been taken by our Company and the Global Coordinator and Book Running Lead Manager which would permit an offering of the Equity Shares or distribution of this Placement Document in any country or jurisdiction, other than India, where action for that purpose is required. Accordingly, the Equity Shares in this Issue may not be offered or sold, directly or indirectly, and neither this Placement Document nor any Issue related materials in connection with the Equity Shares issued pursuant to this Issue may be distributed or published in or from any country or jurisdiction that will require registration of the Equity Shares in any such country or jurisdiction.

In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue, including merits and risk involved. Investors should not construe the contents of this Placement Document as business, legal, tax, accounting or investment advice. Investors should consult their own counsel and advisors as to business, legal, tax, accounting and related matters concerning this Issue. In addition, neither our Company nor the Global Coordinator and Book Running Lead Manager are making any representation to any allottee or subscriber of such Equity Shares pursuant to this Issue, regarding the legality of an investment in the Equity Shares by such allottee or subscriber under applicable legal, investment or similar laws or regulations.

Each subscriber of the Equity Shares in the Issue is deemed to have acknowledged, represented and agreed that it is eligible to invest in India and in our Company under Indian law, including Chapter VIII of the ICDR Regulations and Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, and that it is not prohibited by SEBI or any other statutory authority from buying, selling or dealing in the securities including the Equity Shares. Each subscriber of the Equity Shares in the Issue also acknowledges that it has been afforded an opportunity to request from our Company and review information relating to our Company and the Equity Shares.

This Placement Document contains summaries of the terms of certain documents, which summaries are qualified in their entirety by the terms and conditions of such document.

The information on our Company's website www.nclind.com or any website directly or indirectly linked to our Company's website or the website of the Global Coordinator and Book Running Lead Manager or their affiliates does not constitute or form part of this Placement Document. Prospective investors should not rely on such information contained in, or available through, such websites.

NOTICE TO INVESTORS IN CERTAIN OTHER JURISDICTIONS

For information in relation to transfer or selling restrictions of the Equity Shares in certain other jurisdictions, see *"Distribution and Solicitation Restrictions"* and *"Transfer Restrictions"* on pages 168 and 174, respectively, of this Placement Document.

REPRESENTATIONS BY INVESTORS

References herein to "you" or "your" is to the prospective investors in the Issue.

By bidding for and/or subscribing to any Equity Shares under this Issue, you are deemed to have represented, warranted, acknowledged and agreed to our Company and the Global Coordinator and Book Running Lead Manager, as follows:

- you are a eligible qualified institutional buyer as defined in Regulation 2(1)(zd) of the ICDR Regulations ("**QIB**"), and not excluded pursuant to Regulation 86(1)(b) of the ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are allocated to you for the purposes of your business in accordance with Chapter VIII of the ICDR Regulations, the Companies Act and all other applicable laws, including reporting obligations;

- you are authorized to consummate the subscription of the Equity Shares in the Issue in compliance with all applicable laws and regulations;

- if you are not a resident of India, but a QIB, (i) you are an Eligible FPI as defined in this Placement Document including a FII (including a sub-account other than a sub-account which is a foreign corporate or a foreign individual) and have a valid and existing registration with SEBI under the applicable laws in India; or (ii) a multilateral or bilateral development financial institution; or (iii) an FVCI and have a valid and existing registration with SEBI under applicable laws in India. Further, you are aware and understand that non-resident QIBs may only invest in the Issue under the portfolio investment scheme pursuant to FEMA 20(R)/2017. You will make all necessary filings with appropriate regulatory authorities, including the RBI, as required pursuant to applicable laws. Further, if you are a non-resident QIB, then the investment amount will be paid out of inward remittance of foreign exchange received through normal banking channels and as per RBI's notification no. FEMA 20(R)/2017 - RB dated November 7, 2017, as amended from time to time;

- you will make all necessary filings with appropriate regulatory authorities, including RBI, as required pursuant to applicable laws;

- if you are allotted Equity Shares pursuant to the Issue, you shall not, for a period of one year from date of Allotment, sell the Equity Shares so acquired, except on the floor of the Stock Exchanges;

- you have made, or are deemed to have made, as applicable, the representations set forth under the sections "*Distribution and Solicitation Restrictions*" and "*Transfer Restrictions*" beginning on page 168 and 174, respectively;

- you are aware that the Equity Shares have not been, and will not be, registered under the Companies Act, the SEBI regulations or under any other law in force in India. This Placement Document has not been verified or affirmed by the SEBI, RBI, the Stock Exchanges, RoC or any other regulatory or listing authority and is intended only for use by QIBs. This Placement Document has been filed with the Stock Exchanges and will be displayed on the websites of our Company and the Stock Exchanges. Our Company shall make the requisite filings with the RoC and the SEBI within the stipulated period as required under the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014;

- you are aware that additional requirements would be applicable if you are in jurisdictions other than India, as set forth under sections *"Distribution and Solicitation Restrictions"* and *"Transfer Restrictions"* of Placement Document and you are entitled to acquire the Equity Shares under the laws of all relevant jurisdictions and that you have all necessary capacity and have obtained all necessary consents and authorities to enable you to commit to this participation in this Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorities to agree to the terms set out or referred to in this Placement Document) and will honour such obligations;

- you confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by our Company or our agents ("**Company Presentations**") with regard to our Company or the Issue; or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge that the Global Coordinator and Book Running Lead Manager may not have knowledge of the statements that our Company or our agents may have made at such Company Presentations and are therefore unable to determine whether the information provided to you at such Company Presentations may have included any material misstatements or omissions and accordingly you acknowledge that the Global Coordinator and Book Running Lead Manager have advised you not to rely in any way on any information that was provided to you at such Company Presentations, and (b) confirm that, to the best of your knowledge, you have not been provided any material information that was not publicly available;

- none of the Global Coordinator and Book Running Lead Manager or their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates are making any recommendation to you or advising you regarding the suitability of any transactions that you may enter into in connection with the Issue. Your participation in the Issue is on the basis that you are not and will not be a client of any of the Global Coordinator and Book Running Lead Manager. Neither the Global Coordinator and Book Running Lead Manager nor any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates have any duty or responsibility to you for providing the protection afforded to its clients or customers or for providing advice in relation to the Issue and is in no way acting in a fiduciary capacity;

- you are aware and understand that the Equity Shares are being offered only to QIBs and are not being offered to the general public. Further, you are aware and understand that the allotment of the Equity Shares shall be on a discretionary basis at the discretion of our Company and the Global Coordinator and Book Running Lead Manager;

- you have been provided a serially numbered copy of this Placement Document and have read this Placement Document in its entirety; including, in particular, the section titled "*Risk Factors*" beginning on page 38;

- that in making your investment decision, (i) you have relied on your own examination of our Company and the terms of the Issue, including the merits and risks involved, (ii) you have made and will continue to make your own assessment of our Company, the Equity Shares and the terms of the Issue, (iii) you have relied upon your own investigations and resources in deciding to invest in the Equity Shares, (iv) you have consulted with your own independent counsel and advisors or otherwise have satisfied yourself concerning, without limitation, the effects of local laws, including any applicable securities law and (v) you have relied solely on the information contained in this Placement Document and no other disclosure or representation by our Company or any other party and (vi) you have received all information that you believe is necessary or appropriate in order to make an investment decision in respect of our Company and the Equity Shares;

- you are aware that if you are Allotted any Equity Shares, our Company is required to disclose details such as your name, address and the number of Equity Shares Allotted to the RoC and the SEBI, and you consent to such disclosures;

- you are aware that if you are Allotted more than five per cent of the Equity Shares in the Issue, our Company shall be required to disclose your name and the number of the Equity Shares allotted to you to the Stock Exchanges and the Stock Exchanges will make the same available on their websites and you consent to such disclosures; also, if you are a top ten shareholder in our Company, our Company will be required to make a filing with the RoC within 15 days of the change, as per Section 93 of the Companies Act, 2013;

- all statements other than statements of historical fact included in this Placement Document, including, without limitation, those regarding our Company's future financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our Company's business), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward looking statements are based on numerous assumptions regarding our Company's present and future business strategies and environment in which our Company will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as at the date of this Placement Document. Our Company assumes no responsibility to update any of the forward – looking statements contained in this Placement Document;

- you are a sophisticated investor and have such knowledge and experience in financial investment and business matters as to be capable of evaluating the merits and risks of the investment in the Equity Shares. You and any accounts for which you are subscribing the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares; (ii) will not look to our Company and/or the Global Coordinator and Book Running Lead Manager or any of their respective shareholders, employees, counsel, officers, directors, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered; (iii) are able to sustain a complete loss on the investment in the Equity Shares; (iv) you have sufficient knowledge, sophistication and experience in financial and business matters so as to be capable of evaluating the merits and risk of the purchase of the Equity Shares; (v) have no need for liquidity with respect to the investment in the

Equity Shares, and (vi) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares. You acknowledge that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment. You seek to purchase the Equity Shares in the Issue for your investment purposes and not with a view for resale or distribution;

- the Global Coordinator and Book Running Lead Manager or any of their shareholders, directors, officers, employees, counsel, representatives, agents or affiliates, have not provided you with any tax advice or otherwise made any representations regarding the tax consequences of the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares). You will obtain your own independent tax advice and will not rely on the Global Coordinator and Book Running Lead Manager or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates when evaluating the tax consequences in relation to the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Issue). You waive, and agree not to assert, any claim against our Company, the Global Coordinator and Book Running Lead Manager, or any of their shareholders, directors, officers, employees, counsel, representatives, agents or affiliates with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

- if you are acquiring the Equity Shares to be issued pursuant to the Issue, for one or more managed accounts, you represent and warrant that you are authorised in writing by each such managed account to subscribe to the Equity Shares for each managed account and to make (and you hereby make) the representations, warranties, acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "you" to include such accounts;

- you are not a "Promoter" (as defined under the ICDR Regulations) of our Company or any of its affiliates and are not a person related to the Promoter(s), either directly or indirectly and your bid does not directly or indirectly represent the Promoter or Promoter Group or person related to the Promoter(s) of our Company;

- you have no rights under any shareholders' agreement or voting agreement with the Promoter or persons related to the Promoter, no veto rights or right to appoint any nominee director on the Board of Directors of our Company other than such rights acquired in the capacity of a lender not holding any Equity Shares of our Company, which shall not be deemed to be a person related to the Promoter;

- you are aware, understand and agree that you have no right to withdraw your Bid after the Bid/Issue Closing Date (as defined hereinafter);

- you are eligible, including without any limitation under any applicable law or regulation, to apply for and hold the Equity Shares Allotted to you together with any Equity Shares held by you prior to the Issue. You further confirm that your aggregate holding upon such issue of the Equity Shares shall not exceed the level permissible, as per any applicable law or regulation;

- the Bids submitted by you would not eventually result in triggering a tender offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Code**");

- to the best of your knowledge and belief, together with other Allottees in the Issue that belong to the same group or are under common control as you, the allotment under the present Issue shall not exceed 50% of the Issue. For the purposes of this representation:

  (a) the expression 'belong to the same group' shall derive meaning from the concept of "companies under the same group" as provided in sub-section (11) of Section 372 of the Companies Act, 1956; and

  (b) "control" shall have the same meaning as is assigned to it by Regulation 2(1)I of the Takeover Code;

- you understand that the Equity Shares will, when issued, be credited as fully paid and will rank *pari passu* in all respects with the existing Equity Shares including the right to receive all dividends and other distributions declared, made or paid in respect of the Equity Shares after the date of issue of the Equity Shares;

- you are aware that in-principle approvals under Regulation 28(1) of the Listing Regulations have been received from the Stock Exchanges and application for listing and trading approval shall be made after allotment of Equity Shares. There can be no assurance that such final approvals for listing and trading in the Equity Shares will be obtained in time, or at all. Our Company shall not be responsible for any delay or non-receipt of such final approvals or any loss arising from such delay or non – receipt;

- you shall not undertake any trade in the Equity Shares credited to your depository participant account or beneficiary account until such time that the final listing and trading approvals for the Equity Shares is issued by the Stock Exchanges, as applicable;

- you are aware and understand that the Global Coordinator and Book Running Lead Manager have entered into a Placement Agreement with our Company whereby the Global Coordinator and Book Running Lead Manager has, subject to the satisfaction of certain conditions set out therein, agreed to manage the Issue and use reasonable efforts to procure subscription for the Equity Shares on the terms and conditions set forth therein;

- you understand that the contents of this Placement Document are exclusively the responsibility of our Company and that neither the Global Coordinator and Book Running Lead Manager nor any person acting on their behalf has, or shall have, any liability for any information, representation or statement contained in this Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in this Issue based on any information, representation or statement contained in this Placement Document or otherwise. By participating in this Issue, you agree and confirm that you have neither received nor relied on any other information, representation, warranty or statement made by or on behalf of the Global Coordinator and Book Running Lead Manager or our Company or any other person and, to the greatest extent permitted by law, neither the Global Coordinator and Book Running Lead Manager nor our Company nor any other person will be liable for your decision to participate in the Issue based on any other information, representation, warranty or statement that you may have obtained or received, whether contained in this Placement Document or otherwise;

- as stated in the preceding clause herein, the only information you are entitled to rely on, and on which you have relied on, in committing yourself to acquire the Equity Shares is contained in this Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares. You have neither received nor relied on any other information given or representations, warranties or statements made by the Global Coordinator and Book Running Lead Manager (including any view, statement, opinion or representation expressed in any research published or distributed by the Global Coordinator and Book Running Lead Manager or any of its affiliates or any view, statement, opinion or representation expressed by any staff (including research staff) of the Global Coordinator and Book Running Lead Manager or any of their affiliates) or our Company and the Global Coordinator and Book Running Lead Manager will not be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty or statement;

  you agree to indemnify and hold our Company and the Global Coordinator and Book Running Lead Manager and their respective officers, directors, affiliates, associates and representatives harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the representations and warranties in this section and the sections titled *"Distribution and Solicitation Restrictions"* and *"Transfer Restrictions"* beginning on pages 168 and 174, respectively and you agree that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares by or on behalf of the managed accounts;

- that our Company, the Global Coordinator and Book Running Lead Manager, and their respective affiliates and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, which are irrevocable;

- that you are eligible to invest in India under applicable law, including the Foreign Exchange Management (Transfer or Issue of Security by Person Resident Outside India) Regulations, 2000, as amended from time to time, and any notifications, circulars or clarifications issued thereunder, ("Security Regulations"), and have not been prohibited by the SEBI from buying, selling or dealing in securities;

- you understand that neither the Global Coordinator and Book Running Lead Manager not its affiliates have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including non-performance by our Company of any of our respective obligations or any breach of any representations or warranties by our Company, whether to you or otherwise;

- that each of the acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the allotment of the Equity Shares and the listing and commencement of trading of Equity Shares, wherever the context may require;

  you agree that any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of India, and the courts in Hyderabad, India shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Preliminary Placement Document and this Placement Document;

- Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times, up to and including the Allotment, listing and trading of the Equity Shares in the Issue;

- Our Company, the Global Coordinator and Book Running Lead Manager, their respective affiliates and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings which are given to the Global Coordinator and Book Running Lead Manager on their own behalf and on behalf of our Company and are irrevocable;

- You are not acquiring or subscribing for the Equity Shares as a result of any directed selling efforts (as defined in Regulation S) and you understand and agree that offers and sales are being made only outside the United States in offshore transactions in reliance on Regulations;

- you understand that the Equity Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States, and accordingly, may not be offered, sold or delivered within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act, and that the Equity Shares are only being offered and sold outside the United States in offshore transactions in reliance on Regulation S of the U.S. Securities Act; and

- you have made, or been deemed to have made, as applicable, the representations, warranties, acknowledgments and agreements set forth in this section and in *"Distribution and Solicitation Restrictions"* and *"Transfer Restrictions"* on pages 168 and 174, respectively.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations (as defined hereinafter), FPIs (which includes FIIs), other than Category III Foreign Portfolio Investor (as defined hereinafter) and unregulated broad based funds, which are classified as Category II foreign portfolio investor (as defined under the SEBI FPI Regulations) by virtue of their investment manager being appropriately regulated, may issue, subscribe or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) (all such offshore derivative instruments are referred to herein as "**P-Notes**") directly or indirectly, only in the event that (i) such offshore derivative instruments are issued only in favour of those entities which are regulated by any appropriate foreign regulatory authorities in the countries of their incorporation; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI is also required to ensure that no issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

P-Notes have not been and are not being offered or sold pursuant to this Placement Document. Neither the Preliminary Placement Document nor this Placement Document contains or will contain any information concerning P-Notes, or the issuer(s) of any such P – Notes, including, without limitation, any information regarding any risk factors relating thereto.

Any P-Notes that may be issued are not securities of our Company and do not constitute any obligations of, claims on, or interests in our Company. Our Company has not participated in any offer of any P – Notes, or in the establishment of the terms of any P – Notes, or in the preparation of any disclosure related to any P – Notes. Any P-Notes that may be offered are issued by, and are solely the obligations of, third parties that are unrelated to our Company. Our Company does not make any recommendation as to any investment in P-Notes and does not accept any responsibility whatsoever in connection with any P-Notes.

Any P – Notes that may be issued are not securities of the Global Coordinator and Book Running Lead Manager and do not constitute any obligations of, or claims on, the Global Coordinator and Book Running Lead Manager. Affiliates of the Global Coordinator and Book Running Lead Manager which are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof.

Prospective investors interested in purchasing any P – Notes have the responsibility to obtain adequate disclosure as to the issuer(s) of such P-Notes and the terms and conditions of any such P – Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P – Notes or any disclosure related thereto. Prospective investors are urged to consult with their own financial, legal, accounting and tax advisors regarding any contemplated investment in P – Notes, including whether P – Notes are issued in compliance with applicable laws and regulations.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of the Preliminary Placement Document has been submitted to the Stock Exchanges and a copy of this Placement Document has been filed with the Stock Exchanges. The Stock Exchanges do not in any manner:

a. warrant, certify or endorse the correctness or completeness of any of the contents of this Placement Document;

b. warrant that our Company's Equity Shares issued pursuant to this Issue will be listed or will continue to be listed on the Stock Exchanges; or

c. take any responsibility for the financial or other soundness of our Company, its Promoter, its management or any scheme or project of our Company

The filing of this Placement Document should not for any reason be deemed or construed to mean that this Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquires any Equity Shares of our Company pursuant to this Issue may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition, whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a public limited company incorporated under the laws of India. All the directors, senior management personnel and key managerial personnel of our Company are residents of India and all or a substantial portion of the assets of our Company and such persons are located in India. As a result, it may be difficult or may not be possible for investors to affect service of process upon our Company or such persons outside India, or to enforce judgments obtained against such parties in courts outside of India.

Recognition and enforcement of foreign judgments are provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908 (the "**Civil Code**") on a statutory basis. Section 13 of the Civil Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or parties litigating under the same title, except:

A. where the judgment has not been pronounced by a court of competent jurisdiction;

B. where the judgment has not been given on the merits of the case

C. where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases to which such law is applicable

D. where the proceedings in which the judgment was obtained were opposed to natural justice

E. where the judgment has been obtained by fraud;
or

F. where the judgment sustains a claim founded on a breach of any law than in force in India

Under the Civil Code, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record.

India is not a signatory to any international treaty in relation to the recognition or enforcement of foreign judgments. However, Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court (within the meaning of such Section), in any country or territory outside India which the Government has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees not being of the same nature as amounts payable in respect of taxes, other charges of a like nature or of a fine or other penalties and does not include arbitration awards.

Among other jurisdictions, the United Kingdom of Great Britain and Northern Ireland, Republic of Singapore and Hong Kong have been declared by the Government to be reciprocating territories for the purposes of Section 44A of the Civil Code, but the United States of America has not been so declared.

A judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be brought in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy of India. Further, any judgment or award in a foreign currency would be converted into Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amount recovered, and any such amount may be subject to income tax in accordance with applicable laws. Our Company cannot predict whether a suit brought in an Indian court will be disposed off in a timely manner.

CERTAIN CONVENTIONS, CURRENCY PRESENTATIONS AND FINANCIAL DATA

Certain Conventions

In this Placement Document, unless the context otherwise indicates or implies, references to 'you', 'your', 'allottee', 'purchaser', 'subscriber', 'recipient', 'investors', 'prospective investors' and 'potential investor' are to the prospective investors of the Equity Shares to be issued pursuant to the Issue. References to 'NCL Industries', the 'Company', 'NCL', or 'Issuer', 'we', 'our' or 'us' are to NCL Industries Limited unless the context otherwise requires. All references in this Placement Document to "India" are to the Republic of India, to the "Government" or the "Central Government" are to the Government of India and to any "State Government" are to the relevant state government in India. All references herein to the "U.S." or the "United States" are to the United States of America and its territories and possessions.

Currency of Presentation

All references to "Rupees"."₹", "Re." and "Rs." are to the currency of India. All references to "U.S. dollars", "dollars", "$", "USD" and "US$" are to the currency of the United States of America. All the numbers in this Placement Document, have been presented in lakhs or in whole numbers where the numbers have been too small to present in lakhs, unless stated otherwise. References to the words "Lakh" or "Lakhs" mean "100 thousand", the word "million" means "10 lakhs" and the word "billion" means "1,000 million".

Financial Data

Our Company publishes its financial statements in Indian Rupees. The financial year of our Company commences on April 1 of each year and ends on March 31 of the following year, and, unless otherwise specified or if the context requires otherwise, all references to a particular 'Fiscal Year' or 'fiscal' or 'FY' are to the twelve month period ended on March 31 of that year. The financial statements of our Company as at and for the Fiscal Years 2017, 2016 and 2015, together with the respective reports thereon ("**Audited Financial Statements**") included herein, have been prepared in line with the accounting principles generally accepted in India and have been audited by the Auditors in accordance with the applicable generally accepted auditing standards in India prescribed by the ICAI. The unaudited financial statements of our Company for the quarter and six months period ended September 30, 2017, ("**Unaudited Financial Results**") included herein, have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 – "*Interim Financial Reporting's*" ("Ind AS – 34"), prescribed under Section 133 of the Companies Act read with relevant rules issued thereunder and other accounting standards in India. The Audited Financial Statements, the Unaudited Financial Results together with the limited review report, have been included in this Placement Document and are referred to herein as the "*Financial Statements*".

Our Audited Financial Statements are prepared in accordance with Indian GAAP and our Unaudited Financial Results are prepared in accordance with Ind-AS. Unless the context otherwise requires and unless so specified, all financial data in this Placement Document are derived from our Company's financial statements prepared in accordance with Indian GAAP and Ind-AS (as applicable). Indian GAAP and Ind-AS differ in certain significant respects from International Financial Reporting Standards (the "**IFRS**") and U.S. GAAP and other international accounting systems.

Our Company does not quantify the impact of U.S. GAAP or IFRS on the financial data included in this Placement Document, nor does our Company provide a reconciliation of its financial statements to U.S. GAAP or IFRS. Each of U.S. GAAP and IFRS differs in significant respects from Indian GAAP and Ind-AS. Accordingly, the degree to which the financial statements prepared in accordance with Indian GAAP and Ind-AS (as applicable) included in this Placement Document will provide meaningful information is entirely dependent on the reader's familiarity with the respective accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Placement Document should accordingly be limited. See the section *"Risk Factors"* beginning on page 38.

INDUSTRY AND MARKET DATA

Information regarding markets, market size, market share, market position, growth rates and other industry data pertaining to our Company's business contained in this Placement Document consists of estimates/forecasts based on data reports compiled by government bodies, professional organisations and analysts, and / or data from recognized industry sources, other external sources, and on our Company's knowledge of the markets in which our Company operates.

Unless noted otherwise, the information in relation to the industry and market data is derived from the report "*Indian Cement Sector"* by IRR Advisory Services Private Limited.

IRR Advisory Services Private Limited has issued the Report with the following disclaimer:

"This report is prepared by IRR Advisory Services Private Limited (IRR Advisory). IRR Advisory has taken utmost care to ensure accuracy and objectivity while developing this report. IRR Advisory is not responsible for any errors or omissions in analysis/inferences/views or for results obtained from the use of information contained in this report and especially states that IRR advisory has no financial liability whatsoever to the user of this report. This report is for the information of the intended recipients only and no part of this report may be published or reproduced in any form or manner without prior written permission of IRR Advisory"

This data is subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey.

Neither our Company nor the Global Coordinator and Book Running Lead Manager or any of their respective affiliates and advisors or any other person connected with the Issue has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Accordingly, the Global Coordinator and Book Running Lead Manager and we do not take any responsibility for the data, projections, forecasts, conclusions or any other information contained in this section. Certain information contained herein pertaining to prior years is presented in the form of estimates as they appear in the respective reports/ source documents. The actual data for those years may vary significantly and materially from the estimates so contained. Similarly, while our Company believes its internal estimates to be reasonable, such estimates have not been verified by any independent source and our Company cannot assure potential investors as to their accuracy.

The extent to which the market and industry data used in this Placement Document is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.

FORWARD – LOOKING STATEMENTS

Certain statements contained in this Placement Document that are not statements of historical facts constitute 'forward-looking statements'. These statements express views of the management of our Company and expectations based upon certain assumptions regarding trends in the Indian and international financial markets and regional economies, the political climate in which our Company operates and other factors. Prospective investors can identify forward-looking statements by the use of forward-looking terminology, including the words "aim", "anticipate", "believes", "continue", "can", "could", "estimates", "expects", "expected to", "intends", "may", "will", "plans", "objective", "potential", "project", "pursue", "shall", "will likely result", "will continue", "will achieve", "is likely" or "should" or, in each case, their negative or other variations or comparable terminology or by discussions of strategies, plans, objectives, goals, future events or intentions. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our Company's expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Company's business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Placement Document that are not historical facts. These forward-looking statements contained in this Placement Document (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause the actual results, performances and achievements of our Company to be materially different from any of the forward-looking statements include, among others:

- Company's ability to successfully implement its strategy and its growth and expansion plans;
- Our Company's ability to effectively respond to competition and technological changes;
- Our Company's ability to obtain financing on favourable terms;
- Regulatory changes pertaining to the industry in which our Company operates and its ability to respond to them;
- Increase in labour costs, raw materials prices, prices of plant and machineries;
- Changes in fiscal, economic or political conditions in India and other countries;
- Changes in laws and regulations that apply to companies in India;
- Changes in the value of the Indian rupee and other currencies;
- Performance of the Indian debt and equity markets; and
- Occurrence of natural calamities or natural disasters affecting the areas in which our Company has its operations.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under sections "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Business*" beginning on pages 38, 66 and 103 respectively. These forward-looking statements speak only as of the date of this Placement Document. Our Company and the Global Coordinator and Book Running Lead Manager expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any changes in our Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based.

The forward-looking statements contained in this Placement Document are based on the beliefs of the management of our Company, as well as the assumptions made by, and information currently available to, the management of our Company. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Placement Document or the respective dates indicated in this Placement Document and our Company undertakes no obligation to update or revise any of them, whether as a result of new information, future events, changes in assumptions or changes in factors affecting these forward looking statements or otherwise. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, our Company's actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent written and other forward-looking statements attributable to our Company in this Placement Document are expressly qualified in their entirety by reference to these cautionary statements.

EXCHANGE RATES

Fluctuations in the exchange rate between the Rupee and foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth information with respect to the exchange rates between the Rupee and the U.S. dollar (in ₹ per US$ 1.00), for the periods indicated. The exchange rates are based on the reference rates released by the RBI, which are available on the website of the RBI. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all.

On November 30, 2017, the exchange rate (the RBI reference rate) was 64.43 to US$ 1.00.

(₹ per US$1.00)

	Period End	**Average**	**High**	**Low**
Fiscal Year Ended:				
March 31, 2017	64.84	67.09	68.72	64.84
March 31, 2016	66.33	65.46	68.78	62.16
March 31, 2015	62.59	61.15	63.75	58.43
Month ended:				
November 30, 2017	64.43	64.86	65.51	64.40
October 31, 2017	64.77	65.08	65.55	64.76
September 30, 2017	65.35	64.48	65.76	63.86
August 31, 2017	64.02	63.97	64.24	63.63
July 31, 2017	64.08	64.46	64.82	64.08
June 30, 2017	64.74	64.44	64.74	64.26

*Sourc*e: www.rbi.org.*in*

Note: High, low and average are based on the RBI reference rates. In case of holidays, the exchange rate on the last traded day of the month has been considered as the rate for the period end.

DEFINITIONS AND ABBREVIATIONS

Our Company has prepared this Placement Document using certain definitions and abbreviations which you should consider when reading the information contained herein.

Capitalised terms used in this Placement Document shall have the meaning set forth below, unless specified otherwise or the context indicates or requires otherwise, and references to any statute or regulations or policies shall include amendments thereto, from time to time.

Company Related Terms

Term	Description
Our "Company", the "Company" or the "Issuer"	NCL Industries Limited, a public limited company, incorporated under the Companies Act, 1956 and having its registered office at Vaishanavi Cynosure, 4th Floor, Sy. No. 18, Gachibowli Village, Serilingampally Mandal, Hyderabad – 500032, Telangana, India.
Articles or Articles of Association	The articles of association of our Company, as amended.
Auditors	M/s. Venugopal & Chenoy, Chartered Accountants, the statutory auditor of our Company.
Board of Directors or Board	The board of directors of our Company and any committee constituted thereof.
Committee	The committee of the Board of Directors.
Director(s)	The director(s) of our Company.
Equity Shares or Shares	The equity shares of our Company of face value ₹ 10 each.
Memorandum or Memorandum of Association	The memorandum of association of our Company, as amended.
Promoters	Promoters of our Company, being Kalidindi Madhu, Kalidindi Ravi and Vinodrai Goradia.
Promoter Group	Promoter group of our Company as per the definition provided in Regulation 2(1) (zb) of the ICDR Regulations.
Registered Office	The registered office of our Company located at Vaishanavi Cynosure, 4th Floor, Sy. No. 18, Gachibowli Village, Serilingampally Mandal, Hyderabad – 500 032, Telangana, India.
Registrar of Companies or RoC	Registrar of Companies, Hyderabad for Andhra Pradesh and Telangana.
Shareholder(s)	Shareholders of our Company.

Issue related Terms

Term	Description
Allocated or Allocation	The allocation of Equity Shares following the determination of the Issue Price to QIBs on the basis of Application Forms submitted by such QIBs, in consultation with the Global Coordinator and Book Running Lead Manager and in compliance with Chapter VIII of the ICDR Regulations.
Allotted or Allotment	Unless the context otherwise requires, the issue and allotment of the Equity Shares pursuant to the Issue.
Allottees	Bidders to whom Equity Shares are issued and Allotted pursuant to the Issue.
Application or Bid	An indication of interest from a QIB to subscribe for a specified number of Equity Shares in this Issue on the terms set out in the Application Form to our Company.
Application Form or Bid cum Application Form	The form, including all revisions and modifications thereto, pursuant to which a QIB submits an Application.
Audited Financial Statements	Audited financial statements of our Company refers for the Fiscal Years 2015, 2016 and 2017 together with respective reports of our Auditors, thereon.

Term	Description
Bidder(s)	Any prospective investor, being a QIB, who makes a Bid pursuant to the terms of the Preliminary Placement Document and the Application Form.
Bidding / Issue Period	The period between the Bid/Issue Opening Date and Bid/Issue Closing Date, inclusive of both dates, during which prospective Bidders can submit Bids.
BSE	BSE Limited.
CDSL	Central Depository Services (India) Limited
CAN or Confirmation of Allocation Note	Note or advice or intimation to successful Bidders confirming Allocation of Equity Shares to such successful Bidders after determination of the Issue Price and requesting payment for the entire applicable Issue Price for all Equity Shares Allocated to such successful Bidders.
Cut-off Price	The Issue Price of the Equity Shares, which shall be determined by our Company, in consultation with the Global Coordinator and Book Running Lead Manager.
Eligible FPIs	FPIs that are eligible to participate in the Issue and does not include qualified foreign investors and Category III Foreign Portfolio Investors (who are not eligible to participate in the Issue)
Escrow Agreement	The Escrow Agreement dated December 4, 2017, by and between our Company, the Global Coordinator and Book Running Lead Manager and the Escrow Bank.
Escrow Bank	Axis Bank Limited
Escrow Account	The non-interest bearing, no-lien, escrow bank account without any cheque or overdraft facilities opened by our Company with the Escrow Bank pursuant to the Escrow Agreement.
Floor Price	The floor price of ₹ 249.63 per Equity Share, as calculated in accordance with Regulation 85 of the ICDR Regulations.
the Global Coordinator and Book Running Lead Manager / GC – BRLM / Lead Manager	Anand Rathi Advisors Limited
ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.
Issue	The offer, issue and allotment of 85,00,000 Equity Shares to QIBs, pursuant to Chapter VIII of the ICDR Regulations and the provisions of Companies Act, 2013 and Private Placement Provisions.
Issue Closing Date or Bid Closing Date	December 12, 2017, the date on which our Company (or the Global Coordinator and Book Running Lead Manager on behalf of our Company) shall cease acceptance of Application Forms.
Issue Opening Date or Bid Opening Date	December 7, 2017 the date on which our Company (or the Global Coordinator and Book Running Lead Manager on behalf of our Company) shall commence acceptance of Application Forms.
Issue Price	₹ 237.50 per Equity Share.
Issue Size	The issue of up to 85,00,000 Equity Shares aggregating ₹ 20,187.50 Lakhs.
Mutual Fund	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended
Mutual Fund Portion	10% of the Equity Shares proposed to be Allotted in the Issue, which is available for Allocation to Mutual Funds
Listing Agreement	The agreement entered into between our Company and each of the Stock Exchanges in relation to listing of the Equity Shares on each of the Stock Exchanges pursuant to requirements of Regulation 109 of the Listing Regulations.
Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
NSDL	The National Securities Depository Limited.
NSE	The National Stock Exchange of India Limited.
Pay-in Date	The last date specified in the CAN for payment of application monies by the QIBs.

Term	Description
Placement Agreement	The Placement Agreement, dated December 7, 2017, among our Company and the Global Coordinator and Book Running Lead Manager.
Placement Document	This placement document dated December 12, 2017 issued by our Company in accordance with Chapter VIII of the ICDR Regulations and Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014.
Preliminary Placement Document	The preliminary placement document dated December 07, 2017, issued in accordance with Chapter VIII of the ICDR Regulations and Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014.
QIB or Qualified Institutional Buyer	Any Qualified Institutional Buyer as defined under Regulation 2(1) (zd) of Chapter VIII of the ICDR Regulations.
QIP	Qualified institutions placement under Chapter VIII of the ICDR Regulations and Section 42 of the Companies Act, 2013 and the Rules made thereunder.
Regulation S	Regulation S, as defined under the U.S. Securities Act.
Relevant Date	December 07, 2017, date of the meeting of the Share Issue Committee duly authorised by the Board of Directors deciding to open the Issue.
SEBI	The Securities and Exchange Board of India.
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended.
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
Stock Exchanges	The BSE and the NSE.
STT	Securities Transaction Tax
U.S. Securities Act	The U.S. Securities Act of 1933, as amended.

Business and Industry Related Terms

Term	Description
AAI	Airports Authority of India
AMRUT	Atal Mission for Rejuvenation and Urban Transformation
BIS	Bureau of Indian Standards
CBPB	Cement Bonded Particle Board
CCI	Cement Corporation of India
DCT	Dry Construction Technique
IIP	Index of Industrial Production
MHUPA	Ministry of Housing and Urban Poverty Alleviation
MT	Million Tonnes
MTPA	Million Tonnes Per Annum
MW	Mega Watt
NIIF	National Infrastructure and Investment Fund
NHAI	National Highways Authority of India
OPC	Ordinary Portland Cement
PPC	Portland Pozzalona Cement
RCC	Reinforced Cement Concrete
RMC	Ready Mix Concrete
SRC	Sulphate Resistant Cement
TPA	Tonnes per Annum
TPD	Tonnes per Day
VFD	Variable Frequency Drives
53 Grade OPC	Ordinary Portland Cement – 53 Grade
43 Grade OPC	Ordinary Portland Cement – 43 Grade

Conventional and General Terms

Term	Description
AGM	Annual General Meeting
AIF	Alternate Investment Funds
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India.
CAGR	Compounded Annual Growth Rate
Chapter VIII	Refers to Chapter VIII of the ICDR Regulations that deals with Qualified Institutions Placement, and as amended from time to time
Civil Code or Code	The Code of Civil Procedure, 1908 of India, as amended
Companies Act	Companies Act, 1956 or the Companies Act, 2013, as applicable
Companies Act, 1956	Companies Act, 1956 and the rules made thereunder (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections)
Companies Act, 2013	Companies Act, 2013 and the rules made thereunder, to the extent in force pursuant to notification of the Notified Sections
CIN	Corporate identity number
CSR	Corporate Social Responsibility
Depositories Act	The Depositories Act, 1996, as amended
DIN	Director identification number
EBITDA	Earnings before interest, tax, depreciation and amortization
EGM	Extraordinary General Meeting
FDI	Foreign Direct Investment in an Indian company, in accordance with applicable law
FDI Policy	Consolidated Foreign Direct Investment Policy notified under Circular No. D/o IPP F. No. 5(1)/2017-FC-1, effective from August 28, 2017, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
FEMA/ FEMA Regulations	The Foreign Exchange Management Act, 1999, as amended and the Regulations framed thereunder
FEMA 20	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017
FII(s)	Foreign institutional investors as defined under Regulation 2(g) of the FPI Regulations and registered as such with the SEBI
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended
Financial Year or Fiscal Year or Fiscal or FY	A period of twelve months ending March 31 of that particular year, unless otherwise stated
Form PAS – 4	Form PAS – 4as prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014
FPI(s)	Foreign Portfolio Investors, as defined under Regulation 2(1)(h) of the Securities And Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPI Regulations	Securities and Exchange Board of India(Foreign Portfolio Investors) Regulations, 2014
FVCI	Any foreign venture capital investor (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended) registered with the SEBI under applicable laws in India.
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
GoI or Government	Government of India, unless otherwise specified
GST	Goods and services tax
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Income Tax Act or IT Act	The Income Tax Act, 1961 of India, as amended

Term	Description
India	The Republic of India
Indian GAAP	Generally accepted accounting principles followed in India
Ind-AS	Indian Accounting Standards stipulated by the Institute of Chartered Accountants of India, as applicable.
Ind-AS 34	Indian Accounting Standard 34 ―Interim Financial Reporting‖ (Ind AS 34) prescribed under Section 133 of the Companies Act, 2013
Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
Lakh/ Lac/Lakhs	One hundred thousand
Minimum Wages Act	Minimum Wages Act, 1948, as amended
Mutual Fund	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended
Non – Resident Indian(s) or NRI	Non-Resident Indian, as defined under FEMA
Notified Sections	Sections of the Companies Act, 2013 that have been notified by the Government of India
p.a.	Per annum
PAN	Permanent Account Number
Portfolio Investment Scheme/PIS	The portfolio investment scheme of RBI specified in Schedule 2 of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended.
Private Placement Provisions	Section 42 of the Companies Act, 2013, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014
₹ or Rs. or Rupees or INR	Indian Rupee
RBI	The Reserve Bank of India
RTGS	Real-Time Gross Settlement
State	Any state in the Republic of India
State Government	Government of a State
Takeover Code	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
UK	United Kingdom of Great Britain and Northern Ireland
USA	United States of America
$ or U.S. dollar or USD or US$	The currency of the United States
VAT	Value Added Tax
VCF	A venture capital fund as defined under the erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996

DISCLOSURE REQUIREMENTS UNDER FORM PAS – 4 PRESCRIBED UNDER THE COMPANIES ACT, 2013

The table below sets out the disclosure requirements as provided in Form PAS-4 and the relevant pages in this Placement Document where these disclosures, to the extent applicable, have been provided.

Sr. No.	Disclosure Requirements	Relevant Page of this Placement Document
1.	**GENERAL INFORMATION**	
a.	Name, address, website and other contact details of our Company indicating both Registered Office and corporate office	Cover page, 192 and 197
b.	Date of incorporation of our Company	Cover page and 192
c.	Business carried on by our Company and its subsidiaries with the details of branches or units, if any.	103 - 123
d.	Brief particulars of the management of our Company.	133 - 148
e.	Names, addresses, DIN and occupations of the Directors.	133 -148
f.	Management's perception of risk factors	38 - 56
g.	Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of:	
(i)	Statutory dues;	NIL
(ii)	Debentures and interest thereon;	NIL
(iii)	Deposits and interest thereon; and	NIL
(iv)	Loan from any bank or financial institution and interest thereon.	NIL
h.	Names, designation, address and phone number, email ID of the nodal/ compliance officer of our Company, if any, for the private placement offer process.	197
2.	**PARTICULARS OF THE OFFER**	
a.	Date of passing of board resolution.	192
b.	Date of passing of resolution in the general meeting, authorising the offer of securities.	192
c.	Kinds of securities offered (i.e. whether share or debenture) and class of security.	Cover page
d.	Price at which the security is being offered including the premium, if any, along with justification of the price.	Cover page
e.	Name and address of the valuer who performed valuation of the security offered.	Not Applicable
f.	Amount which our Company intends to raise by way of securities.	Cover page
g.	Terms of raising of securities:	
(i)	Duration, if applicable;	Not Applicable
(ii)	Rate of dividend;	Not Applicable
(iii)	Rate of interest;	Not Applicable
(iv)	Mode of payment; and	Not Applicable
(v)	Repayment.	Not Applicable
h.	Proposed time schedule for which the offer letter is valid.	18
i.	Purposes and objects of the offer.	61
j.	Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects.	Not Applicable
k.	Principle terms of assets charged as security, if applicable.	Not Applicable
3.	**DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC**	
a.	Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons.	133 -148
b.	Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree company during the last three years immediately preceding the year of the circulation of the offer letter and any direction issued by such Ministry or	190

Sr. No.	Disclosure Requirements	Relevant Page of this Placement Document
	Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed.	
c.	Remuneration of Directors (during the current year and last three financial years).	133 -148
d.	Related party transactions entered during the last three financial years immediately preceding the year of circulation of offer letter including with regard to loans made or, guarantees given or securities provided.	133 -148
e.	Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of offer letter and of their impact on the financial statements and financial position of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or adverse remark.	190
f.	Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years immediately preceding the year of circulation of offer letter in the case of company and all of its subsidiaries. Also if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the offer letter and if so, section-wise details thereof for our Company and all of its subsidiaries.	190
g.	Details of acts of material frauds committed against our Company in the last three years, if any, and if so, the action taken by our Company.	190
4.	**FINANCIAL POSITION OF THE COMPANY**	
a.	The capital structure of our Company in the following manner in a tabular form:	
(i)(a)	The authorised, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value);	63
(b)	Size of the present offer; and	63
(c)	Paid up capital:	63
(A)	After the offer; and	63
(B)	After conversion of convertible instruments (if applicable);	Not Applicable
(d)	Share premium account (before and after the offer).	63
(ii)	The details of the existing share capital of the issuer company in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration.	63 - 64
	Provided that the issuer company shall also disclose the number and price at which each of the allotments were made in the last one year preceding the date of the offer letter separately indicating the allotments made for considerations other than cash and the details of the consideration in each case.	64
b.	Profits of our Company, before and after making provision for tax, for the three financial years immediately preceding the date of circulation of offer letter.	194
c.	Dividends declared by our Company in respect of the said three financial years; interest coverage ratio for last three years (Cash profit after tax plus interest paid/interest paid).	65
d.	A summary of the financial position of our Company as in the three audited balance sheets immediately preceding the date of circulation of offer letter.	35
e.	Audited Cash Flow Statement for the three years immediately preceding the date of circulation of offer letter.	194
f.	Any change in accounting policies during the last three years and their effect on the profits and the reserves of our Company.	194
5.	**A DECLARATION BY THE DIRECTORS THAT**	
a.	Our Company has complied with the provisions of the Act and the rules made thereunder.	196

Sr. No.	Disclosure Requirements	Relevant Page of this Placement Document
b.	The compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government.	196
c.	The monies received under the offer shall be used only for the purposes and objects indicated in the Offer letter.	196
	I am authorised by the Board of Directors of the company vide resolution number ____________ dated ____________ to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form. *Signed:* *Date:* *Place: Mumbai*	196

SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Placement Document, including under the sections "Risk Factors", "Use of Proceeds", "Placement", "Issue Procedure" and "Description of the Equity Shares".

Issuer	NCL Industries Limited
Face value	₹ 10 per Equity Share
Issue Price per Equity Share	₹ 237.50
Issue Size	The issue of 85,00,000 Equity Shares aggregating₹ 20,187.50 Lakhs. A minimum of 10 % of the Issue Size i.e. 8,50,000 Equity Shares shall be available for Allocation to Mutual Funds only, and 76,50,000 Equity Shares shall be available for Allocation to all QIBs, including Mutual Funds. If no Mutual Fund is agreeable to take up the minimum portion mentioned above, such minimum portion or part thereof may be Allotted to other eligible QIBs.
Date of Board Resolution	August 14, 2017
Date of Shareholders' Resolution	September 22, 2017
Resolution of Share Issue Committee for opening of the Issue	December 07, 2017
Floor Price	₹ 249.63 per Equity Share, calculated in accordance with Regulation 85 of the ICDR Regulations. Under the ICDR Regulations, the Issue Price cannot be lower than the Floor Price subject to discount of not more than 5% on the Floor Price which may be considered by our Company.
Equity Shares outstanding immediately prior to the Issue	3,67,32,790 Equity Shares at a face value of ₹ 10 per share.
Equity Shares issued and outstanding immediately after the Issue	4,52,32,790 Equity Shares at a face value of ₹ 10 per share.
Eligible Investors	QIBs as defined in regulation 2(1) (zd) of the ICDR Regulations and Chapter VIII of the ICDR Regulations and not excluded pursuant to regulation 86 of the ICDR Regulations. Only QIBs which are FIIs and Eligible FPIs are permitted to participate in this Issue. For further details, see the sections "*Issue Procedure – Qualified Institutional Buyers*" and "*Transfer Restrictions*" beginning on pages 156 and 174 respectively.
Listing	Our Company has received in-principle approvals from BSE and NSE in terms of Regulation 28(1) of the Listing Regulations. Our Company shall apply to the Stock Exchanges for the listing approvals and the final listing and trading approvals, after the Allotment and after the credit of Equity Shares to the beneficiary account with the Depository Participant, respectively.
Taxation	See the section title "*Taxation*" on page 185.
Transferability Restrictions	The Equity Shares being Allotted pursuant to this Issue cannot be sold for a period of one year from the date of Allotment, except on the floor of the Stock Exchanges. For further details, see the section "*Transfer Restrictions*" on page 174.
Ranking	The Equity Shares being issued in the Issue are subject to the provisions of our Memorandum of Association and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares, including with respect to dividend rights. Shareholders of our Company (who hold Equity Shares as on the record date) will be entitled to dividends and other corporate benefits, if any,

	declared by us after the Closing Date, in compliance with the Companies Act, 2013 and Listing Regulations. Shareholders may attend and vote in shareholders' meetings in accordance with the provisions of the Companies Act, 2013. Please see the sections *"Dividend Policy"* and "*Description of the Equity Shares*" on pages 65 and 181, respectively.
Use of Proceeds	The gross proceeds of the Issue are expected to be approximately₹ 20,187.50 Lakhs. The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue, will be approximately₹ 19,648.43 Lakhs. For further details, please see the section *"Use of Proceeds"* on page 61.
Lock-up	Our Company has agreed that it will not, without the prior written consent of the Global Coordinator and Book Running Lead Manager (which such consent shall not be unreasonably withheld), for the period commencing from the date of the Placement Agreement and ending 180 days from the Closing Date, directly or indirectly: (a) issue, offer, lend, sell, pledge, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to sell or issue, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Equity Shares, or any securities convertible into or exercisable or exchangeable for Equity Shares or publicly announce an intention with respect to any of the foregoing; (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares; or (c) publicly announce any intention to enter into any transaction whether any such transaction described in (a) or (b) above is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise. Our Promoter and certain members of the Promoter Group who are holding 0.50% or more of the fully paid-up equity share capital of the Company as on date of the this Placement Document, have agreed that without the prior written consent of the Global Coordinator and Book Running Lead Manager(which such consent shall not be unreasonably withheld), it will not, during the period commencing from the date of the Placement Agreement and ending 180 days after the date of allotment of the Issue Shares, directly or indirectly: (a) sell, lend, pledge, contract to sell, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Equity Shares, or any securities convertible into or exercisable or exchangeable for Equity Shares or publicly announce an intention with respect to any of the foregoing; (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares; or (c) publicly announce any intention to enter into any transaction whether any such transaction described in (a) or (b) above is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise; provided however that the foregoing restrictions will (i) not be applicable to any pledge or mortgage of the Equity Shares already existing on the date of the Placement Agreement or transfer of such existing pledge or mortgage; and (ii) not restrict the existing shareholders of our Company from acquiring or purchasing any Equity Shares in our Company, directly or indirectly, in accordance with and subject to applicable laws.
Risk Factors	Please see the section "*Risk Factors*" beginning on page 38 for the discussion of factors that the potential investors should consider before participating in the Issue.
Issue Procedure	The Issue is being made only to QIBs in reliance on Section 42 of the Companies Act 2013, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, and Chapter VIII of the ICDR Regulations. Please see the section *"Issue Procedure"* on page 156.

Pay-In Date	Last date specified in the CAN sent to the QIBs for payment of application money.
Closing	The Allotment of the Equity Shares, expected to be made on or about December 14, 2017.
Security codes	**ISIN :** INE732C01016; **BSE Security Code:**502168; **NSE Symbol:** NCLIND

SUMMARY OF BUSINESS

Overview

We are the flagship company of the NCL Group and one of the prominent manufacturers of cement in Southern India marketed under the brand *"Nagarjuna Cement"* for over 28 years. Being one of the established cement brands in southern India, we have gradually expanded our reach in the states of Andhra Pradesh, Telangana, Tamil Nadu and Karnataka. We also manufacture Cement Bonded Particle Boards (CBPB) under the brand name *"Bison Panel"* which have unique applications for ceilings, partitions, wall claddings, flooring, etc. Over the years, we have expanded our product offerings by venturing in to different business segments namely CBPB, Ready Mixed Concrete (RMC), prefab houses and hydropower generation.

We own and operate integrated manufacturing facilities for production of cement located at Simhapuri, Suryapet District, Telangana and Kondapalli, Krishna District, with an overall installed capacity of 2.70 MTPA and clinker capacity of 2.6 MTPA besides operating three (3) limestone mines having an aggregate reserves of approximately 200MT. We have an extensive distribution network comprising of over 1900 active dealers and distributors as on October 31, 2017.

Our diversified product portfolio primarily caters to the infrastructure, construction, railways and commercial sector and provides an improved product mix to our customers and their preferences thereby targeting a wider customer base. Our growth is further driven by our ability to make available an assortment of quality products under trusted brands built over decades. This product portfolio includes the following categories:

- *Cement Division* – includes the manufacturing and grinding of cement and covers various grades of ordinary portland cement, portland pozzolona cement. In addition, we also manufacture a special cement (IRS Grade 53S) to cater the needs of Indian Railways for concrete sleepers. Ordinary portland cement covers premium blend cement which is a blend of more than two types of cements namely 43 grade and 53 grade OPC.

- *RMC Division* – includes manufacturing of ready mix concrete, which consists of a key ingredient OPC 53 grade cement and concrete mixture of different grades of materials namely sand, black granite material, fly ash and portable water required in construction sector.

- *Boards Division* – includes the manufacturing of cement bonded particle board which is a combination of 62% cement and 28% wood (usually eucalyptus and poplar) that involves a homogenous mix formation and curing in an eco-friendly manner, marketed under the brand '*Bison Panel'*. We manufacture these boards with a thickness ranging of from 6mm to 40mm. These boards are manufactured with the technology imported from Bison Werke of Germany. These boards are chemically and dimensionally stable, strong and durable, not affected by fire, weather, termites, etc. and possess a smooth surface with wood workability. These boards can be used for doors, false ceilings, external and internal wall claddings, mezzanine flooring, acoustic roofs, car porch ceilings, roof underlays, interior and exterior walls, single and double skin partitions, guard rooms, duct covers, building facades, furniture, cupboards, school benches, kitchen underlays, outdoor cabins, prefab shelters, wall sidings, etc. and can be customized according to the preferences of the customers.

- *Prefab Division* – includes track and panel system with the prime material as Bison Panel (cement bonded particle board). The panel walls of the shelters are made in double skin with Bison Panel and expanded polystyrene in between. The wall panels are assembled by anti – corrosive steel profiles and structural steel selections which are color coated. Prefabricated shelters are commonly used by the army and paramilitary organizations for the temporary living arrangements.

- *Energy Division* – it was established for setting up mini hydel projects for generation of power from renewable sources of energy to meet the growing demand of electric power in India. We have completed two hydel plants at Pothireddypadu mini-Hydel Project and Tunga Bhadra Dam mini-Hydel Project, each generating/ producing 7.5MW and 8.25MW respectively.

Our Cement Division is a major revenue contributor with 85.73% of the gross revenue from operations for Fiscal 2017 while RMC Division, Boards Division and Energy Division contributed 4.27%, 9.81%, and 0.19% of the gross revenue from operations for Fiscal 2017.

We commenced our operations in the year 1979 with cement commercial production of 66,000 TPA with one production plant under brand name "*Nagarjuna Cement*" and since then have expanded our operations under various segments. As on the date of this Placement Document, we have set up eight (8) strategically located manufacturing facilities in the state of Telangana, Andhra Pradesh, Karnataka and Himachal Pradesh through which we carry on our business operations. Our products and our major brands are as follows:

Division	Manufacturing Unit	Brands
Cement	i) Simhapuri, Mattampally Mandal, Suryapet District, Telangana; and ii) Kadimpothavaram Village, Kondapalli, Krishna District, Andhra Pradesh	NAGARJUNA CEMENT
RMC	i) Plot No. 91/C, D Block, Autonagar, Gajuwaka, Visakhapatnam, Andhra Pradesh; ii) Plot 11, A/2, Phase 1, IDA, Patancheru,Medak District, Telangana; and iii) Rampally, Keesara Mandal, Medchal / Malkajgiri District Telangana	NAGARJUNA RMC Powering Constructions
Boards	i) Simhapuri, Mattampally Mandal, Suryapet District, Telangana; and ii) Bhatanwali, Paonta Sahib, Sirmour District, Himachal Pradesh	BISON PANEL Cement Bonded Particle Board
Prefab	i) Bhatanwali, Paonta Sahib, Sirmour District, Himachal Pradesh	NCL Prefab HOUSES
Energy	i) Pothireddypadu, Chabolu Village,Nandikotkur, Kurnool District, Andhra Pradesh; and ii) RBHLC Zero Mile Point, Tungabhadra Dam, Tungabhadra Board, Amaravathi, Hospet, Karnataka	NCL ENERGY

Our operations are subject to environmental laws and regulations, which govern, among other things the handling, storage and disposal of hazardous substances and wastes, there mediation of contaminated sites, natural resource damages, and employee health and safety. In this regard, we have received ISO 9001:2008 certification for manufacture and supply of cement bonded particle boards and IS 15786:2008 and 14276:1995 certification for pre laminated cement bonded particle board for the products manufactured by us.

With an aim to offer a comprehensive range of products, we have expanded our product offerings which have resulted in enhanced growth and profitability. To streamline our sales and enhance a distinct brand visibility, we have established a pan – India distribution network. This distribution network includes 1,900 distributors and dealers for distribution of cements and cement bonded particle board pan India as on October 31, 2017. Our total number of cement dealers have consistently grown from 900 in Fiscal 2015 to 1050 in Fiscal 2016 and to 1600 in Fiscal 2017 and number of CBPB distributors have consistently grown from 245 in Fiscal 2015 to 295 in Fiscal 2016 and to more than 300 in Fiscal 2017, thereby increasing our customer base. We believe this pan-India distribution network ensures that our products are easily available in almost any part of India. Further, we continue to engage in various marketing initiatives to build brand awareness and recall value for our products and to grow our market share. In addition to leveraging and engaging our distribution network for marketing initiatives, we also undertake direct promotional initiatives like advertising our products through broadcast media and print media. Additionally, we also hold meetings with masons, carpenters, fabricators, engineers as well as conduct exhibitions. .

Our total revenue for Fiscal 2017, Fiscal 2016 and Fiscal 2015 was ₹ 76,915.80 lakhs, ₹ 66,393.15 lakhs and ₹ 53,877.39 lakhs, respectively, and grew at a CAGR of 19.48% over such period. Our profit after tax for Fiscal 2017, Fiscal 2016, and Fiscal 2015 was ₹ 5,472.99 lakhs, ₹ 5.307.91 lakhs and ₹ 890.01 lakhs, respectively, and grew at a CAGR of 147.98 % over such period.

Competitive strengths

We believe that the following are our core competitive strengths:

Significant brand presence, quality of products and on-site quality testing facility

Our Company is an established manufacturer of cement in India and markets its cement under the brand *"Nagarjuna Cement"*. The quality of the Company's cement is a key differentiator of its product due to the manufacturing processes followed and the standards adopted by the Company which are more stringent than the standards specified by the Bureau of Indian Standards. Our Company also manufactures cement bonded particle boards under the brand name *"Bison Panel"* which have unique application for ceilings, partitions, wall claddings, flooring, etc.

Our Company has comprehensive quality management systems across the value chain right from procurement of raw materials till delivery of final products. Our Company has undertaken various initiatives and adopted various systems and processes in order to augment our commitment to focus on quality which is crucial for our business. Each of our manufacturing units is well equipped with modern quality checking and testing equipment's for quality assurance. We believe that our focus on maintaining quality across our product verticals, together with our extensive sales and marketing efforts have enabled us to develop a strong brand recognition in the industry we operate in.

Our Company has received ISO 9001:2008 certification for manufacture and supply of cement bonded particle boards and IS 15786:2008 and 14276:1995 certification for pre laminated cement bonded particle board for the products manufactured by us. We also have on site quality testing facility at each of our manufacturing units. Further, our robust quality testing facilities help us monitor and control the production process on a real time basis to achieve consistent requisite quality of production thereby resulting in conservation of energy and raw materials.

Large reserve of cement grade limestone mines

As on date of this Placement Document, we have three reserves of cement grade limestone mines located at Mattapally, Sultanpur and Pedaveedu of Suryapet District *(erstwhile Nalgonda District)* spread across approximately 322.06 acres, 114.55acres and 105.32 acres, respectively having an aggregate reserves of approximately 200MTthat feed to our Simhapuri Unit and Kondapalli Unit. These mines have been allotted to our Company on lease hold bases. The lease period for our mines are up to 50 years from the date of original grant of respective mining lease and are subject to further renewal on expiration in accordance with the current provisions of the Mines and Minerals (Regulation and Development) Act, 1957, the Mines and Minerals (Development and Regulation) Amendment Act, 2015 and the Mineral Concession Rules, 1960. Our limestone requirements for the Simhapuri Unit and Kondapalli Unit for the Fiscals 2015, 2016 and 2017 have been 1.27 MT, 1.56 MT and 1.79 million tonnes, respectively and 0.39 MT, 0.50 MTand 0.63 MT, respectively. Based on the historical requirements of limestone and in view of the present operating capacity, we believe that our reserves of limestone are sufficient to provide for our requirements for up to 50 years.

Strategically located manufacturing facilities

Our cement manufacturing units at Simhapuri and Kondapalli are in close proximity to our limestone reserves which directly results in a cost advantage in terms of transportation costs. As these manufacturing units are located in the states of Telangana and Andhra Pradesh it provides us a significant locational advantage considering that our significant share of our revenues are generated from sales in the states of Andhra Pradesh, Telangana, Karnataka and Tamil Nadu. We also use high grade coal for the manufacturing of cements which is majorly imported from South Africa. This coal comes in either from Krishnapatnam or Gangavaram port which is approximately 400 kms from our manufacturing units.

Further, our Company has cement bonded particle board manufacturing units located at Simhapuri and Paonta Sahib to cater to the demand for boards across India. Paonta Sahib, Himachal Pradesh is in close proximity to the customers in the states of Rajasthan, Gujarat, Haryana and NCR. Our Cement bonded particle boards are made out of 62% cement, 28% wood and 10% water and chemicals. The wood used is of fast growing species like eucalyptus and poplar are readily available in states of Telangana and Himachal Pradesh. Further, our manufacturing units are well connected by road and rail, with each of our manufacturing units connected to both the national highway and the national railway networks.

Logistics is one of the key elements of our operating costs. Our expenditure on transport during Fiscal 2017, Fiscal 2016 and Fiscal 2015, was ₹ 12,638.27 lakhs, ₹ 10,677.00 lakhs and ₹ 8,411.02 lakhs, comprising 16.51%, 16.16% and 15.75% of our net revenue from operations, respectively. Generally, margins are inversely proportional to distance from the manufacturing facility to the markets. Being located close to our key markets such as Andhra Pradesh, Telangana, Karnataka and Tamil Nadu helps us incur lower transportation expenses. This has helped us save time and cost towards transportation of raw materials from our suppliers and final products to our customers.

Professional management with strong execution track record

Our Promoters have played a key role in developing our business and we benefit from their significant experience in the cement production business. Our Board comprises of Directors who have extensive experience in the cement industry setting up and managing companies in the cement and construction industries and in the finance sector. K Ravi, our Managing Director, has been with our Company since incorporation. He played an instrumental role in setting up cement manufacturing business. In addition, our Board of Directors includes independent directors who bring significant business expertise. We believe that the combination of our experienced Board of Directors and our dynamic management team positions us well to capitalize on future growth opportunities. We also have a qualified senior management team who assist the Board in implementing our business strategies and identifying new opportunities for furthering the growth of our Company and have experience in the cement industry, including in the areas of manufacturing, quality control, sales, marketing and finance. We believe that our qualified and experienced Promoters and senior management team, technically skilled employee base have contributed to the growth of our operations and competencies.

For further details of our Senior Management Personnel, please refer to chapter titled *"Board of Directors and Senior Management"* on page 133.

Successful diversification in related business

We believe that our wide product portfolio enables us to cater to a diverse range of customers in construction sector infrastructure sector and household sector. Our product portfolio includes various grades of OPC, PPC, special cement IRS Grade 53S, cement bonded particle board, ready mix concrete, prefab division. The table below provides information regarding revenue from operations relating to business segments during Fiscals 2017, 2016 and 2015 as per the audited financial statements:

(₹ in Lakhs)

Segment	**Fiscal 2017**		**Fiscal 2016**		**Fiscal 2015**	
Cement Division	91,085.30	85.73%	75,899.29	83.88%	58,778.63	81.00%
Boards Division	10,424.17	9.81%	10,136.00	11.20%	9,131.24	12.58%
Prefab Houses	-	0.00%	-	0.00%	35.86	0.05%
Energy Division	204.78	0.19%	237.32	0.26%	651.41	0.90%
RMC division	4,537.41	4.27%	4,211.06	4.65%	3,969.53	5.47%
Gross Revenue from Operations (inclusive of taxes on sales)	**106,251.66**	**100.00%**	**90,483.67**	**100.00%**	**72,566.67**	**100.00%**

Our major contributors to the gross revenue from operations for Fiscal 2017 are the Cement and Boards Division which contribute 85.73% and 9.81% respectively. The Boards Division has shown consistent growth over the preceding three financial years both in terms of financial and operational metrics. Our gross revenue from operations of the Boards Division, have grown from ₹9,131.24 lakhs for the FY 2015 to ₹ 10,424.17 lakhs for the FY 2017 and our Return on Asset (ROA) for the year has grown from 28.9% for the FY 2015 to 32.6% for the FY 2017.

We believe that our product portfolio helps us in offering a wide range of products to our customers, enhances our ability to attract new customers, improve our share of business amongst existing customers and helps de-risk the business through limited dependence on any single product category. We believe that our product portfolio, has helped us, to become one of the leading manufacturers and suppliers of cement and related products.

Strong historical financial performance

Our Company was incorporated in the year 1989 and since then we have maintained strong growth credentials over the years through geographical expansion, improved staff productivity, enhancement of our product portfolio, diversification and growth in distribution network. We have delivered consistent growth over the preceding three financial years both in terms of financial and operational metrics. Our total revenue, have grown at a CAGR of 19.48% from ₹ 53,877.38 lakhs for the FY 2015 to ₹ 76,915.80 lakhs for the FY 2017 and our profit after tax for the year has grown at a CAGR of 147.98% from ₹ 890.01 lakhs for the FY 2015 to ₹ 5,472.99 lakhs for the FY 2017.

Our balance sheet and operating cash flows enable us to fund our strategic initiatives, pursue opportunities for growth and better manage unanticipated cash flow variations. We strive to maintain a robust financial position with emphasis on having a strong balance sheet and increased profitability. The table below sets forth some of the financial indicators for the last 3 Fiscals 2015, 2016 and 2017:

(₹ in lakhs)

Particulars	**FY 2015**	**FY 2016**	**FY 2017**
Net revenue from operations	53,391.66	66,076.89	76,551.83
EBITDA(excluding other income)	7,016.10	12,098.50	11,426.74
EBITDA margin	13.14%	18.31%	14.93%
PAT	890.01	5307.91	5472.99
PAT Margin	1.67%	8.03%	7.15%
RONW (%)	5.99%	26.97%	22.76%

For further details on a comparative analysis of our financial position and income from operations, please refer to *"Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 66.

Our strategies

Increase our geographical reach and expansion of addressable market

We intend to grow our business by adding new dealers/ distributors both in existing as well as in new markets. We intend to do this by effectively leveraging our distribution network and existing relationships. We sell our products primarily through dealers and also distributors who in turn work with a large number of local dealers. Thus, we believe that our strong marketing capabilities and established relationships with our existing distributors as well as our wide range of product offerings will enable us to expand our distributor base. We believe that our marketing focused services, as well as our range of products, will continue to differentiate us from our competitors and help enhance our distributor base.

During preceding three fiscals, over 80% of our revenue from cement segment was generated from the states of Andhra Pradesh, Telangana, Karnataka and Tamil Nadu. Demand in the southern region has been largely driven by infrastructure and housing development and implementation of several industrial projects. We intend to focus on maximizing net sales realization by increasing on sales of the product on a regional basis where we currently have limited presence.

To consolidate key markets through capacity expansion and developing product mix

In order achieve our Company's objective of increasing its presence in the markets where we do not have presence, it has increased its capacity at its manufacturing units. Recently, we have increased the cement manufacturing capacity of our plant located at Simhapuri from 1.95 MTPA to 2.70 million MTPA and clinker manufacturing capacity from 1.60 MTPA to 2.60 MTPA. Further, we have recently set up third manufacturing facility for cement bonded particle board at Simhapuri increasing the Boards manufacturing capacity of from 60,000 TPA to 90,000 TPA and third manufacturing facility for ready mixture concrete at Rampally, Hyderabad. We intend to continue the expansion of installed capacity thereby increasing our manufacturing capacities in order to, address emerging demand and boost divisional ROA.

We propose to continue to expand our product portfolio by upgrading and introducing new products under our business verticals. Our cement division is a major revenue contributor with 85.73% of the gross revenue from operations for Fiscal 2017 while RMC Division, Boards Division and Energy Division contributed 4.27%, 9.81%, and 0.19% of the gross revenue from operations for Fiscal 2017. In order to de-risk our concentration on cement division, we intend to enhance and expand our product portfolio specifically the Boards Division which have higher profit margin with the help of our qualified and technically skilled employee pool. We believe that diversifying our product offerings will enable us to further grow our business operations, reduce the risk of dependency on existing products and strategically target higher margin opportunities.

Strengthen our brand name in the Indian market

We believe that our brand is synonymous with credibility, reliability, efficiency and quality of the products we offer. We wish to continue to enhance our brand value by continuously delivering quality product. We believe that our brands are one of our key strengths and that our customers, distributors and stockists associate our brands with trusted and superior quality products. We manufacturer and sell cement under the brand *"Nagarjuna Cement"* and cement bonded particle boards under the brand name *"Bison Panel"*. Our brands are well-established as one of India's prominent cement manufactures and we have benefited from such parentage. At the same time, we intend to further strengthen our brands by continuing to deliver high quality services to our clients, enhancing our market positions in the markets in which we do business.

We undertake extensive consumer and market research to gauge the various aspects of a product and plan our marketing campaigns. On the basis of our product and market based research studies, which we conduct on an ongoing basis, we intend to continue to enhance the brand recall of our products through strategic branding initiatives, including through the use of social media and consumer engagement programs. The aggregate of our advertising & publicity and selling expenses were ₹ 6,091.44 Lakhs, ₹ 2,956.38 Lakhs and ₹ 2,062.65 Lakhs, or 7.96%, 4.47% and 3.86% of our net revenues from operations for the financial years 2017, 2016 and 2015, respectively. We intend to increase this proportion in the future.

Expanding Distribution Network

While we currently have a wide distribution network to cater to our retail and institutional customers, we constantly seek to grow our product reach to under-penetrated geographies. We intend to appoint additional dealers /distributors to increase the availability of our products in smaller towns in Region. As part of our sales strategy, we continue to evaluate potential sales growth drivers for specific products and regularly identify specific states and regions in India to focus our sales efforts and increase our sales volumes. Prior to expanding to new geographies or launching new products, we research and examine the market and demographic characteristic of the region to determine the suitability of our products in that market.

Further, we seek to increase the penetration of our products in markets in which we are currently present and widen the portfolio of our products available in those markets. We intend to achieve this by appointing new dealers/ distributors targeted at different consumer groups and increase our sales force. As on October 31, 2017, we have a wide network of over 1,600 active dealers for cement and over 300 distributors for cement bonded particle board. We have 24 deports located across the Southern states and propose to establish more depots during the financial year 2018 in the Southern states. We believe that increasing the number of our depots will enable retailers to source a greater number and a wider range of our products more efficiently.

Deleveraging balance sheet and reducing costs

We have implemented, and plan to continue to implement, efficiency measures to improve the long-term competitiveness of its business. We plan to sustain the cost reduction and operating flexibility progress it has made as a result of its continuous improvement processes. We aim to increase our profitability by maintaining competitive incentive levels with its strengthened product portfolio and by actively managing its production levels through monitoring its dealer inventory levels. We also intend to strategically expand our manufacturing facilities to target the customers located in the state of Tamil Nadu and Kerala.

Through various initiatives, we intend to reduce our net working capital, manpower costs, finance cost and other operating expenses. Further we intend to increase profit for the year from continuing operations. Our total revenue for Fiscal 2017, Fiscal 2016 and Fiscal 2015 was₹ 76,915.80 lakhs, ₹ 66,393.15 lakhs and ₹ 53,877.39 lakhs, respectively, and grew at a CAGR of 19.48 % over such period. As a result of the foregoing, profit for the year from continuing operations increased 147.98% to ₹ 5,472.99 lakhs in Fiscal 2017 from ₹ 890.01 lakhs in Fiscal 2015. For further details, see the section titled *"Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 66. We believe that deleveraging balance sheet and reducing costs will improve our economies of scale and will enable us to compete more effectively.

SUMMARY OF FINANCIAL INFORMATION

The following selected information is extracted in respect of the financial statements of our Company as at and for the Fiscal Years 2015, 2016 and 2017 and should be read in conjunction with our Audited Financial Statements and Unaudited Financial Results which appear in the section *"Financial Statements"* beginning on page 194 and should be read together with *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* beginning on page 66.

SUMMARY OF BALANCE SHEET

(₹ in Lakhs)

Particulars	March 31, 2017	March 31, 2016	March 31, 2015
EQUITY AND LIABILITIES			
Share holders' Funds			
Share Capital	3,673.28	3,673.28	3,493.73
Reserves and Surplus	20,375.61	16,007.89	11,368.75
Sub-Total : Shareholders' Funds	**24,048.89**	**19,681.17**	**14,862.48**
Share Application Money Pending Allotment		**-**	**400.00**
Non-Current Liabilities			
Long - Term Borrowings	23,119.54	4,534.83	9,992.71
Deferred Tax Liabilities	4,321.32	4,244.55	4,154.81
Other - Long Term Liabilities	4,560.92	3,067.26	3,983.76
Long - Term Provisions	524.05	454.79	351.82
Sub-Total : Non Current Liabilities	**32,525.83**	**12,301.43**	**18,483.10**
Current Liabilities			
Short - Term Borrowings	2,744.34	5,642.06	5,558.03
Trade Payables	3,244.96	2,790.96	4,980.38
Other Current Liabilities	13,624.22	20,354.79	14,363.04
Short - Term Provisions	2,183.47	1,497.76	324.32
Sub-Total : Current Liabilities	**21,796.99**	**30,285.58**	**25,225.77**
TOTAL EQUITY AND LIABILITIES	**78, 371.71**	**62,268.18**	**58,971.35**
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	38,537.36	39,161.45	40,675.82
Capital Work - in- Progress	15,220.05	1,055.74	236.31
Non – Current Investment	-	-	-
Long - Term Loans & Advances	1,717.35	1,571.55	1,448.48
Sub-Total : Non - Current Assets	**55,474.76**	**41,788.74**	**42,360.61**
Current Assets			
Inventories	7,088.80	7,214.38	6,333.39
Trade Receivables	4,768.82	5,269.61	4,447.89
Cash and Cash Equivalents	1,185.64	2,112.76	567.61
Short- Term Loans and Advances	8,010.71	3,965.11	2,604.55
Other Current Assets	1,842.98	1,917.58	2,657.30
Sub-Total : Current Assets	**22,896.95**	**20,479.44**	**16,610.74**
TOTAL-ASSETS	**78,371.71**	**62,268.18**	**58,971.35**

SUMMARY OF PROFIT AND LOSS ACCOUNT

(₹ in Lakhs)

Particulars	March 31, 2017	March 31, 2016	March 31, 2015
REVENUE			
Revenue from Operations (Gross)	116,542.45	99,431.74	79,157.37
Less: Inter Segment Transfers & Taxes on Sales	28,426.40	23,516.36	18,062.93
Revenue from Operations	88,116.05	75,915.38	61,094.44
Less : Excise Duty	11,564.22	9,838.49	7,702.78
Revenue from Operations (Net)	**76,511.83**	**66,076.89**	**53,391.66**
Other Income	363.97	316.27	485.72
Total Revenue	**76,915.80**	**66,393.16**	**53,877.38**
EXPENSES			
Net Consumption of Materials	12,371.49	11,038.49	9,650.69
Change in Inventories of Finished goods and Work – In – Progress	633.69	(767.95)	(116.21)
Employee Benefit Expenses	3,636.56	3,174.82	2,513.52
Other Expenses	48,485.35	40,533.03	34,327.56
Finance Costs	3,111.33	3,060.48	3,712.03
Depreciation & Amortisation	2,513.60	2,516.00	2,556.07
Total Expenses	**70,750.02**	**59,554.87**	**52,643.66**
Profit /(Loss) Before Exceptional Items	**6,165.78**	**6,838.29**	**1233.72**
Exceptional Items	**-**	**(151.75)**	**0**
Profit before Tax	**6,165.78**	**6686.54**	**1233.72**
Tax Expense:			
Tax- Earlier Years		-	69.25
Tax- Current Year	1,860.00	1,401.53	112.64
Deferred Tax Charge / (Credit)	76.77	89.74	161.82
MAT Credit Entitlement (Credit)	(1,243.98)	(112.64)	-
Total of Tax Expenses	**692.79**	**1,378.63**	**343.71**
Profit for the Period	**5,472.99**	**5,307.91**	**890.01**
Basic Earnings per Share of ₹10/- each	14.90	14.56	2.55
Diluted Earnings per Share of ₹ 10/- each	14.90	14.45	2.42
Cash Earnings per share of ₹10/- each	21.95	21.71	10.33

SUMMARY OF CASH FLOW STATEMENT

(₹ in Lakhs)

Particulars	March 31, 2017	March 31, 2016	March 31, 2015
Cash flow from Operating Activities			
Profit Before Tax	6165.78	6,686.54	1,233.72
Less:			
Profit on Sale of Assets	-	542.07	-
	6165.78	6,144.47	1,233.72
Adjustments for:			
Depreciation & Amortisation	2, 513.60	2,516.00	2,556.07
Finance Costs	3,111.33	3,060.48	-
Profit on Sale of Assets	-	542.07	-
Exceptional item – Right of Recompense		693.82	
	11,790.71	12,956.84	**3,789.79**
Less :			
Income Tax Paid	1,401.53	681.89	-
Operating Profit Before Working Capital Changes	**10,389.18**	**11,581.13**	**3,789.79**
Increase/(Decrease) in Trade Payables	454.00	(2,189.42)	19.79
Increase/(Decrease) in Long Term Provisions	69.26	102.97	43.89
Increase/(Decrease) in Short Term Provisions	6.18	11.70	28.73
Increase/(Decrease) in Other Current Liabilities	(6,854.90)	5,991.75	2,436.30
Decrease/(Increase) in Trade Receivables	500.79	(821.72)	(56.04)
Decrease/(Increase) in Inventories	125.58	(880.99)	(595.58)
Decrease/(Increase) in Long Term Loans & Advances	(145.80)	(152.29)	(23.70)
Decrease/(Increase) in Short Term Loans & Advances	(4,045.60)	(1,360.56)	(616.04)
Decrease/(Increase) in Other Current Assets	(1,318.58)	852.36	538.00
Net Movement in Working Capital	(8,571.91)	1,553.80	1,775.35
Cash Generated from Operations	**1,817.27**	**13,134.94**	**5,565.14**
Cash Flow from Investing Activities			
Purchase of Fixed Assets including CWIP	(16,056.60)	(1,852.43)	(48.15)
Reimbursement of expenses incurred on Land Development	-	-	450.00
Sale of Net Fixed Assets	2.78	60.59	4.55
Net Cash Used in Investing Activities	**(16,053.82)**	**(1,791.84)**	**406.40**
Cash flow from Financing Activities			
Finance Costs	(2,987.00)	(3,060.48)	-
Proceeds / (Repayment) of Long Term Borrowings	18,584.71	(5,457.88)	(2,385.50)
Proceeds / (Repayment) of Other Long Term Liabilities	1,493.66	(916.50)	(1,135.62)
Proceeds / (Repayment) of Short Term Borrowings	(2,897.72)	84.03	(2,162.88)
Dividend & Dividend Tax Paid	(884.22)	(442.11)	-
Proceeds/(Refund of) from Share Application Money	-	(5.00)	-
Net Cash used in Financing Activities	**(13,309.43)**	**(9,797.95)**	**(5,684.00)**
Net Increase in Cash and Cash Equivalent	**(927.12)**	**1,545.15**	**287.55**
Cash and Cash Equivalent at the Beginning of the Year	2,112.76	567.61	280.06
Cash and Cash Equivalent at the End of the Year	1,185.64	2,112.76	567.61

RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider each of the following risk factors and all other information set forth in this Placement Document, including the risks and uncertainties described below, before making an investment in the Equity Shares. This section should be read together with "Industry and Market Data", "Business", and "Management's Discussion and Analysis of Financial Condition and Results of Operations" as well as the financial statements, including the notes thereto, and other financial information included elsewhere in this Placement Document.

The risks and uncertainties described below are not the only risks that we currently face. Additional risks and uncertainties not presently known to us, or that we currently believe to be immaterial, may also adversely affect our business, prospects, financial condition and results of operations and cash flow. If any or some combination of the following risks, or other risks that are not currently known or believed to be material, actually occur, our business, financial condition and results of operations and cash flow could suffer, the trading price of, and the value of your investment in, Equity Shares could decline and you may lose all or part of your investment. In making an investment decision you must rely on your own examination of us and the terms of this Issue, including the merits and risks involved.

This Placement Document also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from such forward-looking statements as a result of certain factors including the considerations described below and elsewhere in this Placement Document.

Unless otherwise mentioned, all the references in this Chapter on the financial information of our Company for the Fiscals 2017, 2016 and 2015 are based on Audited Financial Statements.

INTERNAL RISK FACTORS

Our cement business is dependent upon our ability to mine sufficient limestone for our operations. If, for any reason beyond our control – viz revocation or non-renewal or significant restriction of our mining rights or substantial rise in royalties or in the event we are unable to mine sufficient limestone, could have an adverse impact on our business, financial condition and results of operations.

Limestone is the principle raw material for cement manufacturing process which we directly source from our mines situated at Mattapally, Sultanpur and Pedaveedu of Suryapet District *(erstwhile Nalgonda District)* spread across approximately 322.06 acres, 114.55acres and 105.32 acres, respectively. These mines have been allotted to our Company on lease for a period up to 50 years from the date of original grant of each of the respective mining lease and are subject to further renewal on expiration in accordance with the current provisions of the Mines and Minerals (Regulation and Development) Act, 1957, the Mines and Minerals (Development and Regulation) Amendment Act, 2015 and the Mineral Concession Rules, 1960.

Mining rights are subject to compliance with certain conditions, and the Government of India has the power to take action with respect to mining rights, including imposing fines or restrictions, revoking the mining rights or changing the amount of royalties payable for mining the quarries. Such royalties have been reviewed by the Government of India periodically and increased from time to time. In case of increase of rate of royalty for mining of lime stone, our cost of production will also increase to that extent. There can be no assurance that our Company will be able to retain such leasehold rights on acceptable terms, or, if obtained, such rights may not be obtained in a timely manner or may involve requirements which restrict the Company's ability to conduct the Company's operations or to do so profitably. Moreover, entering into new license for mining or mining lease contracts or extending existing license or mining lease contracts is time-consuming and requires the review and approval of several Government authorities.

Further, our Company's licenses or mining lease contracts contain various obligations and restrictions, including the requirement for commencing operations within a specified period of the grant of the lease and seeking a prior Government approval for an assignment or any other form of transfer of the lease. If our Company breaches these obligations, our Company may suffer consequences, such as penalties and/or suspension or termination of our license or mining lease contracts. There can be no assurance that the relevant Indian regulatory authorities will agree to future amendments of our Company's obligations in relation to such mining lease. The loss of our license or mining lease contracts would have a material adverse effect on our business, financial condition, results of operations and profits.

Although we believe that our mining rights are sufficient to meet our current and projected production levels, in case such rights are revoked or not renewed upon expiration, or significant restrictions on the usage of the rights are imposed or applicable environmental standards are substantially increased or royalties are increased to significant levels, our ability to operate our plants adjacent to the affected limestone mining sites could be disrupted until alternative limestone sources are located, which could materially and adversely affect our business, financial condition and results of operations.

The limestone reserve data for our mines in this Placement Document are only estimates and our actual information with respect to our reserves may differ from such estimates.

The data for limestone reserves for our mines provided in this Placement Document are only estimates by an independent consultant and the actual production of the limestone from our mines may differ from such estimates. There are numerous uncertainties inherent in estimating quantities of our limestone reserves, which we may not assess and beyond our control. In general, estimates of limestone reserves are based upon a number of variable factors and assumptions, such as geological and geophysical characteristics of the reserves, historical production performance from the mines, the quality and quantity of technical and economic data, extensive engineering judgments, the assumed effects of regulation by Government of India and future operating costs. All such estimates involve uncertainties, and classifications of reserves are only attempts to define the degree of likelihood that the reserves will result in revenue for us. For those reasons, estimates of the economically recoverable reserves attributable to any particular group of properties and classification of such reserves based on risk of recovery, prepared by different engineers or by the same engineers at different times, may vary substantially. Therefore, actual limestone reserves may vary significantly from such estimates. To the extent actual reserves are significantly less than the estimates, our financial conditions and results of operations are likely to be materially and adversely impacted. While these estimates are based on report of independent consultant, there can be no assurance that these estimates would not be materially different from estimates prepared in accordance with a recognised international methods or norms.

Change in the composition of our distribution network may have an adverse effect on our business, results of operations and financial condition.

We have set up an extensive sales and distribution network for each of our business verticals besides certain direct institutional sales. As on October 31, 2017, we have a wide network of over 1,600 active dealers for cement and over 300 active distributors for cement bonded particle board. As a result, we rely to a significant extent on the relationships we have with our dealers and distributors, as they play a significant part in enhancing customer awareness of our products and maintaining our brand name. As our authorized dealers have day-to-day contact with customers, we are exposed to the risk of our dealers and distributers failing to adhere to the standards set for them in respect of sales and after-sales service, which in turn could affect our customers' perception of our brand and products. In addition, we provide our distributers with incentives to sell our cement products and cement bonded particle boards by way of discounts. If our competitors provide better commissions or incentives to our dealers, it could result in them favoring the products of other cement manufacturers including our direct competitors. Any significant disruption in the distribution network could have a significant impact on our business and results of operations.

Further, we continuously seek to increase the penetration of our products by appointing new distributors targeted at different geographies and customer groups. We cannot assure you that we will be able to successfully identify or appoint new distributors or effectively manage our existing distribution network. If the terms offered to such distributors by our competitors are more favourable than those offered by us, distributors may decline to distribute our products and terminate their arrangements with us and thus, if we are unable to appoint replacement distributors in a timely manner, our business, results of operations and financial conditions would be adversely affected.

Moreover, our competitors may have exclusive arrangements with certain distributors who may be unable to stock and distribute our products, which may limit our ability to expand our distribution network. In addition, failure to provide distributors with sufficient inventories of our products may also result in a reduction in the sales of our products and thus, our sales volumes may reduce and adversely affect our business, results of operations and financial condition.

We have significant power and fuel requirements for our operations and any shortages or any prolonged interruption or increase in its cost and supply, could adversely affect our business, result of operations and financial conditions.

We require substantial power and fuel for our manufacturing facilities, and energy costs represent a significant portion of the production costs for our operations. For Fiscal 2015, Fiscal 2016 and Fiscal 2017, our power and fuel costs was ₹ 17,297.31 lakhs, ₹ 18,209.00 lakhs and ₹ 20,641.57 lakhs, constituting 32.40%, 27.56% and 26.96%, respectively, of our net revenue from operations. If energy costs were to rise, or if electricity or fuel supplies or supply arrangements were disrupted, our profitability could decline.

We source most of our electricity requirements for our manufacturing facilities from state electricity boards. If supply is not available for any reason, we will need to rely on captive generators, which may not be able to consistently meet our requirements. The cost of electricity from state electricity boards could be significantly higher, thereby adversely affecting our cost of production and profitability. Further, if for any reason such electricity is not available, we may need to shut down our plants until an adequate supply of electricity is restored. Interruptions of electricity supply can also result in production shutdowns, increased costs associated with restarting production and the loss of production in progress.

There is a significant concentration of our operations and revenues in the State of Andhra Pradesh and Telangana and any adverse developments affecting these States or in the event of inability to retain and grow our business in this regions, may have an adverse effect on our business, financial condition, results of operations and prospects.

Our operations and revenues are majorly, concentrated in the states of Andhra Pradesh and Telangana. In Fiscal 2015, Fiscal 2016 and Fiscal 2017 our revenue from the Andhra Pradesh and Telangana constituted 41%, 43% and 50% and 20%, 18% and 18% respectively, of our total revenue while the other regions like Tamil Nadu and Karnataka constituted 39%, 39%, and 32% respectively, of our total revenue for the same period.

While our strategic objectives include geographical expansion of our operation, in the event of a significant drop in our sales from the southern region of India competing in the segment in which we operate, our business, financial condition, results of operations and prospects may be adversely affected. Further, any significant social, political or economic disruption, or natural calamities or civil disruptions in the State of Andhra Pradesh and Telangana, or changes in the policies of the state or local governments of these state or the Government of India, could require us to incur significant capital expenditure and change our business strategy. The occurrence of, or our inability to effectively respond to any such event, could have an adverse effect on our business, results of operations, financial condition and cash flows.

We are dependent upon the continued supply of coal used in our manufacturing operations. Substantial changes in coal markets, coal prices and other factors including regulatory actions could have an adverse impact on our Company's business and results of operations.

Coal is the vital fuel source used in our manufacturing operations required for firing the pre-heater and rotary kiln as well as to generate power for grinding the clinker. During Fiscal 2015, Fiscal 2016 and Fiscal 2017, expenditure on coal constituted 20.58%, 15.67% and 16.06% of our net revenues from operations, respectively.

We primarily use imported coal majorly from South Africa. As per the prevailing practices, the purchase of coal is made on a spot basis, and the company has not entered into any long term agreements with coal suppliers. The possibility of non-availability sufficient quantities of coal on commercially acceptable terms cannot be ruled out and limitations in the company's ability to pass on any increase in the price of coal to our customers could adversely affect our business, results of operations and financial condition.

Therefore, if the Company is unable to meet its requirements of coal in a timely manner from its present supplier(s), there will be no assurance that the Company will be able to find alternative suppliers capable to supply the Company and accordingly the Company's business and results of operation will be adversely and significantly affected.

In the event of inability to sustain our growth, it could have an adverse effect on our business, results of operations and financial condition.

We have experienced considerable growth over the past three years and we have significantly expanded our operations. Our total revenues grew from ₹ 53,877.39 lakhs for the financial year 2015 to ₹ 76,915.80 lakhs for the financial year 2017, while our profit before tax for the period grew from ₹ 1,233.72 lakhs for the financial year 2015 to ₹ 6,165.78 lakhs for the financial year 2017. From financial year 2015 to financial year 2017, our total revenues grew at a CAGR of 19.48%.We cannot assure you that our growth strategy will continue to be successful or that we will be able to continue to grow further, or at the same rate.

Any inability to manage our expansion effectively and execute our growth strategy in a timely manner, or within budget estimates or inability to meet the expectations of our customers and other stakeholders could have an adverse effect on our business, results of operations and financial condition. We intend to continue expansion to pursue existing and potential market opportunities. Our future prospects will depend on our ability to grow our business and operations, which could be affected by many factors, including our ability to introduce new products and maintain the quality of our products, general political and economic conditions in India, government policies or strategies in respect of specific industries, prevailing interest rates, price of equipment and raw materials, energy supply and currency exchange rates.

In order to manage our growth effectively, we must implement, upgrade and improve our operational systems, procedures and internal controls on a timely basis. If we fail to implement these systems, procedures and controls on a timely basis, or if there are weaknesses in our internal controls that would result in inconsistent internal standard operating procedures, we may not be able to meet our customers' needs, hire and retain new employees or operate our business effectively. Moreover, our ability to sustain our rate of growth depends significantly upon our ability to select and retain key managerial personnel, maintaining effective risk management policies and training managerial personnel to address emerging challenges.

Adverse outcome of Legal and other proceedings involving our company, Promoters and Directors may have adverse impact on our financials.

Our Company, our Promoter and Directors are currently involved in certain legal proceedings in India. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. Details of the total number of material proceedings pending by and against our Company is mentioned below:

Litigation involving our Company

Nature of litigation against our Company	**Number of cases outstanding**	**Amount involved *(in ₹ Lakhs)****
Criminal matters	1	0.18
Direct tax matters	Nil	Nil
Indirect tax matters	Nil	Nil
Action by regulatory/statutory authorities	Nil	Nil
Material civil litigation	Nil	Nil

Nature of litigation by our Company	**Number of cases outstanding**	**Amount involved *(in ₹ Lakhs)****
Criminal matters	11	₹62.58
Direct tax matters	Nil	Nil
Indirect tax matters	24	₹ 3,496.21
Action by regulatory/statutory authorities	Nil	Nil
Material civil litigation	2	Not quantifiable

Nature of litigation against the Director	**Number of cases outstanding**	**Amount involved *(in ₹ Lakhs)****
Criminal matters	2	Not quantifiable
Action by regulatory/statutory authorities	Nil	Nil
Material civil litigation	Nil	Nil

Nature of litigation against the Promoters	Number of cases outstanding	Amount involved *(in ₹ Lakhs)**
Criminal matters	1	5.76
Action by regulatory/statutory authorities	Nil	Nil
Material civil litigation	Nil	Nil

** To the extent quantifiable.*

We can give no assurance that these legal proceedings will be decided in our favour and we may incur significant expenses and management time in such proceedings and may have to make provisions in our financial statements, which could increase our expenses and liabilities. If such claims are determined against us, there could be a material adverse effect on our business, financial condition and results of operations, which could adversely affect the trading price of our Equity Shares.

Our Company is heavily reliant on the demand for cement from various industries such as infrastructure, housing and commercial real estate. Any downturn in the cement consuming industries could have an adverse impact on our Company's business, growth and results of operations.

The cement manufacturing companies are heavily reliant on demand from the cement-consuming industries such as infrastructure, housing and commercial real estate. These industries are, in turn, affected by macro-economic factors and the general Indian economy. While demand for cement rose by 4.3 % in financial years 2012 to 2017, demand for cement in Southern India, where a majority of our Company's revenue is generated from, was lower than the national average and grew by only 0.3 % during the same period. However, an upward trend is noticed in the demand for cement in Southern India growing to 7% during Financial Year 2017 *(Source: IRR Advisory Report)*.

Demand for cement industries is principally dependent on sustained economic development in the regions in which we operate. The change in the funding mechanism increases the uncertainty of current plan of the government regarding funds for highway projects. While cement consuming industries such as infrastructure, housing and commercial real estate are expected to drive the demand for cement, there can be no assurance that these expectations will be met or that our Company will benefit from such expansion. Delays or cancellations of state infrastructure spending could negatively affect the Company's financial position and liquidity because a significant portion of its business is dependent on public infrastructure spending. However, a slowdown, downturn slump or reduction of capital investment in the cement consuming industries including infrastructure, housing and commercial real estate could have adverse impact on cement demand and, consequently, on our Company's business, growth and results from operations.

The loss or shutdown of operations at our manufacturing facilities may have a material adverse effect on our business, financial condition and results of operations.

As of October 31, 2017, we conducted our operations through two manufacturing facilities for cement division, two manufacturing facilities for cement bonded particle board and, two manufacturing facilities for ready mix concrete. Our manufacturing facilities are subject to various operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, labour disputes, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities. Any significant malfunction or break down of our machinery at any of our facilities may entail significant repair and maintenance costs and cause delays in our operations. If we are unable to repair malfunctioning machinery in a timely manner or at all, our operations may need to be suspended until we procure machinery to replace the same. In addition, we may be required to carry out planned shutdowns of our facilities for maintenance, statutory inspections and testing, or may shut down certain facilities for capacity expansion and equipment upgrades.

Although we have not experienced any significant disruptions at our manufacturing facilities in the past, we cannot assure you that there will not be any disruptions in our operations in the future as well. Our inability to effectively respond to such events and rectify any disruption, in a timely manner and at an acceptable cost, could lead to the slowdown or shut-down of our operations or the under-utilization of our manufacturing facilities, which in turn may have an adverse effect on our business, results of operations and financial condition.

Disruptions in supply and transport of inputs and finished products could affect our business, financial condition and results of operations.

Our production is dependent on a steady supply of various inputs and steady distribution of our finished products to our network. These inputs are transported to our plants by rail, land and sea transport, and our finished product is transported to our customers by land (through trucks and wagons) and rail transport. Transport of our inputs and finished products is subject to various bottlenecks and other hazards beyond our control, including poor infrastructure, accidents, adverse weather conditions, strikes and civil unrest. Either an increase in the price of transportation or interruptions in transportation of our inputs or finished products could have an adverse effect on our business, financial condition and results of operations. Transportation cost constituted 15.75%, 16.16% and 16.51% of our net revenue from operations for financial year 2015, 2016 and 2017, respectively.

In addition, cement is a perishable product as its quality deteriorates upon contact with moisture or humidity over a period of time. Therefore, prolonged storage or exposure to moisture during transport may result in cement stocks being written off. Similarly, our cement is sold in bags, which may split open during transport, again resulting in stock being written off. Although we have not encountered any significant disruption to the supply and transportation of inputs and finished products to date, no assurance can be given that any such disruption will not occur in the future as a result of these factors and that such disruptions will not be material. Transportation strikes have in the past and could in the future have an adverse effect on our supplies and deliveries to and from particular plants on a timely and cost efficient basis. An increase in freight costs or the unavailability of adequate infrastructure for transportation of our products to our markets may have an adverse effect on our business and results of operations.

Any significant variance in the actual demand or price of our products from our forecasts may have an adverse effect on our business, results of operations and financial condition.

Our businesses depend on our estimate of the demand for our products from customers. If we underestimate demand or have inadequate capacity due to which we are unable to meet the demand for our products, we may manufacture fewer quantities of products than required, which could result in the increase of inventories. Further, we do not have any long term supply agreement with our customers for manufacturing of cement and cement bonded particle board. Further, cement has a self-life of up to six months and ideally stored in the dry environment. While we forecast the demand and price for our products and accordingly plan our production volumes, any error in our forecast could result in a reduction in our profit margins and surplus stock, which may result in additional storage cost and such surplus stock may not be sold in a timely manner, or at all. At times when we have overestimated demand, we may have incurred costs to build capacity or purchased more raw materials and manufactured more products than required. Our inability to accurately forecast demand for our products and manage our inventory may have an adverse effect on our business, results of operations and financial condition.

Any increase in our Company's production costs could materially and adversely affect the Company's business, financial condition and results of operations.

Our Company's competitiveness and long-term profitability substantially depends upon its ability to maintain a low cost base, including low transport, employee and labour costs, cost of raw materials, low power and fuel costs and the surcharge levied by the Government on our mining lease. There can be no assurance that the Company's cost inputs will be maintained at current levels. Our production costs are also significantly affected by production volumes given the relatively fixed nature of its cost base in the short term, and any inability to maximise capacity utilisation could impair the Company's overall cost competitiveness. Any increase in these costs could increase in the Company's production costs which could materially and adversely affect the Company's business, financial condition and results of operations.

Industry in which we operate is capital intensive and our Company has significant fixed and semi-fixed costs. Therefore, its earnings are sensitive to changes in volume.

The property and machinery needed to produce cement, related products and cement bonded particle boards can be very expensive. Therefore, the Company needs to spend a substantial amount of capital to purchase and maintain the equipment necessary to operate its business. During Fiscal 2015, Fiscal 2016 and Fiscal 2017, expenditure on purchase and maintenance of the equipment, plant and machineries constituted 3.61%, 2.76% and 2.26% of our total manufacturing expenses and 2.17%, 1.44% and 1.2% of our revenue from operations, respectively. Although we believes that the Company's current cash available, along with projected internal cash flows and financing from internal accrual, will be enough to support the currently anticipated operating and capital needs, if the Company is unable to generate sufficient cash to purchase and maintain the property and machinery necessary to operate the business, management may be required to reduce or delay planned capital expenditures or incur additional debt, which may only be available, if at all, on unsatisfactory terms. In addition, given the level of fixed and semi-fixed costs within the business, decreases in volumes could negatively affect our Company's financial position, and results of operations.

Environmental, health and safety laws and regulations, and any changes to, or liabilities arising under, such laws and regulations, could have a material adverse effect on our Company's financial condition, results of operations and liquidity.

Our Company's operations are subject to a variety of central, state and local laws and regulations relating to, among other things: (i) the release or discharge of materials into the environment; (ii) the management, use, generation, treatment, processing, handling, storage, transport or disposal of hazardous materials, including the management of hazardous waste; and (iii) the protection of public and employee health and safety and the environment. These laws and regulations impose strict liability in some cases without regard to negligence or fault and exposes our Company to liability for the environmental condition of our facilities or waste disposal sites, and may expose the Company to liability for the conduct of others or for its actions, even if such actions complied with all applicable laws at the time these actions were taken. These laws and regulations may also expose the Company to liability for claims of personal injury or property or natural resource damage related to alleged exposure to, or releases of, regulated or hazardous materials. These potential liabilities or non-compliances could have an adverse effect on our Company's operations and profitability. For more details on the environmental regulations applicable to the Company, please see the section titled "*Regulations and Policies*" on page 124.

Stricter laws and regulations, more stringent interpretations of existing laws or regulations or the future discovery of environmental conditions may impose new liabilities on our Company, reduce operating hours, require additional investment by our Company in pollution control equipment or expanding existing plants or facilities. The Company has incurred, and may in the future incur, significant capital and operating expenditures to comply with such laws and regulations. The cost of complying with such laws could have a material adverse effect on our Company's financial condition, results of operations and liquidity. In addition, the Company has recorded liabilities in connection with its reclamation obligations, but there can be no assurances that the costs of its obligations will not exceed amounts accrued.

If we are not able to renew or maintain our statutory and regulatory permits and approvals required to operate our business, it may have a material adverse effect on our business.

Numerous governmental permits and approvals are required for manufacturing of our products. Our Company's operations are subject to numerous laws and extensive regulation by national, state and local authorities in India and any other jurisdictions where it may operate in the future. In the future, we will be required to renew such permits, licenses and approvals, and obtain new permits, licenses and approvals for any proposed operations. While we believe that we will be able to renew or obtain such permits, licenses and approvals as and when required, there can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all. Failure to comply with any laws or regulations or to obtain or renew the necessary permits, approvals and leases may result in various enforcement measures such as the loss of the right to mine or operate manufacturing facilities, the imposition of costly compliance procedures, the issuance of injunctions to limit or cease operations, the suspension or revocation of permits, including mining leases and exploration licenses, and other enforcement measures could have the effect of closing or limiting production from the Company's operations.

We rely on contract labour for carrying out certain of our operations and we may be held responsible for paying the wages of such workers, if the independent contractors through whom such workers are hired default on their obligations, and such obligations could have an adverse effect on our results of operations and financial condition.

In order to retain flexibility and control costs, we appoint independent contractors who in turn engage onsite contract labour/staff for performance of certain of our operations. Although we do not engage these labourers directly, we may be held responsible for any wage payments to be made to such labourers in the event of default by such independent contractor. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and financial condition. In addition, under the Contract Labour (Regulation and Abolition) Act, 1970, as amended, we may be required to absorb a number of such contract labourers as permanent employees. In the event of any non-compliance by contractors with statutory requirements, legal proceedings may be initiated against us. Thus, any such order from a regulatory body or court may have an adverse effect on our business, results of operations and financial condition.

Our indebtedness and the conditions and restrictions imposed on us by our financing agreements could adversely affect our ability to conduct our business.

As of September 30, 2017, our Company had a total borrowing of ₹ 39,729.28 lakhs. Pursuant to the loan facilities availed by us, we have entered into various financing documents with our lenders and which contain certain restrictive covenants. Our lenders may alter certain terms of lending at any time without assigning any reason. Our ability to borrow and the terms of such borrowings depend on several factors including our financial condition, the stability of our cash flows and our capacity to service debt. We may not be successful in obtaining additional funds in a timely manner, or on favourable terms or at all, which could adversely affect our results of operations. We cannot assure you that we will have adequate funds at all times to repay such credit facilities.

Some of our agreements contain covenants that may be onerous and commercially restrictive in nature. For example, some of our borrowing agreements impose a condition on us to inform the respective counterparties or obtain a prior written approval from such parties in the case of any change in control, amendment to the constitutional documents, creation of security, amalgamation, demerger/merger, incurring capital expenditure or declaring of dividends. In addition, certain of our borrowing agreements impose restrictive financial covenants and provide for maintaining specified financial ratios. Violation of any of these covenants result in attracting penal interest, causing claims to be brought against us or termination of the agreements as well as acceleration of payment obligations.

While we have obtained relevant consents and waivers from such lenders as applicable in relation to this Issue, there can be no assurance that we will be able to comply with these financial or other covenants, or that we will be able to obtain the consents necessary to take the actions we believe are required to operate and grow our business.

Additionally, we may require to fund capital expenditure by way of availing further debt. Such an event may require us to be placed under similar restrictions which may, among other things, limit our ability to pursue our growth plans as envisaged; require us to dedicate a substantial portion of our cash flow from operations to make payments on our debt, thereby reducing the availability of our cash flow to fund other capital expenditure, meet working capital requirements and use funds for other general corporate purposes. Such restrictions or conditions may limit our flexibility in planning for, or reacting to changes in our business and industry thereby adversely limiting our Company's operations and financial flexibility, and adversely affect its business, results of operations and financial condition.

Our Company has operated at a loss in recent past and was scheduled under corporate debt restructuring mechanism up to May, 2016. There can be no assurance as we will not incur losses in future or whether we will be able to finance our debt obligations on acceptable commercial terms.

Our Company incurred a loss of ₹ 11.55 Crores in financial year 2013 and has not been able to meet its debt obligation and proposes to restructure its then existing debt of around ₹ 196.69 Crores. Therefore our Company was scheduled in corporate debt restructuring mechanism in November 2013 for efficient restructuring of corporate debt. The imposition of corporate debt restructuring mechanism was primarily due to excess capacity in the industry leading to aggressive pricing and low capacity utilization of our manufacturing facilities. At the same time, the cement industry was also facing cost pressures due to acute shortage of power, non-availability of domestic coal coupled with hike in diesel prices.

Further, our Company has entered into a master restructuring agreement dated March 28, 2014 and supplementary master restructuring agreement dated August 11, 2014 with the lenders to better align the maturity profile of our outstanding debt with our future cash flow projections. Further, our Company made profit before tax in the fiscal 2015, 2016 and 2017 of ₹ 1,233.72 lakhs, ₹ 6,838.28 lakhs, ₹ 6,165.78 lakhs respectively and subsequently came out from the corporate debt restructuring mechanism in the year May, 2016.

Our ability to repay these loan facilities at that point will depend on our future operating performance and ability to generate sufficient cash. This depends, to some extent, on general economic, financial, competitive, market, legislative, regulatory and other factors, many of which are beyond our control, as well as the other factors discussed in this section. No assurance can be given that our business will generate sufficient cash flows from operations or that sufficient future debt and equity financing will be available for us to pay our debts when due or to fund our liquidity needs.

There can be no assurance that these initiatives will be successful. As a result, we cannot give any assurance as to when we expect to achieve profitability. A substantial portion of our operating cash flow is required to service our debt and other payment obligations. Moreover, we may need additional external financing to offset future losses, and there can be no assurance that we will be able to arrange such financing on acceptable commercial terms or at all. If we are unable to finance losses, we will have to halt our operational expansion, which may further limit our ability to offset future losses and may have a material adverse effect on our business, results of operations, financial condition and prospects.

Competition in the industries in which we operate could result in a reduction in our market share or require us to incur substantial expenditures on advertising and marketing, either of which could adversely affect our business, results of operations and financial conditions.

The industry in which we operate is highly fragmented and competitive in India, specifically in the regions we operate. Competition may result in pricing pressure, reduced profit margin or lost market share or a failure to increase our market share, any of which could substantially harm our business and results of our operations. Competition in our businesses can be based on, among other things, pricing, innovation, perceived value, brand recognition, promotional activities, advertising, special events, new product introductions and other activities. It is difficult for us to predict the timing and scale of our competitors' actions in these areas. We expect competition to continue to be intense as our existing competitors expand their operations and introduce new products. In order to compete effectively, we must continue to maintain and develop our brand image and reputation, be flexible and innovative in responding to rapidly changing market demands and customer preferences and offer customers a wide variety of high quality products. Our failure to compete effectively, including any delay in responding to changes in the industry and market, together with increased spending on advertising, may affect the competitiveness of our products, which may result in a decline in our revenues and profitability.

Some of our competitors are larger than we are, some are more diversified with operations across India, have greater financial resources than we do, have access to a cheaper cost of capital and may be able to produce cement more efficiently or to invest larger amounts of capital into their businesses. Our business could be adversely affected if we are unable to compete with our competitors and sell cement at comparable prices. Our competitors may also introduce new and more competitive products and strong supply chain management, make strategic acquisitions or establish cooperative relationships among themselves or with third parties, including dealers/ distributors of our products, thereby increasing their ability to address the needs of our target customers. If we cannot effectively compete in pricing, provide competitive products or services or expand into new markets, this could have a material negative effect on our business, financial condition and prospects of the Company.

Our Company is dependent on the continued efforts of our senior management team.

Our success depends on the continued services and performance of the members of our management team and other senior managerial employees. They provide expertise which enables us to make well informed decisions in relation to our business and our future prospects. The loss of the services of senior management team in the organization could impair our ability to continue to manage and expand our business. Further, the loss of any other member of our senior management team may adversely affect our business. We do not maintain 'key man' life insurance for our Promoters, Exertive Directors and members of our senior management team.

The success of our business will also depend on our ability to identify, attract, hire, train, retain and motivate skilled personnel. The loss of their services or those of any other members of senior management team could impair our ability to implement our strategy and may have a material adverse effect on our business, financial condition and results of operations.

Our Promoters and members of our Promoter Group have significant influence over our operations, which will enable them to influence the outcome of matters submitted to shareholders for approval.

As of September 30, 2017, our Promoters together with members of the Promoter Group beneficially owned approximately 49.21% of our equity share capital. Please see section titled *"Principal Shareholders"* on page 149. The Promoter and members of our Promoter Group may be in a position to influence decisions relating to our business and the outcome of matters submitted to shareholders for approval. This control could delay, defer or prevent a change in control of our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of our Company. In addition, for so long as the Promoters and member of our Promoter Group continues to exercise significant control over our Company, it may influence the material policies of our Company.

We have, in the past, entered into related party transactions and may continue to do so in the future and there can be no assurance that we could not have achieved more favourable terms if such transactions had not been entered into with related parties.

We have in the course of our business entered into, and will continue to enter into, several transaction with related parties. For the fiscal year, March 31, 2017, out of ₹ 116,542.45 lakhs of our gross revenue from operations, ₹ 946.84 lakhs is related to transactions with related parties, and for the fiscal year March 31, 2017, out of ₹ 70,750.02 lakhs of our total expenses, ₹ 171.66 lakhs relates to transactions with related parties. For further details on our related party transactions, see "*Financial Statements*" on page 194.

Whilst we believe that all our related party transactions have been conducted on an arms-length basis and contain commercial terms, there can be no assurance that we could not have achieved more favourable terms if such transactions had not been entered into with related parties. Further, the transactions we have entered into, or any future transactions with our related parties, have involved or may potentially involve conflicts of interest. It is likely that we will continue to enter into related party transactions in the future and we cannot assure you that such transactions, individually or in the aggregate, will not adversely affect our financial condition and results of operations.

We are subject to stringent labour laws or other industry standards and any strike, work stoppage or increased wage demand by our employees or any other kind of disputes with our employees could adversely affect our business, financial condition, results of operations and cash flows.

Our manufacturing activities are labour intensive, which requires our management to undertake significant labour interface, and expose us to the risk of industrial action. As at October 31, 2017, we had 708 employees and 329 contract labourers. We are also subject to a number of stringent labour laws that protect the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal and legislation that imposes financial obligations on employers upon retrenchment. Our Company has recognized registered labour unions at our manufacturing facilities. There can be no assurance that we will not experience disruptions to our operations due to disputes or other problems with our work force such as strikes, work stoppages or increased wage demands, which may adversely affect our business.

Activities in our business are subject to risks of mishaps and can cause injury to people or property in certain circumstances. Any such adverse effect may hamper our reputation, business, financial condition and results of operations.

Our production facilities require individuals to work with heavy machinery, chemicals and other materials as well as in high temperatures near our kilns and at potentially dangerous heights at our kilns, grinding mills and storage silos. This work environment has the potential to cause harm and injury when due care is not exercised. Our operations, which include activities undertaken by our third-party contractors, also involve significant risks. An accident or injury that occurs in the course of our operations could result in disruptions to our business and have legal and regulatory consequences and we may be required to compensate such individuals or incur other costs and liabilities, any and all of which could adversely affect our reputation, business, prospects, financial condition and results of operations. While we carry insurance which we believe to be in line with industry practice in the cement industry, there can be no assurance that such policies will provide adequate coverage in the event of a claim.

We have certain contingent liabilities, which if materialize, may adversely affect our financial condition.

As of March 31, 2017, we had the following contingent liabilities in financial statements pursuant to Accounting Standard 29 outstanding:

(*₹ in lakhs*)

Sl. No.	Particulars	Amount
a.	Indirect Taxes Related	1,493.64
b.	Others	559.89
c.	Counter Guarantees given to Banks / Financial Institutions	531.51

In the event any of these contingent liabilities materialize, our financial condition may be adversely affected.

A major portion of our assets have been secured under our financing arrangements. A default under any of the financing arrangements may compel the lenders to sell the asset to recover its loan, which may lead to fewer assets available to us to avail further bank facilities, which may affect our financial condition, cash flow and results of operations.

We maintain bank facilities and term loans with domestic banks and other financial institutions, to provide us with general working capital and operational flexibility in connection with our business. As of September 30, 2017, our Company had a total borrowings of ₹ 39,729.28 lakhs outstanding.

In the event of a default by us on our financing agreements, our charged assets could be seized to recover the loan, leaving us with fewer assets with which to operate our business, adversely affecting our business prospects. This could also result in us having difficulty obtaining further working capital through borrowings from these or other lenders given our lack of substantial additional security capable of being charged and affect financial condition, cash flows and results of operations.

Our operations are subject to varied business risks and our insurance cover may prove inadequate to cover our economic losses.

We maintain insurance for a variety of risks, including risks relating to our buildings, plant and machinery, stocks, goods-in-transit, products, fire etc. We also maintain a group accident policy for our employees. We believe that the insurance coverage we maintain would reasonably be adequate to cover all normal risks associated with the operation of our business,

In addition, not all of the risks associated with our business may be insurable, on commercially reasonable terms or at all. Although we believe that we have obtained insurance coverage customary to our business, such insurance may not provide adequate coverage in certain circumstances and is subject to certain deductibles, exclusions and limits on coverage. To the extent that we suffer damage or losses which is not covered by insurance, or exceeds our insurance coverage, the loss would have to be borne by us. We cannot assure you that material losses in excess of insurance proceeds will not occur in the future.

Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business, prospects and results of operations.

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. GST has been implemented with effect from July 1, 2017 and has replaced the indirect taxes on goods and services such as central excise duty, service tax, central sales tax, state VAT and surcharge currently being collected by the central and state governments. The GST is expected to increase tax incidence and administrative compliance. Given the limited availability of information in the public domain concerning the GST, we are unable to provide any assurance as to the tax regime following implementation of the GST. The implementation of this new structure may be affected by any disagreement between certain state Governments, which could create uncertainty. Any such future amendments may affect our overall tax efficiency, and may result in significant additional taxes becoming payable.

We have not determined the impact of such proposed legislations on our business. In addition, unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

Any failure of our information technology systems could adversely impact our business.

Our day to day operations depend on our information technology systems. We have implemented various information technology and/or enterprise resource planning solutions to cover key areas of our operations, procurement, dispatch and accounting. We also use information technology systems for routine corporate activities such as processing of financial information, managing information pertaining to creditors/ debtors and engaging in normal business activities. Although we believe that we have effective backup systems in place, any failure or disruption in the operation of these systems or the loss of data due to such failure or disruption may affect our ability to plan, track, record and analyze work in progress and sales, process financial information, manage payables and inventory or otherwise conduct our normal business operations, which may increase our costs and otherwise adversely affect our business, financial condition and results of operations.

We rely heavily on our brands and, specifically, "Nagarjuna" brand name, the dilution of which could adversely affect our business.

We are one of the prominent manufacturers of cement in the state of Andhra Pradesh and Telangana marketed under the brand "Nagarjuna" since over 28 years. Further, we have a non-exclusive technical know-how for manufacturing of cement bonded particle board marketed under the brand *"Bison Panel"*. Our brands and reputation are among our most important assets and we believe our brands serve in attracting customers to our products in preference over those of our competitors. We believe that continuing to develop awareness of our brand, through focused and consistent branding and marketing initiatives, among retail consumers and institutional customers, is important for our ability to increase our sales volumes and our revenues, grow our existing market share and expand into new markets. Decrease in product quality due to reasons beyond our control or allegations of product defects, even when false or unfounded, could tarnish the image of the established brands and may cause consumers to choose other products. Our reputation and brands could also be affected by socially motivated groups, which could lead to a decline in our sales volume. Further, the considerable expansion in the use of social media over recent years has compounded the impact of negative publicity. Consequently, any adverse publicity involving our brand, our Company or our products may impair our reputation, dilute the impact of our branding and marketing initiatives and adversely affect our business and our prospects.

Some of our business operations are being conducted on leased premises. Our inability to seek renewal or extension of such leases may materially affect our business operations.

Premises used by our Company for its manufacturing facility located at Simhapuri, Telangana, Kondapalli, Andhra Pradesh and Paonta Sahib, Himachal Pradesh are taken on a long – term leasehold basis from third party. The premises used for our manufacturing units are taken on the basis of long term lease agreements. Further, our sales offices are taken on the basis of short-term leave and license basis from third party. Most of the short term lease deeds are not registered. There can be no assurance that these agreements will be renewed upon expiry or on terms and conditions acceptable to us. Any failure to renew these agreements or procure new premises will increase our costs or may force us to look out for alternative premises which may not be available or which may be available at more expensive prices. Any or all of these factors may have a material adverse effect upon our operation and profitability.

We have entered into certain credit facilities that are repayable on demand. Any unexpected demand for repayment of such facilities by the lenders may adversely affect our business, financial condition, cash flows and result of operations.

As of March 31, 2017, our long term and short term borrowing amounted to ₹ 26,634.03 Lakhs. Some of our borrowings are drawn on facilities that are repayable on demand. Any failure to service such indebtedness, comply with a requirement to obtain lender consent or otherwise perform such obligations under such financing agreements (including unsecured borrowings) may lead to a such borrowing being repayable on demand or termination of one or more of our credit facilities or penalties and acceleration of amounts due under such credit facilities, which may adversely affect our business, financial condition, results of operations and prospects.

Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.

The amount of our future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures. There can be no assurance that we will be able to pay dividends. Additionally, we may be restricted by the terms of our existing or future debt financing to make dividend payments only after a certain time period as will be agreed with the lenders.

Any failure on our part to keep our technical knowledge confidential could erode our competitive advantage.

Our Company considers our brand and intellectual property to be one of our most valuable assets. As part of diversification, our Company set up a plant for manufacturing cement bonded particle boards in collaboration of Bison Werke, Germany in the year 1993 at Simhapuri, Telangana and introduced prefabricated shelters based on unique track and panel system in the year 1994. Further, we have also patented our in-house developed know how for laminated bison penal cement bonded particle board. Further, some of our technical knowledge is protected only by secrecy.

Further, significant number of our employees have access to confidential design and product information and there can be no assurance that this information will remain confidential. Moreover, certain of our employees may leave us and join our various competitors. Although we may seek to enforce non-disclosure agreements in respect of research and development and certain other key employees, we cannot guarantee that we will be able to successfully enforce such agreements.

We have also filed applications for the registration of our products/ trademarks under various classes. However, this registration has not yet been granted as on the date of this Placement Document. In the absence of such protection, we may not be able to prevent infringement of our trademark and a passing off action may not provide sufficient protection until such time that this registration is granted.

Further, our trademarks are also important for our business and operations. The use of our brand name or logo by third parties could adversely affect our reputation, which could in turn adversely affect our financial performance and the market price of the Equity Shares. If our unregistered trademark is registered in favour of a third party, we may not be able to claim registered ownership of the trademark and consequently, we may be unable to seek remedies for infringement of this trademark by third parties other than relief against passing off by other entities. Further, we may become subject to claims by third parties if we use the trademark in breach of any intellectual property rights registered by such third parties. Any legal proceedings pursuant to such claims, or settlements thereunder, may divert management attention and require us to pay financial compensation to such third parties. Our inability to obtain or maintain these registrations may adversely affect our competitive business position.

Some of our Company's filings made with the registrar of companies are not traceable.

Certain of our Company's corporate filings with the RoC, including those in relation to: (a) allotment of our Equity Shares in the past; and (b) appointment of directors; are not traceable. We have, through a practicing company secretary, conducted an extensive search of our corporate records in the office of the RoC. However, we have not been able to retrieve the aforementioned documents. Hence, the corporate records of the Company could not be corroborated with the filings made with the RoC. Accordingly, we have relied on other documents, including corresponding board and/or shareholder resolutions, where available, statutory registers of members, allotment and share transfer, annual reports and audited financial statements for such matters, some of which record varying dates of such events. We cannot assure you that the above mentioned form filings and resolutions will be available in the future or that we will not be subject to penalties imposed by regulatory authorities in this respect.

External Risk Factors

The Indian cement industry is cyclical and is affected by a number of factors beyond our control.

The Indian cement industry is cyclical in nature. In recent years, cement prices and profitability of cement manufacturers have fluctuated significantly in India, depending upon overall supply and demand. A number of factors influence supply and demand for cement, including production overcapacity, general economic conditions, in particular activity levels in certain key sectors such as housing and construction, our competitors' actions and local, state and central government policies, which in turn affect the prices and margins we and other Indian cement manufacturers can realize. Excess cement production capacity in the market has been one of the major factors influencing cyclicality in the Indian cement market. Such excess capacity in cement production has in the past had a direct impact on the price at which we can sell our cement and the margins we realize. The long lead time required to add or expand capacity in the cement industry has also led to supply/demand imbalances. The long lead time makes it more difficult for Indian cement companies to time the commencement of new production facilities at a time when demand out-balances supply. To the extent it does, our business and results of operations may be materially and adversely impacted.

Our Company has transitioned in Indian Accounting Standards ("Ind-AS") and has started preparing its financial statements, from the period beginning April 1, 2016, under Ind-AS. The transition to Ind-AS in India may adversely affect us.

Our audited financial statements, including the financial statements provided in this Placement Document, are prepared in accordance with Indian GAAP, save that we also present unaudited financial statements as of and for the six month period ended September 30, 2017 on the basis of Ind-AS. We have not attempted to quantify the impact of US GAAP or IFRS on the financial data included in this Prospectus, nor do we provide are conciliation of our financial statements to those of US GAAP or IFRS. US GAAP and IFRS differ insignificant respects from Indian GAAP and Ind-AS. Accordingly, the degree to which the Indian GAAP and Ind-AS financial statements included in this Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Placement Document should accordingly be limited.

Public companies in India, including our Company, shall be required to prepare financial statements under Indian Accounting Standards.

Our Company is required to prepare their financial statements in accordance with Ind AS for periods beginning from April 1, 2017. Given that Ind AS is different in many respects from Indian GAAP under which our financial statements are currently prepared, our financial statements for the period commencing from April 1, 2017 may not be comparable to our historical financial statements. These statements have not been drawn up in accordance with Ind AS and they may be impacted if Ind AS were applied to them.

There can be no assurance that the adoption of Ind AS will not affect our reported results of operations or cash flows. In addition, our management may also have to divert its time and other resources for the successful and timely implementation of Ind AS. Moreover, our transition to Ind AS reporting may be hampered by increasing competition and increased costs for the relatively small number of Ind AS-experienced accounting personnel available as more Indian companies begin to prepare Ind AS financial statements. Any of these factors relating to the use of Ind AS may adversely affect our financial condition, results of operations and cash flows. See *"Summary of Significant Differences between Indian GAAP and Ind-AS"* on page 81.

There can be no assurance that the adoption of Income Computation and Disclosure Standards ("ICDS") will not adversely affect our business, results of operations and financial condition.

The Ministry of Finance has issued a notification dated March 31, 2015 notifying ICDS which creates a new framework for the computation of taxable income. ICDS came into effect from April 1, 2015 and are applicable to Fiscal 2017 and onwards and will have impact on computation of taxable income for Fiscal2017 and onwards. ICDS deviates in several respects from concepts that are followed under general accounting standards, including Indian GAAP and Ind AS. For example, where ICDS-based calculations oftaxable income differ from Indian GAAP or Ind AS-based concepts, the ICDS-based calculations have the effect of requiring taxable income to be recognized earlier, increasing overall levels of taxation or both. There can be no assurance that the adoption of ICDS will not adversely affect our business, results of operations and financial condition.

Any downgrading of India's debt rating by an international rating agency could have a negative impact on our business and the trading price of the Equity Shares.

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our business and future financial performance and our ability to obtain financing to fund its growth, as well as on the trading price of the Equity Shares.

If terrorist attacks or social unrest in India increases, our business could be adversely affected and the trading price of our Equity Shares could decrease.

India has from time to time experienced instances of civil unrest and terrorist attacks. These events could lead to political or economic instability in India and may adversely affect the Indian economy, our business, financial condition, results of operations and the trading price of our Equity Shares. India has also experienced social unrest, naxalite violence and communal disturbances in some parts of the country. If such tensions occur in places where we operate or in other parts of the country, leading to overall political and economic instability, it could adversely affect our business, financial condition, results of operations and the trading price of our Equity Shares.

Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. The business and the market price and liquidity of the Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The Government of India has in recent years sought to implement economic reforms and the current government has implemented policies and undertaken initiatives that continue the economic liberalization policies pursued by previous governments. There can be no assurance that liberalization policies will continue in the future. The rate of economic liberalization could change, and specific laws and policies affecting the information technology sector, foreign investment and other matters affecting investment in the securities could change as well. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and our business, prospects, financial condition and results of operations, in particular.

After this Issue, the price of our Equity Shares may be volatile.

The Issue Price will be determined by us in consultation with the BRLMs, based on Bids received in compliance with Chapter VIII of the ICDR Regulations, and it may not necessarily be indicative of the market price of the Equity Shares after this Issue is completed. The trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. Due to which the market value of an investor's investment may fluctuate

In addition, if the stock markets in general experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could adversely affect the price of our Equity Shares. There can be no assurance that an active trading market for the Equity Shares will be sustained after this Issue, or that the price at which the Equity Shares have historically traded will correspond to the price at which the Equity Shares are offered in this Issue or the price at which the Equity Shares will trade in the market subsequent to this Issue.

Investors in the Equity Shares may not be able to enforce a judgment of a foreign court against us, our directors or executive officers.

Our Company is incorporated under the laws of India. Our Company's assets are primarily located in India and all of our Company's Directors and Key Managerial Personnel are residents of India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce against them judgments obtained in courts outside India.

Recognition and enforcement of foreign judgments is provided for under Section 13 of Civil Code on a statutory basis. Section 13 of the Civil Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the Civil Code, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record. However, under the Civil Code, such presumption may be displaced by proving that the court did not have jurisdiction.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court, within the meaning of that Section, in any country or territory outside of India which the Central Government has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees not being of the same nature as amounts payable in respect of taxes, other charges of a like nature or of a fine or other penalties.

We have been advised by our Indian counsel that the United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in the United States on civil liability, whether or not predicated solely upon the federal securities laws of the United States, would not be enforceable in India. However, the party in whose favour such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action was brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy or Indian practice. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. However, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI under the Indian Foreign Exchange Management Act, 1999, to execute such a judgment or to repatriate any amount recovered.

The market value of the Equity Shares may fluctuate due to the volatility of the Indian securities markets.

Indian securities markets may be more volatile than, and not comparable to, the securities markets in certain countries with more developed economies and capital markets than India. Indian stock exchanges have, in the past, experienced substantial fluctuations in the prices of listed securities. Indian stock exchanges (including the BSE and the NSE) have experienced problems which, if such or similar problems were to continue or recur, could affect the market price and liquidity of the securities of Indian companies, including the Equity Shares. These problems have included temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of Indian stock exchanges have, from time to time, imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Further, from time to time, disputes have occurred between listed companies, stock exchanges and other regulatory bodies, which in some cases may have a negative effect on market sentiment.

Any future issuance of Equity Shares may dilute the shareholding of investors and any future sales of Equity Shares by our major shareholders may adversely affect the trading price of the Equity Shares.

The future issuance of Equity Shares by our Company, or the disposal of Equity Shares by any of our major shareholders, including by the Promoters, or if we pledge of our Equity Shares as security and are seeking to enforce such security, or the perception that such issuance or sales may occur, may significantly affect the trading price of the Equity Shares. Except for the restrictions described in the sections "Placement" and "Description of the Shares", there is no restriction on our ability to issue Equity Shares or the ability of any of our shareholders to dispose of, pledge or otherwise encumber their Equity Shares, and there can be no assurance that we will not issue Equity Shares or that our shareholders will not dispose of, pledge or otherwise encumber their Equity Shares. Future issuances of Equity Shares may dilute the shareholding of the investors and may adversely affect the trading price of the Equity Shares. Subject to applicable law, such securities may also be issued at prices below the then market price of the Equity Shares.

Our business and activities are regulated by the Competition Act, 2002.

The Competition Act, 2002, as amended (the "Competition Act") seeks to prevent practices that could have an appreciable adverse effect on competition. Under the Competition Act, any arrangement, understanding or action in concert between enterprises, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition in India is void and may attract substantial penalties. Any agreement among competitors, or practice or decision in relation to, enterprises or persons engaged in identical or similar trade of goods or provision of services which directly or indirectly determines purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services, shares markets or source of production or provision of services by way of allocation of geographical area, types of goods or services or number of customers in the relevant market is presumed to have an appreciable adverse effect on competition. The Competition Act also prohibits the abuse of a dominant position by any enterprise. Provisions of the Competition Act relating to acquisitions, mergers or amalgamations of enterprises that meet certain asset or turnover thresholds and regulations issued by the Competition Commission of India with respect to notification requirements for such combinations became effective in June 2011.

If we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, any enforcement proceedings initiated by the Competition Commission of India, any other relevant authority under the Competition Act, any claim by any party under the Competition Act or any adverse publicity that may be generated due to scrutiny or prosecution by the Competition Commission of India, our business and financial performance may be materially and adversely affected. Further the Competition Commission of India has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an appreciable adverse effect on competition in India. However, we cannot predict the impact of the provisions of the Competition Act on the agreements entered into by us at this stage.

A slowdown in economic growth in India could cause our business to suffer.

In the few years prior to Financial Year 2015, India's economy experienced a slowdown in economic growth and high inflation due to a variety of factors, including unsustainably high current account deficits, capital outflows and consequent exchange rate pressures. Despite the recent signs of an economic turnaround in the Indian economy, there is no assurance that growth will not slow down again or that inflation will not further increase in the future. A slowdown in the Indian economy could adversely affect our business and our borrowers and contractual counterparties, especially if such a slowdown were to be continued and prolonged. In periods of high rates of inflation, our costs, such as operating expenses, may increase, which could have an adverse effect on our results of operations. Inflation may also have a bearing on the overall interest rates, which may adversely affect our net interest income.

Further, in light of the increasing linkage of the Indian economy to other global economies, the Indian economy will be increasingly influenced by economic and market conditions in other countries. As a result, a recession in the United States and other countries in the developed world and a slowdown in economic growth in major emerging markets like China could have an adverse impact on economic growth in India. A slowdown in the pace of growth in the Indian economy could result in lower demand for credit and other financial products and services and higher defaults among corporate, retail and rural borrowers, which could adversely impact our business, our financial performance, our ability to implement our strategy and the trading price of the Equity Shares.

Fluctuations in the exchange rate between the Rupee and the U.S. dollar could have an adverse effect on the value of the Equity Shares, independent of our operating results.

The Equity Shares are quoted in Rupees on the BSE and NSE. Any dividends in respect of the Equity Shares will be paid in Rupees and subsequently converted into U.S. dollars for repatriation. Any adverse movement in exchange rates during the time it takes to undertake such conversion may reduce the net dividend to investors. In addition, any adverse movement in exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the net proceeds received by shareholders. The exchange rate between the Rupee and the U.S. dollar has changed substantially in the last two decades and could fluctuate substantially in the future, which may have an adverse effect on the value of the Equity Shares and returns from the Equity Shares, independent of our operating results.

An investor will not be able to sell any of the Equity Shares subscribed in this Issue other than across a recognized Indian stock exchange for a period of 12 months from the date of the issue of the Equity Shares.

Pursuant to the ICDR Regulations, for a period of 12 months from the date of the issue of our Equity Shares in this offering, investors purchasing our Equity Shares in the offering may only sell their Equity Shares on the NSE or the BSE and may not enter into any off – market trading in respect of their Equity Shares. We cannot be certain that these restrictions will not have an impact on the price of our Equity Shares. In addition to the above, investors will be subject to the respective regulations applicable to their operations and any lock-in requirements prescribed thereunder. This may affect the liquidity of the Equity Shares purchased by investors and it is uncertain

Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.

Under current Indian tax laws and regulations, capital gains arising from the sale of shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if STT has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Any gain realized on the sale of equity shares held for more than 12 months to an Indian resident, which are sold other than on a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares. See subsection titled *"Taxation—Statement of Possible Tax Benefits"* on page 160.

SEBI operates an index-based market-wide circuit breaker. Any operation of a circuit breaker may adversely affect a shareholder's ability to sell, or the price at which it can sell, the Equity Shares at a particular point in time.

We are subject to a daily "circuit breaker" imposed by recognized stock exchanges in India, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our circuit breakers is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges do not inform us of the percentage limit of the circuit breaker, and may change it without our knowledge from time to time. This circuit breaker limits the upward and downward movements in the price of the Equity Shares. This may be triggered by an extremely high degree of volatility in the market activity (among other things). Due to the existence of this circuit breaker, there can be no assurance that shareholders will be able to sell the Equity Shares at their preferred price or at all at any particular point in time.

Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of our Equity Shares.

Foreign investment in Indian securities is subject to regulation by Indian regulatory authorities. Under the foreign exchange regulations currently in force in India, transfers of the Equity Shares between non-residents and residents are permitted (subject to certain exceptions) if they comply with, among other things, the pricing guidelines and reporting requirements specified by the RBI. If the transfer of the Equity Shares does not comply with such pricing guidelines or reporting requirements, or falls under any of the exceptions referred to above, then prior approval of the RBI will be required.

Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate any such foreign currency from India will require a no objection or a tax clearance certificate from the income tax authorities. We cannot assure you that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all.

***Applicants to the Issue are not allowed to withdraw their Bids after the Bid/Issue Closing Date*.**

In terms of the Regulations 86 of the ICDR Regulations, applicants in the Issue are not allowed to withdraw their Bids after the Bid/Issue Closing Date. The Allotment of the Equity Shares in this Issue and the credit of such Equity Shares to the applicant's demat account with its depository participant could take approximately seven days and up to ten days from the Bid/Issue Closing Date. There is no assurance, however, that material adverse changes in the national and international monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation or financial condition, or other events affecting the applicant's decision to invest in the Equity Shares, would not arise between the Bid/Issue Closing Date and the date of Allotment of Equity Shares in the Issue. Occurrence of any such events after the Bid/Issue Closing Date could also impact the market price of the Equity Shares. The applicants shall not have the right to withdraw their Bids in the event of any such occurrence without the prior approval of SEBI. Our Company may complete the Allotment of the Equity Shares even if such events may limit the applicants' ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

Investors will be subject to market risks until the Equity Shares credited to the investor's demat account are listed and permitted to trade by the Stock Exchanges.

Our Company has received the in-principle approvals under Regulation 28(1) of the Listing Regulations from the Stock Exchanges and application for final listing and trading approval shall be made post allotment of the Equity Shares. Investors can start trading the Equity Shares allotted to them only after the Equity Shares have been credited to an investor's demat account, are listed and permitted to trade by the Stock Exchanges. Since our Equity Shares are currently traded on the BSE and the NSE, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account or that trading of the Equity Shares will commence in a timely manner.

Certain approvals required for the listing of the Equity Shares to be issued pursuant to the Issue may not be obtained in a timely manner or at all, in which event you may not be able to obtain ownership over any Equity Shares allotted to you.

In accordance with applicable Indian laws and regulations and the requirements of the Stock Exchanges, in principle and final approvals for the listing and trading of the Equity Shares to be issued pursuant to the Issue will not be applied for by us or granted by the Stock Exchanges until after such Equity Shares have been issued and allotted by us on the Closing Date. If there is a failure or a delay in obtaining such approvals, we may not be able to credit Equity Shares allotted to you to your Depository Participant account or assure ownership of such Equity Shares by you in any manner promptly after the Closing Date or at all. In any such event, your ownership over Equity Shares allotted to you and your ability to dispose of any such Equity Shares may be restricted. For further information on issue procedure, see *"Issue Procedure"* on page 156**.**

Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.

Under the Companies Act, a company incorporated in India must offer holders of its equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares who have voted on such resolution.

However, if the law of the jurisdiction that you are in, does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise preemptive rights granted in respect of our Equity Shares, your proportional interests in our Company may be reduced.

MARKET PRICE INFORMATION

Our Equity Shares are listed and traded on BSE and NSE. The stock market data presented below is given for the BSE and the NSE separately. As on the date of the Placement Document, the subscribed and paid-up Equity Share capital of our Company was 3,67,32,790 Equity Shares of ₹ 10 each.

The following tables set forth the reported high, low, the number of Equity Shares traded and the total trading volume on the dates on which such high and low prices were recorded and the average closing prices of the Equity Shares, on the BSE and the NSE during the Fiscals 2017, 2016 and 2015.

NSE

Year ending March	High	Date of high	No of Equity Shares traded on date of high	Total volume traded on date of high (₹ lakhs)	Low	Date of low	No of Equity Shares traded on date of low	Total volume traded on date of low (₹ lakhs)	Average price for the year*
Fiscal 2017	204.90	March 28, 2017	6,30,671	1,281.24	94.65	April 5, 2016	1,29,512	123.33	130.45
Fiscal 2016	179.45	December 15, 2015	5,88,606	1,043.50	46.30	April 1, 2015	22,611	10.41	99.48
Fiscal 2015	53.65	March 3, 2015	1,92,776	104.42	20.60	April 4, 2014	4,617	0.96	35.95

(Source: www.nseindia.com)

Notes:
** Average of the daily closing price*
(1) High and low prices in the above table are of the daily closing prices.
(2) In case of two days with the same closing price, the date with the higher volume has been considered
(3) 'Year' considered as 'Financial Year'

BSE

Month	High	Date of high	No of Equity Shares traded on date of high	Total volume traded on date of high (₹lakhs)	Low	Date of low	No of Equity Shares traded on date of low	Total volume traded on date of low (₹lakhs)	Average price for the year*
Fiscal 2017	204.60	March 28, 2017	1,45,269	297.03	94.70	April 5, 2016	21,103	20.13	130.45
Fiscal 2016	179.30	December 15, 2015	1,07,698	192.12	46.45	April 1, 2015	8,080	3.72	99.49
Fiscal 2015	53.25	March 3, 2015	1,33,873	72.22	20.70	April 4, 2014	1,200	0.25	36.00

(Source: www.bseindia.com)

Notes:
** Average of the daily closing price*
(1) High and low prices in the above table are of the daily closing prices.
(2) In case of two days with the same closing price, the date with the higher volume has been considered
(3) 'Year' considered as 'Financial Year'

The following tables set forth the reported high, low and average market prices and the number of Equity Shares traded and the total trading volume on the dates on which such high and low prices were recorded and the average closing prices of the Equity Shares, on the NSE and the BSE during the last six months preceding the date of filing of this Placement Document:

NSE

Month	High	Date of high	No of Equity Shares traded on date of high	Total volume traded on date of high (₹lakhs)	Low	Date of low	No of Equity Shares traded on date of low	Total volume traded on date of low (₹lakhs)	Average price for the month*
November, 2017	268.95	November 6, 2017	2,27,988	604.22	241.80	November 15, 2017	77,250	190.76	252.95
October, 2017	260.70	October 30, 2017	7,41,627	1921.05	222.45	October 3, 2017	36,208	80.91	232.49
September, 2017	243.55	September 14, 2017	1,01,563	245.64	220.40	September 27, 2017	81,761	182.65	231.23
August, 2017	240.15	August 28, 2017	2,33,191	560.12	196.05	August 11, 2017	63,516	123.19	219.07
July, 2017	224.25	July 6, 2017	1,39,786	312.74	195.65	July 31, 2017	97,056	192.46	216.01
June, 2017	222.50	June 16, 2017	1,35,997	303.51	202.35	June 13, 2017	53,665	110.67	212.65

(Source: www.nseindia.com)

Notes:
** Average of the daily closing price*
(1) High and low prices in the above table are of the daily closing prices.
(2) In case of two days with the same closing price, the date with the higher volume has been considered

BSE

Month	High	Date of high	No of Equity Shares traded on date of high	Total volume traded on date of high (₹lakhs)	Low	Date of low	No of Equity Shares traded on date of low	Total volume traded on date of low (₹lakhs)	Average price for the month*
November, 2017	268.30	November 6, 2017	40,035	105.37	242.45	November 15, 2017	9,895	24.40	252.85
October, 2017	260.45	October 30, 2017	1,08,946	281.98	222.35	October 3, 2017	5,166	11.56	232.19
September, 2017	243.85	September 14, 2017	17,282	41.78	217.65	September 27, 2017	6,981	15.52	231.06
August, 2017	240.15	August 28, 2017	40,270	96.79	195.55	August 11, 2017	24,781	48.28	218.99
July, 2017	224.20	July 6, 2017	21,341	47.69	196.25	July 31, 2017	14,306	28.39	215.86
June, 2017	222.70	June 16, 2017	23,868	53.30	202.45	June 13, 2017	9,585	19.81	212.46

(Source: www.bseindia.com)

Notes:
** Average of the daily closing price*
(1) High and low prices in the above table are of the daily closing prices.
(2) In case of two days with the same closing price, the date with the higher volume has been considered

The following table set forth the details of the number of Equity Shares traded and the turnover during the last six months and the Financial Years ended March 31, 2017, 2016 and 2015 on the Stock Exchanges:

Period	**Number of Equity Shares traded**		**Turnover (₹ in lakhs)**	
	BSE	**NSE**	**BSE**	**NSE**
Year ended March 31, 2017	1,29,29,897	4,88,19,610	17,861.81	65,583.87
Year ended March 31, 2016	1,72,92,237	5,39,38,289	19,373.20	61,892.05
Year ended March 31, 2015	34,63,476	68,25,949	1354.46	2,659.84
November, 2017	4,99,458	20,50,010	1,285.83	5,283.86
October, 2017	3,09,036	18,84,918	750.58	4,600.16
September, 2017	3,67,112	17,06,982	853.06	3,961.34
August, 2017	7,72,638	30,50,189	1737.71	6,921.73
July, 2017	2,59,640	14,73,927	562.50	3,192.94
June, 2017	3,26,833	17,15,573	691.81	3,665.50

(Source: www.bseindia.com and www.nseindia.com)

The following table sets forth the market price on the Stock Exchanges on August 16, 2017, the first working day following the approval of the Board of Directors for the Issue:

	NSE				**BSE**			
	Open	**High**	**Low**	**Close**	**Open**	**High**	**Low**	**Close**
Price of the Equity Shares (₹)	218.00	224.15	215.50	221.65	217.00	224.00	216.00	221.75
Number of Equity Shares traded	2,64,529				45,426			
Volume (₹ in lakhs)	585.43				100.41			

Source: www.nseindia.com, www.bseindia.com

USE OF PROCEEDS

The gross proceeds from the Issue will be ₹ 20,187.50 lakhs. The net proceeds from the Issue after deducting fees, commissions and expenses of approximately ₹ 539.07 lakhs, will be approximately ₹ 19,648.43 lakhs. ("**Net Proceeds**")

Subject to compliance with applicable laws and regulations, our Company intends to use the Net Proceeds primarily for repayment or pre-payment of outstanding indebtedness of our Company, acquisition of additional limestone mines, investment and any other purposes as may be permissible under applicable law.

The amounts and timing of any expenditure will depend on, among other factors, the amount of cash generated by our operations, competitive and market developments and the availability of acquisition or investment opportunities on terms acceptable to us. In accordance with the decision of our Board, our management will have flexibility in applying the Net Proceeds of this Issue. Such investments will be in accordance with the investment policies approved by the Board and/ or a duly authorized committee of the Board, from time to time, and will also be in accordance with all applicable laws and regulations.

The Net Proceeds of the Issue are not proposed to be utilized towards any specific project. Accordingly, the requirement to disclose (i) the break-up of cost of the project, (ii) means of financing such project, and (iii) proposed deployment status of the proceeds at each stage of the project, are not applicable.

Pending utilisation of the Net Proceeds for the purposes described above, our Company intends to temporarily invest the funds in bank deposits, high quality interest/dividend bearing liquid instruments, including money market mutual funds, as approved by the Board in accordance with the investment policy and applicable laws.

Our Promoters or Directors are not making any contribution either as part of the Issue or separately in furtherance of the proceeds of the Issue.

CAPITALIZATION STATEMENT

Our authorized capital is ₹ 6,200 lakhs consisting of 6,20,00,000 Equity Shares of ₹ 10 each. Prior to the Issue, the issued, subscribed and paid-up share capital of our Company is ₹ 3,673.28 lakhs comprising of 3,67,32,790 Equity Shares of ₹ 10 each. For further details please see section "*Capital Structure*" beginning on page 63.

The following table sets forth our Company's capitalisation and total debt as on March 31, 2017, based on the Audited Financial Statements, and as adjusted to reflect the receipt of the proceeds of this Issue and the application thereof.

This capitalization table should be read with the section "*Management's discussion and analysis of financial condition and results of operations*" and other financial information contained in the section "*Financial Statements*" beginning on page 66 and 194 respectively.

Details based on Audited Financial Statements of the Company

(₹ in lakhs)

S. No	Particulars	Pre – Issue	Post Issue
		As at March 31, 2017	**Amount after considering the Issue**
I	**Borrowings:**		
	Long term Borrowings	24,353.88	24,353.88
	Short Term Borrowing	6,396.10	6,396.10
	Current Maturities	770.15	770.15
	Total borrowings – a	**31,520.13**	**31,520.13**
II	**Shareholders' fund**		
	Equity Share Capital	3,673.28	4,523.28
	Reserves and Surplus	20,375.61	39,713.11
	Total Shareholders' Funds (B)	**24,048.89**	**44,236.39**
	Total Capitalisation (a) + (b)	**55,569.02**	**75,756.52**

CAPITAL STRUCTURE

The share capital of our Company, as on the date of this Placement Document is set forth below:

No.	Particulars	Amount (In ₹lakhs)
		Aggregate nominal value
A.	**Authorised Share Capital**	
	6,20,00,000 Equity Shares of ₹ 10 each	6,200.00
B.	**Issued, Subscribed and Paid-Up Share Capital before the Issue**	
	3,67,32,790 Equity Shares of ₹ 10 each	3,673.28
C.	**Present Issue in terms of this Placement Document**[(a)]	
	Issue of 85,00,000 Equity Shares of ₹ 10 each	850.00
D.	**Issued, Subscribed and Paid-Up Share Capital after the Issue**	
	45,232,790 Equity Shares of ₹ 10 each	4,523.28
E.	**Securities Premium Account**	
	Before the Issue	2,321.59
	After the Issue	21,659.09

Notes:

The Issue has been authorised by the Board of Directors vide a resolution passed at its meeting held on August 14, 2017 and by the shareholders of our Company vide a special resolution passed pursuant to sections 42 and 62(1)(c) of the Companies Act at the AGM / EGM held on September 22, 2017.

NOTES TO THE CAPITAL STRUCTURE

1. History of Equity Share Capital of our Company

Date of Allotment / Fully Paid-up	No. of Equity Shares allotted	Face value (₹)	Issue Price(₹)	Nature of consideration	Nature of Allotment
September 19, 1979	450	10	10.00	Cash	Subscription to Memorandum of Association dated August 17, 1979
December 18, 1979	89,237	10	10.00	Cash	Allotment on preferential basis
July 29, 1980	12,750	10	10.00	Cash	Allotment on preferential basis
July 1, 1981	6,37,563	10	10.00	Cash	Allotment on preferential basis
April 12, 1983	11,10,000	10	10.00	Cash	Initial Public Offering
December 31, 1987	1,50,000	10	10.00	Cash	Allotment on preferential basis
April 2, 1990	92,00,000	10	10.00	Cash	Further Public Offer and Rights Issue*
May 27, 1991	18,720	10	NA	Other than cash	Allotment of Equity Shares pursuant to the order of BIFR dated March 14, 1990**
July 13, 1992	27,16,105	10	10.00	Cash	Rights Issue
June 29, 1994	13,00,000	10	10.00	Cash	Conversion of unsecured loan into Equity Shares
September 10, 1994	10,00,000	10	10.00	Cash	Allotment on preferential basis
May 16, 2006	1,29,87,860	10	18.00	Cash	Rights Issue

Date of Allotment / Fully Paid-up	No. of Equity Shares allotted	Face value (₹)	Issue Price(₹)	Nature of consideration	Nature of Allotment
May 16, 2007	23,81,250	10	NA	Other than cash	Allotment of Equity Shares pursuant to the Scheme of Arrangement***
March 31, 2008	9,00,000	10	45.00	Cash	Conversion of warrants into Equity Shares
April 15, 2008	5,15,748	10	45.00	Cash	Conversion of warrants into Equity Shares
March 23, 2009	8,00,000	10	45.00	Cash	Conversion of warrants into Equity Shares
August 21, 2009	11,17,652	10	45.00	Cash	Conversion of warrants into Equity Shares
May 26, 2015	17,95,455	10	22.00	Cash	Allotment on preferential basis

**Comprising of a) allotment of 40,00,000 Equity Shares of ₹ 10 each for cash to the existing equity shareholders of our Company on Right basis in the ratio of two shares for one share held, b) 2,00,000 Equity Shares of ₹ 10 each for cash to the Employees (including working directors), workers of our Company; and c) 40,00,000 Equity shares of ₹ 10 each offered for subscription to the public for cash.*

***Our Company allotted 18,720 Equity Shares to shareholders of Klayman Porcelains Limited as per Rehabilitation Cum Merger Scheme of Klayman Porcelains Limited with our Company as per BIFR order dated March 14, 1990. As per the Order, 2 Equity Shares of the face value of ₹ 10 each of our Company be allotted for every 5 Equity Shares of Klayman Porcelains Limited of face value of ₹ 100 each.*

**** The Equity Shares were allotted pursuant to the scheme of amalgamation of NCL Energy Limited with NCL Industries approved by High Court of Andhra Pradesh by its order dated March 13, 2007.*

2. Equity Shares issued for consideration other than cash by our Company

In the last one year preceding the date of the Placement Document, our Company has not issued any Equity Shares for consideration other than cash.

DIVIDEND POLICY

The declaration and payment of dividends by our Company is governed by the applicable provisions of the Companies Act, 2013 and our Memorandum of Association and Articles of Association. Under the Companies Act, 2013, the board of directors of a company recommends the payment of dividend and the shareholders approval of the same at a general meeting. The Articles of Association grant discretion to the Board to declare and pay interim dividends as it may think fit. The shareholders have the right to decrease but not to increase the dividend amount recommended by the Board of Directors.

The details of the dividends declared by our Company in respect of the fiscal years 2017, 2016 and 2015 are set out below. Any amounts paid as dividends in the past are not necessarily indicative of the future dividend policy or dividend amounts of our Company.

Fiscal Year	Dividend per Equity Share (₹)	Amount of dividend declared exclusive of tax (₹ in lakhs)	Dividend tax (₹ in lakhs)	Total amount of dividend (₹ in lakhs)	Rate of dividend (in %)
2017	2.50	918.32	186.96	1,105.28#	25%*
2016	2.00	734.66	149.56	884.22	20%
2015	NIL	NIL	NIL	NIL	NIL

#Including dividend and tax
** Including proposed dividend*

Our Company has no formal dividend policy. The amounts paid as dividends in the past are not necessarily indicative of the dividend policy of our Company or dividend amounts, if any, in the future. The declaration of dividends will depend on a number of internal and external factors, including but not limited to the stability of earnings, cash flow position from operations, future capital expenditure, industry outlook and stage of business cycle for underlying businesses, leverage profile and capital adequacy metrics, overall economic / regulatory environment, contingent liabilities, past dividend trends or any such alternate profit distribution measure and any other contingency plans. There is no guarantee that any dividends will be declared or paid or that the amount thereof will not be decreased in the future.

For a summary of certain Indian tax consequences of dividend distributions to shareholders, please see section *"Taxation"* beginning on page 185.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Prospective investors should read this discussion and analysis of our financial condition and results of operations in conjunction with our Audited Financial Statements as of and for the Fiscals 2015, 2016 and 2017 prepared under Indian GAAP, included in "Financial Statements". Our Company's Fiscal ends on March 31 of each year. Accordingly, all references to a particular fiscal are to the 12 month period ended March 31 of that year. You should also read the section titled "Risk Factors" at page 38 of this Placement Document, which discusses a number of factors and contingencies that could impact our financial condition and results of operations.

Our Audited Financial Statements included in this Placement Document have been prepared in accordance with the Companies Act, 2013, and Indian GAAP, while our Unaudited Financial Results included in this Placement Document have been prepared and presented in accordance with Ind-AS 34. Accounting policies and principles under Ind-AS differ in certain material respects from Indian GAAP. In addition, Indian GAAP and Ind-AS also differ in certain material respects from U.S. GAAP and IFRS. For certain qualitative information on the differences between Indian GAAP and Ind-AS, see "Significant Differences between Indian GAAP and Ind-AS" on page 81. The Audited Financial Statements and the Unaudited Financial Results are therefore not comparable. Investors are advised to avail independent financial and accounting advice to analyse the impact of the application of Ind-AS to the preparation and presentation of our financial statements. We cannot assure you that we have completed a comprehensive analysis of the effect of Ind-AS on our future financial information or that the application of Ind-AS will not result in a materially adverse effect on our future financial information.

Overview

We are the flagship company of the NCL Group and one of the prominent manufacturers of cement in Southern India marketed under the brand *"Nagarjuna Cement"* for over 28 years. Being one of the established cement brands in southern India, we have gradually expanded our reach in the states of Andhra Pradesh, Telangana, Tamil Nadu and Karnataka. We also manufacture Cement Bonded Particle Boards (CBPB) under the brand name *"Bison Panel"* which have unique applications for ceilings, partitions, wall claddings, flooring, etc. Over the years, we have expanded our product offerings by venturing in to different business segments namely CBPB, Ready Mixed Concrete (RMC), prefab houses and hydropower generation.

We own and operate integrated manufacturing facilities for production of cement located at Simhapuri, Suryapet District, Telangana and Kondapalli, Krishna District, with an overall installed capacity of 2.70 MTPA and clinker capacity of 2.6 MTPA besides operating three (3) limestone mines having an aggregate reserves of approximately 200MT. We have an extensive distribution network comprising of over 1900 active dealers and distributors as on October 31, 2017.

Our diversified product portfolio primarily caters to the infrastructure, construction, railways and commercial sector and provides an improved product mix to our customers and their preferences thereby targeting a wider customer base. Our growth is further driven by our ability to make available an assortment of quality products under trusted brands built over decades. This product portfolio includes the following categories:

- *Cement Division* – includes the manufacturing and grinding of cement and covers various grades of ordinary portland cement, portland pozzolona cement. In addition, we also manufacture a special cement (IRS Grade 53S) to cater the needs of Indian Railways for concrete sleepers. Ordinary portland cement covers premium blend cement which is a blend of more than two types of cements namely 43 grade and 53 grade OPC.

- *RMC Division* – includes manufacturing of ready mix concrete, which consists of a key ingredient OPC 53 grade cement and concrete mixture of different grades of materials namely sand, black granite material, fly ash and portable water required in construction sector.

- *Boards Division* – includes the manufacturing of cement bonded particle board which is a combination of 62% cement and 28% wood (usually eucalyptus and poplar) that involves a homogenous mix formation and curing in an eco-friendly manner, marketed under the brand '*Bison Panel'*. We manufacture these boards with a thickness ranging of from 6mm to 40mm. These boards are manufactured with the technology imported from Bison Werke of Germany. These boards are chemically and dimensionally stable, strong and durable, not affected by fire, weather, termites, etc. and possess a smooth surface with wood workability. These boards can be used for doors, false ceilings, external and internal wall claddings, mezzanine flooring, acoustic roofs, car porch ceilings, roof underlays, interior and exterior walls, single and double skin partitions, guard rooms, duct covers, building facades, furniture, cupboards, school benches, kitchen underlays, outdoor cabins, prefab shelters, wall sidings, etc. and can be customized according to the preferences of the customers.

- *Prefab Division* – includes track and panel system with the prime material as Bison Panel (cement bonded particle board). The panel walls of the shelters are made in double skin with Bison Panel and expanded polystyrene in between. The wall panels are assembled by anti – corrosive steel profiles and structural steel selections which are color coated. Prefabricated shelters are commonly used by the army and paramilitary organizations for the temporary living arrangements.

- *Energy Division* – it was established for setting up mini hydel projects for generation of power from renewable sources of energy to meet the growing demand of electric power in India. We have completed two hydel plants at Pothireddypadu mini-Hydel Project and Tunga Bhadra Dam mini-Hydel Project, each generating/ producing 7.5MW and 8.25MW respectively.

Our Cement Division is a major revenue contributor with 85.73% of the gross revenue from operations for Fiscal 2017 while RMC Division, Boards Division and Energy Division contributed 4.27%, 9.81%, and 0.19% of the gross revenue from operations for Fiscal 2017.

We commenced our operations in the year 1979 with cement commercial production of 66,000 TPA with one production plant under brand name "*Nagarjuna Cement*" and since then have expanded our operations under various segments. As on the date of this Placement Document, we have set up eight (8) strategically located manufacturing facilities in the state of Telangana, Andhra Pradesh, Karnataka and Himachal Pradesh through which we carry on our business operations.

Our operations are subject to environmental laws and regulations, which govern, among other things the handling, storage and disposal of hazardous substances and wastes, there mediation of contaminated sites, natural resource damages, and employee health and safety. In this regard, we have received ISO 9001:2008 certification for manufacture and supply of cement bonded particle boards and IS 15786:2008 and 14276:1995 certification for pre laminated cement bonded particle board for the products manufactured by us.

With an aim to offer a comprehensive range of products, we have expanded our product offerings which have resulted in enhanced growth and profitability. To streamline our sales and enhance a distinct brand visibility, we have established a pan – India distribution network. This distribution network includes 1,900 distributors and dealers for distribution of cements and cement bonded particle board pan India as on October 31, 2017. Our total number of cement dealers have consistently grown from 900 in Fiscal 2015 to 1050 in Fiscal 2016 and to 1600 in Fiscal 2017 and number of CBPB distributors have consistently grown from 245 in Fiscal 2015 to 295 in Fiscal 2016 and to more than 300 in Fiscal 2017, thereby increasing our customer base. We believe this pan-India distribution network ensures that our products are easily available in almost any part of India. Further, we continue to engage in various marketing initiatives to build brand awareness and recall value for our products and to grow our market share. In addition to leveraging and engaging our distribution network for marketing initiatives, we also undertake direct promotional initiatives like advertising our products through broadcast media and print media. Additionally, we also hold meetings with masons, carpenters, fabricators, engineers as well as conduct exhibitions. .

Important note on application of Ind-AS and its impact on the preparation and presentation of our Financial Statements

Our Audited Financial Statements for Fiscals 2015, 2016 and 2017 included in this Placement Document have been prepared in accordance with the Companies Act, 2013, and Indian GAAP, while the Unaudited Financial Results relating to the six months period ended September 30, 2017 have been prepared and presented in accordance with Ind-AS 34. Accounting principles under Ind-AS vary in many respects from accounting principles under Indian GAAP, and our Unaudited Financial Results prepared and presented in accordance with Ind-AS 34 are therefore not comparable to the Audited Financial Statements or any of our other historical financial statements prepared under Indian GAAP.

As required under applicable regulations, and for the convenience of prospective investors, we have included the following in this Placement Document:

- Audited Financial Statements for Fiscals 2015, 2016 and 2017 prepared under Indian GAAP, together with their respective audit reports dated May 30, 2015, May 30, 2016 and May 27, 2017. The Audited Financial Statements and the respective audit reports are included in *"Financial Statements"* commencing on page 194;

- Unaudited Financial Results relating to the six months period ended September 30, 2017 prepared and presented under Ind-AS 34 and subjected to a limited review. The Unaudited Financial Statements together with the limited review report dated December 2, 2017 are included in "*Financial Statements*" commencing on page 194. The Unaudited Financial Statements and the notes thereto also include certain information on reconciliation between Indian GAAP and Ind-AS, see "*Financial Statements – Unaudited financial results– Explanation of transition to Ind-AS*" on page 194;

- The Unaudited Financial Results of the Company for the six months period ended September 30, 2017 presented in compliance with SEBI Listing Regulations prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 – *"Interim Financial Reporting's"* ("**Ind AS – 34**"), prescribed under Section 133 of the Companies Act read with relevant rules issued thereunder and other accounting standards in India.

For the convenience of potential investors, we have also included in this Placement Document information on the "*Significant Differences between Indian GAAP and Ind-AS"* on page 81, which sets out the qualitative differences between Indian GAAP and Ind-AS that are, or in the future may become, applicable to our financial statements. Such comparative statement has been included for illustrative purposes only and does not imply that all such differences apply, or will apply, to the manner in which our financial statements are prepared and presented under Ind-AS, as applicable or otherwise. In addition, the impact of any such differences may vary materially from the impact reflected in the Unaudited Financial Results included in this Placement Document. The preparation of our financial statements in accordance with Ind-AS requires our management to make judgments, estimates and certain assumptions. The estimates and assumptions used in the preparation of such financial statements in accordance with Ind-AS will be based upon management's evaluation of the relevant facts and circumstances as on the date of the relevant financial statements, and such estimates and underlying assumptions may be reviewed in the future on an on-going basis.

Potential investors should consult their own professional advisors for an understanding of the differences between Indian GAAP and Ind-AS and how those differences might affect the financial information disclosed in this Placement Document.

Key factors affecting our financial condition and our results of operations

Our financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the section entitled *'Risk Factors'* on page 38 of this Placement Document. The following is a discussion of certain factors that have had, and we expect will continue to have, a significant effect on our financial condition and results of operations.

Demand for cement and cement bonded particle boards

Our Company is heavily reliant on demand for cement which is closely related to growth in the construction sector and is primarily derived from growth in segments like housing, infrastructure and commercial and industrial segments particularly in the states of Andhra Pradesh, Telangana, Karnataka and Tamilnadu.

Cement demand in southern region has been flattish for the last 5-6 years in the absence of major infrastructure projects in the region coupled with realty slump in key markets. However, revival in rural housing coupled with uptick in construction of infrastructure projects especially roads, irrigation projects, and urban infrastructure projects shall support demand, thereby at an annualized level cement demand is expected to grow at 7% y-o-y in FY17 in the southern region.

Competition and prices

We operate in an increasingly competitive market. We face competition from other manufacturers, traders, suppliers and importers in relation to our Cement Division. Suppliers in our industry compete based on key attributes including product quality, technical competence, strength of sales and distribution network, pricing and timely delivery.

Further, many of our competitors may have significant competitive advantages, including greater brand recognition and greater access to financial, research and development, marketing, distribution and other resources, larger product offerings and greater specialization than us. Our competitors may further, enter into business combinations or alliances that strengthen their competitive positions or prevent us from taking advantage by entering into such business combinations or alliances. Increasing competition may result in pricing pressures or decreasing profit margins or lost market share or failure to improve our market position, any of which could substantially harm our business and results of operations. We will be required to compete effectively with our existing and potential competitors, to maintain and grow our market share and in turn, our results of operations.

Power and fuel cost

Power costs, together with fuel costs for coal and fuel oil, generally comprise one of the largest portion of our Company's total expenditures. Coal still remains our primary source of fuel. Fluctuations in the prices of fuel oil, coal and power, therefore, have, and will continue to have, a significant direct impact on our results of operations.

Taxation

The Government of India may from time to time implement new policies using economic or administrative means to regulate the cement industry. Cement in India is a highly taxed commodity with various taxes and levies comprising a significant portion of the end-user price. The key levies on cement are excise duty and sales tax or value added tax.

Other factors

Besides the four broad factors, as mentioned above and except as otherwise stated in this Placement Document, the following factors could cause actual results to differ materially from the expectations:

1. Changes in fiscal, economic or political conditions in India;
2. Company's ability to successfully implement its strategy and its growth and expansion plans;
3. Increasing competition in the construction industry;
4. Increase in labour costs, raw materials prices, prices of plant and machineries and insurance premia;
5. Changes in the value of the Indian rupee and other currencies;
6. Regulatory changes pertaining to the industry in which our Company operates and its ability to respond to them; and
7. Our Company's ability to obtain financing on favourable terms.

Significant Accounting Policies

a. Accounting Concepts

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

b. **Fixed Assets and Depreciation**

Fixed Assets are stated at the cost of acquisition or construction and putting it to working condition Depreciation on Buildings and Plant & Machinery is charged on straight line method and other assets on Written Down Value method based on the useful lives of the assets, as per Schedule II of the Companies Act 2013 and depreciation on Assets of Energy Division is charged as per Part B of the Schedule II.

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

c. Inventories

i. Raw Materials and other Materials are valued at weighted average cost.
ii. Stores and Spares at Cost
iii. Work - in - Process at cost of material plus labour and other overheads and
iv. Finished Goods at Cost or net realisable value whichever is lower.

d. Employee Benefits

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

e. Income Tax Expense

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

f. Foreign Currency Transactions

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

Components of our Revenue and Expenses

Total Revenue

Our total revenue consists of (a) revenue from operations and (b) other income.

Our total revenue for the Fiscals 2017, 2016 and 2015 was ₹ 1,16,542.45 lakhs, ₹ 99,431.74 lakhs and ₹ 79,157.37 lakhs, respectively.

Our total revenue comprises of:

Revenue from Operations

Our revenue from operations comprises revenue from the sale of products and other operating revenue. Our revenue from sale of products majorly comprises revenues from Cement Division, RMC Division and Boards Division. Our other operating revenues primarily comprise sale of scrap, insurance claims and incentive received from the government. Details of our gross revenue from operations and its percentage of total gross revenue for the Fiscal 2017, 2016 and 2015 are as follows:

(*₹ in lakhs*)

Particulars	**Amount**	**% of total revenue**	**Amount**	**% of total revenue**	**Amount**	**% of total revenue**
Cement Division	91,085.30	85.73%	75,899.29	83.88%	58,778.63	81.00%
Boards Division	10,424.17	9.81%	10,136.00	11.20%	9,131.24	12.58%
Prefab Houses	-	0.00%	-	0.00%	35.86	0.05%
Energy Division	204.78	0.19%	237.32	0.26%	651.41	0.90%
RMC division	4,537.41	4.27%	4,211.06	4.65%	3,969.53	5.47%
Gross Revenue from Operations (inclusive of taxes on sales)	**106,251.66**	**100.00%**	**90,483.67**	**100.00%**	**72,566.67**	**100.00%**

Other income

Other income comprises of income from operations of truck besides recurring income and non-recurring income. Recurring income usually comprises of interest income and dividend income. Non recurring income usually comprise of profit on sale of assets (net) and sale of long term investments.

(*₹ in lakhs*)

Particulars	**Amount**	**% of total revenue**	**Amount**	**% of total revenue**	**Amount**	**% of total revenue**
Interest income	183.45	0.24%	118.78	0.18%	91.55	0.17%
Profit/(Loss) from sale of assets	(0.10)	0.00%	-	0.00%	(0.45)	
Scrap sales	52.69	0.07%	57.31	0.09%	67.55	0.13%
Income from operations of trucks	116.85	0.15%	122.83	0.19%	98.07	0.18%
Other Income	10.76	0.01%	12.71	0.02%	19.87	0.04%
Exchange fluctuation	0.31	0.00%	2.30	0.00%	2.81	0.01%
Net prior year adjustments		0.00%	2.33	0.00%	206.32	0.38%
Other Income (B)	**363.96**	**0.47%**	**316.26**	**0.48%**	**485.72**	**0.90%**

Expenses

Our total expenses for the Fiscals 2017, 2016 and 2015 were ₹ 70,750.02 lakhs, ₹ 59,554.87 lakhs, ₹ 52,643.66 lakhs, respectively. Our total expenses, also expressed as a percentage of our total revenues, as reflected in our Audited Financial Statements for Fiscals 2017, 2016 and Fiscal 2015 is as follows:

Our total expenses comprises of cost of material consumed, changes in inventory, employee benefit expenses, other expenses, finance costs and depreciation and amortization.

Cost of material consumed

Our expenditure on material consumed majorly accounts for cement and board division that primarily consists of:

(*₹ in lakhs*)

Raw Materials	**Amount**	**% of total revenue**	**Amount**	**% of total revenue**	**Amount**	**% of total revenue**
Limestone	3,393.40	4.41%	2,488.30	3.75%	1,887.87	3.50%
Al Laterite	1,117.69	1.45%	767.28	1.16%	572.61	1.06%
Gypsum	1,144.94	1.49%	858.81	1.29%	692.96	1.29%
Iron Ore/Iron Ore Powder	641.56	0.83%	825.12	1.24%	664.73	1.23%
Flyash	813.10	1.06%	748.68	1.13%	531.47	0.99%
Purchased Clinker consumption		0.00%	0.00	0.00%	41.54	0.08%
Clinker consumption at Kondapalli plant	16,277.31	21.16%	13,106.62	19.74%	10,020.48	18.60%
Cement consumption in other divisions	3167.55	4.12%	3,081.17	4.64%	2,968.07	5.51%
Wood	1,587.00	2.06%	1,693.89	2.55%	1861.21	3.45%
Chemicals	394.52	0.51%	364.38	0.55%	361.49	0.67%
Paper	212.65	0.28%	200.43	0.30%	173.12	0.32%
Bison panel boards consumption in prefab division	-	0.00%	0.00	0.00%	1.06	0.00%
Steel	-	0.00%	0.00	0.00%	47.10	0.09%
Ready mix concrete materials	1,609.90	2.09%	14,46.08	2.18%	1,291.87	2.40%
Other materials	17.00	0.02%	9.61	0.01%	0.00	0.00%
Cost of trading goods	130.47	0.17%	16.41	0.02%	7.33	0.01%
Total	**30,507.09**	**39.66%**	**25,606.78**	**38.57%**	**21,122.91**	**39.21%**

Purchase of stock-in-trade and changes in inventories of finished goods and work-in-progress

The changes in inventories of finished goods, work in progress and stock-in-trade include (a) changes in the opening stock of our finished products, work in progress and stock-in-trade and (b) changes in the closing stock of our finished products, work in progress and stock-in-trade which includes the difference in the excise duty on the opening stock and the closing stock.

Employee benefit expense

Our employee benefit expenses comprise of salaries, wages, bonus and allowance, managerial remuneration, contribution to provident fund and other funds and staff welfare expenses. Employee benefit expense accounted for 4.56%, 4.78% and 4.67% of our total revenue for Fiscals 2017, 2016 and 2015 respectively.

Other expenses

Our other expenses include other manufacturing expenses, selling and distribution expenses and other administrative expenses which include, amongst others, cost of fuel, cost of power, cost of transportation, selling expenses, rent, rates, taxes and licenses, insurance, legal and professional expenses, auditor's remuneration and travelling &conveyance expenses. Other expenses accounted for 63.20%, 61.05% and 63.71%of our total revenues for Fiscals 2017, 2016 and 2015 respectively.

Finance costs

Our finance costs primarily comprise of interest paid on our debt facilities, including term loans, working capital loans, redeemable non-convertible debentures and deposit and others, processing charges. Our finance costs accounted for 4.05%, 4.61% and 6.89% of our total revenue for Fiscals 2017, 2016 and 2015 respectively.

Depreciation and amortization expenses

While the depreciation on buildings and plant and machinery is charged on straight line method, other assets are being charged on written down value method. Depreciation and amortisation on additions or disposal is charged on pro rata basis. Until March 31, 2014, depreciation and amortisation was charged at the rates prescribed in Schedule XIV of the Companies Act, 1956. Effective from April 1, 2014, our Company has charged depreciation and amortisation based on the revised remaining useful life of assets as per the requirements of Schedule II of the Companies Act, 2013 except in case of certain plant & machineries whose useful life is as assessed by certified external technical expert's assessment. Our depreciation and amortization expenses accounted for 3.27%, 3.79% and 4.74% of our total revenue for Fiscals 2017, 2016 and 2015 respectively.

Summary of Audited Profit & Loss Account

(₹ *in lakhs*)

Particulars	Fiscal 2017		Fiscal 2016		Fiscal 2015	
	Amount	**% of Total Revenue**	**Amount**	**% of Total Revenue**	**Amount**	**% of Total Revenue**
Revenue from Operations (Net)	76,551.84	99.53%	66,076.89	99.52%	53,391.67	99.10%
Other Income	363.96	0.47%	316.26	0.48%	485.72	0.90%
Total Revenue	**76,915.80**	**100%**	**66,393.15**	**100%**	**53,877.39**	**100%**
Cost of materials consumed	12,371.49	16.08%	11,038.49	16.63%	9,650.69	17.91%
Purchases of Stock-in-trade	-	0.00%	-	0.00%	-	-
Changes in inventories of finished goods, work in progress and stock in trade	633.69	0.82%	(767.95)	-1.16%	(116.21)	-0.22%
Manufacturing Expenses						
Cost of Fuel	12,291.75	15.98%	10,353.24	15.59%	10,989.87	20.40%
Cost of Power	8,349.82	10.86%	7,855.76	11.83%	6,307.44	11.71%
Packing materials	3,362.61	4.37%	2,801.91	4.22%	2,539.34	4.71%
Stores & spares consumed	2,592.41	3.37%	2,581.49	3.89%	1,453.64	2.70%
Repairs & maintenance- Plant & machinery	925.70	1.20%	952.58	1.43%	1,169.34	2.17%

Particulars	Fiscal 2017		Fiscal 2016		Fiscal 2015	
	Amount	% of Total Revenue	Amount	% of Total Revenue	Amount	% of Total Revenue
Repairs & maintenance- Buildings	-	0.00%	0.10	0.00%	1.23	0.00%
Repairs & maintenance- Others	100.70	0.13%	59.63	0.09%	49.79	0.09%
Direct Manufacturing expenses	371.42	0.48%	320.97	0.48%	282.89	0.53%
Total	**27,994.41**	**36.40%**	**24,925.68**	**37.54%**	**22,793.54**	**42.31%**
Employee benefit expenses						
Salaries, wages and bonus	2,786.51	3.62%	2,503.62	3.77%	2,148.98	3.99%
Managerial remuneration	404.87	0.53%	422.35	0.64%	173.25	0.32%
Contribution to provident and other funds	135.39	0.18%	110.28	0.17%	103.59	0.19%
Staff welfare expenses	179.56	0.23%	138.57	0.21%	87.70	0.16%
Total	**3,506.33**	**4.56%**	**3,174.82**	**4.78%**	**2,513.52**	**4.67%**
Finance costs						
Interest on term Loans	47.02	0.06%	1,335.97	2.01%	1,404.28	2.61%
Interest on working capital	587.19	0.76%	647.56	0.98%	841.06	1.56%
Interest on deposits	919.89	1.20%	1,042.44	1.57%	1,466.69	2.72%
Interest on redeemable non convertible debentures	1,557.23	2.02%	34.51	0.05%		
Total	**3,111.33**	**4.05%**	**3,060.48**	**4.61%**	**3,712.03**	**6.89%**
Depreciation and amortization expenses						
Depreciation	2,513.60	3.27%	2,486.78	3.75%	2,539.83	4.71%
Amortisation	-	0.00%	29.22	0.04%	16.24	0.03%
Total Other expenses	**2,513.60**	**3.27%**	**2,516.00**	**3.79%**	**2,556.07**	**4.74%**
Total	**20,619.17**	**26.81%**	**15,607.35**	**23.51%**	**11,534.02**	**21.41%**
Less Internal Transfer expenses						
Total expenses	**70,750.02**	**91.98%**	**59,554.87**	**89.70%**	**52,643.66**	**97.71%**
Profit before tax	**6,165.78**	**8.02%**	**6,838.28**	**10.30%**	**1,233.72**	**2.29%**

Fiscal 2017 compared to Fiscal 2016

Revenue

Revenue from Operations

Our revenue from operations increased by 15.85% from ₹ 66,076.89 lakhs in Fiscal 2016 to ₹ 76,551.83 lakhs in Fiscal 2017 primarily due to increase in the quantity of cement sold from 12,64,561 MT in Fiscal 2016 to 15,30,541 MT in Fiscal 2017 and increase in sale of cement bonded particle board from 60,358 MT in Fiscal 2016 to 60,657 MT in Fiscal 2017.

Other income

Our other income increased by 15.08% from ₹ 316.26 lakhs in Fiscal 2016 to ₹ 363.96 lakhs in Fiscal 2017 primarily due to increase in interest income by 64.67 lakhs or 54.45% from 118.78 lakhs in Fiscal 2016 to 183.45 lakhs in Fiscal 2017 and being marginally offset by income from operation of trucks by 4.87% from 122.83 lakhs in Fiscal 2016 to 116.85 lakhs in Fiscal 2017.

Total Expenditure

Cost of material consumed

Our expenditure on material consumed increased by 12.08% from ₹ 11,038.49 lakhs in Fiscal 2016 to ₹ 12,371.49 lakhs in Fiscal 2017 on mainly on account of increase in consumption of the raw materials such as limestone (36.37%), laterite (45.67%), gypsum (33.32%), ready mix concrete materials (11.33%), partly offset by 22.25% decreased in powder consumption and 6.31% decrease in the consumption of wood. As a percentage of total revenue, our material consumption stood at 16.08% in Fiscal 2017 and 16.63% in Fiscal 2016.

Changes in inventories of finished goods and work in progress

In Fiscal 2016, there was an increase in change in inventories of finished goods and work-in-progress at ₹ 767.95 lakhs compared to a decrease at ₹ 633.69 lakhs in Fiscal 2017. Our inventories of finished goods and work in progress, as a percentage of our total revenue, stood at 0.82% during Fiscal 2017 as compared to 1.16% in Fiscal 2016.

Employee benefits

Our employee benefits expenses increased by 10.44% from ₹ 3,174.82 lakhs in Fiscal 2016 as compared to ₹ 3,506.33 lakhs for the Fiscal 2017, primarily due to annual increase of salary and wages and staff welfare expenses by 11.30% and 29.58%, respectively. Our employee benefit expense, as a percentage of our total revenue, stood at 4.56% during Fiscal 2017 as compared to 4.78% in Fiscal 2016.

Other expenses

Our other expenses have increased by 19.88% from ₹ 40,533.03 lakhs in Fiscal 2016 to ₹ 48,613.58 lakhs in Fiscal 2017. This increase was primarily on account of transportation cost by 18.37%, selling expenses by 102%, cost of fuel by 18.72%, cost of packing materials 20.01%. Our other expenses, as a percentage of our total revenue, stood at 63.20% during Fiscal 2017 as compared to 61.05% in Fiscal 2016.

Finance costs

Our finance costs marginally increased by 1.66% from ₹ 3,060.48 lakhs for the Fiscal 2016 as compared to ₹ 3,111.33 lakhs for Fiscal 2017, mainly due to the interest cost incurred on the redeemable non-convertible debentures which is offset by repayment of entire term loan and better working capital management. Our finance cost, as a percentage of our total revenue, stood at 4.05% during Fiscal 2017 as compared to 4.61% in Fiscal 2016.

Depreciation and Amortisation

The depreciation and amortisation expenses marginally decreased by 0.10% from ₹ 2,516.00 lakhs for the Fiscal 2016 as compared to ₹ 2513.60 lakhs for the Fiscal 2017 mainly due to additions and marginal deletion in the gross block during the year. Depreciation and Amortisation, as a percentage of our total revenue, stood at 3.27% during Fiscal 2017 as compared to 3.79% in Fiscal 2016.

Profit before tax after exceptional item

As a result of the above, our profit before tax after exceptional item, decreased by ₹ 520.76 lakhs, or 7.79% from ₹ 6,686.54 lakhs, representing 10.07% of our total revenue in Fiscal 2016 as compared to ₹ 6165.78 lakhs, representing 8.02%, in Fiscal 2017.

Profit after tax

As a result of the above, profit after tax increased by ₹ 165.08 lakhs or 3.11% from ₹ 5.307.91 lakhs in Fiscal 2016 to ₹ 5,472.99 lakhs in Fiscal 2017. The profit after tax for the year Fiscal 2016 and Fiscal 2017 represents 7.99% and 7.12% respectively of total revenues. The increase in profit after tax in Fiscal 2017, beside above factors, was also due to MAT credit of ₹ 1,243.98 lakhs availed by our Company.

Fiscal 2016 compared to Fiscal 2015

Revenue

Revenue from Operations

Our revenue from operations increased by 23.76% from ₹ 53,391.66 lakhs in Fiscal 2015 to ₹ 66,076.89 lakhs in Fiscal 2016 primarily due to increase in the quantity of cement sold from 10,69,492 MT in Fiscal 2015 to 12,64,561 MT in Fiscal 2016 and increase in sale of cement bonded particle board from 57,556 MT in Fiscal 2015 to 60,358 MT in Fiscal 2016.

Other income

Our other income decreased by 34.89% from ₹ 485.72 lakhs in Fiscal 2015 to ₹ 316.26 lakhs in Fiscal 2016 mainly on account of higher power incentives granted by Andhra Pradesh State Electricity Board comparative to earlier years.

Total Expenditure

Cost of material consumed

Our expenditure on material consumed increased by 14.38% from ₹ 9,650.69 lakhs in Fiscal 2015 to ₹ 11,038.49 lakhs in Fiscal 2016 on mainly on account of increase in consumption of the raw materials such as limestone (31.80%), laterite (34.00%), gypsum (23.93%), iron ore/iron ore powder (24.13%), fly ash (40.87%), partly offset by 8.99% decrease in the consumption of wood. As a percentage of total revenue, our material consumption stood at 16.63% in Fiscal 2016 and 17.91% in Fiscal 2015.

Changes in inventories of finished goods and work in progress

In Fiscal 2015, there was an increase in change in inventories of finished goods and work-in-progress at ₹ 116.21 lakhs as compared to a decrease at ₹ 767.95 lakhs in Fiscal 2016.

Employee benefits

Our employee benefits expenses increased by 26.31% from ₹ 2,513.52 lakhs in Fiscal 2015 as compared to ₹ 3,174.82 lakhs for the Fiscal 2016, primarily due to annual increase of salary and wages and managerial remuneration by ₹ 354.64 lakhs and ₹ 249.10 lakhs respectively. Our employee benefit expense, as a percentage of our total revenue, stood at 4.78% during Fiscal 2016 as compared to 4.67% in Fiscal 2015.

Other expenses

Our other expenses have increased by 18.08% from ₹ 34,327.56 lakhs in Fiscal 2015 to ₹ 40,533.03 lakhs in Fiscal 2016. This increase was primarily on account of transportation cost by 26.94%, selling expenses by 42.05%, cost of power by 24.55% and stores and spares consumed by 77.59%. Our other expenses, as a percentage of our total revenue, stood at 61.05% during Fiscal 2016 as compared to 63.71% in Fiscal 2015.

Finance costs

Our finance costs decreased by 17.55% from ₹ 3,712.03 lakhs for the Fiscal 2015 as compared to ₹ 3,060.48 lakhs for Fiscal 2016, mainly due to reduction in the interest rate public deposit. Our finance cost, as a percentage of our total revenue, stood at 4.61% during Fiscal 2016 as compared to 6.89% in Fiscal 2015.

Depreciation and Amortisation

The depreciation and amortisation expenses marginally decreased by 1.57% from ₹ 2,556.07 lakhs for the Fiscal 2015 as compared to ₹ 2516.00 lakhs for the Fiscal 2016 mainly due to additions and marginal deletion in the gross block during the year. Depreciation and Amortisation, as a percentage of our total revenue, stood at 3.79% during Fiscal 2016 as compared to 4.74% in Fiscal 2015.

Profit before tax

As a result of the above, our profit before tax, increased by ₹ 5452.81 lakhs, or 441.98% from ₹ 1,233.72 lakhs, representing 2.29% of our total revenue in Fiscal 2015 as compared to ₹ 6,686.54 lakhs, representing 10.07%, in Fiscal 2016.

Profit after tax

As a result of the above, profit after tax increased by ₹ 4,417.90 lakhs or 496.39% from ₹ 890.01 lakhs in Fiscal 2015 to ₹ 5,307.91 lakhs in Fiscal 2016. The profit after tax for the year Fiscal 2015 and Fiscal 2016 represents 1.65% and 7.99% respectively of total revenues.

Liquidity and Capital Resources

As of March 31, 2017, we had cash and bank balances of ₹ 1,185.64 lakhs. Cash and bank balances consist of cash on hand, cash at bank including unpaid dividend account and margin money deposit and cash with branches of our Company. Our primary liquidity needs have been to finance our operations, working capital needs, debt service and capital expenditure. We have historically met our liquidity needs through a combination of borrowings, capital raising and internally generated cash flows.

We expect to meet our working capital requirements primarily from the cash flows from our business operations and working capital borrowings from banks and other lenders as may be required.

Our short-term liquidity requirements relate to servicing our debt and funding working capital requirements. Sources of short-term liquidity include cash balances and receipts from our operations.

Our long-term liquidity requirements include funding of capital expenditure. Sources of funding our long-term liquidity requirements include new loans, equity or debt issues.

Cash flows

Set forth below is a table of selected information from our Company's standalone audited statements of cash flows for the periods indicated.

(₹ in lakhs)

Particulars	Fiscal 2017	Fiscal 2016	Fiscal 2015
Net cash flow from/ (used in) operating activities	1,817.27	13,015.64	5,565.14
Net cash flow from/ (used in) investing activities	(16053.82)	(1791.84)	406.40
Net cash flow from/ (used in) financing activities	13309.43	(9678.65)	(5,684.00)
Net increase/ (decrease) in cash and cash equivalents	(927.12)	1545.15	287.55
Opening cash and cash equivalents	2112.76	567.61	280.06
Closing cash and cash equivalents	1185.64	2112.76	567.61

Net cash flow from/used in operating activities

Net cash flow from operating activities in Fiscal 2017 was ₹ 1,817.27 lakhs and our operating profit before working capital changes for that period was ₹ 10,389.18 lakhs. The difference was primarily attributable to ₹ 125.58 lakhs decrease in inventories, ₹ 500.79 lakhs decrease in trade receivables, ₹ 454.00 lakhs increase in trade payables, ₹ 6854.90 lakhs decrease in other current liabilities and a payment of ₹ 1401.53 lakhs in income tax paid.

Net cash flow from operating activities in Fiscal 2016 was ₹ 13,015.47 lakhs and our operating profit before working capital changes for that period was ₹ 12274.95 lakhs. The difference was primarily attributable to ₹ 821.72 lakhs increase in trade receivables, ₹ 880.99 lakhs increase in inventories, ₹ 2189.42 lakhs decrease in trade payables, ₹ 5178.64 lakhs increase in other current liabilities and ₹ 681.89 lakhs in income tax paid.

Net cash flow from operating activities in Fiscal 2015 was ₹ 5,565.14 lakhs and our operating profit before working capital changes for that period was ₹ 3,789.79 lakhs. The difference was primarily attributable to ₹ 56.04 lakhs increase in trade receivables, ₹ 595.58 lakhs increase in inventories, ₹ 19.79 lakhs increase in trade payables, ₹ 2436.30 lakhs increase in other current liabilities.

Net cash flow from/ used in investing activities

In Fiscal 2017, our net cash flow used in investing activities was ₹ (16053.82) lakhs. This primarily reflected the payments of ₹ 16056.60 lakhs towards purchase of fixed assets including capital work in progress partly offset by ₹ 2.78 lakhs from proceeds from sale of fixed assets.

In Fiscal 2016, our net cash flow used in investing activities was ₹ (1791.84) lakhs. This primarily reflected the payments of ₹ 1852.43 lakhs towards purchase of fixed assets including capital work in progress partly offset by ₹ 60.59 lakhs from proceeds from sale of fixed assets.

In Fiscal 2015, our net cash flow from investing activities was ₹ 406.40 lakhs. This primarily reflected the payments of ₹ 48.15 lakhs towards purchase of fixed assets including capital work in progress partly offset by ₹ 450.00 lakhs from reimbursement of expenses incurred on land development.

Net cash flow from/ used in financing activities

In Fiscal 2017, our net cash flow from financing activities was ₹ 13309.43 lakhs. This primarily reflected proceeds of long term borrowings and other long term liabilities of ₹ 18584.71 lakhs and ₹ 1493.66 lakhs respectively and partly offset by repayment of short term borrowing of ₹ 2897.72 lakhs, finance cost of ₹ 2987.00 lakhs and ₹ 884.22 towards dividend and dividend tax paid.

In Fiscal 2016, our net cash flow used in financing activities was ₹ 9,678.65 lakhs. This primarily attributed towards proceeds of short term borrowing of ₹ 84.04 lakhs partly offset by repayment of long term borrowings and other long term liabilities of ₹ 5457.88 lakhs and ₹ 916.50 lakhs respectively and finance cost of ₹ 2941.19 lakhs, amongst others.

In Fiscal 2015, our net cash flow used in financing activities was ₹ 5,684.00 lakhs. This primarily attributed towards repayment of long term borrowings, other long term liabilities and short term borrowings of ₹ 2385.50 lakhs, ₹ 1135.62 lakhs and ₹ 2,162.88 lakhs respectively, amongst others.

Purchases of fixed assets

For Fiscal 2017, 2016 and 2015, our net purchases/additions to fixed assets were ₹ 1,882.23 lakhs, ₹ 934.97 lakhs and ₹ 11.81 lakhs, respectively. The following table provides a breakdown of our capital expenditure spend by category during the periods indicated.

(₹ in lakhs)

Asset class	Fiscal 2017	Fiscal 2016	Fiscal 2015
Land	189.77	(37.91)	-
Building	42.24	56.59	6.41
Plant and machinery	331.07	40.33	24.59
Other fixed assets	1319.15	875.96	(19.19)
Total	**1,882.23**	**934.97**	**11.81**

Financial indebtedness

The following table sets forth our Company's secured and unsecured debt position as at September 30, 2017.

(*₹ in lakhs*)

Particulars	September 30, 2017
Long Term Borrowings	
Secured Loans	32,224.97
Unsecured Loans	-
Sub-Total	**32,224.97**
Current Maturities	770.15
Total Long Term Borrowings (A)	**32,995.12**
Short Term Borrowings	
Secured Loans	1,399.76
Unsecured Loans*	5,334.40
Total Short Term Borrowings (B)	6,734.16

Particulars	September 30, 2017
Total (A+B)	**39,729.28**

** Includes public deposits*

Details of Long Term Borrowings

(*₹ in lakhs*)

Particulars	September 30, 2017
Secured Redeemable NCDs	30,000.00
Vehicle & Equipment Loans	2,224.97
Total	**32,224.97**

Details of Current Maturities (Long term Borrowings)

(*₹ in lakhs*)

Particulars	September 30, 2017
Vehicle & Equipment Loans	645.37
Sales tax deferment loan	124.78
Total	**770.15**

Contingent Liabilities as at March 31, 2017

(*₹ in lakhs*)

Sl. No.	Particulars	Amount
d.	Indirect Taxes Related	1,493.64
e.	Others	559.89

Our Company has given Counter Guarantees to Banks / Financial Institutions for ₹ 531.51 lakhs

Certain Emphasis of Matters and Qualifications Noted by Auditors

Statutory auditors of our Company have not included any qualifications/ observations /matters of emphasis in their respective audit reports of our Company in the last three financial years immediately preceding three years of this Placement Document, including with respect to the Companies (Auditor‘s Report) Order, 2003 and 2015, as applicable.

Off-Balance Sheet Commitments and Arrangements

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

Quantitative and Qualitative Disclosures about Market Risk

Interest rate risk

We are exposed to market rate risk due to changes in interest rates on our credit facilities that we entered into, from time to time. We are subject to interest rate risk due to fluctuation in interest rates, primarily in relation to our debt obligations with floating interest rates. We also have borrowing costs which have been capitalized as capital work in progress, which are linked to applicable benchmark rates.

As at September 30, 2017, we had ₹ 39,729.28 lakhs of total outstanding borrowings, which exposed us to market risk as a result of changes in interest rates. We undertake debt obligations to support our working capital needs and capital expenditure. Upward fluctuations in interest rates increase the cost of debt and interest cost of outstanding variable rate borrowings. We do not currently use any derivative instruments to modify the nature of our debt so as to manage our interest rate risk.

Commodity price risk

We are exposed to market risk with respect to the prices of certain raw materials used for manufacturing of our products. These commodities majorly include laterite, gypsum, fly-ash and iron-ore. The costs for these raw materials are subject to fluctuation based on commodity prices.

Inflation risk

Inflationary factors such as increases in the input costs and overhead costs may adversely affect our operating results. There may be time lag in recovering the inflation impact from our customer and we may not be able to recover the full impact of such inflation. A high rate of inflation in the future may, therefore, have an adverse effect on our ability to maintain our profit margins.

Credit risk

We are subject to the risk that our counterparties under various financial or customer agreements will not meet their obligations. Our credit risk exposure relates to our operating activities and our financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:

1. Unusual or infrequent events or transactions

There have been no events to the best of our knowledge, other than as described in this Offer Document, which may be called "unusual" or "infrequent".

2. Significant economic changes that materially affected or are likely to affect income from continuing operations

Other than as mentioned in this chapter, "*Risk Factors*" beginning on page 38 and "*Regulations and Policies*" on page 124, to the best knowledge of the management of our Company, there are no other significant economic changes that materially affect or are likely to affect income from continuing operations.

3. Future changes in relationship between costs and income

Other than as described elsewhere in this Offer Document, particularly in this chapter, to the knowledge of the management of our Company, there are no known factors that might affect the future relationship between costs and revenues.

4. The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices

Changes in revenues during the last three years are as explained in the part *Fiscal 2017 compared to Fiscal 2016 and Fiscal 2016 compared to Fiscal 2015* in this chapter.

5. Status of any publicly announced new products or business segments

Except as described in this chapter and the chapter/section titled '*Our Business*' and '*Risk Factors*' on page numbers 103 and 38, respectively, of this Offer Document, there are currently no publicly announced new products or business segments.

6. Seasonality of Business

Our business is not seasonal in nature.

7. Any significant dependence on a single or few suppliers or customers

While revenues from any particular customer may vary between financial reporting periods depending on the nature and term of on-going contracts, historically we are not dependent on single or a few customers.

8. Competitive Conditions

We face competition from existing and potential competitors which is common for any business. We have, over a period of time, developed certain competitive strengths which have been discussed in the chapter titled "*Our Business*" on page 103.

Transactions with related parties

We have certain transactions with our related parties. For details, see "*Financial Statements"* on page number 194prepared in accordance with Accounting Standard - 18.

Interest coverage ratio

The interest coverage ratio of our Company on a consolidated basis, which is the total of cash profit after tax plus interest paid divided by interest paid for the last 3 fiscals is as under:

Particulars	Fiscal 2017	Fiscal 2016	Fiscal 2015
Interest Coverage Ratio(x)	3.57	3.56	1.93

Significant Developments after March 31, 2017

Except as stated in this Placement Document and disclosed below, to our knowledge no circumstances have arisen since the date of the last audited financial statements as disclosed in this Placement Document.

In order to expand our manufacturing capacity, we have increased the cement manufacturing capacity of our plant located at Simhapuri from 1.95 MTPA to 2.70 million MTPA and clinker manufacturing capacity from 1.60 MTPA to 2.60 MTPA.

Further, our Company has recently set up the third manufacturing facility for cement bonded particle board at Simhapuri increasing the Boards manufacturing capacity of from 60,000 TPA to 90,000 TPA. The same has commenced its commercial operations with effect from December 02, 2017.

SUMMARY OF CERTAIN DIFFERENCES BETWEEN INDIAN GAAP AND IND – AS

The financial information included herein is prepared and presented in accordance with Indian GAAP, except for the Unaudited Financial Results under Ind-AS released to the Stock Exchanges and included in this Placement Document. Certain difference sexist between Indian GAAP and Ind-AS which might be material to the financial information herein. The matters described below summarize certain differences between Indian GAAP and Ind-AS that may be material. Such comparative statement has been included for illustrative purposes only and does not imply that all such differences apply, or will apply, to the manner in which our financial statements are prepared and presented under Ind AS or otherwise. Accordingly, no assurance is provided that the following Summary of differences between Indian GAAP and Ind-AS is complete. In making an investment decision, investors must rely upon their own examination of the Company, the terms of the offering and the financial information. Potential investors should consult their own professional advisors for an understanding of the differences between Indian GAAP and Ind-AS, and how those differences might affect the financial information herein.

Areas of Difference	Indian GAAP	Ind AS
Primary literature	AS 1 – Disclosure of Accounting Policies / Schedule III to the Companies Act, 2013 AS 5 – Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies	Ind AS 1 – Presentation of Financial Statements
Statement of profit or loss and other comprehensive income (statement of comprehensive income)	Statement of profit and loss is the Indian GAAP equivalent of separate statement of profit or loss under Ind AS. Some items such as revaluation surplus, which are treated as "other comprehensive income" under Ind AS, are recognised directly in equity under Indian GAAP. There is no concept of "other comprehensive income" in Indian GAAP.	The statement of profit or loss and other comprehensive income includes all items of income and expense – (i.e. all "non-owner" changes in equity) including: a. components of profit or loss; and b. other comprehensive income. An entity is required to present all items of income and expense including components of other comprehensive income in a period in a single statement of profit and loss.
Statement of changes in equity	A statement of changes in equity is not presented. Movements in share capital, retained earnings and other reserves are presented in the notes to accounts.	The statement of changes in equity includes the following information: ▪ total comprehensive income for the period; ▪ the effects on each component of equity of retrospective application or retrospective restatement in accordance with Ind AS 8; and ▪ for each component of equity, a reconciliation between the opening and closing balances, separately disclosing each change
Extraordinary items	Extraordinary items are disclosed separately in the statement of profit and loss and are included in the determination of net profit or loss for the period. Items of income or expense to be disclosed as extraordinary should be distinct from the ordinary activities and are determined by the nature of the event or transaction in	Presentation of any items of income or expense as extraordinary is prohibited

Areas of Difference	Indian GAAP	Ind AS
	relation to the business ordinarily carried out by an entity.	
Reclassification	A disclosure is made in financial statements that comparative amounts have been reclassified to conform to the presentation in the current period without additional disclosures for the nature, amount and reason for reclassification	When comparative amounts are reclassified, the nature, amount and reason for reclassification are disclosed.
Critical judgments	Does not require disclosure of judgments that management has made in the summary of significant accounting policies and other notes	Requires disclosure of critical judgments made by management in applying accounting policies.
Estimation uncertainty	Does not require an entity to disclose information about the assumptions that it makes about the future and other major sources of estimation uncertainty at the end of the reporting period though other standards may require certain disclosures of the same.	Requires disclosure of key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The nature of the uncertainty and the carrying amounts of such assets and liabilities at the end of the reporting period are required to be disclosed.
Primary literature	**AS 5 – Net Profit or Loss for the period, prior period items and Changes in Accounting Policies**	**Ind AS 8– Accounting Policies, Changes in Accounting Estimates and Errors**
Changes in accounting policies	Changes in accounting policies should be made only if required by statute, for compliance with an Accounting Standard or for a more appropriate presentation of the financial statements on a prospective basis (unless transitional provisions, if any, of an accounting standard require otherwise) together with a disclosure of the impact of the same, if material. If a change in accounting policy has no material effect on the financial statements for the current period, but is expected to have a material effect in the later periods, the same should be appropriately disclosed.	Requires retrospective application of changes in accounting policies by adjusting the opening balance of each affected component of equity for the earliest prior period presented and the other comparative amounts for each period presented as if the new accounting policy had always been applied, unless transitional provisions of an accounting standard require otherwise.
Errors	Prior period items are included in determination of net profit or loss for the period in which the error pertaining to a prior period is discovered and are separately disclosed in the statement of profit and loss in such a manner that the impact on current profit or loss can be perceived.	Material prior period errors are corrected retrospectively by restating the comparative amounts for prior periods presented in which the error occurred or if the error occurred before the earliest period presented, by restating the opening balance sheet.
Primary literature	**AS 4 – Contingencies and Events Occurring after the Balance Sheet Date**	**Ind AS 10 – Events After the Reporting Period**
Dividends	Schedule III requires disclosure of proposed dividend in the notes to accounts.	Liability for dividends declared to holders of equity instruments are recognised in the

Areas of Difference	Indian GAAP	Ind AS
	However, as per the requirements of AS 4, which override the provisions of Schedule III, dividends stated to be in respect of the period covered by the financial statements that are proposed or declared after the balance sheet date but before approval of the financial statements are recorded as a provision. Further, as per recent amendments by the Companies (Accounting Standards) Amendment Rules, 2016 in AS 4, dividends declared subsequent to the balance sheet are to be considered as a non-adjusting event, which is similar to the Ind-AS requirement.	period when declared. It is a non-adjusting event.
Primary literature	**AS 22 – Accounting for Taxes on Income**	**Ind AS 12 – Income Taxes**
Deferred income taxes	Deferred taxes are computed for timing differences in respect of recognition of items of profit or loss for the purposes of financial reporting and for income taxes.	Deferred taxes are computed for temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base.
Recognition of deferred tax assets for unused tax losses etc.	Deferred tax asset for unused tax losses and unabsorbed depreciation is recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax asset for all other unused credits/timing differences are recognised only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.	Deferred tax asset is recognised for carry forward unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deferred tax asset can be utilised. Where an entity has a history of tax losses, the entity recognises a deferred tax asset only to the extent that the entity has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available.
Investments in subsidiaries, branches, and associates and interests in joint arrangements	No deferred tax liability is recognised. Deferred tax expense is an aggregation from separate financial statements of each group entity and no adjustment is made on consolidation	Deferred tax liability for all taxable temporary differences are recognised except to the extent: ▪ the parent, the investor, the venturer or joint operator is able to control timing of the reversal of the temporary difference; and ▪ it is probable that the temporary difference will not reverse in the foreseeable future.
Primary literature	**AS 6 – Depreciation Accounting** **AS 10 – Accounting For Fixed Assets**	**Ind AS 16 – Property, Plant and Equipment**
Change in method of depreciation	Requires retrospective re-computation of depreciation and any excess or deficit on such re-computation is required to be adjusted in the period in which such change is affected. Such a change is treated as a change in accounting policy and its effect is quantified and disclosed.	Changes in depreciation method are considered as changes in accounting estimate and applied prospectively

Areas of Difference	Indian GAAP	Ind AS
Primary literature	**AS 19 – Leases**	**Ind AS 17 – Leases** **Appendix C to Ind AS 17 – Determining Whether an Arrangement Contains a Lease**
Interest in leasehold land	Leasehold land is recorded and classified as fixed assets.	Recognised as operating lease or finance lease as per definition and classification criteria.
Determining whether an arrangement contains a lease	No specific guidance. Payments under such arrangements are recognised in accordance with the nature of expense incurred.	Arrangements that do not take the legal form of a lease but fulfilment of which is dependent on the use of specific assets and which convey the right to use the assets are accounted for as lease.
Primary literature	**AS – 15 – (Revised 2005) – Employee Benefits**	**Ind AS 19 – Employee Benefits**
Actuarial gains and losses	All actuarial gains and losses should be recognised immediately in the statement of profit and loss.	Actuarial gains and losses representing changes in the present value of the defined benefit obligation resulting from experience adjustment and effects of changes in actuarial assumptions are recognised in other comprehensive income and not reclassified to profit or loss in a subsequent period.
Primary literature	**AS 28 – Impairment of Assets** **AS 26 – Intangible Assets**	**Ind AS 36 – Impairment of Assets**
Annual impairment test for goodwill and intangibles	Goodwill and other intangibles are tested for impairment only when there is an indication that they may be impaired.	Goodwill, intangible assets not yet available for use and indefinite life intangible assets are required to be tested for impairment at least on an annual basis or earlier if there is an impairment indication.
Primary literature	**AS 29 – Provisions, Contingent Liabilities and Contingent Assets**	**Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets**
Recognition of provisions	Provisions are not recognised based on constructive obligations though some provisions may be needed in respect of obligations arising from normal practice, custom and a desire to maintain good business relations or to act in an equitable manner.	A provision is recognised only when a past event has created a legal or constructive obligation, an outflow of resources is probable, and the amount of the obligation can be estimated reliably.
Discounting	Discounting of liabilities is not permitted and provisions are carried at their full values. However, as per recent amendments in AS 29, discounting of decommissioning, restoration and other similar liabilities to present value will be required.	When the effect of time value of money is material, the amount of provision is the present value of the expenditure expected to be require to settle the obligation.
Primary literature	**AS 26 – Intangible Assets**	**Ind AS 38 – Intangible Assets**
Measurement	Measured only at cost.	Intangible assets can be measured at either cost or revalued amounts.
Goodwill	Goodwill arising on amalgamation in the nature of purchase is amortised over a period not exceeding five years.	Not amortised but subject to annual impairment test or more frequently whenever there is an impairment indication.

Areas of Difference	Indian GAAP	Ind AS
Useful Life	The useful life not be indefinite. There is rebuttable presumption that the useful life of an intangible asset will not exceed 10 years from the date when asset is available for use.	Useful life may be finite or indefinite.
Primary literature	**No equivalent standard on investment property. At present, covered by AS 13 – Accounting for Investments**	**Ind AS 40 – Investment Property**
Definition and scope	AS 13 defines investment property as an investment in land or buildings that are not intended to be occupied substantially for use by, or in the operations of the investing entity. However, as per the recent amendments in AS 13, accounting for investment property would be in accordance with the cost model as prescribed in the revised AS 10.	Investment property is land or building (or part thereof) or both held (whether by owner or by a lessee under a finance lease) to earn rentals or for capital appreciation or both.
Primary literature	**AS 13 – Accounting for Investments** **AS 30 – Financial Instruments: Recognition And Measurement**	**Ind AS 109 Financial Instruments**
Investments, deposits loans and Advances	Investments are classified as long-term or current. Long term investments are carried at cost less provision for diminution in value, which is other than temporary. Current investments carried at lower of cost and fair value. Deposits, loans and advances are measured at cost less valuation allowance.	All financial assets are classified as measured at amortised cost or measured at fair value. Where assets are measured at fair value, gains and losses are either recognised entirely in profit or loss, or recognised in other comprehensive income. Debt Instrument held within a business model : a) Collect contractual cash flows - Amortised cost b) Collect contractual cash flows and selling financial assets – measured at fair value through other comprehensive income Ind AS 109 provides an option to irrevocably designate, at initial recognition, financial assets as measured at fair value through profit or loss if doing so eliminates an accounting mismatch. Certain Equity instruments – option to irrevocably designate them so that subsequent changes in fair value are in other comprehensive income. Dividend income from such assets – Profit / Loss
Impairment	An entity should assess the provision for doubtful debts at each period end which, in practice, is based on relevant information such as	The impairment model in Ind AS 109 is based on expected credit losses.

Areas of Difference	Indian GAAP	Ind AS
	▪ past experience, ▪ actual financial position and ▪ cash flows of the debtors. Different methods are used for making provisions for bad debts, including: ▪ the ageing analysis, ▪ an individual assessment of recoverability.	Expected credit losses (with the exception of purchased or original credit-impaired financial assets) are required to be measured through a loss allowance at an amount equal to: ▪ The 12 month expected credit losses; or ▪ Lifetime expected credit losses if credit risk has increased significantly since initial recognition of the financial instrument.
Primary literature	**AS 21 – Consolidated Financial Statements**	**Ind AS 27 – Separate Financial Statements** **Ind AS 110 – Consolidated Financial Statements** **Ind AS 112 – Disclosure of Interests in Other Entities**
Definition of control	Control is: a) the ownership, directly or indirectly through subsidiary(ies), of more than one-half of the voting power of an entity; or b) control of the composition of the board of directors in the case of a company or of the composition of the corresponding governing body in case of any other entity so as to obtain economic benefits from its activities. Therefore a mere ownership of more than 50 per cent. of equity shares is sufficient to constitute control under Indian GAAP, whereas this is not necessarily so under Ind AS.	Control is based on whether an investor has: a) power over the investee; b) exposure, or rights, to variable return from its involvement with the investee; and c) the ability to use its power over the investee to affect the amounts of the returns.
Exclusion of subsidiaries, associates and joint ventures	Excluded from consolidation, equity accounting or proportionate consolidation if the subsidiary/ investment/ interest was acquired with intent to dispose of in the near future (which, ordinarily means not more than 12 months, unless a longer period can be justified based on facts and circumstances of the case) or if it operates under severe long-term restrictions which significantly impair its ability to transfer funds to the parent/ investor/ venturer.	Consolidated financial statements include all subsidiaries and equity accounted associates and joint ventures. No exemption for "temporary control", "different lines of business" or "subsidiary / associate / joint venture that operates under severe long- term funds transfer restrictions".
Disclosure of nature and risk associated with interest in other entities	There is no equivalent standard. AS 21, AS 23 and AS 27 require certain minimum disclosures in respect of subsidiaries, investments in associates and investments in joint ventures respectively.	Ind AS 112 requires disclosures for significant judgements and assumptions such as how control, joint control and significant influence has been determined along with detailed analysis.

Areas of Difference	Indian GAAP	Ind AS
Primary literature	**AS 27 – Financial Reporting of interests in Joint Ventures**	**Ind AS 111 – Joint Arrangements Ind AS 28 – Investments in Associates and Joint Ventures**
Consolidated financial statements of the venturer	Proportionate consolidation method is applied when the entity prepares consolidated financial statements.	The equity method, as described in Ind AS 28 is applied when the entity prepares consolidated financial statements.

INDUSTRY

Unless noted otherwise, the information in this section is derived from the report titled "Indian Cement Sector" by IRR Advisory Services Private Limited. Our Company, the GC-BRLM or any of their respective affiliates and advisors or any other person connected with the Issue have not independently verified this information. The data may have been re-classified by us for the purpose of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Accordingly, our Company and the GC-BRLM do not take any responsibility for the data, projections, forecasts, conclusions or any other information contained in this section. Certain information contained herein pertaining to prior years is presented in the form of estimates as they appear in the respective reports/ source documents. The actual data for those years may vary significantly and materially from the estimates so contained. Accordingly, investors should not place undue reliance on this information.

Economic Overview

In the midst of global slowdown accentuated by the transient impact of demonetisation, the Indian economy turned out resilient, marked by both internal and external stability. While economic growth moderated in 2016-17, there were visible signs of improvement in macroeconomic fundamentals – low inflation, and modest current account deficit and fiscal deficit. Going forward, even as the recent launch of the Goods and Services Tax (GST) gains traction across the country, strengthening fiscal consolidation, particularly at the sub-national level; reviving bank credit, and bringing investment back on rails, remain a challenge. *(Source: The Macro Economic Framework Statement for 2017 – 2018 available at http://indiabudget.nic.in/)*

In India, the slowdown of economic activity that set in from Q1 of 2016-17 and became pronounced in the second half of the year appears to have extended into the first half of 2017-18. Looking ahead, some improvement in services may counterbalance the persisting weakness in industrial production. Inflation underwent a dramatic decline, reaching a historic low in June, but as the prints for July and August portend, a gradually rising trajectory may take hold over the rest of 2017-18. Alongside these developments, there has been an improvement in external viability; the foreign exchange reserves were around 11.5 months of imports in September 2017 and over 4 times short term external debt. *(Source: Monetary Policy Statement for 2017-18*)

Growth in India is forecast to pick up further in 2017 and 2018. While activity slowed following the currency exchange initiative, growth for 2016—at 7.1% –was higher than anticipated due to strong government spending and data revisions that show stronger momentum in the first part of the year. With a pickup in global trade and strengthening domestic demand, growth in the ASEAN-5 economies is projected to remain robust at around 5%, with generally strong first quarter outturns leading to a slight upward revision for 2017. *(Source: World Economic Outlook Update, July 2017).*

Infrastructure Sector

Since independence till liberalization, India invested around 3% of its GDP in infrastructure which resulted in significant infrastructure gap. Post liberalization, India realized that investments in infrastructure needed to be substantially increased if India had to keep pace with growth realities and aspirations. Emergent markets with high economic growth have typically invested at 7~10% of GDP in infrastructure in their boom years; hence from the 10th Five Year Plan, GoI started focusing on infrastructure investments in a big manner. The average infrastructure spending during the 10th plan (2002 – 2007) was ~5% of India's GDP (total spending of INR9.16tn during the 10th plan). This further increased to ~7% during the 11th five-year plan (2007 - 2012) (total spending of INR23.86tn in the 11th plan). A more ambitious target of INR56.32tn was set for infrastructure investment in the 12th five year plan. *Source: IRR Advisory*

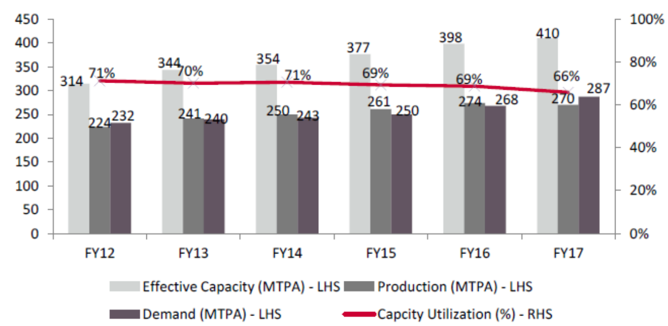
Under the 12th five-year plan, it was envisaged that projects would continue to be set up under the public private partnership (PPP) mode, with around 48% of the investment coming from the private sector. However, inordinate delays in land acquisition, regulatory bottlenecks and statutory clearances had led to cost escalations, stressed assets and stalled projects. This has dissuaded private sector investments and attracting private sector funding has now become a challenge. This is a key reason behind the revised targets of the 12th five year plan. Nevertheless, the infrastructure sector - consisting of electricity, airports, energy, shipping and ports, railways, roads and urban development - has been a key driver of the Indian economy since 2002 after the government started reforming the sectors. *Source: IRR Advisory*

I. CEMENT

Structure of the cement industry in India

The Indian cement industry, unlike the global cement industry, is structurally different. The Indian cement industry is highly fragmented, with the presence of a few large players and many small players. There are over 210 large cement plants accounting for a cumulative installed capacity of over 350 million tonnes, while over 350 mini cement plants have an estimated production capacity of around 11 million tonnes. The private sector dominates the Indian cement industry, both in terms of size and numbers. The players can be broadly classified as pan-India, regional and standalone. India has seen a build-up in cement manufacturing capacity over the last 5 years and installed capacity has grown by over 30% during the corresponding period. However, demand has been flattish and has seen an uptrend in the last couple of years. Accordingly, capacity utilization has been hovering between 63 ~ 70% during the last five years.

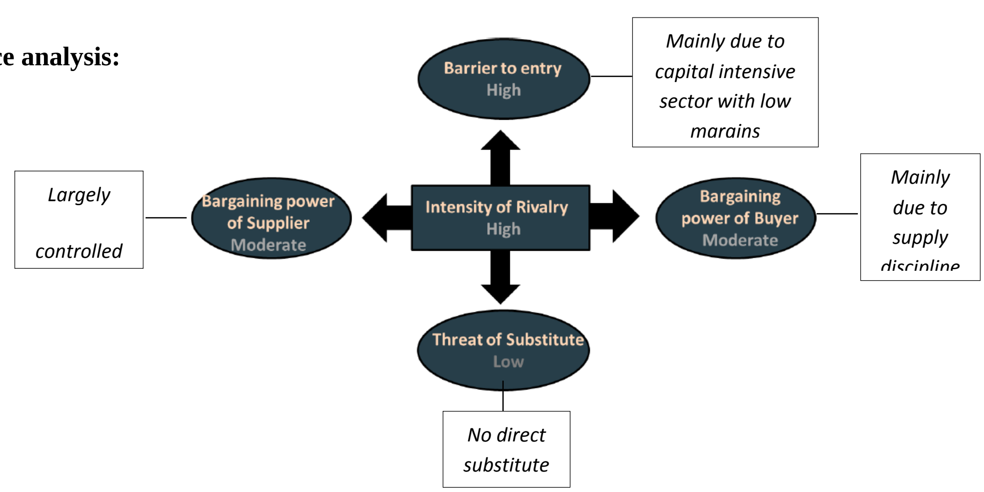
Trends in India's overall cement scenario



Source: CMIE, IRR Advisory

The attractiveness of the Indian cement industry has led many international players to venture into the sector. FDI inflow in cement and gypsum products manufacturing industry reached USD 5.24 billion between April 2000 and March 2017. A large number of mega plants with capacity of one MTPA and above have emerged in different parts of the country, possessing the latest technological features like roller process, vertical roller mills, process control equipment and efficient pollution control devices.

Porters five force analysis:

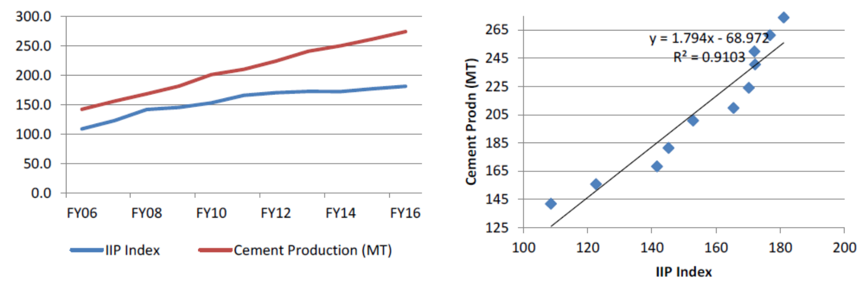


Source: IRR Advisory

Overview of Cement Industry in India

Demand for cement is closely related to growth in the construction sector and is primarily derived from growth in segments like housing, infrastructure, commercial and industrial segments. The Indian cement industry has been growing at 1.2 times of GDP growth post-liberalization, but with the continued decline in the investment-to-GDP ratio, the cement-to-GDP multiplier has now dropped below one. This is because there has been significantly lower capital formation in the Indian economy over the last few years. While GDP measures the total value added up by all stakeholders in the economy, Index of Industrial Production (IIP) measures the growth in mining, manufacturing and electricity. Hence, IIP measures the core industrial activity of a nation vis-à-vis GDP which also looks at services and agriculture contribution, and hence IIP is strongly related to capital formation in the economy. As should be expected, there is a significant correlation between IIP and cement demand, and the correlation exceeds 90%.

Relationship between Cement Production and IIP

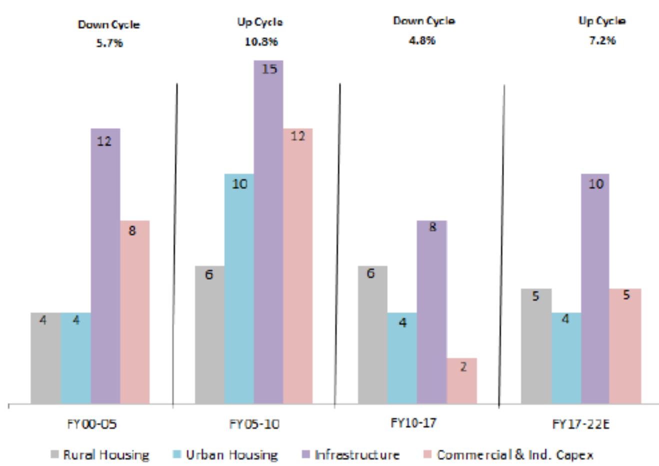


Source: CSO, CMIE, IRR Advisory

Demand drivers

Demand for cement is largely led by construction of housing, infrastructure and industrial projects. The housing segment consumes around 60% of cement produced, followed by infrastructure with 22% consumption, commercial with 9% consumption and the remaining 9% by Industrial segment. Hence, cement industry peaks when the economy is on an upturn and growth drops when the economy is on a downturn. The below exhibit shows how cement demand has grown during various upturns and downturns in this century and how cement growth has been influenced by the various demand drivers.

Impact of various sectors on Cement Demand



Source: Industry Reports, IRR Advisory

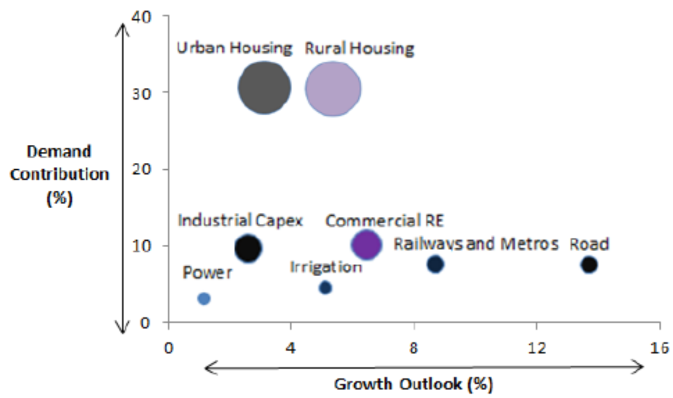
The housing sector is a major demand driver for the cement industry, and has traditionally accounted for around 60~65% of total cement demand. Housing demand is influenced by per capita income, access to finance and government outlay. Demand for rural housing was being driven by government schemes and increase in rural income. Under the Pradhan Mantri Awaas Yojana rural housing scheme, GoI will provide financial assistance for construction of *pucca* house to all houseless and households living in dilapidated houses. Between FY17 to FY19, GoI intends to provide assistance of INR820bn for construction of one hundred million households in rural India which will boost demand for rural housing.

The primary growth driver for the cement industry will be the infrastructure sector, with increasing central and state government spend on infrastructure. Urban infrastructure projects, including the INR480bn 100 smart cities mission and INR500bn under the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) scheme, are expected to boost cement demand in the country. With the expected economic upturn, demand from commercial construction – office spaces, hotels, hospitals and educational institutes - will also pick up.

As per IRR Advisory, the cement sector is emerging from a period of multi-decadal low growth (3% CAGR over FY13-16 versus long-term average of ~8%) and is now poised for take-off riding on credible pick-up in infrastructure spending since December 2015 and stabilization of housing demand. Recovery in erstwhile Andhra Pradesh due to various initiatives being implemented in the new states of Telangana and Andhra Pradesh will also boost cement demand.

The contribution of the various demand drivers of the cement industry and their expected growth trajectory between FY17-FY22 periods. Based on the above, IRR Advisory expects cement demand to grow ~7.2% p.a. over the next 5 years and reach 406MT in FY22. India's cement demand is expected to reach ~500 MTPA by 2025.

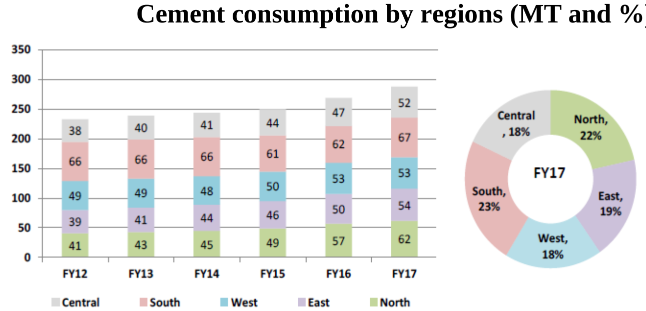
Infrastructure growth will lead cement demand



Source: Industry report, IRR Advisory

The Indian cement industry is primarily divided into five major regions — North primarily comprising of the states Rajasthan, Punjab, Haryana and the NCR; East primarily consisting of West Bengal, Chhattisgarh, Orissa and Jharkhand; Central primarily consisting of Uttar Pradesh and Madhya Pradesh; South primarily consisting of Andhra Pradesh, Tamil Nadu, Telangana and Karnataka; and West primarily comprising Gujarat and Maharashtra.

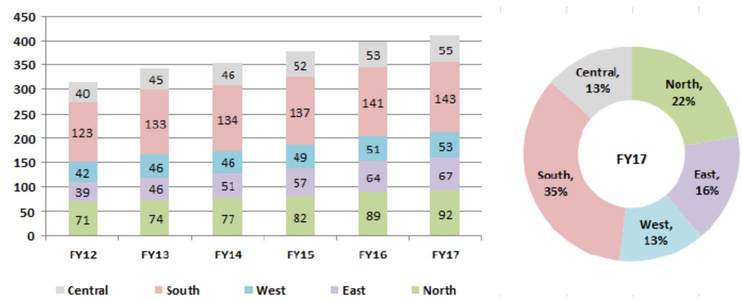
Cement consumption by regions (MT and %)



Source: CMIE, IRR Advisory

In terms of installed capacity, South accounts for over one-third of the country's installed cement capacity.

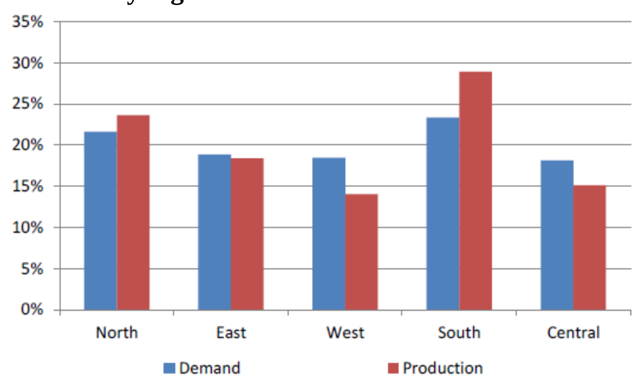
Installed capacity by Regions (MT and %)



Source: CMIE, IRR Advisory

Installed capacity pan India has increased at a CAGR of 5.5% from 314MT in FY12 to 410MT in FY17. East zone has seen the highest increment – it increased at a CAGR of 11.5% from 39MT in FY12 to 67MT in FY17 while for South zone it has increased at a CAGR of 3.1% from 123MT in FY12 to 143MT in FY17. However, in the last decade, South India had witnessed significant capacity expansion owing to abundant limestone availability. Further, there are regional imbalances in demand and supply is best represented by the market share of the five regions in terms of market share in terms of production and demand.

Market share by regions in terms of Production and Demand (FY17)



Source: IRR Advisory

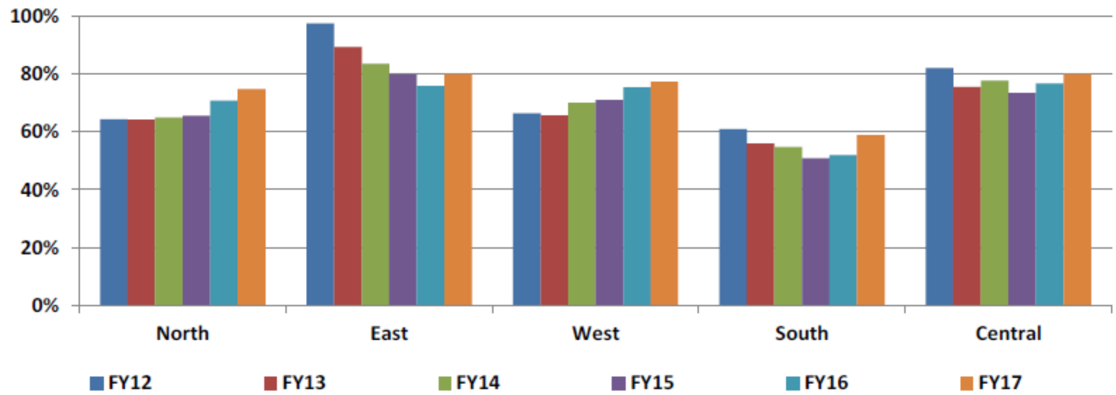
As seen, demand for cement exceeds production in the eastern, central and western regions while production exceeds demand in the northern and southern regions. These regional imbalances see significant inbound and outbound cement movement between regions.

Players whose presence is restricted to one or two regions are categorized as regional players. Key regional players include Jaypee Cement (North and Central), India Cement (South and West), Shree Cements (North), Binani Cement (North), Chettinad Cement (South), Dalmia Cement (South), Sagar Cement (South) and Madras Cement (South). There are thirteen regional players and they account for 37% of the market. Players like Panyam Cement, Penna Cement and NCL which operate in only a few states within a region are classified as standalone players. In the public sector, Cement Corporation of India (CCI) is one of the largest producers with ten manufacturing units spread across eight states.

Trends in Cement Consumption

Operating rates have remained flat for the last few years, but poised for an upswing

The capacity utilization rates of the Indian cement industry have been on a downtrend for the past few years, although it has bottomed out and now will move up over the medium-to-long term. The deceleration in pan-India cement demand was due to slowdown in housing, infrastructure and related economic activity, amid continuing capacity additions despite significant oversupply.

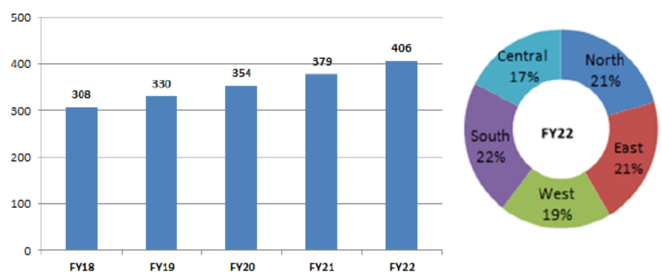


Source: CMIE, IRR Advisory

While East and Central have robust capacity utilization, capacity utilization in North and West is moderate while South has been operating at ~55% capacity utilization during the last five years. However, IRR Advisory expects improvement in capacity utilization for the South zone in the upcoming years owing to demand revival in key Southern regions (mainly Andhra Pradesh and Telangana) which will mainly be led by increased government spending on low cost housing, irrigation and other infra projects

The growth in demand and the expected regional break-up in FY22 are shown below:

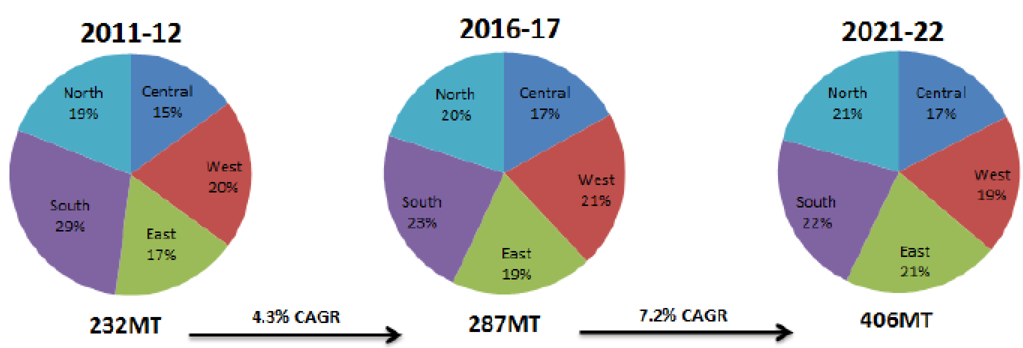
Expected Trends in Cement Consumption (MT and %)



Source: IRR Advisory

Accordingly, cement demand will reach present installed capacity by FY21 and new capacities will need to be created by FY22 to cater to increased cement demand. The break-up of demand between the five regions and the expected growth rates are provided below:

Region-wise Growth Trends



Source: IRR Advisory

Zone wise Growth Trend – CAGR

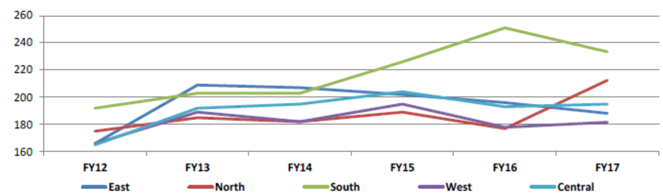
Zone	From 2011-12 to 2016-17	From 2016-17 to 2021-22
Central	6.5%	6% to 7%
West	1.6%	7% to 8%
East	6.7%	9% to 10%
South	0.3%	6% to 7%
North	8.6%	6% to 7%

Source: IRR Advisory

Meanwhile, capacity additions in the cement industry have moderated and new capacity additions are not being planned because of imbalance in demand and supply. Since it takes almost 3-4 years to set up a cement plant, capacity additions will be minimal during the FY18-FY22 period. This will result in improvement in operating rates for the cement industry which will benefit all stakeholders.

Regional trends of cement prices

Given that South India has lower capacity utilization vis-a-vis other regions, it would have been expected that cement prices in South India would be more competitive and lower versus other regions. Yet the price trends of the last five years (with base indexed to 100 for FY05) show prices more buoyant in the South.



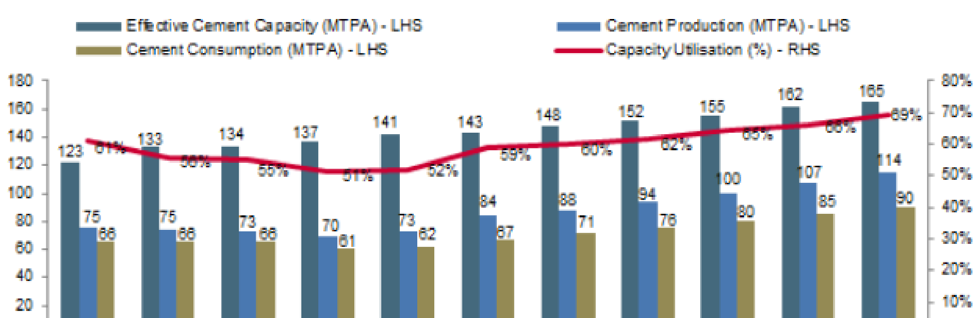
Source: IRR Advisory, CMIE

The key reason behind higher prices in South India is that the South region follows supply discipline and production will be in line with demand irrespective of the installed capacity. This also is an outcome of the fact that there are no clear market leaders in South India but rather the market structure is oligopolistic.

Cement outlook for South India

Owing to abundant raw material availability i.e. large limestone reserves located in the region, South India has witnessed significant capacity addition in India. However, cement demand in South region has been flat for the last 5-6 years in the absence of major infrastructure projects in the region coupled with realty slump in key markets. Hence, cement industry in South India in general - and Andhra Pradesh and Telangana in particular - is facing a huge capacity overhang with an installed base of around 160 million tonnes and a demand of only around 60 MT in South India and an additional 20 MT going to neighboring markets like East and Western India. Accordingly, the southern region has added approximately only 18MT of incremental capacities during FY12 to FY17, of the total approximately 357MT added at pan-India level. However, revival is being seen in the cement market in the South with cement demand having grown by 7% during FY17.

Overall scenario of Cement Sector in South

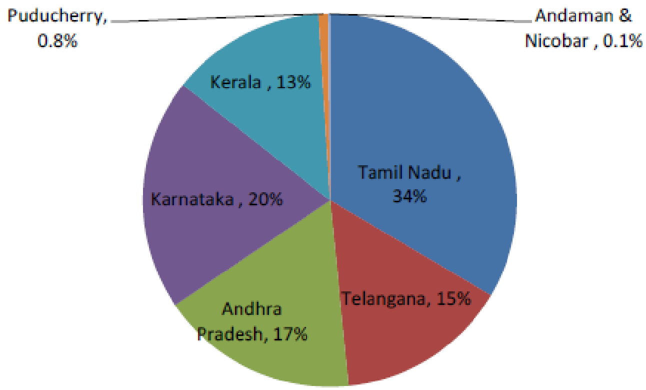


Source: Industry sources, IRR Advisory

As seen, cement demand in South India has stagnated at around 62-66 MTPA for the last few years. South India consists of the states and Union Territories of erstwhile Andhra Pradesh, Telangana, Karnataka, Kerala, Tamil Nadu, Andaman and Nicobar Islands and Puducherry. Erstwhile Andhra Pradesh has now got bifurcated into Telangana and new Andhra Pradesh. Cement demand in the region has been primarily driven by increasing focus on housing, especially in rural areas as well as an increase in infrastructure spending, mainly in irrigation projects. Besides, growth in the IT/ITeS sector in the region led to an increase in residential and commercial construction, resulting in healthy demand for cement.

Over the past two-three years, the demand growth in this region was marred on account of political instability in Andhra Pradesh, the key cement-consuming state in the region. However, the creation of Telangana and political stability in Andhra Pradesh has again propelled cement demand from the second half of FY15. Demand grew on the back of pick-up in construction work of capital of Andhra Pradesh at Amaravati, while neighboring state Telangana also registered a healthy growth on account of 2-BHK housing scheme and demand from infrastructure projects, especially roads and irrigation projects. The current break-up of demand among the southern states is shown below:

Break-up of Regional Demand in South



Source: Industry sources, IRR Advisory

South region's effective cement capacity has increased from 123MTPA in FY12 to 143MTPA in FY17 whereas the cement consumption has remained constant around at 66MTPA for FY12-FY17. Therefore, cement produced in the South moves outbound to other states within the belt and also to other regions - states like Maharashtra, Orissa, West Bengal and Jharkhand. However, high transportation cost impacts price competitiveness - the cost of cement increases by around INR3,000 per tonne if it has to be sent to Kolkata from Tamil Nadu. Around 20% of the total cement produced in the region is outbound to other regions. Similarly, states in the Southern region also have some inbound cement from other states within the region as well as from states outside the region like Maharashtra, Gujarat, Chhattisgarh and Orissa. However, this movement is quite limited in comparison to the cement transported out of the region.

Nevertheless, demand is again picking up in South India. The recovery in Andhra Pradesh and Telangana began in FY17 and it is believed to be sustained over the next few years. The primary growth driver will be the infrastructure sector, which is expected to post a robust growth of 10.5-11.5% CAGR, with increasing central and state governments spend on infrastructure development. This in turn will increase the share of infrastructure to 20-25% from current levels of 15-20%. Housing sector is expected to grow at 5-6% over the next five years on back of rising urbanization, increased emphasis on affordable housing, government schemes such as Housing for All (urban housing), Pradhan Mantri Awas Yojana (rural housing), smart cities, etc. However, with increased growth in other sectors, the share of housing in the overall consumption pattern will decline to 55-60% from the current share of 60-65%.

Cement plants in Andhra Pradesh to experience better price competitiveness

Andhra Pradesh will post significantly higher growth which will benefit stand-alone players operating in Andhra Pradesh. Several schemes, apart from construction of the capital city, are being implemented in Andhra Pradesh. These include construction of irrigation projects, roads, housing and ports.

Riding on these initiatives, IRR Advisory expects cement demand in Andhra Pradesh to grow at a CAGR of 10~11%, and at a CAGR of 7~8% for Telangana. IRR Advisory expects demand for cement in other South region states to grow at ~5%. Actually, the cement industry now sees about 10 to 18 percent growth in demand in Telangana and Andhra Pradesh during the next two to three years due to various heavy projects being undertaken by the respective governments. Accordingly, IRR Advisory predicts the cement market in South India to grow at around 6 to 7% CAGR to reach 90MTPA by FY22. This, in spite of overall regional growth being constrained by rural demand due to poor monsoon in South Karnataka, Tamil Nadu and Kerala.

As per IRR Advisory, the break-up of expected cement demand across the various Southern states are given below:

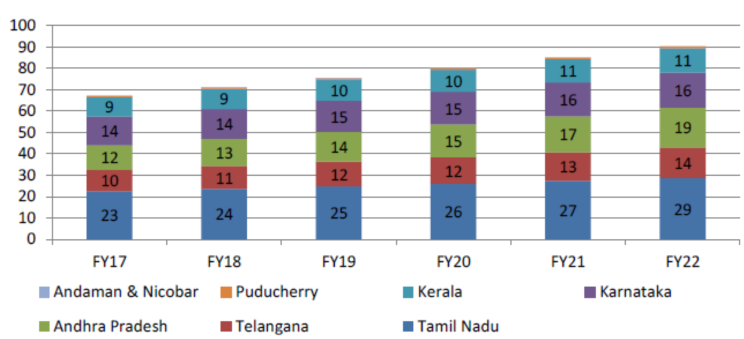
Year	Total Capacity Production (MTPA)	North	Central	West	East	South
FY12	25.0	5.2	2.7	3.0	3.5	10.5
FY13	24.8	5.2	3.0	3.2	3.2	10.2
FY14	23.6	5.2	3.1	3.3	3.3	8.7
FY15	24.4	5.4	3.4	3.7	3.7	8.3
FY16	24.7	5.4	3.5	3.5	3.2	9.2
FY17	24.5	5.4	3.2	3.2	4.2	8.6

Source: Industry, IRR Advisory

However, since the current installed capacity of the cement sector in South is 160MTPA, the southern region will only achieve a capacity utilization of ~60% by FY22. However, demand for cement in the states of Andhra Pradesh and Telangana is expected to increase by over 11MTPAover the next five years and will account for over 50% of the increment demand in South. Since cement is a bulky commodity, cement plants which are close to raw material sources and situated near their end-market enjoy significant competitiveness vis-à-vis other players. Andhra Pradesh has abundant limestone availability in the state and will also see significant demand build-up over the next few 14+years. Hence, the medium term prospects for cement plants operating in the Andhra Pradesh and Telangana regions are bright.

Production capacity of Clinker

The South region is the dominant player in terms of production capacity of clinker, although it has decreased with a CAGR of -4.0% from FY12 to FY17. Regional capacity production of clinker is provided below:



Source: CMIE, IRR Advisory

The total capacity production of clinker has marginally decreased from 25.0MTPA in FY12 to 24.5MTPA in FY17. Production capacity of South also decreased from 10.5MTPA in FY12 to 8.6MTPA in FY17. The current estimates of clinker import-export are provided below:

Region	Imports (MTPA)	Exports (MTPA)
North	0.09	0.86
Central	0.05	0.51
West	0.05	0.51
East	0.07	0.66
South	0.14	1.37
Total	**0.40**	**3.90**

Source: CMIE, IRR Advisory

Key challenges

Key challenges for the cement industry include

a. *Inadequate railway infrastructure* – short supply of wagon and policies hampering planned movement of cement to consumption centers, thereby adversely impacting production schedule.

b. *Excess cement capacity* – mismatch between government's projected demand and allocation of funds earmarked

c. *Acute shortage of coal* – steep drop in the supply to the industry thereby industry switching over to alternate fuels. Further, new capacities are not being given any coal under the linkage.

d. *High taxation* - effective rates including excise & VAT totals up to around 24-25%. The GST rate for cement has been fixed at 28%. On the other hand, countries like Pakistan export cement to India at 0% rate.

Government Initiatives

The key government initiatives include:

a. Housing for all by 2022

As per Ministry of Housing and Urban Poverty Alleviation (MHUPA), India would require about 110mn housing units on a pan India basis by 2022. MHUPA estimates that 70% of the housing needs until 2022 would be concentrated in just nine states. These states are Uttar Pradesh, Bihar, Maharashtra, West Bengal, Madhya Pradesh, Andhra Pradesh (including Telangana), Rajasthan, Tamil Nadu and Karnataka.

b. Infrastructure growth

The Road Transport & Highways Ministry has invested around INR3.2tn, while the Shipping Ministry has invested around INR800bn in the past two and a half years for building highways and shipping infrastructure in the country. According to the Minister of State for Road, Transport & Highways and Government of India - a total of 6,604 km out of the 15,000 km of target set for national highways in 2016-17 has been constructed by the end of February 2017. GoI is expected to invest highly in the infrastructure sector, mainly highways, renewable energy and urban transport.

Some of the key initiatives are as under:

- Setting up of National Infrastructure and Investment Fund (NIIF) with initial investment of INR200bn to increase investment flow to infrastructure projects
- Implementing policy measures such as improving coal and gas availability to power projects and ensuring faster clearances of stalled projects

- Banks being allowed to refinance infrastructure projects under the 5/25 scheme and extend long-term loans of 20—25 years to match the cash flow of projects
- RBI allowing banks to raise long-term infrastructure bonds with no regulatory costs
- In the Union Budget 2017-18, the GoI has taken the following measures for the development of infrastructure - increased total infrastructure outlay and defence capital expenditure by 10% and 20.6% to INR3,961.4bn and INR864.9bn respectively, over FY17 revised estimate and railway expenditure allocation has increased by 8% to INR1,310bn for laying down 3,500km of railway lines in 2017-18.
- GoI has launched a City Livability Index on June 23, 2017, which would measure the quality of life in 116 major cities on a set of 79 parameters.
- GoI has approved an investment of INR675.2bn towards urban development in Maharashtra, thereby recording the highest investment outlay towards urban infrastructure in any state in three years.
- National Highways Authority of India (NHAI) launched its first overseas issue of Masala Bond at the London Stock Exchange in May 2017, attracting bids worth over INR30bn, with aim of raising capital for funding the infrastructure projects in India.
- Airports Authority of India (AAI) plans to increase its capital expenditure for 2017-18 by 25% to INR25bn, primarily to expand capacity at 12 airports to accommodate increase air traffic.

c. Smart cities

The present government has ambitious plans to develop 100 smart cities in the next 5 years. Out of the 731 smart city projects worth INR463bn sanctioned so far, implementation has started in only 49 smart city projects and 24 smart city projects have been completed as of January 2017 as per the urban development ministry website. The Smart City Mission will be operated as a Centrally Sponsored Scheme (CSS) and the Central Government proposes to give financial support to the Mission to the extent of INR480bn over five years.

d. Atal Mission for Rejuvenation and Urban Transformation (AMRUT)

The focus of this mission is on capacity building, reform implementation, water supply, sewerage and septage management, storm water drainage, urban transport and development of green spaces and parks. The main criteria, inter-alia, for coverage of cities/towns under the Mission are “All Cities and Towns with a population of over one lakh with notified Municipalities, including Cantonment Boards (Civilian areas) according to Census 2011”. An investment of INR500bn will be done by the central government over a period of five years, FY 2015-16 to FY 2019-20. One of its important components is improving urban transport. The Government of India plans to invest INR114bn to improve basic urban infrastructure in 61 cities and towns of Uttar Pradesh, having population exceeding 100,000 each by 2019-20, under AMRUT scheme. The government has also approved investments in Tamil Nadu (INR112bn), Maharashtra (INR67bn), Haryana (INR25bn), Chhattisgarh (INR22bn), Manipur (INR1.8bn) and Sikkim (INR390mn) by 2019-20, under the same scheme.

e. Adoption of cement instead of bitumen for construction of roads

GoI has decided to adopt cement instead of bitumen for the construction of all new road projects on the grounds that cement is more durable and cheaper to maintain than bitumen in the long run.

f. Dedicated Freight Corridors

Dedicated Freight Corridors’ are planned to be ‘freight-only’ corridors which makes its cheaper, faster, and more reliable to move goods between industrial heartlands in the North and ports on the Eastern and Western coasts. These freight-only railway lines along congested transport corridors were envisaged to ramp up the average speed of freight, which had reduced considerably to 20kmph. A Special Purpose Vehicle, ‘Dedicated Freight Corridor Corporation of India Ltd.’ (DFCCIL) has been setup under the Ministry of Railways to facilitate the functioning of these corridors.

g. Upgradation of airports and port infrastructure

In May 2016, USD2.23bn (INR149bn) of investments were approved by AAI for upgrading of Indian airports and investments in port infrastructure in Greenfield projects and private terminals. Also, the Government of India has granted "in principle" approval for setting up of the 18 Greenfield airports in the country.

h. Commercial Real Estate

The Indian retail real estate market witnessed continuous foray of international brands, completion of retail developments and robust demand during 2016. Consumption patterns are likely to mature due to increasing urbanization with upcoming retail developments to allow entry points for global retailers beyond the traditional epicenters of Delhi NCR and Mumbai while 7mn sq. ft. of additional Grade A (office inventory) supply is expected to hit the market; to be led by Southern cities. Hyderabad and Bangalore are expected to lead the fresh supply addition in the retail sector for 2017 which will eventually drive the market for cement industry.

Impact of GST

The GST tax rate for cement is fixed at 28%. Therefore, this has resulted in a slight increase in taxes. However, the revision in tax rates brings an additional benefit, as the GST on coal and minerals ore has been reduced to 5%, limestone is taxed at 5%, and coal is capped at 5% - which is a reduction from the earlier rate of 11.69%. However, electricity is outside the purview of GST and nothing has been mentioned regarding royalty which is paid by the cement companies to the State Government for quarrying limestone. Further, clean energy cess has been levied on coal which is not available as an input credit as it has not been subsumed by GST and these factors will impact the cascading effect of taxes. These factors will continue to be outside the purview of GST and will be included in the cost of cement production even after GST is implemented as was done previously.

However, operational efficiency of the cement players is expected to improve post GST implementation as most of the companies maintain multiple warehouses across states to avoid Central Sales Tax and state entry taxes. These warehouses generally operated below their capacities which lead to operational inefficiencies. Transportation and distribution costs accounts for 25~35% of the total expenses of a cement plant – hence, consolidation of the warehouses and maintaining warehouses where it is most beneficial will lead to operational economies.

II. OTHER PRODUCT OFFERINGS IN CEMENT

Ready Mix Concrete (RMC)

Concrete is basically a mixture of portland cement, water and aggregates comprising sand and gravel or crushed stone. In traditional construction sites, each of these materials is procured separately and mixed in specified proportions at site to make concrete. RMC refers to concrete that is specifically manufactured elsewhere and transported in a transit mixer for delivery to the customer's construction site in a ready-to-use freshly mixed state. RMC can be custom-made to suit different applications. RMC is bought and sold by volume - usually expressed in cubic meters.

RMC Consumption Pattern

Years	Corresponding 5 year plan	GDP Growth (%)	Cement Consumption Growth (%)	Consumption of concrete (Average - MT)	Average Consumption of RMC (MT) - 30% of Consumption of concrete
2007-2012	11th	8.5	10.1	408.0	122.4
2012-2017	12th	7.0	7.7	588.0	176.4
2017-2022	13th	6.5	7.0	806.0	241.8

Source: Industry, IRR Advisory

Taking into consideration, the growth pattern of RMC world over, the expected potential of concrete in India and the progress made over the last 15 years, the growth of RMC in India may follow a path identical to the slow growth pattern followed by it internationally. The 5.6% consumption of cement

Through RMC in India was achieved within 12 years and 8.5% within 17 years.

Expected Growth of Commercial RMC

Year	Total Concrete Consumption (Million m3)	Concrete used on sites without dedicated plants where RMC could be used - 30% of Total Concrete Consumption (Million m3)	Total RMC actually used/or likely to be used (Million m3)	RMC penetration	Expected number of RMC Plants
2007	252.0	75.6	21.6	8.4	600
2012	408.0	122.4	64.0	13.3	1,700
2017	588.0	176.4	95.0	16.2	2,260
2022	806.0	241.8	154.0	19.1	3,200

Source: Industry, IRR Advisory

Prefab Houses

Prefab (Prefabricated) structures are abodes constructed off-site ahead of time and can be easily transported and installed on-site locations. These are composed and assembled to be mobile as opposed to forever spotted. While prefabricated construction has been commonplace in many parts of the world for decades, it accounts for around 0.5~1% of India's USD100-billion real estate market.

Cement Bonded Particle Board (CBPB)

CBPB is an innovative building material, which has the strength of cement and workability of wood. CBPB panel is made out of cement (62%), wood (28%), water and chemicals (10%). The Board is available in plain and laminated versions in a wide range of thickness and is versatile, strong and durable compared to composite boards. Cement Boards are used in ceilings, partitions, doors and for many other applications.

The size of the Indian boards and panel industry is estimated at INR350bn and is primarily dominated by wood based products like plywood, MDP, particle boards and gypsum boards. This industry is witnessing high growth due to the ease and convenience which it offers vis-à-vis the traditional methods of construction. The major contributors to the growth among the non-wood alternatives are gypsum plaster boards and cement boards. While the plywood market in India is estimated at around INR200bn, it is expected to be replaced by CBPB products in the coming years following global trends. However, the CBPB industry is at a nascent stage in India currently.

Applications of CBPB

CBPB is suitable for all climatic conditions; it is highly fire resistant and impervious to termites, vermin and mold. Its interior and exterior applications are provided below:

Interior Applications:

- Partitions : Single skin & Double skin
- False Ceilings
- Door Panels : Flush doors and panel inserts
- Wall Cladding
- Mezzanine flooring
- Cabins
- Cupboards
- Kitchen Cabinets

Exterior Applications:

- Fascia boards for exterior claddings of the facades of the buildings (slant roof)
- Sheet materials for outdoor hoardings
- Underlay for roof sheets
- Wall Claddings
- Prefabricated Structures for instant shelters

CBPB reduces construction costs and saves times

CBPB has reduced construction cost and it saves times as developers have employed Dry Construction Technique (DCT). Such methods ensure that the construction is lighter, faster and also becomes high performance, particularly in terms of heat and sound insulation. This new trend in construction has resulted in adoption of ready to use products like plywood, particle boards, medium density fiberboard, laminated boards, gypsum boards and fiber cement boards. These new age products are replacing the traditional products in applications like walls, flooring, facade cladding, ceiling and panelling. Fiber cement boards have some inherent advantages over other dry construction products. They are water resistant, termite resistant and have fantastic acoustic insulation properties, good thermal insulation and above all, can be used both indoors and outdoors.

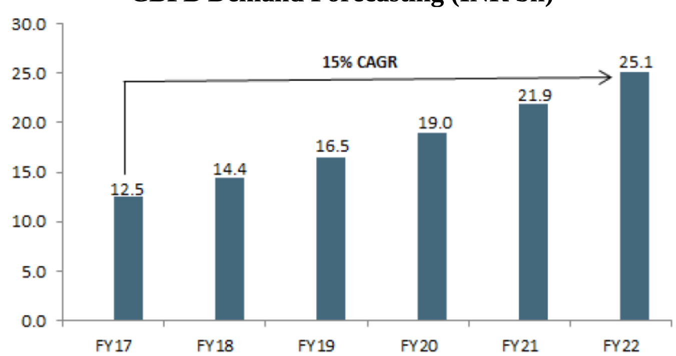
DCT facilitates easy handling of material and speedy construction. It promotes neat and clean site working conditions, convenience in upgrading or renovating existing spaces that are already occupied and operational. It is extremely compatible with reinforced cement concrete as well as steel structures and external facades, while the cavity space between walls can be utilized to install electrical and plumbing services without recessing the walls. The technique also provides superior sound-proofing, insulation, and smoother finish.

Some of the key players in the market and competitors offerings are NCL Industries, Visaka Industries, HIL Ltd (Earlier, Hyderabad Industries Ltd), Everest Industries and Ramco Industries.

Domestic Market Size and Demand Forecasting

IRR Advisory estimates the Indian CBPB market size at around INR12.5bn as of FY17. The market is dominated by 4-5 organized players (comprising of NCL Industries Ltd., Vishaka Industries Ltd., HIL Ltd., Everest Industries Ltd. and Ramco Industries Ltd.) who have over 60% of the market share. The organized players have around 15% of their total revenue from CBPB portfolio. IRR Advisory estimates the CBPB market to grow by around 15% from FY17 to FY22 and reach a market size of INR25bn by FY22.

CBPB Demand Forecasting (INR bn)



Source: IRR Advisory

Key Demand Drivers

Urban and rural housing sector

The housing sector acts as the major demand driver for the CBPB industry in India. The demand from the housing sector is influenced by three factors viz., - per capita income of the rural and urban consumers, government outlay and access to finance. Growth in CBPB demand from the housing segment over the next five years (from FY17 to FY21) is expected to be led by increased urbanization, higher government investment in rural and semi-urban housing projects. However, demand from the private housing segment over the next two years is estimated to be muted. This is a sharp divergence from the historical trend wherein cement demand from the housing sector was largely private-led (individual house builders, real estate, promoter housing, etc.), with government housing spend comprising a small proportion.

Industrial and Commercial segment

Over the next five years, CPBP demand from commercial construction projects is forecasted to grow at a moderately healthy pace, primarily led by development of office spaces, hotels, hospitals and educational institutes. Other initiatives like smart city (which envisages setting up a number of commercial complexes, revamping market places, etc.

South Zone

Post bifurcation of Andhra Pradesh, the southern region witnessed a healthy improvement in demand mainly led by higher government spend from Andhra Pradesh and Telangana. Further demand for cement in Andhra Pradesh and Telangana region to further improve mainly led by infrastructure projects like Polavaram project (₹ 360,000mn project) and Telangana housing scheme (270,000 2BHK houses). In addition, there are various irrigation projects that are under implementation which would further increase demand for cement. Further, Andhra Pradesh government has proposed to invest INR320bn to develop its new capital Amaravathi.

Government Regulations

In India, DIPP, under the Ministry of Commerce and Industry, is the nodal agency for the development of cement industry. It is involved in monitoring cement players performance at regular intervals and suggesting suitable policy incentives, as a when necessary. The Department is responsible for formulation and implementation of promotional and developmental measures for growth of entire industrial sector in general and of some selected industries like cement, light engineering, leather, rubber, light machine tools, etc. in particular. It is involved in framing and administering overall industrial policy and FDI policy as well as promoting FDI inflow into the country. It plays an active role in investment promotion through dissemination of information on investment climate and opportunities in India as well as by advising prospective investors about various policies and procedures. Cement prices are market determined and not administered. But, as the government regulates power tariff, railway freight, incidence of taxes, and the price of transportation fuels it does have an indirect control over prices.

Key Initiatives by the Government

In the 12th Five Year Plan, the GoI plans to increase investment in infrastructure to the tune of USD1tn and increase the industry's capacity to 150MT. New initiatives by GoI such as housing for all, smart cities, AMRUT, infrastructure spending, concrete roads initiative & an increase in allocation of funds to states are likely to see a positive impact on the cement industry.

As per Ministry of Housing and Urban Poverty Alleviation (MHUPA), India would require about 110mn housing units on a pan India basis by 2022 to achieve the vision of our Prime Minister Shri. Narendra Modi. In the last decade, there has been tremendous growth in the country’s housing sector, along with demographic changes, rise in income, growth in the number of nuclear families and urbanization.

OUR BUSINESS

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section "Forward Looking Statements" for a discussion of the risks and uncertainties related to those statements and also the section "Risk Factors" for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular Fiscal are to the twelve-month period ended March 31 of that year.

The financial figures used in this chapter, unless otherwise stated, have been derived from our Company's audit reports for the relevant years.
Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section "Forward Looking Statements" for a discussion of the risks and uncertainties related to those statements and also the section "Risk Factors" for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular Fiscal are to the twelve-month period ended March 31 of that year.*

*Unless otherwise stated, references in this section to the "Company" are to NCL Industries Limited and references to "we", "our" or "us" are to the Company. All financial information included herein is based on our financial information included in the chapter titled "***Financial Statements***" on page 194.*

Overview

We are the flagship company of the NCL Group and one of the prominent manufacturers of cement in Southern India marketed under the brand *"Nagarjuna Cement"* for over 28 years. Being one of the established cement brands in southern India, we have gradually expanded our reach in the states of Andhra Pradesh, Telangana, Tamil Nadu and Karnataka. We also manufacture Cement Bonded Particle Boards (CBPB) under the brand name *"Bison Panel"* which have unique applications for ceilings, partitions, wall claddings, flooring, etc. Over the years, we have expanded our product offerings by venturing in to different business segments namely CBPB, Ready Mixed Concrete (RMC), prefab houses and hydropower generation.

We own and operate integrated manufacturing facilities for production of cement located at Simhapuri, Suryapet District, Telangana and Kondapalli, Krishna District, with an overall installed capacity of 2.70 MTPA and clinker capacity of 2.6 MTPA besides operating three (3) limestone mines having an aggregate reserves of approximately 200MT. We have an extensive distribution network comprising of over 1900 active dealers and distributors as on October 31, 2017.

Our diversified product portfolio primarily caters to the infrastructure, construction, railways and commercial sector and provides an improved product mix to our customers and their preferences thereby targeting a wider customer base. Our growth is further driven by our ability to make available an assortment of quality products under trusted brands built over decades. This product portfolio includes the following categories:

- *Cement Division* – includes the manufacturing and grinding of cement and covers various grades of ordinary portland cement, portland pozzolona cement. In addition, we also manufacture a special cement (IRS Grade 53S) to cater the needs of Indian Railways for concrete sleepers. Ordinary portland cement covers premium blend cement which is a blend of more than two types of cements namely 43 grade and 53 grade OPC.

- *RMC Division* – includes manufacturing of ready mix concrete, which consists of a key ingredient OPC 53 grade cement and concrete mixture of different grades of materials namely sand, black granite material, fly ash and portable water required in construction sector.

- *Boards Division* – includes the manufacturing of cement bonded particle board which is a combination of 62% cement and 28% wood (usually eucalyptus and poplar) that involves a homogenous mix formation and curing in an eco-friendly manner, marketed under the brand '*Bison Panel'*. We manufacture these boards with a thickness ranging of from 6mm to 40mm. These boards are manufactured with the technology imported from Bison Werke of Germany. These boards are chemically and dimensionally stable, strong and durable, not affected by fire, weather, termites, etc. and possess a smooth surface with wood workability. These boards can be used for doors, false ceilings, external and internal wall claddings, mezzanine flooring, acoustic roofs, car porch ceilings, roof underlays, interior and exterior walls, single and double skin partitions, guard rooms, duct covers, building facades, furniture, cupboards, school benches, kitchen underlays, outdoor cabins, prefab shelters, wall sidings, etc. and can be customized according to the preferences of the customers.

- *Prefab Division* – includes track and panel system with the prime material as Bison Panel (cement bonded particle board). The panel walls of the shelters are made in double skin with Bison Panel and expanded polystyrene in between. The wall panels are assembled by anti – corrosive steel profiles and structural steel selections which are color coated. Prefabricated shelters are commonly used by the army and paramilitary organizations for the temporary living arrangements.

- *Energy Division* – it was established for setting up mini hydel projects for generation of power from renewable sources of energy to meet the growing demand of electric power in India. We have completed two hydel plants at Pothireddypadu mini-Hydel Project and Tunga Bhadra Dam mini-Hydel Project, each generating/ producing 7.5MW and 8.25MW respectively.

Our Cement Division is a major revenue contributor with 85.73% of the gross revenue from operations for Fiscal 2017 while RMC Division, Boards Division and Energy Division contributed 4.27%, 9.81%, and 0.19% of the gross revenue from operations for Fiscal 2017.

We commenced our operations in the year 1979 with cement commercial production of 66,000 TPA with one production plant under brand name "*Nagarjuna Cement*" and since then have expanded our operations under various segments. As on the date of this Placement Document, we have set up eight (8) strategically located manufacturing facilities in the state of Telangana, Andhra Pradesh, Karnataka and Himachal Pradesh through which we carry on our business operations. Our products and our major brands are as follows:

Division	Manufacturing Unit	Brands
Cement	iii) Simhapuri, Mattampally Mandal, Suryapet District, Telangana; and iv) Kadimpothavaram Village, Kondapalli, Krishna District, Andhra Pradesh	NAGARJUNA CEMENT
RMC	iv) Plot No. 91/C, D Block, Autonagar, Gajuwaka, Visakhapatnam, Andhra Pradesh; v) Plot 11, A/2, Phase 1, IDA, Patancheru,Medak District, Telangana; and vi) Rampally, Keesara Mandal, Medchal / Malkajgiri District Telangana	NAGARJUNA RMC Powering Constructions
Boards	iii) Simhapuri, Mattampally Mandal, Suryapet District, Telangana; and iv) Bhatanwali, Paonta Sahib, Sirmour District, Himachal Pradesh	BISON PANEL Cement Bonded Particle Board
Prefab	ii) Bhatanwali, Paonta Sahib, Sirmour District, Himachal Pradesh	NCL Prefab HOUSES
Energy	iii) Pothireddypadu, Chabolu Village,Nandikotkur, Kurnool District, Andhra Pradesh; and	NCL ENERGY

Division	Manufacturing Unit	Brands
	iv) RBHLC Zero Mile Point, Tungabhadra Dam, Tungabhadra Board, Amaravathi, Hospet, Karnataka	

Our operations are subject to environmental laws and regulations, which govern, among other things the handling, storage and disposal of hazardous substances and wastes, there mediation of contaminated sites, natural resource damages, and employee health and safety. In this regard, we have received ISO 9001:2008 certification for manufacture and supply of cement bonded particle boards and IS 15786:2008 and 14276:1995 certification for pre laminated cement bonded particle board for the products manufactured by us.

With an aim to offer a comprehensive range of products, we have expanded our product offerings which have resulted in enhanced growth and profitability. To streamline our sales and enhance a distinct brand visibility, we have established a pan – India distribution network. This distribution network includes 1,900 distributors and dealers for distribution of cements and cement bonded particle board pan India as on October 31, 2017. Our total number of cement dealers have consistently grown from 900 in Fiscal 2015 to 1050 in Fiscal 2016 and to 1600 in Fiscal 2017 and number of CBPB distributors have consistently grown from 245 in Fiscal 2015 to 295 in Fiscal 2016 and to more than 300 in Fiscal 2017, thereby increasing our customer base. We believe this pan-India distribution network ensures that our products are easily available in almost any part of India. Further, we continue to engage in various marketing initiatives to build brand awareness and recall value for our products and to grow our market share. In addition to leveraging and engaging our distribution network for marketing initiatives, we also undertake direct promotional initiatives like advertising our products through broadcast media and print media. Additionally, we also hold meetings with masons, carpenters, fabricators, engineers as well as conduct exhibitions. .

Our total revenue for Fiscal 2017, Fiscal 2016 and Fiscal 2015 was ₹ 76,915.80 lakhs, ₹ 66,393.15 lakhs and ₹ 53,877.39 lakhs, respectively, and grew at a CAGR of 19.48% over such period. Our profit after tax for Fiscal 2017, Fiscal 2016, and Fiscal 2015 was ₹ 5,472.99 lakhs, ₹ 5.307.91 lakhs and ₹ 890.01 lakhs, respectively, and grew at a CAGR of 147.98 % over such period.

Competitive strengths

We believe that the following are our core competitive strengths:

Significant brand presence, quality of products and on-site quality testing facility

Our Company is an established manufacturer of cement in India and markets its cement under the brand *"Nagarjuna Cement"*. The quality of the Company's cement is a key differentiator of its product due to the manufacturing processes followed and the standards adopted by the Company which are more stringent than the standards specified by the Bureau of Indian Standards. Our Company also manufactures cement bonded particle boards under the brand name *"Bison Panel"* which have unique application for ceilings, partitions, wall claddings, flooring, etc.

Our Company has comprehensive quality management systems across the value chain right from procurement of raw materials till delivery of final products. Our Company has undertaken various initiatives and adopted various systems and processes in order to augment our commitment to focus on quality which is crucial for our business. Each of our manufacturing units is well equipped with modern quality checking and testing equipment's for quality assurance. We believe that our focus on maintaining quality across our product verticals, together with our extensive sales and marketing efforts have enabled us to develop a strong brand recognition in the industry we operate in.

Our Company has received ISO 9001:2008 certification for manufacture and supply of cement bonded particle boards and IS 15786:2008 and 14276:1995 certification for pre laminated cement bonded particle board for the products manufactured by us. We also have on site quality testing facility at each of our manufacturing units. Further, our robust quality testing facilities help us monitor and control the production process on a real time basis to achieve consistent requisite quality of production thereby resulting in conservation of energy and raw materials.

Large reserve of cement grade limestone mines

As on date of this Placement Document, we have three reserves of cement grade limestone mines located at Mattapally, Sultanpur and Pedaveedu of Suryapet District *(erstwhile Nalgonda District)* spread across approximately 322.06 acres, 114.55acres and 105.32 acres, respectively having an aggregate reserves of approximately 200MTthat feed to our Simhapuri Unit and Kondapalli Unit. These mines have been allotted to our Company on lease hold bases. The lease period for our mines are up to 50 years from the date of original grant of respective mining lease and are subject to further renewal on expiration in accordance with the current provisions of the Mines and Minerals (Regulation and Development) Act, 1957, the Mines and Minerals (Development and Regulation) Amendment Act, 2015 and the Mineral Concession Rules, 1960. Our limestone requirements for the Simhapuri Unit and Kondapalli Unit for the Fiscals 2015, 2016 and 2017 have been 1.27 MT, 1.56 MT and 1.79 million tonnes, respectively and 0.39 MT, 0.50 MTand 0.63 MT, respectively. Based on the historical requirements of limestone and in view of the present operating capacity, we believe that our reserves of limestone are sufficient to provide for our requirements for up to 50 years.

Strategically located manufacturing facilities

Our cement manufacturing units at Simhapuri and Kondapalli are in close proximity to our limestone reserves which directly results in a cost advantage in terms of transportation costs. As these manufacturing units are located in the states of Telangana and Andhra Pradesh it provides us a significant locational advantage considering that our significant share of our revenues are generated from sales in the states of Andhra Pradesh, Telangana, Karnataka and Tamil Nadu. We also use high grade coal for the manufacturing of cements which is majorly imported from South Africa. This coal comes in either from Krishnapatnam or Gangavaram port which is approximately 400 kms from our manufacturing units.

Further, our Company has cement bonded particle board manufacturing units located at Simhapuri and Paonta Sahib to cater to the demand for boards across India. Paonta Sahib, Himachal Pradesh is in close proximity to the customers in the states of Rajasthan, Gujarat, Haryana and NCR. Our Cement bonded particle boards are made out of 62% cement, 28% wood and 10% water and chemicals. The wood used is of fast growing species like eucalyptus and poplar are readily available in states of Telangana and Himachal Pradesh. Further, our manufacturing units are well connected by road and rail, with each of our manufacturing units connected to both the national highway and the national railway networks.

Logistics is one of the key elements of our operating costs. Our expenditure on transport during Fiscal 2017, Fiscal 2016 and Fiscal 2015, was ₹ 12,638.27 lakhs, ₹ 10,677.00 lakhs and ₹ 8,411.02 lakhs, comprising 16.51%, 16.16% and 15.75% of our net revenue from operations, respectively. Generally, margins are inversely proportional to distance from the manufacturing facility to the markets. Being located close to our key markets such as Andhra Pradesh, Telangana, Karnataka and Tamil Nadu helps us incur lower transportation expenses. This has helped us save time and cost towards transportation of raw materials from our suppliers and final products to our customers.

Professional management with strong execution track record

Our Promoters have played a key role in developing our business and we benefit from their significant experience in the cement production business. Our Board comprises of Directors who have extensive experience in the cement industry setting up and managing companies in the cement and construction industries and in the finance sector. K Ravi, our Managing Director, has been with our Company since incorporation. He played an instrumental role in setting up cement manufacturing business. In addition, our Board of Directors includes independent directors who bring significant business expertise. We believe that the combination of our experienced Board of Directors and our dynamic management team positions us well to capitalize on future growth opportunities. We also have a qualified senior management team who assist the Board in implementing our business strategies and identifying new opportunities for furthering the growth of our Company and have experience in the cement industry, including in the areas of manufacturing, quality control, sales, marketing and finance. We believe that our qualified and experienced Promoters and senior management team, technically skilled employee base have contributed to the growth of our operations and competencies.

For further details of our Senior Management Personnel, please refer to chapter titled *"Board of Directors and Senior Management"* on page 133.

Successful diversification in related business

We believe that our wide product portfolio enables us to cater to a diverse range of customers in construction sector infrastructure sector and household sector. Our product portfolio includes various grades of OPC, PPC, special cement

IRS Grade 53S, cement bonded particle board, ready mix concrete, prefab division. The table below provides information regarding revenue from operations relating to business segments during Fiscals 2017, 2016 and 2015 as per the audited financial statements:

(₹ in Lakhs)

Segment	Fiscal 2017		Fiscal 2016		Fiscal 2015	
Cement Division	91,085.30	85.73%	75,899.29	83.88%	58,778.63	81.00%
Boards Division	10,424.17	9.81%	10,136.00	11.20%	9,131.24	12.58%
Prefab Houses	-	0.00%	-	0.00%	35.86	0.05%
Energy Division	204.78	0.19%	237.32	0.26%	651.41	0.90%
RMC division	4,537.41	4.27%	4,211.06	4.65%	3,969.53	5.47%
Gross Revenue from Operations (inclusive of taxes on sales)	**106,251.66**	**100.00%**	**90,483.67**	**100.00%**	**72,566.67**	**100.00%**

Our major contributors to the gross revenue from operations for Fiscal 2017 are the Cement and Boards Division which contribute 85.73% and 9.81% respectively. The Boards Division has shown consistent growth over the preceding three financial years both in terms of financial and operational metrics. Our gross revenue from operations of the Boards Division, have grown from ₹9,131.24 lakhs for the FY 2015 to ₹ 10,424.17 lakhs for the FY 2017 and our Return on Asset (ROA) for the year has grown from 28.9% for the FY 2015 to 32.6% for the FY 2017.

We believe that our product portfolio helps us in offering a wide range of products to our customers, enhances our ability to attract new customers, improve our share of business amongst existing customers and helps de-risk the business through limited dependence on any single product category. We believe that our product portfolio, has helped us, to become one of the leading manufacturers and suppliers of cement and related products.

Strong historical financial performance

Our Company was incorporated in the year 1989 and since then we have maintained strong growth credentials over the years through geographical expansion, improved staff productivity, enhancement of our product portfolio, diversification and growth in distribution network. We have delivered consistent growth over the preceding three financial years both in terms of financial and operational metrics. Our total revenue, have grown at a CAGR of 19.48% from ₹ 53,877.38 lakhs for the FY 2015 to ₹ 76,915.80 lakhs for the FY 2017 and our profit after tax for the year has grown at a CAGR of 147.98% from ₹ 890.01 lakhs for the FY 2015 to ₹ 5,472.99 lakhs for the FY 2017.

Our balance sheet and operating cash flows enable us to fund our strategic initiatives, pursue opportunities for growth and better manage unanticipated cash flow variations. We strive to maintain a robust financial position with emphasis on having a strong balance sheet and increased profitability. The table below sets forth some of the financial indicators for the last 3 Fiscals 2015, 2016 and 2017:

(₹ in lakhs)

Particulars	FY 2015	FY 2016	FY 2017
Net revenue from operations	53,391.66	66,076.89	76,551.83
EBITDA(excluding other income)	7,016.10	12,098.50	11,426.74
EBITDA margin	13.14%	18.31%	14.93%
PAT	890.01	5307.91	5472.99
PAT Margin	1.67%	8.03%	7.15%
RONW (%)	5.99%	26.97%	22.76%

For further details on a comparative analysis of our financial position and income from operations, please refer to "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 66.

Our strategies

Increase our geographical reach and expansion of addressable market

We intend to grow our business by adding new dealers/ distributors both in existing as well as in new markets. We intend to do this by effectively leveraging our distribution network and existing relationships. We sell our products primarily through dealers and also distributors who in turn work with a large number of local dealers. Thus, we believe that our strong marketing capabilities and established relationships with our existing distributors as well as our wide range of product offerings will enable us to expand our distributor base. We believe that our marketing focused services, as well as our range of products, will continue to differentiate us from our competitors and help enhance our distributor base.

During preceding three fiscals, over 80% of our revenue from cement segment was generated from the states of Andhra Pradesh, Telangana, Karnataka and Tamil Nadu. Demand in the southern region has been largely driven by infrastructure and housing development and implementation of several industrial projects. We intend to focus on maximizing net sales realization by increasing on sales of the product on a regional basis where we currently have limited presence.

To consolidate key markets through capacity expansion and developing product mix

In order achieve our Company's objective of increasing its presence in the markets where we do not have presence, it has increased its capacity at its manufacturing units. Recently, we have increased the cement manufacturing capacity of our plant located at Simhapuri from 1.95 MTPA to 2.70 million MTPA and clinker manufacturing capacity from 1.60 MTPA to 2.60 MTPA. Further, we have recently set up third manufacturing facility for cement bonded particle board at Simhapuri increasing the Boards manufacturing capacity of from 60,000 TPA to 90,000 TPA and third manufacturing facility for ready mixture concrete at Rampally, Hyderabad. We intend to continue the expansion of installed capacity thereby increasing our manufacturing capacities in order to, address emerging demand and boost divisional ROA.

We propose to continue to expand our product portfolio by upgrading and introducing new products under our business verticals. Our cement division is a major revenue contributor with 85.73% of the gross revenue from operations for Fiscal 2017 while RMC Division, Boards Division and Energy Division contributed 4.27%, 9.81%, and 0.19% of the gross revenue from operations for Fiscal 2017. In order to de-risk our concentration on cement division, we intend to enhance and expand our product portfolio specifically the Boards Division which have higher profit margin with the help of our qualified and technically skilled employee pool. We believe that diversifying our product offerings will enable us to further grow our business operations, reduce the risk of dependency on existing products and strategically target higher margin opportunities.

Strengthen our brand name in the Indian market

We believe that our brand is synonymous with credibility, reliability, efficiency and quality of the products we offer. We wish to continue to enhance our brand value by continuously delivering quality product. We believe that our brands are one of our key strengths and that our customers, distributors and stockists associate our brands with trusted and superior quality products. We manufacturer and sell cement under the brand *"Nagarjuna Cement"* and cement bonded particle boards under the brand name *"Bison Panel"*. Our brands are well-established as one of India's prominent cement manufactures and we have benefited from such parentage. At the same time, we intend to further strengthen our brands by continuing to deliver high quality services to our clients, enhancing our market positions in the markets in which we do business.

We undertake extensive consumer and market research to gauge the various aspects of a product and plan our marketing campaigns. On the basis of our product and market based research studies, which we conduct on an ongoing basis, we intend to continue to enhance the brand recall of our products through strategic branding initiatives, including through the use of social media and consumer engagement programs. The aggregate of our advertising & publicity and selling expenses were ₹ 6,091.44 Lakhs, ₹ 2,956.38 Lakhs and ₹ 2,062.65 Lakhs, or 7.96%, 4.47% and 3.86% of our net revenues from operations for the financial years 2017, 2016 and 2015, respectively. We intend to increase this proportion in the future.

Expanding Distribution Network

While we currently have a wide distribution network to cater to our retail and institutional customers, we constantly seek to grow our product reach to under-penetrated geographies. We intend to appoint additional dealers /distributors to increase the availability of our products in smaller towns in Region. As part of our sales strategy, we continue to evaluate potential sales growth drivers for specific products and regularly identify specific states and regions in India to focus our sales efforts and increase our sales volumes. Prior to expanding to new geographies or launching new products, we research and examine the market and demographic characteristic of the region to determine the suitability of our products in that market.

Further, we seek to increase the penetration of our products in markets in which we are currently present and widen the portfolio of our products available in those markets. We intend to achieve this by appointing new dealers/ distributors targeted at different consumer groups and increase our sales force. As on October 31, 2017, we have a wide network of over 1,600 active dealers for cement and over 300 distributors for cement bonded particle board. We have 24 deports located across the Southern states and propose to establish more depots during the financial year 2018 in the Southern states. We believe that increasing the number of our depots will enable retailers to source a greater number and a wider range of our products more efficiently.

Deleveraging balance sheet and reducing costs

We have implemented, and plan to continue to implement, efficiency measures to improve the long-term competitiveness of its business. We plan to sustain the cost reduction and operating flexibility progress it has made as a result of its continuous improvement processes. We aim to increase our profitability by maintaining competitive incentive levels with its strengthened product portfolio and by actively managing its production levels through monitoring its dealer inventory levels. We also intend to strategically expand our manufacturing facilities to target the customers located in the state of Tamil Nadu and Kerala.

Through various initiatives, we intend to reduce our net working capital, manpower costs, finance cost and other operating expenses. Further we intend to increase profit for the year from continuing operations. Our total revenue for Fiscal 2017, Fiscal 2016 and Fiscal 2015 was₹ 76,915.80 lakhs, ₹ 66,393.15 lakhs and ₹ 53,877.39 lakhs, respectively, and grew at a CAGR of 19.48 % over such period. As a result of the foregoing, profit for the year from continuing operations increased 147.98% to ₹ 5,472.99 lakhs in Fiscal 2017 from ₹ 890.01 lakhs in Fiscal 2015. For further details, see the section titled *"Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 66. We believe that deleveraging balance sheet and reducing costs will improve our economies of scale and will enable us to compete more effectively.

Key Milestones

The following table sets forth the key events and milestones in the history of our Company:

Year	Events
1979	Incorporated as Nagarjuna Cements Limited
1982	Went public through an Initial Public Offer
1984	Commencement of commercial production of Cement with 66,000 TPA at Simhapuri, Suryapet, Telangana
1987	Change of name from Nagarjuna Cements Limited to NCL Industries Limited
1989	Merger of Klayman Porcelains Limited with our Company.
	Received Best Workers Welfare Award from The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry ("FAAPCI")
	Expansion of cement Production to 1,98,000 TPA
1990	Further fund raise by way of rights issue of Equity Shares
1992	Commencement of commercial production of Bone China Unit (Ceramic Division) introduced for the first time in the country using natural gas.
1993	Commencement of commercial production of cement bonded particle board produced in technical collaboration with Bison Werke, Germany.
1996	Prefab Division executed a major order(s) for the value of ₹ 2,148 Lakhs
1997	Introduction of laminated cement bonded particle boards for the first time in the world
1998	Received ISO Certification for boards division and cement division
2003	Expansion of cement production to 2,97,000 TPA

Year	Events
2006	Issued 1,29,87,860 equity shares of ₹ 10 each on rights basis to the existing shareholders of the Company
2007	NCL Energy Limited was merged with our Company pursuant to order dated March 13, 2007 issued by the High Court of Andhra Pradesh.
	Commencement of commercial production of cement at Kondapalli cement grinding plant with 3,30,000 TPA
	Commenced commercial production of Bison Panel at Paonta Sahib Plant with an installed capacity of 30,000MT
2008	Expansion of clinker capacity to 5,94,000 TPA at SimhapuriPlant
2009	Commencement of commercial production of cement from Line 2 at Kondapalli with an installed capacity of 6.60 lakhs TPA
	The All India Manufacturers Organization, awarded our company with the Mokshagundam Visweswarayya award for the best performing company of the year 2008-09 in Andhra Pradesh.
	Business Standard, recognized our Company as among the top 1000 industrial giants and awarded our company with a ranking of 202.
2010	Commenced production of clinker and cement from Line 2 with an installed capacity of 9.90 Lakhs TPA and 6.60 lakhs TPA respectively at Simhapuri.
	Indian Brand Equity Foundation Inc, awarded our company with certificate of excellence in recognition of exemplary growth and sustainable success.
2011	Gross Turnover crossed Rs.500 Crores for the first time
	Our Company established the new RMC Division by setting up plants at Hyderabad and Vishakhapatnam with a capacity of 60 m^3 per hour
2016	Awarded India's second fastest growing cement company in the small category by Indian Cement Review
2017	3rd RMC plant in Rampalli, Hyderabad commenced commercial production with a capacity of 3,41,220 M3 Per annum
	Expanded clinker capacity to 2.60 MPA and cement capacity to 2.7 MTPA
	Commissioned the 3rd CBPB Plant of 30,000 TPA capacity at Suryapet District, Telangana
	Our company crossed INR 1,000 crore in Gross Sales.

Description of our Business

The business verticals in which we are currently engaged are as follows:

1. Cement Division;
2. RMC Division;
3. Boards Division;
4. Prefab Division; and
5. Energy Division.

Cement Division

Our Company is engaged in the production of a various grades of cement. Cement is the key ingredient and primary material used in the infrastructure and construction sectors. Cement is a binder, a substance used in construction that sets, hardens and adheres to other materials, binding them together. All the cement manufactured by the Company complies with relevant Indian standards and also international standards and are marketed under the brand name "*Nagarjuna Cement*".

Varieties of cement

We produce and sell cement, manufactured using clinker produced in our cement production units as well as other ingredients procured from various local suppliers. Our primary products of cement are:

i. Ordinary Portland Cement ("OPC")
ii. Portland Pozzolona Cement ("PPC"); and

iii. Special Cement- IRS Grade 53S

i. Ordinary Portland Cement ("OPC")

OPC is produced by integrating cement clinker prepared in our cement plant along with 7% gypsum. OPC grades are distinguished based on compressive strength. OPC is further classified as 43 grade and 53grade OPC. Set out below are the two grades of OPC sold by our Company.

53 Grade OPC

This grade of cement is used for fast paced construction work were initial strength is to be achieved quickly. 53 Grade OPC is fast setting and high strength cement. According to BIS requirements, 53 Grade Cement attains compression strength of 53 MPa in 28 days of setting. It is widely used in construction of High-rise buildings, bridges, flyovers, chimneys, prestressed concrete structures and certain precast concrete items requiring consistent high strength as paving blocks, tiles and building blocks.

43 Grade OPC

43 Grade OPC is the most popular general-purpose cement in India and constitutes a significant portion of total production of cement in India. 43 Grade Cement attains compression strength of 43 MPa in 28 days of setting. It is suitable for use in General civil engineering construction work such as slabs, foundation and columns of buildings, under water works, canal lining, concrete and plastering and precast items such as blocks, tiles and pipes.

ii. Portland Pozzolona Cement ("PPC")

PPC is blended cement produced by the addition of 25% to 30% of pozzolanic materials, such as fly ash to the clinker. The use of fly ash in the cement reduces the amount of clinker required to thereby making it cheaper to manufacture attributing to its gaining popularity in the construction industry. PPC is highly resistant to sulphate attacks which makes it particularly suitable for use in coastal areas and in construction of bridges, highways, housings, ports, mass concrete dams, irrigation systems and fully plated foundations. In addition to the same, since Pozzolana Cement uses natural and industrial waste it assists in mineral and energy conservation and reducing environmental pollution. Our Company generally obtains fly ash from nearby thermal power plants.

iii. Special Cement- IRS Grade 53S

Special Cement –IRS Grade 53 S has a similar chemical composition to that of 53 Grade OPC. However, the cement is special due to its C3S formation in the clinker which is higher compared to other cements thereby limiting free lime. In addition to this the cement is ground to 60% higher fineness than 53 Grade OPC. The higher fineness of the cement coupled with C3S formation contributes to faster setting high strength structures and better concrete mix design. It is widely used in construction of railway sleepers and high strength pre-stressed concrete structures due to its low expansion capacity.

Our Production units and location

Our Company owns and operates from two (2) integrated units for production of cement located at Simhapuri, Suryapet District, Telangana and Kondapalli, Krishna District, Andhra Pradesh. Our plants are strategically located to allow us easy access of limestone deposits. Our Kondapalli unit has recently been installed with a railway siding which would enables it to access the railway network directly thereby reduces transportation costs and shall facilitate in expansion of its supply and distribution network to northern states of India.

The following table sets forth the current installed capacity, capacity utilization and production of our Cement Plant's for the periods indicated:

Particulars	Fiscal 2017	Fiscal 2016	Fiscal 2015
Installed Capacity (MTPA)	1.95	1.95	1.95
Capacity Utilisation (%)	78%	66%	55%

Production (MTPA)	1.51	1.27	1.07

The following table sets forth our production of OPC, PPC and Special Cement- IRS Grade 53S for the periods indicated:

(*Production figures in MTPA)*

Particulars	**Fiscal 2017**	**Fiscal 2016**	**Fiscal 2015**
OPC 53 Grade	7,94,989.16	6,25,059.00	5,24,982.50
OPC 43 Grade	1,25,707.00	73,341.48	53,765.00
PPC	5,68,248.00	5,37,197.00	4,74,828.00
Special Cement-IRS Grade 53S	27,283.48	41,281.00	17,927.00
Total	**15,16,197.00**	**12,76,878.48**	**10,71,502.50**

Set out below is the brief write up on the manufacturing process of manufacturing clinker and cement.

Manufacturing Clinker

Stage 1

Limestone mining

Limestone mining involves benching, drilling, blasting, loading and transportation. In limestone benching, the quality of the input is assessed and compared with benchmarks before the additives are mixed. The benched limestone is then drilled and blasted into small pieces. After blasting, the limestone is extracted and transported for crushing.

Crushing

At the crushing plant, a series of crushers and screens reduce the limestone rocks to a size less than 50 mm. Limestone is crushed to make it suitable for blending, transportation and storage. The crushed material is stored in linear stockpiles for further processing.

Stage 2

Raw mill grinding

Raw material grinding is carried out through a dry process, wherein, each of the raw materials such as laterite and Iron ore is fed in the right proportion and transported to hoppers to attain the desired chemical composition before being fed to a rotating ball mill. Laterite and iron ore are sourced from local vendors. The raw materials are then dried with waste process gases and ground to less than 90 microns in size. The resultant mixture of material is known as ‘raw meal’.

Blending and storage

The raw meal from the vertical roller mill is stored in large capacity vertical continuous blending cum storage silo where it is pneumatically blended to ensure a uniform chemical composition. The homogenized mixture is then fed to the pre-heater.

Coal Crushing and Grinding

As a parallel process to preparation of raw meal, fuel preparation is also carried out. Our requirement of coal are either sourced from the domestic market or procured from traders of imported coal from South Africa. The coal is blended together to achieve a uniform heat value. The coal mixture is then crushed and ground in a ball mill up to -90 Microns in size and stored in coal hoppers.

Stage 3

Pre-heating and calcinations

Pyro processing is carried out in a 6 stage preheater, calciner and rotary kiln with cooler. It takes place inside the pre-heater tower which is about 110 - 120 meters in height.

Raw meal from the storage silo is extracted at a defined rate and fed at the top of the pre-heater tower while being subjected to higher temperatures at every single stage of the 6 stages. High temperatures free the raw meal of all moisture and also do the preheating. The raw meal enters the 'calciner' wherein calcium carbonate in the raw meal is decomposed into calcium oxide and carbon dioxide at calcination stage. The material is then fed to rotary kiln. The pre-heater tower and rotary kiln are made of a steel casing and lined with special refractory materials to protect it from not only the high temperatures in the kiln but also from reactions with the raw meal and gases in the kiln, abrasion and mechanical stresses induced by deformation of the kiln shell as it rotates. In the kiln, the calcination process is completed as the raw meal burns at 1400 degree Celsius with fine coal fed through the kiln outlet and calciner. The raw material inside the kiln liquefies. During this heat treatment of raw meal, calcium oxide reacts with silica, alumina and iron oxides to form crystals of calcium silicates, calcium aluminates and calcium alumino ferrites etc. This process is called sintering. The reaction results in nodular product known as 'clinker' which has the desired hydraulic properties. The heated clinker is discharged from the rotary kiln into a cooler. Large cooling fans blow air through the heated clinker cooling it down on its way out. The hot kiln gases are filtered through the reverse air bag 94 house and cooler hot gases are filtered through electrostatic precipitator. The clinker cooler is primarily meant to transfer heat from the clinker to the pyro processing system in the form of hot gases, optimizing the whole system by reducing fuel consumption and improving overall energy efficiency. Clinker leaving the clinker cooler is at a temperature of 100 degree Celsius capable of being handled by standard conveying equipment. Clinker is then stored in well sheltered stock piles.

Manufacturing Clinker to Cement

Stage 4

Final Grinding and blending

The black, nodular clinker, gypsum and fly-ash are stored in separate hoppers for final grinding. From the hoppers the clinker along with gypsum and fly-ash in desired proportions are ground together in ball mills to form the final cement product. Fineness of the final products, amount of gypsum added, and the percentage of fly-ash added are all varied to develop the product variants and different grades of cement. The cement is stored in large silos.

Stage 5

Distribution and Dispatch system

Each product variant is stored in an individual bulk storage silo ready to be dispatched. Cement is packed in bags using auto roto packer to maintain accurate weight of the cement in the bag and is distributed by rail and road. Customers may also demand cement to be dispatched in bulk tankers.

Raw Materials and supply

The principal raw materials used by our Company for cement manufacturing process are:

1. Limestone;
2. Gypsum;
3. Iron Ore;
4. Laterite; and
5. Fly Ash.

Our costs of raw materials consumed in production of cement accounted for approximately17.5% and 18.54 % of our total expenses for the Fiscal 2017 and Fiscal 2016, respectively. Raw materials are transported to the production plant mainly by means of road transport. We use independent road haulage operators to transport raw materials to our plants.

Limestone

The primary raw material used in the production of cement is limestone. The cement production process requires approximately 1.50 MT of limestone for every MT of clinker produced, resulting in an estimated annual requirement of approximately 29.00 lakhs MT of limestone at our Cement Plant, based on full utilization of current installed capacity.

As on date, we operate three limestone mines situated at Mattapally, Sultanpur and Pedaveedu of Suryapet District *(erstwhile Nalgonda District)* spread across approximately 322.06 acres, 114.55 acres and 105.32 acres, respectively. The mines are leased to the Company by the Government of Telangana for a period of 5 years each expiring on 2022 respectively. Our company at present has captive limestone reserves and resources of approximately 200 MT. The mines are situated near our Cement Plants and currently we mine 3 varieties of limestone viz. Banded Dark Gray Limestone; Argillaceous Limestone; and Lateritic Interstitial Clay. Each of these varieties of limestone can be used in the production of cement.

Gypsum

Gypsum being one of the other raw material used in manufacturing of cement is added as a retarding agent to control the setting time for cement. Our annual requirement of gypsum is approximately 90,000 MTPA. Our Gypsum requirements are typically met through import of Gypsum from Oman. We generally maintain stocks in levels sufficient to meet our production requirements.

Iron Ore and Laterite

We currently meet our iron ore requirement by obtaining Iron Sludge. Laterite is used as an additive. Our annual requirement of Iron Ore and Laterite is approximately 54,000 MTPA and 1,15,000 MTPA respectively. We obtain iron ore and laterite from local suppliers by placing purchase orders, as required from time to time.

Fly ash

Fly ash is typically used in the manufacture of PPC. Our annual requirement of Fly ash is approximately 1,66,000 MTPA Fly ash is a by-product of the coal burning process at thermal power plants. We source our fly ash requirements from nearby thermal power plants.

RMC Division

Ready-mix concrete **(“RMC”)** refers to concrete that is specifically batched or manufactured for customers' construction projects. It is a mixture of Portland cement, water and aggregates: sand, gravel, or crushed stone. RMC is bought and sold by volume. Ready-mix concrete is batched or manufactured under controlled conditions. All the RMC manufactured by the Company are marketed under the brand name “*Nagarjuna RMC*”.

Our Production units and location

Our Company owns and operates from three integrated units for production of RMC located at Patancheru and Rampally in Telangana and Visakhapatnam in Andhra Pradesh. The unit situate at Rampally in Telangana was commissioned on or about March 2017 with the capacity of 3,41,220 M^3 Per annum.

The following table sets forth the current capacity, utilization levels and production of the RMC units located at Patancheru in Telangana and Visakhapatnam in Andhra Pradesh for the periods indicated:

(in M^3)

Particulars	Fiscal 2017	Fiscal 2016	Fiscal 2015
Installed Capacity	682440	682440	682440
Capacity Utilisation (%)	19.26%	19.77%	17.10%
Production	1,31,436	1,24,255	1,16,672

RMC production process

The RMC manufacturing process involves the following stages.

Ready Mix Concrete is fresh concrete manufactured in batch Plants combine a precise amount of Stone Sand, water and Cement. In a normal mixture will contain cement, fine aggregates like sand and coarse aggregate i.e. stone along with small amounts of fly ash, chemicals and water. These proportions will vary to achieve the strength and flexibility as required for a particular outcome. RMC is manufactured in a completely computerized Batch plant with 2 cement silos. The mixing operation uses rotation or stirring to coat the surface of the aggregates with cement paste and to blend the other ingredients uniformly. A variety of batch or continuous mixers are used to produce the perfect blend. Once the concrete mixture is ready, it is transported to the work site in transit mixers.

Raw Materials and supply

The principal raw materials used by our Company for manufacture of RMC are:

1. Cement;
2. Fly Ash;
3. Stone;
4. Sand; and
5. Water.

Our costs of raw materials consumed in production of RMC accounted for approximately 10% and 11% of our total Raw Material expenses of the company for the Fiscal 2017 and Fiscal 2016, respectively.

Cement

The primary raw material used in the production of RMC is Cement. The cement requirements are typically met by supply from our own cement plants. We generally maintain stocks in levels sufficient to meet our production requirements.

Fly ash

Fly ash is one of the ingredients used in the manufacture of RMC. Our annual requirement of Fly ash is approximately 4,500 MTPA. Fly ash is a by-product of the coal burning process at thermal power plants. We source our fly ash requirements from nearby thermal power plants.

Stone

Stone being one of the other raw materials used in manufacturing of RMC is added as a coarse aggregate. Our annual requirement of stone is approximately 2.20 lakhs MTPA, which is obtained from local suppliers by placing purchase orders, as required from time to time. We generally maintain stocks in levels sufficient to meet our production requirements.

Sand

Sand being one of the other raw material used in manufacturing of RMC is added as a mineral aggregate. Our annual requirement of sand is approximately 1.70 lakhs MTPA, which is obtained from local suppliers by placing purchase orders, as required from time to time. We generally maintain stocks in levels sufficient to meet our production requirements.

Water

Apart from the above ingredients, water is used to bind the RMC mixture. Annual requirement of water is approximately 37, 000 KL, which is obtained from local suppliers by placing purchase orders, as required from time to time.

Boards Division

Our Company manufactures the cement bonded particle boards in India by importing technology from Bison Werke of Germany. The Cement Bonded particle Boards is manufactured by integrating cement along with wood in the ratio of 62% and 28%. Our special manufacturing process enables the panel to acquire the strength and durability of cement along with the easy workability of wood - a combination of qualities absent in boards produced by our peers. The use of Cement in our Boards makes them strong and resilient to fire and general wear and tear. The wood used in our Boards is of fast-growing species like Eucalyptus and Poplar which are light as well as strong and are easily machinable. In addition to the same as the wood particles in the board are mineralized with chemicals during the manufacturing process, the particles become termite and vermin resistant. These boards can be used in all places where an ordinary particle board can be used including partitions, false ceilings, doors, wall cladings, flooring, kitchen platforms, table tops, stair cases, louvers, cabinets, cabins and as well as for use as decking, wall sidings, roof underlays, partitions, false ceilings, furniture, wall claddings etc. All the cement bonded particle boards manufactured by the Company complies with relevant Indian standards and are marketed under the brand name "*Bison Panel*".

Varieties of Boards

We produce and manufacture Boards in four variants enumerated herein:

i. Bison panel plain Board
ii. Bison designer Board
iii. Bison Lam
iv. Bison Planks

i. Bison panel plain Board

This the most basic Board product which has a smooth surface face and is made available in a range of thicknesses from 6 mm to 40 mm varying depending on its impendent use. Boards are available in standard sizes of 8 feet x 4 feet and 10 feet x 4 feet. Boards are naturally grey in colour and can be suitable laminated, painted, or given any another finishing. Bison Panel can be laminated with PVC and other laminates available in market.

ii. Bison designer Board

Bison Designer Board is a top quality product with the same physical properties and virtues of Bison Panel Plain Boards. These boards have diverse applications ranging from partitions to false ceilings, wall claddings, and building facades. The boards are available in a *vide* range of self-embossed designs and textures. Keeping aesthetics and practicality in mind, Bison Designer Boards have been designed to be used at offices or homes. The boards are strong, durable, and offer a quality finish.

iii. Bison Lam

BISON Lam are pre laminated Bison Panels available in shades like Natural Teak, Wenge, Maple and Pine. The Lamination surface is impermeable to moisture and highly resistant to staining from Tea, Coffee, Washing Powder, Detergents etc. The surface can be cleaned with a wet cloth.

iv. Bison Planks

Bison Planks are ready to use designer Boards that are available in plank size and come coated with a cement primer on all six sides. Bison Planks have the same inborn characteristics of Bison Panel in terms of strength and durability. They are rot proof and termite proof and can withstand all weather conditions. Bison Planks can be used in several applications to enhance the beauty of surroundings and elegance to the building architecture. They are popularly used for railing, decking, flooring and sidings. Bison Plank is absolutely termite and fire resistant, resistant to fungus, rat bites and free from toxic materials like asbestos. Bison Plan is known to be free from cracks and its grain texture do not alter form for years in natural climatic conditions

Our Production units and location

Our Company owns and operates from two (2) integrated units for production of cement particle board located at Simhapuri, Suryapet District *(erstwhile Nalgonda District)*, Telangana and Paonta Sahib in Himachal Pradesh. Further, we have recently set up third manufacturing facility for cement bonded particle board at Simhapuri increasing the Boards manufacturing capacity of from 60,000 TPA to 90,000 TPA. The same has commenced its commercial operations with effect from December 02, 2017.

The following table sets forth the current capacity, utilization levels and production for the periods indicated:

(in TPA)

Particulars	Fiscal 2017	Fiscal 2016	Fiscal 2015
Installed Capacity	60,000	60,000	60,000
Capacity Utilisation	100%	102%	96%
Production	60,280	61,152	57,442

Board's production process

The Boards manufacturing process involves 5 distinct stages.

Bison panel is manufactured by the mixing of two main constituents, namely cement and wood particles in 2:1 ratio by weight wood particle form the reinforcing component and cement plays the bonding agent. Apart from these two, small quantities (Approx 1% each) of Sodium Silicate and Aluminum Sulphate are used to give initial strength to the board.

The cement which we are using is conforming to DIN P-45 are recommended by our collaborators. The type of wood we are using is Eucalyptus and poplar. Wood logs are stored in open yards from 3 months to 1 year to age the wood. These logs are further soaked in pits to build up to moisture and then fed to a flaking machine. These flakes along with diluted chemicals and cement fed in to a mixing chamber. The mixed material is then transported to the forming station through a number of screw conveyors, with a special technique of classification the mix is formed in to a uniform mat on flat steel plates which are called cauls. These cauls along with the mat are stacked over one another to a certain number (depending on the thickness of the board) and then sent to a press. After they are locked under pressure the mats are taken to a curing chamber where the temperature is around 70Ċ. After curing for about 8 hours, the boards are then separated from cauls and kept for maturing for about ten days. Later the boards are dried to 9 ±3% moisture where the temperature is around 90Ċ and heat is supplied through thermic fluid. The edges are then trimmed and the boards kept ready for inspection and dispatch.

Raw Materials and supply

The principal raw materials used by our Company for manufacture of Boards are:

1. Cement;
2. Wood; and
3. Laminates
4. Water & Chemical

Our costs of raw materials consumed in production of Boards accounted for approximately 5.6 % and 6.68 of our total expenses for the Fiscal 2017 and 2016, respectively. Raw materials are transported to the production plant mainly by means of road transport. We use independent road haulage operators to transport raw materials to our plants.

Cement

The primary raw material used in the production of Boards is Cement. The Board production process requires approximately 0.650 MT of Cement for every Board, resulting in an estimated annual requirement of approximately 0.41 lakhs MT of Cement at our Board Plant, based on full utilization of current installed capacity. Our cement requirements are typically met by supply from our own cement plants. We generally maintain stocks in levels sufficient to meet our production requirements.

Wood

The woods used for production of the Boards are of fast-growing species like Eucalyptus & Poplar. Our annual requirement of wood is approximately 38,000MT. We obtain wood from local suppliers by placing purchase orders, as required from time to time. We generally maintain stocks in levels sufficient to meet our production requirements.

Laminate

Laminates are used to decorate the Boards**.** Our annual requirement of Laminate is approximately 105 MT. Our Laminate requirements are typically met through import from Germany and China. We generally maintain stocks of an assortment of laminates in levels sufficient to meet our production requirements.

Water and Chemical

Apart from the wood and cement used in the manufacture of the Boards, certain chemicals i.e. Aluminium Sulphate, Sodium Silicate and water are used to make the Board resistant to termite and vermin attack. Our annual requirement of Aluminium Sulphate and Sodium Silicate are approximately 1,300 and 1,800 Mt respectively which is obtained from local suppliers by placing purchase orders, as required from time to time.

Prefab Division

Our Company is the pioneer and the largest manufacturers of Prefab houses and structures in India. The Prefab Houses are constructed in track and panel system with advantages of simplicity and speed in construction requiring no high skills or machinery. The prime material used to construct Prefab homes is Bison Panels. The walls of the Prefab homes are made in double skin with Bison Panels and placing of expanded polystyrene in between. Assembly of the wall panels and roof trusses are done with anti-corrosive steel profiles and structural steel sections. The roof is constructed with G.I. or color coated steel sheets.

The main advantages of the NCL Prefab Shelters are that they are terrain and climate compatible, durable, comfortable and cost effective. In addition to the same these houses are also earthquake resistant, fire retardant and waterproof. Due to simplicity in design and speed of erection, these shelters are ideal for providing instant accommodation, cutting the project cost. The Prefab Houses can be designed and customized as per the specifications and requirements of customers. These boards can be used for construction of school buildings, store sheds, farm houses, dwelling houses, site offices, security cabins, row houses, project houses, rest houses, guest houses, resorts, garden shelters, defense barracks, mobile check posts, industrial sheds, sheds for disaster management and any structure engineered to match a specific requirement.

Our Production units and location

Our Company owns and operates from one integrated unit for production of prefab houses located at Paonta Sahib in Himachal Pradesh.

Prefab Houses Construction process

Primarily a thin channel section frame (Ground track) is fixed on a level base with screws and plugs. The track frame will be as per the plan configuration of the Prefab House. Bison panels fitted with steel profiles are then inserted in the track frame vertically by interlocking the joints of the panels to form a continuous panel wall. Specially designed posts are provided for the wall junctions and the corners. During erection, the wall panels are held in position by providing temporary props or supports. Upon completion of the wall panels, another channel frame (top track) is fixed on the top of the panel walls to keep the wall panels tight in position. The top track also helps to distribute the roof load uniformly on the wall panels. Special panels and ready fit frames are used for doors and windows. Light weight trusses and purlins are fixed on the top track with specially designed components. Roof sheets are then spread on the purlins duly interlocking the panels as was done in the case of wall panels. Roofs can be either gable type or pitched type. A roof coat is given to the panels to prevent leakages.

Raw Materials and supply

The principal raw materials used by our Company for construction of Prefab Houses are Bison Panels, which are manufactured by the Company and supplied from time to time as and when required.

Energy Division

Our Company's energy division was established in the year 2007, pursuant to an order dated March 13, 2007 passed by the High Court of Andhra Pradesh approving the scheme of amalgamation of NCL Energy Limited with our Company, wherein all the assets and liabilities including the energy division of NCL Energy Limited was merged with our Company.

This Energy Division was established for setting up mini hydel projects for generation of power from renewable sources of energy to meet the increasing demand of electric power in India. Our Energy Division has established two hydel power projects at Pothireddypadu mini-Hydel Project which is generating 7.5 MW power and Tungabhadra Dam mini-Hydel Project which is generating 8.25 MW power. We have entered into a power purchase agreement with the Andhra Pradesh State Distribution Company Limited for the off take of power generated at this facility.

Utilities

Power and fuel expenses account for significant expenses in the cement manufacturing process comprising approximately 29.18 % and 30.58% of our total expenses in the Fiscal 2017 and2016, respectively. Coal and electricity are our principal sources of energy for production of our products along with use of alternate fuels. In the cement manufacturing process coal are used to burn raw materials in the kiln during the production process while electricity is used in the manufacture of all the other Products across all the processes.

Coal

Our coal requirements are typically met through the use of imported coal from South Africa since supply of domestic coal in India is subject to price and distribution controls imposed by the Government of India. The Cement production process requires an estimated annual requirement of approximately 3.00 lakhs MT of Coal based on full utilization of current installed capacity. Our Company believes that the use of imported coal, based on the present international price of coal, gives it significant cost advantages. The use of imported coal, with lower ash content than Indian coal, also contributes to an improvement of the quality of cement produced at the plants and permits the use of lower grade limestone in the production process. Imported coal is currently purchased by the Company on the international spot market.

Electricity

To power our operations, we need a substantial amount of electricity. For the fiscal year 2017, our total energy costs comprised 10.86 % of our total revenue. We also purchase power from third party suppliers, where costs are less than purchasing directly from the state electricity boards. We undertake energy conservation measures, as a result of which we are able to save on electricity costs.

Sales and distribution

Our Company has strategically set up our manufacturing facilities in the states of Telangana, Andhra Pradesh, Karnataka and Himachal Pradesh in order to distribute and market our products more efficiently. We distribute and market our products all over India. We have a pan – India distribution network comprising of over 1900 dealers and to promote our products in these markets.

Our Cement manufacturing units located in the states of Telangana and Andhra Pradesh provides us with a significant locational advantage in sales of our products in the southern states of India namely Andhra Pradesh, Telangana, Karnataka and Tamil Nadu. 85% of our cement products are distributed through trade and distribution network comprising of over 1,600 dealers and distributors and only 15% of our cement products are distributed for non- Trade purposes. We distribute our products through a number of dealers rather than clearing and forwarding agents in southern states of India.

The following table sets forth our percentage of cement sales for each of the periods indicated:

Particulars	Fiscal 2017	Fiscal 2016	Fiscal 2015
Andhra Pradesh	50%	43%	41%
Telangana	18%	18%	20%
Tamil Nadu, Karnataka and others	32%	39%	39%

Similarly, our Company has set up CBPB manufacturing units at Simhapuri and Paonta Sahib owing to its close proximity to the states of Rajasthan, Gujarat, Haryana and Delhi. However, in order to cater to the demand for CBPB pan – India we have a distribution network comprising of over 300 plus distributors. 70% of our CBPB are distributed through distribution network comprising of over 300 plus distributors and the remaining 30% of our CBPB are supplied directly to Institutions and Projects.

The following table sets forth our sales quantities of CBPB across states for each of the periods indicated:

(*in M^3*)

Particulars	Fiscal 2017	Fiscal 2016	Fiscal 2015
Telangana	48,323	81,343	56,854
Gujarat	2,13,391	3,83,141	3,59,070
Delhi and Haryana	2,40,482	4,50,982	4,29,749
Others	18,60,000	33,40,000	34,59,000

Our Company has set up three integrated units for production of RMC at Patancheru and Rampally in Telangana and Visakhapatnam in Andhra Pradesh. Due to the nature of RMC, our company supplies and distributes its RMC only within the states of Telangana and Andhra Pradesh being in near proximity to the plants. Our total sales from operations for Fiscal 2017, Fiscal 2016 and Fiscal 2015 was 1,31,436 M^3, 1,24,255 M^3 and 1,16,672 M^3.

Quality Assurance

We have quality control personnel, who ensure that people working in all departments from procurement to sales and marketing are trained on important quality control aspects. To ensure compliance with our quality management systems and statutory and regulatory compliance, our quality assurance team is equipped to train our staff on updates in quality, regulatory and statutory standards. In this regard, we have received following quality certification for the products manufactured by us:

1. License for quality management system being in conformity with ISO 9001:2008 for manufacture and supply of ordinary Portland cement of grade 43, grade 53, grade 53S (IRS –T40) and Portland pozzolana cement;
2. License for quality management system being in conformity with ISO 9001:2008 for manufacture and supply of cement bonded particle boards;
3. Certification Marks License as per IS 15786:2008 (pre laminated cement bonded particle board);
4. Certification Marks License as per IS 14276:1995 (cement bonded particle board)
5. Certification marks license as per IS12269:2013(OPC 53 Cement);
6. Certification Marks License as per IS 1489 (PartI):1991 (PPC Cement);
7. Certification Marks License for (OPC 43grade Cement); and
8. Certification Marks License no. as per IS 269: 2015 (OPC 43, OPC 53, OPC 53-S Cement).

We have implemented occupational health and safety standards at our facilities and we regularly train our employees to ensure compliance with these standards.

Competition

We compete with several regional and local companies, as well as large multi-national companies in each of our business verticals. Our major competitors include Ramco Cements Limited, Priyadarshini Cement Limited, Deccan Cements Limited and Sagar Cements Limited amongst others.

Pricing policy

We determine the sales price of our products based on market conditions. In setting prices, we take into account our costs, including those of raw materials and demand and supply in the domestic market.

Manpower

We consider our employee strength as a key factor to our success. As on October 31, 2017, we have employed 708 permanent employees. In addition, our Company also has 329 contract laborers and their number varies based on the requirements at our production units.

Our work force is a critical factor in maintaining quality and safety, which strengthens our competitive position and our human resource policies focus on training and retaining our employees. We train our employees on a regular basis to increase the level of operational excellence, improve productivity and maintain compliance standards on quality and safety.

We offer our employees performance-linked incentives and benefits and conduct employee engagement programs from time to time. We also hire contract labor for our facilities, from time to time. Our employees at certain of our facilities have formed registered unions. We believe we have good relations with our employees.

Health, safety and environment

Our plants, mines and offices in India are required to comply with several laws governing every aspect of our operations, including compliance with environment regulations. In order to ensure compliance, we have implemented an automated compliance monitoring and assurance system to enable monitoring of our manufacturing process.

Our operations are subject to environmental laws and regulations, which govern, among other things the handling, storage and disposal of hazardous substances and wastes, there mediation of contaminated sites, natural resource damages, and employee health and safety.

Intellectual Property

Our Company owns the following trademarks registered under the Trademarks Act, 1999:

Sr. No.	Description	Registration No.	Date of Registration	Date of Expiry
1.	NCL GROUP	3055086	September 15, 2015	September 15, 2025
2.	BISON DESIGNER BOARD	3055088	September 15, 2015	September 15, 2025
3.	BISON Lam PRE LAMINATED CEMENT PARTICLE BOARD	920545	April 26, 2000	April 26, 2020
4.	BISON PANEL Cement Bonded Particle Board	3055087	September 15, 2015	September 15, 2025
5.	BISON PANEL	629313	May 30, 1994	May 30, 2021
6.	BISON PLANK THE CHOICE OF SMART DESIGNERS	3055089	September 15, 2015	September 15, 2025
7.	NC	629314	May 30, 1994	May 30, 2021

Further, our Company has made applications for the registration of the following trademarks under the Trademarks Act, 1999:

Sr. No.	Description	Application No.	Date of Application
1.	NAGARJUNA CEMENT	3055092	September 15, 2015
2.	నాగార్జున సిమెంట్ మొనగాడు సిమెంట్	3055093	September 15, 2015
3.	NAGARJUNA RMC Powering Constructions	3055091	September 15, 2015
4.	NCL ENERGY	3055094	September 15, 2015
5.	NCL Prefab SHELTERS For Instant Housing	3055090	September 15, 2015

Additionally, our Company has obtained the registration of the following patent under the Patents Act, 1970:

Sr. No.	Description	Registration Number	Date of Registration	Date of Expiry
1.	Laminate board and process of preparation thereof	168 / CHE / 2007	July 18, 2008	January 24, 2027

For risks in relation to the intellectual property rights of our Company, please see *"Risk Factors – Our failure to keep our technical knowledge confidential could erode our competitive advantage."* on page 38.

Insurance

We maintain insurance policies in respect of our business, operations, products and workforce. We have obtained standard fire and special perils policies in respect of the buildings, plant and machinery, stocks of goods and office equipment in our manufacturing units. We maintain storage cum erection insurance and contractors' plant and machinery insurance for the cement units and the machineries installed therein. We also maintain marine cargo open insurance that covers transport of finished products. In respect of our workforce, we maintain the liability insurance, group mediclaim insurance, group personal accident insurance and employee's compensation insurance that covers accidental death, permanent disability and other injuries to our employees. We also maintain LPG traders insurance that covers the shops and stocks in trade. For details see "*Risk Factors – Our operations are subject to varied business risks and our insurance cover may prove inadequate to cover our economic losses."* on page 38.

Property

Our Registered Office is located on the premise which is leased by us. Further, our 8 manufacturing facilities in India are located on land that is either owned by us or leased to us on a long – term basis. Additionally, we have certain branch offices for carrying on our operations and godowns for storage and stocking of cement bags which are leased by us. For details see "*Risk Factors – Some of our business operations are being conducted on leased premises. Our inability to seek renewal or extension of such leases may materially affect our business operations. "* on page 38.

Related Party Transactions

From time to time, we enter into transactions with affiliates or related parties, principally with our promoter group companies. Our policy is that such transactions are made on an arm's length basis on no less favorable terms than if such transactions were carried out with unaffiliated third parties. Details of related party (as per AS 18) are set out in the section *"Financial Statements"* of page 194.

Corporate Social Responsibility

As part of our corporate social responsibility initiatives, our Company has been carrying out various social welfare activities. Our Board of Directors has constituted a Corporate Social Responsibility Committee, and also formed a corporate social responsibility policy to govern such initiatives. As a part of CSR activity, we have established elementary and high school to cater to the educational needs of the nearby tribal villagers. Additionally, we have set up a regular well equipped hospital with qualified and experienced medical and nursing staff which caters to the healthcare needs of the nearby villages and residents.

Legal Proceedings

We are involved in various legal proceedings that are at different levels of adjudication before various courts and tribunals. These legal proceedings are primarily in the nature of civil proceedings, labour proceedings and taxation proceedings (excise and service tax). The results of these claims and legal proceedings cannot be predicted and these claims and legal proceedings, individually or in the aggregate, may have a material adverse effect on our business (both in the near and long term), liquidity, financial position, cash flows or results of operations. For further details of our material litigation, see *"Legal Proceedings"* on page 188.

REGULATIONS AND POLICIES

The following description is a summary of relevant regulations and policies applicable to our Company. This description is based on the current provisions of Indian law, which are subject to change or modification or interpretation by subsequent legislative, regulatory, administrative or judicial decisions. The laws set out herein below and their description are not exhaustive, and are only intended to provide general information to Investors and is neither designed nor intended to be a substitute for professional legal advice.

BUSINESS RELATED LAWS

I. Laws and Regulations relating to Cement Industry

Cement Cess Rules, 1993

Cement Cess Rules, 1993 ("**Cement Cess Rules**") were formulated pursuant to section 30 of the Industries (Development and Regulation Act, 1951. It states that every manufacturer shall submit to the collecting agency, on or before the 15th of every month, a return in the Form specified in the Cement Cess Rules, relating to stocks of cement manufactured or produced in, and removed from the manufacturer's undertaking during the previous month. Further, the proceeds of the cess shall be credited to the Consolidated Fund of India which shall be used for assisting the National Council for Cement and Building Materials, suggesting methodology for productivity improvement covering production, energy, maintenance etc., providing guidance and assistance in optimum exploitation of raw materials, providing design and engineering for setting up and modernisation of cement plants, etc.

Cement (Quality Control) Order, 2003

Cement (Quality Control) Order, 2003 ("**Cement Quality Order**") is issued to conform to the specified standards laid down in the Bureau of Indian Standards Act, 1986. According to the Cement Quality Order, no person is permitted to manufacture, store, sell, distribute cement which does not conform to the specified standard and which do not bear the standard mark. The cement which do not conform to the Specified Standard shall be destroyed immediately within a month. The grant of license by the Bureau of Indian Standards for the use of the standard mark shall be as per the provisions of the Bureau of Indian Standards Act, 1986 as amended, and the rules and regulations made thereunder.

Ready Mixed Concrete Plant Certification Scheme-

The Quality Council of India has established an independent third party voluntary RMC Plant Certification Scheme to guarantee quality in the process of Ready Mixed Concrete (**RMC**) Plants. This scheme was developed with the active support of Ready Mixed Concrete Manufacture's Association (RMCMA), Building Materials and Technology Promotion Council (BMTPC) under the Ministry of Housing and Urban Poverty Alleviation, Government of India and other organizations. This scheme would not only benefit the RMC industry itself but also the consumers by providing a quality certified RMC plant. This scheme has 2 options for certification- RMC Capability Certification and RMC 9000+ Capability Certification, the latter dealing with compliance requirements of ISO 9001 in addition to the QSI scheme. The plants obtaining the certification will be certified by NABCB Accredited Certification Bodies.

II. Laws and Regulations relating to the Hydropower Industry-

The National Hydro Power Policy, 2008

The National Hydro Power Policy was notified by the Government of India, setting out the following objectives:

- inducing private investment in hydropower development;
- harnessing the balance hydroelectric potential;
- improving resettlement and rehabilitation; and
- facilitating financial viability.

The salient features of this policy are set forth below:

- The existing dispensation available to the public sector regarding exemption from tariff based bidding up to

January 2011 is extended to private sector hydroelectric projects;

- State governments would be required to follow a transparent procedure for awarding potential sites to the private sector;
- The concerned private developer would be required to following the existing procedure, including getting the DPR prepared, obtaining concurrence of the CEA/State government, obtaining environment, forest and other statutory clearance and then approach the appropriate regulator. It would be obligatory for the developers to go through an international competitive bidding process for award of contract for supply of equipment and construction of the project either through a turnkey contract or through a few well defined packages;
- Tariff of the project would be decided by the appropriate commission;
- Special incentive for merchant sales of up to 40% of the saleable energy is envisaged for the project(s) meeting the time lines;
- An additional 1% free power from the project would be provided and earmarked for local area development fund, aimed at providing a regular stream of revenue for income generation and welfare schemes, creation of additional infrastructure and common facilities on a sustained and continued basis over the life of the project. It is further recommended that the host State government would also provide a matching 1% from their share of 12% free power towards this corpus fund. This fund could be operated by a standing committee headed by an officer of the State government not lower than a district magistrate;
- For 10 years from the date of commissioning of the project, 100 units of electricity per month would be provided by the project developer to each project affected family through the relevant distribution company

The National Tariff Policy 2016 –

The Union Cabinet approved the amendments in the Tariff Policy 2006 with an aim of attaining the objectives of Ujwal DISCOM Assurance Yojna (UDAY) with special attention being paid on the 4 E's-

Electricity for all –

- 24X7 supply of electricity to all with the State Government and regulators formulating a power supply plan in order to achieve this.
- Provision of power to remote unconnected villages through micro grids

Efficiency to ensure affordable tariffs-

- Reduction of power cost to consumers by expansion of existing power plants
- Competitive bidding process to be employed to develop transmission projects in order to ensure faster completion at a cheaper cost
- Quicker installation of Smart meters to reduce theft and permit net metering

Environment for a sustainable future-

- Promotion of hydro projects through long term PPA's and provision of exemption of competitive bidding till August 2022
- In order to provide clean drinking water to cities and decrease the pollution of rivers like Ganga, thermal plants which are based within 50 kilometers of sewage treated facilities, to use treated sewage water
- Swachh Bharat Mission to get a shot in the arm with attainment of 100% power from waste to energy

Ease of doing business-

- Central regulator to decide tariff for schemes where more than 10% of the power is sold outside the State

III. Laws and Regulations relating to Mining Industry

Mines Act, 1952

Mines Act, 1952 ("**Mines Act**") is an act for regulation of labour and their safety in mines. It imposes certain obligations on any person who is the owner, agent or manager of a mine. Such person shall, before the commencement of any mining operation, give to the Chief Inspector, the Controller, Indian Bureau of Mines and the District Magistrate of the district in which the mine is situated, notice in writing in such form and containing such particulars relating to the mine, as may be prescribed. Such persons are also obliged to provide certain facilities to ensure the health and safety of the workers in such mines. The Mines Act also provides that notice must be given of the occurrence of any accident in the mines to the prescribed authorities; such notice must also be posted on a special notice- board for the inspection of the workers and trade unions, if any, for not less than 14 days. A register must also be maintained with respect to such accidents.

Mines and Minerals (Development and Regulation) Act, 1957 and the rules made thereunder

Mines and Minerals (Development and Regulation) Act, 1957 ("**Mines and Mineral Act**") regulate the mining sector in India. As per the Mines and Mineral Act, no person shall undertake any reconnaissance, prospecting or mining operations in any area, except under and in accordance with the terms and conditions of reconnaissance permit or of a prospecting license or, as the case may be, a mining lease, granted under MMDR and the rules made thereunder. The Mineral Concession Rules, 1960 ("**MCR Rules**") outline the procedures and conditions for obtaining a Prospecting License or Mining Lease. The Mineral Conservation and Development Rules, 1988 lays down guidelines for ensuring mining on a scientific basis, while at the same time, conserving the environment. The provisions of Mineral Concession Rules and Mineral Conservation and Development Rules are, however, not applicable to coal, atomic minerals and minor minerals. The minor minerals are separately notified and come under the purview of the State Governments.

We are also governed by the Mineral Conservation and Development Rules, 1988, as amended (the "**MCD Rules**"), in respect of mining rights and the operations of mines in India. The Government of India announced the National Mineral Policy, 1993, (the "**Mineral Policy**"), and has also made subsequent amendments to the Mineral Policy to reflect principles of sustainable development including the National Mineral Policy, 2008. The Mines and Mineral Act, the MCD Rules and the MCR Rules have been amended from time to time to reflect the principles of such Mineral Policy. Mining leases are granted under the Mines and Mineral Act, which was expressly enacted to provide for the development and regulation of mines and minerals under the control of the Union of India, pursuant to Entry 54 of the Union List in the Seventh Schedule of the Constitution of India.

A mining lease must be executed with the relevant State Government. The mining lease agreement governs the terms on which the lessee can use the land for the purposes of mining operations. If the land on which the mines are located belongs to private parties, the lessee would have to acquire the surface rights from such private party. If such private party refuses to grant such surface rights, the lessee is to inform the same to the State Government and deposit the compensation for the acquisition of the surface rights with the State Government, and if the State Government deems that such amount is fair and reasonable, then the State Government will order the private occupier to permit the lessee to enter the land and carry out such operation as may be necessary for the purpose of the mining lease. For determining compensation to be paid to such private party, the State Government is guided by the principles of the Land Acquisition Act. In case of Government land, the surface right to operate in the lease area is granted by the Government upon application and as per the norms of that State Government. Surface rights of private land can be directly negotiated with the owner and the rights obtained.

The maximum term for which a mining lease may be granted is 30 years. A mining lease may be renewed for further periods of 20 years or for a lesser period as per the request of the lessee. The renewals are subject to the lessee not being in default of any applicable laws (including environmental laws) and in respect of certain specified minerals, the previous approval of the Government of India. The Mines and Mineral Act provides that if the holders of a mining lease are using the mineral for their "own industry", then such holder would be entitled to a renewal of his mining lease for a period of 20 years unless he applies for a lesser period. The lessee has to apply to the relevant State Government for renewal of the mining lease at least one year prior to the expiry of the lease. However, the State Government can condone the delay in submitting an application for renewal of a lease provided that the application is made before the expiry of the lease. In the event that the State Government does not pass any orders in relation to an application for renewal prior to the expiry of the lease, the lease period will be deemed to be extended until the State Government passes its orders on such application for renewal.

Under the MCR Rules, the prior consent of the State Government in writing, and in respect of certain specified minerals, the previous approval of the Government of India, is required for transfer of a mining lease, including assignment, subletting or transfer of right, title or interest in any other manner. Further, the transferee must accept all the conditions and liabilities to which the transferor was subject in respect of such lease.

A prospecting license for any mineral or prescribed group of associated minerals is granted for a maximum period of three years. A prospecting license may be renewed for a longer period by the relevant State Government, if it is satisfied that a longer period is required to enable the licensee to complete prospecting operations subject to such renewal period not exceeding five years. In a state, a person can be granted a maximum area of 25 square kilometers in one or more prospecting license, but if the Government of India is of the opinion that in the interest of development of any mineral it is necessary to do so, the maximum area limit can be relaxed. A person may obtain a prospecting license in various states simultaneously up to the state-wide area limits. However, a person acquiring a prospecting license in the name of another person that is intended for himself shall be deemed to be acquiring the prospecting license for himself and the limits would apply accordingly. The person who undertakes prospecting under a prospecting license enjoys preferential right for the grant of the mining lease over any other person, subject to the satisfaction of the relevant State Government in respect of certain conditions.

Further, where any person has made an application for a mining lease in respect of mineral(s) not specified in the existing mining lease(s) by another, then the State Government shall notify such fact to the person who already holds mining leases in the land applied for. If the existing lessee applies for a prospecting licence or mining lease for another mineral in respect of the newly discovered mineral(s) within six months of date of communication of such information by the State Government, then the existing lessee shall get preference in respect of such grant.

The Limestone and Dolomite Mines Labour Welfare Fund Act, 1972

The Limestone and Dolomite Mines Labour Welfare Fund Act, 1972 is an Act for levying and collection of cess on limestone and dolomite for the financing of activities to promote the welfare of persons employed in the limestone and dolomite mines. Every duty of excise leviable under this Act on limestone or dolomite is payable (a) to the occupier of the factory by the person by whom such limestone or dolomite is sold or otherwise disposed of to such occupier; (b) to the Central Government by the owner of the limestone or dolomite mine where the limestone or dolomite is used by such owner for any purpose in connection with the manufacture of certain articles or goods mentioned under the Act. An amount equivalent to the proceeds of the duty of excise levied received by the Central Government is credited to the fund known as 'Limestone and Dolomite Labour Welfare Fund' which is applied for provision and improvement of public health and sanitation, water supplies and facilities for washing, transport etc.

The Iron Ore Mines, Manganese Ore Mines and Chrome Ore Mines Labour Welfare Cess Act, 1976

The Iron Ore Mines, Manganese Ore Mines and Chrome Ore Mines Labour Welfare Cess Act, 1976 is an Act to provide for financing of activities to promote the welfare of persons employed in the iron ore mines, manganese ore mines and chrome ore mines. The Act also provides for the formation of Iron Ore Mines and Manganese Ore Mines Labour Welfare Fund wherein the Central Government may credit the amount obtained out of the proceeds of duty of customs and duty of excise. The fund shall be applied by the Central Government for provision and improvement of public health and sanitation, water supplies and facilities for washing, educational facilities, housing and recreational facilities etc.

Metalliferous Mines Regulations, 1961

Metalliferous Mines Regulations, 1961 applies to every mine of whatever description other than a coal or an oil mine. Regulation 8 provides that when a change occurs in case of any director of a public company, such change shall be intimated to the Chief Inspector and Regional Inspector within 7 days from the date of such change. Further, pursuant to opening of the mine, the owner has to submit quarterly returns on or before 20th January, April, July, and October in every year and annual returns on or before 20th day of February in every year.

The Explosives Act, 1884 and Explosives Rules, 2008

The Explosives Act, 1884 ("**Explosives Act**") is an act which regulates the manufacture, possession, use, sale of explosives. In exercise of the powers conferred under the Explosives Act and in supersession of Explosives Rules, 1983, the Central Government makes the Explosives Rules, 2008 ("**Explosives Rules**") to regulate or prohibit, except under and in accordance with the conditions of a license granted as provided by those rules, the manufacture, possession, use, sale, transport, import and export of explosives, or any specified class of explosives.

Where a person makes an application for license, the prescribed authority shall, subject to the provisions of the Explosives Act, either grant the license or refuse to grant the same. Under rule 7 of the Explosives Rules, the licensing authority shall grant a license where it is required for the purpose of manufacture of explosives if the licensing authority is satisfied that the person by whom license is required possesses technical know-how and experience in the manufacture of explosives and where it is required for any other purpose, if the licensing authority is satisfied that the person by whom license is required has a good reason for obtaining the same. Rule 106 states that the licensing authority may grant a license for a period of 6 months for import export of explosives or for 5 years in case of manufacture of explosives.

Petroleum Act, 1934 and Petroleum Rules, 2002

The Petroleum Act, 1934 ("**Petroleum Act**") regulates the import, transport and storage of petroleum. Under the Petroleum Rules, 2002 ("**Petroleum Rules**") no person shall import, transfer or store petroleum except under and in accordance with a license granted under these rules. Every person desiring to obtain a license to import and store petroleum shall submit to the licensing authority an application for registration in Form XV or in Special Form, within the prescribed time limit. On expiry of a license, the applicant has to make an application for renewal of license. A license may be renewed by the authority empowered to grant such a license, provided that a license which has been granted by the Chief Controller may be renewed without alteration, by a Controller duly authorized by the Chief Controller. Pursuant to Section 23, whoever contravenes any of the provisions of the Petroleum Act, shall be punishable with simple imprisonment which may extend to one month, or with fine which may extend to ₹ 1000 or with both.

Ammonium Nitrate Rules, 2012

Ammonium Nitrate Rules, 2012 **("Ammonium Nitrate Rules")** are applicable for regulating the manufacturing, conversion, import, export, possession, sale, transport etc. of ammonium nitrate. The Ammonium Nitrate Rules prohibit the manufacture, conversion, storage etc of ammonium nitrate except after obtaining a valid license as per schedule II part 2 of the Rules. It further lays down the restrictions on storage of ammonium nitrate in populated areas, conversion in any other place apart from the one stated in the license, extraction from any fertilizer by chemical or physical process, import-export, transportation with any other explosives, inflammable substance etc.

LABOUR LAWS

Factories Act, 1948

Factories Act, 1948 ("**Factories Act**") regulates the provisions relating to labour in factories. The Factories Act defines a factory as any premises on which ten or more workers are employed or were employed on any day of the preceding twelve months and on which an electronic manufacturing process is carried on. Further, it also includes any premises on which twenty or more workers are employed or were employed on any day of the preceding twelve months and on which a manufacturing process is ordinarily carried on without the use of electricity. The applicant needs to submit the prior plans and obtain the approval of the respective State Government for the establishment, registration and licensing of factories. The provisions for the same are contained in the rules made by the respective State Governments. The Factories Act provides for provisions relating to health and safety, cleanliness and safe working conditions. Employment of women and children in the factories is prohibited under the Factories Act. Violations to any of the provisions of the Factories Act or the rules framed there under may lead to the imprisonment of the occupier or the manager of the factory for a term not exceeding two years and/or with a fine of ₹ 1,00,000 or both. If any continuing violation after conviction is observed, a fine of up to ₹ 1,000 per day of violation may be levied.

The Ministry of Labour and Employment proposes to amend the Factories Act, 1948 vide Office Memorandum dated June 5, 2014 wherein it is proposed to redefine the term "hazardous process" as a process in which a hazardous substance is used and the term "hazardous substance" would have the same meaning as assigned in the Environment Protection Act, 1986. An Occupier would now be required to take permission from the State Government for expansion of a factory within certain prescribed limits. Various safety precautions have been taken by the State Government to prevent persons to enter any confined space unless a written certificate has been given by a competent person and such person is wearing a suitable breathing apparatus. The occupier of a factory which is engaged in a hazardous process is required to inform the Chief Inspector within 30 days before the commencement of such process. An Inquiry Committee will be appointed by the Central Government to inquire into the standards of health and safety observed in the factory.

The following is an indicative list of labour laws applicable to the business and operations of Indian companies engaged in manufacturing activities:

- Contract Labour (Regulation and Abolition) Act, 1970;
- Employees' Compensation Act, 1923;
- Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- Employees' State Insurance Act, 1948;
- Industrial Disputes Act, 1947;
- Industrial Employment (Standing orders) Act 1946;
- Child Labour (Prohibition and Regulation) Act, 1986
- Maternity Benefit Act, 1961;
- Minimum Wages Act, 1948;
- Payment of Bonus Act, 1965;
- Payment of Gratuity Act, 1972;
- Payment of Wages Act, 1936;
- Equal Remuneration Act, 1976; and
- Public Liability Insurance Act, 1991

OTHER LAWS

Industries (Development and Regulation) Act, 1951

Industries (Development and Regulation) Act, 1951 ("**Industries Regulation Act**") is an act which governs the development and regulation of certain industries. The main objectives of the Industries Regulation Act is to empower the Government (i) to take necessary steps for the development of industries; (ii) to regulate the pattern and direction of industrial development; (iii) to control the activities, performance and results of industrial undertakings in the public interest. The Industries Regulation Act applies to the 'Scheduled Industries' listed in the First Schedule, however, small scale industrial undertakings and ancillary units are exempted from the provisions of this Act.

The Foreign Trade (Regulation and Development) Act, 1992

The Foreign Trade (Regulation and Development) Act, 1992 (the "**Foreign Trade Act**") was enacted to provide for the development and regulation of foreign trade by facilitating imports into and augmenting exports from India. The Foreign Trade Act prohibits anybody from undertaking any import or export except under an importer-exporter code number granted by the Director General of Foreign Trade pursuant to section 7. Hence, every entity in India engaged in any activity involving import/export is required to obtain an Importer Exporter Code ("IEC") unless specifically exempted from doing so. The IEC shall be valid until it is cancelled by the issuing authority.

Legal Metrology Act, 2009

The Legal Metrology Act, 2009 repeals and replaces the Standard of Weights and Measures Act, 1976 and the Standards of weights and Measures (Enforcement) Act, 1985. Its provisions broadly relate to use of weights and measures, pre-packaged commodities, compounding of offences and offences by Companies. It states that weights and measures which are standard and duly verified should be used. Also, nonstandard units must not be used in any advertisements, bills, vouchers, any packages or quotations. All manufactures, importers, dealers and repairers of weights and measures must obtain license from the Controller of Legal Metrology of the State.

Electricity Act, 2003 and Electricity Rules, 2005

The Electricity Act, 2003 was enacted to consolidate the laws relating to the generation, transmission, distribution, trading and use of electricity and generally for taking measures conducive to the development of the power industry. These include promoting competition, protecting interests of consumers and supply of electricity to all areas, rationalization of electricity tariff, ensuring transparent policies regarding subsidies, promotion of efficient and environmentally benign policies, the constitution of the Central Electricity Authority and regulatory commissions, and the establishment of an appellate tribunal. The Electricity Rules, 2005 were framed under the Electricity Act, 2003 and lay down the requirements of captive generating plants and generating stations. The authorities constituted under these rules may give appropriate directions for maintaining the availability of the transmission system of a transmission licensee.

Shops and Commercial Establishments Acts

Shops and Establishments Acts are state enactments being different for every state of India. The Act is intended for the regulation of conditions of work, number of days of leave and employment in shops, commercial establishments and other establishments. Every establishment not regulated/being under the purview of Factories Act, 1948 has to be registered under the respective state Shops and Establishments Act.

Bureau of Indian Standards Act, 1986

The Bureau of Indian Standards Act, 1986, ("**BIS Act**") provides for the establishment of bureau for the standardisation, marking and quality certification of goods. The BIS Act provides for the functions of the bureau which includes, among others (a) recognize as an Indian standard, any standard established for any article or process by any other institution in India or elsewhere; (b) specify a standard mark to be called the, Bureau of Indian Standards Certification Mark, which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; and (c) make such inspection and take such samples of any material or substance as may be necessary to see whether any article or process in relation to which the standard mark has been used conforms to the Indian Standard or whether the standard mark has been improperly used in relation to any article or process with or without a license.

INTELLECTUAL PROPERTY RIGHTS

Trade Marks Act, 1999

The Indian law on trademarks is enshrined in the Trade Marks Act, 1999. Under the existing legislation, a trademark is a mark used in relation to goods so as to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A 'mark' may consist of a word or invented word, signature, device, letter, numeral, brand, heading, label, name written in a particular style and so forth. The trademark once applied for, is advertised in the trademarks journal, oppositions, if any are invited and after satisfactory adjudications of the same, a certificate of registration is issued. The right to use the mark can be exercised either by the registered proprietor or a registered user. The present term of registration of a trademark is ten years, which may be renewed for similar periods on payment of prescribed renewal fee.

ENVIRONMENT RELATED LAWS

Environmental Laws

Manufacturing projects must also ensure compliance with environmental legislation such as the Water (Prevention and Control of Pollution) Act, 1974 (the "**WPA**"), the Air (Prevention and Control of Pollution) Act, 1981 (the "**APA**") and the Environment Protection Act, 1986 (the "**EPA**").

The WPA aims to prevent and control water pollution. This legislation provides for the constitution of a Central Pollution Control Board and State Pollution Control Boards. The functions of the Central Board include coordination of activities of the State Boards, collecting data relating to water pollution and the measures for the prevention and control of water pollution and prescription of standards for streams or wells. The State Pollution Control Boards are responsible for the planning for programmes for prevention and control of pollution of streams and wells, collecting and disseminating information relating to water pollution and its prevention and control; inspection of sewage or trade effluents, works and plants for their treatment and to review the specifications and data relating to plants set up for treatment and purification of water; laying down or annulling the effluent standards for trade effluents and for the quality of the receiving waters; and laying down standards for treatment of trade effluents to be discharged. This legislation debars any person from establishing any industry, operation or process or any treatment and disposal system, which is likely to discharge trade effluent into a stream, well or sewer without taking prior consent of the State Pollution Control Board. The Central and State Pollution Control Boards constituted under the WPA are also to perform functions as per the APA for the prevention and control of air pollution. The APA aims for the prevention, control and abatement of air pollution. It is mandated under this Act that no person can, without the previous consent of the State Board, establish or operate any industrial plant in an air pollution control area.

EPA has been enacted for the protection and improvement of the environment. EPA provides for the constitution of Boards to regulate pollution levels and protect the environment, the formulation of rules with regard to environmental standards and imposes certain obligations. It stipulates that no person carrying on any industry, operation or process shall discharge or emit or permit to be discharged or emitted any environmental pollutant in excess of such standards as may be prescribed. Further, no person shall handle or cause to be handled any hazardous substance except in accordance with such procedure and after complying with such safeguards as may be prescribed. EPA empowers the Central Government to take measures to protect and improve the environment such as by laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate and so on. The Central Government may make rules for regulating environmental pollution.

The issue of management, storage, and disposal of hazardous waste is regulated by the Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008 (the "**HWM Rules**") made under the EPA Act. The HWM Rules become applicable in case of an industrial activity in which a hazardous chemical which satisfies certain criteria as listed in the schedule thereto, and to an industrial activity in which there is involved a threshold quantity of hazardous chemicals as specified in the schedule thereto. The occupier of a facility where such industrial activity is undertaken has to provide evidence to the prescribed authorities that he has identified the major accident hazards and that he has taken steps to prevent the occurrence of such accident and to provide to the persons working on the site with the information, training and equipment including antidotes necessary to ensure their safety. Under the HWM Rules, the Pollution Control Boards are empowered to grant authorization for collection, treatment, storage and disposal of hazardous waste, either to the occupier or the operator of the facility.

In addition, the Ministry of Environment and Forests, Government of India (the "**MoEF**") looks into environment impact assessment (the "**EIA**"). The MoEF receives proposals for expansion, modernization and setting up of projects, and the impact such projects would have on the environment is assessed by the MoEF before granting clearances for the proposed projects. Furthermore, the Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989 (the "**Hazardous Chemicals Rules**") stipulate that an occupier in control of an industrial activity has to provide evidence for having identified the major accidental hazards and taking adequate steps to prevent major accidents and to limit their consequences to persons and the environment. The persons working on site have to be provided with information, training and equipment including antidotes necessary to ensure their safety.

TAX RELATED LAWS

Finance Act, 2017

The Finance Act, 2017 received the assent of the President on March 31, 2017 and came into force on April 1, 2017 to give effect to the financial proposals of the Central Government for the financial year 2017-2018. The Finance Act contains necessary amendments in the direct taxes (e.g. income tax and wealth tax) and indirect taxes (e.g. excise duties, custom duties and service tax) signifying the policy decisions of the Union Government for the year 2017-2018.The act states that Income-tax shall be charged at the rates specified in Part I of the First Schedule.

The following is an indicative list of tax laws applicable to the business and operations of the Company:

- Income Tax Act, 1961 and Income Tax Rules, 1962;
- The Customs Act, 1962;
- The Central Excise Act, 1944;
- Central Excise Tariff Act, 1985;
- Customs Tariff Act, 1975;
- Taxation Laws (Amendment) Act, 2017

Goods and Services Tax

The Constitution (One Hundred and First Amendment) Act, 2016 which received presidential assent on September 8, 2016 paved the way for introduction of Goods & Services Tax ("**GST**") by making special provision with respect to goods and services tax. The Act grants both parliament and state legislature's concurrent powers to make laws with respect to goods and services tax (GST) and demarcation of Taxation powers between Centre & States. The Government of India has on or about November, 2016 issued the Model GST Law which consists of the draft for the Act. Accordingly, the following GST acts have been enacted:

- Central Goods and Services Tax Act, 2017 ("**CGST Act**")
- Integrated Goods and Services Tax Act, 2017 ("**IGST Act**")
- Union Territory Goods and Services Tax Act, 2017 ("**UTGST Act**"), and
- Goods and Services Tax (Compensation to States) Act, 2017

The Goods and Services Tax shall be levied on all supplies of goods and/or services at the rate specified in the Schedules to the Acts and collected in such manner as may be prescribed under the Acts. It is a destination based consumption tax meaning that tax shall accrue to the State or the Union Territory where the consumption takes place. It is a dual system wherein the Centre and States/ union Territories shall simultaneously levy tax on a common tax base. GST shall be payable by every taxable person in accordance with the provisions of the acts. The Levy of Goods and Service Tax has commenced from July 1, 2017.

Tax on profession, trade, callings and employment

Every person engaged in profession, trade, callings and employment is liable to pay tax at the rate prescribed. It is considered necessary to levy tax on profession, trade callings and employment in order to augment state revenues. Every state is empowered to make laws relating to levy of tax on profession, trade, callings and employment that shall serve as the governing provisions in that state.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Overview

Our Board currently consists of thirteen (13) Directors of which three (3) are Executive Directors, five (5) are Non – Executive Directors and five (5) are Independent Directors. Our Articles of Association provide that the number of directors shall not be less than three (3) or more than 15 (fifteen). Our senior management team is under the overall supervision and control of our Board, and is responsible for our day-to-day operations.

Board of Directors

The following table sets forth details regarding the Board of Directors as of the date of this Placement Document:

Sr. No.	Name, Designation, Address, Occupation, DIN, Term and Nationality	Age	Other Directorships
1.	**Anand Ramanna** **Designation:** Chairman and Independent Director **Address:**01, 15th Floor, Cuffe Castle, Cuffe Parade, Colaba Mumbai- 400005, Maharashtra, India **Occupation:** Professional **DIN:** 00040325 **Term:** 5 years with effect from September 20, 2016 **Nationality**: Indian	84	1. Pranavaditya Spinning Mills Limited; 2. Indo Count Industries Limited; 3. NSL Textiles Limited; 4. Nova Silk Private Limited; 5. Eastern Engineering Co (Bombay) Private Limited; 6. Marzoli Textile Machinery Manufacturers Private Limited; 7. The Council of EU Chambers of Commerce In India; 8. The Indo-Italian Chamber Of Commerce and Industry; and 9. Ferrari Eastern Fans India Private Limited.
2.	**Ravi Kalidindi** **Designation:** Managing Director **Address:** Near Balaji Hospital, Plot – 150, NCL Enclave, Petbasheerabad, Medchal road, Jeedimetla, Hyderabad – 500055, Telangana, India **Occupation:** Business **DIN:** 00720811 **Term:**5 years with effect from April 01, 2016 **Nationality**: Indian	63	1. Vikram Chemicals Private Limited; 2. Deccan Nitrates Private Limited; 3. Kakatiya Industries Private Limited; 4. SoraChem Industries Private Limited; 5. NagarjunaCerachem Private Limited; and 6. Hampi Energy Limited.
3.	**Gautam Kalidindi** **Designation:** Executive Director **Address:** Near Balaji Hospital, Plot – 140, NCL Enclave, Petbasheerabad, Qutubullapur, Rangareddy, Hyderabad – 500055, Telangana, India **Occupation:** Service **DIN:** 02706060	36	NIL

Sr. No.	Name, Designation, Address, Occupation, DIN, Term and Nationality	Age	Other Directorships
	Term: 5 years with effect from August 01, 2017 **Nationality**: Indian		
4.	**N.G.V.S. G. Prasad** **Designation:** Executive Director and Chief Financial Officer **Address:** H No. 7-1-212/11, Flat No. 302, Sai Manasa Residency, Shiv Baug Colony, near S.R. Nagar Police station, Balkampet, Hyderabad-500016, Telangana, India **Occupation:** Service **DIN:** 07515455 **Term:**5 years with effect from May 30, 2016 **Nationality**: Indian	51	NIL
5.	**Penmetsa Narasimha Raju** **Designation:** Non-Executive Director **Address:** 11-4-646/G/A/101, Vijaya Hills A.C Guards, Hyderabad – 500004, Telangana, India **Occupation:** Professional **DIN:** 01765409 **Term:** Liable to retire by rotation **Nationality**: Indian	66	1. Sri LaxmiNarasimha Homes Private Limited; and 2. Khandaleru Power Company Limited.
6.	**Madhu Kalidindi** **Designation:** Non-Executive Director **Address:** Near Balaji Hospital, Plot – 140, NCL Enclave, Petbasheerabad, Qutubullapur, Rangareddy, Hyderabad – 500055, Telangana, India **Occupation:** Business **DIN:** 00040253 **Term:** Liable to retire by rotation **Nationality**: Indian	61	1. Sun Crop Sciences Private Limited; 2. Kakatiya Industries Private Limited; 3. Eastern Ghat Renewable Energy Limited; 4. NCL Green Habitats Private Limited; 5. NCL Homes Limited; 6. NCL Wintech India Limited; 7. NCL Alltek & Seccolor Limited; and 8. Span Tile Mfg. Company Private Limited.

Sr. No.	Name, Designation, Address, Occupation, DIN, Term and Nationality	Age	Other Directorships
7.	**Vinodrai Vachhrai Goradia** **Designation:** Non-Executive Director **Address:** Flat no. 108 – E, Sagar Apartment V.N. Purav Marg, Chunnabhatti, Mumbai - 400022 Maharashtra, India **Occupation:** Business **DIN:** 00040369 **Term:** Liable to retire by rotation **Nationality**: Indian	80	NIL
8.	**Roopa Kalidindi** **Designation:** Non-Executive Director **Address:** Plot No 150, H No: 12 – 13 – 677/NCL Enclave, Jeedimatla, AlwalRangareddy, Hyderabad – 500067, Telangana, India **Occupation:** Professional **DIN:** 01197491 **Term:** Liable to retire by rotation **Nationality**: Indian	39	1. Sora Chem Industries Private Limited.
9.	**Ashven Datla** **Designation:** Non-Executive Director **Address:** C – 3, Roling Hills, Gachibowli, Hyderabad – 500032, Telangana, India **Occupation:** Business **DIN:** 01837573 **Term:** Liable to retire by rotation **Nationality**: Indian	43	1. NCL Alltek & Seccolor Limited; 2. Khandaleru Power Company Limited; 3. NagarjunaCerachem Private Limited; 4. NCL Wintech India Limited; 5. Hampi Energy Limited; and 6. Eastern Ghat Renewable Energy Limited. 7. Plastone UPVC Profiles Private Limited

Sr. No.	Name, Designation, Address, Occupation, DIN, Term and Nationality	Age	Other Directorships
10.	**Kamlesh Suresh Gandhi** **Designation:** Independent Director **Address:** 6, Palm Grove, 26, Pushpak Park, Aundh, Pune - 411007 Maharashtra, India. **Occupation:** Professional **DIN:**00004969 **Term:**5 years with effect from September 29, 2014 **Nationality**: Indian	67	1. Bhagyanagar India Limited; 2. Kirloskar Electric Company Limited; 3. Sundaram -Clayton Limited; and 4. Bhoruka Power Corporation Limited.
11.	**Vuppalapati Raju Sitarama** **Designation:** Independent Director **Address:**6 – 3 – 429/2, Flat no. 303,Gayatri Apartments, Naveen Nagar,Banjara Hills, Telangana, India, Hyderabad – 500034 **Occupation:** Professional **DIN:** 00101405 **Term:**5 years with effect fromNovember 11, 2016 **Nationality**: Indian	76	1. The Andhra Sugars Limited; 2. Jocil Limited; and 3. Gangavaram Port Limited.
12.	**Dr. Raghavapudi Kalidas** **Designation:** Independent Director **Address:**HIG – A18, Near Ushodaya Super Market, A. S. RAo Nagar, Kapra, Hyderabad- 500062**,** Telangana, India **Occupation:** Professional **DIN:** 02204518 **Term:**5 years with effect from September 29, 2015 **Nationality**: Indian	71	
13.	**Lt. Gen.Trevor Aloysius D'cunha (Retd.)** **Designation:** Independent Director **Address:** 70, Bhanu Enclave, J.J. Nagar Po, Yapral, Secunderabad,Hyderabad – 500087**,** Telangana, India	71	NIL

Sr. No.	Name, Designation, Address, Occupation, DIN, Term and Nationality	Age	Other Directorships
	Occupation: Retired Army Officer **DIN:**07207066 **Term:** 5 years with effect from September 29, 2015 **Nationality**: Indian		

Brief Profile of the Directors of our Company

AnandRammana, aged 84 years, is the Chairman and Independent Director of our Company. He holds a Bachelor's degree in Science from Mumbai University. He is currently a member of the Indian Textile Accessories and Machinery Manufacturer's Association (ITAMMA), Development Council; Textile Machinery of the Government of India; Textiles Committee, Government of India, Ministry of Textiles and India ITME Society. He is experienced in industry and trade sector. He has been on the board of our Company since June 04, 1982 and has been the Chairman and Independent Director of our Company since June 14, 2008**.**

Ravi Kalidindi, aged 63 years, is the Managing Director of our Company. He holds a diploma in electrical Engineering with specialization in power stations network and systems issued by the Bard of technical education, government of Andhra Pradesh. As the Managing director he is the overall in-charge of operations and looks after the day to day management and administration of our Company. He has been conferred 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 our Company. He is experienced in cement and building material industry. He has been associated with our Company since incorporation and has been on the board of directors as Managing Director on January 11, 2003 and has been acting as the Managing Director of our Company since then.

Gautam Kalidindi, aged 36 years, is the Executive Director on the Board of our Company. He holds a bachelor's degree in Business Management (Hons.) from Institute of Chartered Financial Analysts of India, Hyderabad and a master's degree in Science (Entrepreneurship and Business Management) from University of Luton, Bedfordshire, UK. He is experienced in cement and building material industry and is presently in charge of operations of our cement division. He joined our Company on June 01, 2007 as a management trainee and was promoted as Manager Project Coordination with effect from April 1, 2008. He was appointed as an additional director of our Company on July 27, 2009 and shortly after regularised as an Executive Director on the Board of our Company with effect from August 29, 2009. Thereafter he was appointed as a whole-time Director with effect from August 01, 2014 for a period of 5 years and re-appointed as Executive Director with effect from August 01, 2017 for a period of 5 years.

N.G.V.S. G. Prasad, aged about 51 years, is the Executive Director and Chief Financial Officer of our Company. He holds a bachelor's degree of commerce from Nagarjuna University. He is a qualified chartered accountant and has been a fellow member of the ICAI since1996 and is experienced in finance sector. He has been associated with our Company since 2003 until his resignation in 2014. He was appointed as the Chief Financial Officer of the Company with effect from September 29, 2015.He was later appointed as an additional director on the Board of our Company on May 30, 2016 and thereafter regularized as Executive director and Chief Financial Officer of our Company from May 30, 2016.

Penmetsa Narasimha Raju, aged 66 years, is a Non -Executive Director on the Board of our Company. He holds a bachelor's degree in mechanical engineering with specialization in marine engineering from Andhra University. He is experienced in the cement and building material industry. He was appointed as an Executive Director on April 12, 2006 and was subsequently appointed as a Whole-time Director with effect from April 12, 2006. He thereafter, resigned as an Executive Director with effect from July 02, 2015 and since then continues his role as a Non-Executive Director on the Board of our Company.

Madhu Kalidindi, aged 61 years, is the Non-Executive Director of our Company. He holds a Bachelor's degree in Commerce and Law from Osmania University, Hyderabad. He has over 25 years of experience in cement and building material industry. He was appointed as a Non-Executive Director on the Board of our Company on July 22, 2000**.**

Vinodrai Vachhrai Goradia, aged 80 years is the Non-Executive Director on the Board of our Company. He is our Promoter Director andwas appointed as Non-Executive Director on the Board of our Company since September 28, 1990.

Roopa Kalidindi, aged 39 years, is a Non-Executive Director on the Board of our Company. She holds a post graduate diploma in business administration from Siva Sivani Institute of Management, Secunderabad with specialization in marketing and entrepreneurship and a master's of science degree Marketing Communications from Illinois Institute of Technology, USA. She is experienced in sales and marketing. She was appointed as an additional director of our Company on May 30, 2014 and shortly after regularised as an Non-Executive Director on the Board of our Company with effect from September 29, 2014.

Ashven Datla, aged 43 years, is a Non-Executive Director on the Board of our Company. He holds a master's degree in business administration from University of Hartford, USA. He was initially appointed as an additional director on the Board of our Company on June1, 2011 and shortly after appointed as a Non-Executive Director from September 30, 2011.

Kamlesh Suresh Gandhi, aged 67 years, is an Independent Director on the Board of our Company. He holds a bachelor's degree in Commerce from Mumbai University. He has extensive experience in the field of capital and financial markets in India. He has been involved in raising funds for several companies with retail, high net worth and institutional investors, both domestic and overseas. He has experience in financial sector and has been instrumental in initiating and building the capabilities to offer equity related capital market services to companies, setting up investment management services division and ramping up the stockbroker activities of investment banking firms in India. He was initially appointed as an additional director on the Board of our Company on June 14, 2008 and regularised as an Independent Director on the Board of our Company since September 29, 2008.

Vuppalapati Raju Sitarama, aged 76 years, is an Independent Director on the Board of our Company. He holds a master's degree in Commerce and a bachelor's degree in Law from Nagpur University. He enrolled as an advocate in the year 1988 and started his practice before High Court of Andhra Pradesh and other High Courts and has completed over 25 years at the Bar. He has been associated with Federation of Andhra Pradesh Chamber of Commerce & Industry (Now FATSCCI) and was the President of the said association during the year 2011-12. In the past he has worked with Registrar of Companies, Andhra Pradesh and Karnataka in the erstwhile Department of Company Affairs (Now Ministry of Corporate Affairs). He was appointed as an Independent Director on the Board of our Company with effect from November 11, 2016.

Dr. Raghavapudi Kalidas, aged 72 years, is an Independent Director on the Board of our Company. He holds a bachelor's degree in engineering from Sri Venkateshwara University, Tirupathi and has been conferred a degree of Doctor of Philosophy (PhD) from Jawaharlal Nehru Technological University. He is an honorary fellow of Indian Institute of Chemical Engineers, fellow of Institution of Engineers (India), fellow of Andhra Pradesh Akademi of Sciences. He is a life member of the Indian Institute of Metals. He was initially appointed as an additional director on the Board of our Company on August 11, 2015 and shortly after regularised as an Independent Director on the Board of our Company from September 29, 2015.

Lt. Gen.Trevor Aloysius D'cunha (Retd.), aged 71 years, is an Independent Director on the Board of our Company. He also has a master's degree in business administration from Rani Durgavati Vishwavidalaya, Jabalpur. He has held various prestigious posts in the Indian Army and has actively participated in various operations. He retired as a Lieutenant General from the Indian Army. He has been conferred with the 'Param Vashist Seva Medal' for his meritorious services in the field of logistics. He was initially appointed as an additional director on the Board of our Company on August 11, 2015 and shortly after regularised as an Independent Director on the Board of our Company from September 29, 2015.

Relationship with other Directors

Except as disclosed below, none of our Directors are related to each other.

Name of the Director		Relationship
Ravi Kalidindi	i)	Brother of Madhu Kalidindi,
	ii)	Uncle of Gautam Kalidindi,
	iii)	Father of Roopa Kalidindi, and
	iv)	Father-in-Law of Ashven Datla
Gautam Kalidindi	i)	Son of Madhu Kalidindi,
	ii)	Nephew of Ravi Kalidindi,
	iii)	First cousin of Roopa Kalidindi and
	iv)	Brother-in law of Ashven Datla
Madhu Kalidindi	i)	Brother of Ravi Kalidindi,
	ii)	Father of Gautam Kalidindi,
	iii)	Uncle of Roopa Kalidindi and
	iv)	Father in law's brother of Ashven Datla
Roopa Kalidindi	i)	Daughter of Ravi Kalidindi,
	ii)	Sister-in law of Ashven Datla,
	iii)	Niece of Madhu Kalidindi and
	iv)	First cousin of Gautam Kalidindi
Ashven Datla	i)	Son-in law of Ravi Kalidindi,
	ii)	Brother-in law of Roopa Kalidindi,
	iii)	Brother in-law of Gautam Kalidindi and
	iv)	Son in law of brother of Madhu Kalidindi

Borrowing powers of the Board

Our Board of Directors including any committee thereof is authorised to borrow money upon such terms and conditions as the Board may think fit and may exceed the aggregate of the paid up share capital and free reserves, provided that the aggregate amount of its borrowings shall not exceed ₹50,000.00 lakhs as authorised by the special resolution passed by the shareholders by way of EGM dated July 30, 2007. Further, our shareholders reaffirmed the borrowing power of our Board, through a special resolution, in the annual general meeting held on September 29, 2014.

Interest of Directors

All of the Directors, other than the Executive Director of our Company may be deemed to be interested to the extent of fees payable to them for attending the meetings of the Board or meetings of the Committees of the Board as well as to the extent of reimbursement of expenses payable to them. The Managing Director and the Executive Director(s) of our Company may be deemed to be interested to the extent of remuneration paid to them for services rendered as the officers of our Company.

All the Directors may be interested in our Company to the extent of the Equity Shares held by them and also to the extent of any dividend payable to them and other distributions in respect of such Equity Shares held by them. All Directors may also be regarded as interested in the Equity Shares held by, or subscribed by and allotted to, the companies, firms and trust, in which they are interested as directors, members, partners, or trustees or where the Equity Shares of the Company are held by the relatives of the Directors.

Further, our Company has entered into a sale deed dated March 29, 2016 with one of our Director, Ashven Datla for land situated at Gurrambodu Thanda. Other than as disclosed herein, our Company has not entered into any contract, agreement or arrangement during the preceding two years from the date of the Placement Document in which any of the Directors are interested, directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements, arrangements which are proposed to be made with them.

For details of related party transactions entered into by our Promoter, Promoter Group and Company during the two years preceding the date of the Placement Document, the nature of transactions and the cumulative value of transactions, see "*Related Party Transactions*" in the section *"Financial Statements"* on page 194.

Shareholding of Directors

The following table sets forth the equity shareholding of the Directors in our Company as on September 30, 2017**,**

Name of the Director	Number of Equity Shares	Percentage of Total Number of outstanding Equity Shares
Ravi Kalidindi	28,65,989	7.80
Penmetsa Narasimha Raju	11,63,119	3.17
MadhuKalidindi	11,71,774	3.19
Gautam Kalidindi	6,85,959	1.87
Ashven Datla	6,49,194	1.77
VinodraiVachharajGoradia	5,48,602*	1.49
Roopa Kalidindi	5,26,295	1.43
Vuppalapati Raju Sitarama	1,040	-
Anand Ramanna	540	-
N.G.V.S. G. Prasad	50	-

**Jointly holds 3,13,284 Equity Shares with Charulata Vinodrai Goradia.*

Terms of appointment of our Executive Directors:

Ravi Kalidindi, Managing Director

Pursuant to a resolution passed by the Board of Directors at the meeting held on January 29, 2016 and by the members of our Company at its Annual General Meeting held on September 20, 2016, Ravi Kalidindi was re-appointed as Managing Director of our Company for a period of 5 years with effect from April 01, 2016 along with the terms of remuneration. The details of his remuneration are as under:

Particulars	Remuneration
Salary	₹. 8,00,000 per month (with an annual increment of ₹ 75, 000 per month)
Commission	2% of the net profit of the Company computed in a manner laid down under Companies Act
Perquisites	**Housing:** at the rate of 40% of the salary **Medical reimbursement:** expenses incurred for self and family subject to a ceiling of 1(one) month's salary in each year or 3 (three) months' salary in a block of 3(three) years **Leave Travel Concession:** for self and family subject to ceiling of 1(one) month's salary in each year. "Family" means wife, dependent children and dependent parents. **Company's contribution of Provident Fund and Superannuation Fund** shall be as allowed under the Income Tax Act and Rules and as per rules of the Company/equivalent special allowance as may be opted. **Gratuity:** equal to half month's salary for each completed year of services as per the rules of the Company **Conveyance:** free use of Company's car with driver for Company's business **Telephone/Cell Phone:** free, except for personal long distance calls which shall be billed **Encashment of leave:** one full pay and allowances not exceeding 1(one) month's leave for every 12(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.
Other conditions	He is not eligible for any sitting fees of the Company's board/committee meetings Above remuneration be paid as minimum remuneration in the event of absence or inadequacy of profits, for a period of three years from the year in which such absence or inadequacy occurs. In case the above minimum remuneration exceeds the ceilings prescribed under the Companies Act, 2013 in any particular year, the approval of the Central Government be

Particulars	Remuneration
	sought for payment of the above remuneration as the minimum remuneration after the fact of inadequacy of profit is determined

Gautam Kalidindi, Executive Director

Pursuant to a resolution passed by the Board of Directors at the meeting held on May 27, 2017 and by the members of our Company at its annual general meeting held on September 22, 2017, Gautam Kalidindi was re-appointed as Executive Director for a period of five years with effect from August 01, 2017along with the terms of remuneration. The details of his remuneration are as under:

Particulars	Remuneration
Salary	₹.4,00,000 per month (with an annual increment of ₹40,000 per month)
Perquisites	**Housing:** at the rate of 40% of the salary **Medical reimbursement:** expenses incurred for self and family subject to a ceiling of 1(one) month's salary in each year or 3 (three) months' salary in a block of 3 (three) 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. **Company's contribution of Provident Fund and Superannuation Fund** shall be as allowed under the Income Tax Act and Rules and as per rules of the Company. **Gratuity:** Equal to half month's salary for each completed year of services as per the rules of the Company. **Conveyance:** free use of Company's car with driver for Company's business. **Telephone/Cell Phone:** free, except for personal long distance calls which shall be billed. **Encashment of leave:** one full pay and allowances not exceeding 1 (one) month's leave for every 12 (twelve) months of services, subject to the condition that the leave accumulated, but not availed of shall be dealt with as per the Income Tax Rules, 1962.
Other conditions	In the event of inadequacy of profits in any year, the above remuneration is by way of salary and perquisites not exceeding the limits as specified under provisions relating to Section II(A) of Part II of Schedule V of the Companies Act, 2013 as minimum remuneration for a period of 3 (three)years from the year in which such absence or inadequacies occur. In case the above minimum remuneration exceeds the ceilings prescribed under the Companies Act, 2013 in any particular year, the approval of the Central Government be sought for payment of the above remuneration as the minimum remuneration after the fact of inadequacy of profit is determined.

N.G.V.S. G. Prasad, Executive Director

Pursuant to a resolution passed by the Board of Directors at the meeting held on May 30, 2016 and by the members of our Company at its annual general meeting held on September 20, 2016, N.G.V.S. G. Prasad was re-appointed as Executive Director and Chief Financial Officer for a period of five years with effect from May 30, 2016alongwith the terms of remuneration. The details of his remuneration are as under:

Particulars	Remuneration
Salary	₹2,00,000 per month (with an annual increment of ₹30,000 per month)
Perquisites	**Housing:** at the rate of 40% of the salary **Medical reimbursement:** expenses incurred for self and family subject to a ceiling of 1 (one) month's salary in each year or 3 (three) months' salary in a block of 3(three) years **Leave Travel Concession:** for self and family subject to ceiling of 1(one) month's salary in each year. Family means wife, dependent children and dependent parents. **Company's contribution of Provident Fund and Superannuation Fund** shall be as allowed under the Income Tax Act and Rules and as per rules of the Company/equivalent special allowance as may be opted.

Particulars	Remuneration
	Gratuity: equal to half month's salary for each completed year of services as per the rules of the Company **Conveyance:** free use of Company's car with driver for Company's business **Telephone/Cell Phone:** free, except for personal long distance calls which shall be billed **Encashment of leave:** one full pay and allowances not exceeding (1) one month's leave for every 12 (twelve) months of services, subject to the condition that the leave accumulated, but not availed of shall be dealt with as per the Income Tax Rules.
Other conditions	He is not eligible for any sitting fees of the Company's board/committee meetings. In the event of inadequacy of profits in any year, the above remuneration is by way of salary and perquisites not exceeding the limits as specified under provisions relating to Section II(A) of Part II of Schedule V of the Companies Act, 2013 are applicable for the payment of minimum remuneration. The above remuneration be paid as minimum remuneration in the event of absence or inadequacy of profits in any year subject to approval of the central Government wherever necessary

The remuneration paid by our Company to its Executive Directors for the seven months period ending October 31, 2017 and for the Fiscal 2017, 2016 and 2015 is stated below:

(₹ in lakhs)

	Salary and Perquisites			
Name of Director	**For the period ending October 31, 2017**	**Fiscal 2017**	**Fiscal 2016**	**Fiscal 2015**
Ravi Kalidindi	93.10	277.54	264.32	88.92
Penmetsa Narasimha Raju*	-	-	64.08	51.57
Gautam Kalidindi	34.72	52.08	47.04	32.76
N.G.V.S. G. Prasad**	21.73	28.21	-	-
Nitin Vijaya Chandra Suvarna***	-	30.58	30.40	-

**Ceased to be an Executive Directorwith effect from July 02, 2015 but continues to be a Non-Executive Director on the Board of our Company*
*** Appointed as an Additional Director with effect from May 30, 2016 and regularized on September 20, 2016*
****Ceased to be a director with from December 31, 2016*

Non – Executive Directors' Sitting Fees

The Non – Executive Directors of our Company are paid sitting fees which is determined by the Board of Directors. With effect from August 11, 2015, our Non-Executive Directors are entitled to receive a sitting fee of ₹15,000 for attending meetings of our Board and ₹10,000 forattending each meeting of the committee. In addition, our Non – Executive Directors are entitled to commission not exceeding 1% of the net profits of the Company.

The following table sets forth all sitting fees paid by our Company to the Non-Executive Directors for the seven months period ending October 31, 2017 and for the Fiscal 2017, 2016 and 2015 is stated below:

(₹ in lakhs)

Name of Director	For the period ended November 30, 2017	Fiscal 2017	Fiscal 2016	Fiscal 2015
Anand Ramanna	0.30	1.70	1.50	0.30
Penmetsa Narasimha Raju	0.45	2.05	1.88	-
Madhu Kalidindi	0.65	2.95	2.86	1.05
Vinodrai Vachhrai Goradia	0.30	2.05	1.53	0.22
Roopa Kalidindi	0.15	0.70	0.33	0.15

Name of Director	For the period ended November 30, 2017	Fiscal 2017	Fiscal 2016	Fiscal 2015
Ashven Datla	0.60	3.80	3.83	0.37
Kamlesh Suresh Gandhi	0.75	4.45	4.60	0.97
Vuppalapati Raju Sitarama	0.40	0.95	-	-
Dr. Raghavapudi Kalidas	0.65	3.20	1.50	-
Lt. Gen.Trevor Aloysius D'cunha (Retd.)	0.55	2.95	2.45	-
M. Kanna Reddy*	-	1.95	4.57	1.05
M. Bhaskarara Rao (Nominee Director)**	-	-	1.48	0.60
Meena Gupta (Nominee Director)***	-	-	0.33	-

**Ceased to be a director witheffect from September 21, 2016*
***Ceased to be a director withfrom October 19, 2015*
**** Ceased to be a director witheffect from April 22, 2016*

Corporate Governance

Our Company has been complying with the requirements of applicable law, including the Companies Act, SEBI ICDR Regulations, Listing Regulations and other SEBI guidelines, in respect of corporate governance including constitution of the Board of Directors and committees thereof.

Regulation 17 of the Listing Regulations requires at least one – third of the Board of Directors to be independent directors if the chairman is a non-executive director and at least one – half of the Board of Directors to be independent directors in case the chairman is an executive director. We are in compliance with the corporate governance provision of the Listing Regulations which requires at least one woman director on our Board of Directors at all times. The corporate governance framework, *inter alia*, is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of committees of the Board, as required under law. The Board of Directors functions either as a full Board or through various committees constituted to oversee specific operational areas.

Committee of the Board of Directors

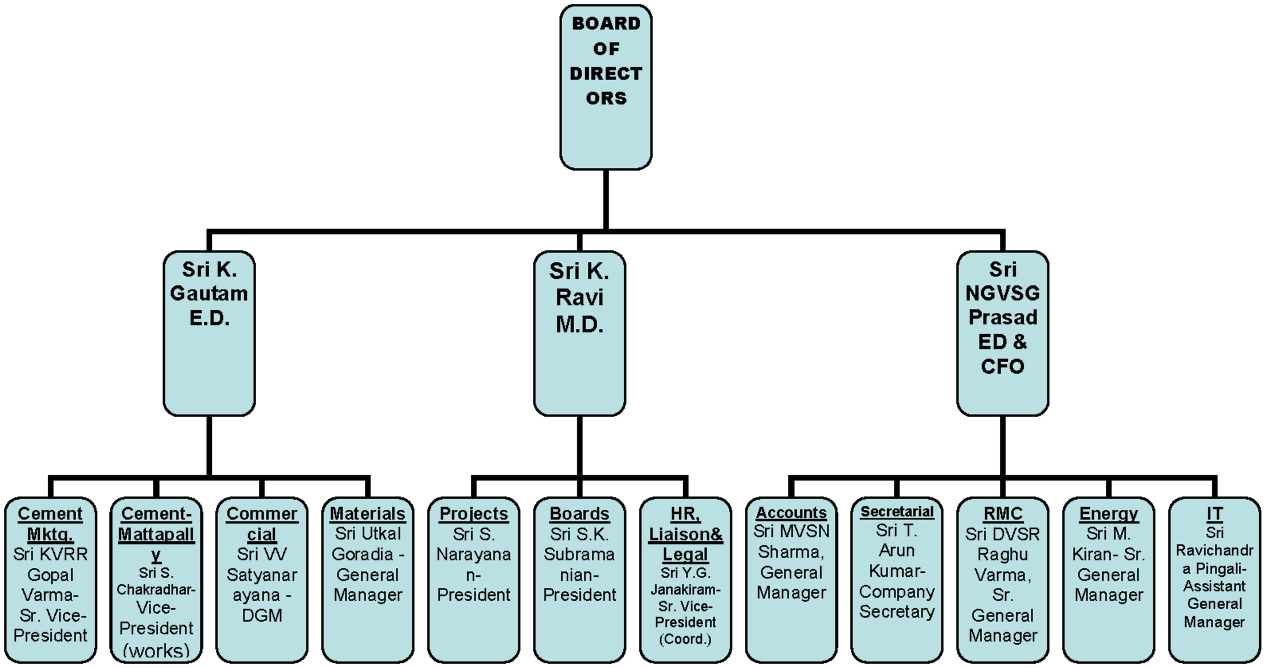
The Board of Directors has six (6) committees, which have been, *inter alia*, constituted and function in accordance with the relevant provisions of the Companies Act and Chapter IV of the Listing Regulations: (i) Audit Committee, (ii) Nomination and Remuneration Committee, (iii) Stakeholders' Relationship Committee, (iv) Risk Management Committee, (v) Corporate Social Responsibility Committee; and (vi) Share Issue Committee.

The following table sets forth the details of the members of the aforesaid committees:

Committee	Members	Designation
Audit Committee	Kamlesh Gandhi	Chairman
	V S Raju	Members
	R. Kalidas,	Members
	Ashven Datla	Members
Nomination and Remuneration Committee	Kamlesh Gandhi	Chairman
	Lt. Gen. Trevor Aloysius D'cunha (Retd.)	Members
	Ashven Datla	Members
Stakeholders' Relationship Committee	V S Raju	Chairman
	P N Raju	Members
	K Madhu	Members
Risk Management Committee	Lt. Gen. Trevor Aloysius D'cunha (Retd.)	Chairman
	P.N. Raju	Members
	Ashven Datla	Members
	R. Kalidas	Chairman

Committee	Members	Designation
Corporate Social Responsibility Committee	K Gautam	Members
	Vinodrai Goradia	Members
Share Issue Committee	V S Raju	Chairman
	Ravi Kalidindi	Members
	N.G.V.S. G. Prasad	Members

ORGANIZATION STRUCTURE



Senior Managerial Personnel

For brief details of our Managing Director, Ravi Kalidindi, Executive Director, Gautam Kalidindi and Executive Director and Chief Financial Officer, N.G.V.S. G. Prasad, please refer to the paragraph titled *'Brief Profile of the Directors'* on page 133.

Below are the brief details of the Senior Managerial Personnel of our Company:

S. K. Subramanian, aged 61 years is the President (Boards Division) of our Company. He holds a bachelor's of science degree from St. Stephan's College, Delhi and is a qualified chartered accountant from ICAI. He has been associated with our Company since 2016 and was elevated to his current position being responsible for overall performance of the Boards division. Prior to joining our Company, he was associated with companies such as E2E Serwiz Solutions Limited, Business Jets India Private Limited, Kuwaiti Danish Dairy Co., TATA Tele services limited, TATA Finance Limited, TATA Cellular Limited, Idea Cellular Limited and Ranbaxy Laboratories Limited.

S. Narayanan, aged 58 years, is the President (Projects) of our Company. He holds a bachelor's degree in science (engineering) specialising in electrical engineering from Sambalpur University, Odisha. He has been associated with our Company since January 6, 2016 and was elevated to his current position being responsible for looking after projects of Cement division. Prior to joining our Company, he was associated with Nesma & Partners, TNK Excel Tech Engineers Private Limited.

K.V.R.R.G. Varma, aged 49 years, is the Senior Vice President – Marketing of our Company. He has been associated with our Company since 1996 and was elevated to his current position being responsible for looking after Marketing of Cement products manufactured by the Company. Prior to joining our Company, he was associated with Blow Plast Limited.

Y.G. Janakiram, aged 60 years, is the Senior Vice President of our Company. He holds a bachelor's degree in business economics from Osmania University. He has been associated with our Company since 2009 and was ultimately elevated to his current position responsible for looking after human resources, administration, liason and legal functions. Prior to joining our Company, he was associated with Shreeram Refrigeration Industries Limited and Jenson ad Nickleson (India) Limited**.**

Somarajuealli Chakradhar, aged 48 years, is the Vice President (Works) of our Company. He holds a bachelor's degree in Engineering (Mechanical) from Gulbarga University. He is experienced in operations, erection and commissioning of Cement plant. He has been associated with our Company since 2015 in his current position being responsible for looking after the smooth functioning and operations of our plant.

Dantuluri V. S. R. Raghu Verma, aged 52 years, is the Senior General Manger of our Company. He holds bachelor's degree in civil engineering from Osmania University, Hyderabad. He has been associated with our Company since December 26, 1992 and was elevated to his current position being in charge of all RMC Units and being responsible for RMC division. Prior to joining our Company, he was associated with P. Nageswara Rao.

M.V.S.N Sharma, aged 51 years, is the General Manager – Accounts of our Company. He holds a master's degree in business administration from Osmania University. He has experience in financial sector. He has been associated with our Company since 2008 and was elevated to his current position being responsible for looking after Accounts of the Company.

T. Arun Kumar, aged 54 years, is our Company Secretary and Compliance Officer. He holds a master's degree in commerce from Sri Venkateshwara University and a L.L.B degree from Osmania University, Hyderabad. He is a qualified company secretary and a member of ICSI as well as a qualified cost accountant from the Institute of Cost and Works Accountants of India and is experienced in secretarial matters. He is responsible for looking after the secretarial affairs and statutory compliance of our Company. He has been associated with our Company since1992 and was elevated to the post of Company Secretary with effect from June 05, 2007 and later to Senior General Manager on May 30, 2011.

Kiran Marupudi, aged 47 years, is the Senior General Manager of our Company. He holds a bachelor's degree in mechanical engineering from Bangalore University. He has been associated with our Company since 2000 as a

Mechanical engineer and was elevated to his current position being responsible for looking after the functions of Boards division, Mattapally and the two hydel power plants located at Tungabhadra dam and Pothrieddypadu.

V.V. Satyanarayana, aged 48 years, is the Deputy General Manager - Accounts of our Company. He holds a bachelor's degree in commerce from Andhra University. He has been associated with our Company since 2016 and was elevated to his current position being responsible for looking after commercial activities of Cement division. Prior to joining our Company, he was associated with Jyoti Audio Visual Private Limited, Vivi Med Labs Limited, NCL Alltek and Seccolor Limited, Smaat India Private Limited and is experienced in cement and building material industrysector.

RaviChandra Pingali, aged 42 years, is the Assistant General Manager –IT of our Company. He holds a bachelor's degree in commerce from Osmania University and an advanced diploma in Software and Hardware from Naveena Institute of Information Technology as well as a Post Graduate Diploma in Computer Application from New Vistas. He has been associated with our Company since 2001and was elevated to his current position being responsible for looking after Intellectual Technology Functions of the Company.

Utkal Goradia, aged 33 years is the General Manager of our Company. He has completed the executive education Programme on General Management programme for IT professionals from IIM Bangalore. He has been associated with our Company since August 07, 2006 and was elevated to his current position being responsible for looking after procurement of materials for the Company. Prior to joining our Company, he was associated with GE Consumer finances services

All the Senior Managerial Personnel are permanent employees of our Company.

Relationship with the Directors and other senior managerial personnel

Except, Utkal Goradia who is grandson of Vinodrai Vachhrai Goradia, Non – Executive Director, none of our senior managerial personnel are related to the directors or with each other.

Interests of Senior Managerial Personnel

The senior managerial personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and the Equity Shares held by them in our Company. Following are the details of Equity Shares held by our senior managerial personnel as on September 30, 2017:

Name of the Senior Managerial Personnel	Number of Equity Shares held	Percentage of total number of outstanding Equity Shares
T. Arun Kumar	4,650	0.01
Utkal B Goradia*	20,455	0.06

**Jointly holds 36,564 (0.1) Equity Shares with Bimal V. Goradia.*

Employees' Stock Option Plan

Our Company does not have any Employees' Stock Option Plan as on date of the Placement Document.

Loans to Senior Managerial Personnel

As on the date of the Preliminary Placement Document, there are no amounts which are due to our Company, from any of its Directors or Senior Managerial Personnel in the nature of loans and advances. Our Company has not given any guarantees in favour of any Director or any member of our Senior Managerial Personnel.

Payment or Benefit to Directors and Senior Managerial Personnel of our Company

The perquisites and allowances that may be payable to the Directors are in accordance with the Companies Act, 2013. The perquisites and allowances that may be payable to the senior managerial personnel of our Company are in accordance with our Company's human resources policies. Except as disclosed above, our Directors and senior managerial personnel are not entitled to any other non-salary related amount or benefit.

Related Party Transactions

Related party transactions entered by our Company during the last three Financial Years are determined in accordance with Accounting Standard 18 / Ind AS 24 issued by the ICAI. For further details, see the section "*Financial Statements – Related Party Transactions*" on page 194.

Policy on disclosure and internal procedure for prevention of insider trading

Regulation 12(1) of the SEBI Prohibition of Insider Trading Regulation applies to our Company and its employees and requires our Company to implement a code of internal procedures and conduct for the prevention of insider trading. Our Company has implemented a code of conduct for prevention of insider trading in accordance with the SEBI Prohibition of Insider Trading Regulations.

Other Confirmations

Except as stated above in "*Interest of our Directors*" and "*Interests of Senior Managerial Personnel*", none of our Directors or any Senior Management of our Company has any financial or other material interest in this Issue and there is no effect of such interest in so far as it is different from the interests of other persons.

PRINCIPAL SHAREHOLDERS

The table below represents the shareholding pattern of our Company in accordance with Regulation 31 of the Listing Regulations, as on September 30, 2017:

Summary statement holding of Equity Shares

Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
					No.(a)	As a % of total Shares held(b)	No.(a)	As a % of total Shares held(b)	
(A) Promoter & Promoter Group	52	1,81,27,140	1,81,27,140	49.35	3,06,380	1.69	1,58,57,219	88.03	1,63,31,685
(B) Public	39,669	1,86,05,650	1,86,05,650	50.65		0.00		0.00	1,63,09,939
(C1) Shares underlying DRs				0.00		0.00		0.00	
(C2) Shares held by Employee Trust				0.00		0.00		0.00	
(C) Non Promoter-Non Public				0.00		0.00		0.00	
Grand Total	**39,721**	**3,67,32,790**	**3,67,32,790**	**100.00**	**3,06,380**	**0.83**	**1,59,57,219**	**43.44**	**3,26,41,624**

Note: C=C1+C2
Grand Total=A+B+C

Statement showing shareholding pattern of the Promoter and Promoter Group

Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
					No.(a)	As a % of total Shares held(b)	No.(a)	As a % of total Shares held(b)	
A1) Indian				0.00		**0.00**		**0.00**	
Individuals/Hindu Undivided Family	44	1,38,74,445	1,38,74,445	37.77	3,06,380	2.21	1,17,89,679	84.97	1,21,64,145
VegesanaSailaja	1	10,500	10,500	0.03		0.00		0.00	10,500

Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
					No.(a)	As a % of total Shares held(b)	No.(a)	As a % of total Shares held(b)	
Kalidindi Durga Devi	1	1,06,761	1,06,761	0.29		0.00	0.00	0.00	0.00
Vinodrai V Goradia Charulata V Goradia	1	5,48,602*	5,48,602*	1.49		0.00	4,29,284	78.25	4,29,284
Bimal Goradia Meera Goradia	1	2,89,537	2,89,537	0.79		0.00	2,53,173	87.44	2,53,173
Ashwin Goradia Bharti Goradia	1	82,844	82,844	0.23		0.00	59,376	71.67	63,526
Anuradha Kalidind	1	7,70,128	7,70,128	2.10		0.00	7,08,764	92.03	7,08,764
Geeta Goradia	1	1,33,815	1,33,815	0.36		0.00	1,17,906	88.11	1,17,906
Bharti Goradia	1	45,941	45,941	0.13		0.00	34,350	74.77	36,850
Diti Ashwin Goradia	1	30,000	30,000	0.08		0.00	27,500	91.67	30,000
Sai Sreedhar Kanumalli	1	6,000	6,000	0.02		0.00	6,000	100.00	6,000
Kanumilli Malathi	1	8,493	8,493	0.02		0.00	8,493	100.00	8,493
Meera Bimal Goradia Bimal V Goradia	1	1,14,049	1,14,049	0.31	568	0.50	90,754	79.57	91,322
Penmetcha Ramalinga Raju	1	31,321	31,321	0.09		0.00	31,321	100.00	31,321
Ashven Datla	1	6,49,194	6,49,194	1.77	39,344	6.06	1,55,305	23.92	1,94,649
Divya Penumacha	1	2,49,942	2,49,942	0.68		0.00	2,49,942	100.00	2,49,942
Vijaya Lakshmi Kanumilli	1	6,692	6,692	0.02		0.00	6,692	100.00	6,692
Madhu Kalidindi	1	11,71,774	11,71,774	3.19		0.00	11,17,129	95.34	11,17,229
Charulata Goradia	1	3,11,515	3,11,515	0.85		0.00	2,29,697	73.74	2,29,697
Kanumilli Sudheer	1	63,710	63,710	0.17		0.00	63,710	100.00	63,710
Penumatsa Satyanarayana Raju	1	54,234	54,234	0.15		0.00	54,234	100.00	54,234

Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
					No.(a)	As a % of total Shares held(b)	No.(a)	As a % of total Shares held(b)	
G Subbayamma	1	98,307	98,307	0.27		0.00	97,085	98.76	98,307
Kalidindi Ravi	1	28,65,989	28,65,989	7.80	62,018	2.16	27,33,225	95.37	27,58,781
Penmetsa Vara Lakshmi	1	3,50,355	3,50,355	0.95		0.00	3,27,855	93.58	3,27,855
Kalidindi Shilpa	1	11,66,210	11,66,210	3.17	1,75,000	15.01	9,62,743	82.55	11,37,743
Gokul S	1	81,910	81,910	0.22		0.00	59,183	72.25	59,183
Utkal B Goradia Bimal V Goradia	1	57,019	57,019	0.16		0.00	36,514	64.04	36,564
Madhavi Penumasta	1	12,000	12,000	0.03		0.00		0.00	12,000
Sridhar Bhupatiraju	1	2,04,642	2,04,642	0.56		0.00	2,04,642	100.00	2,04,642
G Jyothi	1	1,66,992	1,66,992	0.45		0.00	1,51,992	91.02	1,66,992
Pooja Kalidindi	1	9,27,792	9,27,792	2.53		0.00	8,95,974	96.57	8,95,974
G.T. Sandeep	1	54,597	54,597	0.15		0.00	54,597	100.00	54,597
Sarojini Kalidindi	1	3,17,094	3,17,094	0.86		0.00	3,07,612	97.01	3,11,412
Valli P	1	2,575	2,575	0.01		0.00		0.00	2,575
G V V R P Varma	1	72,445	72,445	0.20		0.00	39,110	53.99	72,445
Gautam Kalidindi	1	6,85,959	6,85,959	1.87		0.00	5,01,868	73.16	5,01,868
Harini Gokul	1	60,022	60,022	0.16		0.00	60,022	100.00	60,022
Nishi Askwin Goradia	1	30,000	30,000	0.08		0.00	27,500	91.67	30,000
Meena Shah	1	13,253	13,253	0.04		0.00	11,430	86.24	13,253
G D L S N Raju	1	1,65,437	1,65,437	0.45		0.00	1,52,944	92.45	1,65,437
Roopa Kalidindi	1	5,26,295	5,26,295	1.43	29,450	5.60	3,81,253	72.44	4,10,703
N Janaki	1	45,155	45,155	0.12		0.00	37,200	82.38	37,200
Penmetsa Narasimha Raju	1	11,63,119	11,63,119	3.17		0.00	9,81,074	84.35	9,81,074
K Mallika	1	36,263	36,263	0.10		0.00	36,263	100.00	36,263
Nirhmal VGoradia Geeta Goradia	1	85,963	85,963	0.23		0.00	85,963	100.00	85,963

Category of shareholder	Nos. of shareholders	No. of fully paid up equity shares held	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
					No.(a)	As a % of total Shares held(b)	No.(a)	As a % of total Shares held(b)	
Any Other Specify	7	41,52,695	41,52,695	11.31		0.00	40,67,540	97.95	40,67,540
Kakatiya Industries Private Limited	1	5,07,827	5,07,827	1.38		0.00	4,56,400	89.87	4,56,400
Nagarjuna Cerachem Private Limited	1	1,16,567	1,16,567	0.32		0.00	1,05,567	90.56	1,05,567
Blue Valley Developers (P) Limited	1	2,05,658	2,05,658	0.56		0.00	2,05,658	100.00	2,05,658
Deccan Nitrates Private Limited	1	12,09,470	12,09,470	3.29		0.00	11,92,197	98.57	11,92,197
NCL Alltek and Seccolor Limited	1	15,50,371	15,50,371	4.22		0.00	15,50,371	100.00	15,50,371
NCL Homes Ltd	1	4,37,347	4,37,347	1.19		0.00	4,37,347	100.00	4,37,347
Vikram Chemicals Private Limited	1	1,25,455	1,25,455	0.34		0.00	1,20,000	95.65	1,20,000
Sub Total A1	**51**	**1,80,27,140**	**1,80,27,140**	**49.08**	**3,06,380**	**1.70**	**1,58,57,219**	**87.96**	**1,62,31,685**
A2) Foreign				0.00		0.00		0.00	
Individuals (Non-Resident Individuals/ Foreign Individuals)	1	1,00,000	1,00,000	0.27	0.00	0.00	1,00,000	100	1,00,000
Bhupatiraju Subba Raju		1,00,000	1,00,000	0.27	0.00	0.00	1,00,000	100	1,00,000
Sub Total A2	1	1,00,000	1,00,000	0.27	0.00	0.00	1,00,000	100	1,00,000
A= A1+A2	**52**	**1,81,27,140**	**1,81,27,140**	**49.35**	**3,06,380**	**1.69**	**1,59,57,219**	**88.03**	**1,63,31,685**

******Jointly holds 3,13,284 Equity Shares with Charulata Vinodrai Goradia.*

Statement showing shareholding pattern of the Public shareholder

Category & Name of the Shareholders	No. of share holder	No. of fully paid up equity shares held	Total no. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	No of Voting Rights	Total as a % of Total Voting right	Number of Locked in shares		Number of equity shares held in dematerialized form(Not Applicable)
							No. (a)	As a % of total Shares held(b)	
B1) Institutions	0	0		0.00		0.00		0.00	
Mutual Funds/	8	1233989	12,33,989	3.36	12,33,989	3.36		0.00	12,26,539
Reliance Capital Trustee Co Ltd-A/C Reliance Mid & Small Cap Fund	0	486950	4,86,950	1.33	4,86,950	1.33		0.00	4,86,950
Foreign Portfolio Investors	2	6182	6,182	0.02	6,182	0.02		0.00	6,182
Financial Institutions/ Banks	21	33395	33,395	0.09	33,395	0.09		0.00	24,105
Sub Total B1	31	1273566	12,73,566	3.47	12,73,566	3.47		0.00	12,56,826
B2) Central Government/ State Government(S)/ President Of India	2	7350	7,350	0.02	7,350	0.02		0.00	
Sub Total B2	2	7350	7,350	0.02	7,350	0.02		0.00	
B3) Non-Institutions	0	0		0.00		0.00		0.00	
Individual Share Capital Upto Rs. 2 Lakhs	38645	10383562	1,03,83,562	28.27	1,03,83,562	28.27		0.00	81,57,224
Individual Share Capital In Excess Of Rs. 2 Lakhs	60	4690242	46,90,242	12.77	46,90,242	12.77		0.00	46,68,159
Chandravadan Desai	0	383622	3,83,622	1.04	3,83,622	1.04		0.00	3,83,622
Subramanian P	0	418570	4,18,570	1.14	4,18,570	1.14		0.00	4,18,570
Pranay Desai	0	385972	3,85,972	1.05	3,85,972	1.05		0.00	3,85,972
Sumantha Kumar Reddy B	0	803801	8,03,801	2.19	8,03,801	2.19		0.00	8,03,801
Any Other (Specify)	931	2250930	22,50,930	6.13	22,50,930	6.13		0.00	22,27,730
Body corporate	356	17,94,078	17,94,078	4.88	17,94,078	4.88		0.00	17,71,233
Mili Consultants & Investment Pvt. Ltd.	0	29,315	29,315	0.08	29,315	0.08		0.00	29,315
Cd Equifinance	0	2,40,803	2,40,803	0.66	2,40,803	0.66		0.00	2,40,803

Category & Name of the Shareholders	No. of share holder	No. of fully paid up equity shares held	Total no. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	No of Voting Rights	Total as a % of Total Voting right	Number of Locked in shares		Number of equity shares held in dematerialized form(Not Applicable)
							No. (a)	As a % of total Shares held(b)	
Private Limited									
Bang Securities Pvt.Ltd.	0	52,471	52,471	0.14	52,471	0.14		0.00	52,471
Mehar Leasing (P) Limited	0	55,374	55,374	0.15	55,374	0.15		0.00	55,374
Edelweiss Custodial Services Ltd	0	26,295	26,295	0.07	26,295	0.07		0.00	26,295
Ashika Stock Broking Limited	0	32,387	32,387	0.09	32,387	0.09		0.00	32,387
Brijbhumi Trading & Investments Pvt Ltd	0	22,300	22,300	0.06	22,300	0.06		0.00	22,300
Mindset Securities Private Limited	0	54,016	54,016	0.15	54,016	0.15		0.00	54,016
Cd Equisearch Private Limited	0	89,419	89,419	0.24	89,419	0.24		0.00	89,419
Cd Equifinance Private Limited	0	47,369	47,369	0.13	47,369	0.13		0.00	47,369
Ninestar Enterprises (P) Limited	0	21,094	21,094	0.06	21,094	0.06		0.00	21,094
Cd Equifinance Private Limited	0	1,93,508	1,93,508	0.53	1,93,508	0.53		0.00	1,93,508
Infina Finance Private Limited	0	29,953	29,953	0.08	29,953	0.08		0.00	29,953
Nathoo Commodities Private Limited	0	44,022	44,022	0.12	44,022	0.12		0.00	44,022
Mili Capital Management Private Limited - Inv. Div.	0	1,18,519	1,18,519	0.32	1,18,519	0.32		0.00	1,18,519
Sks Capital And Research Private Limited	0	25,000	25,000	0.07	25,000	0.07		0.00	25,000

Category & Name of the Shareholders	No. of share holder	No. of fully paid up equity shares held	Total no. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	No of Voting Rights	Total as a % of Total Voting right	Number of Locked in shares		Number of equity shares held in dematerialized form(Not Applicable)
							No. (a)	As a % of total Shares held(b)	
Abhay Krishi Udyog Private Limited	0	25,990	25,990	0.07	25,990	0.07		0.00	25,990
IL and FS Securities Services Limited	0	68,985	68,985	0.19	68,985	0.19		0.00	68,985
Clearing member	189	1,39,652	1,39,652	0.38	1,39,652	0.38		0.00	1,39,652
Trust	3	4450	4450	0.01	4450	0.01		0.00	4450
Non-Resident Indian (NRI)	383	3,12,650	3,12,650	0.85	3,12,650	0.85		0.00	3,12,295
Sub Total B3	**39636**	**17324734**	**1,73,24,734**	**47.17**	**1,73,24,734**	**47.17**		**0.00**	**1,50,53,113**
B=B1+B2+B3	**39669**	**18605650**	**1,86,05,650**	**50.66**	**1,86,05,650**	**50.66**		**0.00**	**1,63,09,939**

ISSUE PROCEDURE

The following is a summary intended to present a general outline of the procedure relating to the application, bidding, payment, Allocation and Allotment of the Equity Shares to be issued pursuant to the Issue. The procedure followed in the Issue may differ from the one mentioned below, and investors are presumed to have apprised themselves of the same from our Company or the Global Coordinator and Book Running Lead Manager. Investors that apply in this Issue will be required to confirm and will be deemed to have represented to our Company, the Global Coordinator and Book Running Lead Manager and its respective directors, officers, agents, advisors, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. Our Company and the Global Coordinator and Book Running Lead Manager and its respective directors, officers, agents, advisors, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares. Investor is advised to inform themselves of any restrictions or limitations that may be applicable to them. See the sections "Distribution and Solicitation Restrictions" and "Transfer Restrictions" beginning on pages 168 and 174, respectively.

Qualified Institutions Placement

The Issue is being made only to QIBs in reliance upon Chapter VIII of the ICDR Regulations and Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, and, through the mechanism of a QIP wherein a listed company may issue equity shares to QIBs on a private placement basis, subject to certain conditions including:

- the shareholders of the issuer have passed a special resolution approving such QIP. Such special resolution must specify (a) that the allotment of securities is proposed to be made pursuant to the QIP; and (b) the Relevant Date;

- equity shares of the same class of such issuer, which are proposed to be allotted through the QIP, are listed on a recognised stock exchange in India having nation-wide trading terminals for a period of at least one year prior to the date of issuance of notice to its shareholders for convening the meeting to pass the above-mentioned special resolution;

- the aggregate of the proposed issue and all previous QIPs made by the issuer in the same financial year does not exceed five times the net worth (as defined in the ICDR Regulations) of the issuer as per the audited balance sheet of the previous financial year;

- the issuer shall be in compliance with the minimum public shareholding requirements set out in the SCRR;

- the issuer shall have completed allotments with respect to any prior offer or invitation made by the issuer or shall have withdrawn or abandoned any prior invitation or offer made by the issuer;

- the issuer shall offer to each Allottee at least such number of the securities in the issue which would aggregate to at least ₹ 20,000 calculated at the face value of the securities;

- the offer must be made through a private placement offer letter and an application form serially numbered and addressed specifically to the QIB to whom the offer is made and is sent within 30 days of recording the names of such QIBs;

- the offering of securities by issue of public advertisements or utilisation of any media, marketing or distribution channels or agents to inform the public about the issue is prohibited

At least 10% of the equity shares issued to QIBs must be allotted to Mutual Funds, provided that, if this portion or any part thereof to be allotted to mutual funds remains unsubscribed, it may be allotted to other QIBs.

Bidders are not allowed to withdraw their Bids after the Issue Closing Date.

Additionally, there is a minimum pricing requirement under the ICDR Regulations. The Floor Price shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares of the same class of the Equity Shares of the Issuer quoted on the stock exchange during the two weeks preceding the Relevant Date. However, a discount of up to 5% of the Floor Price is permitted in accordance with the provisions of the ICDR Regulations.

The "Relevant Date" referred to above, for Floor Price, will be the date of the meeting in which the Board of Directors or any committee duly authorised by the Board of Directors decides to open the Issue and "stock exchange" means any of the recognised stock exchanges in India on which the equity shares of the issuer of the same class are listed and on which the highest trading volume in such equity shares has been recorded during the two weeks immediately preceding the Relevant Date.

Our Company has applied for and received the in-principle approval of the Stock Exchanges under Regulation 28(1) of the Listing Regulations for the listing of the Equity Shares on the Stock Exchanges. Our Company has also delivered a copy of the Preliminary Placement Document to the Stock Exchanges.

Our Company shall also make the requisite filings with the RoC and SEBI within the stipulated period as required under the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014.

The Issue has been authorized by (i) the Board pursuant to a resolution passed on August 14, 2107, and (ii) the shareholders, pursuant to a resolution passed at the AGM held on September 22, 2017.

The Equity Shares will be Allotted within 12 months from the date of the shareholders' resolution approving the QIP and within 60 days from the date of receipt of subscription money from the successful Bidders. For details of refund of application money, please see the section "*Issue Procedure – Pricing and Allocation – Designated Date and Allotment of Equity Shares*" beginning on page 156.

The Equity Shares issued pursuant to the Issue must be issued on the basis of the Preliminary Placement Document and this Placement Document that shall contain all material information including the information specified in Schedule XVIII of the ICDR Regulations and the requirements prescribed under Form PAS-4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014. The Preliminary Placement Document and this Placement Document are private documents provided to only select investors through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Company with a disclaimer to the effect that it is in connection with an issue to QIBs and no offer is being made to the public or to any other category of investors.

The minimum number of Allottees for the Issue shall not be less than:

- two, where the issue size is less than or equal to ₹ 25,000 lakhs; and
- five, where the issue size is greater than ₹ 25,000 lakhs.

No single allottee shall be allotted more than 50 % of the issue size.

QIBs that belong to the same group or that are under common control shall be deemed to be a single allottee. For details of what constitutes "same group" or "common control", please see the section "*Issue Procedure—Application Process—Application Form*" beginning on page 156.

Securities allotted to a QIB pursuant to the Issue shall not be sold for a period of one year from the date of allotment except on the floor of a recognised stock exchange in India. Allotments made to FVCIs, VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to them, including in relation to lock-in requirements.

The Equity Shares offered hereby have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in reliance on Regulation S. For a description of certain restrictions on transfer of the Equity Shares, please see "*Transfer Restrictions*" beginning on page 174.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Issue Procedure

1. Our Company and the Global Coordinator and Book Running Lead Manager shall circulate serially numbered copies of the Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form, to the QIBs and the Application Form will be specifically addressed to such QIBs. In terms of Section 42(7) of the Companies Act, 2013, our Company shall maintain complete records of the QIBs to whom the Preliminary Placement Document and the serially numbered Application Form have been dispatched. Our Company will make the requisite filings with the RoC and SEBI within the stipulated time period as required under the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014.

2. The list of QIBs to whom the Bid-cum-Application Form is delivered shall be determined by our Company in consultation with the Global Coordinator and Book Running Lead Manager. UNLESS A SERIALLY NUMBERED PRELIMINARY PLACEMENT DOCUMENT ALONG WITH THE SERIALLY NUMBERED APPLICATION FORM IS ADDRESSED TO A PARTICULAR QIB, NO INVITATION TO SUBSCRIBE SHALL BE DEEMED TO HAVE BEEN MADE TO SUCH QIB. Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid. Our Company shall intimate the Bid/Issue Opening Date to the Stock Exchanges.

3. QIBs may submit an Application Form, including any revisions thereof, during the Bidding Period to the Global Coordinator and Book Running Lead Manager.

4. Bidders will be required to indicate the following in the Application Form:

- name of the QIB to whom Equity Shares are to be Allotted;
- number of Equity Shares Bid for;
- price at which they are agreeable to subscribe for the Equity Shares, provided that QIBs may also indicate that they are agreeable to submit a Bid at "Cut-off Price"; which shall be any price as may be determined by our Company in consultation with the Global Coordinator and Book Running Lead Manager at or above the Floor Price or the Floor Price net of such discount as approved in accordance with ICDR Regulations;
- details of the depository account to which the Equity Shares should be credited; and
- a representation that it is outside the United States, and it has agreed to certain other representations set forth in the Application Form;
- SEBI registration number, if applicable.

Note: Each sub-account of an FII other than a sub-account which is a foreign corporate or a foreign individual will be considered as an individual QIB and separate Application Forms would be required from each such sub-account for submitting Bids. FIIs or sub-accounts of FIIs are required to indicate SEBI FII/ sub-account registration number in the Application Form.

5. Once a duly completed Application Form (including the revision of bids) is submitted by a QIB, such Application Form constitutes an irrevocable offer and cannot be withdrawn after the Issue Closing Date. The Issue Closing Date shall be notified to the Stock Exchanges and the QIBs shall be deemed to have been given notice of such date after receipt of the Application Form.

6. The Bids made by asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI. Upon receipt of the Application Form, after the Issue Closing Date, our Company shall determine the final terms, including the Issue Price of the Equity Shares to be issued pursuant to the Issue in consultation with the Global Coordinator and Book Running Lead Manager. Upon determination of the final terms of the Equity Shares, the Global Coordinator and Book Running Lead

Manager will send the serially numbered CANs, along with serially numbered Placement Document, to the QIBs who have been Allocated the Equity Shares. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the QIB to pay the entire Issue Price for all the Equity Shares Allocated to such QIB. The CAN shall contain details such as the number of Equity Shares Allocated to the QIB and payment instructions including the details of the amounts payable by the QIB for Allotment of the Equity Shares in its name and the Pay-In Date as applicable to the respective QIB. **PLEASE NOTE THAT THE ALLOCATION WILL BE AT THE ABSOLUTE DISCRETION OF OUR COMPANY.**

7. Pursuant to receiving a CAN, each successful Bidder shall be required to make the payment of the entire application monies for the Equity Shares indicated in the CAN at the Issue Price, only through electronic transfer to our Company's designated bank account by the Pay-In Date as specified in the CAN sent to the respective successful Bidder. No payment shall be made by successful Bidder in cash. Please note that any payment of application money for the Equity Shares shall be made from the bank accounts of the relevant QIBs applying for the Equity Shares. Monies payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the application. Pending Allotment, all monies received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act, 2013.

8. Upon receipt of the application monies from the QIBs, our Company shall Allot Equity Shares as per the details in the CANs sent to the successful Bidder.

9. After passing the resolution for Allotment and prior to crediting the Equity Shares into the depository participant accounts of the successful Bidders, our Company shall apply to the Stock Exchanges for listing approvals. Our Company will intimate to the Stock Exchanges the details of the Allotment and apply for approvals for final listing of the Equity Shares on the Stock Exchanges prior to crediting the Equity Shares into the beneficiary account maintained with the Depository Participant by the successful Bidder.

10. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the Depository Participant accounts of the respective Allottees.

11. Our Company will then apply for the final trading approvals from the Stock Exchanges.

12. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the QIBs shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approvals from the Stock Exchanges.

Upon receipt of intimation of final trading and listing approval from the Stock Exchanges, our Company shall inform the Allottees of the receipt of such approval. Our Company and the Global Coordinator and Book Running Lead Manager shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Final listing and trading approvals granted by the Stock Exchanges are also placed on their respective websites. QIBs are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

Qualified Institutional Buyers

Only QIBs as defined in Regulation 2(1)(zd) of the ICDR Regulations and not otherwise excluded pursuant to Regulation 86(1)(b) of the ICDR Regulations are eligible to invest. Currently, under Regulation 2(1)(zd) of the ICDR Regulations, a QIB means:

- alternate investment funds registered with SEBI
- Eligible FPIs;
- foreign venture capital investors registered with SEBI;
- insurance companies registered with Insurance Regulatory and Development Authority;
- insurance funds set up and managed by army, navy or air force of the Union of India;
- insurance funds set up and managed by the Department of Posts, India;
- multilateral and bilateral development financial institutions;

- Mutual funds registered with SEBI;
- pension funds with minimum corpus of ₹ 2,500 lakhs;
- provident funds with minimum corpus of ₹ 2,500 lakhs;
- public financial institutions as defined in Section 2(72) of the Companies Act, 2013;
- scheduled commercial banks;
- state industrial development corporation;
- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the Gazette of India;
- venture capital funds registered with SEBI; and
- systemically important non – banking financial companies having a networth of more than five hundred crores rupees as per the last audited financial statements.

Foreign Portfolio Investors are permitted to participate in the Issue subject to compliance with applicable law and such that the shareholding of the Foreign Portfolio Investors does not exceed specified limits as prescribed under applicable law in this regard.

All non-resident QIBs shall ensure that the investment amount is paid as per RBI's notification no. FEMA 20(R)/2017 – RB dated November 7, 2017.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA 20, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid – up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the shareholders of our Company. As of the date of this Placement Document, the total holding of FPI shall not exceed 24% of the paid-up Equity Share capital of our Company.

Eligible FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

An FII or sub-account (other than a sub-account which is a foreign corporate or a foreign individual) who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or sub-account (other than a sub-account which is a foreign corporate or a foreign individual) may participate in the Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. If the registration of an FII or sub-account has expired or is about to expire, such FII or sub-account may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Issue. An FII or sub-account shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

Allotments made to FVCIs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively.

All non – resident QIBs shall ensure that the investment amount is paid as per RBI Notification no. FEMA 20(R)/2017 – RB dated November 7, 2017.

Under Regulation 86(1) (b) of the ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any QIB being, or any person related to, the Promoter. QIBs which have all or any of the following rights shall be deemed to be persons related to the Promoter:

- rights under a shareholders' agreement or voting agreement entered into with the Promoter or persons related to the Promoter;

- veto rights; or

- a right to appoint any nominee director on the Board.

Provided, however, that a QIB which does not hold any shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the Promoter.

Our Company and the Global Coordinator and Book Running Lead Manager are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, QIBs are required to satisfy themselves that their Bids would not eventually result in triggering a tender offer under the Takeover Code, and the QIB shall be solely responsible for compliance with the provisions of the Takeover Code, SEBI (Prohibition of Insider Trading) Regulations, 2015 and other applicable laws, rules, regulations, guidelines and circulars.

A minimum of 10% of the Equity Shares in the Issue shall be allotted to Mutual Funds. If no Mutual Fund is agreeable to take up the minimum portion as specified above, such minimum portion (or part thereof not so taken up) may be allotted to other QIBs.

Note: Affiliates or associates of the Global Coordinator and Book Running Lead Manager who are QIBs may participate in the Issue in compliance with applicable laws.

Bid Process

Application Form

QIBs shall only use the serially numbered Application Forms (which are addressed to them) supplied by our Company and the Global Coordinator and Book Running Lead Manager in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of this Placement Document.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of this Placement Document, the QIB will be deemed to have made the following representations and warranties and the representations, warranties and agreements made under the sections *"Notice to Investors", "Distribution and Solicitation Restrictions"* and *"Transfer Restrictions"* beginning on pages 2, 168 and 174, respectively:

1. The QIB confirms that it is a QIB in terms of Regulation 2(1)(zd) of the ICDR Regulations and is not excluded under Regulation 86 of the ICDR Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in the Issue;

2. The QIB confirms that it is not a Promoter and is not a person related to the Promoter, either directly or indirectly and its Application Form does not directly or indirectly represent the Promoter or Promoter Group or persons related to the Promoter as defined in the ICDR Regulations;

3. The QIB confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoter or persons related to the Promoter, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender which shall not be deemed to be a person related to the Promoter as defined in the ICDR Regulations;

4. The QIB acknowledges that it has no right to withdraw its Application after the Issue Closing Date;
5. The QIB confirms that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the Stock Exchanges;

6. The QIB confirms that the QIB is eligible to Bid and hold Equity Shares so Allotted. The QIB further confirms that the holding of the QIB, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the QIB;

7. The QIB confirms that its Bids would not eventually result in triggering a tender offer under the Takeover Code;

8. The QIB confirms that to the best of its knowledge and belief, the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50 per cent of the Issue Size. For the purposes of this representation:

- The expression 'belong to the same group' shall derive meaning from the concept of 'companies under the same group' as provided in sub-section (11) of Section 372 of the Companies Act, 1956; and

- 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the Takeover Code;

9. The QIBs shall not undertake any trade in the Equity Shares credited to its beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges; and

10. The QIB represents that it is outside the United States and is acquiring the Equity Shares in an offshore transaction in reliance on Regulation S, and is not our affiliate or a person acting on behalf of such an affiliate and it has agreed to certain other representations set forth in the Application Form.

QIBS MUST PROVIDE THEIR DEPOSITORY ACCOUNT DETAILS, PERMANENT ACCOUNT NUMBER, THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. QIBS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. FOR THIS PURPOSE, ELIGIBLE SUB ACCOUNTS OF AN FII WOULD BE CONSIDERED AS AN INDEPENDENT QIB.

IF SO REQUIRED BY THE GLOBAL COORDINATOR AND BOOK RUNNING LEAD MANAGER, THE QIB SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO THE GLOBAL COORDINATOR AND BOOK RUNNING LEAD MANAGER TO EVIDENCE THEIR STATUS AS A "QIB" AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE GLOBAL COORDINATOR AND BOOK RUNNING LEAD MANAGER, COLLECTION BANK(S) OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER ISSUE CLOSURE, THE QIB SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details given above.

The submission of an Application Form by a QIB shall be deemed a valid, binding and irrevocable offer for the QIB to pay the entire Issue Price for the Equity Shares (as indicated by the CAN) and becomes a binding contract on the QIB upon issuance of the CAN by our Company in favour of the QIB.

Bids by Mutual Funds

The bids made by the asset management companies or custodian of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. Each scheme/fund of a mutual fund registered with SEBI, will have to submit separate Application Form.
Each mutual fund will have to submit separate Application Forms for each of its participating schemes. Such applications will not be treated as multiple bids provided that the bids clearly indicate the scheme for which the bid has been made. However, for the purpose of calculating the number of allottees/applicants, various schemes of the same mutual fund will be considered as a single allottee/applicant.

Pursuant to SEBI (Mutual Funds) Regulations, 1996, as amended, the following restrictions are applicable for investments by Mutual Funds: No mutual fund scheme shall invest more than 10% of its net asset value in Equity Shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid-up capital carrying voting rights. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.

The above information is given for the benefit of the Bidders. We and the Global Coordinator and Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of this Placement Document. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under the applicable laws and regulations.

Submission of Application Form

All Application Forms must be duly completed with information including the name of the QIB, the price and the number of Equity Shares applied. The Application Form duly completed along with payment and a copy of the PAN card or PAN allotment letter shall be submitted to the Global Coordinator and Book Running Lead Manager either through electronic form or through physical delivery at the following address:

Name	***Address***	***Contact Person***	***Contact Details***
Anand Rathi Advisors Limited	10th Floor, Trade D, Kamla City, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, Maharashtra, India	Chintan Hefa/ Adit Gala	projectzeus@rathi.com

The Global Coordinator and Book Running Lead Manager shall not be required to provide any written acknowledgement of receipt of the Application Form.

Permanent Account Number or PAN

Each QIB should mention its PAN allotted under the IT Act in the Application Form. Applications without this information will be considered incomplete and are liable to be rejected. QIBs should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Pricing and Allocation

Build-up of the Book

The QIBs shall submit their Bids (including the revision of bids) within the Bidding Period to the Global Coordinator and Book Running Lead Manager. Such Bids cannot be withdrawn after the Issue Closing Date. The book shall be maintained by the Global Coordinator and Book Running Lead Manager.

Price Discovery and Allocation

Our Company, in consultation with the Global Coordinator and Book Running Lead Manager, shall determine the Issue Price, which shall be at or above the Floor Price. However, our Company may offer a discount of not more than five (5) % on the Floor Price in terms of Regulation 85 of the ICDR Regulations.

After finalization of the Issue Price, our Company shall update the Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

Method of Allocation

Our Company shall determine the Allocation in consultation with the Global Coordinator and Book Running Lead Manager on a discretionary basis and in compliance with Chapter VIII of the ICDR Regulations. Bids received from the QIBs at or above the Issue Price shall be grouped together to determine the total demand.

The Allocation to all such QIBs will be made at the Issue Price. Allocation shall be decided by us in consultation with the Global Coordinator and Book Running Lead Manager on a discretionary basis. Allocation to Mutual Funds for up to a minimum of 10 % of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE GLOBAL COORDINATOR AND BOOK RUNNING LEAD MANAGER IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL QIBS. QIBS MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY IN CONSULTATION WITH THE GLOBAL COORDINATOR AND BOOK RUNNING LEAD MANAGER AND QIBS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AT OR ABOVE THE ISSUE PRICE. NEITHER OUR COMPANY NOR THE GLOBAL COORDINATOR AND BOOK RUNNING LEAD MANAGER ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON – ALLOCATION.

CAN

Based on the Application Forms received, our Company, in consultation with the Global Coordinator and Book Running Lead Manager, in their sole and absolute discretion, shall decide the successful Bidder to whom the serially numbered CAN shall be sent, pursuant to which the details of the Equity Shares Allocated to them and the details of the amounts payable for Allotment of such Equity Shares in their respective names shall be notified to such successful Bidder. Additionally, a CAN will include details of the relevant Escrow Account into which such payments would need to be made, address where the application money needs to be sent, Pay-In Date as well as the probable designated date, being the date of credit of the Equity Shares to the respective successful Bidder's account.

The successful Bidders would also be sent a serially numbered Placement Document either in electronic form or by physical delivery along with the serially numbered CAN. The dispatch of the serially numbered Placement Document and the serially numbered CAN to the successful QIBs shall be deemed a valid, binding and irrevocable contract for the QIB to furnish all details that may be required by Company and the Global Coordinator and Book Running Lead Manager and to pay the entire Issue Price for all the Equity Shares Allocated to such QIB.

QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.

Bank Account for Payment of Application Money

Our Company has opened an escrow bank account; the *"NCL Industries Limited – QIP Escrow Account"* with Axis Bank Limited in terms of the arrangement among our Company, the Global Coordinator and Book Running Lead Manager and Axis Bank Limited as escrow bank. The QIB will be required to deposit the entire amount payable for the Equity Shares Allocated to it by the Pay-In Date as mentioned in, and in accordance with, the respective CAN.

Payments are to be made only through electronic fund transfer.

Note: Payments through cheques are liable to be rejected.

If the payment is not made favoring *"NCL Industries Limited – QIP Escrow Account"* within the time stipulated in the CAN, the Application Form and the CAN of the QIB are liable to be cancelled.

Our Company undertakes to utilise the amount deposited in *"NCL Industries Limited – QIP Escrow Account"* only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) repayment of application money if our Company is not able to Allot Equity Shares in the Issue.

In case of cancellations or default by the QIBs, our Company, the Global Coordinator and Book Running Lead Manager have the right to reallocate the Equity Shares at the Issue Price among existing or new QIBs at their sole and absolute discretion.

Designated Date and Allotment of Equity Shares

The Equity Shares will not be Allotted unless the successful QIBs pay the amount payable as mentioned in the CAN issued to them to the *"NCL Industries Limited – QIP Escrow Account"*. The Equity Shares in the Issue will be issued and Allotment shall be made only in dematerialized form to the Allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act. Post the Allotment, the successful Bidders/Allottee would also be sent a serially numbered Placement Document either in electronic form or by physical delivery.

Our Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever. Post the Allotment and credit of Equity Shares into the QIBs' Depository Participant accounts, our Company will apply for final trading and listing approvals from the Stock Exchanges.

In the case of QIBs who have been Allotted more than five (5) per cent of the Equity Shares in the Issue, our Company shall disclose the name and the number of the Equity Shares Allotted to such QIB to the Stock Exchanges and the Stock Exchanges will make the same available on their website.

The Escrow Bank shall not release the monies lying to the credit of the *"NCL Industries Limited – QIP Escrow Account"* till such time, that it receives an instruction in pursuance to the Escrow Agreement, along with the Listing approval of the Stock Exchanges for the Equity Shares offered in the Issue.

In accordance with the Companies Act, 2013, in the event that our Company is unable to issue and Allot the Equity Shares offered in the Issue or there is a cancellation of the Issue within 60 days from the date of receipt of application money from a successful Bidder, our Company shall repay the application money within 15 days from expiry of 60 day period, failing which our Company shall repay that money to such successful Bidders with interest at the rate of 12 per cent per annum from expiry of the 60th day. The application money to be refunded by our Company shall be refunded to the same bank account from which application money was remitted by the QIBs.

Other Instructions

Right to Reject Applications

Our Company, in consultation with the Global Coordinator and Book Running Lead Manager, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company and the Global Coordinator and Book Running Lead Manager in relation to the rejection of Bids shall be final and binding.

Equity Shares in Dematerialized form with NSDL or CDSL

The Allotment of the Equity Shares in the Issue shall be only in dematerialized form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode). A QIB applying for Equity Shares to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Allotment to a successful QIB will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the QIB.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL. The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all QIBs in the demat segment of the respective Stock Exchanges.

Our Company and the Global Coordinator and Book Running Lead Manager will not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on part of the QIBs.

PLACEMENT

Placement Agreement

The Global Coordinator and Book Running Lead Manager have entered into a placement agreement dated December 7, 2017 with our Company (the "**Placement Agreement**"), pursuant to which the Global Coordinator and Book Running Lead Manager have agreed to procure subscriptions for the Equity Shares of our Company, on a reasonable effort basis, pursuant to Chapter VIII of the ICDR Regulations and applicable provisions of the Companies Act and Rules made thereunder.

The Placement Agreement contains customary representations and warranties as well as indemnities from us and is subject to certain conditions and termination provisions contained therein.

This Placement Document has not been, and will not be, registered as a prospectus with the Registrar of Companies in India and no Equity Shares will be offered in India or overseas to the public or any members of the public in India or to any class of investors other than QIBs. Our Company shall make the requisite filings with the Registrar of Companies and the SEBI within the stipulated period as required under the Companies Act and the Companies (Prospectus and Allotment of Securities) Rules, 2014.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of U.S. Securities Act and applicable state securities law. Accordingly, the Equity Shares are offered and sold outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where those offers and sales are made. The Equity Shares are transferable only in accordance with the restrictions described under the sections "*Distribution and Solicitation Restrictions*" and "*Transfer Restrictions*" on pages 168 and 174 respectively.

Applications will be made to list the Equity Shares and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for the Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

In connection with the Issue, the Global Coordinator and Book Running Lead Manager (or its affiliates) may, for their own accounts, enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares at the same time as the offer and sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the Global Coordinator and Book Running Lead Manager may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the Global Coordinator and Book Running Lead Manager who are eligible QIBs may purchase Equity Shares and be allocated Equity Shares proprietary purposes and not with a view to distribution or in connection with the issuance of offshore derivative instruments. For further details, please see *"Off-Shore Derivative Instruments"* on page9.

The Global Coordinator and Book Running Lead Manager and their affiliates may engage in transactions with and perform services for our Company in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, for which they have received compensation and may in the future receive compensation.

Lock-up

Our Company has agreed that it will not, without the prior written consent of the Global Coordinator and Book Running Lead Manager (which such consent shall not be unreasonably withheld), for the period commencing from the date of the Placement Agreement and ending 180 days from the Closing Date, directly or indirectly: (a) issue, offer, lend, sell, pledge, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to sell or issue, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Equity Shares, or any securities convertible into or exercisable or exchangeable for Equity Shares or publicly announce an intention with respect to any of the foregoing; (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares; or (c) publicly announce any intention to enter into any transaction whether any such transaction described in (a) or (b) above is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise.

Our Promoter and certain members of the Promoter Group who are holding 0.50% or more of the fully paid-up equity share capital of the Company as on date of the this Placement Document, have agreed that without the prior written consent of the Global Coordinator and Book Running Lead Manager (which such consent shall not be unreasonably withheld), it will not, during the period commencing from the date of the Placement Agreement and ending 180 days after the date of allotment of the Issue Shares, directly or indirectly: (a) sell, lend, pledge, contract to sell, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Equity Shares, or any securities convertible into or exercisable or exchangeable for Equity Shares or publicly announce an intention with respect to any of the foregoing; (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares; or (c) publicly announce any intention to enter into any transaction whether any such transaction described in (a) or (b) above is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise; provided however that the foregoing restrictions will (i) not be applicable to any pledge or mortgage of the Equity Shares held by the Promoter and Promoter Group, as collateral for loans as normal commercial terms entered into, in the ordinary course of business, already existing on the date of the Placement Agreement or transfer of such existing pledge or mortgage; and (ii) not restrict the existing shareholders of our Company from acquiring or purchasing any Equity Shares in our Company, directly or indirectly, in accordance with and subject to applicable laws.

DISTRIBUTION AND SOLICITATION RESTRICTIONS

The distribution of this Placement Document and the offer, sale or delivery of the Equity Shares is restricted by law in certain jurisdictions. Persons who come into possession of this Placement Document or any other offering material relating to the Equity Shares are advised to take legal advice with regard to any restrictions that may be applicable to them and to observe such restrictions. This Placement Document may not be used for the purpose of an offer or sale in any circumstances in which such offer or sale is not authorized or permitted.

GENERAL

No action has been taken or will be taken that would permit a public offering of the Equity Shares to occur in any jurisdiction, or the possession, circulation or distribution of this Placement Document or any other material relating to the Company or the Equity Shares in any jurisdiction where action for such purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Placement Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. The Issue will be made in compliance with the applicable ICDR Regulations. Each purchaser of the Equity Shares in the Issue will be required to make, or be deemed to have made, as applicable, the acknowledgments and agreements as described under "***Transfer Restrictions***".

India

This Placement Document may not be distributed, directly or indirectly, in India or to residents of India and any Equity Shares may not be offered or sold, directly or indirectly, in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to eligible QIBs. This Placement Document is neither a public issue nor a prospectus under the Companies Act or an advertisement and should not be circulated to any person other than to whom the offer is made.

Australia

This Placement Document and the offer of Equity Shares are only made available in Australia to persons to whom a disclosure document is not required to be given under Chapter 6D of the Australian Corporations Act 2001 (the "Australian Corporations Act") and has not been and will not be lodged or registered with the Australian Securities & Investments Commission or any other regulatory body or agency in Australia. This Placement Document is not a prospectus, product disclosure statement or any other form of formal "disclosure document" for the purposes of the Australian Corporations Act and is not required to, and does not, contain all the information which would be required in a disclosure document under the Australian Corporations Act. (i) The offer of the Equity Shares under this Placement Document is only made to persons to whom it is lawful to offer the Equity Shares without a disclosure document such as a professional investor or sophisticated investor for the purposes of Chapter 6D of the Australian Corporations Act; (ii) this Placement Document is made available in Australia to persons as set forth in clause (i) above; and (iii) by accepting this offer, the offeree represents that the offeree is such a person as set forth in clause (ii) above and agrees not to sell or offer for sale within Australia any Equity Shares sold to the offeree within 12 months after their transfer to the offeree under this Placement Document.

Cayman Islands

This Placement Document does not constitute an invitation or offer to the public in the Cayman Islands of the Equity Shares, whether by way of sale or subscription. The Equity Shares are not offered or sold, and will not be offered or sold, directly or indirectly, to the public in the Cayman Islands.

Dubai International Financial Centre

This Placement Document relates to an "exempt offer" in accordance with the Dubai Financial Services Authority ("DFSA") Rulebook Markets Module, and which is not subject to any form of regulation or approval by the DFSA. The DFSA has no responsibility for reviewing or verifying this Placement Document or any other documents in connection with this offer. Accordingly, the DFSA has not approved this Placement Document or any other associated documents nor taken any steps to verify the information set out in this Placement Document, and has no responsibility for it. The shares to which this Placement Document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers should conduct their own due diligence on the shares. If you do not understand the contents of this document you should consult an authorised financial adviser. This Placement Document may only be provided to Professional Clients as defined in the DFSA Rulebook Conduct of Business Module ("COB Module"). This offer is not directed at Retail Clients as defined in the COB Module.

European Economic Area

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), the Global Coordinator and Book Running Lead Manager has represented and warranted that it has not made and will not make an offer to the public of any Equity Shares which are the subject of the issue of Equity Shares contemplated by this Placement Document in that Relevant Member State, except that the Equity Shares may be offered to the public in that Member State at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

1. to any legal entity which is a qualified investor, as defined in the Prospectus Directive (as defined below);

2. to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive or supplement a prospectus pursuant to Article 16 at the Prospectus Directive), subject to obtaining the prior consent of the Global Coordinator and Book Running Lead Manager nominated by the Company for any such offer; or

3. at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of the Equity Shares shall result in a requirement for the publication by the Company or the Global Coordinator and Book Running Lead Manager of a prospectus or the initial purchaser of a prospectus pursuant to Article 3 of the Prospectus Directive and each person who initially acquires any Equity Shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed with the Global Coordinator and Book Running Lead Manager and the Company that it is a qualified investor within the meaning of the law of the Relevant Member State implementing Article 2(1)I of the Prospectus Directive or any measure implementing the Prospectus Directive in any Relevant Member State.

For the purposes of this provision, the expression "an offer to the public" in relation to any securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any securities to be offered so as to enable an investor to decide to purchase any securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

Hong Kong

This Placement Document has not been approved by the Securities and Futures Commission in Hong Kong and, accordingly, (i) the Equity Shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "SFO") and any rules made under that SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding up and Miscellaneous Provisions) Ordinance (Cap. 32) (the "CWUMPO") of Hong Kong or which do not constitute an offer to the public within the meaning of the CWUMPO; and (ii) the Global Coordinator and Book Running Lead Manager has not issued or had in its possession for the purposes of the issue of Equity Shares whether in Hong Kong or elsewhere any advertisement, invitation or document relating to the Equity Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong), other than with respect to Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Japan

The Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Act No. 25 of 1948, as amended; the "FIEA") The Global Coordinator and Book Running Lead Manager has represented and agreed that it will not offer or sell any Equity Shares, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Korea

The Equity Shares have not been and will not be registered under the Financial Investment Business and Capital Markets Act of Korea and none of the Equity Shares may be offered or sold, directly or indirectly, in Korea or to any resident of Korea or to any persons for reoffering or resale, directly or indirectly, in Korea or to any resident of Korea (as defined under the Foreign Exchange Transaction Act of Korea and its Enforcement Decree) except pursuant to an exemption from the registration requirements of the Financial Investment Business and Capital Markets Act of Korea available thereunder and/or in compliance with applicable laws and regulations of Korea.

Kuwait

This Placement Document is not for general circulation to the public in Kuwait. The Equity Shares have not been licensed for offering in Kuwait by the Kuwait Capital Markets Authority or any other relevant Kuwaiti government agency. The offering of the Equity Shares in Kuwait on the basis a private placement or public offering is, therefore, restricted in accordance with Law No. 7 of 2010 and the bylaws thereto (as amended). No private or public offering of the Equity Shares is being made in Kuwait, and no agreement relating to the sale of the Equity Shares will be concluded in Kuwait. No marketing or solicitation or inducement activities are being used to offer or market the Equity Shares in Kuwait.

Malaysia

No prospectus or other offering material or document in connection with the offer and sale of the Equity Shares has been or will be registered with the Securities Commission of Malaysia pursuant to the Securities Commission Act, 1993 as the offer for purchase of, or invitation to purchase the Equity Shares is meant to qualify as an "excluded offer or excluded invitation" within the meaning of Section 38 of the Securities Commission Act, 1993. Each Lead Manager has severally represented, warranted or agreed that the Equity Shares will not be offered, sold, transferred or otherwise disposed, directly or indirectly, nor any document or other material in connection therewith distributed, in Malaysia, other than to persons falling within any one of the categories or person specified in Schedule 2 and/or Schedule 3 of the Securities Commission Act, 1993 who are also persons to whom any offer or invitation to purchase or sell would be an excluded offer or invitation within the meaning of Section 38 of the Securities Commission Act, 1993.

Mauritius

The Equity Shares are not being offered to the public in Mauritius and nothing in the Placement Document or any information contained herein may be treated as a prospectus for the purposes of the Securities Act 2005 of Mauritius. The Mauritius Financial Services Commission (FSC) has neither reviewed nor approved the Placement Document and the Company does not hold any licence issued by the FSC. Accordingly, the Placement Document has not been registered with the FSC. Equity Shares are being offered by way of private placement only to the person to whom such offer has been made.

Only persons licensed by the FSC as, investment dealers, investment advisers or investment bankers conducting activities as an investment dealer or investment adviser may market and carry out any form of solicitation in Mauritius in respect to the offer, distribution or sale of the Equity Shares. Where solicitation does not exist, a licensee as distributors of financial products may distribute the Equity Shares. The Equity Shares may not be offered, distributed or sold, directly or indirectly, in Mauritius, except as permitted by applicable Mauritius law, including but not limited to Securities Act 2005 of Mauritius.

The Company has not been authorized (or recognized) and does not intend to seek authorization (or recognition) with the FSC, and the FSC expresses no opinion as to the matters contained in the Placement Document and as to the merits of an investment in the Company. There is no statutory compensation scheme in Mauritius in the event of the Company's failure.

New Zealand

This Placement Document is not a prospectus. It has not been prepared or registered in accordance with the Securities Act 1978 of New Zealand (the "New Zealand Securities Act"). This Placement Document is being distributed in New Zealand only to persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money, within the meaning of section 3(2)(a)(ii) of the New Zealand Securities Act ("Habitual Investors"). By accepting this Placement Document, each investor represents and warrants that if they receive this Placement Document in New Zealand they are a Habitual Investor and they will not disclose this Placement Document to any person who is not also a Habitual Investor.

Oman

By receiving this Placement Document, the person or entity to whom it has been issued understands, acknowledges and agrees that this Placement Document has not been approved by the Capital Market Authority of Oman (the "CMA") or any other regulatory body or authority in the Sultanate of Oman ("Oman"), nor has the Global Coordinator and Book Running Lead Manager or any placement agent acting on its behalf received authorisation, licensing or approval from the CMA or any other regulatory authority in Oman, to market, offer, sell, or distribute interests in the Equity Shares within Oman.

No marketing, offering, selling or distribution of any interests in the Equity Shares has been or will be made from within Oman and no subscription for any interests in the Equity Shares may or will be consummated within Oman. Neither the Global Coordinator and Book Running Lead Manager nor any placement agent acting on its behalf is a company licensed by the CMA to provide investment advisory, brokerage, or portfolio management services in Oman, nor a bank licensed by the Central Bank of Oman to provide investment banking services in Oman. Neither the Global Coordinator and Book Running Lead Manager nor any placement agent acting on its behalf advise persons or entities resident or based in Oman as to the appropriateness of investing in or purchasing or selling securities or other financial products.

Nothing contained in this Placement Document is intended to constitute Omani investment, legal, tax, accounting or other professional advice. This Placement Document is for your information only, and nothing herein is intended to endorse or recommend a particular course of action. You should consult with an appropriate professional for specific advice on the basis of your situation.

Qatar

This document does not, and is not intended to, constitute an invitation or an offer of securities in the State of Qatar (including the Qatar Financial Centre) and accordingly should not be construed as such. The Equity Shares have not been, and shall not be, offered, sold or delivered at any time, directly or indirectly, in the State of Qatar. Any offering of the Equity Shares shall not constitute a public offer of securities in the State of Qatar.

By receiving this document, the person or entity to whom it has been provided to understands, acknowledges and agrees that: (i) neither this Placement Document nor the Equity Shares have been registered, considered, authorized or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority or any other authority or agency in the State of Qatar; (ii) neither the Company nor persons representing the Company are authorized or licensed by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority, or any other authority or agency in the State of Qatar, to market or sell the Equity Shares within the State of Qatar; (iii) this Placement Document may not be provided to any person other than the original recipient and is not for general circulation in the State of Qatar; and (iv) no agreement relating to the sale of the Equity Shares shall be consummated within the State of Qatar.

No marketing of the Equity Shares has been or will be made from within the State of Qatar and no subscription to the Equity Shares may or will be consummated within the State of Qatar. Any applications to invest in the Equity Shares shall be received from outside of Qatar. This document shall not form the basis of, or be relied on in connection with, any contract in Qatar. Neither the Company nor persons representing the Company are, by distributing this document, advising individuals resident in the State of Qatar as to the appropriateness of investing in or purchasing or selling securities or other financial products. Nothing contained in this document is intended to constitute investment, legal, tax, accounting or other professional advice in, or in respect of, the State of Qatar.

Saudi Arabia

Any investor in the Kingdom of Saudi Arabia or who is a Saudi person (a "Saudi Investor") who acquires Equity Shares pursuant to the Issue should note that the offer of Equity Shares is an offer to "Sophisticated Investors" (as defined in Article 11 of the "Offer of Securities Regulations" as issued by the Board of the Capital Market Authority resolution number 2-11-2004 dated October 4, 2004 and amended by the Board of the Capital Market Authority resolution number 1-28-2008 dated August 18, 2008 (the "KSA Regulations")) for the purposes of Article 9 of the KSA Regulations. The Global Coordinator and Book Running Lead Manager has represented, warranted and agreed that the offer of the Equity Shares will only be directed at Sophisticated Investors.

The offer of Equity Shares shall not therefore constitute a "public offer" pursuant to the KSA Regulations, but is subject to the restrictions on secondary market activity under Article 17 of the KSA Regulations. Any Saudi Investor who has acquired Equity Shares as a Sophisticated Investor may not offer or sell those Equity Shares to any person unless the offer or sale is made through an authorised person appropriately licensed by the Saudi Arabian Capital Market Authority and (i) the Equity Shares are offered or sold to a Sophisticated Investor; (ii) the price to be paid for the Equity Shares in any one transaction is equal to or exceeds Saudi Arabian Riyal 1 million or an equivalent amount; or (iii) the offer or sale is otherwise in compliance with Article 17 of the KSA Regulations.

Singapore

The Global Coordinator and Book Running Lead Manager has acknowledged that this Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Global Coordinator and Book Running Lead Manager has represented and agreed that it has not offered or sold any Equity Shares issued pursuant to the Issue or caused such Equity Shares to be made the subject of an invitation for subscription or purchase and will not offer or sell such Equity Shares issued pursuant to the Issue or cause such Equity Shares to be made the subject of an invitation for subscription or purchase, and have not circulated or distributed, nor will they circulate or distribute, this Placement Document or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Equity Shares issued pursuant to the Issue, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore ("SFA"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares are subscribed or purchased under Section 275 by a relevant person which is:

- a corporation (which is not an accredited investor) (as defined in Section 4A of the SFA) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

- a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities (as defined in Section 239(1) of the SFA) of that corporation to the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within 6 months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 except:

- to an institutional investor under Section 274 of the SFA or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

- where no consideration is or will be given for the transfer;

- where the transfer is by operation of law;
- as specified in Section 276(7) of the SFA; or
- as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

United Arab Emirates (excluding the Dubai International Financial Centre)

This Placement Document is not intended to constitute an offer, sale or delivery of shares or other securities under the laws of the United Arab Emirates (the "UAE"). The Equity Shares have not been and will not be registered under Federal Law No. 4 of 2000 Concerning the Emirates Securities and Commodities Authority and the Emirates Security and Commodity Exchange, or with the UAE Central Bank, the Dubai Financial Market, the Abu Dhabi Securities market or with any other UAE exchange. the Issue, the Equity Shares and interests therein do not constitute a public offer of securities in the UAE in accordance with the Commercial Companies Law, Federal Law No. 8 of 1984 (as amended) or otherwise. This Placement Document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the Equity Shares may not be offered or sold directly or indirectly to the public in the UAE.

By receiving this Placement Document, the person or entity to whom this Placement Document has been issued understands, acknowledges and agrees that the Equity Shares have not been and will not be offered, sold or publicly promoted or advertised in the Dubai International Financial Centre other than in compliance with laws applicable in the Dubai International Financial Centre, governing the issue, offering or sale of securities. The Dubai Financial Services Authority has not approved this Placement Document nor taken steps to verify the information set out in it, and has no responsibility for it.

United Kingdom

The Global Coordinator and Book Running Lead Manager has represented, warranted and undertaken that:

1. it has only communicated or caused to be communicated and will only communicate or cause to be communicated in the United Kingdom any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 ("FSMA") received by it in connection with the issue or sale of any Equity Shares in circumstances in which section 21(1) of FSMA does not apply to the Company; and

2. it has complied and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to the Equity Shares in, from or otherwise involving the United Kingdom.

United States of America

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be offered, sold or delivered in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable state securities laws. The Equity Shares are being offered and sold in the Issue only outside the United States in accordance with Regulation S in accordance with Regulation S and the applicable laws of the jurisdictions where those offers and sales are made. To help ensure that the offer and sale of the Equity Shares in the Issue was made in compliance with Regulation S, each purchaser of Equity Shares in the Issue will be deemed to have made the representations, warranties, acknowledgements and undertakings set forth in "*Transfer Restrictions*" on page 174.

TRANSFER RESTRICTIONS

Due to the following restrictions, investors are advised to consult legal counsel prior to purchasing Equity Shares or making any offer, resale, pledge or transfer of the Equity Shares.

Pursuant to Chapter VIII of the ICDR Regulations, successful Bidder are not permitted to sell the Equity Shares Allotted pursuant to the Issue for a period of one year from the date of Allotment, except on the Stock Exchanges. Additionally, purchasers are deemed to have represented, agreed and acknowledged as below with respect to purchase and sale of Equity Shares.

Due to the following restrictions, investors are advised to consult legal counsel prior to making any resale, pledge or transfer of the Equity Shares.

The Equity Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable United States state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S, under the U.S. Securities Act and applicable laws of the jurisdictions where those offers and sales are made.

General

Subject to the foregoing, by accepting this Placement Document and purchasing any Equity Shares under the Issue, you are deemed to have represented, warranted, acknowledged and agreed with the Company and the Global Coordinator and Book Running Lead Manager as follows:

- you have received a copy of the Placement Document and such other information as you deem necessary to make an informed decision and that you are not relying on any other information or the representation concerning the Company or the Equity Shares and neither the Company nor any other person responsible for this document or any part of it or the Global Coordinator and Book Running Lead Manager will have any liability for any such other information or representation;

- you are authorised to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations;

- you will comply with all laws, regulations and restrictions (including the selling restrictions contained in this Placement Document) which may be applicable in your jurisdiction and you have obtained or will obtain any consent, approval or authorization required for you to purchase and accept delivery of the Equity Shares, and you acknowledge and agree that none of our Company, the Global Coordinator and Book Running Lead Manager or any of their respective affiliates shall have any responsibility in this regard;

- you acknowledge (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer acknowledges) that such Equity Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority of any state of the United States, and are subject to restrictions on transfer;

- you and the person, if any, for whose account or benefit you are acquiring the Equity Shares, were located outside the United States at the time the buy order for the Equity Shares was originated and continue to be located outside the United States and have not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or any economic interest therein to any person in the United States;

- you are not an affiliate (as defined in Rule 405 of the U.S. Securities Act) of our Company or a person acting on behalf of such affiliate; and you are not in the business of buying and selling securities or, if you are in such business, you did not acquire the Equity Shares from our Company or an affiliate (as defined in Rule 405 of the U.S. Securities Act) thereof in the initial distribution of the Equity Shares;

- you certify that either (A) you are, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares and are located outside the United States (within the meaning of Regulation S) or (B) you are a broker-dealer acting on behalf of your customer and your customer has confirmed to you that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, and (ii) such customer is located outside the United States (within the meaning of Regulation S);

- you are aware of the restrictions on the offer and sale of the Equity Shares pursuant to Regulation S described in this Placement Document and that neither the BSE nor the NSE is a "designated offshore securities market" within the meaning of Regulation S of the U.S. Securities Act;

- the Equity Shares have not been offered to you by means of any "directed selling efforts" as defined in Regulation S; and

- you acknowledge that our Company, the Global Coordinator and Book Running Lead Manager and their respective affiliates (as defined in Rule 405 of the U.S. Securities Act), and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of the Equity Shares are no longer accurate, you will promptly notify our Company and the Global Coordinator and Book Running Lead Manager, and if you are acquiring any of the Equity Shares as a fiduciary or agent for one or more accounts, you represent that you have sole investment discretion with respect to each such account and that you have full power to make the foregoing acknowledgements, representations and agreements on behalf of such accounts.

- you acknowledge that the Equity Shares have not been and will not be registered under the U.S. Securities Act or the securities law of any state of the United States and warrant to our Company, the Global Coordinator and Book Running Lead Manager and their respective affiliates that it will not offer, sell, pledge or otherwise transfer the Equity Shares except in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S or pursuant to any other available exemption from registration under the U.S. Securities Act and in accordance with all applicable securities laws of the states of the United States and any other jurisdiction, including India.

- you represent and warrant to our Company, the Global Coordinator and Book Running Lead Manager and their respective affiliates that if it acquired any of the Equity Shares as fiduciary or agent for one or more investor accounts, it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account.

- the Company, the Global Coordinator and Book Running Lead Manager, their respective affiliates and others will rely upon the truth and accuracy of your representations, warranties, acknowledgements and undertakings set out in this document, each of which is given to (a) the Global Coordinator and Book Running Lead Manager on its own behalf and on behalf of the Company, and (b) to the Company, and each of which is irrevocable and, if any of such representations, warranties, acknowledgements or undertakings deemed to have been made by virtue of your purchase of the Equity Shares are no longer accurate, you will promptly notify the Company.

- you and any accounts for which you are subscribing to the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to the Company or the Global Coordinator and Book Running Lead Manager or their respective affiliates for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, and (v) have no reason to anticipate any change in its or their circumstances, financial or otherwise, which may cause or require any sale or distribution by it or them of all or any part of the Equity Shares. You acknowledge that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment. You are seeking to subscribe to the Equity Shares in this Issue for your own investment and not with a view to distribution;

- you have been provided access to this Placement Document which you have read in its entirety;

- you are aware of the restrictions of the offer, sale and resale of the Equity Shares pursuant to Regulation S;

- you agree to indemnify and hold the Company and the Global Coordinator and Book Running Lead Manager and their respective affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations and warranties. You will not hold any of the Company or the Global Coordinator and Book Running Lead Manager and their respective affiliates liable with respect to its investment in the Equity Shares. You agree that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares; and

any resale or other transfer, or attempted resale or other transfer, of the Equity Shares made other than in compliance with the above-stated restrictions will not be recognized by our Company.

INDIAN SECURITIES MARKET

The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company or the Global Coordinator and Book Running Lead Manager or any of their respective affiliates or advisors.

The Indian Securities Market

India has a long history of organized securities trading. In 1875, the first stock exchange was established in Mumbai. The BSE and the NSE together hold a dominant position among the stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

Indian Stock Exchanges

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the SCRA and the SCRR. SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 ("SCR (SECC) Rules"), which regulates inter alia the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum capitalisation requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Rules along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, delisting of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign institutional investors, foreign portfolio investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority. Most of the stock exchanges have their own governing board for self-regulation. The BSE and the NSE together hold a dominant position among the stock exchanges in terms of the number of listed companies, market capitalization and trading activity.

Listing and Delisting of Securities

The listing of securities on a recognized Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by SEBI including the Listing Regulations. The SCRA empowers the governing body of each recognized stock exchange to, amongst other things, suspend trading of, or withdraw admission to dealings in, a listed security for breach of or non-compliance with any conditions or breach of a company's obligations under the Listing Regulations or for any reason, subject to our company receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the Listing Regulations and bye-laws of the stock exchanges in India, to overrule decisions by the governing body of the stock exchanges and withdraw recognition of a recognized stock exchange.

All listed companies are required to ensure a minimum public shareholding of 25%. Further, where the public shareholding in a listed company falls below 25% at any time, such company is required to bring the public shareholding to 25% within a maximum period of 12 months from the date of such fall. Consequently, a listed company may be delisted from the stock exchanges for not complying with the above-mentioned requirement. Our Company is in compliance with this minimum public shareholding requirement.

SEBI has notified the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 in relation to the voluntary and compulsory delisting of equity shares from the stock exchanges which were significantly modified in 2015. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Disclosures under the Companies Act, 2013 and Listing Regulations

Public limited companies are required under the Companies Act and the Listing Regulations to prepare, file with the registrar of companies and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance under the Companies Act, related party transactions and management's discussion and analysis as required under the Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements pursuant to the Listing Regulations.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, the SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered bymovement of either the SENSEX of the BSE or the S&P CNX NIFTY of the NSE, whichever is breached earlier. With effect from October 1, 2013, the Stock Exchanges, shall on a daily basis translate the 10 %, 15 % and 20 % circuit breaker limits of market wide index variation based on the previous days' closing level of the index.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands of 20 % movements either up or down for all scrips in the compulsory rolling settlement. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be maintained by the stockbrokers.

BSE

BSE was established in 1875 and is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. It has evolved over the years into its present status as one of the premier stock exchanges of India. Pursuant to the BSE (Corporatisation and Demutualisation) Scheme 2005 of the SEBI, with effect from August 19, 2005, the BSE was incorporated and is now a company under the Companies Act and listed on NSE.

NSE

NSE was established by financial institutions and banks to serve as a national exchange and to provide nationwide online satellite-linked screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. The NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994 and operations in derivative segment in June 2000.

Stock Market Indices

There are several indices of stock prices on NSE, which include the S&P CNX Nifty, CNX Nifty Junior, S&P CNX Defty, S&P CNX 500, CNX Midcap and CNX100. S&P CNX Nifty is a diversified 51 stock index accounting for various sectors of the economy. It is used for a variety of purposes such as benchmarking fund portfolios, index based derivatives and index funds. S&P CNX Nifty is owned and managed by India Index Services and Products Limited (IISL), which is a joint venture between the NSE and CRISIL.

The two indices which are generally used in tracking the aggregate price movements on BSE are the Sensex and the BSE 100 Index. The BSE Sensitive Index, or the Sensex, consists of listed shares of 30 large market capitalization companies. The companies are selected on the basis of market capitalization, liquidity and industry representation. The Sensex was first compiled in 1986 with the base as 1978 – 1979. The BSE 100 Index (formerly the BSE National Index) contains listed shares of 100 companies, including the 30 in the Sensex, with 1983-1984 as the base year.

Trading Hours

Trading on both the NSE and the BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m.). The BSE and the NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours

Trading Procedure

In order to facilitate smooth transactions, the BSE replaced its open outcry system with the BSE Online Trading (BOLT) facility in 1995. This totally automated screen based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work.

NSE has introduced a fully automated trading system called National Exchange for Automated Trading (NEAT), which operates on strict time/price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

Internet-based Securities Trading and Services

Internet trading takes place through order routing systems, which route customer orders to exchange trading systems for execution. Stockbrokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by SEBI. The NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of the NSE.

Takeover Code

Disclosure and mandatory open offer obligations for listed Indian companies under Indian law are governed by the Takeover Code, which provides specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the Takeover Code will apply to any acquisition of our Company's shares/voting rights/control. The Takeover Code prescribes certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the Takeover Code mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The Takeover Code also provides for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition.

Prohibition of Insider Trading Regulations

The Insider Trading Regulations have been notified to prohibit and penalise insider trading in India. An insider is, among other things, prohibited from dealing in the securities of a listed company when in possession of unpublished price sensitive information.

The Insider Trading Regulations also provide disclosure obligations for promoters, employees and directors, with respect to their shareholding in our company, and the changes therein. The definition of "insider" includes any person who is a connected person or in possession of, or having access to, unpublished price sensitive information ("UPSI").

The Insider Trading Regulations were notified on January 15, 2015 and came into effect on May 15, 2015, which repealed the regulations of 1992. The Insider Trading Regulations, inter alia, impose certain restrictions on the communication of information by listed companies. Under the Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the Insider Trading Regulations.

The Insider Trading Regulations make it compulsory for listed companies and certain other entities that are required to handle UPSI in the course of business operations to establish an internal code of practices and procedures for fair disclosure of UPSI and to regulate, monitor and report trading by insiders. To this end, the Insider Trading Regulations provide principles of fair disclosure for purposes of code of practices and procedures for fair disclosure of UPSI and minimum standards for code of conduct to regulate, monitor and report trading by insiders. There are also initial and continuing shareholding disclosure obligations under the Insider Trading Regulations

Depositories

In August 1996, the Indian Parliament enacted the Depositories Act 1996 which provides a legal framework for the establishment of depositories to record ownership details and effect transfers in electronic book-entry form. The SEBI framed regulations in relation to the formation and registration of such depositories, the registration of participants and the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term “securities”, as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of the SEBI.

DESCRIPTION OF THE EQUITY SHARES

Set forth below is certain information relating to our share capital, including a brief summary of some of the provisions of the Memorandum of Association and Articles of Association, the Companies Act and certain related laws of India, all as currently in effect.

General

Our authorized capital is ₹6,200.00 lakhs consisting of 6,20,00,000 Equity Shares of ₹10 each. Prior to the Issue, the issued, subscribed and paid-up share capital of our Company is ₹3,673.27lakhs comprising of 3,67,32,790 Equity Shares of ₹10 each. For further details please see section "*Capital Structure*" beginning on page 63.

Dividend

Under Indian law, a company pays dividends upon a recommendation by its board of directors and approval by a majority of the shareholders at the AGM held each Fiscal. Under the Companies Act, 2013, unless the board of directors of a company recommends the payment of a dividend, the shareholders at a general meeting have no power to declare a dividend. Subject to certain conditions laid down by section 123 of the Companies Act, 2013 no dividend can be declared or paid by a company for any Fiscal except out of the profits of the company for that year, calculated in accordance with the provisions of the Companies Act or out of the profits of our company for any previous Fiscal(s) arrived at as laid down by the Companies Act. According to the Articles of Association, the amount of dividends shall not exceed the amount recommended by the Board of Directors. However, our Company may declare a lesser dividend in the general meeting. In addition, as is permitted by the Articles of Association, the Board of the Directors may pay interim dividend as it thinks fit, subject to the provisions of the Companies Act.

Further, as per the Companies (Declaration and Payment of Dividend) Rules, 2014, in the absence of profits in any year, company may declare dividend out of surplus, provided: (a) the rate of dividend declared shall not exceed the average of the rates at which dividend was declared by it in the three years immediately preceding that year; (b) the total amount to be drawn from such accumulated profits shall not exceed one-tenth of the sum of its paid up share capital and free reserves as per the latest audited balance sheet; (c) the amount so drawn shall be first utilized to set off the losses incurred in the financial year in which the dividend is declared before any dividend in respect of equity shares is declared; and (d) the balance of reserves after such withdrawal shall not fall below 15% of its paid up share capital as per the latest audited balance sheet of our company.

In terms of section 124 of the Companies Act 2013, our Company shall credit such unclaimed dividends to the unpaid dividend account of our Company, and any money transferred to the unclaimed dividend account of our Company which remains unpaid and unclaimed for a period of seven years from the date they became due for payment, shall be transferred by our Company to the 'Investor Education and Protection Fund', established by the GoI, in accordance with section 125 of the Companies Act 2013.

Further, as per regulation 43 of the Listing Regulations, a listed company shall declare and disclose the dividend on per share basis only and shall not forfeit unclaimed dividends before the claim becomes barred by law and such forfeiture, if effected, shall be annulled in appropriate cases. The listed company shall recommend or declare all dividend and/or cash bonuses at least five working days (excluding the date of intimation and the record date) before the record date fixed for the purpose.

The Equity Shares issued pursuant to the Issue shall rank *pari passu* with the existing Equity Shares in all respects including entitlements to any dividends declared by our Company.

Capitalization of Reserves

As provided in the Articles of Association of our Company, our Company in a general meeting (on recommendation of the Board) may resolve that it is desirable to capitalize any part of the amount for the time being standing to the credit of our Company's reserve accounts or to the credit of the profit and loss accounts or otherwise available for distribution; and that such sum be accordingly set free for distribution in the specified manner amongst the shareholders who would have been entitled thereto and distributed by way as such dividend and in the same proportion.

Any issue of bonus shares by a listed company would be subject to the ICDR Regulations. The ICDR Regulations prescribe that no company shall, pending conversion of compulsorily convertible securities, issue any shares by way of bonus unless a similar benefit is extended to the holders of such compulsorily convertible securities, through a proportionate reservation of shares. Further, in order to issue bonus shares, a company should not have defaulted in the payment of interest or principal in respect of fixed deposits and interest on existing debentures or principal on redemption thereof and should have sufficient reason to believe that it has not defaulted in respect of any statutory dues of the employees. The declaration of bonus shares in lieu of a dividend cannot be made. A bonus issue may be made out of free reserves built out of genuine profits or share premium collected in cash and not from reserves created by revaluation of fixed assets.

Pre – emptive Rights and Alteration of Share Capital

Subject to the provisions of the Companies Act, 2013, our Company can increase its share capital by issuing new equity shares. Such new equity shares must be offered to existing shareholders registered on the record date in proportion to the amount paid-up on those equity shares at that date. The offer shall be made by notice specifying the number of equity shares offered and the date (being not less than fifteen days and not exceeding thirty days from the date of the offer) after which the offer, if not accepted, will be deemed to have been declined. After such date the Board may dispose of the equity shares offered in respect of which no acceptance has been received, in such manner as they think is not disadvantageous to the shareholders and our Company. The offer is deemed to include a right exercisable by the person concerned to renounce the shares in favor of any other person provided that the person in whose favor such shares have been renounced is approved by the Board in their absolute discretion.Private placement and public issues shall be undertaken pursuant to Chapter III of the Companies Act, 2013.

However, under the provisions of the Companies Act, 2013 and the Companies (Share Capital and Debentures) Rules, 2014, new shares may be offered to any persons, whether or not those persons include existing shareholders or employees to whom shares are allotted under a scheme of employees stock options, either for cash or for consideration other than cash, if a special resolution to that effect is passed by the shareholders of our Company in a general meeting. The issue of the Equity Shares pursuant to the Issue has been approved by a special resolution of our Company's shareholders and such shareholders have waived their pre-emptive rights with respect to such Equity Shares.

The Articles of Association provide that our Company may consolidate or sub-divide our Company's share capital or cancel equity shares which have not been taken up by any person and diminish the amount of its share capital by the amount of the Shares so cancelled. Our Company can also alter its share capital by way of a reduction of capital, in accordance with the Companies Act, 2013.

General Meetings of Shareholders

There are two types of general meetings of the shareholders, namely, AGM and EGM. Our Company is required to hold its AGM within six months after the expiry of each Fiscal provided that not more than 15 months shall elapse between one AGM and next one, unless extended by the RoC at our request for any special reason for a period not exceeding three months. Our Board of Directors may convene an EGM when necessary or at the request of a shareholder or shareholders holding in the aggregate not less than one tenth of our Company's issued paid up capital (carrying a right to vote in respect of the relevant matter on the date of receipt of the requisition).

Notices, along with statement containing material facts concerning each special item, either in writing or through electronic mode, convening a meeting setting out the date, day, hour, place and agenda of the meeting must be given to every member or the legal representative of a deceased member, auditors of our company and every director of our company, at least 21 clear days prior to the date of the proposed meeting. A general meeting may be called after giving shorter notice if consent is received, in writing or electronic mode, from not less than 95% of the shareholders entitled to vote. Unless, the Articles of Association provide for a larger number, (i) five shareholders present in person, if the number of shareholders as on the date of meeting is not more than 1,000; (ii) 15 shareholders present in person, if the number of shareholders as on the date of the meeting is more than 1,000 but up to 5,000; and (iii) 30 shareholders present in person, if the number of shareholders as on the date of meeting exceeds 5,000, shall constitute a quorum for a general meeting of our Company, whether AGM or EGM. The quorum requirements applicable to shareholder meetings under the Companies Act have to be physically complied with.

Section 101 of the Companies Act 2013 provides that notices, either in writing or through electronic mode, convening a meeting setting out the date, day, hour, place and agenda of the meeting must be given to members at least 21 clear days prior to the date of the proposed meeting. However, a general meeting may be called at shorter notice if at least 95% of the shareholders entitled to vote at the meeting give their consent.

A company intending to pass a resolution relating to matters such as, but not limited to, amendment in the objects clause of the Memorandum, the issuing of shares with different voting or dividend rights, a variation of the rights attached to a class of shares or debentures or other securities, buy-back of shares, giving loans or extending guarantees in excess of limits prescribed, is required to obtain the resolution passed by means of a postal ballot instead of transacting the business in our Company's general meeting. A notice to all the shareholders shall be sent along with a draft resolution explaining the reasons therefor and requesting them to send their assent or dissent in writing on a postal ballot within a period of 30 days from the date of posting the letter. Postal ballot includes voting by electronic mode.

Voting Rights

At a general meeting, upon a show of hands, every member holding shares and entitled to vote and present in person has one vote. Upon a poll, the voting rights of each shareholder entitled to vote and present in person or by proxy is in the same proportion as the capital paid up on each share held by such holder bears to our Company's total paid up capital. Voting is by a show of hands, unless a poll is ordered by the Chairman of the meeting The Chairman of the meeting has a casting vote.

Ordinary resolutions may be passed by simple majority of those present and voting. Special resolutions require that the votes cast in favour of the resolution must be at least three times the votes cast against the resolution. A shareholder may exercise his voting rights by proxy to be given in the form required by the Articles of Association. The instrument appointing a proxy is required to be lodged with our Company at least 48 hours before the time of the meeting. A proxy may not vote except on a poll and does not have a right to speak at meetings.

According to the regulation 44 of Listing Regulations, our Company has to provide the facility of remote e-voting to the shareholders, in respect of all shareholders' resolutions. The e-voting facility to be provided to shareholders shall be provided in compliance with the conditions specified under the Companies (Management and Administration) Rules, 2014, or amendments made thereto. Our Company shall submit to the stock exchange, within forty eight hours of conclusion of its General Meeting, details regarding the voting results in the required format. Further, our Company shall send proxy forms to holders of securities in all cases mentioning that a holder may vote either for or against each resolution.

Register of Transfers, Register of Members and Record Date

Our Company is required to maintain a register of members wherein the particulars of the members of our Company are entered. For the purpose of determining the shareholders, entitled to corporate benefits declared by our Company, the register may be closed for such period not exceeding 45 days in any one year or 30 days at any one time at such times, as the Board of Directors may deem expedient in accordance with the provisions of the Companies Act. Under the Listing Regulations of the stock exchanges on which our Company's outstanding Equity Shares are listed, our Company may, upon at least seven working days' (excluding the date of intimation and the record date) advance notice to such stock exchanges, set a record date and/or close the register of shareholders in order to ascertain the identity of shareholders. The trading of Equity Shares and the delivery of certificates in respect thereof may continue while the register of shareholders is closed.

Under Section 58 of the Companies Act 2013, if a public company without sufficient cause refuses to register a transfer of shares within 30 days from the date on which the instrument or intimation of transfer is delivered to the company, the transferee may, within a period of 60 days of such refusal or where no intimation has been received from the company, within 90 days of the delivery of the instrument of transfer, appeal to the National Company Law Tribunal seeking to register the transfer of shares.
Pursuant to the Listing Regulations, in the event our Company has not effected the transfer of shares within 15 days or where our Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 15 days, our Company is required to compensate the aggrieved party for the opportunity loss caused during the period of the delay. The Companies Act 2013 provides that the shares or debentures of a publicly

listed company shall be freely transferable. However, the Board of Directors may, under our Articles of Association, subject to section 58 of the Companies Act and the SCRA, at any time in its absolute discretion decline to register transfer of shares. Notice of such refusal must be sent to the transferee within one month of the date on which the transfer was lodged with our Company.

Liquidation Rights

The Articles of Association of our Company provide that if our Company is wound up, and the assets available for distribution among the members as such are insufficient to repay the whole of the paid up capital, such assets shall be distributed so that as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up, on the shares held by them respectively. If in the winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed among the members in proportion to the capital paid up, at the commencement of the winding up, or which ought to have been paid up on the shares held by them respectively.

If our Company is wound up, whether voluntarily or otherwise, the liquidators may, with the sanction of a special resolution, divide among the members, in specie or kind, any part of the assets of our Company, and may, with the like sanction, vest any part of the assets of our Company in trustees upon such trusts for the benefit of the members, or any of them, as the liquidators, with the like sanction, shall think fit.

TAXATION

To

The Board of Directors
NCL Industries Limited
4th Floor,Vaisnavi Cynosure
Near Gachibowli Flyover
Gachibowli, Hyderabad 500 032

Dear Sir(s),

Ref: Certificate of Statement of possible tax benefits available to NCL Industries Limited and the shareholders in relation to the equity shares prepared in accordance with the requirements under Schedule VIII – Clause (VII) (L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended (the 'SEBI ICDR Regulations')

We refer to the proposed issue of the equity shares of NCL Industries Limited (the "**Company**"). We enclose herewith the statement showing the current position of possible tax benefits available to the Company and to its shareholders asper the provisions of the Income-tax Act, 1961 ('the Act') as applicable to the assessment year 2018-19 relevant to the financial year 2017-18 for inclusion in the Placement Document and the Placement Document for the proposed issue of shares.

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive these direct tax benefits is dependent upon their fulfilling such conditions.

The benefits discussed in the enclosed statement are neither exhaustive nor conclusive. The contents stated in the Annexure are based on the information and explanations obtained from the Company. This statement is only intended to provide general information to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

We do not express and opinion or provide any assurance as to whether:

- the Company or its shareholders/ investors will continue to obtain these benefits in future;
- the conditions prescribed for availing the benefits have been / would be met with;
- the revenue authorities / courts will concur with the views expressed herein.

We hereby give our consent to include enclosed statement regarding the possible tax benefits available to the Company and to its shareholders in the Placement Document and Placement Document for the proposed QIP which the Company intends to submit to the Stock Exchanges and Securities and Exchange Board of India provided that the below statement of limitation is included in the Preliminary Placement Document and this Placement Document.

Limitations:

Our views expressed in the statement enclosed are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on the statement is on the express understanding that we do not assume responsibility towards the investor who may or may not invest in the proposed issue relying on the statement.

This statement has been prepared solely in connection with the offering of Equity shares by the Company through Qualified Institutional Placement under the securities and Exchange Board of India ("SEBI") (Issue of capital and Disclosure Requirements) Regulations, 2009, as amended (the Offerings).

For Venugopal & Chenoy
Chartered Accountants
Firm Registration No: 004671S

P V Sri Hari
Partner
Membership No.: 21961
Date: 30th November, 2017
Place: Hyderabad

ANNEXURE TO THE STATEMENT OF POSSIBLE DIRECT TAX BENEFITS AVAILABLE TO NCL INDUSTRIES LIMITED AND ITS SHAREHOLDERS UNDER INCOME TAX ACT, 1961 (‘ACT’)

The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. Our views expressed in this statement are based on the facts and assumptions as indicated in the statement. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on this statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed issue relying on this statement. This statement has been prepared solely in connection with the offering of Equity shares by the Company through Qualified Institutional Placement under the securities and Exchange Board of India (“SEBI”) (Issue of capital and Disclosure Requirements) Regulations, 2009, as amended (the Offerings).

A) Special Tax Benefit available to the Company

Under the Income Tax Act, 1961, NCL Industries Limited is an Indian Company subject to tax in India. The Company is taxed on its profits. Profits are computed after allowing all permissible business expenditure, including depreciation.

Considering the activities and the business of the Company, the following benefits and implications may be applicable.

- The Company is eligible for additional depreciation under section 32 (iia) of the Income Tax Act, 1961.

The above is based on the provisions of the current Act, which is generally amended every fiscal year.

B) Special Tax Benefit available to the Shareholders

There are no special tax benefits available to its shareholders

LEGAL PROCEEDINGS

Our Company is subject to various legal proceedings from time to time mostly arising in the ordinary course of business that we are engaged in. Except as described below, we are not involved in any legal proceedings and our Company is not aware of any proceedings that are threatened, which if determined adversely, may have, or have had, a material adverse effect on our business, properties, financial condition or results or operations of our business. We believe that none of the contingencies, either individually or in the aggregate, would have a material adverse effect on our financial condition, results of operations or cash flows.

Civil cases above the value of ₹ 308.29 lakhs, which is approximately 5% of our profit before tax for Fiscal 2017, have been disclosed below. Additionally all material cases pertaining to our Company involving public interest litigations, environmental cases and criminal cases, amongst others, have been disclosed below.

A. Litigations involving our Company

Criminal cases filed against our Company

1. Bureau of Indian Standards ("**Complainant**") has filed a criminal complaint bearing no. 273 of 2009 against our Company and others before the chief judicial magistrate, Sirmour, Nahan, Himachal Pradesh ("**CJM**") under section 11 read with section 33 (1) and (2) of the Bureau of Indian Standards Act, 1986. The Complainant, on inspection of the premises of the factory situated at Paonta Sahib, found our Company to be in violation of section 11 of the Bureau of Indian Standards Act, 1986 since certain cement bonded particle boards were affixed with 'ISI' mark, without obtaining the approval, along with the license number and address of other company located at Hyderabad. The CJM *vide* order dated June 23, 2010 levied a penalty of ₹18,000/- and directed the Complainant to seize the cement bonded particle boards.

Civil cases filed against our Company

There are no Civil Cases filed against our Company.

Criminal cases filed by our Company

1. Our Company and P. Shankarao ("Petitioners) has filed a criminal petition no. 12420 of 2013 against State of Andhra Pradesh and others ("Respondents") and N Narasimha Reddy ("Accused 3") and N. Srikanth Goud and ("Accused 4") before the High court of judicature of Andhra Pradesh under section 428 of Criminal Procedure Code, 1973. On January 27, 2011 an inspection of the premises of accused No. 3 was conducted by the District Inspector, Legal Metrology and he seized cement bags pertaining to the Company on the ground that the price marked on the package was smuggled and altered the price as ₹ 240. The Respondent had issued a prosecution notice to our company as well as the accused 3 and 4. The Company against the notice filed an appeal claiming that Rule 23(7) of Standards of Weights and Measures Act, 1985 is not applicable to them as the Company deals with transaction in inter-state trade. The Controller, Legal Metrology disposed of the appeal as not tenable. The Company then filed Criminal M.P No. 22 of 2013 in S.T. C No. 20 of 2013 claiming Rule 23(7) is not an enforceable rule in Inter-State trade as it is not notified in Andhra Pradesh. The Respondents filed counter to Crl M.P. No. 22 of 2013. The matter was dismissed. The Petitioner have therefore prayed for quashing the proceedings in S.T. C No. 20 of 2013. Pending disposal of the criminal petition the Petitioners have also filled a stay petition no. 1100 of 2013 for stay of all further proceedings until disposal of quash petition. The High court has vide its orders dated October 23, 2013 and December 31, 2013 granted interim stay until further orders. The petition is currently pending.

2. State of Telangana has filed a criminal miscellaneous petition of 2017 against P. Srinivas Varma ("**Accused**") before the XIII Metropolitan Magistrate, Cyberabad, L.B. Nagar under section 420 and 405 of the Indian Penal Code, 1860. The Accused was in charge of the godown of our Company and misappropriated 482 MT of cement amounting to approximately ₹ 27 lakhs without entering the details of the same in the register and selling the same to third parties. Thereafter, our Company filed an FIR No. 371 / 2014 before the police station at Nacharam

and subsequently a charge sheet dated December 30, 2014 was filed before the XIII Metropolitan Magistrate, Cyberabad, L.B. Nagar. The case is currently is pending.

3. Our Company has filed nine (9) criminal complaints against various parties under section 138 of the Negotiable Instruments Act, 1881 for dishonour of cheques amounting to approximately₹ 35.58 lakhs, which are pending before various courts.

Civil cases filed by our Company

1. Our Company has filed a writ petition bearing no. 9245 of 2016 against the Union of India and others (collectively referred to as the "**Respondents**") before the High Court of Andhra Pradesh. Our Company had purchased new 12 spouts of which 8 spouts were of EEUL make and 4 spouts were of ETIL make. On inspection of the premises of the factory on March 14, 2014, the District Inspector, Legal Metrology issued panchanamas and seized certain machines and cement bags. Our Company then filed writ petitions bearing numbers 5707, 5717 and 5797 of 2015 wherein the court directed to release the seized goods. Thereafter, our Company purchased 12 spout units and approached the District Inspector, Legal Metrology for its approval of installing the same. However, the Inspector denied the same and directed for giving permission after disposal of the case. Our Company then filed the petition which is currently pending.

2. Our Company has filed a writ petition bearing no. 27880 of 2016 against the Union of India and others (collectively referred to as the "**Respondents**") before the High Court of Hyderabad, Andhra Pradesh. Our Company has filled this Writ petition challenging the order dated September 16, 2015 passed by Union of India bearing No. 16.7.2015 – M.VI (part), under section 151 of the Civil Procedure Code, 1908 against the Respondents. The impugned order directs for the establishment of a district mineral foundation in every district in the country affected by the mining related operations. Subsequently the Mines & Minerals (contribution to District Mineral Foundation) Rules, 2015 was enacted which provided that every holder of a mining lease or a prospecting licence cum mining lease shall, in addition to the royalty, pay an amount retrospectively to the District Mineral Foundation of the district, in which the mining operations are carried on. Our company contended that monies could have been demanded retrospectively and hence is liable to be quashed. The Hon'ble Sri Justice M.S Ramachandra Rao has vide an order dated August 19, 2016 passed in the said petition directed the Respondents not to insist upon any contribution to the district mineral foundation for the period prior to January 20, 2016 or take any coercive steps regarding thereto The matter is currently pending before High Court of Hyderabad.

B. ***Litigations involving the Directors***

Criminal cases filed against our Directors

1. The Inspector, Legal Metrology, Sattenapalli ("**Complainant**") has filed a criminal complaint bearing no. 1 of 2017 against our K. Gautam and others for violation of section 18(1) and 36 (1) of the Legal Metrology Act, 2009 read with rules 6(1)(d) and 6(1)(e) of the Legal Metrology (Packaged Commodities) Rules, 2011 before the court of IInd additional Junior Civil Judge Namsarao Peta. The Complainant, on inspection of the trading premises of M/s. Lahari Durga & Co. alleged the cement packages to be sold, distributed and delivered not bearing the declarations, namely the price and the month, in accordance with rule 6(1), e, d, 18(1) of the Legal Metrology (Packaged Commodities) Rules, 2011. The Complainant then seized 5 cement packages from the premises and subsequently filed a complaint which is currently pending.

2. The State of Telangana("**Complainant**") has filed a criminal complaint of 2016 against the Company and the directors K. Gautham and G. Sreenivasa Reddy before Judicial Magistrate First Class, Huzurnagar. The Complainant, on inspection of the premises of the cement factory situated at Simhapuri, Mattampally, alleged our Company to be in violation of Factories Act, 1948 & Telangana Factories Rules, 1950. The complainant has prayed for taking necessary orders to the accused to comply the above contraventions with in a time specified by the Hon'ble court under section 92 and 102 of the Factories Act, 1948.

3. Except as stated in the heading "*Litigations involving our Promoters"* there is no litigation or legal action pending against any other director.

C. Tax *Proceedings*

(a) Income Tax

There are no income tax matters involving our Company, pending for adjudication.

(b) Central Excise, Sales Tax and Value Added Tax

There are twenty four (24) central excise, sales tax and value added tax matters amounting to ₹ 3,496.21 lakhs approximately, involving our Company, pending at various levels of adjudication.

D. Litigations involving our Promoters

Except as stated below, there is no litigation or legal action pending or taken by any ministry or department of the Government or statutory authority against our Promoters during the last three years immediately preceding the year of the circulation of this Placement Document and any direction issued by such ministry or department of the Government or statutory authority upon conclusion of such litigation or legal action;

1. A criminal complaint was filed by Rakesh Jalai against one of our Promoters K Ravi and others under section 138 of the Negotiable Instruments Act, 1881 for dishonour of 2 cheques amounting to approximately ₹ 5.76 lakhs. The matter is currently pending before the Chief Judicial Magistrate, Jammu.

E. Litigation, inquiries, inspections or investigations under the Companies Act against our Company

There is no litigation, inquiries, inspections or investigations under the Companies Act initiated and/or taken against our Company in the last three years.

F. Prosecutions filed against, fines imposed on, or compounding of offences by our Company

There is no prosecution filed against, fines imposed on, or compounding of offences by our Company in the last three years.

G. Material frauds committed against our Company in the last three years

There have been no material frauds committed against our Company in the last three years.

H. Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of this Placement Document and of their impact on the financial statements and financial position of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or adverse remark

I. Summary of reservations, emphasis of matters, qualifications or adverse remarks of auditors in the last five Fiscals immediately preceding the year of circulation of this Placement Document and of their impact on the financial statements and financial position of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or adverse remark

There are no reservations, qualifications, adverse remarks and emphasis of matter included in the audit reports and the standalone and consolidated financial statements of our Company in the last five Fiscals i.e. from March 31, 2013 to March 31, 2017 and the six months ended September 30, 2017.

INDEPENDENT ACCOUNTANTS

Our Company's statutory auditors, Venugopal & Chenoy, Chartered Accountants, are independent auditors with respect to our Company as required by the Companies Act. In accordance with the guidelines issued by the ICAI, they have performed limited review in accordance with Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" with respect to Unaudited Financial Results for the six months period ended September 30, 2017 and selected explanatory notes, Audited Financial Statements as of and for the Fiscals 2015, 2016 and 2017, whose reports are included in this Placement Document. Please see the chapter titled "*Financial Statements*" beginning on page 194.

GENERAL INFORMATION

1. Our Company was incorporated as *"Nagarjuna Cements Limited"* on September 10, 1979, as a public company limited by shares under the Companies Act, 1956, with a Certificate of Incorporation granted by the RoC, at Hyderabad, Andhra Pradesh. The name of our Company was then changed to *"NCL Industries Limited"* and a fresh certificate of incorporation consequent on change of name was issued by RoCat Hyderabad, Andhra Pradesh on December 23, 1987. Our Company received its Certificate for Commencement of Business from the RoC on October 5, 1979. The corporate identity number of our Company is L33130TG1979PLC002521.

2. Our authorized capital is ₹6,200 lakhs consisting of 6,20,00,000 Equity Shares of ₹10 each. Prior to the Issue, the issued, subscribed and paid-up share capital of our Company is ₹3,673.27 lakhs comprising of 3,67,32,790 Equity Shares of ₹10 each. For further details please see section "*Capital Structure*" beginning on page 63.

3. Our Registered Office is located at Vaishanavi Cynosure, 4th Floor, Sy. No. 18, Gachibowli Village, Serilingampally Mandal, Hyderabad, Telangana – 500032, India.

4. Under our Memorandum of Association, our principal objects are to carry out the business described in the section "*Business*" beginning on page 103. The objects are set out in Clause III of our Memorandum of Association.

5. The Issue is authorized and approved by our Board of Directors *vide* resolutions dated August 14, 2017 and approved by our shareholders, pursuant to a resolution passed at the AGM held on September 22, 2017.

6. Our Company has received in-principle approvals under Regulation 28(1) of the Listing Regulations for the issue of the Equity Shares from the BSE and the NSE. We will apply for final approvals to list our Equity Shares to be issued in the Issue on the BSE and the NSE.

7. Copy of our Memorandum and Articles of Association will be available for inspection during usual business hours on any weekday between 11.00 a.m. to 3.00 p.m. (except Saturdays and public holidays) during the offering period at our Registered Office.

8. Other than as set forth in this Placement Document, there has been no significant change in our financial results since March 31, 2017, the date of our last audited financial statements prepared in accordance with Indian GAAP and the Companies Act included herein.

9. Except as disclosed in this Placement Document, we are not involved in any material legal proceedings and we are not aware of any threatened legal proceedings, which, if determined adversely, could result in a material adverse effect on our business, financial condition or results of operations.

10. The Company has obtained necessary consents, approvals and authorisations as required in connection with the Issue.

11. Venugopal & Chenoy, Chartered Accountants have undertaken limited review in accordance with Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" with respect to Unaudited Financial Results for the six months period ended September 30, 2017 and selected explanatory notes, Audited Financial Statements as of and for the Fiscals 2015, 2016 and 2017.

12. We confirm that we are in compliance with minimum public shareholding requirements as specified under the SCRR and as required under the Listing Regulations.

13. Our Company and the Global Coordinator and Book Running Lead Manager accept no responsibility for statements made otherwise than in this Placement Document and anyone placing reliance on any other source of information, including our website www.nclind.com, would be doing so at his or her own risk.

14. The Floor Price for the Issue is ₹ 249.63 per Equity Share calculated in accordance with Regulation 85 of the ICDR Regulations. Our Company may offer a discount of not more than 5% on the Floor Price in terms of Regulation 85 of the ICDR Regulations.

FINANCIAL STATEMENTS

INDEX

NCL INDUSTRIES LIMITED

NCL GROUP

AN ISO 9001 : 2008 COMPANY
CIN : L33130TG1979PLC002521

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER 2017

All amounts in Indian Rupees Lakhs

Sl. No.	Particulars	Standalone					
		Quarter ended			Half year ended		Year ended
		30.09.2017	30.06.2017	30.09.2016	30.09.2017	30.09.2016	31.03.2017
		(Un Audited)	(Un Audited)	(Un Audited)	(Un Audited)	(Un Audited)	(Audited)
1	**Revenue from operations**						
	a) Net sales / income from operations (inclusive of excise duty)	22,906.07	26,966.98	25,398.14	49,873.05	48,807.79	106,247.29
	Less :Inter Segment Transfers	4,075.52	4,356.65	4,169.84	8,432.17	8,388.35	18,135.60
	Total Revenue from operations (inclusive of excise duty)	**18,830.55**	**22,610.33**	**21,228.29**	**41,440.88**	**40,419.44**	**88,111.69**
2	Other Income	39.86	140.22	123.02	180.08	193.77	363.97
	Total income (1+2)	**18,870.41**	**22,750.55**	**21,351.31**	**41,620.96**	**40,613.21**	**88,475.66**
3	**Expenses**						
	a) Cost of materials consumed	6,736.77	7,413.52	7,267.51	14,150.29	14,542.54	30,376.62
	b) Puchase of Stock in Trade	-	-	0.03	-	0.04	130.47
	c) Power	1,999.75	2,218.32	1,859.81	4,218.07	3,875.47	8,349.82
	d) Fuel	3,413.22	3,371.90	2,603.01	6,785.12	5,134.84	12,291.75
	e) Changes in inventories of finished goods, work-in-progress and stock-in-t	83.13	(131.81)	260.17	(48.67)	82.82	633.69
	f) Excise duty paid	(17.57)	2,950.01	2,779.26	2,932.44	5,288.47	11,564.22
	g) Employee benefits expense	841.59	854.43	759.53	1,696.02	1,487.10	3,101.46
	h) Depreciation and amortisation	788.93	760.84	642.05	1,549.77	1,262.59	2,513.60
	i) Finance costs	838.26	756.32	814.78	1,594.58	1,552.52	3,111.33
	j) Transport & Handling	3,213.03	2,697.59	3,309.32	5,910.62	6,380.62	12,638.27
	k) Inter Segment Transfers	(4,075.52)	(4,356.65)	(4,169.84)	(8,432.17)	(8,388.35)	(18,135.60)
	l) Other expenditure	3,541.88	3,743.24	3,883.81	7,285.12	6,923.17	15,738.61
	Total expenses	**17,363.47**	**20,277.71**	**20,009.43**	**37,641.19**	**38,141.83**	**82,314.24**
4	**Profit before tax (1 + 2 - 3)**	**1,506.94**	**2,472.84**	**1,341.88**	**3,979.77**	**2,471.38**	**6,161.42**
5	Tax expense						
	a) Current tax	524.89	890.28	136.15	1,415.17	352.81	616.02
	b) Deferred tax	9.61	(43.91)	4.99	(34.30)	3.37	78.08
6	**Net profit for the period / year (4 - 5)**	**972.44**	**1,626.47**	**1,200.74**	**2,598.90**	**2,115.20**	**5,467.32**
7	Other comprehensive income						
	a) (i) Items that will not be reclassified to profit or loss	-	-	-	-	-	-
	(ii) Income tax relating to items that will not be reclassified to profit or los	-	-	-	-	-	-
	b) (i) Items that will be reclassified to profit or loss	-	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss						
	Total other comprehensive income	-	-	-	-	-	-
8	**Total Comprehensive income (6 + 7)**	**972.44**	**1,626.47**	**1,200.74**	**2,598.90**	**2,115.20**	**5,467.32**
9	Paid-up equity share capital (face value Rs. 10/- each)	3,673.28	3,673.28	3,673.28	3,673.28	3,673.28	3,673.28
10	Other Equity	-	-	-	-	-	21,036.86
11	**Earnings per equity share (face value Rs. 10/- each) (Not Annualised)**						
	- Basic	2.63	4.43	3.28	7.06	5.77	14.90
	- Diluted	2.63	4.43	3.28	7.06	5.77	14.90

NCL INDUSTRIES LTD. HYDERABAD

Regd. & Corporate Office: 4th Floor, Vaishnavi's Cynosure, Near Gachibowli Flyover, Gachibowli, Hyderabad -500 032. India.
Tel : 91-40-30120000, 29807868 / 69, Fax : 040-29807871 | E-mail: ncl@nclind.com | Website : www.nclind.com

Notes:

1 The above financial results were reviewed and recommended by the Audit committee, later approved by the Board of Directors of the company in their respective meetings held on 02 December 2017. The Statutory auditors have carried a limited review of financial results.

2 The Company adopted Indian Accounting Standards ("Ind AS") from 1 April 2017 and accordingly these results have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34, Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting pronouncements generally accepted in India. Financial results for all the periods presented have been prepared in accordance with the recognition and measurement principles of Ind AS 34.

3 **Reconciliation between financial results as previously reported under Previous GAAP and Ind AS for the quarter and year ended 30 Sep 2016 and March 2017**

Particulars	Quarter ended 30.09.2016	Half year ended 30.09.2016	Year ended 31.03.2017
Net profit under previous GAAP	1,206.41	2,120.87	5,472.99
Prior period expenses adjustment as per Ind AS	(4.36)	(4.36)	(4.36)
Deffered Tax on the Ind AS Adjustment	(1.31)	(1.31)	(1.31)
Net profit under Ind AS	1,200.74	2,115.20	5,467.32

4 Revenue from the operations of the current quarter are not comparable with previous periods, since revenues presented are net of Goods and Service Tax (GST) whereas Excise duties were included in revenue with corresponding disclosure under expenses in the previous periods.

5 Segment information is presented for the Standalone financial results as permitted under the Ind AS 108 'Operating Segments' notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Accounting Standard (AS) 17 "Segment Reporting" notified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

6 The third Cement Bonded particled Boards Plant at Simhapuri, Suryapet district, Telangana has successfully commenced it commercial operations with effect from 2nd December 2017.

7 Figures for the previous period have been regrouped/ reclassified where ever necessary to confirm to the current period's presentation.

By Order of the Board of Directors
For NCL INDUSTRIES LTD

Place : HYDERABAD
Date : 02.12.2017

K RAVI
MANAGING DIRECTOR

NCL INDUSTRIES LTD. ★ HYDERABAD ★

NCL INDUSTRIES LTD

Standalone Statement of Assets and Liabilities

All amounts in Indian Rupees Lakhs

		Particulars	As at 30th September, 2017	As at 31st March, 2017
			Unaudited	Audited
A		**ASSETS**		
	1	**Non-current assets**		
		Property, plant and equipment	38,686.01	38,537.36
		Capital work-in-progress	26,825.33	15,220.05
		Other intangible assets	-	-
		Investments in subsidiaries, associates and joint ventures	-	-
		Financial assets		
		Investments	-	-
		Loans	-	-
		Other financial assets	1,205.07	1,717.35
		Other non-current assets	-	-
		Sub-total - Non-Current Assets	**66,716.41**	**55,474.76**
	2	**Current assets**		
		Inventories	7,679.84	7,088.80
		Financial assets		
		Investments	-	-
		Trade receivables	5,985.53	4,768.22
		Cash and cash equivalents	860.51	859.62
		Bank balances other than Cash and Cash equivalents above	778.64	326.02
		Loans	-	335.00
		Other financial assets	747.60	1,804.60
		Other current assets	4,652.66	7,714.09
		Current Tax Assets	-	-
		Sub-total - Current Assets	**20,704.78**	**22,896.35**
		TOTAL - ASSETS	**87,421.19**	**78,371.11**
B		**EQUITY AND LIABILITIES**		
	1	**Equity**		
		Equity Share capital	3,673.28	3,673.28
		Other equity	22,969.54	21,036.86
		Sub-total - Shareholders' funds	**26,642.82**	**24,710.14**
	2	**LIABILITIES**		
		Non-current liabilities		
		Deferred Tax Liabilities (Net)	4,287.01	4,322.63
		Financial liabilities		
		Loans	32,224.97	23,119.54
		Other financial liabilities	4,235.27	4,560.92
		Provisions	530.54	524.05
		Income tax liabilities (net)	-	-
		Other non-current liabilities	-	
		Sub-total - Non-current liabilities	**41,277.79**	**32,527.14**
	3	**Current liabilities**		
		Financial liabilities		
		Loans	2,169.91	3,514.48
		Trade payables	2,481.70	3,244.96
		Other financial liabilities	8,173.70	7,518.11
		Other current liabilities	5,116.47	5,335.96
		Provisions	330.68	160.32
		Current tax liabilities (net)	1,228.12	1,360.00
		Sub-total - Current liabilities	**19,500.58**	**21,133.83**
		TOTAL - EQUITY AND LIABILITIES	**87,421.19**	**78,371.11**

NCL INDUSTRIES LTD.

Segment-wise Revenue, Results and Assest and Liabilities

Rs. Lakhs

		Quarter Ended			Period Ended		Year Ended 31-03-2017
		30-Sep-17	30-Jun-17	30-Sep-16	30-Sep-17	30-Sep-16	
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)		(Audited)
1	Segment Revenue						
	a) Cement Division	25,351.73	25,967.89	23,603.43	51,319.62	45,296.68	100,434.16
	b) Boards Division	2,953.56	2,611.48	2,789.48	5,565.04	5,332.53	10,724.20
	c) Prefab Division	-	-	-	-	-	-
	d) Energy Division	70.23	-	86.72	70.23	86.72	204.78
	e) Ready Mix Concrete Division	1,206.23	1,173.92	1,376.96	2,380.15	2,768.71	5,174.95
	f) Unallocated	-	-	-	-	-	-
	TOTAL	29,581.75	29,753.29	27,856.58	59,335.04	53,484.64	116,538.09
	Less : Inter Segment Revenue	4,075.52	4,356.65	4,169.84	8,432.17	8,388.35	18,135.60
	Less : Taxes & Duties including Excise Duty	6,658.11	5,736.32	5,237.70	12,394.43	9,965.32	21,855.02
	Net Sales from Operations	18,848.12	19,660.32	18,449.04	38,508.44	35,130.97	76,547.47
2	Segment Results:						
	Profit before Interest & Tax						
	a) Cement Division	1,896.08	2,753.05	1,542.51	4,649.12	2,903.97	6,895.85
	b) Boards Division	495.15	531.96	605.99	1,027.11	1,176.66	2,358.64
	c) Prefab Division	-	-	-	-	0.79	0.79
	d) Energy Division	(6.05)	(81.05)	3.93	(87.09)	(80.73)	(122.00)
	e) Ready Mix Concrete Division	(39.99)	25.20	4.23	(14.79)	23.21	139.47
	f) Unallocated	-	-	-	-	-	-
	TOTAL	2,345.20	3,229.16	2,156.66	5,574.35	4,023.90	9,272.75
	Less: Interest	838.26	756.32	814.78	1,594.58	1,552.52	3,111.33
	Add: Net of unallocable Income/ (Expenses)		-	-	-	-	-
	TOTAL PROFIT BEFORE TAX	1,506.94	2,472.84	1,341.88	3,979.77	2,471.38	6,161.42
3	Segment Assets						
	a) Cement Division	62,770.84	61,420.29	50,120.27	62,770.84	50,120.27	58,321.47
	b) Boards Division	10,175.39	9,664.52	7,113.46	10,175.39	7,113.46	8,806.68
	c) Prefab Division	80.81	80.81	80.81	80.81	80.81	80.81
	d) Energy Division	3,196.11	3,168.77	3,616.86	3,196.11	3,616.86	3,210.45
	e) Ready Mix Concrete Division	1,794.12	1,695.72	1,541.50	1,794.12	1,541.50	1,715.78
	f) Unallocated	9,403.94	6,249.17	4,979.43	9,403.94	4,979.43	6,236.55
	TOTAL	87,421.21	82,279.28	67,452.33	87,421.21	67,452.33	78,371.74
4	Segment Liabilities						
	a) Cement Division	42,007.08	33,322.67	26,934.38	42,007.08	26,934.38	33,868.90
	b) Boards Division	1,553.27	1,515.20	1,277.28	1,553.27	1,277.28	1,320.47
	c) Prefab Division	24.69	24.69	24.69	24.69	24.69	24.69
	d) Energy Division	30.53	27.84	31.32	30.53	31.32	25.77
	e) Ready Mix Concrete Division	535.60	599.50	840.93	535.60	840.93	607.09
	f) Unallocated	43,270.04	46,789.39	38,343.74	43,270.04	38,343.74	42,524.80
	TOTAL	87,421.21	82,279.28	67,452.33	87,421.21	67,452.33	78,371.74

NCL INDUSTRIES LTD. HYDERABAD

VENUGOPAL & CHENOY
Chartered Accountants

4-1-889/16/2, Tilak Road,
Hyderabad - 500 001.
TeleFax : 24753454,24753852
24752853, 24756885
Email : info@venugopalandchenoy.com

INDEPENDENT AUDITORS' REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF
NCL INDUSTRIES LIMITED

1. We have reviewed the Standalone Financial Results ("Results") of **NCL INDUSTRIES LIMITED** ("the Company") for the quarter ended September 30, 2017, included in the accompanying Statement of Unaudited Standalone Financial Results ("the Statement") being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. The Results included in the Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Results based on our review.

2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, Engagements to Review Financial Statements issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Results are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Results, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

4. We have not reviewed the financial results and other financial information for the Quarter ended September 30, 2016, which have been presented solely based on the financial information compiled by the Management.

VENUGOPAL & CHENOY,
CHARTERED ACCOUNTANTS,
FRN: 004671S

VENUGOPAL & CHENOY Regn.No. 004671S Tilak Road, HYDERABAD. Chartered Accountants

P.V. Sri Hari
(P.V.SRI HARI)
Partner
Membership No.021961

Hyderabad
02.12.2017

VENUGOPAL & CHENOY
Chartered Accountants

4-1-889/16/2, Tilak Road,
Hyderabad - 500 001.
TeleFax: 24753454. 24753852
24752853, 24756885
Email: info@venugopalandchenoy.com

INDEPENDENT AUDITOR'S REPORT

To
The Members,
NCL Industries Limited,
Hyderabad.

Report on the Standalone Financial Statements

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

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

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

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

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

VENUGOPAL & CHENOY
Regn. No. 004671S
Tilak Road, HYDERABAD.
Chartered Accountants

4-1-889/16/2, Tilak Road,
Hyderabad - 500 001.
TeleFax: 24753454. 24753852
24752853, 24756885
Email: info@venugopalandchenoy.com

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

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

Opinion

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

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

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

Report on Other Legal and Regulatory Requirements

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

2. As required by section 143(3) of the Act, we report that:
   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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

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

VENUGOPAL & CHENOY
Regn. No. 004671S
Tilak Road, HYDERABAD.
Chartered Accountants

4-1-889/16/2, Tilak Road,
Hyderabad - 500 001.
TeleFax: 24753454. 24753852
24752853, 24756885
Email: info@venugopalandchenoy.com

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

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

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

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

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

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

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

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

VENUGOPAL & CHENOY
Regn. No. 004671S
Tilak Road, HYDERABAD.
Chartered Accountants

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

P.V. Sri Hari

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

Hyderabad
Date: 27.05.2017

VENUGOPAL & CHENOY
Chartered Accountants

4-1-889/16/2, Tilak Road,
Hyderabad - 500 001.
TeleFax: 24753454. 24753852
24752853, 24756885
Email: info@venugopalandchenoy.com

Annexure A to the Independent Auditors' Report

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

(i) In respect of its fixed assets:

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

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

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

(ii) In respect of Inventories:

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

b. In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

c. According to the information and explanation given to us, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

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

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

VENUGOPAL & CHENOY
Regn. No. 004671S
Tilak Road, HYDERABAD.
Chartered Accountants

4-1-889/16/2, Tilak Road,
Hyderabad - 500 001.
TeleFax: 24753454. 24753852
24752853, 24756885
Email: info@venugopalandchenoy.com

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

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

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

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

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

(vii) In respect of statutory dues:

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

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

VENUGOPAL & CHENOY
Regn. No.
004671S
Tilak Road,
HYDERABAD.
Chartered Accountants

4-1-889/16/2, Tilak Road,
Hyderabad - 500 001.
TeleFax: 24753454. 24753852.
24752853, 24756885
Email: info@venugopalandchenoy.com

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

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

VENUGOPAL & CHENOY Regn. No. 004671S Tilak Road, HYDERABAD. Chartered Accountants

4-1-889/16/2, Tilak Road,
Hyderabad - 500 001.
TeleFax: 24753454. 24753852.
24752853, 24756885
Email: info@venugopalandchenoy.com

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

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

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

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

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

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

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

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

VENUGOPAL & CHENOY
Regn. No. 004671S
Tilak Road,
HYDERABAD.
Chartered Accountants

VENUGOPAL & CHENOY
Chartered Accountants

4-1-889/16/2, Tilak Road,
Hyderabad - 500 001.
TeleFax: 24753454. 24753852
24752853, 24756885
Email: info@venugopalandchenoy.com

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

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

VENUGOPAL & CHENOY
Regn. No.
004671S
Tilak Road,
HYDERABAD.
Chartered Accountants

P.V. S Hari

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

Hyderabad
Date: 27.05.2017

VENUGOPAL & CHENOY
Chartered Accountants

4-1-889/16/2, Tilak Road,
Hyderabad - 500 001.
TeleFax: 24753454. 24753852
24752853, 24756885
Email: info@venugopalandchenoy.com

Annexure - B to the Auditors' Report

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting,

VENUGOPAL & CHENOY Regn. No. 004671S Tilak Road, HYDERABAD. Chartered Accountants

4-1-889/16/2, Tilak Road,
Hyderabad - 500 001.
TeleFax: 24753454. 24753852
24752853, 24756885
Email: info@venugopalandchenoy.com

assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over

VENUGOPAL & CHENOY
Regn. No. 004671S
Tilak Road, HYDERABAD.
Chartered Accountants

VENUGOPAL & CHENOY
Chartered Accountants

4-1-889/16/2, Tilak Road,
Hyderabad - 500 001.
TeleFax: 24753454. 24753852
24752853, 24756885
Email: info@venugopalandchenoy.com

financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

VENUGOPAL & CHENOY
Regn. No. 004671S
Tilak Road, HYDERABAD.
Chartered Accountants

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

Hyderabad
Date: 27.05.2017

All amounts in Rupees Lakhs, Except Share Data and Unless Otherwise Stated

BALANCE SHEET AS AT 31ST MARCH 2017

	Notes	31 Mar 2017	31 Mar 2016
EQUITY AND LIABILITIES			
Share holders' Funds			
Share Capital	2.1	3,673.28	3,673.28
Reserves and Surplus	2.2	20,375.61	16,007.89
Sub-Total : Shareholders' Funds		**24,048.89**	**19,681.17**
Non-Current Liabilities			
Long - Term Borrowings	2.3	23,119.54	4,534.83
Deferred Tax Liabilities	2.4	4,321.32	4,244.55
Other - Long Term Liabilities	2.5	4,560.92	3,067.26
Long - Term Provisions	2.6	524.05	454.79
Sub-Total : Non Current Liabilities		**32,525.83**	**12,301.43**
Current Liabilities			
Short - Term Borrowings	2.7	2,744.34	5,642.06
Trade Payables	2.8	3,244.96	2,790.96
Other Current Liabilities	2.9	13,624.22	20,354.79
Short - Term Provisions	2.10	2,183.47	1,497.76
Sub-Total : Current Liabilities		**21,796.99**	**30,285.58**
TOTAL EQUITY AND LIABILITIES		**78,371.71**	**62,268.18**
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	2.11	38,537.36	39,161.45
Capital Work - in- Progress		15,220.05	1,055.74
Non - Current Investments		-	-
Long - Term Loans & Advances	2.12	1,717.35	1,571.55
Sub-Total : Non - Current Assets		**55,474.76**	**41,788.74**
Current Assets			
Inventories	2.13	7,088.80	7,214.38
Trade Receivables	2.14	4,768.82	5,269.61
Cash and Cash Equivalents	2.15	1,185.64	2,112.76
Short- Term Loans and Advances	2.16	8,010.71	3,965.11
Other Current Assets	2.17	1,842.98	1,917.58
Sub-Total : Current Assets		**22,896.95**	**20,479.44**
TOTAL-ASSETS		**78,371.71**	**62,268.18**
Summary of Significant Accounting Policies	1		

The accompanying notes are an integral part of the financial statements

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

VENUGOPAL & CHENOY Regn. No. 004671S Tilak Road, HYDERABAD. Chartered Accountants

P.V. Sri Hari
Partner
Membership No. 21961

Hyderabad
Dated: 27th May 2017

For and on behalf of the Board

K. Ravi
Managing Director

Kamlesh Gandhi
Director

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

T. Arun Kumar
Company Secretary

All amounts in Rupees Lakhs, Except Share Data and Unless Otherwise Stated

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017

	Notes	31 Mar 2017	31 Mar 2016
REVENUE			
Revenue from Operations (Gross)	2.18	116,542.45	99,431.74
Less: Inter Segment Transfers & Taxes on Sales		28,426.40	23,516.36
Revenue from Operations		88,116.05	75,915.38
Less : Excise Duty		11,564.22	9,838.49
Revenue from Operations (Net)		**76,551.83**	**66,076.89**
Other Income	2.19	363.97	316.27
Total Revenue		**76,915.80**	**66,393.16**
EXPENSES			
Net Consumption of Materials	2.20	12,371.49	11,038.49
Change in Inventories of Finished goods and Work-in-Progress	2.21	633.69	(767.95)
Employee Benefit Expenses	2.22	3,506.33	3,174.82
Other Expenses	2.23	48,613.58	40,533.03
Finance Costs	2.24	3,111.33	3,060.48
Depreciation & Amortisation	2.25	2,513.60	2,516.00
Total Expenses		**70,750.02**	**59,554.87**
Profit /(Loss) Before Exceptional Items		**6,165.78**	**6,838.29**
Exceptional Items	2.26	-	**(151.75)**
Profit /(Loss) Before Tax		**6,165.78**	**6,686.54**
Tax Expense:			
Tax- Earlier Years		-	-
Tax- Current Year		1,860.00	1,401.53
Deferred Tax Charge / (Credit)		76.77	89.74
MAT Credit Entitlement (Credit)		(1,243.98)	(112.64)
Total of Tax Expenses		692.79	**1,378.63**
Profit for the Period		**5,472.99**	**5,307.91**
Basic Earnings per Share of Rs 10/- each		14.90	14.56
Diluted Earnings per Share of Rs 10/- each	2.28	14.90	14.45
Cash Earnings per share of Rs. 10/- each	2.28	21.95	21.71
Summary of Significant Accounting Policies	1		

The accompanying notes are an integral part of the financial statements

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

P.V. Sri Hari
Partner
Membership No. 21961

Hyderabad
Dated: 27th May 2017

VENUGOPAL & CHENOY Regn. No. 004671S Tilak Road, HYDERABAD. Chartered Accountants

For and on behalf of the Board

Ganahi

K. Ravi
Managing Director

Kamlesh Gandhi
Director

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

T. Arun Kumar
Company Secretary

All amounts in Rupees Lakhs, Except Share Data and Unless Otherwise Stated

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

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

VENUGOPAL & CHENOY
Regn. No. 004671S
Tilak Road, HYDERABAD.
Chartered Accountants

P.V. Sri Hari
Partner
Membership No. 21961

Hyderabad
Dated: 27th May 2017

For and on behalf of the Board

K. Ravi
Managing Director

Kamlesh Gandhi
Director

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

T. Arun Kumar
Company Secretary

1. SIGNIFICANT ACCOUNTING POLICIES

a) Accounting Concepts

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

b) Fixed Assets and Depreciation

Fixed Assets are stated at the cost of acquisition or construction and putting it to working condition
Depreciation on Buildings and Plant & Machinery is charged on straight line method and other assets on Written Down Value method based on the useful lives of the assets, as per Schedule II of the Companies Act 2013 and depreciation on Assets of Energy Division is charged as per Part B of the Schedule II.
Depreciation on fixed assets of Energy Division is provided on straight line method at the rates and in the manner prescribed as per notification no.151 dated 29.03.1994 issued by Ministry of Power (Department of Power).

c) Inventories

i) Raw Materials and other Materials are valued at weighted average cost.
ii) Stores and Spares at Cost
iii) Work - in - Process at cost of material plus labour and other overheads and
iv) Finished Goods at Cost or net realisable value whichever is lower.

d) Employee Benefits

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

e) Income Tax Expense

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

f) Foreign Currency Transactions
Loss or gain due to fluctuations in foreign currency exchange rates is recognized as envisaged in Accounting Statndard 11.

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

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

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

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

1. The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of Equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees.

2.For the Year Ended 31st March,2017, the amount of per share dividend recognized as distribution to equity share holders was Rs.2.50 (31st March 2016: Rs. 2/- per share)

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

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

	31 Mar 2017		31 Mar 2016	
	No.of Shares	% of holding	No.of Shares	% of holding
Sri K. Ravi	2,840,433	7.73	2,431,807	6.62

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

VENUGOPAL & CHENOY
Regn. No. 004671S
Tilak Road, HYDERABAD.
Chartered Accountants

2.2 RESERVES AND SURPLUS

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

2.3 LONG-TERM BORROWINGS

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

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

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

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

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

2.4 DEFERRED TAX LIABILITIES

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

2.5 OTHER LONG TERM LIABILITIES

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

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

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

2.6 LONG TERM PROVISIONS

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

2.7 SHORT TERM BORROWINGS

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

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

2.8 TRADE PAYABLES

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

Based on the information available with the Company, amount of dues to Micro, Small and Medium Enterprises outstanding for more than 45 days as at 31st March 2017 is Rs. Nil (Previous Year: Rs. Nil)

VENUGOPAL & CHENOY
Tilak Road,
HYDERABAD.
Chartered Accountants

All amounts in Rupees Lakhs, Except Share Data and Unless Otherwise Stated

2.9 OTHER CURRENT LIABILITIES

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

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

2.10 SHORT TERM PROVISIONS

	31 Mar 2017	31 Mar 2016
Provision for Income Tax	1,360.00	901.53
Provision for Dividend	550.99	367.33
Provision for Dividend Tax	112.17	74.78
Current Maturities of Long-Term Provisions of Employee Benefits	45.75	52.63
Provision for Employee Bonus & Ex-gratia	114.56	101.50
Total	**2,183.47**	**1,497.76**

2.12 LONG-TERM LOANS & ADVANCES

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

VENUGOPAL & CHENOY
Regn. No. 004671S
Road, HYDERABAD.
Chartered Accountants

2.11 FIXED ASSETS (TANGIBLE)

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

VENUGOPAL & CHENOY Regn. No. 004671S Tilak Road, HYDERABAD. Chartered Accountants

2.13 INVENTORIES

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

2.14 TRADE RECEIVABLES

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

2.15 CASH & CASH EQUIVALENTS

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

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

2.16 SHORT TERM LOANS & ADVANCES

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

2.17 OTHER CURRENT ASSETS

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

VENUGOPAL & CHENOY
Regn. No. 004671S
Tilak Road, HYDERABAD.
Chartered Accountants

All amounts in Rupees Lakhs, Except Share Data and Unless Otherwise Stated

2.18 REVENUE FROM OPERATIONS

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

2.19 OTHER INCOME

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

NET PRIOR YEAR ADJUSTMENTS

	31 Mar 2017	31 Mar 2016
Taxes & Duties	-	0.95
Power	-	1.38
Total Income / (Expense)	-	**2.33**

2.20 COST OF MATERIAL CONSUMED

	31 Mar 2017	31 Mar 2016
Rawmaterials Inventory at the Beginning of the year	942.50	678.54
Add: Purchases	30,423.43	25,870.74
Total	31,365.93	26,549.28
Less: Inventory at the End of the year	858.84	942.50
Cost of Raw materials Consumed	**30,507.09**	**25,606.78**
Details of Rawmaterials Consumed		
Limestone	3,393.40	2,488.30
Al. Laterite	1,117.69	767.28
Gypsum	1,144.94	858.81
Iron ore / Iron ore powder	641.56	825.12
FlyAsh	813.10	748.68
Purchased Clinker Consumption	-	-
Clinker Consumption at Kondapalli Plant	16,277.31	13,106.62
Cement Consumption in Other Divisions	3,167.55	3,081.17
Wood	1,587.00	1,693.89
Chemicals	394.52	364.38
Paper	212.65	200.43
Ready Mix Concrete Materials	1,609.90	1,446.08
Other Materials	17.00	9.61
Cost of Trading Goods	130.47	16.41
Total	**30,507.09**	**25,606.78**
Less: Inter Segment Transfers	18,135.60	14,568.29
Net Consumption of Materials	**12,371.49**	**11,038.49**

VENUGOPAL & CHALAPATHY Regn. No. 004671S Tilak Road, HYDERABAD. Chartered Accountants

Details of Inventory		
Limestone	39.11	19.21
Al. Laterite	48.59	50.72
Gypsum	60.01	52.64
Iron ore / Iron ore powder	37.92	21.36
FlyAsh	12.64	9.96
Clinker at Kondapalli Plant	88.58	103.75
Cement in Boards & RMC Divisions	53.68	40.31
Wood	410.26	523.30
Chemicals	22.28	29.07
Bison Panel Boards in Prefab Division	21.45	21.45
Steel	36.73	36.73
Other Materials	27.61	34.01
Total	**858.84**	**942.50**

2.21 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS

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

2.22 EMPLOYEE BENEFIT EXPENSES

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

2.23 OTHER EXPENSES

	31 Mar 2017	31 Mar 2016
Cost of Fuel	12,291.75	10,353.24
Cost of Power	8,349.82	7,855.76
Packing Materials	3,362.61	2,801.91
Stores & Spares consumed	2,592.41	2,581.49
Rep & Maintenance Plant & Machinery	925.70	952.58
Rep & Maintenance Buildings	-	0.10
Rep & Maintenance Others	100.70	59.63
Direct Manufacturing Expenses	371.42	320.97
a. Sub-Total: Other Manufacturing Expenses	**27,994.41**	**24,925.68**
Transportation Paid	12,638.27	10,677.00
Advertisement & Publicity	458.56	167.85
Selling Expenses	5,632.88	2,788.53
b. Sub-Total: Selling & Distribution Expenses	**18,729.71**	**13,633.38**
Security Services	128.57	77.81
Bank Charges*	74.88	86.99
Administrative Expenses	555.30	456.96
Legal & Professional Expenses	137.83	89.36
Retainer Charges	62.45	54.35
Payments to Auditors (refer details below)	9.62	6.53
Internal Audit Fees	7.28	6.62
Insurance	26.42	23.15
Travelling & Conveyance	277.50	265.03
Rent	232.56	96.47
Rates, Taxes & Licenses	78.25	138.12
Donations	104.49	89.75
Bad Debts	5.38	229.53
Provision for Bad Debts	36.00	353.30
Corporate Scocial Responsibility (CSR) Expenditure **	152.93	-
c.Sub-Total: Other Administrative Expenses	**1,889.46**	**1,973.97**
Total Other Expenses (a+b+c)	**48,613.58**	**40,533.03**

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

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

VENUGOPAL & CHENOY
Regn. No. 004671S
Tilak Road, HYDERABAD.
Chartered Accountants

PAYMENT TO AUDITORS

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

2.24 FINANCE COST

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

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

2.25 DEPRECIATION AND AMORTISATION EXPENSE

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

2.26 Exceptional Items

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

2.27 Segment Revenue and Expenses:

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

2.28 Earnings Per Share

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

2.27 SEGMENT REPORTING

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

A. PRIMARY DISCLOSURES:

	Cement		Boards		Prefab		Energy		RMC		Unallocable		Total	
Particulars	31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016	31 Mar 2017	31 Mar 2016
Segment Revenue:														
External Turnover	73,109.43	61,427.53	10,320.31	10,039.46	-	-	204.78	237.32	4,481.53	4,211.06	-	-	88,116.05	75,915.38
Inter Segment Transfers	17,975.87	14,471.75	103.86	96.54	-	-	-	-	55.88	-	-	-	18,135.60	14,568.29
Gross Turnover	91,085.30	75,899.29	10,424.17	10,136.00	-	-	204.78	237.32	4,537.41	4,211.06	-	-	106,251.65	90,483.67
Less: Excise Duty / Service Tax	11,473.08	9,748.18	3.64	8.62	-	-	-	-	87.49	81.70	-		11,564.22	9,838.49
Net Turnover	79,612.21	66,151.11	10,420.53	10,127.39	-	-	204.78	237.32	4,449.92	4,129.36	-	-	94,687.43	80,645.18
Segment Result:														
Profit before Interest and Taxes	6,899.24	7,594.20	2,358.64	2,421.72	0.79	376.94	(122.00)	(74.74)	140.44	122.68	-	-	9,277.11	10,440.82
Less: Interest Expense											3,111.33	3,754.30	3,111.33	3,754.30
Profit Before Tax	6,899.24	7,594.20	2,358.64	2,421.72	0.79	376.94	(122.00)	(74.74)	140.44	122.68	(3,111.33)	(3,754.30)	6,165.78	6,686.52
Current Tax											616.02	1,288.89	616.02	1,288.89
Deferred Tax											76.77	89.74	76.77	89.74
Profit After Tax	6,899.24	7,594.20	2,358.64	2,421.72	0.79	376.94	(122.00)	(74.74)	140.44	122.68	(3,804.12)	(5,132.93)	5,472.99	5,307.89
Other Information:														
Segment Assets	58,321.47	45,592.46	8,806.68	5,685.07	80.81	79.51	3,210.45	3,620.21	1,715.78	1,523.08	6,236.55	5,767.86	78,371.74	62,268.19
Segment Liabilities	33,868.90	20,875.45	1,320.47	907.34	24.69	24.99	25.77	868.94	607.09	789.21	13,584.78	14,369.12	49,431.72	37,835.04
Capital Expenditure	13,708.57	1,821.60	1,978.28	3.93	-	(74.29)	-	0.77	359.68	2.39	-	-	16,046.54	1,754.40
Depreciation & Amortisation	2,177.30	2,157.23	128.28	126.29	0.00	14.15	164.85	164.84	43.17	53.51	-	-	2,513.60	2,516.02

B. SECONDARY DISCLOSURES:

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

Segment Accounting Policies:

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

a) **Segment Assets and Liabilities:**

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

b) **Segment Revenue and Expenses:**

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

2.29 a) Contingent Liabilities

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

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

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

2.29 b) Capital Commitments :

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

Description	31 Mar 2017	31 Mar 2016
Estimatated amount of Cement Expansion Project	5,420	5,964
Estimatated amount of Boards Expansion Project	2,192	940

2.29 c) Future Minimum Lease Payments:

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

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

a) Expense recognized during the year

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

All amounts in Rupees Lakhs, Except Share Data and Unless Otherwise Stated

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

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

Actuarial assumptions

a) Mortality IALM 2006-08 (ultimate)

b) Discounting rate – 6.69% Previous year 7.46 %

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

e) Rate of escalation in salary – 6 %

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

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

2.32 As required by Accounting Standards AS 18, the related parties' disclosure issued by the Institute of Chartered Accountants of

a. List of related parties and relationships

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

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

ii. **Key Managerial Personnel :**

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

b. Related Party Transactions for the Year

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

VENUGOPAL & CHENOY Regn. No. 004671S Tilak Road, HYDERABAD. Chartered Accountants

All amounts in Rupees Lakhs, Except Share Data and Unless Otherwise Stated

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

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

Regn. No. 004671S
Tilak Road, HYDERABAD.
Chartered Accountants

All amounts in Rupees Lakhs, Except Share Data and Unless Otherwise Stated

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

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

2.34 Value of Imports Calculated on CIF Basis

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

2.35 Expenditure in Foreign Currency

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

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

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

VENUGOPAL & CHENOY Regn. No. 004671S Tilak Road, HYDERABAD. Chartered Accountants

P.V. Sri Hari
Partner
Membership No. 21961

Hyderabad
Dated: 27th May 2017

For and on behalf of the Board

K. Ravi
Managing Director

Kamlesh Gandhi
Director

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

T. Arun Kumar
Company Secretary

VENUGOPAL & CHENOY
Chartered Accountants

4-1-889/16/2, Tilak Road,
Hyderabad - 500 001.
TeleFax: 24753454. 24753852
24752853, 24756885
Email: info@venugoaplandchenoy.com

INDEPENDENT AUDITOR'S REPORT

To
The Members,
NCL INDUSTRIES LIMITED,
Hyderabad.

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of NCL INDUSTRIES LIMITED ("the Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

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

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

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

VENUGOPAL & CHENOY
Chartered Accountants

4-1-889/16/2, Tilak Road,
Hyderabad - 500 001.
TeleFax: 24753454. 24753852
24752853, 24756885
Email: info@venugoaplandchenoy.com

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

VENUGOPAL & CHENOY
Chartered Accountants

4-1-889/16/2, Tilak Road,
Hyderabad - 500 001.
TeleFax: 24753454. 24753852
24752853, 24756885
Email: info@venugoaplandchenoy.com

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

e) On the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;

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

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

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

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

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

For VENUGOPAL & CHENOY,
Chartered Accountants,
FRN: 004671S

P.V. S. Hari

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

Place: Hyderabad
Date: 30th May, 2016

4-1-889/16/2, Tilak Road,
Hyderabad - 500 001.
TeleFax: 24753454. 24753852
24752853, 24756885
Email: info@venugoaplandchenoy.com

Annexure A to the Independent Auditors' Report

The Annexure A referred to in our Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended March 31, 2016, we report that:

i)

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies have been noticed on such physical verification.

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

ii)

(a) The inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.

(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company has maintained proper records of the said stocks. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.

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

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

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

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

4-1-889/16/2, Tilak Road,
Hyderabad - 500 001.
TeleFax: 24753454. 24753852
24752853, 24756885
Email: info@venugoaplandchenoy.com

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

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

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

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

According to the information and explanations given to us, no undisputed amounts are payable in respect of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax or cess and other material statutory dues which were in arrears as at March 31, 2016, for a period of more than six months from the date they became payable.

(b) According to information and explanations given to us and records of the Company examined by us, the particulars of Income Tax, Sales Tax, Value added Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty or Cess as at March 31, 2016, which have not been deposited on account of any disputes pending, are as under:

4-1-889/16/2, Tilak Road,
Hyderabad - 500 001.
TeleFax: 24753454. 24753852
24752853, 24756885
Email: info@venugoaplandchenoy.com

Name of the Statute	Nature of the dues	Amount (Rs. lakhs)	Forum where dispute is pending
A.P. General Sales Tax Act	Tax on cost recovery from usage of HSD oil on Hired tippers	4.26	Sales Tax Appellate Tribunal
A.P. General Sales Tax Act	Penalty on delayed payment	16.88	Sales Tax Appellate Tribunal
A.P.VAT Tax Act	Penalty on delayed payment	37.26	Sales Tax Appellate Tribunal
A.P.VAT Tax Act	Penalty on delayed payment	3.10	Appellate Deputy Commissioner (CT)
Central Excise Department	Denying benefit of Cenvat Credit	464.98	CESTAT
Central Excise Department	Denying benefit of Cenvat Credit	163.18	CESTAT
Central Excise Department	Denying benefit of Cenvat Credit	116.34	CESTAT
Central Excise Department	Denying benefit of Cenvat Credit	80.85	CESTAT
Central Excise Department	Denying benefit of Cenvat Credit	16.88	CESTAT
Central Excise Department	Denying benefit of Cenvat Credit	2.00	CESTAT
Central Excise Department	Denying benefit of Cenvat Credit	55.87	Commissioner of Customs & Central Excise (Appeals)
Central Excise Department	Miscellaneous issues	6.15	CESTAT
Customs Department	Demand due to wrong classification of imported coal	42.19	Appellate Commissioner of Customs & Central Excise (Appeals)
Customs Department	Demand due to wrong classification of imported coal	87.79	CESTAT

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

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

VENUGOPAL & CHENOY
Chartered Accountants

4-1-889/16/2, Tilak Road,
Hyderabad - 500 001.
TeleFax: 24753454. 24753852
24752853, 24756885
Email: info@venugoaplandchenoy.com

x) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud by the company or by its officers or employees has been noticed or reported during the year.

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

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

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

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

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

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

For VENUGOPAL & CHENOY,
Chartered Accountants,
FRN: 004671S

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

Place: Hyderabad
Date: 30th May, 2016

VENUGOPAL & CHENOY
Chartered Accountants

4-1-889/16/2, Tilak Road,
Hyderabad - 500 001.
TeleFax: 24753454. 24753852
24752853, 24756885
Email: info@venugoaplandchenoy.com

Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of NCL INDUSTRIES LIMITED ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

4-1-889/16/2, Tilak Road,
Hyderabad - 500 001.
TeleFax: 24753454. 24753852
24752853, 24756885
Email: info@venugoaplandchenoy.com

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

4-1-889/16/2, Tilak Road,
Hyderabad - 500 001.
TeleFax: 24753454. 24753852
24752853, 24756885
Email: info@venugoaplandchenoy.com

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For VENUGOPAL & CHENOY
Chartered Accountants
FRN: 004671S

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

Place: Hyderabad
Date: 30th May, 2016

All amounts In Rupees Lakhs, Except Share Data and Unless Otherwise Stated

BALANCE SHEET AS AT 31ST MARCH 2016

	Notes	31 Mar 2016	31 Mar 2015
EQUITY AND LIABILITIES			
Share holders' Funds			
Share Capital	2.1	3,673.28	3,493.73
Reserves and Surplus	2.2	16,007.89	11,368.75
Sub-Total : Shareholders' Funds		19,681.17	14,862.48
Share Application Money Pending Allotment	2.3	-	400.00
Non-Current Liabilities			
Long - Term Borrowings	2.4	4,534.83	9,992.71
Deferred Tax Liabilities	2.5	4,244.55	4,154.81
Other - Long Term Liabilities	2.6	3,067.26	3,983.76
Long - Term Provisions	2.7	454.79	351.82
Sub-Total : Non Current Liabilities		12,301.43	18,483.10
Current Liabilities			
Short - Term Borrowings	2.8	5,642.06	5,558.03
Trade Payables	2.9	2,790.96	4,980.38
Other Current Liabilities	2.10	20,354.79	14,363.04
Short - Term Provisions	2.11	1,497.76	324.32
Sub-Total : Current Liabilities		30,285.58	25,225.77
TOTAL EQUITY AND LIABILITIES		62,268.18	58,971.35
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	2.12	39,161.45	40,675.82
Capital Work - in- Progress		1,055.74	236.31
Non - Current Investments		-	-
Long - Term Loans & Advances	2.13	1,571.55	1,448.48
Sub-Total : Non - Current Assets		41,788.74	42,360.61
Current Assets			
Inventories	2.14	7,214.38	6,333.39
Trade Receivables	2.15	5,269.61	4,447.89
Cash and Cash Equivalents	2.16	2,112.76	567.61
Short- Term Loans and Advances	2.17	3,965.11	2,604.55
Other Current Assets	2.18	1,917.58	2,657.30
Sub-Total : Current Assets		20,479.44	16,610.74
TOTAL-ASSETS		62,268.18	58,971.35
Summary of Significant Accounting Policies	1		

The accompanying notes are an integral part of the financial statements

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

VENUGOPAL & CHENOY
Regn.No. 004671S
Tilak Road, HYDERABAD
Chartered Accountants

P.V. Sri Hari
Partner
Membership No. 21961

Hyderabad
Dated: 30th May 2016

For and on behalf of the Board

K. Ravi
Managing Director

R. Anand
Chairman

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

T. Arun Kumar
Company Secretary

All amounts in Rupees Lakhs, Except Share Data and Unless Otherwise Stated

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2016

	Notes	31 Mar 2016	31 Mar 2015
REVENUE			
Revenue from Operations (Gross)	2.19	99,431.74	79,157.37
Less: Inter Segment Transfers & Taxes on Sales		23,516.36	18,062.93
Revenue from Operations		75,915.38	61,094.44
Less : Excise Duty		9,838.49	7,702.78
Revenue from Operations (Net)		**66,076.89**	**53,391.66**
Other Income	2.20	316.27	485.72
Total Revenue		**66,393.16**	**53,877.38**
EXPENSES			
Net Consumption of Materials	2.21	11,038.49	9,650.69
Change in Inventories of Finished goods and Work-in-Progress	2.22	(767.95)	(116.21)
Employee Benefit Expenses	2.23	3,174.82	2,513.52
Other Expenses	2.24	40,533.03	34,327.56
Finance Costs	2.25	3,060.48	3,712.03
Depreciation & Amortisation	2.26	2,516.00	2,556.07
Total Expenses		**59,554.87**	**52,643.66**
Profit /(Loss) Before Exceptional Items		**6,838.29**	
Exceptional Items	2.27	**(151.75)**	
Profit /(Loss) Before Tax		**6,686.54**	**1,233.72**
Tax Expense:			
Tax- Earlier Years		-	69.25
Tax- Current Year		1,401.53	112.64
Deferred Tax Charge / (Credit)		89.74	161.82
MAT Credit Entitlement (Credit)		(112.64)	-
Total of Tax Expenses		**1,378.63**	**343.71**
Profit for the Period		**5,307.91**	**890.01**
Basic Earnings per Share of Rs 10/- each		14.56	2.55
Diluted Earnings per Share of Rs 10/- each	2.28	14.45	2.42
Cash Earnings per share of Rs. 10/- each	2.28	21.71	10.33
Summary of Significant Accounting Policies	1		

The accompanying notes are an integral part of the financial statements

VENUGOPAL & CHENOY Regn.No. 004671S Tilak Road, HYDERABAD Chartered Accountants

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

P.V. Sri Hari
Partner
Membership No. 21961

Hyderabad
Dated: 30th May 2016

For and on behalf of the Board

K. Ravi
Managing Director

R. Anand
Chairman

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

T. Arun Kumar
Company Secretary

All amounts in Rupees Lakhs, Except Share Data and Unless Otherwise Stated

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016				
	31 Mar 2016		31 Mar 2015	
Cash flow from Operating Activities				
Profit Before Tax		6,686.54		1,233.72
Less:				
Profit on Sale of Assets		542.07		
		6,144.47		
Adjustments for:				
Depreciation & Amortisation		2,516.00		2,556.07
Finance Costs		3,060.48		
Profit on Sale of Assets		542.07		
		12,263.02		3,789.79
Less:				
Income Tax Paid		681.89		-
Operating Profit Before Working Capital Changes		11,581.13		3,789.79
Movement of Working Capital:				
Increase/(Decrease) in Trade Payables	(2,189.42)		19.79	
Increase/(Decrease) in Long Term Provisions	102.97		43.89	
Increase/(Decrease) in Short Term Provisions	11.70		28.73	
Increase/(Decrease) in Other Current Liabilities	5,991.75		2,436.30	
Decrease/(Increase) in Trade Receivables	(821.72)		(56.04)	
Decrease/(Increase) in Inventories	(880.99)		(595.58)	
Decrease/(Increase) in Long Term Loans & Advances	(152.29)		(23.70)	
Decrease/(Increase) in Short Term Loans & Advances	(1,360.56)		(616.04)	
Decrease/(Increase) in Other Current Assets	852.36		538.00	
Net Movement in Working Capital		1,553.80		1,775.35
Cash Generated from Operations		13,134.94		5,565.14
Cash Flow from Investing Activities				
Purchase of Fixed Assets including CWIP	(1,852.43)		(48.15)	
Reimbursement of expenses incurred on Land Development	-		450.00	
Sale of Net Fixed Assets	60.59		4.55	
Net Cash Used in Investing Activities		(1,791.84)		406.40
Cash flow from Financing Activities				
Finance Costs	(3,060.48)			
Proceeds / (Repayment) of Long Term Borrowings	(5,457.88)		(2,385.50)	
Proceeds / (Repayment) of Other Long Term Liabilities	(916.50)		(1,135.62)	
Proceeds / (Repayment) of Short Term Borrowings	84.03		(2,162.88)	
Dividend & Dividend Tax Paid	(442.11)		-	
Proceeds/(Refund of) from Share Application Money	(5.00)		-	
Net Cash used in Financing Activities		(9,797.95)		(5,684.00)
Net Increase in Cash and Cash Equivalent		1,545.15		287.55
Cash and Cash Equivalent at the Beginning of the Year		567.61		280.06
Cash and Cash Equivalent at the End of the Year		2,112.76		567.61

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

VENUGOPAL & CHENOY Regn.No. 004671S Tilak Road, HYDERABAD Chartered Accountants

P.V. Sri Hari
Partner
Membership No. 21961

Hyderabad
Dated: 30th May 2016

For and on behalf of the Board

K. Ravi
Managing Director

R. Anand
Chairman

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

T. Arun Kumar
Company Secretary

1. SIGNIFICANT ACCOUNTING POLICIES

a) Accounting Concepts

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

b) Fixed Assets and Depreciation

Fixed Assets are stated at the cost of acquisition or construction and putting it to working condition
Depreciation on Buildings and Plant & Machinery is charged on straight line method and other assets on Written Down Value method based on the useful lives of the assets, as per Schedule II of the Companies Act 2013 and depreciation on Assets of Energy Division is charged as per Part B of the Schedule II.
Depreciation on fixed assets of Energy Division is provided on straight line method at the rates and in the manner prescribed as per notification no.151 dated 29.03.1994 issued by Ministry of Power (Department of Power).

c) Inventories

i) Raw Materials and other Materials are valued at weighted average cost.
ii) Stores and Spares at Cost
iii) Work - in - Process at cost of material plus labour and other overheads and
iv) Finished Goods at Cost or net realisable value whichever is lower.

d) Employee Benefits

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

e) Income Tax Expense

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

f) Foreign Currency Transactions
Loss or gain due to fluctuations in foreign currency exchange rates is recognized as envisaged in Accounting Statndard 11.

2. Notes to Financial Statements for the year ended 31 March 2016

2.1 SHARE CAPITAL	31 Mar 2016	31 Mar 2015
Authorized		
6,20,00,000 (31 March 2015: 6,20,00,000) Equity shares of Rs. 10/- each	6,200.00	6,200.00
Issued,Subscribed & Paid up		
3,67,32,790 (31 March 2015: 3,49,37,335) Equity shares of Rs 10/- each	3,673.28	3,493.73
Total	3,673.28	3,493.73

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

Equity shares	31 Mar 2016		31 Mar 2015	
	No. of shares	Rs. Lakhs	No. of shares	Rs. Lakhs
At the beginning of the year	34,937,335	3,493.73	34,937,335	3,493.73
Equity Shares issued during the year	1,795,455	179.55		
At the end of the year	36,732,790	3,673.28	34,937,335	3,493.73

1. The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of Equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees.

2.For the Year Ended 31st March,2016, the amount of per share dividend recognized as distribution to equity share holders was Rs.2/- (31st March 2015: Rs. Nil 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

	31 Mar 2016		31 Mar 2015	
	No.of Shares	% of holding	No.of Shares	% of holding
Sri K. Ravi	2,431,807	6.62	2,355,123	6.74

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.

VENUGOPAL & CHENOY Regn.No. 004613 Tilak Road, HYDERABAD Chartered Accountants

2.2 RESERVES AND SURPLUS

	31 Mar 2016	31 Mar 2015
Capital Reserve	240.91	240.91
Securities Premium Reserve		
Balance as per the last Financial statement	2,106.14	
Add: Premium on shares issued during the current year	215.45	
Closing balance	2,321.59	2,106.14
General Reserve		
Balance as per the last Financial statement	11,565.80	11,500.00
Add: Adjustments (Depreciation - Schedule II)	-	65.80
Less: Transfer to Debenture Redemption Reserve	1,000.00	
Add: Amount transferred from surplus	434.20	-
Closing balance	11,000.00	11,565.80
Debenture Redemption Reserve	1,000.00	-
Profit & Loss Account		
Balance as per the Last Financial Statement	(2,544.10)	(3,434.11)
Add: Profit / (Loss) for the Year	5,307.91	890.01
Less: Proposed Dividend	734.66	-
Less: Tax on Proposed Dividend	149.56	-
Less: Transfer to General Reserve	434.20	-
Total Appropriations	1,318.42	-
Closing Balance	1,445.39	(2,544.10)
Total	16,007.89	11,368.75

2.3 SHARE APPRLICATION MONEY PENDING ALLOTMENT

	31 Mar 2016	31 Mar 2015
Share Application Money	0.00	400.00

The above amount represents the upfront contribution brought in by the Promoters in compliance with the conditions stipulated for sanctioning the Company's Debt Restructuring Proposal by the CDR Cell. At the EGM held on 02.04.2014, Shareholders approved to make a Preferential Issue of 17,95,455 Equity Shares to the Promoters Group at a premium of Rs 12 per Share. SEBI has granted exemption from regulation 72(2) of SEBI (ICDR) Regulations, 2009 and accorded approval for preferential allotment on 14.05.2015. Accordingly, Equity shares were alloted to the promoters on 26.05.2015.

2.4 LONG-TERM BORROWINGS

	31 Mar 2016	31 Mar 2015	31 Mar 2016	31 Mar 2015
	Non-Current portion		Current Maturities	
Secured				
Term Loans from FIs & Banks (Refer Note Nos. 'a' & 'b')	-	9,733.47	9,603.91	1,922.84
Secured Redeemable Non Convertible Debentures (Refer Note 'c')	4,000.00	-	-	-
Vehicle & Equipment Loans (Secured)				
Vehicle & Equipment Finance Loans from Banks (Refer Note No 'd')	410.05	0.00	271.92	252.47
Total Secured Borrowings (i)	4,410.05	9,733.47	9,875.83	2,175.31
Other Loans & Advances (Unsecured)				
Sales Tax Deferment Loan (Refer Note No. 'e')	124.78	259.24	134.46	198.38
Total Unsecured Borrowings (ii)	124.78	259.24	134.46	198.38
Total of Secured & Unsecured (i+ii)	4,534.83	9,992.71	10,010.29	2,373.69

The outstanding Term Loans which have been rescheduled under Corporate Debt Restructuring mechanism (CDR) are repaid in full including the recompense amount in April 2016 and has exited the CDR Mechanism.

Details of the security existing as on 31st March 2016 on these Term Loans are given below:

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 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 are guaranteed by Four Promoter Directors in their personal capacity. Further, entire unencumbered shareholdings of Promoters have also been pledged as additional security.

c. Secured Redeemable Non Convertible debentures carrying an interest @ 16.67% per anum payable monthly are the part of the aggregate of Rs. 32.5 Crores of debentures to be issued on private placement basis are secured by the first charge on all the fixed assets and second charge on all the current assets and pledge of the shares held by promoters of the Company.

The debentures are to be redeemed in the 4th, 5th and 6th years.

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

e. Represents Interest free Sales Tax Deferment Loan received from Governmnet of Andhra Pradesh/Telangana. Based on the deferment availed, the loans shall be repaid in the years 2016-17 and 2017-18.

VENUGOPAL & CHENOY
Regn No. 004671S
Tilak Road, HYDERABAD
Chartered Accountants

2.5 DEFERRED TAX LIABILITIES

	31 Mar 2016	31 Mar 2015
Deferred Tax Liabilities	4,244.55	4,154.81

2.6 OTHER LONG TERM LIABILITIES

	31 Mar 2016	31 Mar 2015	31 Mar 2016	31 Mar 2015
	Non-Current portion		Current Maturities	
Deposits from Dealers / Stockists (Note 'a')	2,228.17	3,614.71	-	-
Deposits from Public & Shareholders (Note 'b')	839.09	369.05	3,773.64	2,760.61
Sundry Creditors - Capital goods	-	-	81.73	-
Total	3,067.26	3,983.76	3,855.37	2,760.61

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

b. Public Deposits aggregating to Rs 3,773.64 lakhs (Previous year Rs 2,760.61 lakhs) is repayable within one year and Rs 839.09 lakhs (Previous Year Rs 369.05 lakhs) is repayable within next two years.

2.7 LONG TERM PROVISIONS

	31 Mar 2016	31 Mar 2015	31 Mar 2016	31 Mar 2015
	Non-Current portion		Current Maturities	
Provision for Employee Benefits				
Provision for Gratuity	344.34	290.98	39.60	54.74
Provision for Leave benefits	110.45	60.84	13.03	34.26
Total (i)	454.79	351.82	52.63	89.00
Other Provisions				
Provision for Income Tax	-	-	901.53	181.89
Provision for Dividend	-	-	367.33	-
Provision for Dividend Tax	-	-	74.78	-
Total (ii)	-	-	1,343.64	181.89
Total (i+ii)	454.79	351.82	1,396.27	270.89

2.8 SHORT TERM BORROWINGS

	31 Mar 2016	31 Mar 2015
Cash Credit Loans from Banks (Secured)	5,642.06	5,558.03
Total Short Term Borrowings	5,642.06	5,558.03

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. These facilities also have been restructured under CDR Mechanism and the Company has exited the CDR Mechanism by paying the recompense amounts during April 2016.

2.9 TRADE PAYABLES

	31 Mar 2016	31 Mar 2015
Trade Payables	2,790.96	4,980.38

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 2016 is Rs. Nil (Previous Year: Rs. Nil)

VENUGOPAL & CHENOY
Regn.No.
Tilak Road,
HYDERABAD
Chartered Accountants

All amounts in Rupees Lakhs, Except Share Data and Unless Otherwise Stated

2.10 OTHER CURRENT LIABILITIES

	31 Mar 2016	31 Mar 2015
1. Current Maturities of Long term Borrowings		
Term Loans from Banks & FIs	9,603.91	1,922.84
Vehicle & Equipment Loans	271.92	252.47
Sales Tax Deferment Loan	134.46	198.38
Total of Current Maturities on Long Term Borrowings	**10,010.29**	**2,373.69**
2. Other Liabilities		
Deposits from Public & Shareholders	3,773.64	2,760.61
Sundry Creditors - Capital Goods	81.73	-
Advances from Customers & Others	1,814.83	5,949.21
Value Added Tax & CST Payable	1,105.72	628.31
Service Tax Payable	21.09	4.54
TDS Payable	74.11	35.05
Employee related payables PF, ESI & Others	19.07	17.71
Unclaimed Dividends (Note)	107.83	115.58
Interest Accrued but not Due	542.51	700.95
Other Expenses including Provisions	2,803.97	1,777.38
Total Other Liabilities	**10,344.50**	**11,989.35**
Total Other Current Liabilities	**20,354.79**	**14,363.04**

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

2.11 SHORT TERM PROVISIONS

	31 Mar 2016	31 Mar 2015
Provision for Income Tax	901.53	181.89
Provision for Dividend	367.33	-
Provision for Dividend Tax	74.78	-
Current Maturities of Long-Term Provisions of Employee Benefits	52.63	89.00
Provision for Employee Bonus & Ex-gratia	101.50	53.43
Total	1,497.76	324.32

2.13 LONG-TERM LOANS & ADVANCES

	31 Mar 2016	31 Mar 2015	31 Mar 2016	31 Mar 2015
	Non-Current portion		Current Maturities	
Unsecured, considered good				
Security Deposits				
Deposits with AP & TS SEB	1,163.37	962.58	-	-
Deposits with Government Departments	201.76	252.42	-	-
Deposits with Others	17.37	19.16	-	-
Total of Security Deposits	**1,382.49**	**1,234.16**	-	-
Other Loans & Advances				
Rental Deposit	104.18	54.58		-
Deposit South Central Railways & Suppliers		-		-
Total of Loans & Advances	**104.18**	**54.58**	-	-
Deposits in disputed cases				
Taxes paid under Protest	84.88	125.44	-	-
Total of Deposits in Disputed Cases	**84.88**	**125.44**	-	-
Non-Current portion of Other Current Assets (Refer Note.2.18)	-	34.30		
Total	1,571.55	1,448.48	-	-

VENUGOPAL & CHENOY
Regd. No.
Tilak Road,
HYDERABAD
Chartered Accountants

2.12 FIXED ASSETS (TANGIBLE)

	Land	Buildings	Plant & Machinery	Electrical Installations	Railway Siding	Furniture & Fixtures	Office Equipment	Vehicles	Total
At 1st April 2014	1,458.70	9,378.65	46,634.88	5,029.85	862.50	116.91	315.15	2,338.29	66,134.93
Additions		6.41	24.59	-	-	0.32	9.44	-	40.76
Disposals		-	-	-	-	0.85	-	28.10	28.95
At 31st March,2015	1,458.70	9,385.06	46,659.47	5,029.85	862.50	116.38	324.59	2,310.19	66,146.74
Additions	-	89.27	40.33			41.08	55.74	806.58	1,033.00
Disposals	37.91	32.68	-	-	-	0.50	9.43	17.51	98.03
At 31st March,2016	1,420.79	9,441.65	46,699.80	5,029.85	862.50	156.96	370.90	3,099.26	67,081.71
Depreciation									
At 1st April 2014	-	1,958.47	17,489.11	1,404.52	222.97	77.96	203.22	1,785.22	23,141.47
Charge for the year	-	260.65	1,350.60	652.01	59.06	10.37	66.86	140.28	2,539.83
Disposals	-	(13.37)	227.24	-	-	(3.07)	(25.05)	24.63	210.38
At 31st March,2015	-	2,232.49	18,612.47	2,056.53	282.03	91.40	295.13	1,900.87	25,470.92
Charge for the year	-	266.15	1,355.96	650.91	59.06	7.47	36.21	111.01	2,486.78
Disposals	-	14.68	-	-	-	0.48	8.96	13.32	37.44
At 31st March,2016	-	2,483.96	19,968.43	2,707.44	341.09	98.39	322.38	1,998.56	27,920.26
Net Block									
At 31st March,2015	1,458.70	7,152.57	28,047.00	2,973.32	580.47	24.98	29.46	409.32	40,675.82
At 31st March,2016	1,420.79	6,957.69	26,731.37	2,322.41	521.41	58.57	48.52	1,100.70	39,161.45

VENUGOPAL & CHENOY
Regn.No. 0046?1S
Tilak Road
HYDERABAD
Chartered Accountants

2.14 INVENTORIES

	31 Mar 2016	31 Mar 2015
Raw Materials	942.50	678.54
Work In Progress	405.85	186.17
Finished goods	2,368.19	1,819.92
Stores	2,387.65	2,664.85
Packing & Other Materials	1,110.19	983.91
Total	7,214.38	6,333.39

2.15 TRADE RECEIVABLES

	31 Mar 2016	31 Mar 2015
Debtors outstanding for a period exceeding six months from the date they are due		
Secured, considered good	-	-
Unsecured, considered good	263.34	391.96
Total	263.34	391.96
Debtors outstanding for a period less than six months from the date they are due		
Secured, considered good	-	-
Unsecured, considered good	5,006.27	4,055.93
Total	5,006.27	4,055.93
Total Trade Receivables	5,269.61	4,447.89

2.16 CASH & CASH EQUIVALENTS

	31 Mar 2016	31 Mar 2015	31 Mar 2016	31 Mar 2015
	Non-Current		Current	
Cash in Hand	-	-	26.04	11.14
Cash at Banks*	-	-	1,981.04	459.38
Cash with Branches	-	-	3.16	1.50
Margin Money Deposits with Banks	-	-	102.52	95.59
Total	-	-	2,112.76	567.61

* Includes Unclaimed Dividend of Rs. 107.83 Lakhs (Previous Year: Rs. 115.58 Lakhs)

2.17 SHORT TERM LOANS & ADVANCES

	31 Mar 2016	31 Mar 2015	31 Mar 2016	31 Mar 2015
Unsecured, considered good	Non-Current		Current	
Advances to Suppliers		-	929.19	1,170.91
Advances for Capital Goods			1,203.74	
Inter Corporate Deposit			450.00	-
Advances to Others		-	378.87	111.61
Deposits with Electricity Board		-	-	-
Deposits with Government Departments		-	-	-
Deposits with Others		-	-	-
Central Excise, Service Tax, VAT & Other Receivables		-	777.62	1,208.98
MAT Credit Entitlement Account		-	225.69	113.05
Total	-	-	3,965.11	2,604.55

2.18 OTHER CURRENT ASSETS

	31 Mar 2016	31 Mar 2015	31 Mar 2016	31 Mar 2015
	Non-Current		Current	
Incentives Receivable from A.P/Telangana Governments	-	-	1,797.36	2,566.07
Other Current Assets	-	34.30	120.22	91.23
Total	-	34.30	1,917.58	2,657.30

VENUGOPAL & CHENOY
Regn.No. 004671S
Tilak Road, HYDERABAD
Chartered Accountants

2.19 REVENUE FROM OPERATIONS

	31 Mar 2016	31 Mar 2015
Sale / Transfer of Products:		
Finished Goods	86,776.50	69,557.35
Semi Finished Goods (Clinker Transfer to Kondapalli Grinding Unit)	12,635.48	9,577.28
Traded Goods	19.76	22.74
Total Sales	99,431.74	79,157.37
Less: Inter Segment Transfers	14,568.29	11,472.22
Less: Taxes on Sales (Note)	8,948.07	6,590.71
Net Sales of Products	75,915.38	61,094.44
Less: Excise Duty	9,838.49	7,702.78
Net Sales	66,076.89	53,391.66
Other Operating Income	316.27	485.72
Total	66,393.16	53,877.38

Note: As per Andhra Pradesh State Industrial Policy 2005-10, Amounts of incentives from Industries Department receivable for the year amounting to Rs.Nil (Previous Year Rs. 83.72 lakhs) is deducted from Taxes on Sales.

2.20 OTHER INCOME

	31 Mar 2016	31 Mar 2015
Interest Income	118.78	91.55
Profit / (Loss) on Sale of Assets	-	(0.45)
Scrap Sales	57.31	37.60
Income from Operations of Trucks	122.83	(91.16)
Other Income	12.71	238.65
Exchange Fluctuation	2.30	3.21
Net Prior Year Adjustments	2.33	206.32
Total	316.27	485.72

NET PRIOR YEAR ADJUSTMENTS

	31 Mar 2016	31 Mar 2015
Taxes & Duties	0.95	(0.63)
Power	1.38	207.88
Others	-	(0.93)
Total Income / (Expense)	2.33	206.32

2.21 COST OF MATERIAL CONSUMED

	31 Mar 2016	31 Mar 2015
Rawmaterials Inventory at the Beginning of the year	678.54	744.78
Add: Purchases	25,870.74	21,056.67
Total	26,549.28	21,801.45
Less: Inventory at the End of the year	942.50	678.54
Cost of Raw materials Consumed	25,606.78	21,122.91
Details of Rawmaterials Consumed		
Limestone	2,488.30	1,887.87
Al. Laterite	767.28	572.61
Gypsum	858.81	692.96
Iron ore / Iron ore powder	825.12	664.73
FlyAsh	748.68	531.47
Purchased Clinker Consumption	-	41.54
Clinker Consumption at Kondapalli Plant	13,106.62	10,020.48
Cement Consumption in Other Divisions	3,081.17	2,968.07
Wood	1,693.89	1,861.21
Chemicals	364.38	361.49
Paper	200.43	173.14
Bison Panel Boards Consumption in Prefab Division	-	1.06
Steel	-	47.10
Ready Mix Concrete Materials	1,446.08	1,291.87
Other Materials	9.61	-
Cost of Trading Goods	16.41	7.33
Total	25,606.78	21,122.91
Less: Inter Segment Transfers	14,568.29	11,472.22
Net Consumption of Materials	11,038.49	9,650.69

Details of Inventory		
Limestone	19.21	33.49
Al. Laterite	50.72	45.18
Gypsum	52.64	22.94
Iron ore / Iron ore powder	21.36	31.75
FlyAsh	9.96	3.05
Clinker at Kondapalli Plant	103.75	31.22
Cement in Boards & RMC Divisions	40.31	17.20
Wood	523.30	360.60
Chemicals	29.07	23.05
Bison Panel Boards in Prefab Division	21.45	36.15
Steel	36.73	45.11
Other Materials	34.01	28.80
Total	**942.50**	**678.54**

2.22 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS

	31 Mar 2016	31 Mar 2015
Closing stock of Work in Progress	405.85	186.17
Closing stock of Finished goods	2,368.19	1,819.92
Total	2,774.04	2,006.09
Opening stock of Work in Progress	186.17	177.40
Opening stock of Finished goods	1,819.92	1,712.48
Total	2,006.09	1,889.88
Increase / (Decrease) in Stocks	(767.95)	(116.21)

2.23 EMPLOYEE BENEFIT EXPENSES

	31 Mar 2016	31 Mar 2015
Salaries, Wages, Bonus & Allowances	2,503.62	2,148.98
Managerial Remuneration	422.35	173.25
Contribution to Provident Fund & Other Funds	110.28	103.59
Staff Welfare Expenses	138.57	87.70
Total	3,174.82	2,513.52

2.24 OTHER EXPENSES

	31 Mar 2016	31 Mar 2015
Cost of Fuel	10,353.24	10,989.87
Cost of Power (Note)	7,855.76	6,307.44
Packing Materials	2,801.91	2,539.34
Stores & Spares consumed	2,581.49	1,453.64
Rep & Maintenance Plant & Machinery	952.58	1,169.34
Rep & Maintenance Buildings	0.10	1.23
Rep & Maintenance Others	59.63	49.79
Direct Manufacturing Expenses	320.97	282.89
a. Sub-Total: Other Manufacturing Expenses	**24,925.68**	**22,793.54**
Transportation Paid	10,677.00	8,411.02
Advertisement & Publicity	167.85	99.62
Selling Expenses	2,788.53	1,963.03
b. Sub-Total: Selling & Distribution Expenses	**13,633.38**	**10,473.67**
Security Services	77.81	52.30
Bank Charges*	86.99	32.19
Administrative Expenses	456.96	301.35
Legal & Professional Expenses	89.36	81.06
Retainer Charges	54.35	93.64
Payments to Auditors (refer details below)	6.53	6.50
Internal Audit Fees	6.62	5.40
Insurance	23.15	24.97
Travelling & Conveyance	265.03	243.58
Rent	154.79	96.47
Rates, Taxes & Licenses	79.80	62.79
Donations	89.75	23.09
Bad Debts	229.53	1.01
Provision for Bad Debts	353.30	36.00
c. Sub-Total: Other Administrative Expenses	**1,973.97**	**1,060.35**
Total Other Expenses (a+b+c)	**40,533.03**	**34,327.56**

Note: As per Andhra Pradesh State Industrial Policy 2005-10, Amounts of incentives from Industries Department receivable for the year amounting to Rs. Nil (Previous Year Rs.1089.71 lakhs) is deducted from the Cost of Power.

* Bank Charges includes Rs 62.90 lakhs (PY Rs 17.49 lakhs) incurred towards Processing Charges, BG Commission Charges and other Charges.

2.29 Contingent Liabilities

	31 Mar 2016		31 Mar 2015	
	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-Penalty on delayed payment (Note 'b')	16.88	4.00	16.88	4.00
Demand by Sales tax authorities-Penalty on delayed payment (Note 'c')	37.26	12.80	-	-
Demand by Sales tax authorities-Penalty on delayed payment (Note 'd')	3.10	0.39	-	-
Demand of Central Excise Department denying benefit of Cenvat credit on capital goods (Note 'e')	464.98	50.00	464.98	50.00
Demand of Central Excise Department denying benefit of Cenvat credit on capital goods (Note 'f')	163.18	5.00	163.18	5.00
Demand of Central Excise Department denying benefit of Cenvat credit on capital goods (Note 'g')	116.34	-	116.34	-
Demand of Central Excise Department denying benefit of Cenvat credit on capital goods (Note 'h')	80.85	-	80.85	-
Demand of Central Excise Department denying benefit of Cenvat credit on capital goods (Note 'i')	16.88	10.44	16.88	10.44
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 'j')	2.00	-	2.00	-
Demand of Central Excise Department denying benefit of Cenvat credit on capital goods (Note 'k')	55.87	2.25	-	-
Miscellaneous Issues pending with Excise department	6.15	-	6.15	-
Customs department raised a demand classifying imported steam coal as Bituminous coal (Note 'l')	42.19	-	42.19	-
Customs department raised a demand classifying imported steam coal as Bituminous coal (Note 'm')	87.79	-	87.79	-
Demand of NALA Tax pertaining to Non Agricultural Tax in Mining Areas by the state government (Note 'n')	43.56	-	43.56	-
Demand raised for payment of permit fee by the forest department for mining and transportation of Lime Stone (Note 'o') **	471.45	156.88	382.45	127.41
Counter Guarantees given to Banks / FIs	262.85	-	258.11	-

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.

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 obtained a stay from the Commissioner of Commercial Taxes

c. Sales Tax Authorities raised a demand for Rs.37.26 lakhs as penalty, for the Period April to June 2013, on delayed payment. Commercial Taxes department granted instalments for this period considering the difficult financial situation of the Company .The Company has has paid an amount of Rs. 12.80 lakhs in protest and preferred an Appeal which is pending before the Sales Tax Appellate Deputy Commissioner.

d. Commercial Taxes department has denied the benefit of SEZ supplies for supplies made to contractors of SEZ units for the period from June 2014 to March 2015. Company has agreed for the same and paid the tax but the Sales Tax Department has raised a demand of Rs. 03.10 lakhs towards penalty on the delayed payment. The Company has paid Rs. 0.39 lakhs under protest and preferred an appeal which is pending before the Appellate Deputy Commissioner.

e. The Excise Department has raised a demand of Rs.464.98 lakhs disallowing the Cenvat credit on Steel items used in construction of plant structure at both Mattapally and Kondapalli. Company has preferred an appeal before CESTAT and is pending. CESTAT ordered payment of Rs. 2.50 crores in the case of Mattapally unit and the Company filed a writ before the Honourable High Court of Andhra Pradesh. A stay on payment of pre-deposit was granted on a payment of Rs. 50.00 lakhs.

f. The Excise Department has raised a demand of Rs.163.18 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 a stay was granted on payment of a pre-deposit of Rs. 5.00 lakhs.

PAYMENT TO AUDITORS

	31 Mar 2016	31 Mar 2015
Statutory Audit Fees	5.53	5.50
Tax Audit Fees	0.50	0.50
Cost Audit Fees	0.50	0.50
Certifications & Reimbursement of Expenses	0.00	-
Total Payment to Auditors	6.53	6.50

2.25 FINANCE COST

	31 Mar 2016	31 Mar 2015
Interest		
on Term Loans	1,370.48	1,404.28
on Working Capital	647.56	841.06
on Deposits & Others	1,042.44	1,466.69
Total Finance Cost*	3,060.48	3,712.03

* In addition to the above Finance Cost, Rs 62.90 lakhs (PY Rs 17.49 lakhs) incurred towards Processing Charges, BG Commission Charges and Other Expenses accounted under Bank Charges and grouped under Administrative Expenses.

2.26 DEPRECIATION AND AMORTISATION EXPENSE

	31 Mar 2016	31 Mar 2015
Depreciation & Obsolescence	2,486.78	2,539.83
Amortisation	29.22	16.24
Total	2,516.00	2,556.07

2.27 Exceptional Items

	31 Mar 2016	31 Mar 2015
Profit on Sale of Assets	542.07	
Right of Recompense payable to Bankers	(693.82)	
Total	(151.75)	-

b) Segment Revenue and Expenses:

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

2.28 Earnings Per Share

	31 Mar 2016	31 Mar 2015
Net Profit / (Loss) for the Period	5,307.91	890.01
Cash Profit / (Loss) for the Period	7,913.65	3,607.90
Shares		
Number of shares at the beginning and at the end of the year	34,937,335	34,937,335
Number of shares at the beginning and at the end of the year	36,732,790	34,937,335
Earnings per share of par value Rs. 10/ – Basic and Diluted in Rupees.		
Basic	14.56	2.55
Diluted	14.45	2.42
Cash	21.71	10.33

VENUGOPAL & CHENOY Chartered Accountants Regn.No. 004671S Tilak Road, HYDERABAD

g. The Excise Department has raised a demand of Rs.116.34 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 a stay was granted.

h. The Excise Department has initially raised a demand of Rs.101.61 lakhs disallowing the Cenvat credit on Steel items used in construction of plant structure at both Mattapally and Kondapalli. On an appeal, CESTAT has remanded the cases back to the Commissioner of Central Excise. The Appellate Commissioner decided the case partially in Company's favour and confirmed the balance demand of Rs. 80.85 lakhs along with interest and penalty. Company preferred an appeal before CESTAT.

i. Excise department has raised a demand of Rs. 16.88 lakhs denying the cenvat credit on usage of Cement, Steel, M.S. Plates, M.S.Flats, M.S.Angles, M.S.Channels M.S.Coils, Steel Tubes, Pipes, beams, Plates/Sheets, Rebars, Conductors in construction of civil structures like Silo, Dump Hopper etc. The matter was contested and pending before the Appellate Authority and a stay was obtained on payment of Rs. 8.44 lakhs being 50% of the demand raised and the was subsequently rejected. The Company preferred an appeal before CESTAT and further predeposit of Rs. 2 lakhs was paid.

j. 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. On an appeal before the Commissioner of Central Excise the demand was dropped but imposed a penalty of Rs. 2.00 lakhs. Company preferred an appeal before CESTAT and obtained a stay.

k. Excise department has raised a demand of Rs. 55.87 lakhs for the period May 2010 to March 2015, 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 etc. The matter was contested and pending before the Appellate Commissioner, Hyderabad on a a payment of Rs. 2.25 lakhs being 7.50% of the demand raised.

l. The Customs Department raised a demand of Rs. 42.19 lakhs classifying imported steam coal as bituminous coal. Company preferred an appeal before the Appellate Commissioner of Customs & Central Excise (Appeals), Visakhapatnam.

m. The Customs Department raised a demand of Rs. 87.79 lakhs classifying imported steam coal as bituminous coal. Company preferred an appeal before CESTAT, Bengaluru.

n. 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.

o. Forest deparment demanded payment of permit fee for Lime Stone mining & Transportation @ 10/- per ton. Company filed a writ petition before the Honourable High Court of Andhra Pradesh. High Court has granted an interim stay subject to payment of 1/3 amount of the imposed permit fee.

*** Though Rs. 156.88 lakhs was paid under protest, this amount was not shown as a current asset. This was included in consumption of materials in the respective years.*

2.30 Capital Commitments:

During the year the Company is committed to incur capital expenditure of Rs. 18150 lakhs on its Cement Expansion Project and Rs. 4170 lakhs on its Boards Division expansion project. The Orders placed/ Contracts entered into so far by the company and not provided in the books are as follows:

Description	31 Mar 2016	31 Mar 2015
Estimatated amount of Orders Placed/ Contracts entered into - Cement Expansion Project	5963.54	-
Estimatated amount of Orders Placed/ Contracts entered into - Boards Expansion Project	940.15	-

2.31 Future Minimum Lease Payments:

Description	31 Mar 2016	31 Mar 2015
Minimum Lease Rentals expenses		
- Within one Year	75.11	-
- Later than one Year and not Later than 5 years	101.53	0.00

VENUGOPAL & CHENOY
Regn.No. 004671S
Tilak Road, HYDERABAD
Chartered Accountants

All amounts in Rupees Lakhs, Except Share Data and Unless Otherwise Stated

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

a) Expense recognized during the year

Description	31 Mar 2016		31 Mar 2015	
	Gratuity	Leave encashment	Gratuity	Leave encashment
Current Service Cost	29.72	41.21	42.11	33.66
Interest Cost	25.04	4.11	25.88	4.06
Net Actuarial (Gain) / Loss	30.35	41.53	16.22	(2.50)
Past Service Cost	-	-	-	-
Short Term Compensated Absence Liability	-	-	-	13.00
Total Cost	85.11	86.85	84.21	48.22

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

Description	31 Mar 2016		31 Mar 2015	
	Gratuity	Leave encashment	Gratuity	Leave encashment
Present Value of Obligations at beginning of the year	345.71	95.10	301.66	65.92
Changes in Present Value of Obligations		(13.00)		1.50
Current Service Cost	29.72	41.21	42.11	33.66
Interest Cost	25.04	4.11	25.88	4.06
Actuarial Loss / (Gain)	30.35	41.53	16.22	(2.50)
Past Service Cost	-	-	-	-
Settlements	(46.89)	(45.47)	(40.16)	(20.54)
Short Term Compensated Absence Liability	-	-	-	13.00
Present Value of Obligations at the end of the year	383.93	123.48	345.71	95.10
Present Value of Obligations - Current	39.60	13.03	54.74	34.26
Present Value of Obligations - Non - Current	344.33	110.45	290.97	60.84

Actuarial assumptions

a) Mortality IALM 2006-08 (ultimate)
b) Discounting rate – 7.46% Previous year 7.77 %
c) Expected average remaining working lives of employees–13.01 Years
d) Rate of escalation in salary – 6 %

2.33 As required by Accounting Standards AS 18, the related parties' disclosure issued by the Institute of Chartered Accountants of

a. List of related parties and relationships

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

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

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

b. Related Party Transactions for the Year

	31 Mar 2016	31 Mar 2015
Remuneration to Key Managerial Personnel*	264.32	88.92
Remuneration to Relatives of Key Managerial Personnel (Mr. K Gautam)	47.04	32.76
Remuneration to Other Managerial Personnel (Mr. N V Suvarna)	30.40	-
Remuneration to Other Managerial Personnel (Mr. P N Raju)*	64.08	51.56

* Mr. P N Raju, resigned from the position of Executive Director in the month of July 2015

VENUGOPAL & CHENOY
Regd. No. 004671S
Tilak Road, HYDERABAD
Chartered Accountants

All amounts in Rupees Lakhs, Except Share Data and Unless Otherwise Stated

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

	31 Mar 2016	31 Mar 2015	31 Mar 2016	31 Mar 2015
Sale of Finished Goods				145.72
NCL Alltek & Seccolor Limited	466.36	120.06		
NCL Homes Limited	157.61	96.37		
Nagarjuna Cerachem (P) Limited	0.14	-		
NCL Wintech India Limited	1.44	12.33		
Khandaleru Power Company Ltd	38.86	-	664.41	228.77
Purchases / Services				
NCL Alltek & Seccolor Limited	4.30	4.83		
Nagarjuna Cerachem (P) Limited	25.50			
Kakatiya Industries (P) Limited	86.64	63.52		
NCL Wintech India Limited	-	2.99	116.43	71.34
Advances Received				
NCL Alltek & Seccolor Limited	-	200.91		
Kakatiya Industries (P) Limited	-	143.77		
Mr. Ashven Datla	-	77.00	-	421.68
Sale of Immovable Property				
NCL Alltek & Seccolor Limited	270.70	-		
Kakatiya Industries (P) Limited	241.36	-		
Mr. Ashven Datla	142.50	-		
Rent Paid				
NCL Alltek & Seccolor Limited	2.54	4.32		
Vikram Chemicals Pvt Limited	1.91	2.12	4.45	6.44
Rent Received				
NCL Alltek & Seccolor Limited	2.34	2.34	2.34	2.34
ICD Received				
NCL Alltek & Seccolor Limited	-	90.00	-	90.00
ICD Repaid				
NCL Alltek & Seccolor Limited	1374.53	257.50	1,374.53	257.50
ICD Paid				
NCL Alltek & Seccolor Limited	450.00	-	450.00	-
Interest Paid				
NCL Alltek & Seccolor Limited	112.81	219.64	112.81	219.64
Interest Received				
NCL Alltek & Seccolor Limited	12.80	0	12.80	-
Reimbursement of Expenses				
NCL Alltek & Seccolor Limited	1.25	1.84		
Kakatiya Industries (P) Limited	0.15	0.10		
NCL Wintech India Limited	0.00	0.64		
Nagarjuna Cerachem (P) Limited	0.28	0.00	1.68	2.58

VENUGOPAL & CHENOY
Regn.No. [illegible]671S
Tilak Road, HYDERABAD
Chartered Accountants

All amounts in Rupees Lakhs, Except Share Data and Unless Otherwise Stated

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

	31 Mar 2016	31 Mar 2016	31 Mar 2015	31 Mar 2015
RAW MATERIALS	% of Total Consumption	Value of Consumption	% of Total Consumption	Value of Consumption
Imported	-	-	-	-
Indigenous	100.00	25,606.78	100.00	21,122.91
Total	100.00	25,606.78	100.00	21,122.91
SPARE PARTS				
Imported	1.77	45.66	3.92	57.04
Indigenous	98.23	2,535.83	96.08	1,396.60
Total	100.00	2,581.49	100.00	1,453.64

2.35 Value of Imports Calculated on CIF Basis

	31 Mar 2016	31 Mar 2015
Raw Materials	-	-
Components & Spares	45.66	28.08
Other Materials	61.31	
Capital Goods	-	92.09
Trading Goods	-	-

2.36 Expenditure in Foreign Currency

	31 Mar 2016	31 Mar 2015
Travelling	13.98	1.07
Advance for Capital Goods	180.40	-
Capital Goods	-	91.97
Stores and Spares	45.43	28.06
Others	61.54	-
Total	301.35	121.10

VENUGOPAL & CHENOY
Regn.No. 004671S
Tilak Road, HYDERABAD
Chartered Accountants

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

P.V. Sri Hari
Partner
Membership No. 21961

Hyderabad
Dated: 30th May 2016

For and on behalf of the Board

K. Ravi
Managing Director

R. Anand
Chairman

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

T. Arun Kumar
Company Secretary

2.27 SEGMENT REPORTING

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

A. PRIMARY DISCLOSURES:

Particulars	Cement		Boards		Prefab		Energy		RMC		Unallocable		Total	
	31 Mar 2016	31 Mar 2015	31 Mar 2016	31 Mar 2015	31 Mar 2016	31 Mar 2015	31 Mar 2016	31 Mar 2015	31 Mar 2016	31 Mar 2015	31 Mar 2016	31 Mar 2015	31 Mar 2016	31 Mar 2015
Segment Revenue:														
External Turnover	61,427.53	47,390.20	10,039.46	9,058.94	-	24.58	237.32	651.41	4,211.06	3,969.31	-	-	75,915.38	61,094.44
Inter Segment Transfers	14,471.75	11,388.43	96.54	72.30	-	11.27	-	-	-	0.22	-	-	14,568.29	11,472.22
Gross Turnover	75,899.29	58,778.63	10,136.00	9,131.24	-	35.86	237.32	651.41	4,211.06	3,969.53	-	-	90,483.67	72,566.67
Less: Excise Duty / Service Tax	9,748.18	7,618.80	8.62	4.76	-	3.56	-	-	81.70	75.67	-		9,838.49	7,702.79
Net Turnover	66,151.11	51,159.83	10,127.39	9,126.48	-	32.30	237.32	651.41	4,129.36	3,893.86	-	-	80,645.18	64,863.88
Segment Result:														
Profit before Interest and Taxes	7,594.20	2,948.64	2,421.72	1,534.69	376.94	(18.87)	(74.74)	333.25	122.68	148.02	-	-	10,440.82	4,945.73
Less: Interest Expense											3,754.30	3,712.02	3,754.30	3,712.02
Profit Before Tax	7,594.20	2,948.64	2,421.72	1,534.69	376.94	(18.87)	(74.74)	333.25	122.68	148.02	(3,754.30)	(3,712.02)	6,686.52	1,233.71
Current Tax											1,288.89	181.89	1,288.89	181.89
Deferred Tax											89.74	161.81	89.74	161.81
Profit After Tax	7,594.20	2,948.64	2,421.72	1,534.69	376.94	(18.87)	(74.74)	333.25	122.68	148.02	(5,132.93)	(4,055.72)	5,307.89	890.01
Other Information:														
Segment Assets	45,592.46	44,423.11	5,685.07	5,422.08	79.51	332.66	3,620.21	3,808.91	1,523.08	1,434.76	5,767.86	3,515.54	62,268.19	58,937.06
Segment Liabilities	20,875.45	22,298.35	907.34	1,656.68	24.99	34.79	868.94	1,119.61	789.21	818.56	14,369.12	13,185.25	37,835.04	39,113.23
Capital Expenditure	1,821.60	(424.63)	3.93	(7.90)	(74.29)	-	0.77	0.39	2.39	1.34	-	-	1,754.40	(430.80)
Depreciation & Amortisation	2,157.23	2,179.89	126.29	134.17	14.15	1.41	164.84	173.50	53.51	67.10	-	-	2,516.02	2,556.07

B. SECONDARY DISCLOSURES:

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

Segment Accounting Policies:

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

a) Segment Assets and Liabilities:

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

b) Segment Revenue and Expenses:

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

VENUGOPAL & CHENOY
Regn.No. 04671S
Tilak Road, HYDERABAD
Chartered Accountants

VENUGOPAL & CHENOY
Chartered Accountants

4-1-889/16/2, Tilak Road,
Hyderabad - 500 001.
TeleFax : 24753454, 24753852
24752853, 24756885
Email : info@venugopalandchenoy.com

INDEPENDENT AUDITORS' REPORT

To
The Members of NCL Industries Limited,

Report on the Financial Statements

We have audited the accompanying financial statements of **NCL INDUSTRIES LIMITED** (herein referred to as "the Company"), which comprise the Balance Sheet as at March 31, 2015, Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date annexed thereto and a summary of the Significant Accounting Policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013, (the Act) with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Comapnies (Accounts) Rules, 2014.. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the financial statements by the company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting standards and the auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made thereunder.

VENUGOPAL & CHENOY
Regn. No. 004671S
Tilak Road, HYDERABAD.
Chartered Accountants

VENUGOPAL & CHENOY
Chartered Accountants

4-1-889/16/2, Tilak Road,
Hyderabad - 500 001.
TeleFax : 24753454, 24753852
24752853, 24756885
Email : info@venugopalandchenoy.com

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has an adequate internal financial controls system over financial reporting in place and operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company, as at March 31, 2015, and their profit and their cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, , we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section143 (3) of the Act, we report, to the extent applicable, that:

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

VENUGOPAL & CHENOY Regn. No. 004671S Tilak Road, HYDERABAD. Chartered Accountants

VENUGOPAL & CHENOY
Chartered Accountants

4-1-889/16/2, Tilak Road,
Hyderabad - 500 001.
TeleFax : 24753454, 24753852
24752853, 24756885
Email : info@venugopalandchenoy.com

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the financial statements.

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

(e) On the basis of the written representations received from the directors of the Company as on March 31, 2015, taken on record by the Board of Directors of the Company, none of the directors of the companies are disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164 (2) of the Act.

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

i. There were no pending litigations which would impact the financial position in the financial statements.
ii. The Company did not have any material foreseeable losses on long-term contracts including derivative contracts.
iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For VENUGOPAL & CHENOY,
Chartered Accountants,
FRN: 004671S

VENUGOPAL & CHENOY Regn. No. 004671S Tilak Road, HYDERABAD. Chartered Accountants

(P.V.SRI HARI)
Partner
Membership No.21961

Place: Hyderabad
Date: 30-05-2015

VENUGOPAL & CHENOY
Chartered Accountants

4-1-889/16/2, Tilak Road,
Hyderabad - 500 001.
TeleFax : 24753454, 24753852
24752853, 24756885
Email : info@venugopalandchenoy.com

Annexure to the Independent Auditors' Report

With respect to the Annexure referred to in our Independent Auditor's Report to the members of the Company on the financial statements for the year ended March 31, 2015, we report that:

i) a) The Company is generally maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

b) The Company has a regular programme of physical verification of its fixed assets by which a substantial portion of the fixed assets are physically verified by the management during the year. In our opinion the periodicity of the physical verification is reasonable having regard to the size of the company and the nature of its assets. In accordance with this programme, substantial portion of the fixed assets were verified during the year and no material discrepancies have been noticed on such verification.

ii) a) The inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.

b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between physical stocks and the book records were not material.

iii) a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.(The Act).

b) The Company has taken Inter Corporate Deposits aggregating to Rs 90 lakhs from the companies covered under the register maintained under section 189 of The Act and repaid Rs 257.50 lakhs during the year. The rate of interest and other terms and conditions are prima facie not prejudicial to the interests of the company.

VENUGOPAL & CHENOY Regn. No. 004671S Tilak Road, HYDERABAD. Chartered Accountants

VENUGOPAL & CHENOY
Chartered Accountants

4-1-889/16/2, Tilak Road,
Hyderabad - 500 001.
TeleFax : 24753454, 24753852
24752853, 24756885
Email : info@venugopalandchenoy.com

iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of their business with regard to purchase of inventories, fixed assets and sale of goods and services. We have not observed any major weakness in the internal control system during the course of the audit.

v) The Company has accepted deposits from the public and the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 of the Act and the rules framed there under have been complied with . Balances are maintained in bank accounts ,free of lien or charge ,prima facie sufficient according to the information and explanations given to us , for payment of interest and refund of deposits falling due. There is no default in repayment of matured deposits or payment of interest due. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or Tribunal regarding the deposits.

vi) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of the activities carried on by the Company, wherever applicable and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have made a detailed examination of the records.

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

According to the information and explanations given to us, no undisputed amounts are payable in respect of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax or cess and other material statutory dues which were in arrears as at March 31, 2015, for a period of more than six months from the date they became payable.

VENUGOPAL & CHENOY
Regn. No. 004671S
Tilak Road, HYDERABAD.
Chartered Accountants

VENUGOPAL & CHENOY
Chartered Accountants

4-1-889/16/2, Tilak Road,
Hyderabad - 500 001.
TeleFax : 24753454, 24753852
24752853, 24756885
Email : info@venugopalandchenoy.com

b) As at March 31, 2015, there have been no disputed dues, which have not been deposited with the respective authorities in respect of Income tax, Wealth-tax, Service tax, duty of customs, duty of excise, value added tax and Cess, except the following:

Name of the statute/Authority	Nature of dues	Forum	Amount (Rs. In Lakhs)
Sales Tax Act (APGST and VAT)	Sales Tax	Tribunal Deputy Commissioner	32.06 85.82
Central Excise	Disputed Excise Duty	Tribunal High Court Miscellaneous	778.79 29.22 6.15
Customs Duty	Disputed Customs Duty	Tribunal CEC	87.79 42.19
Nala Tax	Non Agricultural Tax on mining area	High Court,AP	43.56
Permit Fee to Forest Department	Disputed Permit Fee	High Court, AP	255.04

c) The company has transferred the amount required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 and rules made thereunder has been transferred to such fund within time.

viii) The Company has no accumulated losses and has not incurred cash losses in the financial year covered by our audit but has incurred cash losses in the immediately preceding financial year.

ix) The Company has not defaulted in repayment of dues to any financial institutions or banks as at the balance sheet date in view of the reschedulement of the principal and interest under the Corporate Debt Restructuring sanctioned by the Banks.

VENUGOPAL & CHENOY Regn. No. 004671S Tilak Road HYDERABAD. Chartered Accountants

VENUGOPAL & CHENOY
Chartered Accountants

4-1-889/16/2, Tilak Road,
Hyderabad - 500 001.
TeleFax : 24753454, 24753852
24752853, 24756885
Email : info@venugopalandchenoy.com

x) According to the information and explanations given to us, the Company, has not given any guarantee for loans taken by others from banks or financial institutions. Consequently, the clause 3 (x) of the order is not applicable to the Company.

xi) According to the information and explanations given to us, the term loans have been applied for the purposes for which they have been obtained.

xii) According to the information and explanations given to us, no fraud on or by the Company, has been noticed or reported during the course of our audit.

For VENUGOPAL & CHENOY,
Chartered Accountants,
FRN: 004671S

VENUGOPAL & CHENOY Regn. No. 004671S Tilak Road, HYDERABAD. Chartered Accountants

(P.V.SRI HARI)
Partner
Membership No.21961

Place: Hyderabad
Date: 30-05-2015

All amounts in Rupees Lakhs, Except Share Data and Unless Otherwise Stated

BALANCE SHEET AS AT 31ST MARCH 2015

	Notes	31 Mar 2015	31 Mar 2014
EQUITY AND LIABILITIES			
Share holders' Funds			
Share Capital	2.1	3,493.73	3,493.73
Reserves and Surplus	2.2	11,368.75	10,412.94
Sub-Total : Shareholders' Funds		**14,862.48**	**13,906.67**
Share Application Money Pending Allotment	2.3	**400.00**	**400.00**
Non-Current Liabilities			
Long - Term Borrowings	2.4	9,992.71	12,378.21
Deferred Tax Liabilities	2.5	4,154.81	3,872.80
Other - Long Term Liabilities	2.6	3,983.76	5,119.38
Long - Term Provisions	2.7	351.82	307.93
Sub-Total : Non Current Liabilities		**18,483.10**	**21,678.32**
Current Liabilities			
Short - Term Borrowings	2.8	5,558.03	7,720.91
Trade Payables	2.9	4,980.38	4,960.59
Other Current Liabilities	2.10	14,363.04	11,926.74
Short - Term Provisions	2.11	324.32	113.70
Sub-Total : Current Liabilities		**25,225.77**	**24,721.94**
TOTAL EQUITY AND LIABILITIES		**58,971.35**	**60,706.93**
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	2.12	40,675.82	42,993.46
Capital Work - in- Progress		236.31	678.92
Non - Current Investments		-	-
Long - Term Loans & Advances	2.13	1,448.48	1,441.02
Sub-Total : Non - Current Assets		**42,360.61**	**45,113.40**
Current Assets			
Inventories	2.14	6,333.39	5,737.81
Trade Receivables	2.15	4,447.89	4,391.85
Cash and Cash Equivalents	2.16	567.61	280.06
Short- Term Loans and Advances	2.17	2,604.55	1,988.51
Other Current Assets	2.18	2,657.30	3,195.30
Sub-Total : Current Assets		**16,610.74**	**15,593.53**
TOTAL-ASSETS		**58,971.35**	**60,706.93**
Summary of Significant Accounting Policies	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

P.V. Sri Hari

P.V. Sri Hari
Partner
Membership No. 21961

Hyderabad
Dated: 30th May 2015

VENUGOPAL & CHENOY
Regn. No. 004671S
Tilak Road, HYDERABAD.
Chartered Accountants

For and on behalf of the Board

K. Ravi
Managing Director

R. Anand
Chairman

N. Krishnan

N. Krishnan
President & CFO

T.

T. Arun Kumar
Company Secretary

NCL INDUSTRIES
Hyderabad

All amounts in Rupees Lakhs, Except Share Data and Unless Otherwise Stated

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2015

	Notes	31 Mar 2015	31 Mar 2014
REVENUE			
Revenue from Operations (Gross)	2.19	79,157.37	60,712.92
Less: Inter Segment Transfers & Taxes on Sales		18,062.93	14,159.07
Revenue from Operations		61,094.44	46,553.85
Less : Excise Duty		7,702.78	5,681.29
Revenue from Operations (Net)		**53,391.66**	**40,872.56**
Other Income	2.20	485.72	507.77
Total Revenue		**53,877.38**	**41,380.33**
EXPENSES			
Net Consumption of Materials	2.21	9,650.69	8,039.48
Change in Inventories of Finished goods and Work-in-Progress	2.22	(116.21)	(21.87)
Employee Benefit Expenses	2.23	2,513.52	2,204.13
Other Expenses	2.24	34,327.56	27,847.79
Finance Costs	2.25	3,712.03	3,998.71
Depreciation & Amortisation	2.26	2,556.07	3,078.97
Total Expenses		**52,643.66**	**45,147.21**
Profit /(Loss) Before Tax		**1,233.72**	**(3,766.88)**
Tax Expense:			
Tax- Earlier Years		69.25	-
Tax- Current Year		112.64	-
Deferred Tax Charge / (Credit)		161.82	313.30
MAT Credit Entitlement (Credit)		-	-
Total of Tax Expenses		**343.71**	**313.30**
Profit for the Period		**890.01**	**(4,080.18)**
Basic Earnings per Share of Rs 10/- each		2.55	(11.68)
Diluted Earnings per Share of Rs 10/- each	2.28	2.42	(11.11)
Cash Earnings per share of Rs. 10/- each	2.28	10.33	(1.97)
Summary of Significant Accounting Policies	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

P.V. Sri Hari
Partner
Membership No. 21961

Hyderabad
Dated: 30th May 2015

For and on behalf of the Board

K. Ravi
Managing Director

R. Anand
Chairman

N. Krishnan
President & CFO

T. Arun Kumar
Company Secretary

VENUGOPAL & CHENOY Regn. No. 004671S Tilak Road, HYDERABAD. Chartered Accountants

NCL INDUSTRIES LTD. Hyderabad

All amounts in Rupees Lakhs, Except Share Data and Unless Otherwise Stated

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015				
	31 Mar 2015		31 Mar 2014	
Cash flow from Operating Activities				
Profit Before Tax		1,233.72		(3,766.88)
Adjustments for:				
Depreciation & Amortisation		2,556.07		3,078.97
		3,789.79		**(687.91)**
Less:				
Income Tax Paid		-		-
Operating Profit Before Working Capital Changes		**3,789.79**		**(687.91)**
Movement of Working Capital:				
Increase/(Decrease) in Trade Payables	19.79		729.77	
Increase/(Decrease) in Long Term Provisions	43.89		13.01	
Increase/(Decrease) in Short Term Provisions	28.73		(1.76)	
Increase/(Decrease) in Other Current Liabilities	2,436.30		603.03	
Decrease/(Increase) in Trade Receivables	(56.04)		(206.64)	
Decrease/(Increase) in Inventories	(595.58)		(103.47)	
Decrease/(Increase) in Long Term Loans & Advances	(23.70)		(32.79)	
Decrease/(Increase) in Short Term Loans & Advances	(616.03)		107.74	
Decrease/(Increase) in Other Current Assets	538.00		(619.39)	
Net Movement in Working Capital		1,775.36		489.50
Cash Generated from Operations		**5,565.15**		**(198.41)**
Cash Flow from Investing Activities				
Purchase of Fixed Assets including CWIP	(48.15)		(967.99)	
Reimbursement of expenses incurred on Land Development	450.00		275.00	
Sale of Net Fixed Assets	4.55		168.81	
Net Cash Used in Investing Activities		**406.40**		**(524.18)**
Cash flow from Financing Activities				
Proceeds / (Repayment) of Long Term Borrowings	(2,385.50)		(786.45)	
Proceeds / (Repayment) of Other Long Term Liabilities	(1,135.62)		1,227.22	
Proceeds / (Repayment) of Short Term Borrowings	(2,162.88)		(130.37)	
Dividend & Dividend Tax Paid	-		-	
Proceeds from Share Application Money	-		400.00	
Net Cash used in Financing Activities		(5,684.00)		710.40
Net Increase in Cash and Cash Equivalent		287.55		(12.19)
Cash and Cash Equivalent at the Beginning of the Year		280.06		292.25
Cash and Cash Equivalent at the End of the Year		567.61		280.06

As per our report of even date

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

P.V. Sri Hari
Partner
Membership No. 21961

Hyderabad
Dated: 30th May 2015

VENUGOPAL & CHENOY Regn. No. 004671S Tilak Road, HYDERABAD. Chartered Accountants

For and on behalf of the Board

K. Ravi
Managing Director

R. Anand
Chairman

N. Krishnan
President & CFO

T. Arun Kumar
Company Secretary

NCL INDUSTRIES LTD. Hyderabad

1. SIGNIFICANT ACCOUNTING POLICIES

a) Accounting Concepts

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

b) Fixed Assets and Depreciation

Fixed Assets are stated at the cost of acquisition or construction and putting it to working condition
Depreciation on Buildings and Plant & Machinery is charged on straight line method and other assets on Written Down Value method based on the useful lives of the assets, as per Schedule II of the Companies Act 2013 and depreciation on Assets of Energy Division is charged as per Part B of the Schedule II.
Depreciation on fixed assets of Energy Division is provided on straight line method at the rates and in the manner prescribed as per notification no.151 dated 29.03.1994 issued by Ministry of Power (Department of Power).
Consequent to the change, for the year ended 31st March, 2015 depreciation is lower by Rs. 442.47 lakhs. Further, an amount of Rs. 65.80 lakhs (Net of deferred Tax Liability) has been adjusted with the General Reserve in respect of the assets whose balance life is Nil as per transitional provisions of Scedule II.

c) Inventories

i) Raw Materials and other Materials are valued at weighted average cost.
ii) Stores and Spares at Cost
iii) Work - in - Process at cost of material plus labour and other overheads and
iv) Finished Goods at Cost or net realisable value whichever is lower.

d) Employee Benefits

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

e) Income Tax Expense

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

f) Foreign Currency Transactions

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

2. Notes to Financial Statements for the year ended 31 March 2015

2.1 SHARE CAPITAL	31 Mar 2015	31 Mar 2014
Authorized		
6,20,00,000 (31 March 2014: 6,20,00,000) Equity shares of Rs. 10/- each	6,200.00	6,200.00
Issued,Subscribed & Paid up		
3,49,37,335 (31 March 2014: 3,49,37,335) Equity shares of Rs 10/- each	3,493.73	3,493.73
Total	3,493.73	3,493.73

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

Equity shares	31 Mar 2015		31 Mar 2014	
	No. of shares	Rs. Lakhs	No. of shares	Rs. Lakhs
At the beginning and at the end of of the year	34,937,335	3,493.73	34,937,335	3,493.73

1. The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of Equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees.
2. For the Year Ended 31st March,2015, no dividend was recognized for distribution to equity share holders (31st March 2014: Nil).
3. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

	31 Mar 2015		31 Mar 2014	
	No.of Shares	% of holding	No.of Shares	% of holding
Sri K. Ravi	2,355,123	6.74	2,240,862	6.41

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.

VENUGOPAL & CHENOY
Regn. No. 00[illegible]671S
Tilak Road, HYDERABAD.
Chartered Accountants

2.2 RESERVES AND SURPLUS

	31 Mar 2015	31 Mar 2014
Capital Reserve	240.91	240.91
Securities Premium Reserve	2,106.14	2,106.14
General Reserve		
Balance as per the last Financial statement	11,500.00	11,500.00
Add: Adjustments (Depreciation - Schedule II)	65.80	
Add: Amount transferred from surplus	-	-
Closing balance	11,565.80	11,500.00
Profit & Loss Account		
Balance as per the Last Financial Statement	(3,434.11)	237.32
Add: Profit / (Loss) for the Year	890.01	(4,080.18)
Add: Excess Provision of Dividend Tax	-	-
Less: Proposed Dividend	-	(349.37)
Less: Tax on Proposed Dividend	-	(59.38)
Less: Transfer to General Reserve	-	-
Total Appropriations	-	(408.75)
Closing Balance	(2,544.10)	(3,434.11)
Total	11,368.75	10,412.94

The dividend proposed for the Year 2012-13 was subsequently withdrawn by the Board of Directors in view of adverse cement market conditions, hence provision made was reversed in the year 2013-14.

2.3 SHARE APPRLICATION MONEY PENDING ALLOTMENT

	31 Mar 2015	31 Mar 2014
Share Application Money	400.00	400.00

The above amount represents the upfront contribution brought in by the Promoters in compliance with the conditions stipulated for sanctioning the Company's Debt Restructuring Proposal by the CDR Cell. At the EGM held on 02.04.2014, Shareholders approved to make a Preferential Issue of 17,95,455 Equity Shares to the Promoters Group at a premium of Rs 12 per Share. SEBI has granted exemption from regulation 72(2) of SEBI (ICDR) Regulations, 2009 and accorded approval for preferential allotment on 14.05.2015. Accordingly, Equity shares were alloted to the promoters on 26.05.2015.

2.4 LONG-TERM BORROWINGS

	31 Mar 2015	31 Mar 2014	31 Mar 2015	31 Mar 2014
	Non-Current portion		Current Maturities	
Secured				
Term Loans from FIs & Banks (Refer Note Nos. 'a' to 'c')	9,733.47	11,668.11	1,922.84	1,084.11
Vehicle & Equipment Loans (Secured)				
Vehicle & Equipment Finance Loans from Banks (Refer Note No 'd')	0.00	252.47	252.47	294.74
Total Secured Borrowings (i)	9,733.47	11,920.58	2,175.31	1,378.85
Other Loans & Advances (Unsecured)				
Sales Tax Deferment Loan (Refer Note No. 'e')	259.24	457.63	198.38	222.53
Total Unsecured Borrowings (ii)	259.24	457.63	198.38	222.53
Total of Secured & Unsecured (i+ii)	9,992.71	12,378.21	2,373.69	1,601.38

a. Keeping in view of the sluggish cement market conditions resulted because of downturn of Infra Sector, at the request of the Company, the outstanding loans as of 1.7.2013 (except Rs 7.23 crores of Funded Interest Term Loan availed from IREDA) have been rescheduled under Corporate Debt Restructuring mechanism (CDR). As per the scheme sanctioned, the outstanding loans are to be repaid in 28 calibrated quarterly installments commencing from March 2014. Rate of Interest has been reduced to 12% per annum with a reset option once in every two years. Interest arrears for a period eight months has been funded, of which first two months interest has to be repaid three equal quarterly installments commencing from March 2014. Balance six months interest has to be repaid in ten equal quarterly installments from March 2014. Lenders have the Right for Recompense. Due amounts as of 31st March 2015 were fully paid as per the sanctioned scheme.

b. 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 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.

c. Term Loans availed from all Banks and Financial Institutions are guaranteed by Four Promoter Directors in their personal capacity. Further, entire unencumbered shareholdings of Promoters have also been pledged as additional security.

d. 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.

e. Represents 8 years Interest free Sales Tax Deferment Loan received from Governmnet of Andhra Pradesh. The loan repayments are to be made from March 31, 2013 based on the deferment availed in the corresponding year.

VENUGOPAL & CHENOY
Regn. No. 004671S
Tilak Road, HYDERABAD.
Chartered Accountants

2.5 DEFERRED TAX LIABILITIES

	31 Mar 2015	31 Mar 2014
Deferred Tax Liabilities	4,154.81	3,872.80

2.6 OTHER LONG TERM LIABILITIES

	31 Mar 2015	31 Mar 2014	31 Mar 2015	31 Mar 2014
	Non-Current portion		Current Maturities	
Deposits from Dealers / Stockists (Note 'a')	3,614.71	5,042.40	-	-
Deposits from Public & Shareholders (Note 'b')	369.05	76.98	2,760.61	3,107.45
Sundry Creditors - Capital goods	-	-	-	-
Total	3,983.76	5,119.38	2,760.61	3,107.45

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

b. Public Deposits aggregating to Rs 2,760.61 lakhs (Previous year Rs 3,107.45 lakhs) is repayable within one year and Rs 369.05 lakhs (Previous Year Rs 76.98 lakhs) is repayable within next two years.

2.7 LONG TERM PROVISIONS

	31 Mar 2015	31 Mar 2014	31 Mar 2015	31 Mar 2014
	Non-Current portion		Current Maturities	
Provision for Employee Benefits				
Provision for Gratuity	290.98	259.19	54.74	42.47
Provision for Leave benefits	60.84	48.74	34.26	17.18
Total (i)	**351.82**	**307.93**	**89.00**	**59.65**
Other Provisions				
Provision for Income Tax	-	-	181.89	-
Provision for Dividend	-	-	-	(349.37)
Provision for Dividend Tax	-	-	-	(59.38)
Total (ii)	-	-	**181.89**	**(408.75)**
Total (i+ii)	**351.82**	**307.93**	**270.89**	**(349.10)**

2.8 SHORT TERM BORROWINGS

	31 Mar 2015	31 Mar 2014
Cash Credit Loans from Banks (Secured)	5,558.03	7,720.91
Total Short Term Borrowings	**5,558.03**	**7,720.91**

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. Further, entire unencumbered shareholdings of Promoters have also been pledged as additional security. These facilities also have been restructured under CDR Mechanism and Rate of Interest has been reduced to 12% per annum effective from 1.7.2013 with a reset option every year.

2.9 TRADE PAYABLES

	31 Mar 2015	31 Mar 2014
Trade Payables	4,980.38	4,960.59

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 2015 is Rs. Nil (Previous Year: Rs. Nil)

VENUGOPAL & CHENOY
Regn. No. 004671S
...k Road, HYDERABAD.
Chartered Accountants

All amounts In Rupees Lakhs, Except Share Data and Unless Otherwise Stated

2.10 OTHER CURRENT LIABILITIES

	31 Mar 2015	31 Mar 2014
1. Current Maturities of Long term Borrowings		
Term Loans from Banks & FIs	1,922.84	1,084.11
Vehicle & Equipment Loans	252.47	294.74
Sales Tax Deferment Loan	198.38	222.53
Total of Current Maturities on Long Term Borrowings	**2,373.69**	**1,601.38**
2. Other Liabilities		
Deposits from Dealers	-	-
Deposits from Public & Shareholders	2,760.61	3,107.45
Sundry Creditors - Capital Goods	-	-
Advances from Customers & Others	5,949.21	3,257.58
Value Added Tax & CST Payable	628.31	1,037.56
Service Tax Payable	4.54	3.08
TDS Payable	35.05	48.99
Employee related payables PF, ESI & Others	17.71	17.03
Unclaimed Debentures	-	-
Unclaimed Dividends (Note)	115.58	138.83
Interest Accrued but not Due	700.95	651.25
Other Expenses including Provisions	1,777.38	2,063.58
Total Other Liabilities	**11,989.35**	**10,325.36**
Total Other Current Liabilities	**14,363.04**	**11,926.74**

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

2.11 SHORT TERM PROVISIONS

	31 Mar 2015	31 Mar 2014
Provision for Income Tax	181.89	-
Provision for Dividend	-	-
Provision for Dividend Tax	-	-
Current Maturities of Long-Term Provisions of Employee Benefits	89.00	59.65
Provision for Employee Bonus & Ex-gratia	53.43	54.05
Total	**324.32**	**113.70**

2.13 LONG-TERM LOANS & ADVANCES

	31 Mar 2015	31 Mar 2014	31 Mar 2015	31 Mar 2014
	Non-Current portion		Current Maturities	
Unsecured, considered good				
Capital Advances				
Advance for Land	-	-	-	-
Total of Capital Advances	-	-	-	-
Security Deposits				
Deposits with AP & TS SEB	962.58	961.00	-	-
Deposits with Government Departments	252.42	249.10	-	-
Deposits with Others	19.16	20.89	-	-
Total of Security Deposits	**1,234.16**	**1,230.99**	-	-
Other Loans & Advances				
Rental Deposit	54.58	36.09		-
Deposit South Central Railways & Suppliers		-		-
Total of Loans & Advances	**54.58**	**36.09**	-	-
Deposits in disputed cases				
Taxes paid under Protest	125.44	123.44	-	-
Total of Deposits in Disputed Cases	**125.44**	**123.44**	-	-
Non-Current portion of Other Current Assets (Refer Note.2	**34.30**	**50.50**		
Total	**1,448.48**	**1,441.02**	-	-

VENUGOPAL & CHENOY
Regd. No. 004671S
Tilak Road, HYDERABAD.
Chartered Accountants

2.12 FIXED ASSETS (TANGIBLE)

	Land	Buildings	Plant & Machinery	Electrical Installations	Railway Siding	Furniture & Fixtures	Office Equipment	Vehicles	Total
At 1st April 2013	1,458.70	7,819.99	44,474.24	5,029.85	862.50	112.15	312.85	2,440.03	62,510.31
Additions		1,568.74	2,250.42	-	-	4.76	2.30	18.52	3,844.74
Disposals		10.08	89.78	-	-	-	-	120.26	220.12
At 31st March,2014	**1,458.70**	**9,378.65**	**46,634.88**	**5,029.85**	**862.50**	**116.91**	**315.15**	**2,338.29**	**66,134.93**
Additions	-	6.41	24.59			0.32	9.44	-	40.76
Disposals	-	-	-	-	-	0.85	-	28.10	28.95
At 31st March,2015	**1,458.70**	**9,385.06**	**46,659.47**	**5,029.85**	**862.50**	**116.38**	**324.59**	**2,310.19**	**66,146.74**
Depreciation									
At 1st April 2013	-	1,736.00	15,387.29	1,137.59	177.43	70.35	178.73	1,539.67	20,227.07
Charge for the year	-	222.57	2,164.40	266.93	45.54	7.61	24.49	339.01	3,070.55
Disposals	-	0.10	62.59	-	-	-	-	93.46	156.15
At 31st March,2014	-	**1,958.47**	**17,489.11**	**1,404.52**	**222.97**	**77.96**	**203.22**	**1,785.22**	**23,141.47**
Charge for the year	-	260.65	1,350.60	652.01	59.06	10.37	66.86	140.28	2,539.83
Disposals	-	(13.37)	227.24	-	-	(3.07)	(25.05)	24.63	210.38
At 31st March,2015	-	**2,232.49**	**18,612.47**	**2,056.53**	**282.03**	**91.40**	**295.13**	**1,900.87**	**25,470.92**
Net Block									
At 31st March,2014	1,458.70	7,420.18	29,145.77	3,625.33	639.53	38.95	111.93	553.07	42,993.46
At 31st March,2015	**1,458.70**	**7,152.57**	**28,047.00**	**2,973.32**	**580.47**	**24.98**	**29.46**	**409.32**	**40,675.82**

VENUGOPAL & CHENOY ★ Chartered Accountants ★ Regn. No. 004671S Tilak Road, HYDERABAD.

All amounts In Rupees Lakhs, Except Share Data and Unless Otherwise Stated

2.14 INVENTORIES

	31 Mar 2015	31 Mar 2014
Raw Materials	678.54	744.78
Work In Progress	186.17	177.40
Finished goods	1,819.92	1,733.10
Stores	2,664.85	2,416.85
Packing & Other Materials	983.91	665.68
Total	**6,333.39**	**5,737.81**

2.15 TRADE RECEIVABLES

	31 Mar 2015	31 Mar 2014
Debtors outstanding for a period exceeding six months		
Secured, considered good	-	-
Unsecured, considered good	391.96	379.81
Total	391.96	379.81
Debtors outstanding for a period less than six months		
Secured, considered good	-	-
Unsecured, considered good	4,055.93	4,012.04
Total	4,055.93	4,012.04
Total Trade Receivables	**4,447.89**	**4,391.85**

2.16 CASH & CASH EQUIVALENTS

	31 Mar 2015	31 Mar 2014	31 Mar 2015	31 Mar 2014
	Non-Current		Current	
Cash in Hand	-	-	11.14	15.91
Cash at Banks	-	-	459.38	168.23
Cash with Branches	-	-	1.50	1.59
Margin Money Deposits with Banks	-	-	95.59	94.33
Total	-	-	**567.61**	**280.06**

2.17 SHORT TERM LOANS & ADVANCES

	31 Mar 2015	31 Mar 2014	31 Mar 2015	31 Mar 2014
Unsecured, considered good	Non-Current		Current	
Advances to Suppliers		-	1,170.91	1,259.54
Advances to Others		-	111.61	113.89
Deposits with Electricity Board		-	-	-
Deposits with Government Departments		-	-	-
Deposits with Others		-	-	-
Central Excise, Service Tax, VAT & Other Receivables		-	1,208.98	502.03
MAT Entitlement Credit Account		-	113.05	113.05
Total	-	-	**2,604.55**	**1,988.51**

2.18 OTHER CURRENT ASSETS

	31 Mar 2015	31 Mar 2014	31 Mar 2015	31 Mar 2014
	Non-Current		Current	
Incentives Receivable from A.P Government	-	-	2,566.07	3,099.98
Other Current Assets	34.30	50.50	91.23	95.32
Total	**34.30**	**50.50**	**2,657.30**	**3,195.30**

VENUGOPAL & CHENOY
Regn. No. 004671S
Tilak Road, HYDERABAD.
Chartered Accountants

2.19 REVENUE FROM OPERATIONS

	31 Mar 2015	31 Mar 2014
Sale / Transfer of Products:		
Finished Goods	69,571.48	53,149.39
Semi Finished Goods (Clinker Transfer to Kondapalli Grinding Unit)	9,577.28	7,540.78
Traded Goods	8.61	22.74
Total Sales	**79,157.37**	**60,712.92**
Less: Inter Segment Transfers	11,472.22	9,236.53
Less: Taxes on Sales (Note)	6,590.71	4,922.54
Net Sales of Products	**61,094.44**	**46,553.85**
Less: Excise Duty	7,702.78	5,681.29
Net Sales	**53,391.66**	**40,872.56**
Other Operating Income	485.72	507.77
Total	**53,877.38**	**41,380.33**

Note: As per Andhra Pradesh State Industrial Policy 2005-10, Amounts of incentives from Industries Department receivable for the year amounting to Rs.83.72 lakhs (Previous Year Rs. 171.67 lakhs) is deducted from Taxes on Sales.

2.20 OTHER INCOME

	31 Mar 2015	31 Mar 2014
Interest Income	91.55	84.80
Profit / (Loss) on Sale of Assets	(0.45)	(7.26)
Scrap Sales	67.55	37.60
Income from Operations of Trucks	98.07	(91.16)
Other Income	19.87	8.21
Exchange Fluctuation	2.81	3.21
Net Prior Year Adjustments	206.32	472.37
Total	**485.72**	**507.77**

NET PRIOR YEAR ADJUSTMENTS

	31 Mar 2015	31 Mar 2014
Taxes & Duties	(0.63)	-
Power	207.88	-
Others	(0.93)	472.37
Total Income / (Expense)	**206.32**	**472.37**

2.21 COST OF MATERIAL CONSUMED

	31 Mar 2015	31 Mar 2014
Rawmaterials Inventory at the Beginning of the year	744.78	619.38
Add: Purchases	21,056.67	17,401.41
Total	21,801.45	18,020.79
Less: Inventory at the End of the year	678.54	744.78
Cost of Raw materials Consumed	**21,122.91**	**17,276.01**
Details of Rawmaterials Consumed		
Limestone	1,887.87	1,465.95
Al. Laterite	572.61	579.23
Gypsum	692.96	521.95
Iron ore / Iron ore powder	664.73	667.90
FlyAsh	531.47	431.64
Purchased Clinker Consumption	41.54	-
Clinker Consumption at Kondapalli Plant	10,020.48	7,915.00
Cement Consumption in Other Divisions	2,968.07	2,584.21
Wood	1,861.21	1,677.72
Chemicals	361.49	264.29
Paper	173.14	108.38
Bison Panel Boards Consumption in Prefab Division	1.06	9.03
Steel	47.10	22.22
Ready Mix Concrete Materials	1,291.87	1,008.04
Other Materials	-	0.37
Cost of Trading Goods	7.33	20.08
Total	**21,122.91**	**17,276.01**
Less: Inter Segment Transfers	11,472.22	9,236.53
Net Consumption of Materials	**9,650.69**	**8,039.48**

VENUGOPAL & CHENOY
Regn. No. 004671S
Tilak Road, HYDERABAD.
Chartered Accountants

Details of Inventory		
Limestone	33.49	26.96
Al. Laterite	45.18	19.72
Gypsum	22.94	6.46
Iron ore / Iron ore powder	31.75	69.06
FlyAsh	3.05	2.26
Clinker at Kondapalli Plant	31.22	108.16
Cement in Boards & RMC Divisions	17.20	21.08
Wood	360.60	314.77
Chemicals	23.05	28.57
Bison Panel Boards in Prefab Division	36.15	37.21
Steel	45.11	92.21
Other Materials	28.80	18.31
Total	**678.54**	**744.78**

2.22 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS

	31 Mar 2015	31 Mar 2014
Closing stock of Work in Progress	186.17	177.40
Closing stock of Finished goods	1,819.92	1,733.10
Total	**2,006.09**	**1,910.50**
Opening stock of Work in Progress	177.40	158.97
Opening stock of Finished goods	1,733.10	1,729.66
Adjustment of damaged stock	(20.62)	-
Total	**1,889.88**	**1,888.63**
Increase / (Decrease) in Stocks	**(116.21)**	**(21.87)**

2.23 EMPLOYEE BENEFIT EXPENSES

	31 Mar 2015	31 Mar 2014
Salaries, Wages, Bonus & Allowances	2,132.51	1,858.07
Managerial Remuneration	173.25	154.84
Contribution to Provident Fund & Other Funds	103.59	103.52
Staff Welfare Expenses	104.17	87.70
Total	**2,513.52**	**2,204.13**

2.24 OTHER EXPENSES

	31 Mar 2015	31 Mar 2014
Cost of Fuel	10,989.87	8,807.72
Cost of Power (Note)	6,307.44	6,978.67
Packing Materials	2,539.34	1,912.89
Stores & Spares consumed	1,453.64	1,092.15
Rep & Maintenance Plant & Machinery	1,169.34	342.77
Rep & Maintenance Buildings	1.23	-
Rep & Maintenance Others	49.79	44.57
Direct Manufacturing Expenses	282.89	210.00
a. Sub-Total: Other Manufacturing Expenses	**22,793.54**	**19,388.77**
Transportation Paid	8,411.02	5,976.74
Advertisement & Publicity	99.62	77.31
Selling Expenses	1,963.03	1,319.37
b. Sub-Total: Selling & Distribution Expenses	**10,473.67**	**7,373.42**
Security Services	52.30	48.10
Bank Charges*	32.19	96.35
Administrative Expenses	338.36	334.12
Legal & Professional Expenses	81.06	112.15
Retainer Charges	93.64	65.46
Payments to Auditors (refer details below)	6.50	5.50
Internal Audit Fees	5.40	5.40
Insurance	24.97	31.14
Travelling & Conveyance	243.58	232.47
Rent	98.02	96.47
Rates, Taxes & Licenses	61.24	50.91
Donations	23.09	7.53
c.Sub-Total: Other Administrative Expenses	**1,060.35**	**1,085.60**
Total Other Expenses (a+b+c)	**34,327.56**	**27,847.79**

Note: As per Andhra Pradesh State Industrial Policy 2005-10, Amounts of incentives from Industries Department receivable for the year amounting to Rs. 1089.71 lakhs (Previous Year Rs. 474.19 lakhs) is deducted from the Cost of Power.

* Bank Charges includes Rs 17.49 lakhs (PY Rs 77.72 lakhs) incurred towards Processing Charges, BG Commission Charges and Expenses for Reschedulement of Loans under CDR.

VENUGOPAL & CHENOY
Regn. No. 004671S
Tilak Road, HYDERABAD.
Chartered Accountants

PAYMENT TO AUDITORS

	31 Mar 2015	31 Mar 2014
Statutory Audit Fees	5.50	4.50
Tax Audit Fees	0.50	0.50
Cost Audit Fees	0.50	0.50
Certifications & Reimbursement of Expenses	-	-
Total Payment to Auditors	**6.50**	**5.50**

2.25 FINANCE COST

	31 Mar 2015	31 Mar 2014
Interest		
on Term Loans	1,404.28	1,418.55
on Working Capital	841.06	936.61
on Deposits & Others	1,466.69	1,643.55
Total Finance Cost*	**3,712.03**	**3,998.71**

* In addition to the above Finance Cost, Rs 17.49 lakhs (PY Rs 77.72 lakhs) incurred towards Processing Charges, BG Commission Charges and Expenses for Reschedulement of Loans under CDR accounted under Bank Charges and grouped under Administrative Expenses.

2.26 DEPRECIATION AND AMORTISATION EXPENSE

	31 Mar 2015	31 Mar 2014
Depreciation	2,539.83	3,070.55
Amortisation	16.24	8.42
Total	**2,556.07**	**3,078.97**

b) Segment Revenue and Expenses:

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

2.28 Earnings Per Share

	31 Mar 2015	31 Mar 2014
Net Profit / (Loss) for the Period	890.01	(4,080.18)
Cash Profit / (Loss) for the Period	3,607.90	(687.91)
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/ – Basic and Diluted in Rupees.		
Basic		.
Diluted	2.55	(11.68)
Cash	2.42	(11.11)
	10.33	(1.97)

VENUGOPAL & CHENOY
Regn. No. 004671S
Tilak Road, HYDERABAD.
Chartered Accountants

All amounts in Rupees Lakhs, Except Share Data and Unless Otherwise Stated

2.29 Contingent Liabilities

	31 Mar 2015		31 Mar 2014	
	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-Penalty on delayed payment (Note 'b')	16.88	4.00	16.88	4.00
Demand by Sales tax authorities for the year 2004-05 - Rate of tax on erection of prefab structures on CST. (Note 'c')	14.92	-	14.92	-
Demand by Sales tax authorities for the year 2008-09 - Disallowance of Input tax credit. (Note 'd')	175.82	56.00	175.82	56.00
Demand of Central Excise Department denying benefit of Cenvat credit on capital goods (Note 'e')	464.98	50.00	464.98	50.00
Demand of Central Excise Department denying benefit of Cenvat credit on capital goods (Note 'f')	163.18	5.00	163.18	5.00
Demand of Central Excise Department denying benefit of Cenvat credit on capital goods (Note 'g')	116.34	-	116.34	-
Demand of Central Excise Department denying benefit of Cenvat credit on capital goods (Note 'h')	80.85	-	101.61	-
Excise department claimed return of refund of Excess Excise duty paid by the Company (Note 'i')	29.22	-	29.22	-
Demand of Central Excise Department denying benefit of Cenvat credit on capital goods (Note 'j')	16.88	10.44	16.88	8.44
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 'k')	2.00	-	2.00	-
Miscellaneous Issues pending with Excise department	6.15	-	7.15	-
Customs department raised a demand classifying imported steam coal as Bituminous coal (Note 'l')	42.19	-	42.19	-
Customs department raised a demand classifying imported steam coal as Bituminous coal (Note 'm')	87.79	-	87.79	-
Demand of NALA Tax pertaining to Non Agricultural Tax in Mining Areas by the state government (Note 'n')	43.56	-	43.56	-
Demand raised for payment of permit fee by the forest department for mining and transportation of Lime Stone (Note 'o') **	382.45	127.41	300.03	99.94
Counter Guarantees given to Banks / FIs	258.11	-	340.34	-

VENUGOPAL & CHENOY
Regn. No. 004671S
Tilak Road,
HYDERABAD.
Chartered Accountants

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.

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 obtained a stay from the Commissioner of Commercial Taxes.

c. 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, the case is remanded to Assessing Officer.

d. Sales Tax Authorities raised a demand for Rs.175.82 lakhs for the year 2008-09 disallowing the input tax credit on materials used in construction of plant structure, input tax credit on SEZ supplies and also demanded differential tax on local as well as CST purchases under Works Tax .The Company has preferred an Appeal before the Sales Tax Appellate Deputy Commissioner. The company has initially paid an amount of Rs. 80.00 lakhs in protest out of which Rs. 34.00 lakhs was adjusted against sales tax payable and further paid another 10.00 lakhs and has obtained a stay from the Honourable High Court of Andhra Pradesh. Sales Tax Appellate Deputy Commissioner has remanded the case back to the Assistant Commisioner to verify and pass necessary orders.

e. The Excise Department has raised a demand of Rs.464.98 lakhs disallowing the Cenvat credit on Steel items used in construction of plant structure at both Mattapally and Kondapalli. Company has preferred an appeal before CESTAT and is pending. CESTAT ordered payment of Rs. 2.50 crores in the case of Mattapally unit and the Company filed a writ before the Honourable High Court of Andhra Pradesh. A stay on payment of pre-deposit was granted on a payment of Rs. 50.00 lakhs.

f. The Excise Department has raised a demand of Rs.163.18 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 a stay was granted on payment of a pre-deposit of Rs. 5.00 lakhs.

g. The Excise Department has raised a demand of Rs.116.34 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 a stay was granted.

h. The Excise Department has raised a demand of Rs.101.61 lakhs disallowing the Cenvat credit on Steel items used in construction of plant structure at both Mattapally and Kondapalli. On an appeal, CESTAT has remanded the cases back to the Commissioner of Central Excise. The Appellate Commissioner decided the case partially in Company's favour and confirmed the balance demand along with interest and penalty. Company preferred an appeal before CESTAT.

i. The Excise Department has claimed return of the refund of Rs. 29.22 lakhs paid to the Company on their appeal decided in their favour by the Commissioner (Appeals). The Honourable High Court of Andhra Pradesh granted stay.

j. Excise department has raised a demand of Rs. 16.88 lakhs denying the cenvat credit on usage of Cement, Steel, M.S. Plates, M.S.Flats, M.S.Angles, M.S.Channels M.S.Coils, Steel Tubes, Pipes, beams, Plates/Sheets, Rebars, Conductors in construction of civil structures like Silo, Dump Hopper etc. The matter was contested and pending before the Appellate Authority and a stay was obtained on payment of Rs. 8.44 lakhs being 50% of the demand raised and the was subsequently rejected. The Company preferred an appeal before CESTAT and further predeposit of Rs. 2 lakhs was paid.

k. 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. On an appeal before the Commissioner of Central Excise the demand was dropped but imposed a penalty of Rs. 2.00 lakhs. Company preferred an appeal before CESTAT and obtained a stay.

l. The Customs Department raised a demand of Rs. 42.19 lakhs classifying imported steam coal as bituminous coal. Company preferred an appeal before the Appellate Commissioner of Customs & Central Excise (Appeals), Visakhapatnam.

m. The Customs Department raised a demand of Rs. 87.79 lakhs classifying imported steam coal as bituminous coal. Company preferred an appeal before CESTAT, Bengaluru.

n. 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.

o. Forest deparment demanded payment of permit fee for Lime Stone mining & Transportation @ 10/- per ton. Company filed a writ petition before the Honourable High Court of Andhra Pradesh. High Court has granted an interim stay subject to payment of 1/3 amount of the imposed permit fee.

*** Though Rs. 127.41 lakhs was paid under protest, this amount was not shown as a current asset. This was included in consumption of materials in the respective years.*

VENUGOPAL & CHENOY
Regn. No. 004671S
Tilak Road, HYDERABAD.
Chartered Accountants

All amounts in Rupees Lakhs, Except Share Data and Unless Otherwise Stated

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

a) Expense recognized during the year

Description	31 Mar 2015		31 Mar 2014	
	Gratuity	Leave encashment	Gratuity	Leave encashment
Current Service Cost	42.11	33.66	36.64	29.61
Interest Cost	25.88	4.06	24.01	3.39
Net Actuarial (Gain) / Loss	16.22	(2.50)	(49.11)	(15.26)
Past Service Cost	-	-	-	-
Short Term Compensated Absence Liability	-	13.00	-	11.50
Total Cost	84.21	48.22	11.54	29.24

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

Description	31 Mar 2015		31 Mar 2014	
	Gratuity	Leave encashment	Gratuity	Leave encashment
Present Value of Obligations at beginning of the year	301.66	65.92	305.75	47.42
Changes in Present Value of Obligations		1.50		
Current Service Cost	42.11	33.66	36.64	29.61
Interest Cost	25.88	4.06	24.01	3.39
Actuarial Loss / (Gain)	16.22	(2.50)	(49.11)	(15.26)
Past Service Cost	-	-	-	-
Settlements	(40.16)	(20.54)	(15.63)	(10.74)
Short Term Compensated Absence Liability	-	13.00	-	11.50
Present Value of Obligations at the end of the year	**345.71**	**95.10**	**301.66**	**65.92**
Present Value of Obligations - Current	54.74	34.26	42.47	17.18
Present Value of Obligations - Non - Current	290.97	60.84	259.19	48.74

Actuarial assumptions

a) Mortality IALM 2006-08 (ultimate)
b) Discounting rate – 7.77% Previous year 9.19 %
d) Expected average remaining working lives of employees–13.06 Years
e) Rate of escalation in salary – 6 %

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

a. List of related parties and relationships

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

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

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

b. Related Party Transactions for the Year

	31 Mar 2015	31 Mar 2014
Remuneration to Key Managerial Personnel*	88.92	78.66
Remuneration to Relatives of Key Managerial Personnel (Whole Time Director)	32.76	28.98
Remuneration to Other Managerial Personnel (Whole Time Director)	51.56	47.20

* Pursuant to the special resolution passed by the shareholders at the AGM held on 28.9.2013 the Company made an application to the Central Governmet for the approval of remuneration approved by the shareholders at their meeting held on 14.9.2012 (with a reduction of 25% in the salary and without commission) as minimum remuneration to Mr. K. Ravi, Managing Director in the event of absence or inadequacy of profits for the Financial Year 2013-14 onwards. The application made by the company is under active consideration with the MCA.

VENUGOPAL & CHENOY
Regn. No. 004671S
Tilak Road, HYDERABAD.
Chartered Accountants

All amounts in Rupees Lakhs, Except Share Data and Unless Otherwise Stated

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

	31 Mar 2015	31 Mar 2015	31 Mar 2014	31 Mar 2014
Sale of Finished Goods				
NCL Alltek & Seccolor Limited	120.06		25.99	
NCL Homes Limited	96.37		118.67	
Nagarjuna Cerachem (P) Limited	-		0.21	
NCL Wintech India Limited	12.33	228.77	0.85	145.72
Purchases / Services				
NCL Alltek & Seccolor Limited	4.83		2.52	
Kakatiya Industries (P) Limited	63.52		5.41	
NCL Wintech India Limited	2.99	71.34	57.89	65.82
Advances Received				
NCL Alltek & Seccolor Limited	200.91		-	
Kakatiya Industries (P) Limited	143.77			
Ashven Datla	77.00	421.68		-
Rent Paid				
NCL Alltek & Seccolor Limited	4.32		4.32	
Kakatiya Industries (P) Limited	-		1.75	
Vikram Chemicals Pvt Limited	2.12	6.44	0.32	6.39
Rent Received				
NCL Alltek & Seccolor Limited	2.34	2.34	-	-
ICD Received				
NCL Alltek & Seccolor Limited	90.00		835.00	
NCL Homes Limited			250.00	
Nagarjuna Cerachem (P) Limited			144.00	
Kakatiya Industries (P) Limited		90.00	55.99	1,284.99
ICD Repaid				
NCL Alltek & Seccolor Limited	257.50		252.98	
NCL Homes Limited			250.00	
Nagarjuna Cerachem (P) Limited			144.00	
Kakatiya Industries (P) Limited		257.50	55.99	702.97
Interest				
NCL Alltek & Seccolor Limited	219.64		220.21	
NCL Homes Limited			8.52	
Nagarjuna Cerachem (P) Limited			5.03	
Kakatiya Industries (P) Limited		219.64	3.88	237.64
Reimbursement of Expenses				
NCL Alltek & Seccolor Limited	1.84		5.98	
NCL Homes Limited	0		(0.03)	
Kakatiya Industries (P) Limited	0.10		0	
NCL Wintech India Limited	0.64		0	
Nagarjuna Cerachem (P) Limited	0	2.58	0.01	5.96

All amounts in Rupees Lakhs, Except Share Data and Unless Otherwise Stated

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

	31 Mar 2015	31 Mar 2015	31 Mar 2014	31 Mar 2014
RAW MATERIALS	% of Total Consumption	Value of Consumption	% of Total Consumption	Value of Consumption
Imported	-	-	-	-
Indigenous	100.00	21,122.91	100.00	17,276.01
Total	100.00	21,122.91	100.00	17,276.01
SPARE PARTS				
Imported	3.92	57.04	2.57	28.08
Indigenous	96.08	1,396.60	97.43	1,064.07
Total	100.00	1,453.64	100.00	1,092.15

2.33 Value of Imports Calculated on CIF Basis

	31 Mar 2015	31 Mar 2014
Raw Materials	-	-
Components & Spares	39.26	28.08
Other Materials	17.78	
Capital Goods	53.35	92.09
Trading Goods	-	-

2.34 Expenditure in Foreign Currency

	31 Mar 2015	31 Mar 2014
Travelling	-	1.07
Advance for Capital Goods	-	-
Capital Goods	53.35	91.97
Stores and Spares	39.26	28.06
Others	17.78	-
Total	110.39	121.10

As per our report of even date

For and on behalf of the Board

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

P.V. Sri Hari
Partner
Membership No. 21961

Hyderabad
Dated: 30th May 2015

K. Ravi
Managing Director

R. Anand
Chairman

N. Krishnan
President & CFO

T. Arun Kumar
Company Secretary

VENUGOPAL & CHENOY
Regn. No. 004671S
Tilak Road, HYDERABAD.
Chartered Accountants

NCL INDUSTRIES LTD.
Hyderabad

2.27 SEGMENT REPORTING

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

A. PRIMARY DISCLOSURES:

Particulars	Cement 31 Mar 2015	Cement 31 Mar 2014	Boards 31 Mar 2015	Boards 31 Mar 2014	Prefab 31 Mar 2015	Prefab 31 Mar 2014	Energy 31 Mar 2015	Energy 31 Mar 2014	RMC 31 Mar 2015	RMC 31 Mar 2014	Unallocable 31 Mar 2015	Unallocable 31 Mar 2014	Total 31 Mar 2015	Total 31 Mar 2014
Segment Revenue:														
External Turnover	47,390.20	34,355.24	9,058.94	7,614.77	24.58	51.16	651.41	1,231.73	3,969.31	3,300.96	-	-	61,094.44	46,553.85
Inter Segment Transfers	11,388.43	9,141.60	72.30	81.08	11.27	13.84	-	-	0.22	-	-	-	11,472.22	9,236.53
Gross Turnover	58,778.63	43,496.84	9,131.24	7,695.85	35.86	65.00	651.41	1,231.73	3,969.53	3,300.96	-	-	72,566.67	55,790.38
Less: Excise Duty / Service Tax	7,618.80	5,607.41	4.76	4.54	3.56	3.27	-	-	75.67	66.07	-		7,702.79	5,681.29
Net Turnover	51,159.83	37,889.43	9,126.48	7,691.31	32.30	61.73	651.41	1,231.73	3,893.86	3,234.89	-	-	64,863.88	50,109.09
Segment Result:														
Profit before Interest and Taxes	2,948.64	(2,441.29)	1,534.69	1,244.27	(18.87)	(36.21)	333.25	1,375.62	148.02	89.45	-	-	4,945.73	231.84
Less: Interest Expense											3,712.02	3,998.71	3,712.02	3,998.71
Profit Before Tax	2,948.64	(2,441.29)	1,534.69	1,244.27	(18.87)	(36.21)	333.25	1,375.62	148.02	89.45	(3,712.02)	(3,998.71)	1,233.71	(3,766.87)
Current Tax											181.89	-	181.89	-
Deferred Tax											161.81	313.30	161.81	313.30
Profit After Tax	2,948.64	(2,441.29)	1,534.69	1,244.27	(18.87)	(36.21)	333.25	1,375.62	148.02	89.45	(4,055.72)	(4,312.01)	890.01	(4,080.17)
Other Information:														
Segment Assets	44,423.11	45,862.66	5,422.08	5,243.91	332.66	618.02	3,808.91	3,880.67	1,434.76	1,193.75	3,515.54	3,857.39	58,937.06	60,656.41
Segment Liabilities	22,298.35	21,709.33	1,656.68	1,426.68	34.79	226.74	1,119.61	1,221.64	818.56	987.73	13,185.25	16,587.75	39,113.23	42,159.87
Capital Expenditure	(424.63)	316.20	(7.90)	51.39	-	(2.30)	0.39	-	1.34	2.73	-	-	(430.80)	368.02
Depreciation & Amortisation	2,179.89	2,606.37	134.17	143.56	1.41	6.15	173.50	173.49	67.10	149.41	-	-	2,556.07	3,078.98

B. SECONDARY DISCLOSURES:

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

Segment Accounting Policies:

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

a) Segment Assets and Liabilities:

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

b) Segment Revenue and Expenses:

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

DECLARATION

Our Company certifies that all relevant provisions of Chapter VIII read with Schedule XVIII of the ICDR Regulations have been complied with and no statement made in this Placement Document is contrary to the provisions of Chapter VIII and Schedule XVIII of the ICDR Regulations and that all approvals and permissions required to carry on our business have been obtained, are currently valid and have been complied with. Our Company further certifies that all the statements in this Placement Document are true and correct.

Signed by

Sd/-

Ravi Kalidindi
Managing Director

Date: December 12, 2017
Place: Hyderabad

DECLARATION IN ACCORDANCE WITH FORM PAS - 4

We the Board of Directors of the Company certify that:

a. the Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;

b. the compliance with the Companies Act, 2013 and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government; and

c. the monies received under the offer shall be used only for the purposes and objects indicated in the Placement Document (which includes disclosures prescribed under Form PAS-4).

Signed by

Sd/-

Ravi Kalidindi
Managing Director

I am authorized by the Share Issue Committee of the Board of Directors of the Company vide resolution dated December 07, 2017 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoter subscribing to the Memorandum of Association and Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed by

Sd/-

Ravi Kalidindi
Managing Director

Date: December 12, 2017
Place: Hyderabad

ISSUER

NCL INDUSTRIES LIMITED

REGISTERED OFFICE OF THE ISSUER

Vaishanavi Cynosure, 4th Floor, Sy. No. 18,
Gachibowli Village, Serilingampally Mandal,
Hyderabad, Telangana – 500032, India
Tel: +91 – 40 – 3012 0000; **Fax:** +91 – 40 – 29807871
Website: www.nclind.com; **Email:**ncl@nclind.com
CIN: L33130TG1979PLC002521

ADDRESS OF THE COMPLIANCE OFFICER

T. Arun Kumar
Vaishanavi Cynosure, 4th Floor, Sy. No. 18,
Gachibowli Village, Serilingampally Mandal,
Hyderabad, Telangana – 500032, India
Tel: +91 – 40 – 3012 0000; **Fax:** +91 – 40 – 29807871
Email: cs@nclind.com

GLOBAL COORDINATOR AND BOOK RUNNING LEAD MANAGER

ANAND RATHI ADVISORS LIMITED

10th Floor, Trade D
Senapati Bapat Marg
Kamla City, Lower Parel
Mumbai – 400 013
Maharashtra, India

DOMESTIC LEGAL ADVISOR TO THE ISSUE	**INTERNATIONAL LEGAL ADVISOR AS TO SELLING AND TRANSFER RESTRICTIONS**
M/S. CRAWFORD BAYLEY & CO. State Bank Buildings, 4th Floor N.G.N. Vaidya Marg, Fort Mumbai – 400 023 Maharashtra, India	**SQUIRE PATTON BOGGS SINGAPORE LLP** 10 Collyer Quay #03-01 / 03 Ocean Financial Centre Singapore 049315

STATUTORY AUDITORS

VENUGOPAL & CHENOY
Chartered Accountants
Tilak Road, Hyderabad – 500 001
Telangana, India
Firm's Registration Number: 004671S