

Sustained Growth 

NCL Industries Limited

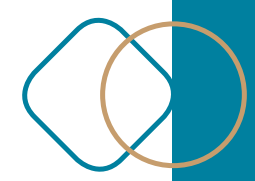
Annual Report
2020–21

40th
ANNUAL REPORT





Dream
Build
Create



Contents

Overview

About us	08
Message from The Chairman	12
Message from The Managing Director	14
Financial Highlights	16
Our Business	
Cement	20
RMC	22
Cement Boards	24
Doors	26
Energy	28
Beyond Business	30
Board of Directors	32
Senior Management	34
Corporate Information	36

Statutory

AGM Notice	38
Board Report	
Directors' Report	52
Report on Corporate Governance	57
Business Responsibility Report	72
Management Discussion & Analysis Report	76
Secretarial Audit Report	82

Financial Statements – Standalone

Independent Auditor's Report	107
Balance Sheet	114
Statement of Profit & Loss	115
Statement of Changes in Equity	116
Cash Flow Statement	117
Notes	118

Financial Statements – Consolidated

Independent Auditor's Report	149
Balance Sheet	155
Statement of Profit & Loss	156
Statement of Changes in Equity	157
Cash Flow Statement	158
Notes	159



K. Ramachandra Raju
Founder
(1934 - 2008)

Our founder and inspiration

The Founder of our Group, Mr. Ramachandra Raju was a pioneer in the mini cement industry. He was among the first few to venture into what at that time was a revolutionary and untested concept of mini cement plants. The Government encouraged experimentation with this low-investment low-volume solution to the chronic shortage of cement that prevailed four decades ago. Mr. Ramachandra Raju accepted the challenge with an entrepreneurial spirit, and established Nagarjuna Cements Ltd to set up a mini cement plant.

Mr. K Ramachandra Raju was one such individual. He along with Mr. Vinodrai Goradia and Mr. G Somaraju as Co-Promoters established Nagarjuna Cements Ltd. From a single commodity unit, it evolved into a multi-product NCL Group in the building materials industry. The association amongst the Co-Promoters continues to the third generation – a unique feature in itself.

The calculated risk paid off handsomely, and the company could declare a dividend of 25% for the very first full year of its operations.

Mr. Ramachandra Raju was a quintessential entrepreneur. He wanted to introduce innovative products much ahead of their times. Bison Panels from Germany, Seccolor pre-painted steel windows from Italy, Alltek paints from Sweden and pre-fab housing were examples.

The innovative products introduced for the first time in the country overcame their teething problems, and established themselves in due course.

Today, while we proudly present our 40th Annual Report, we pay homage to this visionary, whose philosophy of Growth and Innovative Products we have inherited and internalized. They have become the credo of a corporate conglomerate in the making.



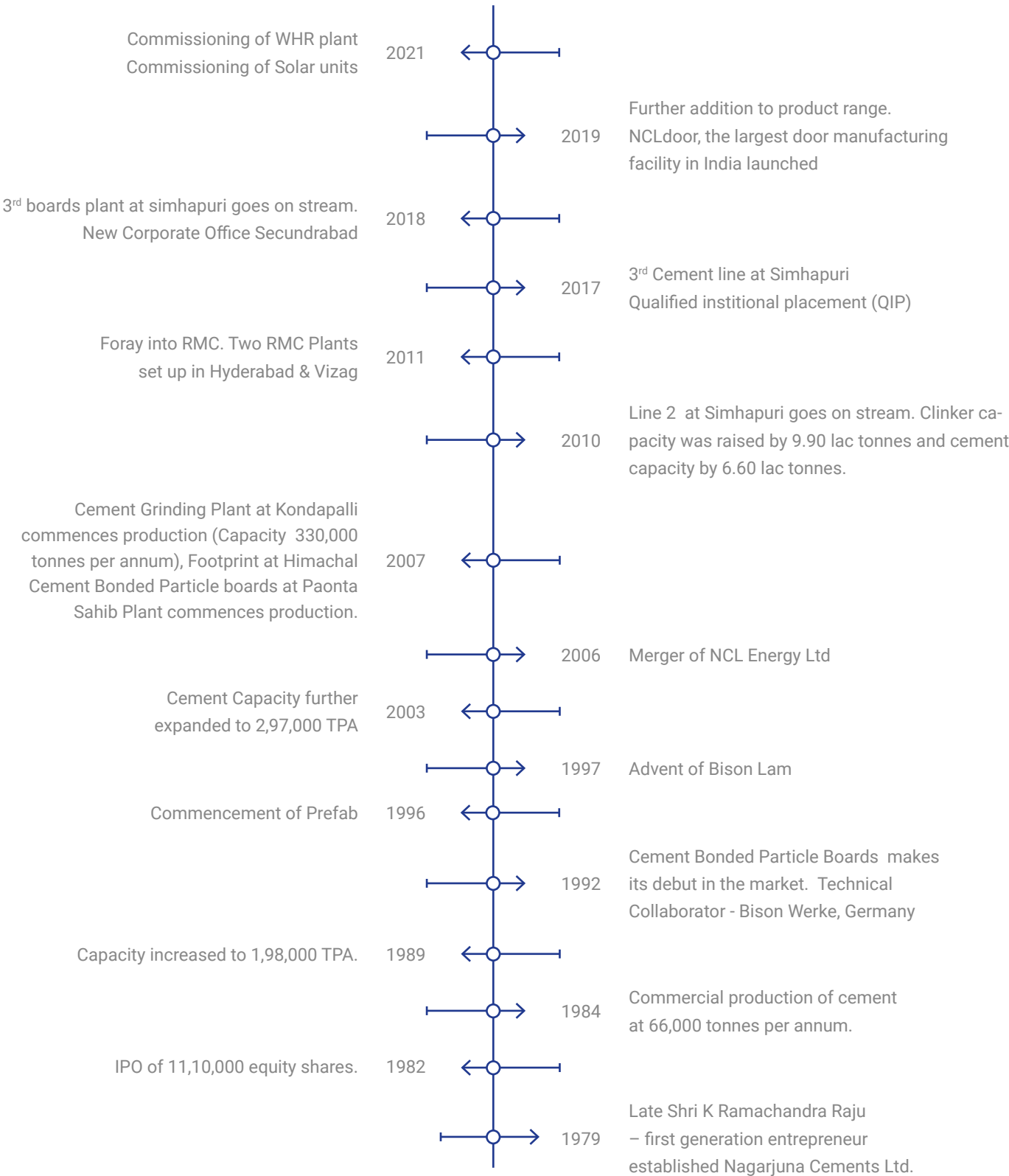
Ahead of the times. Since 1984.

The 1980s transformed India. The decade witnessed a spurt in consumer demand for products and services, a blossoming of new entrepreneurial talent to meet the demand. Individuals from families with agriculture or employment background decided to venture out their zone of comfort and explore new paths and try their hand at industry. This was a phenomenon notable in the then composite state of Andhra Pradesh, which saw the emergence of modest manufacturing units which evolved into significant Industrial Groups.

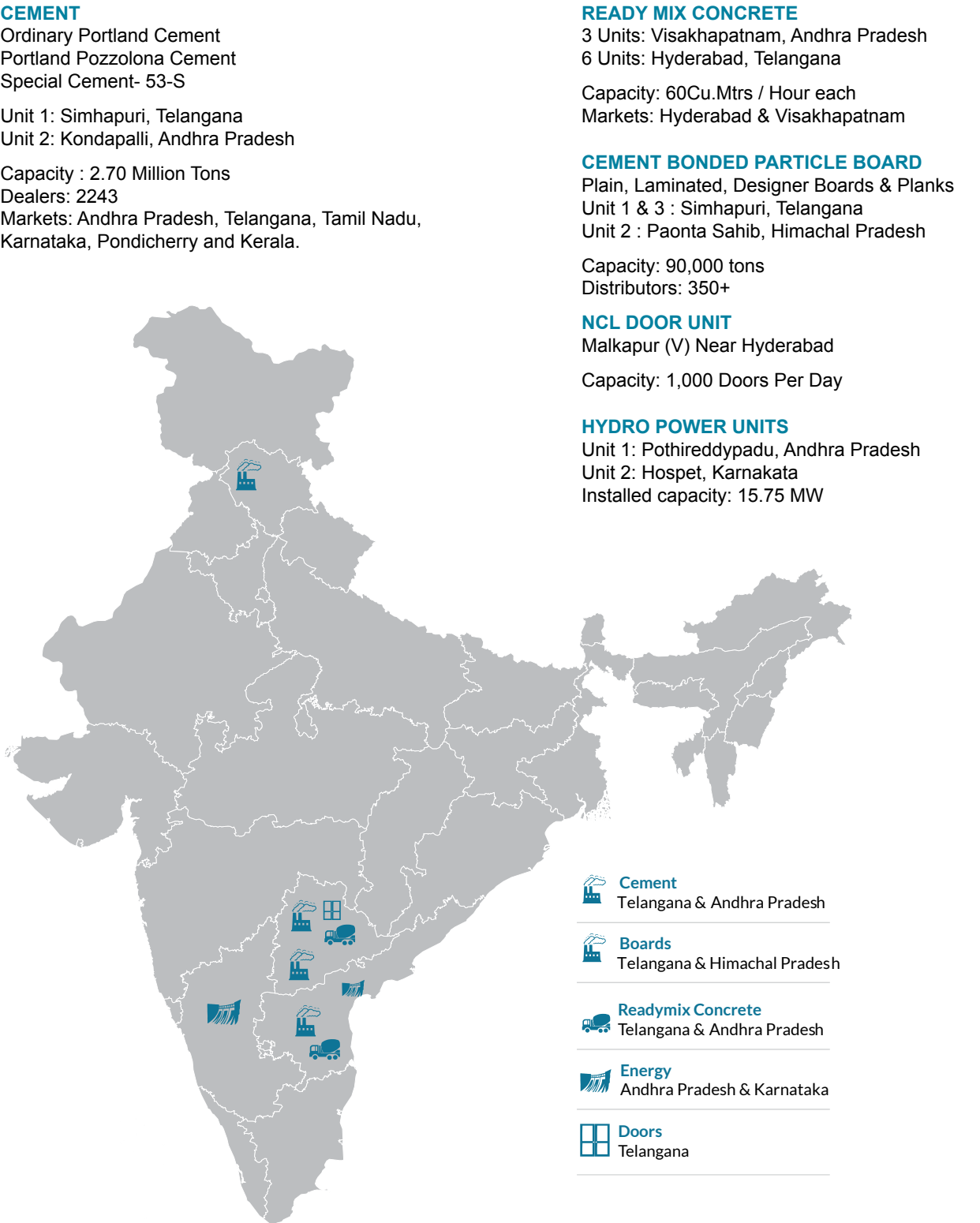
Mr. K Ramachandra Raju was one such individual. Nagarjuna Cements was one such unit which evolved into the multi-product NCL Group in construction and building materials industry.

The fledgling has learnt to fly. From a mini cement plant producing a single commodity in a single location, it spread its wings to 30 locations, and multiple products in building materials.

Timeline



Products and Plant Locations



Kamlesh Gandhi

Chairman

The Chairman Speaks

Greetings to all the stakeholders of NCL Industries Ltd.

It has been a privilege to be the Chairman of the Board of Directors in the year in which it presents its 40th Annual Report of what has been an eventful journey of the company. The year also coincides with several remarkable milestones. New heights have been scaled in terms of turnover, cement production, profitability, and market capitalisation. Of special satisfaction is the fact that we have been able to declare a record dividend of 40% to symbolise the 40th Annual Report. We are delighted that we are able to share our success with Shareholders who have been the source of our strength and support.

Safeguarding the shareholder value has been utmost priority of our venerable Founder, Late Mr. K Ramachandra Raju. There were times when he put his personal credibility at stake to borrow money and deploy in the company at times of crisis - to ensure that the company survives and thrives, and the faith reposed in him by the investors is not misplaced. He would be a proud man today to see progress of his progeny - both corporate and biological. Mr. Ravi the current Managing Director has proved a worthy successor. It is heartening that the next generation is gearing up to assume the mantle and lead the company to even greater heights.

I also fondly recall the sterling role played by my able predecessors in steering the fortunes of the company. The Late Dr. N Kondala Rao, Mr. K Jayabharat Reddy, Mr. R Anand have all been epitomes of wisdom, pragmatism and values that shaped this company into a responsible corporate citizen.

Enhancing the quality of life in the neighbourhood has been a credo that the company always believed. CSR activities in the fields of education and healthcare reflect this philosophy. The comments of some of the beneficiaries of our efforts bear testimony to this. It is a matter of immense satisfaction that we have made a difference on this count.

The past forty years have been stimulating and energising. We look forward to many more years of the ongoing adventure.

We are delighted
that we are able to
share our success
with Shareholders
who have been the
source of our
strength and support



Kamlesh Gandhi
Chairman

K. Ravi

Managing Director

From the Desk of the Managing Director

Age of Forty years is the prime of life of an individual. It can also mark the coming of age for a Corporate. I feel that it is a fact, at least in the case of NCL.

We decided to celebrate our 40th Annual Report as a significant milestone, though it is not one of the more conventional jubilees like Silver or Golden. This is as good a time as any to recall and rejoice our successes - and reflect, introspect, and learn from our failures.

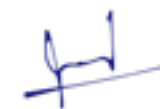
Elsewhere in this commemorative publication you will find statistics and graphic representation of our progress so far. I would therefore not delve on them. I shall instead share with you some regrets and challenges confronting us.

COVID19 was a challenge unlike any we faced in the past. We were determined to tackle it, and our employees responded magnificently to our call. Despite the pandemic, we could organise our production, transport and supplies and help some major government projects stay on track. This wouldn't have been possible without their unstinted support. Safeguarding the health and welfare of our employees was top priority for us. Yet, we lost a few of our valued colleagues or their family members to the pandemic. Even one loss like that is one too many. We pay our homage to the departed souls. We will sorely miss them.

The large order we bagged from the Government of Andhra Pradesh for the mass housing scheme is an opportunity, a challenge and also a testament to our capabilities. Keeping the houses affordable while ensuring reasonable returns is going to be a significant challenge. These twin objectives will test our talents, management skills and ingenuity. While patting ourselves on the back for the achievements thus far, we need to apply ourselves more vigorously to maintain our position in our established activity. Our plans are now focussed on modernisation of the existing cement plant, improving operational efficiencies and energy conservation.

It is indeed a nice feeling to be a part of the elite group of companies with over a thousand crores of market capitalisation. With this comes the realisation that our actions and progress will affect the lives of a larger spectrum of people - employees, customers, investors and their families. This realization denotes greater responsibility. We re-dedicate ourselves to shoulder such responsibility.

While patting ourselves on the back for the achievements thus far, we need to apply ourselves more vigorously to maintain our position..



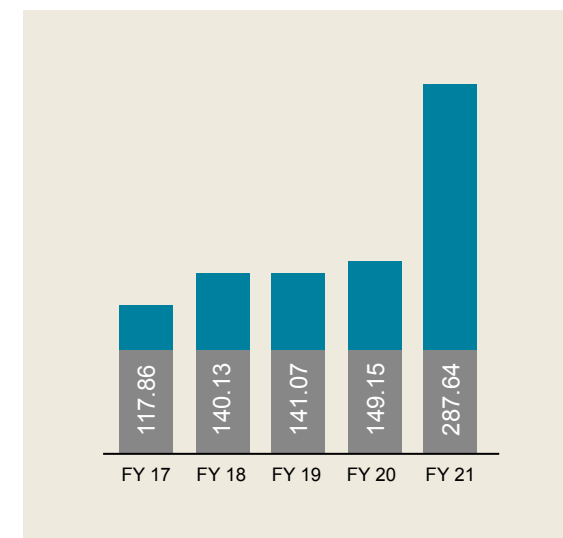
K Ravi
Managing Director

Financial Highlights

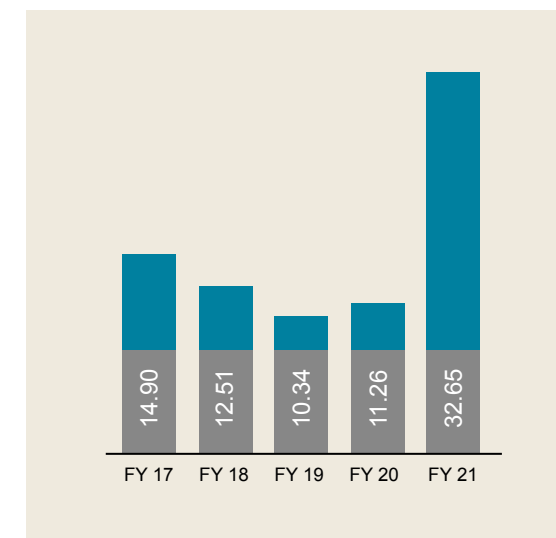
Revenue (₹ in Crores)



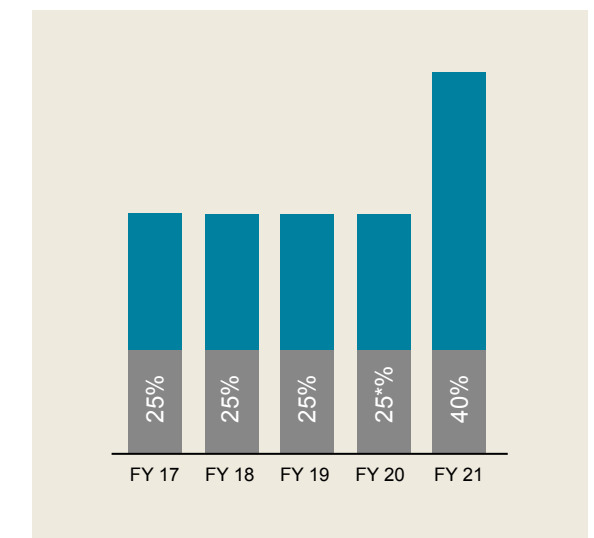
EBIDTA (₹ in Crores)



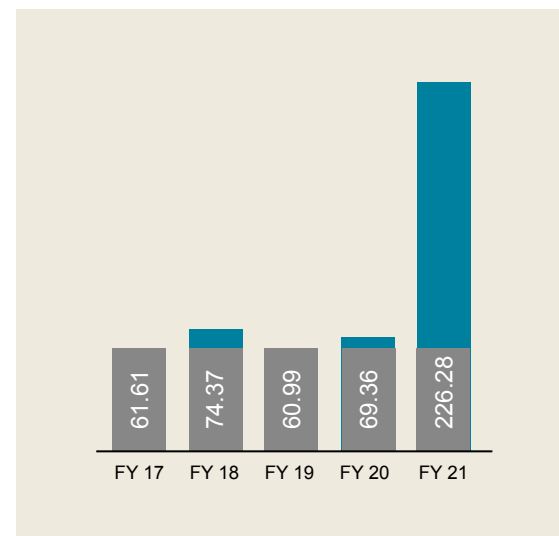
EPS (₹)



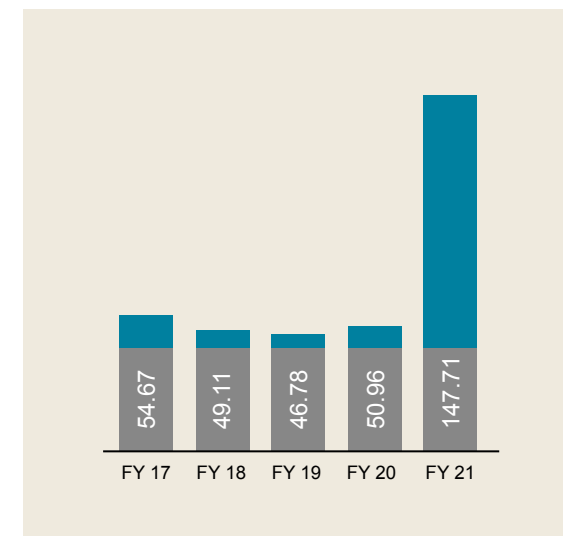
Dividend (%)



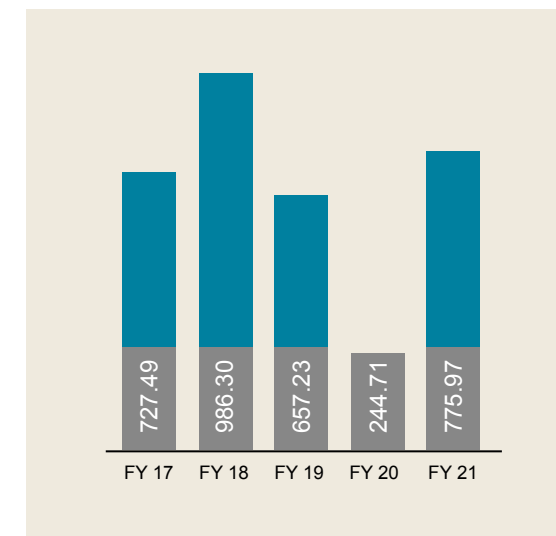
PBT (₹ in Crores)



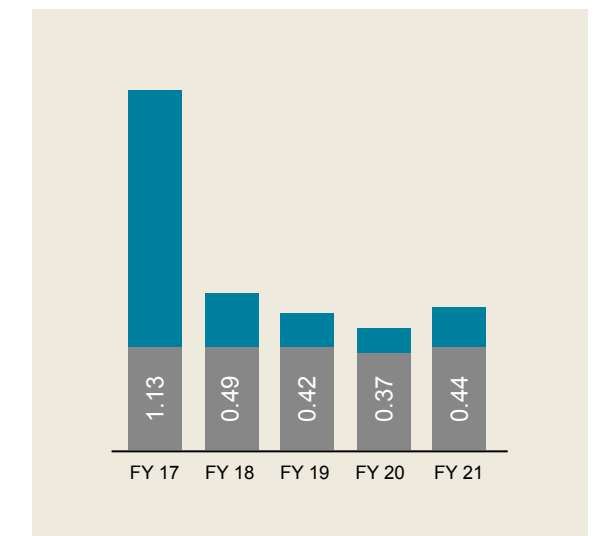
PAT (₹ in Crores)



Market CAP (₹ in Crores)



Debt to Equity



Our Business Divisions



CEMENT BONDED
PARTICLE BOARD



CEMENT



DOORS



RMC



ENERGY

