

34th

ANNUAL REPORT

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Resumption of Growth Story



NCL INDUSTRIES LIMITED



BOARD OF DIRECTORS

Mr. R. Anand, Chairman
Mr. Vinodrai.V. Goradia
Mr. M. Bhaskara Rao (IREDA Nominee)
Mr. M. Kanna Reddy
Mr. K. Madhu
Mr. Ashven Datla
Mr. Kamlesh Gandhi
Mrs. Roopa Bhupatiraju
Mr. R. Kalidas(w.e.f 11.08.2015)
Lt.General T.A.DCunha, (Retd) (w.e.f 11.08.2015)
Mr. K. Gautam - Executive Director
Mr.N.V.Suvarna-Executive Director(w.e.f 30.05.2015)
Mr. P.N. Raju - Executive Director(upto 01.07.2015)
Mr. K. Ravi - Managing Director

COMPANY SECRETARY

Mr. T. Arun Kumar

AUDITORS

VENUGOPAL & CHENOY

Chartered Accountants
4-1-889/16/2, Tilak Road,
Hyderabad - 500 001.

BANKERS

Axis Bank Ltd
Canara Bank
Central Bank of India
Corporation Bank
IDBI Bank Ltd
Indian Renewable Energy Dev. Agency Ltd
Oriental Bank of Commerce
State Bank of Hyderabad
State Bank of Mysore

FACTORIES

CEMENT DIVISION

UNIT – I

Simhapuri,
Mattampally Mandal,
Nalgonda Dist
Telangana
Pincode - 508204

UNIT – II

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

BOARDS DIVISION

UNIT – I

Simhapuri,
Mattampally Mandal,
Nalgonda Dist
Telangana
Pincode - 508204

UNIT–II

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

PREFAB DIVISION

UNIT – I

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

UNIT – II

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

ENERGY DIVISION

UNIT – I

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

UNIT – II

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

READY MIX CONCRETE DIVISION

UNIT - I

Plot No 91/C, D Block ,
Autonagar, Gajuwaka,
Visakhapatnam- 530026

UNIT - II

Plot 11, A/2, Phase 1,
IDA, Patancheru (V)
Medak Dist-502319
Telangana

Regd. & Admn. Office

CIN:L33130AP1979PLC002521

7th Floor, Raghava Ratna Towers, Chirag Ali Lane, Abids, Hyderabad - 500 001.
Tel : 91 (040) - 23203637, 23202548, 23204243 Fax : 91 (040) - 23202496, 23203417
E-mail : ncl@nclind.com Website : www.nclind.com



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**AGM on 29th September, 2015 at 11.00 A.M at KLN Prasad Auditorium,
3rd Floor, 11-06-841, FAPCCI Marg, Red Hills ,Hyderabad- 500 004**



Notice is hereby given that the 34th Annual General Meeting of NCL Industries Limited will be held on Tuesday, the 29th September, 2015 at 11.00 A.M at KLN Prasad Auditorium, IIIrd Floor, 11-06-841, FAPCCI Marg, Red Hills, Hyderabad- 500 004, to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the company as at 31st March 2015 and the Profit and Loss Account and Cash Flow Statement for the year ended on that date together with the Reports of the Directors and Auditors thereon.

2. To appoint a Director in place of Mr.P.N.Raju who retires by rotation and is eligible for reappointment.

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

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

SPECIAL BUSINESS

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

“RESOLVED that pursuant to the provisions of Sections 149(4) of the Companies Act, 2013, Mr. M.Kanna Reddy (DIN: 00040440), be and is hereby appointed as an Independent Director of the Company to hold office for a period of five years from the date of his appointment.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions of the Companies Act, 2013 Mr. Kalidas Raghavapudi (DIN:02204518), who was appointed as an Additional Director and holds office up to the date of this meeting be and is hereby appointed as an Independent Director of the company to hold office for a period of five years from the date of his appointment.”

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions of the Companies Act, 2013 Lt. General Trevor Aloysius DCunha, PVSM (Retd) (DIN:07207066), who was appointed as an additional director and holds office up to the date of this meeting be and is hereby appointed as an Independent Director of the company to hold office for a period of five years from the date of his appointment.”

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

“RESOLVED THAT pursuant to the provisions of Section 148 of the Companies Act, 2013 the remuneration payable to Mr. R.Srinivasa Rao, Cost Accountant, the Cost Auditor appointed by the Board of Directors of the Company, fixed as Rs 50,000/- (Rupees fifty thousand only) for the financial year ending March 31, 2016, be and is hereby ratified.”

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

“RESOLVED THAT Mr. N.V.Suvarna (DIN 07010694), who was appointed as an Additional Director and holds office up to the date of this meeting be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

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

“RESOLVED that pursuant to Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013, approval of the company be and is hereby accorded to the appointment of Mr. N.V.Suvarna, (DIN: 07010694) as an Executive Director of the company for a period of 3 (Three) years w.e.f 30th May, 2015 at the remuneration and other terms as follows:

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

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



Housing/HRA: @ 40% of the salary

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

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

Company's contribution to Provident Fund and Superannuation Fund shall be as allowed under the Income Tax Act and Rules and as per Rules of the company/ equivalent Special Allowance@12% as may be opted by the appointee.

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

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

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

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

"FURTHER RESOLVED that 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 "

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

"FURTHER RESOLVED that above remuneration be paid as minimum remuneration in the event of absence or inadequacy of profits in any year, subject to the approval of the Central Government wherever necessary."

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

"RESOLVED that pursuant to Regulation 6 of the SEBI (Share based Employee Benefits) Regulations 2014, (hereinafter referred to 'the said Regulations') the approval of the shareholders be and is hereby granted for the implementation of any or all of the share based Employee Benefit Schemes envisaged by the said Regulations, under

the aegis of the NCL Employee Welfare Trust. (hereinafter called 'the Trust')"

"FURTHER RESOLVED that the Trust be and is hereby specifically permitted as required by Regulation 4(6) of the said Regulations to undertake secondary acquisition of shares of the company for implementation of the Employee Benefit Schemes subject to the condition that the number of shares acquired through secondary acquisition shall not exceed 1% of the paid up equity share capital of the company in any financial year."

Item No. 11

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

"RESOLVED THAT pursuant to the provisions of Section 42 and other applicable provisions, if any, of the Companies Act, 2013, and further subject to the consent/approval of such statutory authorities as may be required, consent of the shareholders be and is hereby accorded to the Board of Directors of the Company to offer or invite subscription for secured or unsecured redeemable non-convertible debentures in one or more series or tranches, aggregating up to ₹ 4,00,00,00,000 (Rupees four hundred Crores only), on a private placement basis, on such terms and conditions as the Board of Directors may, from time to time, determine and consider proper and beneficial to the Company."

"FURTHER RESOLVED that the Shareholders hereby authorize the Board of Directors to decide at their absolute discretion, the quantum, price, timing and the modalities of issue of such debentures within the above mentioned ceilings, and do all such other acts and deeds in connection with the issue and allotment of the debentures as permitted by the Statute."

By Order of the Board.
for NCL INDUSTRIES LIMITED,

Place: Hyderabad
Date: 11th August, 2015

T. ARUN KUMAR
Company Secretary



NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY INSTEAD OF HIMSELF TO ATTEND AND VOTE ONLY IN A POLL AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE SHOULD BE DULY STAMPED, COMPLETED AND SIGNED AND MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE ANNUAL GENERAL MEETING.**

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

2. An explanatory statement, pursuant to the provisions of Section 102 of the Companies Act, 2013 in respect of item No. 4-10 of the notice, is annexed hereto.
3. Shareholders seeking any information with regard to accounts are requested to write to the Company at least 10 days before the date of the meeting so as to enable the Management to keep the information ready.
4. The Register of Members and Share Transfer Registers will remain closed from 23rd September, 2015 to 29th September, 2015 (both days inclusive) on account of the Annual General Meeting.
5. Members holding shares in electronic form are requested to inform the changes, if any, in their address or bank particulars etc., to the Depository Participant with whom the demat account is maintained.
6. Individual shareholders can avail the facility of nomination. Shareholders holding shares in physical form may write to the Registrar for assistance. Shareholders holding in electronic form may approach their DP with whom they maintain their account.
7. In terms of clause 49(IV)(G) of the Listing Agreement, brief resumes of Directors proposed to be appointed or reappointed at the meeting are given.
8. Electronic copy of the Notice of the 34th Annual General Meeting of the Company inter-alia indicating the process and manner of 'e'- voting along with Attendance Slip, Proxy Form and Annual Report is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the

same. For members who have not registered their email address, physical copies of the Notice of the 34th Annual General Meeting of the Company along with Attendance Slip, Proxy Form and Annual Report is being sent to their registered address with the company. The company appreciates and supports this green initiative and requests the members to register their e-mail address to receive the future correspondence, including Annual Reports through e-mails. In the case members who are holding shares in demat form, the email IDs registered with the DP and made available to the Company/RTA shall be the registered email IDs unless communication is received to the contrary. Shareholders are requested to update their e-mail through their Depository Participants concerned and members who hold the shares in physical form are requested to update their e-mail address to the Company's Registrar and Share Transfer Agents M/s.Venture Capital & Corporate Investments (P) Ltd. **Shareholders are also advised to visit the company's website www.nclind.com where the notice is uploaded.**

9. As per the circular No.MRD/Dop/Cir-05/2009 Dt.20th May,2009 issued by the Securities and Exchange Board of India (SEBI), it is mandatory to quote PAN for the transfer/transmission of shares in physical form. Therefore the transferee(s)/legal heirs are requested to furnish a copy of their PAN Card along with other documents to the Registrar and Share Transfer Agents irrespective of the value of the transaction.
10. Shareholders who have not encashed their dividend warrants for the years 2007-08,2008- 09,2009-10, 2010-11 and 2011-12 may approach the company for revalidation, issue of duplicate warrants etc; quoting the Folio No./Client ID. Please note that as per Section 124(5) of the Companies Act,2013 dividend which remains unpaid /unclaimed over a period of 7 years has to be transferred by the company to the Investor Education & Protection Fund (IEPF) and no claim shall lie for such unclaimed dividends from IEPF by the members.
11. Members are also requested to lodge their e-mail ID's along with name and Folio/Client ID No. at the following address /e-mail to enable us to send all future communications including Annual Reports through e-mode.
12. As an austerity measure, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the Meeting.



13 Instructions about Voting:

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

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

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

- (i) *The e-voting period commences on 26th September, 2015 (10:00 AM) and ends on 28th September, 2015 (5.00PM). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut- off date of 22nd September, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.*

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

In case of members receiving e-mail:

- (ii) Shareholders should Log on to the e-voting website www.evotingindia.com
- (iii) Click on "Shareholders" tab.
- (iv) Now, select the "NCL INDUSTRIES LIMITED" from the drop down menu and click on "SUBMIT"
- (v) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier

voting of any company, then your existing password is to be used.

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

For Members holding shares in Demat Form and Physical Form

PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member Id / Folio No. in the Dividend Bank details field as mentioned in instruction (V)

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



- (xii) Click on the EVSN for the relevant <NCL INDUSTRIES LIMITED> on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/ NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xviii) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

Note for Non-Individual Shareholders and Custodians

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

In case of members receiving the physical copy:

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

- (b) The voting period begins on 26th September, 2015 at 10.00 AM on and ends on 28th September, 2015 at 5.00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (30th August, 2015), may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

14. *The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 30th August, 2015.*
15. Mr. A.Ravishankar, Partner-M/s Ravi&Subramanyam, Practicing Company Secretaries (COPNo.4318) has been appointed as the Scrutinizer to scrutinize the e- voting process in a fair and transparent manner. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

B) Voting by using the postal Ballot Form:

- I. A Ballot form is provided (enclosed separately) for the benefit of members who do not have access to e-voting facility to enable them to send their assent or dissent by post.
- II. Please complete and sign the ballot Form (no other form or photo copy is permitted) and send it so as to reach the Scrutinizer appointed by the Board of Directors of the company, Mr. A.Ravishankar, Partner-M/s Ravi & Subramanyam, (COP No4318) Practicing Company Secretaries not later than the close of working hours (17.00 hours) on 28th September, 2015. For this purpose, a self addressed prepaid 'Business Reply inland Letter' ('BR Letter') is enclosed and postage will be paid by the company if posted in India. The BR letter bears the name and address of the Registered Office of the company and is to the attention of the Scrutinizer. However BR Letters containing the Ballot form(s) if deposited in person or sent by courier or registered/speed post at the express of the member will also be accepted.



- III The Form should be signed by the member as per the specimen signature registered with the company/ Depository Participants. In case of joint holdings, the Form should be completed and signed by the first named member and in his/her absence, by the next named joint holder. There will be one Form per Folio/ Client ID irrespective of the number of joint holders. A Power of Attorney (POA) holder may vote on behalf of a member mentioning the registration number of the POA or enclosing an attested copy of the POA. Exercise vote is not permitted through proxy.
- IV For shares held by companies, Bodies Corporate, Trusts, Societies etc, the duly completed Form should be accompanied by a certified true copy of the Resolution/ Authorization together with attested specimen signature(s) of the duly authorized signatory (ies).
- V Votes should be cast in case of each resolution, either in favor against by putting the tick (✓) mark in the column provided for assent/dissent. Members may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed the member's total shareholding. If the share holder does not indicate either "FOR" or "AGAINST" in case of any resolution, it will be treated as "ABSTAIN" for that resolution and the shares held will not be counted under either head.
- VI Duly completed Forms should reach the Scrutinizer not later than the close of working hours (17.00 hours) on 28th September, 2015. Ballot Forms received after 28th September, 2015 will be strictly treated as if the reply from the member has not been received.
- VII A Member may request for a duplicate Ballot Form if so required. However the duly filled in and signed duplicate Form should reach the Scrutinizer to identify either the member not later than the date as specified at Sl. No. VI above.
- VIII Unsigned, incomplete improperly or incorrectly tick marked Ballot Forms will be rejected. A Form will also be rejected if it is received torn, defaced, or mutilated to an extent which makes it difficult for the Scrutinizer to identify either the member or the number of votes or as to whether the votes are in favor or against or if the signature cannot be verified.
- IX The Scrutinizer's decision on the validity of a Ballot is final.
- X Members are requested not to send any other paper along with the Ballot Form in the enclosed self addressed envelope as all such envelopes will be sent to the Scrutinizer and any other paper found in such envelope would be destroyed by him. They are also requested not to write anything on the Ballot Form except giving their assent or dissent and putting their signature.
- C: Other Instructions.**
- I The Scrutinizer will collect the votes downloaded from the e-voting system and votes received through physical ballot to declare the final result for each of the resolutions forming part of the Annual General Meeting Notice.
- II The results of the voting shall be declared on or after the Annual General Meeting of the Company. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.nclind.com and be communicated to the Stock exchanges where the company is listed i.e BSE and NSE.
16. The company has paid the listing fees for the year 2015-16 to BSE and NSE where the equity shares of the company are listed.
17. Members/Proxies are requested to kindly take note of the following:
- i. Attendance slip, as sent herewith, is required to be brought at the venue duly filled in and signed, for attending the meeting.
- ii. Folio No./DP & Client ID No. may please be quoted in all correspondence with the Company and or the RTA.

Company Secretary,

NCL Industries Limited

Regd. Office:

7th Floor, Raghavaratna Towers Chirag Ali Lane

Hyderabad-500001

e- mail cs@nclind.com

Address of Registrar and Share Transfer Agents

Venture Capital & Corporate Investments (P) Ltd,

12-10-167(MIG)

Bharath Nagar, HYDERABAD 500 018

Phones:040-23818475/76 & 23868023

e-mail:info@vccilindia.com



EXPLANATORY STATMENT

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

ITEM NO. 4

Mr. M.Kanna Reddy, Non Executive Independent Director (aged about 81 years) is due to retire by rotation at the ensuing AGM under the provisions of the Companies Act, 1956. He is a Fellow member of the Institute of Chartered Accountants of India. In terms of Section 149 the Companies Act, 2013 which replaced the Companies Act, 1956, Independent Directors shall henceforth not be included in the total number of directors considered for retirement by rotation. An Independent Director can hold office for a term of up to 5 (five) consecutive years on the Board of a company. He holds Nil Equity shares in the company.

In the opinion of the Board, Mr. M.Kanna Reddy fulfills the conditions for his appointment as Independent Director as specified in the Companies Act, 2013 and the Listing Agreement, and that Mr. M.Kanna Reddy is independent of the management. It is therefore proposed that Mr.M.Kanna Reddy be appointed for a term of 5 (five) years.

The Company has received from Mr. M.Kanna Reddy

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

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

Mr. M.Kanna Reddy is interested in the resolution set out in Item No. 4 of the Notice with regard to his appointment.

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

The Board recommends the resolution set forth in the Item No. 4 of the Notice for approval of the members.

ITEM NO. 5

As per the provisions of Section 149(4) of the Companies Act, 2013 and amended clause 49 of the listing Agreement, every listed company should have at least one third of the total number of Independent Directors. Keeping in view of the above

legal requirements, the Board of Directors at their meeting held on 11th August, 2015 appointed Mr. Kalidas Raghavapudi (DIN:02204518) as Independent Director to hold office until the conclusion of this meeting. The company received a notice in writing from members along with requisite deposit under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Kalidas Raghavapudi as Independent Director of the company. He is not disqualified from being appointed as Independent Director and has furnished a declaration under Section 149(7) to the effect that he meets the criteria of Independent Director and in the opinion of Board of Directors, he fulfills the criteria of independence as mentioned under Companies Act, 2013 ('the Act') read with Schedule IV and relevant rules made there under and clause 49 of the listing agreement and given his consent to act as Independent Director. He holds Nil Equity shares in the company.

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

This statement may also be regarded as a disclosure under clause 49 of the listing agreement with the Stock Exchanges.

Your Board recommends that the Resolution be passed.

ITEM NO. 6

As per the provisions of Section 149(4) of the Companies Act, 2013 and amended clause 49 of the listing Agreement, the Board of Directors at their meeting held on 11th August, 2015 appointed Lt. General Trevor Aloysius DCunha, PVSM (Retd) (DIN:07207066) as Independent Director to hold office until the conclusion of this meeting. The company received a notice in writing from members along with requisite deposit under Section 160 of the Companies Act, 2013 proposing the candidature of Lt. General Trevor Aloysius DCunha, as Independent Director of the company. He is not disqualified from being appointed as Independent Director and has furnished a declaration under Section 149(7) to the effect that he meets the criteria of Independent Director and in the opinion of Board of Directors, he fulfills the criteria of independence as mentioned under Companies Act, 2013 ('the Act') read with Schedule IV and relevant rules made there under and clause 49 of the listing agreement and given his consent to act as Independent Director. He holds Nil Equity shares in the company.

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

This statement may also be regarded as a disclosure under clause 49 of the listing agreement with the Stock Exchanges.