

# Living our vision



**NCL INDUSTRIES LTD**

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**ANNUAL REPORT 2016 - 17**

[www.nclind.com](http://www.nclind.com)  
[cs@nclind.com](mailto:cs@nclind.com)



## Contents

<b>02</b>	Our Business Profile
<b>03</b>	Products and Plant Locations
<b>04</b>	A Word from the Managing Director
<b>05</b>	Corporate Social Responsibility
<b>06</b>	How we Performed
<b>08</b>	Milestones to Smile About
<b>10</b>	Board of Directors
<b>11</b>	Corporate Information
<b>13</b>	Notice
<b>23</b>	Directors Report
<b>27</b>	Report on Corporate Governance
<b>38</b>	Management Discussion & Analysis Report
<b>43</b>	Secretarial Audit Report
<b>56</b>	Independent Auditors Report
<b>61</b>	Balance Sheet
<b>62</b>	Statement of Profit & Loss
<b>63</b>	Cash Flow Statement
<b>64</b>	Notes
<b>83</b>	Attendance Slip & Proxy Form



***Our Founder | Our Inspiration | Our Guide***

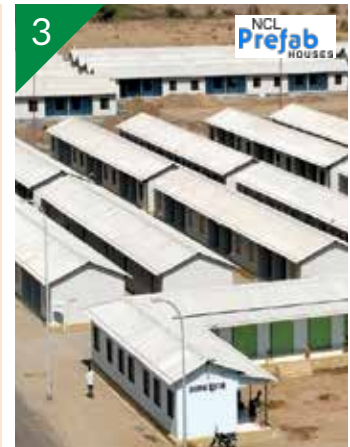
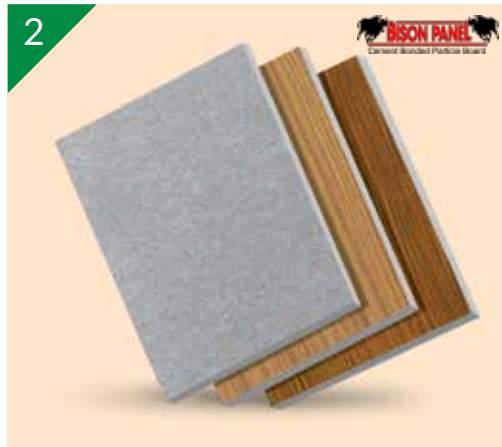


**Mr. K. RAMACHANDRA RAJU**  
(22-07-1934 - 28-06-2008)

***“We strive to make you  
proud of the company  
you started”***

## Our Business Profile

The company derives over 80% of its revenues from the cement business operating mainly in south India with an installed capacity of 2 million tons. The rest of the sales come from segments like cement bonded particle board, ready mix concrete and hydro power. The company's strong brand equity, premium positioning in north coastal AP and low cost capacity expansion are key triggers for the company's future growth. The company is poised to benefit from the upcoming demand revival in south, increased thrust on low cost housing and infrastructure segments.



### 1. Cement

The company markets cement under the brand name Nagarjuna which is available in various grades of ordinary Portland and pozzolana portland cement. In addition, the company also manufactures a special cement for supply to Indian Railways for concrete sleepers. To strengthen backward integration, company has a cement grade limestone mining lease for an area comprising of more than 210 hectares.

### 2. Cement Bonded Particle Boards

Plain, Laminated, Designer Boards & Planks

### 3. Prefab Shelters

With continued R&D efforts, the company developed Prefab Shelters with number of designs suitable for multiple applications such as dwelling houses, class rooms, dispensaries etc. Prefab Shelters are

constructed in track & panel system with advantages of simplicity in construction, ease of transportation and erection. The prime material used is Bison Panel manufactured by the company. For having a clear edge over the unorganised segment in the prefab segment, the company is scouting for more advanced technology.

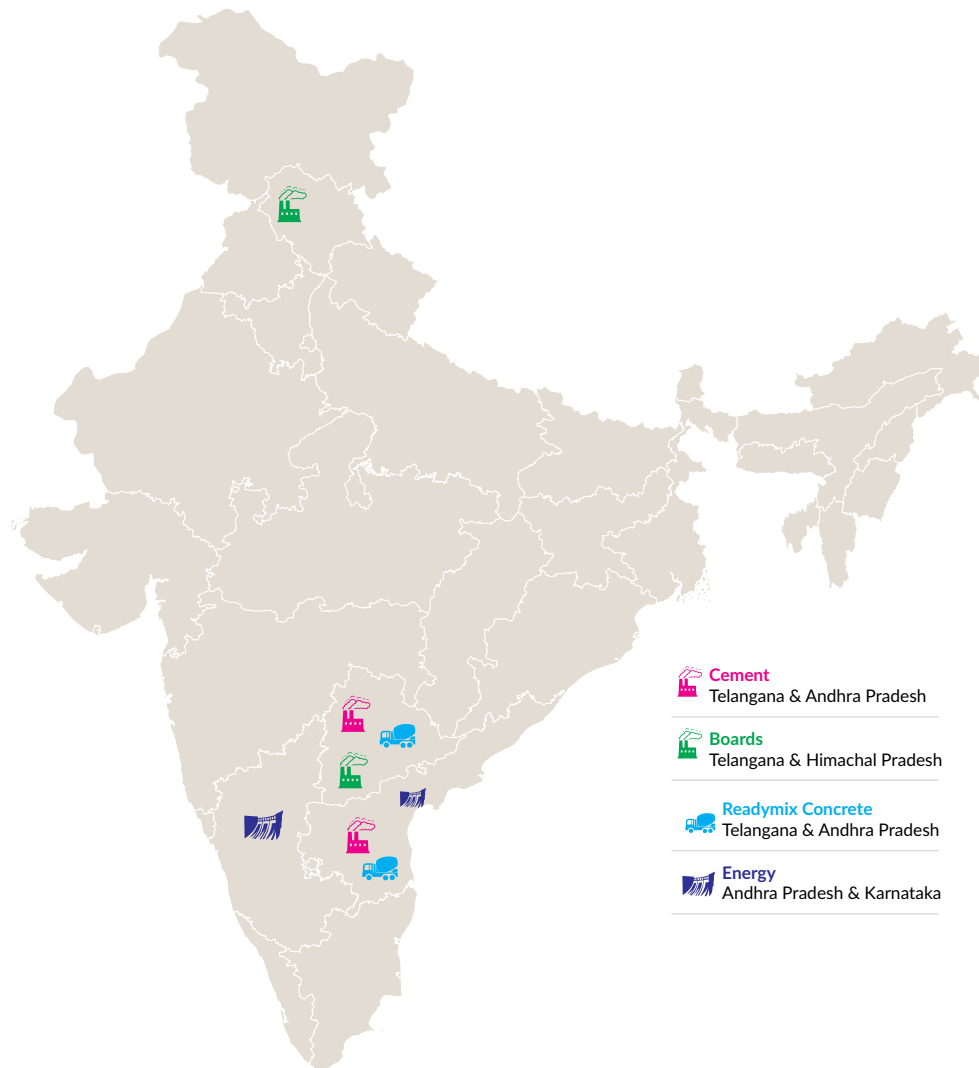
### 4. Ready Mix Concrete

The company has three plants for making RMC in Hyderabad & Visakhapatnam. These plants are equipped with adequate number of transit mixers.

### 5. Hydro Power

Energy Division has two hydro power projects - the first is at the head regulator of Srisailem Right Main Canal and the second hydel project is on Right Bank High Level Canal of Tungabhadra dam.

## Products and Plant Locations



### CEMENT

Ordinary Portland Cement  
Portland Pozzolona Cement  
Ready Mix Concrete

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

Capacity : 2 Million Tons  
Dealers: 1600  
Markets: Andhra Pradesh, Telangana, Tamil Nadu,  
Karnataka, Odisha, Pondicherry.

### READY MIX CONCRETE

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

Markets: Hyderabad & Visakhapatnam

### CEMENT BONDED PARTICLE BOARD

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

Capacity: 60,000 tons  
Distributors: 300+

### HYDRO POWER PROJECTS

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

Installed capacity: 15.75 MW



## A Word from the Managing Director



**We shall not rest on our laurels and our quest for excellence will continue**

**K. Ravi**



### Dear Shareholders

The year 2016-17 has been significant in more ways than one.

- This was the year that the company successfully emerged out of the Corporate Debt Restructuring (CDR) regime, after being pushed to the brink by the adverse scenario that the industry witnessed.
- This was the year company embarked upon a CAPEX programme to augment its capacities in the cement and boards division. The projects for capacity enhancement in cement and boards division are nearing completion. The company is poised to fully utilise the opportunity of the upswing in demand which is expected in the near future.
- This was the year in which our company achieved the important milestone of Rs.1000 crore gross turnover.
- This was the year the company recorded its highest dividend pay-out (Rs.1105.27 Lakh) in its history. In terms of percentage of dividend on equity we matched the previous best of 25%
- This was the year which saw the highest ever outlay (Rs. 152 Lakhs) for the CSR activities focussed on education, healthcare of the residents in the vicinity of the plant site.
- This was the year when the company took the initiative to set up a Junior college in Simhapuri. This is a step forward in fulfilling the long-standing desire of the residents in the vicinity of the plant site.
- This was the year in which the number of patients receiving the healthcare from the free hospital run the company crossed the average of 100 per day.
- This was the year the company made its highest contribution to the exchequer (Rs.231.38 Crores) by way various taxes and duties of direct and indirect.

It's a matter of immense satisfaction that the company has been able to serve the interests of each segment of its stakeholders. I take this opportunity to promise that we shall not rest on our laurels and our quest for excellence will continue.

**K Ravi**

Managing Director

Lakhs

**152.93**

Total CSR outlay FY17

...

NCL Impact:

**711**

Students

...

Lakhs

**122.36**Total Financial  
outlay for Education

## Corporate Social Responsibility

Commencement of NCL three decades ago has been akin to social development in and around the company's area of operations. The company's entry with its first cement plant into the remote Simhapuri village transformed this backward hamlet into a sprawling town. The company has constituted a Cement Dealers Trust to look after the welfare of dealers & their families.

The company's 3 member CSR committee is headed by an Independent Director.

### Focus Areas:

Education, Healthcare & Rural Hygiene.

**Education:** NCL has established an elementary and a High school in English Medium at Simhapuri in Suryapet district, Telangana to address the school education needs of villagers in the near vicinity. More than 50% of the students who have benefited from this initiative are from the tribal sectors. This school is equipped with digital smart classes and have a teaching staff strength of 28. During the 2016-17 academic year the school achieved 100% results in class X exams with a highest 9.5 grade.

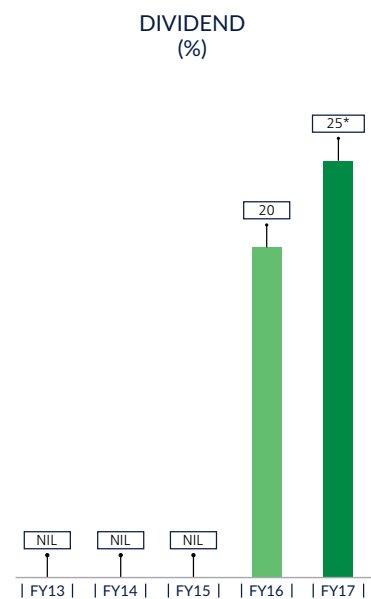
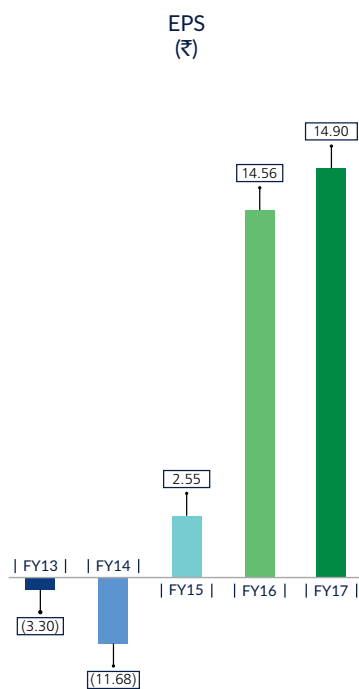
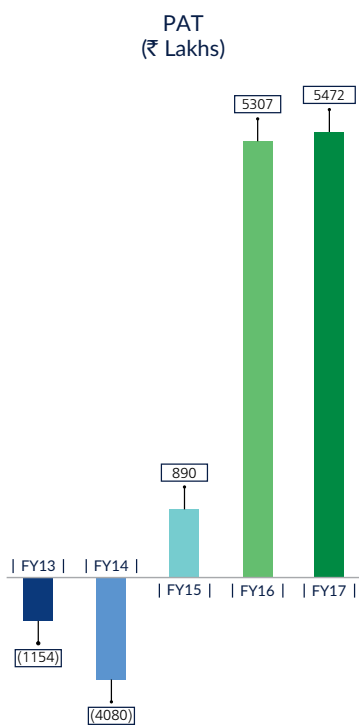
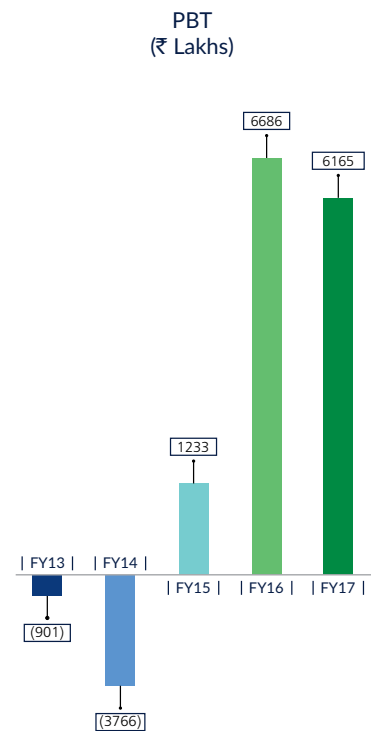
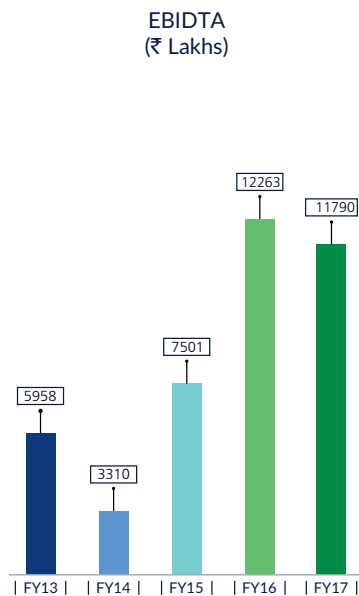
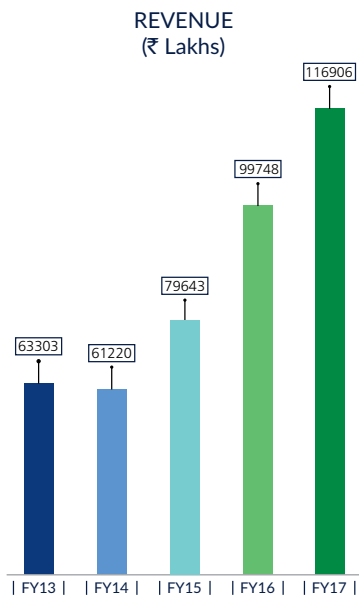
Going forward the company is in the process of establishing a Junior College for which necessary approvals have already been received. The college is scheduled to become functional from the academic year 2018-19.

## FY17 - NCL Healthcare Impact

**38000+**  
people

**Healthcare:** In the year 2002, The company established a 5-bed hospital at its factory campus in Simhapuri village in Suryapet district, Telangana with lab and ECG facilities. The hospital is manned by qualified and experienced medical staff. This facility provides free medical care to over 100 patients per day. Since inception the company has treated 3,62,673 patients. This healthcare centre maintains anti snake venom drugs and during the year has treated 92 people who came with snake bites.

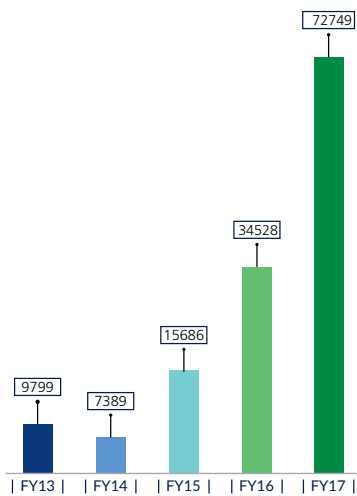
## How We performed



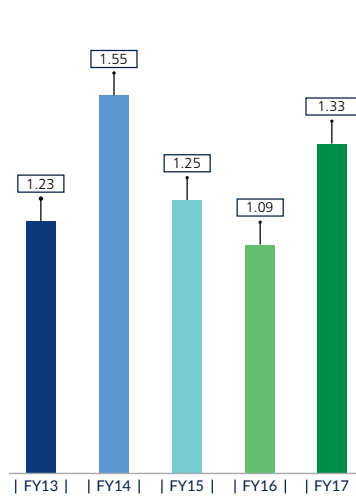
\*Including proposed dividend



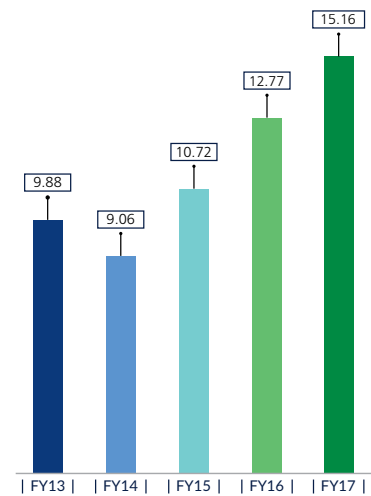
MARKET CAP  
(₹ Lakhs)



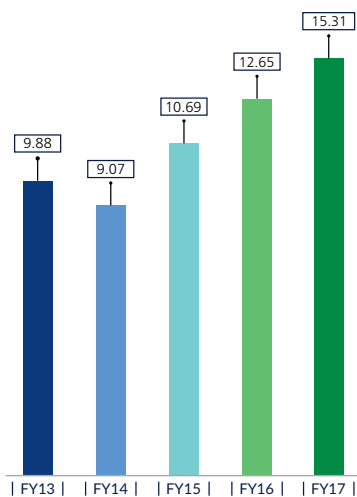
DEBT EQUITY RATIO  
No. of Times



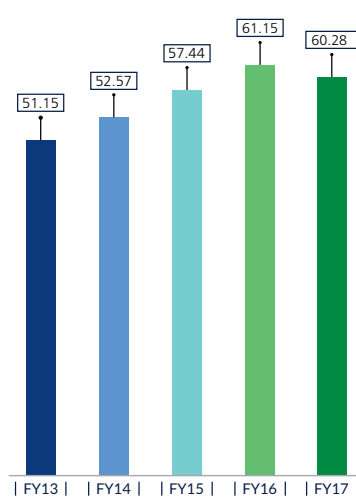
CEMENT PRODUCTION  
(LAKH MTs)



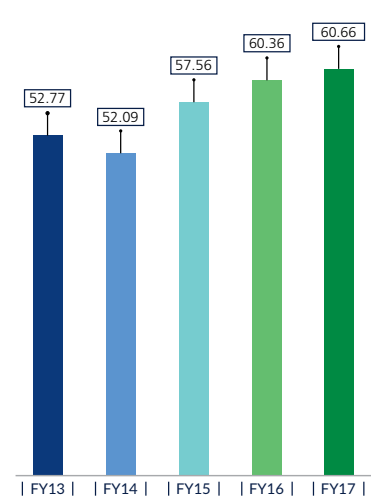
CEMENT SALES  
(LAKH MTs)



BOARDS PRODUCTION  
(THOUSAND MTs)



BOARDS SALES  
(THOUSAND MTs)



## Milestones to Smile About



### 1979 —————> 1997

- 1979: Late Shri K Ramachandra Raju – first generation entrepreneur established Nagarjuna Cements Ltd- the company and commenced business
- 1982: IPO of 11,10,000 equity shares
- 1984: Commercial production of cement at 66,000 tonnes started
- 1985: Declared 20% dividend (12% interim + 8% Final )
- 1987: Changed the name from Nagarjuna Cements Ltd to NCL Industries Ltd
- 1989: Merger of Klayman Porcelains Ltd and Issue of shares at 2:5 to KPL shareholders. Commencement of cement production after expansion to 1,98,000 TPA
- 1990: Rights – cum – Public issue of equity shares
- 1992: Issued shares on right basis 1:5 at Par  
Commencement of Ceramic Unit – using natural gas for first time in the country
- 1993: Commercial production of Cement Bonded Particle Boards in technical collaboration with Bison Werke, Germany.
- 1996: Prefab division executes orders worth Rs.2148 Lacs
- 1997: Introduction of Laminated Cement Bonded Particle Boards – first time in the world

### 1998 —————> 2010

- 1998: ISO certification for Boards division & Cement Division. Ceramic division hived off under the scheme of arrangement to Vijay Porcelain Products Ltd
- 2003: Commenced cement production with expanded capacity of 2,97,000 TPA
- 2006: Issued shares on right basis 4:5 at Rs.18/- per share
- 2007: Commercial production of cement bonded particle boards at Paonta Sahib Plant. Commencement of commercial production from Kondapally cement grinding plant with 330,000 tonnes per annum capacity.  
Merger of NCL Energy Ltd with the company and issued shares at 1:6 to NCL EL shareholders
- 2008: Issue of shares to the promoters on preferential basis at Rs.45 per share.  
Commencement of commercial production of expanded clinker capacity at Simhapuri
- 2009: Commencement of Commercial Production from Kondapalli Line 2 with a capacity of 6.60 Lakh Tons Per Annum
- 2010: Commencement of Commercial Production from Mattapalli Line 2 with a capacity of 9.90 Lakh Tons of Clinker and 6.60 Lakh Tons of Cement. With this expansion, company graduated from Mini cement plant category to become one of the major cement plants in Andhra Pradesh.