

THIRTY THIRD  
ANNUAL REPORT  
2018-19

**NCL ALLTEK & SECCOLOR LTD.**



**BUILD SMART. LIVE HAPPY**



**Solid Performance**



Some people are immortal



Sri K. Ramachandra Raju

FOUNDER

Our inspiration & remembered, everyday.



## Sales

Record sales of ₹3724 million in the 2018-19 fiscal year with an increase of ₹1141 million over previous year.

+44%



## EBITDA

Profit before Interest & Depreciation is at ₹594 million in the 2018-19 with an increase of ₹207 million over 2017-18

+54%



## PBT

Profit before Tax excluding exceptional items is at ₹469 million in the 2018-19 with an increase of ₹184 million over 2017-18

+64%



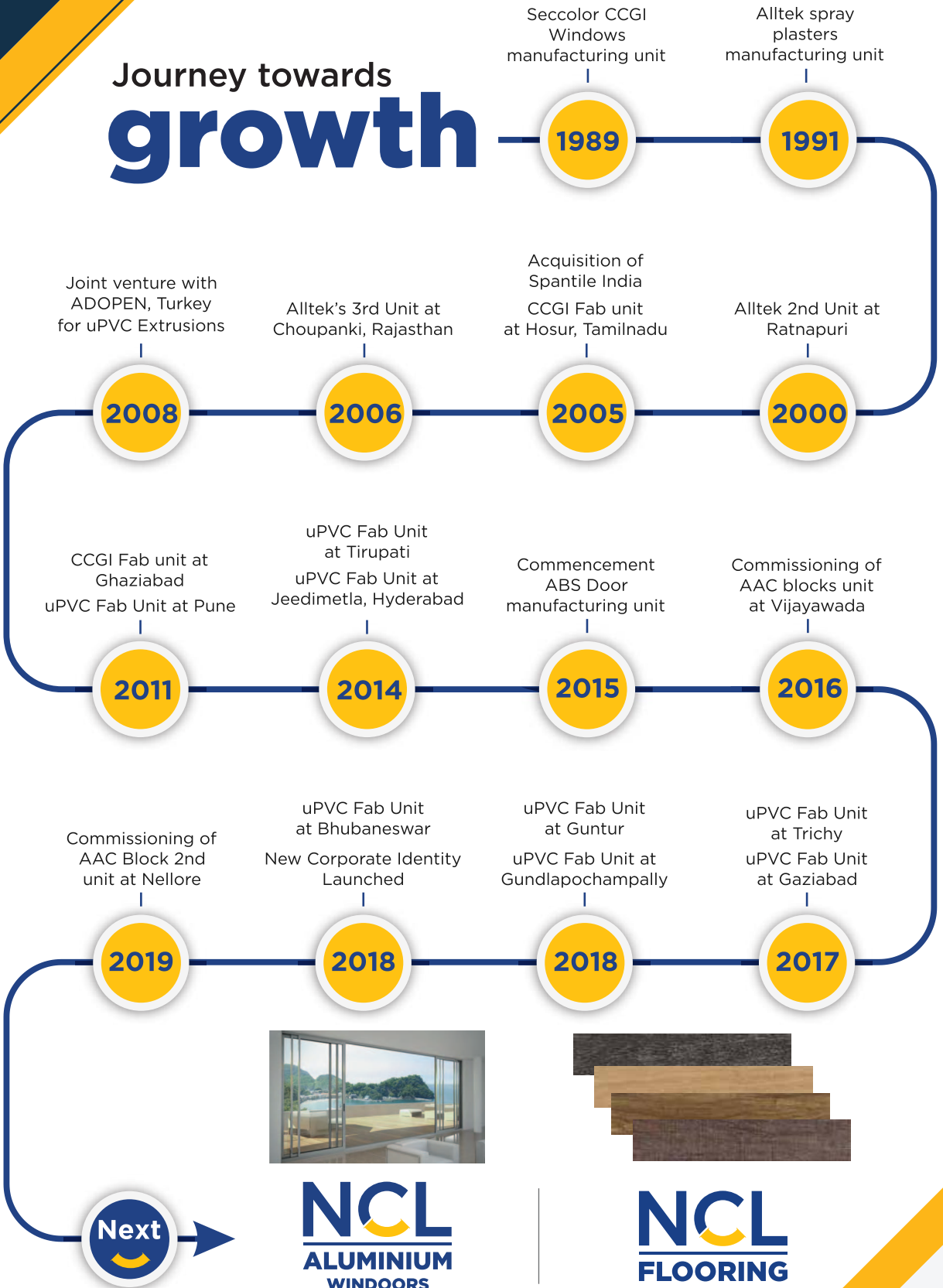
A year of solid  
**growth**



**NCL**

BUILD SMART. LIVE HAPPY

# Journey towards growth



**NCL**  
ALUMINIUM  
WINDOWS



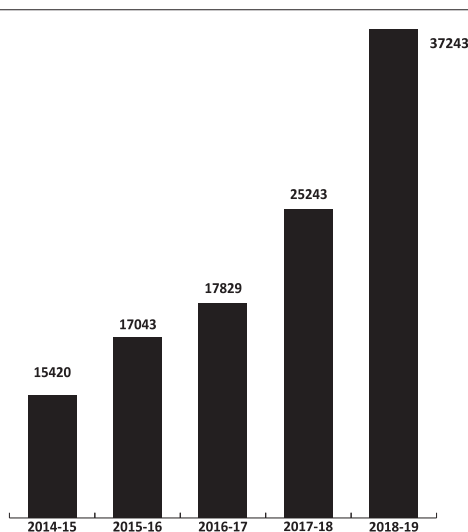
**NCL**  
FLOORING

## KEY PERFORMANCE INDICATORS: FY 2018-19

PARTICULARS	STANDALONE		CONSOLIDATED	
	₹ Crores	US\$ Million	₹ Crores	US\$ Million
NET TURNOVER	372.43	53.54	372.46	53.56
EBIDTA	59.39	8.53	59.46	8.55
PBT*	48.12	6.92	48.17	6.93
PAT**	30.91	4.44	30.96	4.45
CONTRIBUTION TO EXCHEQUER	79.68	11.46	82.71	11.89
EPS IN ₹	53.43		54.78	

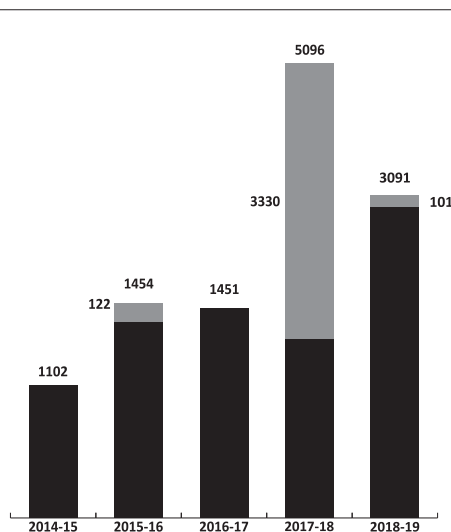
\*includes profit from exceptional items of Rs.1.25 cr

\*\*Includes profit from exceptional items of Rs.1.01 cr



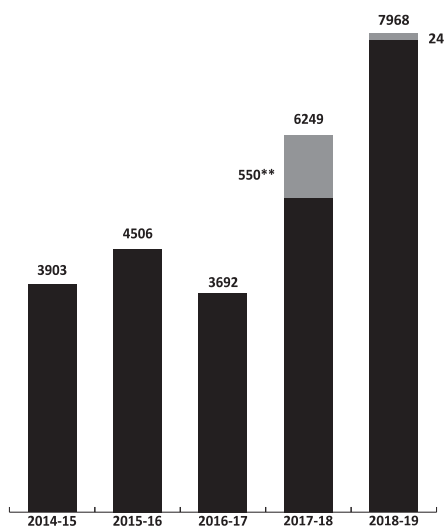
Rs. in lakhs

NET TURNOVER (STANDALONE)



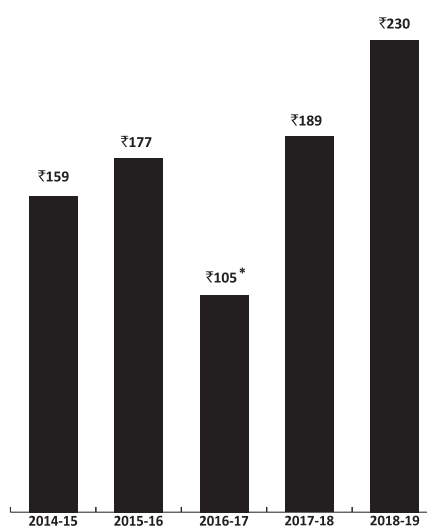
Rs. in lakhs

PROFITABILITY



Rs. in lakhs

CONTRIBUTION TO EXCHEQUER



\* Demerger

BOOK VALUE OF SHARES - CONSOLIDATED

# Presence Across Nation



# NCL ALLTEK & SECCOLOR LIMITED

## BOARD OF DIRECTORS

Mr. M. Kanna Reddy	Chairman (upto19 August, 2019)
Mr. Ashven Datla	Vice Chairman
Mr. Kamlesh Gandhi	Independent Director
Mrs. Rajni Anil Mishra	Independent Director
Mrs. Shilpa Datla	Director
Mr. P Aditya Krishna Varma	Executive Director
Mr. K Satya Subram	Executive Director
Mr. K.A. Reddy	Joint Managing Director
Mr. K. Madhu	Managing Director

## COMPANY SECRETARY

Mrs. U. Divya Bharathi

## AUDITORS

M/s ANANT RAO & MALLIK,  
Chartered Accountants,  
# 409 & 410, Kushal Towers  
Khairatabad, Hyderabad - 500004

## DEMATERIALISATION OF SHARES

ISIN NO: INE243S01010 (NSDL & CDSL)

## BANKERS

STATE BANK OF INDIA  
Industrial Finance Branch, Punjagutta, Hyderabad

## REGISTERED OFFICE

Regd. Office : 4th Floor, Plot No.1,  
Ganga Enclave, Kompally Road, Petbasheerabad,  
Hyderabad - 500067.

Phone : 040 - 4969 3333, 2716 5186

Fax : 040 - 4969 3328

Email : [contactus@nclseccolor.com](mailto:contactus@nclseccolor.com)  
[companysecretary@nclseccolor.com](mailto:companysecretary@nclseccolor.com)

Websites : [www.nclalltek.com](http://www.nclalltek.com), [www.nclseccolor.com](http://www.nclseccolor.com)

CIN : U72200TG1986PLC006601

## DEMAT REGISTRAR

VENTURE CAPITAL AND CORP. INVEST. PVT. LTD.  
12-10-167, Bharat Nagar, Hyderabad



## NCL Pearl

The new nerve center of NCL GROUP is ready in Secunderabad, a landmark building that will house all divisions under one roof in the heart of Hyderabad.

## UNITS

1. Simhapuri, Mattapalli Village, Mattampalli Mandal, Nalgonda District., Telangana State.
2. Ratnapuri, Turkalakhanapur Village, Hatnoora Mandal, Medak District, Telangana State.
3. Sy. No. 271, Plot No. 34/A, Phase-III, IDA, Jeedimetla, Hyderabad, Telangana State.
4. Sy. No. 300, Kavuluru Village, Kondapalli, G. Kondur Mandal, Krishna Dist., Andhra Pradesh.
5. Sy. No. 463/3, Thukivakam, Tirupati Rural, Chittoor Dist. Andhra Pradesh.
6. Plot No. 61, Sipcot Indl. Area, Phase 1, Mookandapalli Village, Hosur Taluq. Tamilnadu.
7. F 141-142, Industrial Area, Chopanki, Bhiwadi, Alwar Dist. Rajasthan
8. Plot No. C-23, Sector B-3, Tronica City, Ghaziabad, Uttar Pradesh.
9. Plot No.13, Gate No.1251/1252, Sanaswadi Village, Shirur Taluka, Pune, Maharashtra.
10. 65/1, Yetukur Road, Near By-pass Road, Guntur - 522 003, A.P.
11. Race Course Road, Khajamalai, Tirichirapalli - 620 023
12. S.No. 26 & 27/1, Gundlapochampally, Medchal, Telangana - 501401
13. Amudalapadu, Muthukur Mandal, SPSR Nellore District, Andhra Pradesh
14. Plot No.20/1570, 72/1572, 71/1571, Khata No. 668/160, Bhagabanpur, Khurda Dist., Bhubaneswar

## CONTENTS

Notice	2	<b>Consolidated Financials</b>	
Director's Report	12	Auditor's Report	64
<b>Standalone Financials</b>		Consolidated Balance Sheet	67
Auditor's Report	29	Consolidated Profit & Loss Statement	68
Balance Sheet	34	Consolidated Cash Flow Statement	70
Profit & Loss Account	35	Notes to Consolidated Financials	72
Cash Flow Statement	37	Go Green Initiative Form	99
Corporate Information	39	Proxy Form	101
Notes	47		

## NOTICE

Notice is hereby given that the 33rd Annual General Meeting of the Members of NCL Alltek & Seccolor Ltd will be held on Saturday, 28th September, 2019 at 10.30 am at K.L.N Prasad Auditorium, Federation House, The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry (FTAPCCI), H.No. 11-6-841, Red Hills, Hyderabad-500004 to transact the following business.

**ORDINARY BUSINESS:**

1. To consider Stand-Alone and the Consolidated Audited Financial Statements for the financial year 31st March 2019, and the Reports of the Auditors and Directors thereon.
2. To confirm the Interim Dividend paid during the year as Final Dividend for the year ended 31st March 2019.
3. To appoint a Director in place of Sri K Ambujodar Reddy who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Sri K Satya Subram who retires by rotation and is eligible for re-appointment.

**SPECIAL BUSINESS:****5. Appointment of Mrs. Rajni Anil Mishra as Independent Director**

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), 152, 160 and other applicable provisions of the Companies Act, 2013, **Mrs. Rajni Anil Mishra (DIN: 08386001)** who was appointed as an Additional Director and who holds office upto the date of this Annual General 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 her appointment."

**6. Re-appointment of Sri. K Satya Subram as an Executive Director**

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 196, 197, 203 and other applicable provisions of the Companies Act, 2013, approval of the Shareholders of the Company be and is hereby accorded for the reappointment of **Sri. K Satya Subram (DIN: 07573350)** as an Executive Director for a period of Three years from 01st August 2019, at the following remuneration:

1. Salary :Rs. 1,39,150/- Per month.  
(with an annual increment of 10% on Salary)

Perquisites :

- a) Housing: @50% on salary
- b) Medical Reimbursement: For self and family subject to a ceiling of one month's salary per year or three months salary in a period of three years.
- c) Leave Travel concession: For self and family subject to a ceiling of one month's salary in each year.
- d) Gratuity: Equal to half month's salary for each completed year of service and shall not be included in ceiling on remuneration.
- e) Contribution to Provident fund/Superannuation.  
Contribution to provident fund/super annuation fund as per the rules to the extent these either singly or put together are not taxable under the Income Tax Act, 1961 and shall not be included in the computation of ceiling on remuneration.

f) Earned/Privilege leave: As per the rules of the company and encashment of unavailed leaves with full pay and allowances at the end of the tenure which shall not be included in ceiling on remuneration.

g) Provision of Car and Cell phone: The Company shall provide car for official business and a cell phone. However personal long distance calls on telephone/cell phone and use of car for private purposes shall be billed by the company."

"FURTHER RESOLVED THAT the above remuneration be paid as minimum remuneration to **Sri K Satya Subram** in the event of absence or inadequacy of profits in any year."

**7. Re-appointment of Sri. P Aditya Krishna Varma as an Executive Director**

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 196, 197, 203 and other applicable provisions of the Companies Act, 2013, approval of the Shareholders of the Company be and is hereby accorded for the re-appointment of **Sri. P Aditya Krishna Varma (DIN: 02100563)** as an Executive Director for a period of Three years from 01st August 2019, at the following remuneration:

1. Salary :Rs. 1,39,150/-Per month.  
(with an annual increment of 10% on salary)

Perquisites :

- a) Housing: @50% on salary
- b) Medical Reimbursement: For self and family subject to a ceiling of one month's salary per year or three months salary in a period of three years.
- c) Leave Travel concession: For self and family subject to a ceiling of one month's salary in each year.
- d) Gratuity: Equal to half month's salary for each completed year of service and shall not be included in ceiling on remuneration.
- e) Contribution to Provident fund/Superannuation.  
Contribution to provident fund/superannuation fund as per the rules to the extent these either singly or put together are not taxable under the Income Tax Act, 1961 and shall not be included in the computation of ceiling on remuneration.
- f) Earned/Privilege leave: As per the rules of the company and encashment of unavailed leaves with full pay and allowances at the end of the tenure which shall not be included in ceiling on remuneration.
- g) Provision of Car and Cell phone: The Company shall provide car for official business and a cell phone. However personal long distance calls on telephone/cell phone and use of car for private purposes shall be billed by the company."

"FURTHER RESOLVED THAT the above remuneration be paid as minimum remuneration to **Sri P Aditya Krishna Varma** in the event of absence or inadequacy of profits in any year."



#### 8. Re-appointment of Sri. K Ambujodar Reddy as Joint Managing Director

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 196, 197, 203 and other applicable provisions of the Companies Act, 2013, approval of the Shareholders of the Company be and is hereby accorded for the reappointment of **Sri K Ambujodar Reddy (DIN: 01194127)** as Joint Managing Director of the Company for a period of Three years with effect from 01st August 2019 at the following remuneration

1. Salary : Rs. 2,16,832/- Per month.

(Subject to an annual increment of 10% on salary)

Perquisites :

- Housing: @50% on salary
- Medical Reimbursement: For self and family subject to a ceiling of one month's salary per year or three months salary in a period of three years.
- Leave Travel concession: For self and family subject to a ceiling of one month's salary in each year.
- Gratuity: Equal to half month's salary for each completed year of service and shall not be included in ceiling on remuneration.
- Contribution to Provident fund/Superannuation.  
Contribution to provident fund/superannuation fund as per the rules to the extent these either singly or put together are not taxable under the Income Tax Act, 1961 and shall not be included in the computation of ceiling on remuneration.
- Earned/Privilege leave: As per the rules of the company and encashment of unavailed leaves with full pay and allowances at the end of the tenure which shall not be included in ceiling on remuneration.
- Provision of Car and Cell phone: The Company shall provide car for official business and a cell phone. However personal long distance calls on telephone/cell phone and use of car for private purposes shall be billed by the company."

"FURTHER RESOLVED THAT the above remuneration be paid as minimum remuneration to Sri K Ambujodar Reddy, in the event of absence or inadequacy of profits in any year."

#### 9. Issue of Bonus Shares

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 63 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, approval of the Members be and is hereby accorded to the Board for capitalization of such sums standing to the credit of the free reserves and/or the securities premium account of the Company, as may be considered necessary by the Board, for the purpose of the issue of bonus equity shares of Rs.10/- each, credited as fully paid-up equity shares to the holders of the existing equity shares of the Company in consideration of their said holding and whose names appear in the Register of Members maintained by the Company/List of Beneficial Owners as received from the National Securities Depository Limited (NSDL) and Central

Depository Services (India) Limited (CDSL), on such date as may be fixed in this regard by the Board, in the proportion of 1 (One) equity share for every 1 (One) existing equity share held by the Members.

RESOLVED FURTHER THAT the bonus equity shares so allotted shall rank pari passu in all respects with the fully paid up equity shares of the Company as existing on such date as may be fixed in this regard by the Board.

RESOLVED FURTHER THAT the allotment of Bonus shares due to the Shareholders who are not holding shares as on the record date in the Dematerialised mode be made into a Demat Suspense Account of the Company and held in such account in trust for the benefit of the eligible shareholders till the shares are transferred to them upon receipt of the details of their Demat Accounts."

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, expedient or desirable for the purpose of giving effect to the aforesaid resolutions and determine all other terms and conditions of the issue of bonus equity shares as the Board may in its absolute discretion deem fit."

#### 10. Increase in Authorized Share Capital and consequent amendment to Memorandum of Association of the Company

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 61 and other applicable provisions of the Companies Act, 2013 and rules made thereunder, and the provisions of Article 35 of the Articles of Association of the Company, the Authorised Share Capital of the Company be increased from Rs.15,00,00,000/- (Rupees Fifteen Crores) divided into 1,50,00,000/- (One Crore Fifty lacs) equity shares of Rs.10/- (Rupees Ten) each, to Rs.25,00,00,000/- (Rupees Twenty Five Crores) by creation of additional 1,00,00,000 (One Crore) equity shares of Rs.10/- (Rupees Ten) each and consequently, existing clause V (a) of the Memorandum of Association of the Company be and is hereby substituted by the following:

"(V) (a) The Authorised Share Capital of the Company is Rs. 25,00,00,000/- (Rupees Twenty Five Crores) divided into 2,50,00,000 (Two Core Fifty Lakhs) equity shares of Rs.10/- (Rupees Ten) each, with power to increase and reduce the said share capital in accordance with the applicable provisions of Companies Act, 2013, and to issue any part of its Capital, original or issued, with or without any preference, priority or special privilege or subject to any postponement of rights and to any conditions or restriction, and so that unless the conditions of issue shall otherwise expressly declare, every issue of share, whether expressed to be preference or otherwise, shall be subject to the powers herein before contained.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary, expedient or desirable for the purpose of giving effect to the aforesaid resolutions and in connection with any matter incidental thereto."

#### 11. Acceptance of Deposits from Members and Public

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

"RESOLVED THAT pursuant to Sections 73 and 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, consent of the Members be and is hereby accorded to the Board of Directors of the Company to invite and accept fixed deposits from the Members and public, within limits prescribed in the Act and the overall borrowing limits of the Company, as approved by the Members, from time to time.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to finalise the scheme for invitation and acceptance of fixed deposits from the Members and the public and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this Resolution."

#### 12. Change in name of the Company

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 4, 5, 13 and 14 and other applicable provisions, if any, of the Companies Act, 2013 and subject to the approval of the Central Government and / or any other authority as may be necessary, the name of the Company be changed from "NCL Alltek & Seccolor Limited" to "NCL BUILDTEK LIMITED".

RESOLVED FURTHER THAT upon issuance of the fresh certificate of incorporation by the Registrar of Companies consequent upon change of name, the old name "NCL Alltek & Seccolor Limited" as appearing in Name Clause of the Memorandum of Association of the Company and wherever appearing in the Articles of Association of the Company and other documents and places be substituted with the new name "NCL BUILDTEK LIMITED."

#### 13. Remuneration by way of Commission to Non-Executive Directors of the Company

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

"RESOLVED that pursuant to Article 61 of the Article of Association of the Company and subject to the provision of the Section 197(4) and 198 of the Companies Act, 2013, consent to the company be and is hereby accorded to the payment of remuneration by way of commission to all the Non-Executive Directors @ 0.25 % (Point Two Five percent) of the Net Profits of the Company in addition to the sitting fees for attending meetings of the Board or Committee thereof."

#### 14. Issue Of Equity Shares

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

**RESOLVED THAT**, in accordance with the provisions of Section 62(1)(c) and any other applicable provisions, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force), as amended ("the Act"), including the rules framed thereunder, the Securities Contracts Regulation Act, 1956, as amended ("SCRA"), and the rules framed thereunder, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, ("SEBI ICDR Regulations") the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI LODR Regulations") and other applicable Securities and Exchange Board of India ("SEBI") regulations, circulars, notifications and guidelines, other applicable laws, regulations, policies or guidelines including any foreign investment law, policy, notification, circular, clarification or guideline in India (including any amendment thereto or re-enactment thereof for the time being in force), the equity listing agreement to be entered into with the relevant stock exchange(s) where the equity shares of the Company are proposed to be listed ("Stock Exchanges")(collectively "Applicable Laws"), and the provisions of the Memorandum of Association of the Company and Articles of Association of the Company and subject to the approval of relevant government, statutory and/or regulatory authorities, as required, including the Department of Industrial Policy and Promotion, Government of India ("DIPP"), the SEBI, the Reserve Bank of India ("RBI"), the Registrar of Companies, Telangana, Hyderabad ("RoC"), the Stock Exchanges and such other approvals, permissions and sanctions, as may be necessary, consents from the lenders of the Company (if any), and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions, the consent, approval and sanction of the shareholders of the Company be and is hereby granted to create, offer, issue and allot equity shares of the Company of face value of Rs. 10 each or such other face value as may be decided by the Board (the "Equity Shares") up to an aggregate of Rs. 300 Crores pursuant to a fresh issue of Equity Shares (the "Fresh Issue") together with an offer for sale of the Equity Shares, if any, eligible for offer for sale, by certain existing shareholders of the Company, in accordance with the SEBI ICDR Regulations (the "Offer for Sale" and such shareholder, the "Selling Shareholder", the Offer for Sale together with the Fresh Issue, the "Offer" or the "IPO") at such price at which the Equity Shares are to be issued, at such premium for cash or otherwise as determined by the book building process in accordance with the provisions of the SEBI ICDR Regulations (the "Offer Price") in consultation with the book running lead managers ("BRLMs") appointed for the Offer, (provided that in case of oversubscription such number of additional Equity Shares to the extent of up to 10% of the Offer to the public may be issued and allotted as may be required for the purposes of rounding off to the nearest integer while finalizing the basis of allotment) including the issue and allotment of Equity Shares to such person or persons as the Board may at its discretion decide in consultation with the BRLMs and as may be

permissible under Applicable Laws, including foreign/ resident investors, Hindu undivided families, registered foreign institutional investors and their sub-accounts, registered foreign portfolio investors, alternative investment funds, foreign venture capital investors, qualified foreign investors, state industrial development corporations, insurance companies and insurance funds, provident funds, pension funds, national investment fund, insurance funds, trusts/societies registered under the Societies Registration Act, 1860, Indian and/or multilateral and bilateral financial institutions, mutual funds, non-resident Indians, employees and/or workers of the Company, in or out of India, or the members of group companies, Indian public, bodies corporate, any other company/companies, private or public or other body corporate(s) or entities whether incorporated or not, and such other persons, including high net worth individuals, retail individual bidders or other entities, in one or more combinations thereof and/or any other categories of investors as may be permitted under Applicable Laws, including qualified institutional buyers and anchor investors as defined under the SEBI ICDR Regulations, whether they be holders of Equity Shares or not, and/or through issue of offer documents and in the manner, and on the terms and conditions as the Board may in its discretion, in consultation with the BRLMs, to the stabilizing agent pursuant to a green shoe option, if any, in terms of the SEBI ICDR Regulations, and the decision to determine the category or categories of investors to whom the offer, issue and allotment shall be made to the exclusion of all other categories of investors and that the Board may, in consultation with the BRLMs, finalize all matters incidental thereto as it may in its discretion think fit and as may be permissible under Applicable Laws;

**RESOLVED FURTHER THAT** in accordance with the Applicable Laws, the Board be and is hereby authorized, on behalf of the Company to complete a private placement of such number of Equity Shares as may be decided by it, to certain investors as permitted under Applicable Laws on or prior to the date of the red herring prospectus ("**Pre-IPO Placement**") in accordance with the Companies Act 2013, the SEBI ICDR Regulations and other Applicable Laws, at such other price as the Board may, in consultation with the BRLMs, underwriters, placement agents and/or other advisors, determine in light of the then prevailing market conditions and do all such other acts, deeds, matters and things as the Board may from time to time, in their absolute discretion deem fit and including without limitation, negotiate, finalize and execute any document or agreement, any private placement offer letters, placement agreement, term sheet and such other documents or any amendments or supplements thereto and to open any bank account for the purpose if required, and to open any shares or securities account or escrow or custodian accounts as may be required in connection therewith and generally to do all such acts, deeds, matters and things in relation to all matters incidental to the Pre-IPO Placement or in relation to the foregoing and to settle any question, difficulty, or doubt that may arise with regard thereto or in relation to the foregoing. In the event of happening of Pre-IPO Placement, the size of the IPO would be reduced to the

extent of Equity Shares issued under Pre-IPO Placement.

**"RESOLVED FURTHER THAT** the Board is hereby authorized to make available for allocation a portion of the IPO to any category(ies) of persons permitted under applicable law, including without limitation, eligible employees (the "**Reservation**") or to provide a discount to the issue price to retail individual bidders or eligible employees (the "**Discount**"); and to take any and all actions in connection with any Reservation or Discount as the Board may think fit or proper in its absolute discretion, including, without limitation, to negotiate, finalize and execute any document or agreement, and any amendments, supplements, notices or corrigenda thereto; seek any consent or approval required or necessary; give directions or instructions and do all such acts, deeds, matters and things as the Board may, from time to time, in its absolute discretion, think necessary, appropriate, or desirable; and settle any question, difficulty, or doubt that may arise with regard to or in relation to the foregoing."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to the IPO, the Board is hereby authorised to allot Equity Shares and other matters in connection with or incidental to the IPO, including determining the anchor investor ("**Anchor Investor**") portion and allocate such number of Equity Shares to the Anchor Investor in accordance with the SEBI ICDR Regulations."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution and any issue and allotment of the Equity Shares, the Board or any Committee thereof be and is hereby authorized to determine the terms of the Issue including the class of investors to whom the securities are to be allotted, the number of securities to be allotted in each tranche, issue price, premium amount on issue, discount, if any, to such categories of investors as permitted under SEBI ICDR Regulations, listing on one or more stock exchanges in India as the Board in its absolute discretion deems fit and do all such acts, deeds, matters and things and execute such deeds, documents and agreements, as it may, in its absolute discretion, deem necessary, proper or desirable, and to settle or give instructions or directions for settling any questions, difficulties or doubts that may arise in regard to the offering, issue, allotment and utilization of the issue proceeds, if applicable and to accept and to give effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions, as it may, in its absolute discretion, deem fit and proper in the best interest of the Company, without requiring any further approval of the members and that all or any powers conferred on the Company and the Board through this resolution may be exercised by the Board or such committee thereof as the Board may constitute in this behalf."

**RESOLVED FURTHER THAT** the Equity Shares so allotted or transferred in the IPO shall be subject to the Memorandum of Association and the Articles of Association of the Company and shall rank paripassu in all respects with the existing equity shares of the Company, provided that the investors who are allotted or transferred Equity Shares pursuant to the IPO shall be entitled to participate in dividends, if any, declared by the

Company after the allotments and transfer of Equity Shares pursuant to the IPO, in compliance with the applicable laws.

**RESOLVED FURTHER THAT** the equity shares of the Company issued through the IPO be listed at one or more Stock Exchanges in India.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers herein conferred in such manner as it may deem fit to an IPO Committee, to be constituted in accordance with the Articles of Association of the Company.

**RESOLVED FURTHER THAT** the certified copies of this resolution be provided to those concerned under the hands of any Director or Company Secretary of the Company wherever required.

#### 15. Remuneration to Cost Auditor

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

**RESOLVED THAT** pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014, the remuneration payable to M/S. SR AND ASSOCIATES, Cost Accountants, the Cost Auditor appointed by the Board of Directors of the Company fixed as Rs. 75,000/- only for the financial year ending March 31, 2020, be and is hereby ratified."

#### NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on his behalf. A proxy need not be a member of the company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member.
2. The instrument appointing proxy must be lodged at the Registered Office of the company at least 48 hours before the commencement of the Meeting.
3. The Register of Members will remain closed from 21st September, 2019 (Saturday) to 28th September 2019 (Saturday) (both days inclusive).
4. An explanatory statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the meeting is annexed hereto.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 the company is providing e-voting facility to enable shareholders to cast their vote electronically on all the resolutions set forth in the Notice to the 33rd Annual General Meeting to be held on Saturday 28th September, 2019 at 10.30 am. The company has engaged the services of Central Depository Services (India) Limited to provide e-voting platform to the shareholders.

The instructions for shareholders voting electronically are as under:

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

- (i) The voting period begins at 9.00 AM on 25th September, 2019 and ends at 5.00 PM on 27th September, 2019. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 20th September 2019 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.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) 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) <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> </ul>
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. <ul style="list-style-type: none"> <li>• 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 number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <NCL ALLTEK & SECCOLOR LIMITED> on which you choose to vote.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) 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.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
6. Ms. D Soumya, Practising Company Secretary (COP No-13199) 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.
7. The Board of Directors in its meeting held on 29th March, 2019 declared an Interim Dividend of Rs.5.50paise (55%) per every Equity Share of face value of Rs. 10/- each for the year ended 31st March, 2019, the same was already paid to the shareholders. A resolution is placed before the shareholders for confirming the same as Final Dividend.

## FOR SHAREHOLDERS ATTENTION

8. Members can register their email ids and contact nos. with the Company for paperless communication by filling the GO GREEN Form in the Annual Report at **page no.99** and submit the same to the company.
9. Shareholders holding share certificates in the name of "NCL Seccolor Limited" or "Alltek Coating Products Ltd." are requested to surrender the original share certificates to the Company at its registered office address in exchange of which the Company will issue new share certificates of "NCL Alltek & SeccolorLtd".
10. The Shareholders are requested to lodge the share certificate of "NCL Alltek & Seccolor Ltd" for Dematerialisation instead of share certificates in the name of "NCL Seccolor Limited" or "Alltek Coating Products Ltd." to avoid the Rejection of Demat requests.
11. Shareholders are requested to note the Circular of Ministry of Corporate Affairs dated September 10, 2018, Every holder of Securities of an unlisted public company who intends to transfer such securities on or after 02nd October, 2018 shall get such securities dematerialized before the transfer. Therefore all the shareholders are requested to dematerialize their respective holdings.
12. The Company has admitted its shares with NSDL & CDSL for dematerialisation. The ISIN Number is INE243S01010
13. Shareholders are requested to note that, electronic credit of future Dividends in the bank account will be made to the shareholders holdings shares in dematerialized form.
14. Shareholders are further requested to note that any Corporate actions namely Bonus Issues/ Rights Issue/any other Issue of Securities by the Unlisted Public Company to be made only in Dematerialized form. Therefore all the shareholders are requested to dematerialize their respective holdings.
15. Shareholders who have not encashed their dividend warrants from the year 2012-13 onwards 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) and 124(6) of the Companies Act, 2013 dividend which remains unpaid /unclaimed over a period of 7 years, such unclaimed dividends and such shares whether held in demat form or in physical form are required to be transferred by the company to the Investor Education & Protection Fund (IEPF). Any person whose unclaimed dividends/shares so transferred to IEPF, may claim the shares for refund /apply to IEPF by submitting an online application form to IEPF along with fee specified by IEPF from time to time.
16. The Shareholders are requested to note that, the Company had sent reminders to the Shareholders whose dividends are remained unpaid /unclaimed over a period of 7 years. These shares are due to transfer to IEPF by November 2019. The Details are available on the Company website [www.nclalltek.com](http://www.nclalltek.com)
17. The Shareholders are requested to access the Annual Report of the Company on its website [www.nclalltek.com](http://www.nclalltek.com).
18. The investors may contact the Company Secretary for redressal of their grievances/queries. For this purpose, they may either write to the Registered office address or e-mail their grievances/queries to the Company Secretary at the following e-mail address: [companysecretary@nclseccolor.com](mailto:companysecretary@nclseccolor.com) or dial 040-49693333 Extn: 325/359

By Order of the Board  
For **NCL Alltek & Seccolor Ltd.**

Place : Hyderabad  
Date : 19th August, 2019

**U. Divya Bharathi**  
Company Secretary

## EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013

### ITEM NO. 5 :

Mrs. Rajni Anil Mishra (DIN: 08386001), was appointed by the Board of Directors as Independent Director on 29th March, 2019. In terms of Section 161 of the Companies Act 2013 she holds office until the conclusion of this meeting.

This Resolution seeks the approval of the shareholders for her appointment as Independent Director for a period of five years from the date of her original appointment. The brief profile of Mrs. Rajni Anil Mishra is attached to this statement.

Mrs. Rajni Anil Mishra is a banker with a distinguished career. Your Board feels that her expertise and experience in the fields of finance will be of immense value to the company.

In the opinion of the Board, she fulfills the criteria of independence as mentioned under Companies Act, 2013.

The company received a notice in writing from a member along with requisite deposit under section 160 of the Companies Act, 2013 proposing the candidature of Mrs Rajni Anil Mishra as Independent Director of the Company.

She has furnished a declaration under section 149(7) to the effect that she meets the criteria of Independent Director and given her consent to act as Independent Director. She does not hold any Equity shares in the Company.

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

#### **Brief profile of Mrs. Rajni Anil Mishra**

Name	: Rajni Anil Mishra
DOB	: 23/01/1957
Educational Qualifications	: M. Com (Gold Medallist), M.S. University, Vadodara

#### **Professional Experience:**

Mrs. Rajni Anil Mishra was a career banker for 38 years, working for State Bank of India as well as for two of its Associate banks, viz. State Bank of Saurashtra and State Bank of Hyderabad, in varied assignments all over the country.

She worked in diverse assignments at Branches, in the Forex Treasury, Vigilance, Audit & Inspection departments. As Assistant General Manager she headed the Overseas Branch, Mumbai designated for financing the Diamond industry.

As Deputy General Manager, she headed Corporate Credit Intensive branches at Hyderabad and Mumbai having exposure to various industries, viz. Infrastructure, Pharmaceuticals, Textiles, Steel, Power etc. as Leader or Member of the Consortium of banks. She handled accounts of all the major Corporates, participated in Project Funding/Syndication, Rehabilitation, CDR accounts etc. These branches were consistently recognised as the top performing branches of the Bank in terms of business and profits during that period and awarded the Top Performer Trophy. She headed Hyderabad Zone, the largest Zone of State Bank of Hyderabad handling Agriculture, SME and Retail business. At the Corporate Centre, she coordinated the credit sanction and monitoring process as Secretary

to the Corporate Centre Credit Committee (CCCC). As General Manager & Secretary to the Central Board of State Bank Group, she had been actively engaged in the Board level deliberations, induction of new Directors and maintaining liaison with Reserve Bank of India, Ministry of Finance and other agencies. As Chief General Manager, she headed the important Karnataka Circle of the Bank and achieved new milestones in taking the Circle amongst the top performing Circles of the Bank.

#### **Other Interests:**

She is a regular Speaker and Trainer at State Bank of India's as well as other Public Sector Banks' Training Institutes to mentor officers in different scales. She is regularly invited by the Rotary Club, Trade Associations and Educational Institutions for Panel discussions on wide ranging topics.

Apart from that, she is engaged in Social Work through NGOs like Lets Feed Bengaluru (LFB) and Sneha Rides Foundation, which gives shelter to orphans of HIV affected parent(s).

The Board considers that her experience and expertise in Banking and Finance will be of immense value to the company.

The Board recommends the resolution for the approval of the Shareholders.

### ITEM NO 6:

At the meeting of the Board of Directors held on 19th August, 2019, Sri. K Satya Subram, was re-appointed as Executive Director for a period of three years with effect from 01st August, 2019. The remuneration and terms of his re-appointments were also duly approved by the Nomination and Remuneration Committee as well as the Board of Directors.

The remuneration proposed is in accordance with the ceilings prescribed under Schedule V to the Companies Act, 2013.

The Board recommends the resolution for approval of the shareholders.

Except Sri. K Satya Subram none of the Directors or Key Managerial Personnel is interested in the resolution.

### ITEM NO 7:

At the meeting of the Board of Directors held on 19th August, 2019, Sri. P Aditya Krishna Varma, was re-appointed as Executive Director for a period of Three years with effect from 01st August 2019. The remuneration and terms of his re-appointment were also duly approved by the Audit Committee and Nomination and Remuneration Committee as well as the Board of Directors.

The remuneration proposed is in accordance with the ceilings prescribed under Schedule V to the Companies Act, 2013.

The Board recommends the re-appointment Special Resolution set out at Item No 7 for approval by the Shareholders.

Sri. P Aditya Krishna Varma is the Son-in-law of Sri. K Madhu, Managing Director of the Company. None of the other Directors / Key Managerial Personnel except Sri. K Madhu and Sri. P Aditya Krishna Varma are interested in the proposed Resolutions.

**ITEM NO 8:**

At the meeting of the Board of Directors held on 19th August, 2019, based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors re-appointed Sri. K Ambujodar Reddy as Joint Managing Director for a period of 3 years with effect from 01st August 2019. The remuneration and terms of his appointment of Sri. K Ambujodar Reddy were duly approved by Nomination and Remuneration Committee as well as the Board of directors.

The remuneration proposed is in accordance with the ceiling prescribed under Schedule V to the Companies Act, 2013.

The Board recommends the resolution for approval of the shareholders

Except Sri. K A Reddy, none of the Directors or Key Managerial Personnel is interested in the resolution set out at Item No. 8 of the Notice.

**ITEM NOS 9 and 10:**

Considering the financial position of the Company, the Board in its meeting held on 19th August, 2019 decided to recommend a bonus issue of 1 (One) equity share for every 1 (One) existing equity shares held. With the proposed issue, the paid up capital would increase to Rs 11.56 crores and the company shares would be eligible for listing on BSE/NSE as and when the IPO is made.

Presently, the authorized share capital of your Company is Rs.15,00,00,000/- (Rupees Fifteen Crores) divided into 1,50,00,000/- (One Crore Fifty lacs) equity shares of Rs.10/- (Rupees Ten) each. It is proposed to increase the authorized share capital to Rs. 25,00,00,000/- (Rupees Twenty Five Crores) by creation of additional 1,00,00,000 (One Crore) equity shares of Rs. 10/- (Rupees Ten) each.

The increase in authorized share capital as aforesaid would require consequential amendments to the existing Clause V of the Memorandum of Association of the Company. The increase in authorized share capital and alteration of relevant clause(s) of the Memorandum of Association of the Company and issue of bonus equity shares, are subject to Members' approval in terms of Sections 61 and 63 of the Companies Act, 2013 and any other applicable statutory and regulatory approvals.

Accordingly, resolutions 9 and 10 of this Notice seek Members' approval for increase in authorized share capital and consequential amendments to Memorandum of Association of the Company and capitalization of the amount standing to the credit of free reserves and/or the securities premium account and/or the capital redemption reserve account for the purpose of issue of bonus equity shares on the terms and conditions set out in the resolutions.

No Director, Key Managerial Personnel or their relatives are in any way concerned or interested in the resolutions 9 and 10 of this Notice except to the extent of their shareholding of which they are directors or members or trustees or hold other similar positions.

The Board recommends the resolutions 9 and 10 for approval of the Members.

**ITEM NO. 11:**

As per Sections 73 and 76 of the Companies Act, 2013 relating to the acceptance of deposits by companies from its members and from public and the Companies (Acceptance of Deposits) Rules, 2014 ("the Rules"), only an eligible company is allowed to accept deposits from persons other than its members. An eligible company has been defined in the Rules to mean a Public Company as referred to in sub-section(1) of Section 76, having a net worth of not less than Rs.100 crores (Rupees One Hundred crore) or a turnover of not less than Rs.500 crores (Rupees Five Hundred crore) and which has obtained the prior consent of the company in general meeting by means of a special resolution and also filed the said resolution with the Registrar of Companies before making any invitation to the public for acceptance of deposits.

The Act prescribes that any company inviting, accepting or renewing deposits would have to obtain credit rating from a recognized credit rating agency.

The Company periodically obtaining credit rating for its fixed deposit scheme from a recognized credit rating agency and inform the public about the rating given by them prior to inviting deposits from the public. Accordingly, consent of the members is sought for passing a special resolution. This resolution enables the Board of Directors of the Company to accept/renew deposits from the public and members up to the permissible limits laid down in the Rules.

None of the Directors, Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution except to the extent of any deposits that they may place with the Company under its approved Fixed Deposit Scheme. The Board recommends the resolution for approval of the members.

**ITEM NO. 12:**

To strengthen the identity of the Company as a building material company, the Board of Directors decided to change the name of the Company from NCL Alltek & Seccolor Limited to **NCL Buildtek Limited**. The Registrar of Companies has approved the availability of the desired name i.e. **NCL Buildtek Limited** vide its approval dated 06th August 2019. The provisions of the Companies Act, 2013 and rules made there under requires the Company to obtain approval of shareholders by a Special Resolution for effecting change in the Company name and consequential alteration in the Memorandum and the Articles of Association.

None of the Directors and Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution. The Board of Directors of the Company accordingly commends the special resolution as set out in Item No. 12 of this Notice for your approval.

**ITEM NO. 13:**

The Board of Directors of the Company at their meeting held on 19th August, 2019 approved the payment of commission to the non-whole time directors of the company. According to Section 197 of the Companies Act, 2013 approval of the members is sought by way of a special resolution for payment of commission to the non-whole time directors of the company as set out in the resolution at Item No. 13

All the Directors of the company other than the whole time directors are concerned and interested in the said resolution.



**ITEM NO. 14:**

The Company proposes to create, offer, issue, allot equity shares of the Company of face value Rs.10 (the "Equity Shares") up to an aggregate of Rs. 300 crores pursuant to a fresh issue, together with an offer for sale of the Equity Shares, if any, eligible for offer for sale, by certain existing shareholders of the Company in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations") (the "Offer for Sale" and such shareholders, the "Selling Shareholder", the Offer for Sale together with the Fresh Issue, the "Offer" or the "IPO") in accordance with the SEBI ICDR Regulations on such terms, in such manner, at such time and at a price to be determined by the book building process in terms of the SEBI ICDR Regulations to various categories of investors including qualified institutional investors, retail individual investors, non-institutional investors, non-resident Indians, foreign portfolio investors and/ or eligible employees, as permitted under the SEBI ICDR Regulations and other applicable laws. The Equity Shares allotted shall rank in all respects *pari passu* with the existing equity shares of the Company.

Material information pertaining to the IPO is as follows:

**i. Issue Price:**

The price at which the equity shares will be allotted through the IPO shall be determined and finalized by the Company and the Selling Shareholder, if any in consultation with the book running lead manager(s) in accordance with the SEBI ICDR Regulations, on the basis of the book building process.

**ii. The object(s) of the issue are:**

The proceeds of the IPO are to be utilized for funding the business growth opportunities of the Company including the expansion of capacities, funding the working capital requirements, repayment/pre-payment of loans, general corporate purposes or any other purpose that shall be disclosed in the Offer Documents to be filed with the Securities and Exchange Board of India in connection with the IPO. The Board or any committee thereof has the authority to modify the above objects on the basis of the requirements of the Company.

**iii. Intention of Promoters/Directors/Key managerial personnel to subscribe to the offer:**

The Company has not made and will not make an offer of equity shares to any of the promoters, directors or key managerial personnel. However, the directors (other than directors who are the promoters or forming a part of the promoter group) and eligible employees of the Company may apply for the equity shares in the various categories under an IPO in accordance with the SEBI ICDR Regulations.

The Board recommends the resolutions in Item No. 14 of the Notice for your approval as a special resolution. Accordingly, approval of the members of the Company is sought to issue Equity Shares under Section 62(1)(c) and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder, each, as amended.

**ITEM NO. 15**

The Board, on the recommendation of the Audit Committee held on 19th August, 2019 approved the appointment of M/s. SR AND ASSOCIATES as the Cost Auditors of the Company to conduct Cost Audits for Steel Profiles and Steel Windows of the Company for the year ending 31st March, 2020, at a remuneration of Rs. 75,000/- (Rupees Seventy Five Thousand only).

In accordance with the provisions of Section 148 of the Act read with the Rules, the remuneration payable to the Cost Auditors has to be ratified by the Shareholders of the Company.

The Board recommends the resolution for the approval of the Shareholders.

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

Your Directors have pleasure in presenting their report for the financial year ended 31st March 2019.

### FINANCIAL RESULTS

The Audited Balance Sheet of your company as at 31st March 2019, the Statement of Profit and Loss for the year ended as on that date and the report of the Auditors thereon being circulated with this report. The salient features of the standalone financial results are as follows:

Rs. Crores

Particulars	Year ended 31.03.2019	Year ended 31.03.2018*	% of Growth
Gross Sales & Other Income	437.33	300.34	46%
Profit before Interest & Depreciation (EBIDTA)	59.39	38.62	54%
Profit before Tax excluding exceptional items	46.87	28.50	64%
Exceptional item (profit)	1.25	38.79	
Profit Before Tax (EBT) including Exceptional Items	48.12	67.28	
Profit After Tax	30.91	50.89	
Interim Dividend	3.18	3.18	
Transfer to General Reserve	20.00	48.00	

\* As explained in the subsequent paragraphs in this report, the figures for the previous year have been re-stated upon voluntary adoption of the Ind AS by the company.

### OPERATIONS

Your Directors are pleased to report that the year under review has been the best year in the history of the company in terms of turnover and profitability. Without accounting the Exceptional items of Rs. 38.79 crores in the previous year, (principally due to sale of investment and assets) there has been an all-round growth in the performance of the company.

The growth has been occasioned by the boom in the construction activity, both in the low cost housing and the high-end segments. The product range of the company has been able to cater to the needs of both the segments, and the financial results reflected this achievement. Your company is catering the prestigious players in the construction industry like NCC Ltd, Shapoorji Pallonji, L & T, Tata Projects, KPC Projects, BG Shirke, Ahluwalia, Hansa and Builders like My Home, Apama, Prestige, Kolte Patil, Nalknavare, Rajapushpa, Vaishnavi Builders and Lodha.

After the demerger of the other activities, your company is now able to focus on Building materials. 2019-20 will be an year of consolidation. Your Directors are pleased to report that they have very forward looking growth plans to widen and deepen their product range, and will persist with their plans for expansion and diversification.

The 2nd Fly Ash (AAC) blocks plant, Nellore, A.P is on schedule. Part of the plant is already on trial run and is likely to operate at full steam by March 2020. The modern powder coating facility along

with very high-end aluminium window fabrication facility will be ready in Ratnapuri, Medak Dist, Telangana before October 2019. The facility for UPVC & CCGI window fabrication near Pune is expected to be ready by end- August, 2019.

Modernisation of putty plant in Mattapalli, Suryapet District is expected to be completed by August, 2019.

Lands are being acquired for setting up facilities to manufacture Steel doors in Ratnapuri, Telangana. Plans are afoot to expand the geographical presence by setting up plants for windows, doors, paints and putties in the northern part of India.

It is proposed to open showrooms across the country to support the marketing and promotional efforts. While the year 2019-20 will be an year of consolidation, your Directors have reason to view the future with optimism.

### DEMERGER OF NON BUILDING MATERIAL ACTIVITY

Your Directors are pleased to report that the Scheme of Arrangement (Demerger) for hiving off the non building material activity to a separate company has been sanctioned by Hon'ble National Company Law Tribunal (NCLT) on 24/01/2019. The Scheme became effective from 11/02/2019 upon filing of the certified copy of the order with Registrar of Companies. All the formalities relating to the sanctioned Scheme have been completed.

### INDIAN ACCOUNTING STANDARD (Ind AS) ADOPTION

The management has decided to adopt Ind AS voluntarily for the financial year ended 31/03/2019 and accordingly the Financials for year ended 31/03/2018 and the opening Balance Sheet as on 01/04/2017 (transition date) along with Net worth and Profit reconciliation has been presented in the Financials. Your Directors feel that the above step will ensure that the presentation of the financial statements is in line with the mainstream of large corporates and listed entities

### DIVIDEND

Members are aware that the Company had already declared an Interim Dividend of Rs.5.50per every equity share, in its meeting held on 29th March 2019 for the FY 2018-19 and the same was paid to shareholders in the month of April 2019. Your Directors recommend that the above interim dividend as the final dividend.

### AMOUNT TRANSFERRED TO RESERVE

The Company proposes to transfer Rs. 2000 lakhs to the General Reserve.

### BONUS ISSUE

The Board of Directors in their meeting held on 19th August 2019 proposed Bonus Issue of shares in the ratio of (1:1), One Share for every Share held by the shareholders as on the record date as may be decided by the Board. Appropriate resolutions are being proposed at the ensuing Annual General Meeting for obtaining your approval for the bonus issue.

In terms of the Rule 9A of the Companies (Prospectus & Allotment of Securities) Rules 2014, companies are required to issue all shares including bonus shares only in the dematerialized form. Entitlements of bonus shares of members holding shares in physical form will be withheld in a suspense account or held with a custodian. Shareholders

are therefore requested to dematerialize their Physical shareholding immediately so that the Bonus shares can be allotted to them directly.

#### CHANGE OF NAME OF THE COMPANY

To strengthen the identity of the Company as a building material company, the Board of Directors decided to change the name of the Company from NCL Alltek & Seccolor Limited to NCL Buildtek Limited. The Registrar of Companies has approved the availability of the desired name i.e. NCL Buildtek Limited and approval is being sought from shareholders by a Special Resolution for effecting change in the Company name and Consequential alteration in the Memorandum and the Articles of Association.

#### FURTHER ISSUE OF CAPITAL

To augment the financial resources for the on-going and future expansion plans and provide liquidity to the shareholders of the company, your company wishes to raise further share capital. Appropriate resolutions are proposed at the ensuing Annual General Meeting seeking your approval for such issue. The resolutions seek your consent for issuing the shares both by way of Initial Public Offer (IPO) and private placement. The Share Issue is likely to be at a premium. The time of offer, issue size and offer price will be finalized in consultation with experts and Merchant Banker.

#### SHIFTING OF REGISTERED OFFICE OF THE COMPANY

Your Directors are pleased to report that your company has acquired its own premises at 10-3-162, NCL PEARL, 5th Floor, Opp: Hyderabad Bhawan, East Maredpally, Secunderabad Hyderabad, Telangana-500026. The interiors are getting ready for occupation, and Registered Office will be shifted to the new premises shortly. Please stand by for the next announcement in this regard.

#### SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The details of performance of the subsidiaries, associates and joint ventures, as required in Rule 8 (1) of the Companies (Accounts) Rules 2014, are contained in **Annexure I** to this Report

#### DIRECTORS

The following changes have taken place in the Board of Directors since the last Annual General Meeting.

##### Independent Directors

Sri K Jayabharat Reddy, Independent Director and Chairman of the Board resigned from the Board w.e.f 27th December, 2018 due to advancing age and personal reasons. Your company had the benefit of the guidance of Sri K Jayabharat Reddy during its crucial years of existence. Your Directors wish to place on record their appreciation of the contribution made by Sri K Jayabharat Reddy as Director and Chairman.

Sri M Kanna Reddy, Independent Director has been elected as the Chairman of the Board of Directors with effect from 22nd May 2019. The tenure of Sri M Kanna Reddy as an Independent Director is due to end on 28th September 2019. Sri M Kanna Reddy, Independent Director and Chairman of the Board resigned w.e.f 19th August, 2019 due to advancing age and personal reasons. Your Directors wish to place on record their appreciation for the contribution made by Sri M Kanna Reddy as Director and Chairman.

Mrs. Rajni Anil Mishra was appointed as additional Director of the Company with effect from 29th March 2019 and she holds the office till the ensuing Annual General Meeting. It is proposed to appoint Mrs. Rajni Anil Mishra as Independent Director for a period of 5 years and necessary resolution is being proposed at the ensuing Annual General Meeting.

All the Independent Directors Sri Kamlesh Suresh Gandhi and Mrs. Rajni Anil Mishra have furnished declarations that they meet the criteria of independence.

##### Retire by Rotation

Sri K Ambujodar Reddy and Sri K Satya Subram retire by rotation at the ensuing Annual General Meeting, and are eligible for re-appointment.

##### Vice Chairman

Sri Ashven Datla, Director was appointed as Vice-Chairman of the Board of Directors of the Company with effect from 19th August 2019.

##### Whole-time Executive Directors

Upon completion of their current tenures, Sri K Ambujodar Reddy Joint Managing Director, Sri P Aditya Krishna Varma Executive Director and Sri K Satya Subram Executive Director have been re-appointed by the Board at their respective positions with effect from 1st August, 2019. Appropriate resolutions are being proposed at the ensuing Annual General Meeting for approval of their re-appointments.

Sri Bimal V Goradia, Executive Director resigned as a Director and Executive Director with effect from 31st August, 2019.

Upon completion of his tenure, Sri VVJ Raju, resigned as a Director and Executive Director with effect from 31st July, 2019.

Your Directors wish to place on record their appreciation of the contribution made by Sri Bimal V Goradia and Sri VVJ Raju.

During the period under review, Seven Board Meetings were held on 02nd May, 2018; 23rd August, 2018; 19th September, 2018; 26th October, 2018; 15th November, 2018; 22nd December, 2018 & 29th March, 2019.

##### POLICY RELATING TO REMUNERATION OF DIRECTORS ETC

The Company has a remuneration policy and the copy of which can be accessed at the Company website [www.nclalltek.com](http://www.nclalltek.com).

The Policy was amended on 19th August 2019 to enable the payment of Commission to Non-Executive Directors in addition to the Sitting Fees.

##### AUDIT COMMITTEE

During the year under review, the Audit Committee consists of Sri M Kanna Reddy as Chairman, Sri Kamlesh Gandhi, Sri Ashven Datla, as members.

There are no occasions where the Board had not accepted any recommendation of the Audit Committee

##### COMMITTEES OF THE BOARD OF DIRECTORS

The following are Committees of the Board as on 31st March, 2019:

- Stakeholders Relationship Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee
- Risk Management Committee

**DIRECTORS' RESPONSIBILITY STATEMENT**

In terms of Section 134(5) of the Companies Act, 2013, your Directors hereby confirm that

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the directors have prepared the annual accounts on a going concern basis; and
- the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**LOANS, INVESTMENTS AND GUARANTEES**

The particulars of Loans, Investments and Guarantees under Section 186 of the Companies Act, 2013 are furnished below:

Particulars	2018-19
<b>A. Loans/Advances:</b>	0
<b>B. Investments including advances for investments:</b>	
NCL Veka Ltd (formerly NCL Wintech India Limited)	1130.70
NCL ASL Services Pvt. Ltd (formerly Span tile Mfg Co. Pvt. Ltd.)	70.00
<b>C. Guarantees:</b>	
Khandaleru Power Co. Ltd	500.00
<b>Total</b>	<b>1700.70</b>

**RELATED PARTY TRANSACTIONS:**

The details of the Related Party Transactions are furnished in Note 48 of the Notes on the Stand-alone Financial Statement attached to this Report. All the related party transactions have been on an arms-length basis.

**MATERIAL CHANGES AFTER FINANCIAL YEAR**

There are no material changes or commitments affecting the financial position of the company between the end of the year under review and the date of this Report, excepting what has been reported herein.

**CONSERVATION OF ENERGY**

The prescribed information on conservation of energy, technology absorption and foreign exchange outgo is contained in **Annexure II** to this Report.

Your Company continues to be conscious of the need for conservation of energy, and wherever feasible, effective steps for energy conservation are taken.

**RISK MANAGEMENT**

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis by the Risk Management Committee.

In the opinion of the Board, there are no elements of risk at present, which threaten the existence of the Company.

**CORPORATE SOCIAL RESPONSIBILITY**

The Company firmly believes that the industry owes duty of welfare to the society at large and it shall pursue the commitment of Social Responsibility and carry out the social work directly and/or through other registered welfare organizations.

The Company's policy on Corporate Social Responsibility (CSR) states various CSR activities that the Company could undertake to discharge its responsibilities towards the society and the Company's CSR policy is available on the Company's website [www.nclalltek.com](http://www.nclalltek.com).

The details of the CSR initiatives taken during the year are given in **Annexure III**.

**VIGIL MECHANISM**

Your Company believes in promoting a fair, transparent, ethical and professional work environment. The Board of Directors of the Company pursuant to the provisions of Section 177 of the Companies Act, 2013 has framed "Whistle Blower Policy" for Directors and employees of the Company for reporting the genuine concerns or grievances or cases of actual or suspected, fraud or violation of the Company's code of conduct and ethics policy. The Whistle Blower Policy of the Company is available on the Company's website [www.nclalltek.com](http://www.nclalltek.com).

During the financial year 2018-19, No complaints were received by the Company.

**INTERNAL FINANCIAL CONTROLS**

The Company has adequate systems of internal financial controls to safeguard and protect its assets from unauthorized use or misappropriation. All the financial transactions are properly authorized, recorded and reported to the Management. The Company follows all the applicable Accounting Standards for proper maintenance of books of accounts for financial reporting.

**DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.**

The Company is committed to provide a safe and conducive work environment to its employees. The Board has amended its Anti-Sexual Harassment Policy making it Gender Neutral, encompassing the provisions of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition Redressal) Act, 2013 (Act), in letter and spirit and applying it to both genders. The Revised Anti-Sexual Harassment Policy of the Company is available on the Company's website [www.nclalltek.com](http://www.nclalltek.com).

Your Directors state that during the year under review, there were no cases filed pursuant to the aforesaid Act.

**EXTRACT OF ANNUAL RETURN**

As required by Section 134 (3)(a) of the Companies Act, 2013, the extract of Annual Return, in Form MGT 9 is enclosed as **Annexure IV**.

**FIXED DEPOSITS**

As required by Rule 8 (5) of the Companies (Accounts) Rules, 2014, the details relating to fixed deposits are as follows:

- (a) Accepted during the year : Rs.178.60Lakhs  
 (b) remained unpaid or unclaimed as at the end of the year : Rs. Nil  
 (c) whether there has been any default in repayment of deposits or payment of interest thereon during the year : No

The Company has repaid all the matured deposits that have been claimed, and there have been no defaults in payment of interest or repayment of principal. The details of deposits received from the directors / relatives of directors during the year under review in terms of MCA Notification No.GSR695 (E) dated 15th September, 2015 are as under:

Name of the Director/ Relative of Director	Amount (Rs. In Lacs)	Relationship
Kanna Reddy M	20.00	Independent Director
Bimal V Goradia	10.00	Executive Director
Nishanth Kanala	45.00	Son of Sri KA Reddy, Jt. Managing Director
Meera B Goradia	5.00	Wife of Sri Bimal V Goradia, Executive Director
Vinodrai V Goradia	10.00	Father of Sri Bimal V Goradia, Executive Director
Utkal B Goradia	10.00	Son of Sri Bimal V Goradia, Executive Director

The Deposits are in compliance with Chapter V of the Act.

**Unclaimed Dividends and Investor Education & Protection Fund (IEPF)**

As on 31st March 2019, Rs. 83,43,660 of Unpaid Dividends remained unclaimed by shareholders for various years.

Pursuant to the provisions of the IEPF Rules, the Company has sent three individual notices to the latest available addresses of the shareholders whose dividends are lying unpaid/unclaimed for the last seven consecutive years or more, inter alia, providing details of shares to be transferred to IEPF Authority. These shares are due to transfer to IEPF by November 04, 2019.

**AUDITORS**

M/s. Anant Rao & Mallik, Chartered Accountants, have been appointed as the statutory auditors of the Company for a period of five years w.e.f 23rd September, 2017, and continue in their office.

**COST AUDIT**

M/s S.R. and ASSOCIATES, Cost Accountants have been reappointed to conduct the cost audit pertaining to the activity of manufacture of Steel Profiles and Steel Windows of the company for the year 2019-20.

The Cost Audit Report for the financial year ended March, 31st, 2018 was duly filed with Ministry of Corporate Affairs on 12/10/2018.

**SECRETARIAL AUDIT**

The Secretarial Audit Report pursuant to the provisions of Section 204 of the Companies Act, 2013 is attached as **Annexure – V** to this Report. The observations of the Secretarial Auditor are self explanatory, and do not call for any further explanation from the Board as envisaged by Section 204(3) of the said Act.

**ACKNOWLEDGEMENTS**

Your Directors would like to place on record their appreciation of the support received from State Bank of India, Hero Fincorp Ltd and Government Authorities during the year. Your Directors wish to place on record their deep sense of appreciation for the co-operation and support extended by the employees at all levels.

For and on behalf of the Board  
 For **NCL Alltek & Seccolor Ltd.**

Place : Hyderabad  
 Date : 19th August, 2019

**M Kanna Reddy**  
 Chairman

## Annexure I

**PERFORMANCE AND FINANCIAL POSITION OF  
SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES****Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of  
subsidiaries/associate companies/joint ventures****Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs. Lakhs)

Sl. No.	Particulars	Details
1	Name of the subsidiary	NCL ASL Services Pvt. Ltd. (formerly Span tile Mgf. Company Pvt. Ltd.)
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	2018-19
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Indian Company
4	Share capital	20.46
5	Reserves & surplus	12.55
6	Total assets	54.46
7	Total Liabilities	21.45
8	Investments	Nil
9	Turnover / Total Income	176.69
10	Profit before taxation	5.17
11	Provision for taxation	0.44
12	Profit after taxation	4.73
13	Proposed Dividend	Nil
14	% of shareholding	100

**Notes:** The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations: Nil
- Names of subsidiaries which have been liquidated or sold during the year: Nil

## Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies :

Particulars	Details
Name of the Associate Company	NCL Veka Ltd (formerly NCL Wintech India Ltd)
Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	2018-19
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Indian Company
Share capital (Rs. in Lakhs)	2630.00
Reserves & surplus (Rs. in Lakhs)	2731.00
Total assets (Rs. in Lakhs)	13743.49
Total Liabilities (Rs. in Lakhs)	8382.67
Investments (Rs. in Lakhs)	Nil
Turnover / Total Income (Rs. in Lakhs)	17625.28
Profit before taxation (Rs. in Lakhs)	462.01
Provision for taxation (Rs. in Lakhs)	-45.38
Profit after taxation (Rs. in Lakhs)	507.39
Proposed Dividend (Rs. in Lakhs)	Nil
% of shareholding	24%

## Annexure II

## DETAILS OF MEASURES ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE INFLOW/OUTFLOW

<b>(A) Conservation of energy-</b>	
(i) the steps taken or impact on conservation of energy;	The Company being not a power intensive unit, the scope for energy conservation efforts is limited
(ii) the steps taken by the company for utilising alternate sources of energy;	
(iii) the capital investment on energy conservation equipments;	
	Negligible
<b>(B) Technology absorption-</b>	
(i) the efforts made towards technology absorption;	The Company has fully absorbed the technology derived from its collaborators and is self sufficient in technology
(ii) the benefits derived like product improvement, cost reduction, product development or import substitution;	
(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	Not Applicable
(a) the details of technology imported;	
(b) the year of import;	
(c) whether the technology been fully absorbed;	
(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof, and	
(iv) the expenditure incurred on Research and Development.	Rs. 57.12 lakhs
<b>C) Foreign exchange earnings and Outgo-</b>	
The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.	Earnings : Nil Outflow : Rs.1354 lakhs

**Annexure III**  
**CSR INITIATIVES DURING THE YEAR 2018-19**

In line with the CSR Policy adopted by the Company, your company has been concentrating on the fields of education and women welfare during the year under review.

1. Composition of CSR Committee : During the year under review  
M Kanna Reddy - Chairman  
K Madhu - Member  
K A Reddy - Member
2. Average Net Profits for the last Three Years : Rs.2227.93 lacs
3. Prescribed CSR Expenditure : Rs. 44.56 lacs
4. Details of CSR Spent during the financial Year
  - a) Total Amount to be spent for the FY : Rs.44.56 lacs
  - b) Amount Unspent, if any : Nil
  - c) Manner in which the amount is spent during the financial year is detailed below:

Sl. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programmes (1) Local Areas (2) Specify the state and district where projects or programs was undertaken	Amount Outlay Project or programs wise (Budget) (Lacs)	Amount Spent. 1) Direct Expenditure 2) Overheads	Cumulative Expenditure upto the reporting period	Amount spent: direct or through Implementing Agency
1	Funding the Revenue Deficit of the Vennela Educational Society, which is running a school - Ratnapuri Vidyalayam and also, Ratnapuri Institute of Technology - College of Polytechnic (RITCOP)	Schedule VII(ii) Promoting Education, including special education and employment enhancing vocational skills especially among children, women, elderly and differently abled and livelihood enhancement projects	Telangana State, Medak District	25.00	30.93	30.93	Direct
2	Construction of School Building	Schedule VII(ii) Promoting Education, including special education and employment enhancing vocational skills especially among children, women, elderly and differently abled and livelihood enhancement projects	Telangana State, Medak District	75.05	13.72	13.72	Direct
3	Other CSR Expenditure, if any	As per Schedule VII of Companies Act 2013	--	--	--	--	--



**Annexure IV**  
**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**

**As on financial year ended on 31.03.2019**

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

<b>I. REGISTRATION &amp; OTHER DETAILS:</b>		
1	CIN	U72200TG1986PLC006601
2	Registration Date	11/7/1986
3	Name of the Company	NCL ALLTEK & SECCOLOR LIMITED
4	Category/Sub-category of the Company	Public Limited Company Limited by Shares
5	Address of the Registered office & contact details	Bindu Elegancy, Plot No. 1, Ganga Enclave, Petbasheerabad, Quthubdullahpur, Hyderabad-500067
6	Whether listed company	Unlisted
7	Name, Address & contact details of the Demat Registrar	VENTURE CAPITAL AND CORP. INVST. PVT. LTD. 12-10-167, BHARAT NAGAR, HYDERABAD - 500 018

<b>II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b>			
(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)			
Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Spray Plasters	20229	12.51%
2	Profiles	25111	12.72%
3	Doors & Windows (Steel & UPVC)	22209	50.66%
4	Flyash Bricks	26931(3204)	14.73%

<b>III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES</b>					
Sr. No.	Name of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	NCL ASL Services Pvt. Ltd. (formerly Span tile Mgf. Company Pvt. Ltd.)	U74899TG1989PTC131822	Subsidiary	100	2(87)
2	NCL Veka Ltd (Formerly NCL Wintech India Ltd)	U45400TG2008PLC057474	Associate	24	2(6)

IV. SHARE HOLDING PATTERN									
(Equity share capital breakup as percentage of total equity)									
(i) Category-wise Share Holding									
Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. PROMOTERS</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	1823047	1860871	3683918	<b>63.68%</b>	3919782	44136	3963918	68.52%	<b>4.84%</b>
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	152000	168300	320300	<b>5.54%</b>	-	-	-	-	<b>(5.54)%</b>
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (1)</b>	<b>1975047</b>	<b>2029171</b>	<b>4004218</b>	<b>69.22%</b>	<b>3919782</b>	<b>44136</b>	<b>3963918</b>	<b>68.52%</b>	<b>(0.70)%</b>
<b>(2) Foreign</b>									
a) NRI Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL (A)</b>	<b>1975047</b>	<b>2029171</b>	<b>4004218</b>	<b>69.22%</b>	<b>3919782</b>	<b>44136</b>	<b>3963918</b>	<b>68.52%</b>	<b>(0.70)%</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	499	499	<b>0.01%</b>	-	499	499	0.01%	<b>0.00%</b>
b) Banks / FI	-	162	162	-	-	37	37	-	<b>0.00%</b>
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):</b>	<b>-</b>	<b>661</b>	<b>661</b>	<b>0.01%</b>	<b>-</b>	<b>536</b>	<b>536</b>	<b>0.01%</b>	<b>0.00%</b>
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	319141	64979	384120	<b>6.64%</b>	94930	63153	158083	2.73%	<b>(3.91)%</b>
ii) Overseas	-	-	-	-	-	-	-	-	-

<b>b) Individuals</b>			-		-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	130166	968556	1098722	<b>18.99%</b>	423910	691826	1115736	19.29%	<b>0.29%</b>
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	205707	82823	288530	<b>4.99%</b>	409382	56825	466207	8.06%	<b>3.07%</b>
c) Others (specify)IEPF Authority	-	-	-	-	53090	-	53090	0.92%	<b>0.92%</b>
Non Resident Indians	-	8,518	8,518	<b>0.15%</b>	18681	8,518	27199	0.47%	<b>0.32%</b>
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	62	37	99	-	-	37	37	-	-
Trusts	-	-	-	-	62	-	62	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):</b>	<b>655076</b>	<b>1124913</b>	<b>1779989</b>	<b>30.77%</b>	<b>1000055</b>	<b>820359</b>	<b>1820414</b>	<b>31.47%</b>	<b>0.70%</b>
<b>Total Public (B)</b>	<b>655076</b>	<b>1125574</b>	<b>1780650</b>	<b>30.78%</b>	<b>1000055</b>	<b>820895</b>	<b>1820950</b>	<b>31.48%</b>	<b>0.70%</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>2630123</b>	<b>3154745</b>	<b>5784868</b>	<b>100.00%</b>	<b>4919837</b>	<b>865031</b>	<b>5784868</b>	<b>100.00%</b>	-

**(II) Shareholding of Promoter / Promoters Group**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year(As on 01-04-2018)			Change During the Year				Shareholding at the End of the year(As on 31-03-2019)		
		No. of Shares	% of total Shares	Pledge %	Sales	% of total Shares	Purch-ases	% of total Shares	No. of Shares	% of total Shares	Pledge %
1	Ashven Datta	450000	7.78	39%	0	0.00	0	0.00	450000	7.78	100%
2	Pooja Kalidindi	377370	6.52	40%	0	0.00	20000	0.35	397370	6.87	0%
3	Gautam Kalidindi	374743	6.48	40%	0	0.00	10000	0.17	384743	6.65	0%
4	Kalidindi Ravi	350317	6.06	82%	0	0.00	0	0.00	350317	6.06	0%
5	Kalidindi Roopa	280316	4.85	0	0	0.00	0	0.00	280316	4.85	0%
6	Kalidindi Shilpa	280315	4.85	0	0	0.00	0	0.00	280315	4.85	0%
7	Anuradha Kalidindi	220479	3.81	70%	0	0.00	10000	0.17	230479	3.98	100%
8	Kalidindi Madhu HUF	0	0.00	0	0	0.00	227500	3.93	227500	3.93	0%
9	Madhu Kalidindi	194492	3.36	0	0	0.00	0	0.00	194492	3.36	25%
10	Goradia Vinodrai Vachharaj Goradia Charulata Vinodrai	103829	1.79	15%	0	0.00	0	0.00	103829	1.79	99%
11	Goradia Charulata Vinodrai Goradia Vinodrai Vachharaj	99103	1.71	16%	0	0.00	0	0.00	99103	1.71	100%
12	Divya Penumacha	65109	1.13	0	0	0.00	10000	0.17	75109	1.30	75%
13	Kanumilli Sudheer	66855	1.16	81%	0	0.00	0	0.00	66855	1.16	99%
14	Vijaya Lakshmi Kanumilli	62012	1.07	0	4000	0.07	0	0.00	58012	1.00	0%
15	K Mallika	42800	0.74	32%	0	0.00	6600	0.11	49400	0.85	98%
16	G Jyothi	48495	0.84	0	0	0.00	0	0.00	48495	0.84	98%

17	Varma P A K	48388	0.84	0	0	0.00	0	0.00	48388	0.84	99%
18	Padma Gottumukkala	48203	0.83	89%	0	0.00	0	0.00	48203	0.83	100%
19	Penmetsa NarasimhaRaju	46454	0.80	73%	0	0.00	0	0.00	46454	0.80	99%
20	Penmetsa Vara Lakshmi	42325	0.73	0	0	0.00	0	0.00	42325	0.73	0%
21	Geeta Goradia Nirhmal V Goradia	41768	0.72	85%	0	0.00	0	0.00	41768	0.72	100%
22	Nirmala Kanumilli	41200	0.71	0	0	0.00	0	0.00	41200	0.71	95%
23	Sridevi M	39637	0.69	0	0	0.00	0	0.00	39637	0.69	0%
24	Madhavi Penumasta	35850	0.62	0	0	0.00	0	0.00	35850	0.62	98%
25	Aditi Krishna Sundari Penumatcha	33000	0.57	0	0	0.00	0	0.00	33000	0.57	0%
26	Meera B Goradia Bimal V Goradia	29423	0.51	28%	0	0.00	0	0.00	29423	0.51	99%
27	Somaraju Sakhineti	28300	0.49	64%	0	0.00	0	0.00	28300	0.49	100%
28	P Aparna Krishna	25000	0.43	0	0	0.00	0	0.00	25000	0.43	0%
29	Parvati Sakhineti	25000	0.43	0	0	0.00	0	0.00	25000	0.43	100%
30	Penumatsa Satyanarayana Raju	22500	0.39	67%	0	0.00	0	0.00	22500	0.39	100%
31	Sarojini Kalidindi	16500	0.29	0	0	0.00	0	0.00	16500	0.29	0%
32	Bimal Goradia Meera Goradia	16125	0.28	68%	0	0.00	0	0.00	16125	0.28	98%
33	Utkal B Goradia Hiral U Goradia	15400	0.27	65%	0	0.00	0	0.00	15400	0.27	98%
34	Kanumilli Malathi	14600	0.25	0	0	0.00	0	0.00	14600	0.25	41%
35	Surapaneni Madhavi	4000	0.07	0	0	0.00	9550	0.17	13550	0.23	0%
36	Nirhmal V Goradia Geeta Goradia	11940	0.21	0	0	0.00	158	0.00	12098	0.21	99%
37	Valli P	11925	0.21	63%	0	0.00	0	0.00	11925	0.21	96%
38	Penmetcha Manoj Raj	11250	0.19	67%	0	0.00	0	0.00	11250	0.19	0%
39	Vijaya Raghavan Endlur	10125	0.18	99%	0	0.00	0	0.00	10125	0.18	99%
40	Kalidindi Abhiram Chandra	9010	0.16	0	0	0.00	0	0.00	9010	0.16	0%
41	Ashwin Goradia Bharti Goradia	7100	0.12	0	0	0.00	0	0.00	7100	0.12	100%
42	Sai Sreedhar Kanumilli	6625	0.11	0	0	0.00	0	0.00	6625	0.11	0%
43	Bharti Goradia Ashwin Goradia	5200	0.09	0	0	0.00	0	0.00	5200	0.09	99%
44	M Sri Devi	4499	0.08	0	0	0.00	0	0.00	4499	0.08	0%
45	G.T.Sandeep	4200	0.07	100%	0	0.00	0	0.00	4200	0.07	100%
46	Hiral Utkal Goradia Utkal Bimal Goradia	2287	0.04	0	0	0.00	0	0.00	2287	0.04	0%
47	Diti Ashwin Goradia	46	0.00	0	0	0.00	0	0.00	46	0.00	0%
48	Nishi Ashwin Goradia	45	0.00	0	0	0.00	0	0.00	45	0.00	0%
49	NCL Homes Ltd	320300	5.54	47%	320300	5.54	0	0.00	0	0.00	0%
50	Ruchi N Goradia	158	0.00	0	158	0.00	0	0.00	0	0.00	0%

**(iv) Shareholding Pattern of top ten Shareholders**

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For each of the Top 10 Shareholder	Shareholding at the beginning of the year		Change in Shareholding during the year		Cumulative Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	Mahendra Girdharilal	124316	2.15	0	0.00	124316	2.15
2	C Mackertich Ltd	57187	0.99	0	0.00	57187	0.99
3	Suprpti Finvest Pvt Ltd	290150	5.02	(240150)	(4.15)	50000	0.86
4	Darshana Yogesh Doshi	550	0.01	46250	0.80	46800	0.81
5	B Subraya Baliga	36387	0.63	0	0.00	36387	0.63
6	PP Zibi Jose	19895	0.34	274	0.00	20169	0.35
7	Sanjeev V Shah Malti S Shah	0	0.00	20000	0.35	20000	0.35
8	Aakash Sanjeev Shah	0	0.00	20000	0.35	20000	0.35
9	Rajiv Vadilal Shah	0	0.00	20000	0.35	20000	0.35
10	Janaki N	17385	0.30	2477	0.04	19862	0.34

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Name	Designation	Shareholding at the beginning of the year		Change During the Year				Shareholding at the End of the year	
			No. of Shares	% of total Shares	Sold	% of total Shares	Brought	% of total Shares	No. of Shares	% of total Shares
1	Jayabharat Reddy Koli*	Independent Director	0	0.00	0	0.00	0	0.00	0	0
2	Kanna Reddy Mandadi	Independent Director	1	0.00	0	0.00	0	0.00	1	0
3	Kamlesh Suresh Gandhi	Independent Director	0	0.00	0	0.00	0	0.00	0	0
4	Rajni Anil Mishra **	Independent Director	0	0.00	0	0.00	0	0.00	0	0
5	Madhu Kaldindi	Managing Director	194492	3.36	0	0.00	0	0.00	194492	3.36
6	Ambujodar Reddy Kanala	Joint Managing Director	0	0.00	0	0.00	14212	0.25	14212	0.25
7	Bimal Vinodrai Goradia	Executive Director	16125	0.28	0	0.00	0	0.00	16125	0.28
8	Aditya Krishna Varma Penumatcha	Executive Director	48388	0.84	0	0.00	0	0.00	48388	0.84
9	Satya Subram Kapula	Executive Director	1000	0.02	0	0.00	2000	0.03	3000	0.05
10	Venkata Jagannadha Raju Vatsavayi	Executive Director	7334	0.13	0	0.00	0	0.00	7334	0.13
11	Ashven Datia	Director	450000	7.78	0	0.00	0	0.00	450000	7.78
12	Datia Shilpa	Director	280315	4.85	0	0.00	0	0.00	280315	4.85
13	U Divya Bharathi	Company Secretary	0	0.00	0	0.00	0	0.00	0	0
14	V Srihari	CFO	0	0.00	0	0.00	0	0.00	0	0

\* Resigned w.e.f 27th December 2018

\*\* Appointed in the Board Meeting held on 29th March, 2019

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.				
(Amt. Rs./Lacs)				
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
I) Principal Amount	3881.39	143.74	200.42	4225.55
II) Interest due but not paid	-	-	-	-
III) Interest accrued but not due	10.80	-	4.71	15.51
<b>Total (I+II+III)</b>	<b>3892.19</b>	<b>143.74</b>	<b>205.13</b>	<b>4241.06</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	6901.76	-	178.60	7080.36
* Reduction	(1192.34)	(0.05)	(22.55)	(1214.94)
Net Change	5709.42	(0.05)	156.05	5865.42
<b>Indebtedness at the end of the financial year</b>				
I) Principal Amount	9590.81	143.69	346.47	10090.97
II) Interest due but not paid	-	-	-	-
III) Interest accrued but not due	10.80	-	4.71	15.51
<b>Total (I+II+III)</b>	<b>9601.61</b>	<b>143.69</b>	<b>361.18</b>	<b>10106.48</b>

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL								
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:								
Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager						Total Amount (Rs/Lac)
	Name	K.Madhu	Bimal V Goradia	K A Reddy	VVJ Raju	K Satya Subram	P Aditya Krishna Varma *	
	Designation	Managing Director	Executive Director	Joint Managing Director	Executive Director	Executive Director	Executive Director	
1	Gross salary							
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	64.69	22.02	33.79	21.12	21.12	21.12	183.86
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-	-	0.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-	-	0.00
2	Stock Option	-	-	-	-	-	-	0.00
3	Sweat Equity	-	-	-	-	-	-	0.00
4	Commission	-	-	-	-	-	-	0.00
	- as % of profit	95.20	-	-	-	-	-	95.20
	- others, specify	-	-	-	-	-	-	0.00
5	Others, please specify - Bonus	0.17	0.17	0.17	0.17	0.17	0.17	0.00
	Total (A)	160.06	22.19	33.96	21.29	21.29	21.29	279.06
	Ceiling as per the Act (@ 10% of profits calculated under Section 198 of the Companies Act, 2013)							507.93

\* Salary of Rs. 9.93 lacs of Mr. Aditya Krishna Varma, ED was Capitalized

B. Remuneration to other Directors						
Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount (Rs/Lac)
1	<b>Independent Directors</b>	<b>K.Jayabharat Reddy**</b>	<b>Kamlesh S Gandhi</b>	<b>M.Kanna Reddy</b>	<b>Rajni Mishra*</b>	
	Fee for attending board committee meetings	1.20	0.70	1.33	0.12	3.35
	Commission	-	-	-	-	0.00
	Others, please specify	-	-	-	-	0.00
	<b>Total (1)</b>	<b>1.20</b>	<b>0.70</b>	<b>1.33</b>	<b>0.12</b>	<b>3.35</b>
2	<b>Other Non-Executive Directors</b>	<b>D.Ashven</b>	<b>D.Shilpa</b>			
	Fee for attending board committee meetings	2.30	0.50			2.80
	Commission	-	-			-
	Others, please specify	-	-			-
<b>Total (2)</b>	<b>2.30</b>	<b>0.50</b>			<b>2.80</b>	
	<b>Total (B) = (1+2)</b>	<b>-</b>	<b>-</b>			<b>6.15</b>
Total Managerial Remuneration to other Directors						<b>50.79</b>
Ceiling as per the Act (@ 1% of profits calculated under Section 198 of the Companies Act, 2013)						

\*\* Resigned w.e.f 27th December 2018

\* Appointed w.e.f 29th March 2019

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD				
Sl. No.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount (Rs/Lac)
	<b>Name &amp; Designation</b>	<b>V. Siharai Chief Financial Officer</b>	<b>U.Divya Bharathi Company Secretary</b>	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	22.49	6.54	29.03
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify - Bonus	0.15	0.17	0.32
	<b>Total</b>	<b>22.64</b>	<b>6.71</b>	<b>29.35</b>

#### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended March 31,2019.



**Annexure V  
Form No. MR-3**

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED March 31, 2019**

(Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,  
**The Members,  
NCL ALLTEK & SECCOLOR LIMITED  
Hyderabad**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by NCL ALLTEK & SECCOLOR LIMITED (hereinafter called the company) bearing CIN U72200TG1986PLC006601. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by NCL ALLTEK & SECCOLOR LIMITED ("the Company") an **Unlisted Public Company** for the financial year ended on March 31, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under ( **Not applicable being an Unlisted Company**)
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings ( **Not applicable during the audit period**)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (**Not applicable being an Unlisted Company**)
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and 2015 (**Not applicable being an unlisted Company**)

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**Not applicable being an unlisted Company**)
- (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') to the extent applicable during the Audit Period (**Not applicable being an unlisted Company**)
- (e) The Securities Exchange Board of India (share based Employee benefits) Regulations 2014: (**Not applicable being an unlisted Company**)
- (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (**Not applicable being an unlisted Company**)
- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client and Rule 9A of Companies (Prospectus and Allotment of securities) Rules 2014 as amended relating to issue of securities in dematerialized form by unlisted public companies
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- (**Not applicable being an unlisted Company**)
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- (**Not applicable being an unlisted Company**)
- vi) Other applicable laws including the following
  1. Factories Act, 1948
  2. Industrial Disputes Act 1947
  3. Payment of wages Act 1936
  4. The Minimum wages Act 1948
  5. Employees state insurance Act 1948
  6. Employees Provident Funds and Miscellaneous Provisions Act 1952
  7. Payment of Bonus Act 1965
  8. Payment of gratuity Act 1972
  9. Contract Labour (Regulation & Abolition ) Act, 1970
  10. Maternity Benefit Act 1961
  11. Equal Remuneration Act
  12. Environment Protection Act 1986
  13. Indian Boilers Act 1923
  14. Legal Metrology Act 2009
  15. Income Tax Act 1961, central excise Act 1944 and GST Act.
  16. Electricity Act 2003
  17. Air (Prevention & control of pollution) Act 1981 and water (Prevention & control of Pollution) Act 1974

I have also examined compliance with the applicable clauses of the following

Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. There was delay in filing of some forms with the Registrar of Companies including one relating to Charge creation (Delay condoned by appropriate authority) during the year under review.

**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent generally at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As informed to me, the Company has responded appropriately to notices received from various statutory /regulatory authorities including initiating actions for corrective measures, wherever found necessary.

As per the minutes of the Board and Board committees I noticed that all the decisions were carried through unanimously.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the Company along with NCL Holdings (A&S) Limited [NCLHASL] has filed the petition before the Honourable National Company Law Tribunal, Hyderabad, (NCLT), seeking approval of a scheme of arrangement (demerger of non-building material activities). According to the scheme, certain investments, loans and advances (assets) held by the Company, were to be transferred to NCLHASL at cost. As a consideration for the transfer, shareholders of the Company would receive 1 equity share in NCLHASL for every equity share held by them in the Company (1:1 ratio). The Hon'ble NCLT had approved the scheme of arrangement on 24th January 2019 with appointed date of the scheme being 1st April 2017. All necessary steps as envisaged in the scheme have been completed.

This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report.

**For A.J.Sharma & Associates**  
Company Secretaries

**A.J.Sharma**  
FCS-2120, CP-2176

Place: Hyderabad  
Date: 19th July 2019

To,

**The Members,**  
**NCL ALLTEK & SECCOLOR LIMITED**  
Bindu Elegancy, Plot No 1, Ganga Enclave  
Petbasheerabad, Outhubullapur,  
Hyderabad-500067

**Annexure -A**

Our report of even date is to be read along with this letter

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Account of the Company
4. Wherever required I have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc.,
5. The compliance of the provisions of Corporate and other applicable laws, rules and regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company

**For A.J.Sharma & Associates**  
Company Secretaries

Place: Hyderabad  
Date: 19th July 2019

**A.J.Sharma**  
FCS-2120, CP-2176

To  
**THE MEMBERS**  
**NCL ALLTEK & SECCOLOR LIMITED**  
**HYDERABAD**

#### Report on the Standalone Ind AS Financial Statements

##### Opinion :

We have audited the accompanying Standalone Ind AS financial statements of M/s. NCL ALLTEK & SECCOLOR LIMITED ("the Company") which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including other comprehensive income), Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the Standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including the Ind AS,

- a) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2019,
- b) in the case of Statement of Profit and Loss, of the Profit for the year then ended
- c) in the case of Cash Flow Statement, of the cash flows of the Company for the year
- d) in the case of statement of changes in equity for the year ended on that date.

##### Basis for Opinion :

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone Ind AS financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Responsibility of Management for the standalone Ind AS 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 of these standalone Ind AS financial statements that give a true and fair view of the Balance Sheet (financial position), Profit or Loss (financial performance including Other Comprehensive Income), Cash Flows and Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the company's financial reporting process.

##### Auditor's Responsibility for the Audit of the standalone Ind AS financial statements:

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the Indian 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 of the standalone Ind AS financial statements 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS 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 Ind AS financial statements.

##### Other Matters :

The comparative financial information of the Company for the year ended March 2018 and the transition date opening Balance Sheet as at April 1, 2017 included in these Standalone Ind AS financial

statements, are based on the previously issued statutory financial statements for the years ended March 31, 2018 and March 31, 2017 prepared in accordance with the Companies (Accounting Standards) Rules 2006 (as amended). The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

Our opinion is not modified in respect of these matters.

**Report on Other Legal and Regulatory Requirements :**

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 Companies Act, 2013, we enclose in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 (including other comprehensive income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board

of Directors, none of the directors is disqualified as on 31st March, 2019 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:
  - 1) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 37 to the Standalone Ind AS financial statements.
  - 2) Provision relating to Material Foreseeable Losses on Long-Term Contracts – Not Applicable. The company neither entered into any derivative contract during the year nor have any outstanding derivative contract at the year end.
  - 3) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Place : Hyderabad  
Date : 22.05.2019

**For ANANT RAO & MALLIK,**  
Chartered Accountants  
Firm Registration No.006266S

**V. ANANT RAO**  
Partner  
Membership No.022644

**Annexure - A to the Independent Auditors' Report**

The Annexure referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of NCL Alltek & Seccolor Limited for the year ended 31st March, 2019.

**We report that :****(i) With respect to Fixed Assets:**

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the fixed assets have been physically verified by the management in accordance with a regular programme of verification, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. In our opinion, the periodicity and procedures of such physical verification is reasonable having regard to the size of the Company and nature of its assets.
- (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) As explained to us, the management has conducted physical verification of inventories during the year at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has granted unsecured loans to companies covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which :
- (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest ;
- (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations ;
- (c) There is no overdue amount remaining outstanding as at the balance sheet date.
- (iv) According to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) The Company has accepted fixed deposits from its shareholders and as per the information and explanations given to us, the Company has complied with the directives of the Reserve Bank of India and the provisions of sections 73 to 76 and other relevant provisions of the Act and the rules framed thereunder, where ever applicable and no order has been passed against the Company by Company Law Board or National Company Law Tribunal or Reserve Bank of India or court or any other tribunal.
- (vi) We have broadly reviewed the cost records maintained by the Company relating to its products for which maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however not made a detailed examination of the records with a view to determining whether they are accurate or complete.

**(vii) With respect to Statutory Dues :**

- (a) According to the information and explanations given to us and the records of the Company examined by us, the Company is generally regular in depositing the undisputed statutory dues including Provident Fund, Employees State Insurance, Income-tax, Wealth-Tax, Value Added Tax, Service Tax, Goods and Services Tax, Duty of Customs, Duty of Excise, Cess and other material statutory dues as applicable to it, with the appropriate authorities and there were no undisputed statutory dues outstanding as at 31st March, 2019 for a period exceeding six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the disputed statutory dues which have not been deposited on account of disputed matters pending before appropriate authorities as at 31st March 2019 are as following :

Name of the Statute	Nature of Dues	Amount involved (in Rs. lakhs)	Amount deposited (in Rs. lakhs)	Balance (in Rs. lakhs)	Period to which the amount relates	Forum where dispute is pending
The APGST Act, 1957	APGST	5.60	5.50	-	1998-99	High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh
		14.28	6.91	7.37	1999-00	
		23.86	17.99	5.86	2000-01	
		7.97	4.48	3.49	2001-02	
		5.31	1.33	3.98	2002-03	
		14.81	7.90	7.91	2004-05	
		10.56	5.28	5.28	2003-04	Appellate Dy. Commissioner (CT), Secunderabad Division
The CST Act, 1956	CST	2.22	1.51	0.71	1999-00	High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh
		5.94	5.94	-	2000-01	
		1.65	0.83	0.82	2001-02	
		25.29	12.96	13.29	2002-03	
		16.80	8.88	8.92	2003-04	
		11.67	3.83	8.84	2004-05	
The Kerala GST Act, 1963	Kerala GST, Entry tax	19.15	7.86	11.49	2003-04	Sales Tax Appellate Tribunal, Ernakulam
		28.73	11.40	17.24	2004-05	
		1.10	0.14	0.96	2012-14	
	CST	0.75	0.05	0.70	2012-14	

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks and financial institutions. The Company has no borrowings from Government or by way of Debentures.
- (ix) In our opinion and according to the information and explanations given to us, the Term Loans have been applied by the Company during the year for the purposes for which they were raised. The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given 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 Standalone Ind AS financial statements as required by the applicable Indian 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 not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (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 45-1A of the Reserve Bank of India Act 1934.

Place : Hyderabad  
Date : 22.05.2019

**For ANANT RAO & MALLIK,**  
Chartered Accountants  
Firm Registration No.006266S

**V. ANANT RAO**  
Partner  
Membership No.022644

**Annexure – B to the Independent Auditor's Report**

The Annexure referred to in Paragraph 2 (f) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of NCL Alltek & Seccolor Limited for the year ended 31st March, 2019:

**Report on the Internal Financial Controls Over Financial Reporting 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 ALLTEK & SECCOLOR LIMITED ("the Company") as of March 31, 2019 in conjunction with our audit of the Standalone Ind AS 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, 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 judgement, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS 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 standalone Ind As 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 unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone Ind AS 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.

**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 March 31, 2019, 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.

Place : Hyderabad  
Date : 22.05.2019

**For ANANT RAO & MALLIK,**  
Chartered Accountants  
Firm Registration No.006266S

**V. ANANT RAO**  
Partner  
Membership No.022644

Rs. in lakhs

	Particulars	Note No.	AS AT 31 March, 2019	AS AT 31 March, 2018	AS AT 01 April, 2017
I	<b>ASSETS</b>				
(1)	<b>Non Current Assets</b>				
	(a) Property, plant and equipment	6	8,841.94	8,188.86	6,937.45
	(b) Capital work in progress	7	4,158.91	170.28	248.79
	(c) Other Intangible assets	8	45.08	1.63	2.56
	(d) Financial assets				
	(i) Investments	9	1,200.70	1,200.70	2,049.22
	(ii) Others Financial Assets	10	26.37	268.46	74.70
	(e) Other non-current assets	11	139.42	698.29	773.07
	<b>Total Non Current Assets</b>		<b>14,412.42</b>	<b>10,528.22</b>	<b>10,085.79</b>
(2)	<b>Current Assets</b>				
	(a) Inventories	12	2,746.29	2,509.95	1,980.21
	(b) Financial assets				
	(i) Trade receivables	13	8,719.55	5,668.29	4,577.82
	(ii) Cash & cash equivalents	14	730.75	593.61	112.20
	(iii) Bank balances	15	825.05	213.73	193.68
	(iv) Others Financial Assets	16	55.52	56.15	60.69
	(c) Other current assets	11	959.98	377.56	181.57
	<b>Total Current Assets</b>		<b>14,037.14</b>	<b>9,419.29</b>	<b>7,106.17</b>
	<b>Total Assets</b>		<b>28,449.56</b>	<b>19,947.51</b>	<b>17,191.96</b>
II	<b>EQUITY and LIABILITIES</b>				
A	<b>Equity</b>				
	(a) Equity share capital	17	578.49	578.49	578.49
	(b) Other equity		12,508.10	10,181.02	5,457.91
	<b>Total Equity</b>		<b>13,086.59</b>	<b>10,759.51</b>	<b>6,036.40</b>
B	<b>Liabilities</b>				
(1)	<b>Non Current Liabilities</b>				
	(a) Financial liabilities				
	Borrowings	18	3,345.00	1,375.33	2,400.38
	(b) Provisions	19	600.08	574.16	473.76
	(c) Deferred tax liabilities	20	602.60	475.99	414.03
	<b>Total Non Current Liabilities</b>		<b>4,547.68</b>	<b>2,425.48</b>	<b>3,288.17</b>
(2)	<b>Current Liabilities</b>				
	(a) Financial liabilities				
	(i) Borrowings	21	4,526.23	1,789.61	2,704.01
	(ii) Trade payables	22			
	Dues to MSMEs		1,422.79	1,365.60	1,786.64
	Dues to others				
	(b) Current maturities and other liabilities	23	3,692.87	1,996.07	2,121.14
	(c) Provisions	19	268.87	210.67	216.35
	(d) Current tax liabilities	24	251.59	553.00	212.42
	(e) Other current liabilities	25	652.94	847.57	826.83
	<b>Total Current Liabilities</b>		<b>10,815.29</b>	<b>6,762.52</b>	<b>7,867.39</b>
	<b>Total Equity and Liabilities</b>		<b>28,449.56</b>	<b>19,947.51</b>	<b>17,191.96</b>

Summary of significant accounting policies

1-5

The accompanying notes and other explanatory information are an integral part of the financial statements.

As per our report attached.

**For ANANT RAO & MALLIK,**

Chartered Accountants

FRN : 006266S

**V. ANANT RAO**

Partner

Membership No.022644

Place : Hyderabad

Date : 22.05.2019

For and on behalf of the Board of Directors

**M. KANNA REDDY**

Chairman

DIN - 00040440

**V. SRIHARI**

Chief Financial Officer

**K. MADHU**

Managing Director

DIN - 00040253

**U. DIVYA BHARATHI**

Company Secretary



Rs. in lakhs

	Particulars	Note No.	For the year ended 31 March, 2019	For the year ended 31 March, 2018
I	Revenue from Operations	26	37,242.69	25,827.69
II	Other Income	27	139.10	69.85
III	<b>Total Revenue (I+II)</b>		<b>37,381.79</b>	<b>25,897.54</b>
IV	EXPENSES			
	Cost of Materials Consumed	28	20,992.99	13,264.20
	Purchase of Traded Goods		1,024.78	906.31
	Increase In Inventories of Finished Goods and Work-in-Progress	29	(47.91)	(109.73)
	Excise Duty		-	584.28
	Other Manufacturing Expenses	30	2,604.27	1,840.67
	Employee Benefit Expenses	31	3,548.26	2,822.34
	Finance Cost	32	729.63	583.52
	Depreciation and Amortisation	33	522.46	427.67
	Other Expenses	34	3,320.48	2,728.41
	<b>Total Expenses (IV)</b>		<b>32,694.96</b>	<b>23,047.67</b>
V	Profit/(Loss) Before Exceptional Items and Tax (III-IV)		4,686.83	2,849.87
VI	Exceptional Items	36	125.18	3,879.50
VII	<b>Profit/(Loss) Before Tax (V+VI)</b>		<b>4,812.01</b>	<b>6,729.37</b>
VIII	Tax Expense			
	Current tax		1,592.47	1,579.66
	Adjustment of current tax relating to earlier years		3.69	7.44
	Deferred tax charge/ (credit)		124.88	53.06
	<b>Total tax expense (VII)</b>		<b>1,721.04</b>	<b>1,640.15</b>
IX	<b>Profit for the year (VII - VIII)</b>		<b>3,090.97</b>	<b>5,089.23</b>
X	OTHER COMPREHENSIVE INCOME	35		
	Items that will not be reclassified to profit or loss			
	Re-measurement (loss)/gain on employee defined benefit plans		4.97	25.73
	Tax Expense		(1.74)	(8.91)
	Total other comprehensive income		3.23	16.82
	<b>Total comprehensive income for the year, net of tax (IX+X)</b>		<b>3,094.20</b>	<b>5,106.05</b>
	Earnings Per Equity Share	39		
	Computed on the basis of total profit for the year			
	Basic EPS (Rs.)		53.43	87.97
	Basic EPS excluding exceptional items (Rs.)		51.69	30.78
	Diluted (Rs.)		53.43	87.97

Summary of significant accounting policies

1-5

The accompanying notes and other explanatory information are an integral part of the financial statements.

As per our report attached.

**For ANANT RAO & MALLIK,**

Chartered Accountants

FRN : 006266S

**V. ANANT RAO**

Partner

Membership No.022644

Place : Hyderabad

Date : 22.05.2019

For and on behalf of the Board of Directors

**M. KANNA REDDY**

Chairman

DIN - 00040440

**V. SRIHARI**

Chief Financial Officer

**K. MADHU**

Managing Director

DIN - 00040253

**U. DIVYA BHARATHI**

Company Secretary

Notes and other explanatory information to Ind AS financial statements for the year ended March 31, 2019

**Attributable to the Equity Holders**

Rs. in lakhs

Particulars	Reserves and surplus					Total
	Equity Share Capital	Securities Premium	General reserve	Retained Earnings	Items of Other Comprehensive Income	
As at April 01, 2017	578.49	923.65	4,008.94	525.32	-	6,036.40
Total demerger impact & Comprehensive Income Transferred to General Reserves	-	-	-	5,089.23	16.82	5,106.05
Dividend to equity shareholders	-	-	4,800.00	(4,800.00)	-	-
- Dividend on equity shares	-	-	-	(318.17)	-	(318.17)
- Tax on Dividend on equity shares	-	-	-	(64.77)	-	(64.77)
At March 31, 2018	578.49	923.65	8,808.94	431.61	16.82	10,759.51
Profit for the year	-	-	-	3,090.97	-	3,090.97
Other Comprehensive Income	-	-	-	-	3.23	3.23
Transferred to General Reserves	-	-	2,000.00	(2,000.00)	-	-
Dividend to equity shareholders	-	-	-	(318.16)	-	(318.16)
- Dividend on equity shares	-	-	-	(65.40)	-	(65.40)
- Tax on Dividend on equity shares	-	-	-	(318.16)	-	(318.16)
Interim Dividend to equity shareholders	-	-	-	(65.40)	-	(65.40)
- Interim Dividend on equity shares	-	-	-	(318.16)	-	(318.16)
- Tax on Interim Dividend on equity shares	-	-	-	(65.40)	-	(65.40)
As at March 31, 2019	578.49	923.65	10,808.94	755.46	20.05	13,086.59

The accompanying notes are an integral part of the financial statements.

As per our report attached,  
**For ANANT RAO & MALLIK,**  
 Chartered Accountants  
 FRN : 006266S

**V. ANANT RAO**  
 Partner  
 Membership No.022644  
 Place : Hyderabad  
 Date : 22.05.2019

For and on behalf of the Board of Directors

**M. KANNA REDDY**  
 Chairman  
 DIN - 00040440

**K. MADHU**  
 Managing Director  
 DIN - 00040253

**V. SRIHARI**  
 Chief Financial Officer

**U. DIVYA BHARATHI**  
 Company Secretary

## Standalone statement of cash flows for the year ended 31 March, 2019

Rs. in lakhs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Cash flows from operating activities		
Profit before tax	4,815.26	6,755.11
Adjustments for :		
Depreciation of property, plant and equipment	515.03	426.43
Amortisation of intangible assets	7.43	1.24
Interest income and notional income	(92.50)	(25.85)
Interest expenses	729.64	583.53
Adjustment for Exceptional Items	(125.18)	(3,879.50)
<b>Operating profit before working capital changes</b>	<b>5,849.68</b>	<b>3,060.96</b>
Movement in working capital:		
Increase in other Financial liabilities	179.01	58.18
Increase / (decrease) in trade payables	57.17	(421.02)
Increase / (decrease) in other financial current liabilities and provisions	(110.53)	115.47
(Increase) / decrease in inventories	(236.33)	(529.74)
(Increase) / decrease in trade receivables	(3,051.26)	(1,080.47)
(Increase) / decrease in Financial current assets	0.60	3.64
(Increase) / decrease in other non current Financial Assets	242.09	(193.76)
(Increase) / decrease in other Non Current Assets	558.87	74.77
(Increase) / decrease in other current assets	(582.42)	(195.99)
<b>Cash generated from operations</b>	<b>2,906.88</b>	<b>1,682.04</b>
Income tax paid	(1,895.82)	(1,246.51)
<b>Net cash flows from operating activities (A)</b>	<b>1,011.06</b>	<b>435.53</b>
Cash flows used in investing activities		
Purchase of property, plant and equipment, including intangible assets, capital work in progress and capital advances	(5,247.22)	(1,663.45)
Proceeds from sale of property, plant and equipment	164.77	846.48
Interest received	92.54	26.75
Proceeds from Sale of Investments	-	3,945.34
<b>Net cash flows used in investing activities (B)</b>	<b>(4,989.91)</b>	<b>3,155.12</b>
Net cash flows (used in)/ from financing activities		
Proceeds from issue of equity shares		
Proceeds/(Repayment) of long - term borrowings	3,125.11	(1,214.02)
Proceeds/(Repayment) of short - term borrowings (net)	2,736.62	(914.40)
Dividend paid	(383.57)	(382.94)
Interest paid	(750.85)	(577.83)
<b>Net cash flows (used in)/from financing activities (C)</b>	<b>4,727.31</b>	<b>(3,089.19)</b>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>	<b>748.46</b>	<b>501.46</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>807.34</b>	<b>305.88</b>
<b>Cash and cash equivalents at the year end</b>	<b>1,555.80</b>	<b>807.34</b>
Components of cash and cash equivalents:		
Cash on hand	10.04	2.94
Balances with banks		
On current accounts	638.26	513.97
On dividend accounts	82.45	76.70
On deposit accounts	825.05	213.73
<b>Total cash and cash equivalents</b>	<b>1,555.80</b>	<b>807.34</b>

Rs. in lakhs

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Changes in liabilities arising from financing activities, including both changes arising from cash and non-cash changes.		
Long Term Borrowings	5,569.47	2,444.36
Short Term Borrowings	4,526.23	1,789.61
Interest Accrued but not Due	12.13	10.38
Unamortised Processing Fees	(34.98)	(12.02)
<b>Total</b>	<b>10,072.85</b>	<b>4,232.33</b>
<b>Total Movement</b>	<b>5,840.51</b>	
Non Cash Changes :		
Dividend Paid	(383.57)	
Interest charged during the year	(729.64)	
<b>Changes in Financing Cash flows</b>	<b>4,727.30</b>	

## Notes:

- The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Ind AS - 7 on Cash Flow Statements.
- Previous year's figures have been regrouped and reclassified to conform to those of the current year.

The accompanying notes are an integral part of the financial statements.

As per our report of even date

As per our report attached.

**For ANANT RAO & MALLIK,**

Chartered Accountants

FRN : 006266S

**V. ANANT RAO**

Partner

Membership No.022644

Place : Hyderabad

Date : 22.05.2019

For and on behalf of the Board of Directors

**M. KANNA REDDY**

Chairman

DIN - 00040440

**V. SRIHARI**

Chief Financial Officer

**K. MADHU**

Managing Director

DIN - 00040253

**U. DIVYA BHARATHI**

Company Secretary

**Significant accounting policies:**

**1. Corporate Information**

NCL Alltek & Seccolor Limited (CIN U72200TG1986PLC006601) is an Unlisted Public Limited Company. The Company is engaged in manufacturing and selling Spray Plasters, Paints, Skim Coat, Steel Profiles, Doors, Windows (Steel, ABS & UPVC) and Fly Ash Bricks. The Company is organized into three divisions namely:

- a. Coatings: The Company has started manufacturing operations of Spray Plasters in 1992 with technology from M/s.ICP Sweden. The company was the first to start manufacturing acrylic based putties (spray plasters) in India and today it is the largest manufacturer of spray plasters in India. It also manufactures emulsion paints including textured paints, White cement based putty and other Cement based products like Tile adhesives, Mortars and Plasters.
- b. Windows: The Company has started manufacturing pre-painted steel doors, windows, partitions, glazing etc., in 1988 with technology from M/s Industries Secco S.P.A of Italy and marketing the products under the brand name of Seccolor. The Company is also into the fabricating UPVC doors, windows & ABS doors etc.
- c. Walls: The Flyash Bricks manufacturing has started from 2016 in Kawuluru, Krishna District, Andhra Pradesh. Second Project is under implementation in Nellore, Andhra Pradesh.

**2. Basis of Preparation**

This note provides the list of the significant accounting policies adopted in the preparation of these Ind AS financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

**a) Compliance with Ind AS**

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with [Companies (Indian Accounting Standards) Rules, 2015], [Companies (Accounts) Amendment Rules, 2016], and other relevant amendments and provisions of the Act.

The financial statements upto year ended 31 March 2018 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

The Company has voluntarily adopted the Ind AS Financial Statements from the Financial Year 2018-19, even though company is not falling under the category as applicable.

**b) Historical cost convention**

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities (including derivative instruments) and contingent consideration that is measured at fair value;
- Assets held for sale – measured at fair value less cost to sell;
- Defined benefit plans – plan assets measured at fair value; and
- Share-based payments.

**c) Current / Non – Current Classification**

Any asset or liability is satisfied as current if it satisfies any of the following conditions:

- Asset / Liability is expected to be realised / settled in the Company's normal operating cycle
- Asset is intended for sale or consumption
- Asset / Liability is held primarily for the purpose of trading
- Asset is a cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date
- In case of a Liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date

For the purpose of this classification, the Company has ascertained its normal operating cycle as twelve months, which is based on the nature of business and time between acquisition of assets and inventories for processing and their realisation in cash and cash equivalents.

**3. First time adoption of Ind AS**

These are the Company's first financial statements which have been prepared in accordance with Ind AS. The accounting policies set out in Note 2.2 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information presented in these financial statements for the year ended 31 March 2018 and in the preparation of an opening Ind AS balance sheet as at 01, April 2017 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position and financial performance is set out in the Note 45.

The Company has voluntarily adopted the Ind AS Financial Statements from the Financial Year 2018-19.

**Exemptions and Exceptions applied**

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

Exceptions to retrospective application of other Ind AS (Mandatory Exceptions)

**a) Estimates:**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is an objective evidence that those estimates were in error. Ind AS estimates as at 1 April 2017 are consistent with the estimates as at the same date made in conformity with previous GAAP. The company made estimates for impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under previous GAAP

b) *Ind AS 109 Financial Instruments (Derecognition of previously recognised financial assets/ financial liabilities):*

An entity shall apply the de recognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. The Company has applied the de recognition requirements prospectively.

c) *Ind AS 109 Financial Instruments (Classification and measurement of Financial assets):*

Classification and measurement of financial assets shall be made on the basis of the facts and circumstances that exist at the date of transition to Ind AS. The Company has evaluated the facts and circumstances existing on the date of transition to Ind AS for the purpose of classification and measurement of financial assets and accordingly has classified and measured financial assets on the date of transition.

d) *Ind AS 109 Financial Instrument (Impairment of Financial Assets):*

Impairment requirements under Ind AS 109 should be applied retrospectively based on the reasonable and supportable information that is available on transition date without undue cost or effort. The Company has applied impairment requirement retrospectively.

**Exceptions from retrospective application of other Ind AS (Optional Exceptions )**

a) *Ind AS 103 Business Combinations*

This standard has not been applied to acquisitions of subsidiaries, which are considered businesses under Ind AS that occurred before April 01, 2017. Use of this exemption means that the Previous GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with respective Ind AS. The Company recognizes all assets acquired and liabilities assumed in a past business combination, except

- certain financial assets and liabilities that were derecognized and that fall under the derecognition exception, and
- Assets (including goodwill) and liabilities that were not recognized in the acquirer's Balance Sheet under its previous GAAP and that would not qualify for recognition under Ind AS in the individual balance sheet of the acquiree.

Assets and liabilities that do not qualify for recognition under Ind AS are excluded from the opening Ind AS balance sheet. The Company did not recognise or exclude any previously excluded or recognised amounts as a result of Ind AS recognition requirements.

b) *Ind AS 102 Share Based Payment:*

An entity may elect to apply Ind AS 102 to equity instruments that vested before the date of transition to Ind AS. The Company has not applied Ind AS 102 to grants which vested before the date of transition to Ind AS.

c) *Ind AS 16 Property, Plant and Equipment & Ind AS 38 Intangible Assets:*

An entity may elect to measure an item of property, plant and equipment and intangible asset at the date of transition to Ind AS at its fair value and use that fair value as deemed cost at that date or may measure the items of Property, Plant and Equipment, intangibles by applying Ind AS retrospectively or use of the carrying amount under Previous GAAP on the date of transition as deemed cost.

The Company has elected to continue with the carrying amount for all of its property, plant and equipment and intangible assets measured as per Previous GAAP and use that as its deemed cost as at the date of transition

d) *Ind AS 17 Leases:*

An entity shall determine based on facts and circumstances existing at the date of transition to Ind AS whether an arrangement contains a Lease and when a lease includes land and building elements, an entity shall assess the classification of each element as finance lease or operating lease. The company has used this exemption and assessed all arrangements based on conditions existing as at the date of transition.

e) *Ind AS 21 The effect of changes in foreign exchange rates:*

Long Term Foreign Currency Monetary Items: A first-time adopter may continue the policy adopted for accounting for exchange difference arising from translation of long-term term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP. The Company adopted the policy of amortizing exchange differences on long term foreign currency monetary items and accordingly this exemption has been applied by the company.

f) *Ind AS 27 Separate Financial Statements:*

An entity is required to account for its investments in subsidiaries, joint ventures and associates either:

- at cost; or
- in accordance with Ind AS 109.

Such cost shall be cost as per Ind AS 27 or deemed cost. The deemed cost of such an investment shall be its fair value on the date of transition to Ind AS or Previous GAAP carrying amount at that date. The Company has elected to measure its investment in subsidiaries & associates at cost determined in accordance with Ind AS 27 i.e. original cost of investment in subsidiaries and associates.

g) *Ind AS 109 Financial Instruments:*

Ind AS 109 permits an entity to designate a financial liability/asset (meeting certain criteria) at fair value through profit or loss. A financial liability/ asset shall be designated at fair value through the facts and circumstances that exist at the date of transition to Ind AS. There are no financial liabilities or assets except quoted investment that are specifically designated at FVTPL and hence this exemption is not applicable. An entity may designate an investment in an equity instruments as at fair value through other

comprehensive income (FVTOCI) in accordance with the Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS. The company has not designated equity instruments as at FVTOCI and hence this exemption is not applicable.

**h) Ind AS 105 Non-current Assets held for Sale and Discontinued Operations:**

Ind AS 105 requires that non-current assets or disposal groups that meet the criteria to be classified as held for sale, non-current assets or disposal groups that are held for distribution to owners and operations that meet the criteria to be classified as discontinued operations shall be carried at lower of its carrying amount and fair value less costs to sell on the date of such identification. A first-time adopter can measure such assets or operations on the date of transition to Ind AS and recognise the difference between that amount and carrying amount under previous GAAP directly in retained earnings.

**4. Significant Accounting Estimates and Judgments**

Estimates, assumptions concerning the future and judgments are made in the preparation of the financial statements. They affect the application of the Company's accounting policies, reporting amounts of assets, liabilities, income and expense and disclosures made. Although these estimates are based on management's best knowledge of current events and actions, actual result may differ from those estimates.

The critical accounting estimates and assumptions used and areas involving a high degree of judgments are described below:

**Use of estimation and assumption**

In the process of applying the entity's accounting policies, management had made the following estimation and assumptions that have the significant effect on the amounts recognised in the financial statements. The estimates and assumptions used in accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements are reviewed on an ongoing basis. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any revision to accounting estimates is recognised prospectively in current and future periods.

**a) Property, Plant and Equipment & Intangible Assets**

Key estimates related to long-lived assets (property, plant and equipment, mineral leaseholds and intangible assets) include useful lives, recoverability of carrying values and the existence of any retirement obligations. As a result of future decisions, such estimates could be significantly modified. The useful lives is applied as per Schedule II of Companies Act, 2013. These estimates include an assumption regarding periodic maintenance and an appropriate level of annual capital expenditures to maintain the assets.

**b) Employee Benefits - Measurement of Defined Benefit Obligation**

Management assesses post-employment and other employee benefit obligations using the projected unit credit method based on actuarial assumptions which represent management's best estimates of the variables that will determine the ultimate cost of

providing post-employment and other employee benefits.

**c) Income tax**

The Company recognizes tax liabilities based upon self-assessment as per the tax laws. When the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

**Critical judgments made in applying accounting policies**

**a) Lease Classifications**

At the inception of an arrangement entered into for the use of property, plant and equipment (PPE), the Company determines whether such an arrangement is, or contains, a lease. The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of (i) whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets, and (ii) the arrangement conveys a right to use the asset(s).

Lease transactions where substantially all risks and rewards incident to ownership are transferred from the lessor to the lessee are accounted for as finance leases. All other leases are accounted for as operating leases.

**b) Expected credit loss**

Expected credit losses of the company are based on an evaluation of the collectability of receivables. A considerable amount of judgment is required in assessing the ultimate realization of these receivables, including their current credit worthiness, past collection history of each customer and ongoing dealings with them. If the financial conditions of the counterparties with which the Company contracted were to deteriorate, resulting in an impairment of their ability to make payments, additional expected credit loss may be required.

**5. Significant Accounting Policies**

**5.1) Property, Plant and Equipment and Depreciation**

All items of property, plant and equipment are initially recorded at cost. The cost of an item of plant and equipment is recognized as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Cost includes its purchase price (after deducting trade discounts and rebates), import duties & non-refundable purchase taxes, any costs directly attributable to bringing the asset to the location & condition necessary for it to be capable of operating in the manner intended by management, borrowing costs on qualifying assets and asset retirement costs. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The activities necessary to prepare an asset for its intended use or sale extend to more than just physical construction of the asset. It may also include technical (DPR, environmental, planning, land acquisition and geological study) and administrative work such as obtaining approvals before the commencement of physical construction.

The cost of replacing a part of an item of property, plant and equipment is capitalized if it is probable that the future economic benefits of the part will flow to the Company and that its cost can be measured reliably. The carrying amount of the replaced part is derecognized.

Costs of day to day repairs and maintenance costs are recognized into the statement of profit and loss account as incurred.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, estimated useful lives and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de recognition of the asset is recognised in the profit or loss in the year the asset is derecognized.

Assets under installation or under construction as at the Balance Sheet date are shown as Capital Work in Progress.

Depreciation is provided on Straight Line Method, as per the provisions of Schedule II of the Companies Act, 2013 or based on useful life estimated on the technical assessment. Asset class wise useful lives are as under:

Building	-30 years
Plant and Equipment	-15 years
Electrical installations	-10 years
Computers	-3 years
Furniture and Fixtures	-10 years
Vehicles	-6 years
Office Equipment	-5 years

### 5.2) Intangible Assets & Amortization

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably

Intangible assets are stated at cost of acquisition less accumulated amortisation and accumulated impairment losses, if any. Product development cost recognises on initial product registration charges, analysis and other relevant costs and are stated as intangible assets less accumulated amortisation and impairment losses.

Subsequent expenditure related to an item of intangible assets are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

The company amortizes Computer software and Licences using the straight-line method over its estimated useful economic life , which is generally a period of 3 years.

### 5.3) Investment Properties

Property that is held for long-term rental yields or for capital appreciation or both is classified as investment property. Investment Property is measured at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

Investment Properties are depreciated using the straight-line method as per the provisions of Schedule II of the Companies Act, 2013 or based on useful life estimated on the technical assessment.

### 5.4) Inventories

Raw materials, consumables, stores and spares and finished goods are valued at lower of cost and net realizable value. Cost is determined on weighted average cost method.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Inventories are valued at lower of cost or net realizable value.

Goods-in transit are valued at cost which represents the cost incurred upto the stage at which the goods are in transit.

### 5.5) Impairment of Non – Financial Assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the company makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

### 5.6) Non-current Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, that are expected to be recovered through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets, or components of the disposal group, are re-measured in accordance with the Company's accounting policies. Thereafter, the assets, or disposal group, are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment losses on initial classification as held for sale or subsequent gain on re-measurement are recognized into the statement of profit and loss account. Gains are not recognized in excess of any cumulative impairment losses.



**5.7) Financial Assets**

Financial assets comprise of investments in equity and debt securities, trade receivables, cash and cash equivalents and other financial assets.

**Initial recognition:**

All financial assets are recognised initially at fair value. Purchases or sales of financial asset that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the assets.

**Subsequent Measurement:****a) Financial assets measured at amortised cost:**

Financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortised cost using effective interest rate (EIR) method. The EIR amortization is recognised as finance income in the Statement of Profit and Loss.

The Company while applying above criteria has classified the following at amortised cost:

- a. Trade receivable
- b. Cash and cash equivalents
- c. Other Financial Asset

**b) Financial assets at fair value through other comprehensive income (FVTOCI):**

Financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, selling the financial assets and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at FVTOCI. Fair Value movements in financial assets at FVTOCI are recognised in other comprehensive income. Equity instruments held for trading are classified at fair value through profit or loss (FVTPL). For other equity instruments the company classifies the same at FVTOCI. The classification is made on initial recognition and is irrevocable. Fair value changes on equity investments at FVTOCI, excluding dividends are recognised in other comprehensive income (OCI).

**c) Financial assets at fair value through profit or loss (FVTPL)**

Financial asset are measured at fair value through profit or loss if it does not meet the criteria for classification as measured at amortised cost or at fair value through other comprehensive income. All fair value changes are recognised in the statement of profit and loss.

**d) Investment in subsidiaries, joint ventures & associates are carried at cost in the separate financial statements.****Impairment of Financial Assets:**

Financial assets are tested for impairment based on the expected credit losses.

**a) Trade Receivables**

An impairment analysis is performed at each reporting date. The expected credit losses over life time of the asset are estimated by adopting the simplified approach using a provision matrix which is based on historical loss rates reflecting current condition and forecasts of future economic conditions. In this approach assets are grouped on the basis of similar credit characteristics such as customer segment, past due status and other factors which are relevant to estimate the expected cash loss from these assets.

**b) Other financial assets**

Other financial assets are tested for impairment based on significant change in credit risk since initial recognition and impairment is measured based on probability of default over the life time when there is significant increase in credit risk.

**De-recognition of financial assets:**

A financial asset is derecognized only when:

- The company has transferred the rights to receive cash flows from the financial asset or
- The contractual right to receive cash flows from financial asset is expired or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset and transferred substantially all risks and rewards of ownership of the financial asset, in such cases the financial asset is derecognized. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is also derecognized if the company has not retained control of the financial asset.

**5.8) Cash and Cash Equivalents**

Cash and cash equivalents comprise cash at bank and in hand and short-term investments with an original maturity of three months or less. Deposits with banks are subsequently measured at amortized cost and short term investments are measured at fair value through statement of profit & loss account.

**5.9) Share Capital**

Equity Shares are classified as equity

**5.10) Financial Liabilities****Initial recognition**

Financial liabilities are recognized when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value plus any directly attributable transaction costs, such as loan processing fees and issue expenses.

**Subsequent measurement - at amortised cost**

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortization process.

**De recognition**

A financial liability is de recognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

**5.11) Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest, exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other costs that an entity incurs in connection with the borrowing of funds.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

**5.12) Employee benefits**

Employee benefits are charged to the Statement of Profit and Loss for the year.

Retirement benefits in the form of Provident Fund are defined contribution scheme and such contributions are recognised, when the contributions to the respective funds are due. There are no other obligation other than the contribution payable to the respective funds.

Gratuity liability is defined benefit obligation and is provided for on the basis of actuarial valuation on projected unit credit method made at the end of each financial year. Re measurement in case of defined benefit plans gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income and they are included in retained earnings in the statement of changes in equity in the balance sheet.

Compensated absences are provided for on the basis of actuarial valuation on projected unit credit method made at the end of each financial year. Re measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in statement of profit or loss account.

The amount of Non-current and Current portions of employee benefits is classified as per the actuarial valuation at the end of each financial year.

**5.13) Income Taxes**

Income tax expense is comprised of current and deferred taxes. Current and deferred tax is recognized in net income except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income. Current income taxes for the current period, including any adjustments to tax payable in respect of previous years, are recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the tax rates that are enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and liabilities are recognized for temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax base using the tax rates that are expected to apply in the period in which the deferred tax asset or liability is expected to settle, based on the laws that have been enacted or substantively enacted by the end of reporting period.

Deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable income nor the accounting income. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable income will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and reduced accordingly to the extent that it is no longer probable that they can be utilized.

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the company's gross total income is subject to the deduction during the tax holiday period.

Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. However, the Company restricts recognition of deferred tax assets to the extent that it has become reasonably certain, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

Deferred tax assets and liabilities are offset when there is legally enforceable right of offset current tax assets and liabilities when the deferred tax balances relate to the same taxation authority. Current tax asset and liabilities are offset where the entity has legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

**5.14) Minimum Alternate Tax (MAT)**

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that company will pay normal Income Tax during the specified period.

**5.15) Leases****As a lessee**

Leases of property, plant and equipment where the company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

**As a lessor**

Lease income from operating leases where the company is a lessor is recognised in income on a straight line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

**5.16) Provisions**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense and is recorded over the estimated time period until settlement of the obligation. Provisions are reviewed and adjusted, when required, to reflect the current best estimate at the end of each reporting period.

The Company recognizes decommissioning provisions in the period in which a legal or constructive obligation is incurred. A corresponding decommissioning cost is added to the carrying amount of the associated property, plant and equipment, and it is depreciated over the estimated useful life of the asset.

**5.17) Contingent Liabilities**

Contingent liability is disclosed in case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- A present obligation arising from past events, when no reliable estimate is possible;

- A possible obligation arising from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company where the probability of outflow of resources is not remote.

**5.18) Contingent Assets**

Contingent assets are not recognized but disclosed in the financial statements when an inflow of economic benefits is probable.

**5.19) Fair Value Measurements**

Company uses the following hierarchy when determining fair values:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting dates. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The fair value for these instruments is determined using Level 1 inputs

The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is fair valued using level 2 inputs

If one or more of the significant inputs is not based on observable market data, the instrument is fair valued using Level 3 inputs. Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the reporting dates, with the resulting value discounted back to present value
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

**5.20) Revenue Recognition**

The Company recognises revenue from contracts with customers based on a five-step model, such as to, identifying the contracts with a customer, identifying the performance obligations in the contract, determine the transaction price, allocate the transaction price to the performance obligations in the contract and recognise revenue when (or as) the entity satisfies a performance obligation at a point in time or over time.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Company's performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

#### **5.21) Foreign currency transactions**

Transactions in foreign currencies are translated to the functional currency of the company, at exchange rates in effect at the transaction date. At each reporting date monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate in effect at the date of the financial statement. The translation for other non-monetary assets is not updated from historical exchange rates unless they are carried at fair value

#### **5.22) Government Grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

#### **5.23) Earnings per share**

Basic earnings per share are calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account, the after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

#### **5.24) Segmental Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers, who are responsible for allocating resources and assessing performance of the operating segments.

**6. Property, plant and equipment**

Rs. in lakhs

Particulars	Freehold land	Buildings	Plant and equipment	Electrical Installations	Furniture and Fixtures	Office Equipment	Computers	Vehicles	Total
Gross carrying value									
As at April 01, 2017	1,282.30	1,490.65	3,866.45	8.58	27.21	8.02	8.50	245.74	6,937.45
Additions	532.19	334.61	374.51	0.30	2.39	2.83	10.64	484.18	1,741.65
Disposals	(34.92)	(4.38)	(22.88)	-	-	(0.10)	-	(26.50)	(88.78)
As at March 31, 2018	1,779.57	1,820.88	4,218.08	8.88	29.60	10.75	19.14	703.42	8,590.32
Additions	-	518.83	604.51	-	13.33	8.16	11.57	51.30	1,207.70
Disposals/Deductions	(23.77)	-	(5.15)	-	-	-	-	(10.68)	(39.60)
As at March 31, 2019	1,755.80	2,339.71	4,817.44	8.88	42.93	18.91	30.71	744.04	9,759.42
Depreciation and impairment									
As at April 1, 2017	-	-	-	-	-	-	-	-	-
Charge for the year	-	47.06	293.53	7.95	7.43	1.69	5.84	62.93	426.43
Disposals	-	(2.40)	(22.47)	-	-	(0.10)	-	-	(24.97)
As at March 31, 2018	-	44.66	271.06	7.95	7.43	1.59	5.84	62.93	401.46
Charge for the year	-	65.03	333.44	0.35	7.35	4.95	7.47	96.43	515.02
Disposals/Deductions	-	-	-	-	-	-	-	-	-
As at March 31, 2019	-	109.69	604.50	8.30	14.78	6.54	13.31	159.36	916.48
Net carrying value									
As at April 01, 2017	1,282.30	1,490.65	3,866.45	8.58	27.21	8.02	8.50	245.74	6,937.45
As at March 31, 2018	1,779.57	1,776.22	3,947.02	0.93	22.17	9.16	13.30	640.49	8,188.86
As at March 31, 2019	1,755.80	2,230.02	4,212.94	0.58	28.15	12.37	17.40	584.68	8,841.94

Note: Gross Block as on 01.04.2017 represents deemed cost (Gross Block- Accumulated Depreciation) as per Ind AS 101

**7. Capital work in progress :**

Rs. in lakhs

Particulars	Total
As at April 01, 2017	248.79
Additions	156.67
Capitalisations	(235.18)
As at March 31, 2018	170.28
Additions	4,392.45
Capitalisations	(403.82)
As at March 31, 2019	4,158.91

**8. Intangible Assets**

Rs. in lakhs

Particulars	Computer Software
Gross carrying value	
As at April 01, 2017	2.56
Additions	0.31
Disposals	-
As at March 31, 2018	2.87
Additions	50.88
Disposals	-
As at March 31, 2019	53.75
Amortisation	
As at April 01, 2017	
Charge for the year	1.24
Disposals	-
As at March 31, 2018	1.24
Charge for the year	7.43
Disposals	-
As at March 31, 2019	8.67
Net carrying value	
As at April 01, 2017	2.56
As at March 31, 2018	1.63
As at March 31, 2019	45.08

Note: Gross Block as on 01.04.2017 represents deemed cost (Gross Block- Accumulated Depreciation) as per Ind AS 101

**9. Investments**

Rs. in lakhs

Particulars	As At	As At	As At	As At	As At	As At
	31-03-2019	31-03-2018	01-04-2017	31-03-2019	31-03-2018	01-04-2017
	No. of Shares	No. of Shares	No. of Shares	Rs.	Rs.	Rs.
Unquoted Investments :						
i) Investments in equity instruments of						
(a) subsidiaries NCL Veka Limited (Formerly NCL Wintech India Ltd.) Rs.10 fully paid-up	-	-	147.17	-	-	1,979.22
Spantile Mfg. Co. Pvt Ltd, Rs. 100 each Fully paid up	0.20	0.20	-	70.00	70.00	70.00
<b>Total</b>				<b>70.00</b>	<b>70.00</b>	<b>2,049.22</b>
Investments in equity instruments of						
(b) associates NCL Veka Limited (Formerly NCL Wintech India Ltd.) Rs.10 fully paid-up	62.32	62.32	-	1,130.70	1,130.70	-
<b>Total</b>				<b>1,130.70</b>	<b>1,130.70</b>	<b>-</b>
<b>Total Investments</b>				<b>1,200.70</b>	<b>1,200.70</b>	<b>2,049.22</b>

**10. Others Financial Assets**

Rs. in lakhs

Particulars	As At	As At	As At
	31-03-2019	31-03-2018	01-04-2017
Non Current (unsecured, considered good unless stated otherwise)			
Bank Deposits (Note No 15)	-	248.04	60.00
Security Deposits	26.37	20.42	14.70
<b>Total</b>	<b>26.37</b>	<b>268.46</b>	<b>74.70</b>

Rs. in lakhs

**11. Other assets**

Particulars	Non Current			Current		
	As At 31-03-2019	As At 31-03-2018	As At 01-04-2017	As At 31-03-2019	As At 31-03-2018	As At 01-04-2017
MAT Credit Entitlement	-	202.01	292.33	-	-	-
Capital Advances	139.42	496.28	480.74	-	-	-
Advances to suppliers	-	-	-	319.32	76.18	30.93
Prepayments	-	-	-	179.98	164.91	22.10
Balances with Statutory/Government Authorities	-	-	-	460.68	136.47	128.54
	<b>139.42</b>	<b>698.29</b>	<b>773.07</b>	<b>959.98</b>	<b>377.56</b>	<b>181.57</b>

**12. Inventories**

Rs. in lakhs

Particulars	As At 31-03-2019	As At 31-03-2018	As At 01-04-2017
<b>At lower of cost and net realisable value</b>			
Raw Materials	1,410.86	1,292.19	1,044.25
Finished Goods	903.92	856.00	746.27
Stores, spares & consumables	431.51	361.76	189.69
<b>Total</b>	<b>2,746.29</b>	<b>2,509.95</b>	<b>1,980.21</b>

**13. Trade Receivables**

Rs. in lakhs

Particulars	As At 31-03-2019	As At 31-03-2018	As At 01-04-2017
Unsecured			
Considered good	8,719.55	5,668.29	4,577.82
	<b>8,719.55</b>	<b>5,668.29</b>	<b>4,577.82</b>

**14. Cash & Cash Equivalents**

Rs. in lakhs

Particulars	As At 31-03-2019	As At 31-03-2018	As At 01-04-2017
<b>Balances with Banks</b>			
-On Current Accounts	638.26	513.97	37.64
-On Dividend Accounts	82.45	76.70	70.63
Cash on hand	10.04	2.94	3.93
	<b>730.75</b>	<b>593.61</b>	<b>112.20</b>

**15. Bank Balances**

Rs. in lakhs

Particulars	As At 31-03-2019	As At 31-03-2018	As At 01-04-2017
<b>In Deposit Accounts</b>			
Remaining maturity for more than twelve months	-	248.04	60.00
Deposits with original maturity for more than 3 months but less than 12 months	825.05	213.73	193.68
Less : Amount disclosed under Other Assets	825.05	461.77	253.68
	-	(248.04)	(60.00)
	<b>825.05</b>	<b>213.73</b>	<b>193.68</b>

**16. Current (unsecured, considered good unless stated otherwise)**

Rs. in lakhs

Particulars	As At 31-03-2019	As At 31-03-2018	As At 01-04-2017
Advances to Employees	11.18	11.09	21.94
EMD & Security Deposits	4.66	4.67	1.67
Deposits	35.23	35.98	33.57
Interest Receivable	4.45	4.41	3.51
<b>Total</b>	<b>55.52</b>	<b>56.15</b>	<b>60.69</b>

**17. (a) Equity share capital**

Rs. in lakhs

Particulars	As At 31-03-2019	As At 31-03-2018	As At 01-04-2017
Authorised 15,000,000 (March 31, 2017: 15,000,000) Equity shares of Rs. 10/- each	1,500.00	1,500.00	1,500.00
Total	1,500.00	1,500.00	1,500.00
Issued 6,960,400 (March 31, 2018: 6,960,400, April 01, 2017 : 6,960,400) Equity share of Rs. 10/- each	696.04	696.04	696.04
	696.04	696.04	696.04
Subscribed & Paid Up 57,84,868 (March 31, 2018: 57,84,868, April 01, 2017 : 57,84,868) Equity share of Rs. 10/- each fully paid up	578.49	578.49	578.49
Add: Forfeited shares (amount originally paid up)			
<b>Total</b>	<b>578.49</b>	<b>578.49</b>	<b>578.49</b>

**17.1. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

Rs. in lakhs

Equity Shares of Rs.10 Each, Fully paid up	As At 31 March, 2019		As At 31 March, 2018		As At 01 April, 2017	
	No.	Rs.	No.	Rs.	No.	Rs.
Balance as per last financial statements	57.85	578.49	57.85	578.49	57.85	578.49
Issued during the year	-	-	-	-	-	-
Outstanding at the end of the year	57.85	578.49	57.85	578.49	57.85	578.49

**17.2. Terms/ Rights attached to Equity Shares**

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 at the general meetings of the Company. The Company declares and pays dividends in Indian rupees. 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 in the proportion of the number of equity shares held by the shareholders.

**17.3. Details of Shareholders holding more than 5 % shares of the Company:**

Rs. in lakhs

Equity Shares of Rs.10 Each, Fully paid up held by	As At 31 March, 2019		As At 31 March, 2018		As At 01 April, 2017	
	% Holding	No.	% Holding	No.	% Holding	No.
Sri. K. Ravi	6.06%	3.50	6.06%	3.50	5.02%	2.90
Sri. Ashven Dattia	7.78%	4.50	7.78%	4.50	8.82%	5.10
Sri. K. Gautam	6.65%	3.85	6.48%	3.75	6.42%	3.71
Smt. K. Pooja	6.87%	3.97	6.52%	3.77	6.52%	3.77
M/S. NCL Homes Limited	0.00%	-	5.54%	3.20	7.15%	4.14
Suprapati Finvest Pvt Ltd	0.86%	0.50	5.02%	2.90	-	-
Industrial Development Bank of India	0.00%	-	0.00%	-	5.13%	2.97



## 18. Financial liabilities

Rs. in lakhs

Particulars	Non Current Portion			Current Portion		
	As At 31-03-2019	As At 31-03-2018	As At 01-04-2017	As At 31-03-2019	As At 31-03-2018	As At 01-04-2017
<b>Non Current borrowings</b>						
<b>Rupee Term Loans - Secured</b>						
State Bank of India	1,265.90	-	23.90	250.00	-	288.00
IFCI Limited	-	-	1,148.00	-	-	624.00
Hero Fincorp Ltd	1,565.80	780.97	-	1,527.90	765.00	-
Vehicle Loans from Banks and other Institutions						31.02
- Hire Purchase Loans	321.81	429.78	23.33	133.17	116.03	
Deposits - Unsecured						
Fixed Deposits from Share Holders	82.78	32.87	1,082.38	278.40	175.97	297.25
Deposits from Dealers	143.69	143.74	140.50	-	-	-
<b>Total</b>	<b>3,379.98</b>	<b>1,387.35</b>	<b>2,418.10</b>	<b>2,189.46</b>	<b>1,057.00</b>	<b>1,240.27</b>
Amount Disclosed under the head "Other Financial Liabilities (Note No.23)	-	-	-	2,189.46	1,057.00	1,240.27
Less: Unamortised Upfront Fees and other borrowing costs	34.98	12.02	17.72	-	-	-
<b>Net Amount</b>	<b>3,345.00</b>	<b>1,375.33</b>	<b>2,400.38</b>	<b>-</b>	<b>-</b>	<b>-</b>

(a) The details of Indian rupee term loans from banks and financial institutions are as under:

Rs. in lakhs

Name of the Bank/Financial Institution	Outstanding as on 31-03-2019	Outstanding as on 31-03-2018	Sanction Amount	Commencement of instalments
Axis Bank Limited - Vehicle Loan	414.00	510.97	600.00	January 2018
Hero Fincorp Limited- Term Loan I	629.47	1,243.97	1,618.48	July, 2017
Hero Fincorp Limited- Term Loan II	153.00	302.00	381.52	August, 2017
Hero Fincorp Limited- Term Loan III	2,311.00	-	2,500.00	December 2018
State Bank of India - Term Loan I	915.14	-	5,000.00	June, 2020
State Bank of India - Term Loan II	600.77	-	1,000.00	October 2018
Term Loan from IFCI Limited	-	-	250.00	February 2016

The interest rate for the above terms facilities ranges from 8% to 12% depending on the terms of loan sanction

Terms and Conditions attached to the borrowings :

- Term loan from Axis Bank Limited, other Banks and Financial Institutions availed for the purpose of acquisition of vehicles are secured by primary charge on the assets created out of such loan facilities.
- Term Loan I, II and III from Hero Fincorp Limited are secured
  - by primary and exclusive charge on the certain lands situated at Achettipalli village, Hosur taluk, Krishnagiri district, Tamilnadu.
  - Corporate gaurantee of NCL Homes Limited and NCL Green Habitats Private Limited,
  - Personal gaurantee of Promotor directors, Mr. Madhu Kalidindi, Mr. Bimal V Goradia, Mr. Ashven Datia.
  - Pledge of shares held by promoters in NASL
- Fixed Deposits from Share Holders are unsecured bearing an interest rate of 11% per annum.
- Dealership Deposits from Dealers are unsecured bearing an interest rate of 8% per annum.
- Vehicle loans from various banks and financial instituions are secured by hypothecation of vehicles acquired.
- Term Loans from State Bank of India are secured by Exclusive charges on all Fixed Assets (present & future) of the Company  
Working capital facilities from State Bank of India are secured by way of first charge on Current Assets of the company.

Collateral Security :

- Charge on fixed assets of the company, both present and future, by way of personal Guarantee of Promoters and secured by Corporate Guarantee of NCL Holdings (A & S) Ltd.
- Mortgage of Factory Land situated at various locations.
- Equitable Mortgage of Commercial space belonging to the Company
- Extension of charge on of all chargeable current assests(present & furture) of the company including stocks of raw materials, SIP, stores & spares, packing material, finished goods & Receivables.
- EM of Residential house belonging to Promoter.
- Personal Guarantee of 1. Sri Kalidindi Madhu, 2. Sri Bimal Vinodrai Goradia, 3. Sri Kalidindi Gautam, 4. Sri Penumatcha Aditya Krishna Verma, 5. Sri D.Ashven
- Corporate Guarantee of NCL Holdings (A & S) Limited

**19. Provisions**

Rs. in lakhs

Particulars	Non Current			Current		
	As At 31-03-2019	As At 31-03-2018	As At 01-04-2017	As At 31-03-2019	As At 31-03-2018	As At 01-04-2017
Provision for Gratuity	504.56	476.96	397.13	149.77	97.37	85.78
Provision for Compensated absences	95.52	95.95	76.63	50.37	45.53	56.51
Other Employee Benefits	-	1.25	-	68.73	67.77	74.06
<b>Total</b>	<b>600.08</b>	<b>574.16</b>	<b>473.76</b>	<b>268.87</b>	<b>210.67</b>	<b>216.35</b>

**20. Deferred tax liabilities (Net)**

Rs. in lakhs

Particulars	As At 31-03-2019	As At 31-03-2018	As At 01-04-2017
Deferred tax liability relating to Accumulated depreciation for tax purposes	882.43	723.71	626.91
	<b>882.43</b>	<b>723.71</b>	<b>626.91</b>
Deferred tax asset relating to Unused tax losses/ depreciation Expenses allowable on payment basis	279.83	247.73	212.89
	<b>279.83</b>	<b>247.73</b>	<b>212.89</b>
Deferred tax liabilities (Net)	<b>602.60</b>	<b>475.99</b>	<b>414.03</b>

**21. Current borrowings**

Rs. in lakhs

Particulars	As At 31-03-2019	As At 31-03-2018	As At 01-04-2017
<b>Indian Rupee loans from Banks - Secured</b>			
Working facilities from Banks (refer Note no. 18 (f))	4,526.23	1,789.61	2,704.01
<b>Total</b>	<b>4,526.23</b>	<b>1,789.61</b>	<b>2,704.01</b>

**22. Trade Payables**

Rs. in lakhs

Particulars	As At 31-03-2019	As At 31-03-2018	As At 01-04-2017
Outstanding dues to creditors other than micro enterprises and small enterprises	1,422.79	1,365.60	1,786.64
Outstanding dues to micro enterprises and small enterprises	-	-	-
	<b>1,422.79</b>	<b>1,365.60</b>	<b>1,786.64</b>

**23. Current maturities and other liabilities**

Rs. in lakhs

Particulars	As At 31-03-2019	As At 31-03-2018	As At 01-04-2017
Valued at amortised cost			
Current maturities of non current borrowings from Bank - Secured (Note 18)	1,911.08	881.03	943.02
Current maturities of non current borrowings Others - Unsecured (Note 18)	278.40	175.97	297.25
ICDs Received	-	112.51	435.00
Capital Creditors	3.79	5.27	83.37
Interest accrued but not due on borrowings	12.12	10.38	9.17
Unpaid Dividends **	82.44	76.70	70.64
Other Payables - Expenses	1,021.47	734.21	282.69
Dividend Payable	318.17	-	-
Tax on dividend	65.40	-	-
<b>Total</b>	<b>3,692.87</b>	<b>1,996.07</b>	<b>2,121.14</b>

\*\* Unpaid Dividends will be credited to investors education and protection fund as and when due.

**24. Non-current tax assets and current tax liabilities**

Rs. in lakhs

Particulars	As At 31-03-2019	As At 31-03-2018	As At 01-04-2017
Current tax liabilities			
Provision for taxes (net)	251.59	553.00	212.42
	<b>251.59</b>	<b>553.00</b>	<b>212.42</b>

**25. Other Current liabilities**

Rs. in lakhs

Particulars	As At 31-03-2019	As At 31-03-2018	As At 01-04-2017
Advances from customers	390.78	569.72	572.22
Statutory dues	262.16	277.85	254.61
<b>Total</b>	<b>652.94</b>	<b>847.57</b>	<b>826.83</b>

**26. Revenue from Operations (Gross)**

Rs. in lakhs

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Sale of Products		
Manufactured Goods	42,206.31	28,683.68
Traded goods	1,298.72	1,207.56
	<b>(A) 43,505.02</b>	<b>29,891.24</b>
Sale of Services		
Jobwork services	2.53	26.97
	<b>(B) 2.53</b>	<b>26.97</b>
Other Operating Revenue		
Sale of Containers & Scrap	86.36	47.42
	<b>(C) 86.36</b>	<b>47.42</b>
Revenue from Operations (Gross)	43,593.91	29,965.63
Less: Sales Tax/GST	6,351.22	4,137.94
Revenue from Operations (Net)	37,242.69	25,827.69

With the introduction of GST from 1.7.17 revenue from operations is accounted net of GST wherein Excise duty was subsumed. However upto 30.6.17 Revenue included Excise duty which was subsumed with GST. Hence the figures for current year vs previous year are not comparable.

**27. Other Income**

Rs. in lakhs

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Interest Income on		
Deposits and Margin money held	92.50	25.85
Rents & others	46.60	44.00
<b>Total</b>	<b>139.10</b>	<b>69.85</b>

**28. Cost of Materials Consumed**

Rs. in lakhs

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Raw Materials and Packing Material		
Opening stock at the beginning of the year	1,292.19	1,044.25
Add : Purchases	21,351.26	13,512.14
	22,643.45	14,556.39
Less : Closing stock at the end of the year	1,650.46	1,292.19
<b>Total</b>	<b>20,992.99</b>	<b>13,264.20</b>

**29. Increase in Inventories of Finished Goods and Work-in-Progress**

Rs. in lakhs

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Opening stock of inventories Finished goods	856.00	746.27
Closing stock of inventories Finished goods	903.91	856.00
<b>(Increase) in inventories of finished goods</b>	<b>(47.91)</b>	<b>(109.73)</b>

**30. Other Manufacturing expenses**

Rs. in lakhs

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Power and Fuel	711.99	565.06
Consumption of stores, spares & consumables	245.83	229.25
Insurance	6.34	7.30
Packing, Forwarding etc.	128.57	164.41
Installation expenses	1,213.09	740.94
<b>Repairs &amp; maintenance</b>		
Plant and machinery	286.06	131.15
Buildings	11.51	1.55
Others	0.88	1.01
	<b>2,604.27</b>	<b>1,840.67</b>

**31. Employee Benefit Expenses**

Rs. in lakhs

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Salaries, Wages and Bonus	2,808.40	2,213.13
Contribution to Provident & Other Fund	273.91	272.95
Managerial remuneration	269.13	209.12
Staff welfare expenses	196.82	127.14
<b>Total</b>	<b>3,548.26</b>	<b>2,822.34</b>

**32. Finance Cost**

Rs. in lakhs

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Interest		
on working capital loans	222.46	186.73
on Deposits	29.30	94.98
on Dealership Deposits	11.16	14.17
- on Hire Purchase Loans and others	356.38	244.05
Bank charges	110.33	43.59
<b>Total</b>	<b>729.63</b>	<b>583.52</b>

**33. Depreciation and Amortisation**

Rs. in lakhs

Particulars	For the year ended 31-03-2019	For the year ended 31-03-2018
Depreciation on Property Plant and Equipment (Refer Note 6)	515.03	426.43
Amortisation of Intangible (Refer Note 8)	7.43	1.24
	<b>522.46</b>	<b>427.67</b>

**34. Other Expenses**

Rs. in lakhs

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Administration, selling & other expenses		
Rent	162.48	128.28
Licence, Fee & Taxes	24.69	32.45
Research & Development expenses	57.12	19.04
Printing and stationery	25.29	21.18
Consultancy and other professional charges	122.80	102.29
Remuneration to auditors	-	-
-Audit Fee	3.50	3.00
-Tax audit fee	1.50	1.00
-Out of pocket expenses	1.00	0.74
Remuneration to cost auditors	0.75	0.40
Remuneration to Internal Auditors	3.50	3.20
Derecognition of Financial Assets (Bad debts)	128.45	123.90
Corporate social responsibility expenses (Refer Note No.44)	44.65	30.64
Directors Sitting Fee	6.15	5.75
Directors Travelling & Conveyance	3.06	3.11
Donations	0.35	0.20
Travelling and conveyance	204.47	174.18
Office maintenance	65.51	70.38
Communication expenses	39.78	41.88
Vehicle Maintenance	13.23	12.18
Security Services	52.51	43.79
Demerger Expenses	17.97	-
Sales Promotion	301.43	210.90
Sales Commission	148.01	117.87
Freight outward	1,892.28	1,582.05
<b>Total</b>	<b>3,320.48</b>	<b>2,728.41</b>

**35. Other Comprehensive Income (OCI)**

Rs. in lakhs

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Retained Earnings:		
Remeasurement gain on net defined benefit liability	4.97	25.73
Deferred tax effect on remeasurement costs on net defined benefit liability	(1.74)	(8.91)
<b>Total</b>	<b>3.22</b>	<b>16.82</b>

**36. Exceptional Items**

Rs. in lakhs

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Profit on Sale of Investments	-	3,096.82
Profit on Sale of Assets	125.18	782.68
<b>Total</b>	<b>125.18</b>	<b>3,879.50</b>

Rs. in lakhs

37. Contingent Liabilities - Not probable and therefore not provided for	For the year ended 31 March, 2019	For the year ended 31 March, 2018
A. Claims disputed by the company Various demands raised, which in the opinion of the management are not tenable and are pending with various Forums / Authorities Out of the above Rs.102.66 lakhs (Previous Year Rs. 102.66 lakhs) are deposited towards disputed tax	193.16	193.16
B. Outstanding Corporate Guarantees Given to IREDA with respect to term loan to Khandaleru Power Company Limited	500.00	500.00
C. Outstanding Guarantees Given by Banks on behalf of Company	416.02	319.15

**38. Disclosures required under Section 22 of MSMED Act 2006 under the Chapter on Delayed Payments to Micro and Small Enterprises**

Rs. in lakhs

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Amount remaining unpaid to micro, small and medium enterprises at the end of the year		
Principal Amount	-	-
Interest thereon	-	-
Total	-	-

**39. Earning Per Share (EPS)**

Rs. in lakhs

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Total Operations for the year		
Profit/(Loss) after tax	3,090.97	5,089.23
Less : Adjustments for the purpose of diluted Earnings per Share	-	-
Net Profit/(Loss) for calculation of basic EPS	(A) 3,090.97	5,089.23
Net Profit as above	3,090.97	5,089.23
Less : Exceptional Items	125.18	3,879.50
Tax Impact on Exceptional Items	24.24	571.03
Net Profit/(Loss) for calculation of basic EPS after Exceptional Items	(B) 2,990.03	1,780.76
Net Profit as above	3,090.97	5,089.23
Add : Adjustments for the purpose of diluted Earnings per Share	-	-
Net Profit/(Loss) for calculation of diluted EPS	(C) 3,090.97	5,089.23
Weighted average number of Equity Shares for Basic EPS	(D) 57.85	57.85
Effect of dilution :		
Weighted Average number of Equity shares for Diluted EPS	(E) 57.85	57.85
Basic EPS (Rs.)	(A) / (D) 53.43	87.97
Basic EPS excluding exceptional items (Rs.)	(B) / (D) 51.69	30.78
Diluted EPS on the basis of Total Operations (Rs.)	(C) / (E) 53.43	87.97

**40. Employee Benefits**
**Defined Benefit Plans**

The company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary for each completed year of service subject to a maximum of Rs.15 Lakhs. The plan for the same is unfunded.

Rs. in lakhs

Particulars	Gratuity	
	as at 31 March, 2019	as at 31 March, 2018
Net Employee benefit expense recognized in the employee cost in statement of profit & loss account		
Current service cost	60.60	90.14
Interest cost on benefit obligation	41.98	32.32
Expected return on plan assets	-	-
<b>Sub Total</b>	<b>102.58</b>	<b>122.46</b>
Recognised in Other Comprehensive Income		
Net actuarial (gain)/loss recognized in the year		
i. Demographic Assumptions on obligation	11.08	18.59
ii. Financial Assumptions on obligation	(105.77)	4.21
iii. Experience Adjustments on obligation	89.71	(48.53)
iv. Financial Assumptions on plan assets	-	-
<b>Sub Total</b>	<b>(4.98)</b>	<b>(25.73)</b>
<b>Net benefit expense</b>	<b>97.60</b>	<b>96.73</b>
Balance Sheet		
Benefit asset / liability		
Present value of defined benefit obligation	654.92	574.35
Fair value of plan assets	-	-
<b>Assets / (Liability) recognized in the balance sheet</b>	<b>(654.92)</b>	<b>(574.35)</b>
Change in the present value of the defined benefit obligation		
Opening defined benefit obligation	574.35	488.71
Benefit transferred in	-	-
Benefit transferred Out	-	-
Benefits paid	(17.03)	(11.09)
Expenses Recognised in Statement of Profit and Loss Account		
Current service cost	60.60	90.14
Interest cost on benefit obligation	41.98	32.32
Recognised in Other Comprehensive Income		
Actuarial (gain)/loss on obligation	(4.98)	(25.73)
<b>Closing defined benefit obligation</b>	<b>654.92</b>	<b>574.35</b>
Change in the fair value of plan assets		
Opening fair value of plan assets	-	-
Contributions by employer	-	-
Benefits paid	(17.03)	(11.09)
Expenses Recognised in Profit and Loss Account		
Expected return	-	-
Recognised in Other Comprehensive Income		
Actuarial (gain) / loss on plan assets	-	-
<b>Closing fair value of plan assets</b>	<b>(17.03)</b>	<b>(11.09)</b>
Assumptions		
Discount Rate (%)	7.32%	7.42%
Attrition Rate (%)	11%	13%
Expected rate of salary increase (%)	14.16%	14.16%
Expected Average Remaining Service (years)	6.81 years	5.91 years

**41. Leases**

Operating Lease : Company as lessee

The Company has entered into certain cancellable operating lease agreements mainly for office premises, land and infrastructure facilities which are renewable on mutual agreement with the parties. There is an escalation clause in the lease arrangements during the lease period inline with the expected general inflation. The lease rentals charged during the year as per the agreements are as follows :

Rs. in lakhs

Particulars	as at 31 March, 2019	as at 31 March, 2018
Future minimum lease payments under Non Cancellable Leases		
Not later than one year	132.35	74.29
Later than one year and not later than five years	225.99	136.50
Later than five years	4.24	-

a. Operating lease payments recognised in Statement of Profit and Loss amounting to 162.48 lakhs (Previous Year 128.28 Lakhs)

b. General description of leasing arrangement

i. Leased Assets: Company's offices consisting of Infrastructure facilities, special amenities, and car parking lots.

ii. Future lease rentals are determined at the rates prescribed in the agreement. These lease payments to be Escalated at 5% to 10% on the previous year payments.

**42. Capital and Other Commitments**

Rs. in lakhs

Particulars	as at 31 March, 2019	as at 31 March, 2018
Estimated amount of contracts not provided for	703.43	50.13

**43. Deferral/capitalisation of Exchange Difference**

The Company has adopted the policy as per Para D13 AA of the Ind AS 101 for accounting for exchange difference arising from translation of long term foreign currency monetary items recognised in the financial statement for the period ending immediately before the beginning of first Ind AS financial reporting period as per the previous GAAP. The foreign exchange (gain) / loss arising on revaluation of long term foreign currency monetary items in so far as they relate to the acquisition of depreciable capital assets to be depreciated over the balance life of such assets and in other cases the foreign exchange (gain) / loss to be amortised over the balance period of such long term foreign currency monetary items.

However, the company has not availed foreign currency borrowings.

**44. Corporate Social Responsibility**

a) Gross amount required to be spent by the company during the FY 2018-19 is Rs 44.56 lakhs and for the year 2017-18 is Rs. 37.60 lakhs

b) Amount spent during the year on:

Rs. in lakhs

Particulars	As at 31 March, 2019	As at 31 March, 2018
(i) Construction / Acquisition of any asset - Promoting of Education	13.72	24.62
(ii) On purposes other than (i) above - Promoting of Education	30.93	6.02
Total amount spent on CSR	44.65	30.64

**45. First Time Adoption of IndAS - Disclosures**
**A. Reconciliation of Net worth as previously reported under Indian GAAP Vs IND AS**

Rs. in lakhs

Particulars	As at 31 March, 2019	As at 31 March, 2018
Net worth as per I GAAP financials	15,568.93	10,856.19
Less : Impact of the Scheme of Arrangement (Demerger)	5,204.55	5,204.55
<b>Revised Net worth as per I GAAP financials</b>	<b>10,364.38</b>	<b>5,651.64</b>
Ind AS: Adjustments increase / (decrease):		
Measurement of financial assets at amortised cost	12.02	17.72
Deferred Tax adjustments	(0.44)	(15.89)
Reversal of Proposed Dividend	383.56	382.94
<b>Net worth as reported under IND AS</b>	<b>10,759.52</b>	<b>6,036.41</b>



**B. Reconciliation of PAT as previously reported under Indian GAAP Vs. IND AS**

Rs. in lakhs

Particulars	As at 31 March, 2018
Net Profit/ (Loss) after Tax as per Previous Indian GAAP	5,096.31
<b>Ind AS: Adjustments Profit increase / (decrease):</b>	
Measurement of financial liabilities at amortised cost	(5.70)
Actuarial Gain / (Loss) on employee defined benefit obligation recognised in OCI	(25.74)
Deferred Tax adjustments	24.35
Net Profit/ (Loss) after Tax before OCI as per the IND AS	5,089.22

**46. Segment reporting**

Based on "the management approach" as defined in Ind AS 108, the Chief Decision Maker evaluates the company's performance and allocates resources based on an analysis of various performance indicators by business segments.

Accordingly, information has been presented for each business segment. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual business segments and are as set out in the significant accounting policies.

Business segments of the company and products/ services in each segment are:

1. Windows ( Colour coated GI profiles (CCGI) , CCGI,uPVC doors & windows,ABS Doors )
2. Coatings ( Wall putties , Paints and textures )
3. Walls (Aerated Fly Ash Blocks)

**Segment Revenue and Expense:**

A) Revenue and expenses directly attributable to segments are reported under each reportable segment. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.

B) Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable.

C) Assets and Liabilities relating to Corporate Office/ Corporate Investment portfolios are disclosed as unallocable.

**For the year ended March 31, 2019**

Rs. in lakhs

Particulars	Coatings	Walls	Windows	Unallocable	Total
<b>Segment revenue from External customers</b>					
Within India	7,404.09	5,537.80	24,300.80	-	37,242.69
Outside India					-
<b>Inter segment revenue</b>					-
<b>Total segment revenue</b>	<b>7,404.09</b>	<b>5,537.80</b>	<b>24,300.80</b>	-	<b>37,242.69</b>
Segment result					-
Within India	924.24	389.79	4,102.42	-	5,416.47
Outside India					-
<b>Total segment result</b>	<b>924.24</b>	<b>389.79</b>	<b>4,102.42</b>	-	<b>5,416.47</b>
Interest expenses	-	-	-	729.63	729.63
Other un allocated income /expenses (net)					-
<b>Profit before tax from ordinary activities</b>	<b>924.24</b>	<b>389.79</b>	<b>4,102.42</b>	<b>(729.63)</b>	<b>4,686.83</b>

**For the year ended March 31,2018**

Rs. in lakhs

Particulars	Coatings	Walls	Windows	Unallocable	Total
<b>Segment revenue from External customers</b>					-
Within India	5,797.59	4,929.07	15,101.03	-	25,827.69
Outside India					-
<b>Inter segment revenue</b>					-
<b>Total segment revenue</b>	<b>5,797.59</b>	<b>4,929.07</b>	<b>15,101.03</b>	-	<b>25,827.69</b>
Segment result					-
Within India	542.69	466.59	2,424.12	-	3,433.39
Outside India					-
<b>Total segment result</b>	<b>542.69</b>	<b>466.59</b>	<b>2,424.12</b>	-	<b>3,433.39</b>
Interest expenses	-	-	-	583.52	583.52
Other un allocated income /expenses (net)					-
<b>Profit before tax from ordinary activities</b>	<b>542.69</b>	<b>466.59</b>	<b>2,424.12</b>	<b>(583.52)</b>	<b>2,849.87</b>

**Segment assets and Liabilities**

For the year ended March 31, 2019

Rs. in lakhs

Particulars	Coatings	Walls*	Windows	Unallocable	Total
Assets	5,472.31	8,047.83	12,298.22	2,631.19	28,449.56
Liabilities	3,404.26	2,130.01	4,218.96	5,609.74	15,362.97

\* Walls assets includes CWIP of Rs 3185.85 lakhs

For the year ended March 31, 2018

Rs. in lakhs

Particulars	Coatings	Walls	Windows	Unallocable	Total
Assets	4,125.40	5,156.97	9,464.44	1,200.70	19,947.51
Liabilities	2,346.04	970.06	2,689.88	3,182.02	9,188.00

For the year ended March 31, 2017

Rs. in lakhs

Particulars	Coatings	Walls	Windows	Unallocable	Total
Assets	3,511.48	5,100.57	6,530.70	2,049.22	17,191.96
Liabilities	2,313.98	2,917.44	3,196.07	2,728.06	11,155.56

**47. Financial Risk Management Objectives and Policies****a. Capital Management**

The objective of the Company's capital management structure is to ensure sufficient liquidity to support its business and provide adequate return to shareholders. Management monitors the long term cash flow requirements including externally imposed capital requirements of the business in order to assess the requirement for changes to the capital structure to meet the said objective. As part of this monitoring, the management considers the cost of capital and the risks associated with each class of capital and makes adjustments to the capital structure, where appropriate, in light of changes in economic conditions and the risk characteristics of the underlying assets. The funding requirement is met through a combination of equity, internal accruals, borrowings or undertake other restructuring activities as appropriate.

No changes were made in the objectives, policies or processes during the year ended 31 March 2019.

The Company's capital and net debt were made up as follows:

Rs. in lakhs

Particulars	As at 31 March, 2019	As at 31 March, 2018
Net debt (Debt less Cash and Cash equivalent)	3,978.71	1,637.02
Total equity	13,086.60	10,759.53

**b. Financial Risk Management Framework**

Company's principal financial liabilities comprise borrowings, trade payables and Other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations and projects under implementation. The Company's principal financial assets include trade receivables, loans, cash and bank balances and other financial assets.

**Risk Exposures and Responses**

The Company is exposed to market risk, credit risk and liquidity risk. The Board of Directors reviews policies for managing each of these risks, which are summarised below:

**i) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk i.e. interest rate risk, Commodity risk and other price risk.

**Interest rate risk**

The company obtains financing through borrowings. The Company's policy is to obtain the most favourable interest rates available.

The Company's exposure to interest rate risk relates primarily to interest bearing financial liabilities. Interest rate risk is managed by the company on an on-going basis with the primary objective of limiting the extent to which interest expense could be affected by an adverse movement in interest rates.

**Sensitivity Analysis**

An increase/decrease of 100 basis points in interest rate at the end of the reporting period for the variable financial instruments would (decrease)/increase profit before taxation for the year by the amounts shown below. This analysis assumes all other variables remain constant.

Rs. in lakhs

Particulars	Profit / (Loss) before taxation	
	As at 31 March, 2019	As at 31 March, 2018
Financial Liabilities - Borrowings		
+1% (100 basis points)	289.22	325.46
-1% (100 basis points)	(289.22)	(325.46)

There is no hedging instruments to mitigate this risk.

#### Commodity Risk

The company has commodity price risk, primarily related to manufacturing items and consumables. The company monitors its purchases closely to optimise the price.

#### ii) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily for trade and other receivables) and from its financing activities, including short-term deposits with banks and financial institutions, and other financial assets.

#### Credit risk management

The Company assesses the credit risk for each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

The risk parameters are same for all financial assets for all periods presented. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on-going basis throughout each reporting period. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due. A default on a financial asset is when the counterparty fails to make contractual payments when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

**Trade Receivables :** The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

**Bank Deposits :** The credit risk is considered negligible, since the counter parties are reputable banks with high quality external credit ratings.

**Other Financial Assets :** The company ensures concentration of credit does not significantly impair the financial assets since the customers to whom the exposure of credit is taken are well established and reputed industries engaged in their respective field of business. The creditworthiness of customers to which the company grants credit in the normal course of the business is monitored regularly.

The maximum exposure for credit risk at the reporting date is the carrying value of financial assets as stated in the balance sheet. The Company does not hold any credit derivatives to offset its credit exposure.

#### iii) Liquidity risk

Liquidity risk arises from the financial liabilities of the Company and the Company's subsequent ability to meet its obligations to repay its financial liabilities as and when they fall due. The company regularly monitors its risk to a shortage of funds.

The company's objective is to maintain a balance between continuity of funding and flexibility through the use of working capital facilities, and borrowings. The company has reviewed the borrowings maturing within 12 months.

The following table details the remaining contractual maturities of the company's financial liabilities at the end of the reporting period, which are based on the contractual undiscounted cash flows and the earliest date the company is required to pay:

Rs. in lakhs

Particulars	Weighted average interest rate (%)	Less than 1 Year	More than 1 year
<b>31-March-2019</b>			
Borrowings - Variable Interest Rate	10.55%	4,526.23	-
Borrowings - Fixed Interest Rate	11.15%	2,189.48	3,345.01
Trade Payables & Other Financial Liabilities	-	2,926.17	-
<b>Total</b>		<b>9,641.88</b>	<b>3,345.01</b>
<b>31 March 2018</b>			
Borrowings - Variable Interest Rate	9.45%	1,789.61	-
Borrowings - Fixed Interest Rate	10.63%	1,057.00	1,375.35
Trade Payables & Other Financial Liabilities	-	2,304.68	-
<b>Total</b>		<b>5,151.29</b>	<b>1,375.35</b>

## c. Financial instruments by category

For amortised cost instruments, carrying value represents the best estimate of fair value.

Rs. in lakhs

Particulars	31 March, 2019 Amortised Cost	31 March, 2018 Amortised Cost
<b>Financial assets</b>		
Investments	1,200.70	1,200.70
Trade receivables	8,719.55	5,668.29
Cash and cash equivalents	730.74	593.61
Bank Balances	825.05	213.73
Other Financial Assets	81.88	56.15
<b>Total</b>	<b>11,557.92</b>	<b>7,732.48</b>
<b>Financial liabilities</b>		
Borrowings	7,871.24	3,164.96
Trade payables	1,422.78	1,365.61
Other Financial Liabilities	3,692.88	1,996.07
<b>Total</b>	<b>12,986.89</b>	<b>6,526.63</b>

**48. Related Party Transactions**

## a. Names of Related Parties and description of relationship.

S.No	Subsidiary Companies
1	Spantile Mfg.co. Pvt Ltd

S.No	Associate Companies
1	NCL Veka Ltd (formerly NCL Wintech India Limited)

S.No	Key Management Personnel and Relatives	S.No	Key Management Personnel and Relatives
1	K. Madhu - Managing Director	8	K.Pooja - Relative
2	Ambujodar Reddy Kanala - Wholetime Director	9	Aditya Krishna Varma Penumatcha - Wholetime Director
3	Bimal Vinodrai Goradia - Wholetime Director	10	Satya Subram Kapula - Wholetime Director
4	Kanna Reddy M - Independent Director	11	Venkata Jagannadha Raju Vatsavayi - Wholetime Director
5	Datta Shilpa - Director	12	Jayabharat Reddy Koti - Independent Director
6	Datta Ashven - Director	13	Divyabharathi U - Company Secretary
7	Srihari Vennelaganti - CFD		

S.No	Enterprises Controlled or significantly influenced by Key Management Personnel or their Close Family Members	
1	NCL Industries Ltd	5 Eastern Ghat Renewable Energy Limited
2	Khandaleru Power Co. Limited	6 Suncrop Sciences Pvt Ltd.
3	NCL Homes Limited	7 Kakatiya Industries Pvt Ltd.
4	NCL Green Habitats Pvt Ltd	8 NCL Holdings (A&S) Ltd.

Rs. in lakhs

Particulars	Subsidiary Companies		Associate Companies		Key Management Personnel and Relatives		Enterprises Controlled or significantly influenced by key management personnel or their close family members	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Purchases of Goods/Materials	167.98	-	3,016.47	2,427.65	-	-	1,107.08	3,082.58
Sales of Goods/Materials	0.35	-	228.49	234.98	-	-	350.84	206.85
<b>Expenses :</b>								
Remuneration/Commission/Sitting Fee	-	-	-	-	367.36	219.65	-	-
Rent	9.60	9.60	-	-	-	-	-	-
Interest on Deposits	-	-	-	-	2.46	3.67	-	-
<b>Income :</b>								
Rent / Hire Charges	-	-	54.99	49.84	-	-	-	-
Interest on Loans given	-	-	-	-	-	-	14.74	-
<b>Other payments</b>								
Reimbursement of expenses/(Reimbursement expenses received)	165.28	-	1.37	(0.82)	3.39	3.87	61.90	43.63
Paid t/w Purchase of Office Space	-	-	-	-	-	-	600.00	-
Balances outstanding								
Payables	-	-	-	82.00	30.00	-	239.78	63.79
Receivables	-	-	408.30	-	-	-	42.05	43.98
Loans & Advances / Deposits -Received/ recovered	-	-	-	-	30.00	35.00	-	-
Investments made (including Investment advances)	70.00	70.00	1,130.70	1,130.70	-	-	-	-

#### 49. Scheme of Arrangement (Demerger)

The Company along with NCL Holdings (A&S) Limited [NCLHASL] has filed the petition before the Honourable National Company Law Tribunal, Hyderabad, (NCLT), seeking approval of a scheme of arrangements between the two companies. According to the scheme, certain investments, loans and advances (assets) held by the Company, were to be transferred to NCLHASL at cost. As a consideration for the transfer, shareholders of the Company would receive 1 equity share in NCLHASL for every equity share held by them in the Company (1:1 ratio). The Hon'ble NCLT had approved the scheme of arrangement on 24.01.2019 with appointed date of the scheme being 01.04.2017. All necessary steps as envisaged in the scheme have been completed and the effect of the scheme of arrangement has been reflected in the financial statements pertaining to the appointed date i.e., 01.04.2017.

50. Previous year figures have been regrouped/reclassified where ever necessary, to conform to those of the current year.

As per our report attached,  
**For ANANT RAO & MALLIK,**  
 Chartered Accountants  
 FRN : 006266S

**V. ANANT RAO**  
 Partner  
 Membership No.022644  
 Place : Hyderabad  
 Date : 22.05.2019

For and on behalf of the Board of Directors

**M. KANNA REDDY**  
 Chairman  
 DIN - 00040440

**V. SRIHARI**  
 Chief Financial Officer

**K. MADHU**  
 Managing Director  
 DIN - 00040253

**U. DIVYA BHARATHI**  
 Company Secretary

To  
**THE MEMBERS**  
**NCL ALLTEK & SECCOLOR LIMITED**

### Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated financial statements of NCL ALLTEK & SECCOLOR LIMITED (herein after referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2019, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as Consolidated financial Statements).

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group 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 Companies (Accounts) Rules, 2014. The respective Board of Directors of companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial controls, that were operating effectively for ensuring the accuracy and completeness of accounting records, relevant to the preparation and presentation of the consolidated 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 consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

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

consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated 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 :

- i) in the case of Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2019;
- ii) in the case of Consolidated Statement of Profit and Loss, of the Consolidated Profit for the year then ended ;
- iii) in the case of Consolidated Cash Flow Statement, of the Consolidated cash flows of the Company for the year ended on that date.

### Other Matters

We did not audit the financial statements of the subsidiary companies whose financial statements reflects total assets (gross) of Rs. 78.81 lakhs as at 31st March 2019, total revenues (gross) of Rs. 208.48 lakhs and cash inflows amounting to Rs. 16.72 lakhs for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosure included in respect of these subsidiary companies and our report in terms of sub-section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary companies is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of other auditors and financial statements certified by the Management.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements of subsidiary companies, as noted in the 'Other Matter' paragraph, 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 aforesaid consolidated financial statements.

- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated 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 Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid Consolidated 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 relevant assertion contained in the audit reports on standalone financial statements of each subsidiary company, none of the Directors of any such company are disqualified as on 31st March, 2019 from being appointed as a director of that company 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 Holding Company and subsidiary companies and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'.
- 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of subsidiary companies, as noted in the 'Other Matter' paragraph:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Holding Company and its subsidiaries – Refer Note 38 to the consolidated financial statements;
  - ii. The Holding Company and its subsidiary companies have no long term contracts including derivative contracts, accordingly they have not made any provision relating to material foreseeable losses in the consolidated financial statements;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies.

#### Annexure - A to the Independent Auditors' Report

The Annexure referred to in Paragraph 1 (f) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of NCL Alltek & Seccolor Limited for the year ended 31st March, 2019:

#### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of NCL ALLTEK & SECCOLOR LIMITED ("the Holding Company") as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of the Holding Company and its subsidiary companies as on that date.

#### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiary companies are responsible for establishing and maintaining internal financial controls based on the internal controls 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 respective 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, 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 judgement, including the assessment of the risks of material

Place : Hyderabad  
Date : 22.05.2019

For **ANANT RAO & MALLIK**,  
Chartered Accountants  
Firm Registration No.006266S

**V. ANANT RAO**  
Partner  
Membership No.022644

misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained and audit evidence obtained by other auditor in terms of their report referred to in the Other Matters paragraph below, 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 unauthorized 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.

#### Opinion

In our opinion, the Holding Company and its subsidiary companies, have, 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 March 31, 2019, 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.

#### Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to subsidiary companies, are based on the corresponding report of the auditors of such companies.

Place : Hyderabad  
Date : 22.05.2019

**For ANANT RAO & MALLIK,**  
Chartered Accountants  
Firm Registration No.006266S

**V. ANANT RAO**  
Partner  
Membership No.022644



Rs. in lakhs

	Particulars	Note No.	AS AT 31 March, 2019	AS AT 31 March, 2018	AS AT 01 April, 2017
I	<b>ASSETS</b>				
(1)	<b>Non Current Assets</b>				
	(a) Property, plant and equipment	6	8873.06	8214.12	6963.86
	(b) Capital work in progress	7	4158.91	170.28	248.79
	(c) Other Intangible assets	8	45.09	1.63	2.56
	(d) Goodwill on consolidation		49.55	49.55	49.55
	(e) Financial assets				
	(i) Investments	9	1342.38	1269.42	1979.22
	(ii) Others Financial Assets	10	26.37	268.46	74.70
	(f) Other non-current assets	11	139.42	698.30	773.06
	<b>Total Non Current Assets</b>		<b>14,634.78</b>	<b>10,671.76</b>	<b>10,091.74</b>
(2)	<b>Current Assets</b>				
	(a) Inventories	12	2746.29	2509.96	1980.22
	(b) Financial assets				
	(i) Trade receivables	13	8720.30	5668.29	4577.82
	(ii) Cash & cash equivalents	14	747.57	593.71	112.33
	(iii) Bank balances	15	825.05	213.73	193.68
	(iv) Others Financial Assets	16	56.57	56.45	60.99
	(c) Current tax assets (Net)	17	4.73	0.50	0.00
	(d) Other current assets	11	959.98	377.56	186.32
	<b>Total Current Assets</b>		<b>14,060.49</b>	<b>9,420.20</b>	<b>7,111.36</b>
	<b>Total Assets</b>		<b>28,695.27</b>	<b>20,091.96</b>	<b>17,203.10</b>
II	<b>EQUITY and LIABILITIES</b>				
A	<b>Equity</b>				
	(a) Equity share capital	18	578.49	578.49	578.49
	(b) Other equity		12732.59	10327.59	5464.54
	Equity attributable to owners of the Company		<b>13,311.08</b>	<b>10,906.08</b>	<b>6,043.03</b>
B	<b>Liabilities</b>				
(1)	<b>Non Current Liabilities</b>				
	(a) Financial liabilities				
	(i) Borrowings	19	3345.01	1375.35	2400.40
	(b) Provisions	20	600.91	574.17	473.76
	(c) Deferred tax liabilities	21	602.79	475.97	414.01
	<b>Total Non Current Liabilities</b>		<b>4,548.71</b>	<b>2,425.49</b>	<b>3,288.17</b>
(2)	<b>Current Liabilities</b>				
	(a) Financial liabilities				
	(i) Borrowings	22	4526.23	1789.61	2704.01
	(ii) Trade payables	23			
	Dues to MSMEs				
	Dues to others		1427.77	1365.59	1786.62
	(b) Current maturities and other liabilities	24	3693.96	1993.95	2125.06
	(c) Provisions	20	280.93	210.67	216.35
	(d) Current tax liabilities	25	251.62	553.00	213.03
	(e) Other current liabilities	26	654.97	847.57	826.83
	<b>Total Current Liabilities</b>		<b>10,835.48</b>	<b>6,760.39</b>	<b>7,871.90</b>
	<b>Total Equity and Liabilities</b>		<b>28,695.27</b>	<b>20,091.96</b>	<b>17,203.10</b>

Summary of significant accounting policies 1-5

The accompanying notes and other explanatory information are an integral part of the financial statements.

As per our report attached.

**For ANANT RAO & MALLIK,**

Chartered Accountants

FRN : 006266S

**V. ANANT RAO**

Partner

Membership No.022644

Place : Hyderabad

Date : 22.05.2019

For and on behalf of the Board of Directors

**M. KANNA REDDY**

Chairman

DIN - 00040440

**V. SRIHARI**

Chief Financial Officer

**K. MADHU**

Managing Director

DIN - 00040253

**U. DIVYA BHARATHI**

Company Secretary

Rs. in lakhs

	Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
I	Revenue from Operations	27	37,245.50	25,827.69
II	Other Income	28	139.11	69.85
III	<b>Total Revenue (I+II)</b>		<b>37,384.61</b>	<b>25,897.54</b>
IV	<b>EXPENSES</b>			
	Cost of Materials Consumed	29	20,992.99	13,264.19
	Purchase of Traded Goods		1,024.78	906.31
	Increase in Inventories of Finished Goods and Work-in-Progress	30	(47.91)	(109.73)
	Excise duty on sale of goods		-	584.28
	Other Manufacturing Expenses	31	2,470.83	1,846.77
	Employee Benefits Expenses	32	3,676.99	2,822.34
	Finance Cost	33	729.65	583.53
	Depreciation and Amortisation	34	523.67	428.82
	Other Expenses	35	3,321.60	2,719.48
	<b>Total Expenses (IV)</b>		<b>32,692.60</b>	<b>23,045.99</b>
V	<b>Profit/(Loss) Before Exceptional Items and Tax (III-IV)</b>		<b>4,692.02</b>	<b>2,851.54</b>
VI	Exceptional Items	37	125.18	3,879.50
VII	Profit/(Loss) Before Tax (V+VI)		4,817.20	6,731.05
VIII	Tax Expense			
	Current tax		1,592.49	1,580.11
	Adjustment of current tax relating to earlier years		3.69	7.44
	Deferred tax charge/ (credit)		125.08	53.06
	<b>Total tax expense (VIII)</b>		<b>1,721.26</b>	<b>1,640.60</b>
IX	<b>Profit after Tax, before Share of Profit of Associate (VII-VIII)</b>		<b>3,095.94</b>	<b>5,090.44</b>
	Add : Share of Profit / (Loss) of Associates		72.97	138.72
X	<b>Profit / (Loss) after Tax</b>		<b>3,168.91</b>	<b>5,229.16</b>
XI	<b>OTHER COMPREHENSIVE INCOME</b>	36		
	Items that will not be reclassified to profit or loss			
	Re-measurement (loss)/gain on employee defined benefit plans		4.97	25.73
	Tax Expense		(1.74)	(8.91)
	<b>Total other comprehensive income</b>		<b>3.24</b>	<b>16.83</b>
	<b>Total comprehensive income for the year, net of tax (XI+XII)</b>		<b>3,172.15</b>	<b>5,245.99</b>
	<b>Earnings Per Equity Share</b>	40		
	Basic EPS (Rs.)		54.78	90.39
	Basic EPS excluding exceptional items (Rs.)		53.03	33.20
	Diluted (Rs.)		54.78	90.39

Summary of significant accounting policies

1-5

The accompanying notes and other explanatory information are an integral part of the financial statements.

As per our report attached.

**For ANANT RAO & MALLIK,**

Chartered Accountants

FRN : 006266S

**V. ANANT RAO**

Partner

Membership No.022644

Place : Hyderabad

Date : 22.05.2019

For and on behalf of the Board of Directors

**M. KANNA REDDY**

Chairman

DIN - 00040440

**V. SRIHARI**

Chief Financial Officer

**K. MADHU**

Managing Director

DIN - 00040253

**U. DIVYA BHARATHI**

Company Secretary

Consolidated Statement of Changes in Equity for the year ended March 31, 2019

Attributable to the Equity Holders

Rs. in lakhs

Particulars	Equity Share Capital	Capital Reserve	General reserve	Retained Earnings	Items of Other Comprehensive Income	Total
<b>As at April 01, 2017</b>	578.49	923.65	4008.94	531.95	0.00	6,043.03
Total demerger impact & Comprehensive Income Transferred to General Reserves	-	-	0.00	5229.16	16.83	5,245.99
Dividend to equity shareholders	-	-	4800.00	(4800.00)	0.00	-
- Dividend on equity shares	-	-	0.00	(318.17)	0.00	(318.17)
- Tax on Dividend on equity shares	-	-	0.00	(64.77)	0.00	(64.77)
<b>At March 31, 2018</b>	<b>578.49</b>	<b>923.65</b>	<b>8,808.94</b>	<b>578.17</b>	<b>16.83</b>	<b>10,906.07</b>
Profit for the year	-	-	-	3,168.90	-	3,169
Other Comprehensive Income	-	-	-	-	3.24	3.24
Transferred to General Reserves	-	-	2,000.00	(2,000.00)	-	-
Dividend to equity shareholders	-	-	-	-	-	-
- Dividend on equity shares	-	-	-	(318.17)	-	(318.17)
- Tax on Dividend on equity shares	-	-	-	(65.40)	-	(65.40)
Interim Dividend to equity shareholders	-	-	-	-	-	-
- Interim Dividend on equity shares	-	-	-	(318.17)	-	(318.17)
- Tax on Interim Dividend on equity shares	-	-	-	(65.40)	-	(65.40)
<b>As at March 31, 2019</b>	<b>578.49</b>	<b>923.65</b>	<b>10,808.94</b>	<b>979.93</b>	<b>20.06</b>	<b>13,311.07</b>

The accompanying notes are an integral part of the financial statements.

As per our report attached,  
**For ANANT RAO & MALLIK,**  
 Chartered Accountants  
 FRIN : 006286S

**V. ANANT RAO**  
 Partner  
 Membership No.022644  
 Place : Hyderabad  
 Date : 22.05.2019

For and on behalf of the Board of Directors

**M. KANNA REDDY**  
 Chairman  
 DIN - 00040440

**K. MADHU**  
 Managing Director  
 DIN - 00040253

**V. SRIHARI**  
 Chief Financial Officer

**U. DIVYA BHARATHI**  
 Company Secretary

## Consolidated statement of cash flows for the year ended 31 March, 2019

Rs. in lakhs

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
<b>Profit before tax</b>	4820.43	6747.87
<b>Cash flows from operating activities</b>		
Adjustments for :		
Depreciation of property, plant and equipment	516.24	427.58
Amortisation of intangible assets	7.43	1.24
Exceptional Items	(125.18)	(3879.50)
Interest income and notional income	(92.50)	(25.85)
Interest expenses	729.65	583.53
<b>Operating profit before working capital changes</b>	<b>5856.07</b>	<b>3854.87</b>
<b>Movement in working capital:</b>		
Increase in other Financial liabilities	182.21	50.96
Increase / (decrease) in trade payables	62.18	(421.02)
Increase / (decrease) in other financial current liabilities and provisions	(95.61)	115.47
(Increase)/decrease in inventories	(236.33)	(529.74)
(Increase) / decrease in trade receivables	(3052.01)	(1090.47)
(Increase) / decrease in other non current Financial assets	242.09	(193.76)
(Increase) / decrease in Financial current assets	(0.12)	4.54
(Increase) / decrease in other Non Current Assets	558.87	74.77
(Increase) / decrease in other current assets	(582.42)	(191.24)
<b>Cash generated from operations</b>	<b>2934.94</b>	<b>1674.37</b>
Income tax paid	(1,900.08)	(1,240.07)
<b>Net cash flows from operating activities (A)</b>	<b>1034.86</b>	<b>434.29</b>
<b>Cash flows used in investing activities</b>		
Purchase of property, plant and equipment, including intangible assets, capital work in progress and capital advances	(5,254.28)	(1,663.45)
Proceeds from sale of property, plant and equipment	164.77	846.48
Proceeds from sale of investments in Equity Instruments	-	3,945.34
Interest received	92.54	26.75
<b>Net cash flows used in investing activities (B)</b>	<b>(4,996.97)</b>	<b>3,155.12</b>
<b>Net cash flows (used in)/ from financing activities</b>		
Proceeds/(Repayment) of long - term borrowings	3,125.11	(1,214.02)
Proceeds/(Repayment) of short - term borrowings (net)	2,736.62	(914.40)
Dividend paid	(383.57)	(382.94)
Interest paid	(750.86)	(576.62)
<b>Net cash flows (used in)/from financing activities (C)</b>	<b>4,727.29</b>	<b>(3,087.98)</b>
<b>Net decrease in cash and cash equivalents (A+B+C)</b>	<b>765.18</b>	<b>501.43</b>
Cash and cash equivalents at the beginning of the year	807.44	306.01
<b>Cash and cash equivalents at the year end</b>	<b>1,572.62</b>	<b>807.44</b>
<b>Components of cash and cash equivalents:</b>		
Cash on hand	10.51	3.04
Balances with banks		
On current accounts	654.63	513.97
On dividend accounts	82.44	76.70
On deposit accounts	825.05	213.73
<b>Total cash and cash equivalents</b>	<b>1,572.62</b>	<b>807.44</b>

Rs. in lakhs

Particulars	AS AT 31 March, 2019	AS AT 31 March, 2018
Changes in liabilities arising from financing activities, including both changes arising from cash and non-cash changes.		
Long Term Borrowings	5,569.47	2,444.36
Short Term Borrowings	4,526.23	1,789.61
Interest Accrued but not Due	12.13	10.38
Unamortised Processing Fees	(34.98)	(12.02)
<b>Total</b>	<b>10,072.85</b>	<b>4,232.34</b>
Total Movement	5,840.51	
Non Cash Changes :		
Dividend Paid	(383.57)	
Interest charged during the year	(729.65)	
Changes in Financing Cash flows	4,727.29	

As per our report attached.

**For ANANT RAO & MALLIK,**

Chartered Accountants

FRN : 006266S

**V. ANANT RAO**

Partner

Membership No.022644

Place : Hyderabad

Date : 22.05.2019

For and on behalf of the Board of Directors

**M. KANNA REDDY**

Chairman

DIN - 00040440

**V. SRIHARI**

Chief Financial Officer

**K. MADHU**

Managing Director

DIN - 00040253

**U. DIVYA BHARATHI**

Company Secretary

**Significant accounting policies:**

**1. Corporate Information**

NCL Alltek & Seccolor Limited (CIN U72200TG1986PLC006601) is an Unlisted Public Limited Company. The Company is engaged in manufacturing and selling Spray Plasters, Paints, Skim Coat, Steel Profiles, Doors, Windows (Steel, ABS & UPVC) and Fly Ash Bricks. The Company is organized into three divisions namely:

- a. Coatings: The Company has started manufacturing operations of Spray Plasters in 1992 with technology from M/s ICP Sweden. The company was the first to start manufacturing acrylic based putties (spray plasters) in India and today it is the largest manufacturer of spray plasters in India. It also manufactures emulsion paints including textured paints, White cement based putty and other Cement based products like Tile adhesives, Mortars and Plasters.
- b. Windoors: The Company has started manufacturing pre-painted steel doors, windows, partitions, glazing etc., in 1988 with technology from M/s Industries Secco S.P.A of Italy and marketing the products under the brand name of Seccolor. The Company is also into the fabricating UPVC doors, windows & ABS doors etc.
- c. Walls: The Flyash Bricks manufacturing has started from 2016 in Kavuluru, Krishna District, Andhra Pradesh. Second Project is under implementation in Nellore, Andhra Pradesh.

**2. Basis of Preparation**

This note provides the list of the significant accounting policies adopted in the preparation of these Ind AS financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

**a) Compliance with Ind AS**

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with [Companies (Indian Accounting Standards) Rules, 2015], [Companies (Accounts) Amendment Rules, 2016], and other relevant amendments and provisions of the Act.

The financial statements upto year ended 31 March 2018 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

The Group has voluntarily adopted the Ind AS Financial Statements from the Financial Year 2018-19, even though company is not falling under the category as applicable.

**b) Historical cost convention**

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities (including derivative instruments) and contingent consideration that is measured at fair value;
- Assets held for sale – measured at fair value less cost to sell;
- Defined benefit plans – plan assets measured at fair value; and
- Share-based payments.

**c) Current / Non – Current Classification**

Any asset or liability is satisfied as current if it satisfies any of the following conditions:

- Asset / Liability is expected to be realised / settled in the Group's normal operating cycle
- Asset is intended for sale or consumption
- Asset/ Liability is held primarily for the purpose of trading
- Asset is a cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date
- In case of a Liability, the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date

For the purpose of this classification, the Group has ascertained its normal operating cycle as twelve months, which is based on the nature of business and time between acquisition of assets and inventories for processing and their realisation in cash and cash equivalents.

**d) Principles of consolidation**

These financial statements have been prepared on the following basis:

**i. Subsidiaries**

Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date the control ceases. The acquisition method of accounting is used to account for business combination by the Group.

**Acquisition method of accounting**

The Company combines the separate financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, Contingent liability, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. The excess of cost to the Company of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies were made, is recognized as Goodwill, being an asset in the consolidated financial statements and is tested for impairment on annual basis. On the other hand, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investments of the Company, it is recognized as Capital Reserve and shown under the head Reserves and surplus, in the consolidated financial statements. The Goodwill /Capital Reserve is determined separately for each subsidiary company. Non-controlling interests in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary companies were made and

further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year of the subsidiaries attributable to minority interest is identified and adjusted against the profit after tax of the Group, in order to arrive at the income attributable to shareholders.

#### ii. Associates

Associates are all entities over which the Company has significant influence but no control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

##### Equity method of accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in profit and loss, and the 's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognized as a reduction in the carrying amount of the investment. When the Group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary and practicable to ensure consistency with the policies adopted by the Group. The carrying amount of the equity accounted investments are tested for impairment.

#### iii. Changes in the Group's ownership interests in subsidiaries

Changes in the Company's ownership interests in subsidiaries that do not result in the Company losing control over the subsidiaries are accounted for as equity transactions. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests or reflect their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Company ceases to consolidate or equity account for an investment because of a loss of control, or significant influence, any retained interest in the entity is re measured to its fair value with the change in carrying amount recognised in profit and loss. The fair value becomes the initial carrying amount for the purposes of subsequent accounting for the retained interest.

### 3. First time adoption of Ind AS

These are the Group's first financial statements which have been prepared in accordance with Ind AS. The accounting policies set out in Note 2.2 have been applied in preparing the financial statements for the year ended 31 March 2017, the comparative information

presented in these financial statements for the year ended 31 March 2018 and in the preparation of an opening Ind AS balance sheet as at 1 April 2017 (the Group's date of transition). In preparing its opening Ind AS balance sheet, the Group has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position and financial performance is set out in the Note 45.

The Group has voluntarily adopted the Ind AS Financial Statements from the Financial Year 2018-19.

#### Exemptions and Exceptions applied

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

#### Exceptions to retrospective application of other Ind AS (Mandatory Exceptions)

##### a) Estimates:

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is an objective evidence that those estimates were in error. Ind AS estimates as at 1 April 2017 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Group made estimates for impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

##### b) Ind AS 109 Financial Instruments (Derecognition of previously recognised financial assets/ financial liabilities):

An entity shall apply the de recognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. The Group has applied the de recognition requirements prospectively.

##### c) Ind AS 109 Financial Instruments (Classification and measurement of Financial assets):

Classification and measurement of financial assets shall be made on the basis of the facts and circumstances that exist at the date of transition to Ind AS. The Group has evaluated the facts and circumstances existing on the date of transition to Ind AS for the purpose of classification and measurement of financial assets and accordingly has classified and measured financial assets on the date of transition.

##### d) Ind AS 109 Financial Instrument (Impairment of Financial Assets):

Impairment requirements under Ind AS 109 should be applied retrospectively based on the reasonable and supportable information that is available on transition date without undue cost or effort. The Group has applied impairment requirement retrospectively.

**Exceptions from retrospective application of other Ind AS (Optional Exceptions)****a) Ind AS 103 Business Combinations**

This standard has not been applied to acquisitions of subsidiaries, which are considered businesses under Ind AS that occurred before April 01, 2017. Use of this exemption means that the Previous GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with respective Ind AS. The Group recognizes all assets acquired and liabilities assumed in a past business combination, except

- certain financial assets and liabilities that were derecognized and that fall under the derecognition exception, and
- Assets (including goodwill) and liabilities that were not recognized in the acquirer's Balance Sheet under its previous GAAP and that would not qualify for recognition under Ind AS in the individual balance sheet of the acquiree.

Assets and liabilities that do not qualify for recognition under Ind AS are excluded from the opening Ind AS balance sheet. The Group did not recognise or exclude any previously excluded or recognised amounts as a result of Ind AS recognition requirements.

**b) Ind AS 102 Share Based Payment:**

An entity may elect to apply Ind AS 102 to equity instruments that vested before the date of transition to Ind AS. The Group has not applied Ind AS 102 to grants which vested before the date of transition to Ind AS.

**c) Ind AS 16 Property, Plant and Equipment & Ind AS 38 Intangible Assets:**

An entity may elect to measure an item of property, plant and equipment and intangible asset at the date of transition to Ind AS at its fair value and use that fair value as deemed cost at that date or may measure the items of Property, Plant and Equipment, intangibles by applying Ind AS retrospectively or use of the carrying amount under Previous GAAP on the date of transition as deemed cost.

The Group has elected to continue with the carrying amount for all of its property, plant and equipment and intangible assets measured as per Previous GAAP and use that as its deemed cost as at the date of transition

**d) Ind AS 17 Leases:**

An entity shall determine based on facts and circumstances existing at the date of transition to Ind AS whether an arrangement contains a Lease and when a lease includes land and building elements, an entity shall assess the classification of each element as finance lease or operating lease. The Group has used this exemption and assessed all arrangements based on conditions existing as at the date of transition.

**e) Ind AS 21 The effect of changes in foreign exchange rates:**

Long Term Foreign Currency Monetary Items: A first-time adopter may continue the policy adopted for accounting for exchange difference arising from translation of long-term foreign currency monetary items recognised in the financial

statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP. The Group adopted the policy of amortizing exchange differences on long term foreign currency monetary items and accordingly this exemption has been applied by the Group.

**f) Ind AS 27 Separate Financial Statements:**

An entity is required to account for its investments in subsidiaries, joint ventures and associates either:

- at cost; or
- in accordance with Ind AS 109.

Such cost shall be cost as per Ind AS 27 or deemed cost. The deemed cost of such an investment shall be its fair value on the date of transition to Ind AS or Previous GAAP carrying amount at that date. The Group has elected to measure its investment in subsidiaries & associates at cost determined in accordance with Ind AS 27 i.e. original cost of investment in subsidiaries and associates.

**g) Ind AS 109 Financial Instruments:**

Ind AS 109 permits an entity to designate a financial liability/asset (meeting certain criteria) at fair value through profit or loss. A financial liability/ asset shall be designated at fair value through the facts and circumstances that exist at the date of transition to Ind AS. There are no financial liabilities or assets except quoted investment that are specifically designated at FVTPL and hence this exemption is not applicable. An entity may designate an investment in an equity instruments as at fair value through other comprehensive income (FVTOCI) in accordance with the Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS. The Group has not designated equity instruments as at FVTOCI and hence this exemption is not applicable.

**h) Ind AS 105 Non-current Assets held for Sale and Discontinued Operations:**

Ind AS 105 requires that non-current assets or disposal groups that meet the criteria to be classified as held for sale, non-current assets or disposal groups that are held for distribution to owners and operations that meet the criteria to be classified as discontinued operations shall be carried at lower of its carrying amount and fair value less costs to sell on the date of such identification. A first-time adopter can measure such assets or operations on the date of transition to Ind AS and recognise the difference between that amount and carrying amount under previous GAAP directly in retained earnings.

**4. Significant Accounting Estimates and Judgments**

Estimates, assumptions concerning the future and judgments are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reporting amounts of assets, liabilities, income and expense and disclosures made. Although these estimates are based on management's best knowledge of current events and actions, actual result may differ from those estimates.



The critical accounting estimates and assumptions used and areas involving a high degree of judgments are described below:

#### Use of estimation and assumption

In the process of applying the entity's accounting policies, management had made the following estimation and assumptions that have the significant effect on the amounts recognised in the financial statements. The estimates and assumptions used in accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements are reviewed on an ongoing basis. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any revision to accounting estimates is recognised prospectively in current and future periods.

#### a) Property, Plant and Equipment & Intangible Assets

Key estimates related to long-lived assets (property, plant and equipment, mineral leaseholds and intangible assets) include useful lives, recoverability of carrying values and the existence of any retirement obligations. As a result of future decisions, such estimates could be significantly modified. The useful lives is applied as per Schedule II of Companies Act, 2013 and estimated based upon our historical experience, engineering estimates & industry information. These estimates include an assumption regarding periodic maintenance and an appropriate level of annual capital expenditures to maintain the assets.

#### b) Employee Benefits - Measurement of Defined Benefit Obligation

Management assesses post-employment and other employee benefit obligations using the projected unit credit method based on actuarial assumptions which represent management's best estimates of the variables that will determine the ultimate cost of providing post-employment and other employee benefits.

#### c) Income tax

The Company recognizes tax liabilities based upon self-assessment as per the tax laws. When the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

#### Critical judgments made in applying accounting policies

#### a) Lease Classifications

At the inception of an arrangement entered into for the use of property, plant and equipment (PPE), the Group determines whether such an arrangement is, or contains, a lease. The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of (i) whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets, and (ii) the arrangement conveys a right to use the asset(s).

Lease transactions where substantially all risks and rewards incident to ownership are transferred from the lessor to the lessee are accounted for as finance leases. All other leases are accounted for as operating leases.

#### b) Expected credit loss

Expected credit losses of the Group are based on an evaluation of the collectability of receivables. A considerable

amount of judgment is required in assessing the ultimate realization of these receivables, including their current credit worthiness, past collection history of each customer and ongoing dealings with them. If the financial conditions of the counterparties with which the Group contracted were to deteriorate, resulting in an impairment of their ability to make payments, additional expected credit loss may be required.

#### 5. Significant Accounting Policies

##### 5.1) Property, Plant and Equipment and Depreciation

All items of property, plant and equipment are initially recorded at cost. The cost of an item of plant and equipment is recognized as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Cost includes its purchase price (after deducting trade discounts and rebates), import duties & non-refundable purchase taxes, any costs directly attributable to bringing the asset to the location & condition necessary for it to be capable of operating in the manner intended by management, borrowing costs on qualifying assets and asset retirement costs. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The activities necessary to prepare an asset for its intended use or sale extend to more than just physical construction of the asset. It may also include technical (DPR, environmental, planning, land acquisition and geological study) and administrative work such as obtaining approvals before the commencement of physical construction.

The cost of replacing a part of an item of property, plant and equipment is capitalized if it is probable that the future economic benefits of the part will flow to the Group and that its cost can be measured reliably. The carrying amount of the replaced part is derecognized.

Costs of day to day repairs and maintenance costs are recognized into the statement of profit and loss account as incurred.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, estimated useful lives and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de recognition of the asset is recognised in the profit or loss in the year the asset is derecognized.

Assets under installation or under construction as at the Balance Sheet date are shown as Capital Work in Progress.

Depreciation is provided on Straight Line Method, as per the provisions of Schedule II of the Companies Act, 2013 or based on useful life estimated on the technical assessment. Asset class wise useful lives are as under:

Factory Buildings - 30 Years
Non-Factory Buildings - 60 Years
Plant and Machinery - 15 Years
Computer - 3 Years
Furniture's and Fixtures - 10 Years
Vehicles - 8 Years
Electrical Installation - 10 Years
Office Equipment - 5 Years

### 5.2) Intangible Assets & Amortization

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at cost of acquisition less accumulated amortisation and accumulated impairment losses, if any. Product development cost recognises on initial product registration charges, analysis and other relevant costs and are stated as intangible assets less accumulated amortisation and impairment losses.

Subsequent expenditure related to an item of intangible assets are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

The Group amortizes Computer software and Licences using the straight-line method over its estimated useful economic life, which is generally a period of 3 years.

### 5.3) Investment Properties

Property that is held for long-term rental yields or for capital appreciation or both is classified as investment property. Investment Property is measured at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

Investment Properties are depreciated using the straight-line method as per the provisions of Schedule II of the Companies Act, 2013 or based on useful life estimated on the technical assessment.

### 5.4) Inventories

Raw materials, consumables, stores and spares and finished goods are valued at lower of cost and net realizable value. Cost is determined on weighted average cost method.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Inventories are valued at lower of cost or net realizable value.

Goods-in transit are valued at cost which represents the cost incurred upto the stage at which the goods are in transit.

### 5.5) Impairment of Non – Financial Assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

### 5.6) Non-current Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, that are expected to be recovered through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets, or components of the disposal group, are re-measured in accordance with the Group's accounting policies. Thereafter, the assets, or disposal group, are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment losses on initial classification as held for sale or subsequent gain on re-measurement are recognized into the statement of profit and loss account. Gains are not recognized in excess of any cumulative impairment losses.

### 5.7) Financial Assets

Financial assets comprise of investments in equity and debt securities, trade receivables, cash and cash equivalents and other financial assets.

#### Initial recognition:

All financial assets are recognised initially at fair value. Purchases or sales of financial asset that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the assets.

#### Subsequent Measurement:

##### a) Financial assets measured at amortised cost:

Financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortised cost using effective interest rate (EIR) method. The EIR amortization is recognised as finance income in the Statement of Profit and Loss.

The Group while applying above criteria has classified the following at amortised cost:

- Trade receivable
- Cash and cash equivalents
- Other Financial Asset

*b) Financial assets at fair value through other comprehensive income (FVTOCI):*

Financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, selling the financial assets and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at FVTOCI. Fair Value movements in financial assets at FVTOCI are recognised in other comprehensive income. Equity instruments held for trading are classified at fair value through profit or loss (FVTPL). For other equity instruments the Group classifies the same at FVTOCI. The classification is made on initial recognition and is irrevocable. Fair value changes on equity investments at FVTOCI, excluding dividends are recognised in other comprehensive income (OCI).

*c) Financial assets at fair value through profit or loss (FVTPL)*

Financial asset are measured at fair value through profit or loss if it does not meet the criteria for classification as measured at amortised cost or at fair value through other comprehensive income. All fair value changes are recognised in the statement of profit and loss.

*d) Investment in subsidiaries, joint ventures & associates are carried at cost in the separate financial statements.*

**Impairment of Financial Assets:**

Financial assets are tested for impairment based on the expected credit losses.

*a) Trade Receivables*

An impairment analysis is performed at each reporting date. The expected credit losses over life time of the asset are estimated by adopting the simplified approach using a provision matrix which is based on historical loss rates reflecting current condition and forecasts of future economic conditions. In this approach assets are grouped on the basis of similar credit characteristics such as customer segment, past due status and other factors which are relevant to estimate the expected cash loss from these assets.

*b) Other financial assets*

Other financial assets are tested for impairment based on significant change in credit risk since initial recognition and impairment is measured based on probability of default over the life time when there is significant increase in credit risk.

**De-recognition of financial assets:**

A financial asset is derecognized only when:

- The Group has transferred the rights to receive cash flows from the financial asset or
- The contractual right to receive cash flows from financial asset is expired or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset and transferred substantially all risks and rewards of ownership of the financial asset, in such cases the financial asset is derecognized. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is also derecognized if the Group has not retained control of the financial asset.

**5.8) Cash and Cash Equivalents**

Cash and cash equivalents comprise cash at bank and in hand and short-term investments with an original maturity of three months or less. Deposits with banks are subsequently measured at amortized cost and short term investments are measured at fair value through statement of profit & loss account.

**5.9) Share Capital**

Equity Shares are classified as equity

**5.10) Financial Liabilities**

**Initial recognition**

Financial liabilities are recognized when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value plus any directly attributable transaction costs, such as loan processing fees and issue expenses.

**Subsequent measurement - at amortised cost**

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are de recognised, and through the amortization process.

**De recognition**

A financial liability is de recognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

**5.11) Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest, exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other costs that an entity incurs in connection with the borrowing of funds.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

**5.12) Employee benefits**

Employee benefits are charged to the Statement of Profit and Loss for the year.

Retirement benefits in the form of Provident Fund are defined contribution scheme and such contributions are recognised, when the contributions to the respective funds are due. There are no other obligation other than the contribution payable to the respective funds.

Gratuity liability is defined benefit obligation and is provided for on the basis of actuarial valuation on projected unit credit method made at the end of each financial year. Re measurement in case of defined benefit plans gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income and they are included in retained earnings in the statement of changes in equity in the balance sheet.

Compensated absences are provided for on the basis of actuarial valuation on projected unit credit method made at the end of each financial year. Re measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in statement of profit or loss account.

The amount of Non-current and Current portions of employee benefits is classified as per the actuarial valuation at the end of each financial year.

### 5.13) Income Taxes

Income tax expense is comprised of current and deferred taxes. Current and deferred tax is recognized in net income except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income. Current income taxes for the current period, including any adjustments to tax payable in respect of previous years, are recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the tax rates that are enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and liabilities are recognized for temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax base using the tax rates that are expected to apply in the period in which the deferred tax asset or liability is expected to settle, based on the laws that have been enacted or substantively enacted by the end of reporting period.

Deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable income nor the accounting income. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable income will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and reduced accordingly to the extent that it is no longer probable that they can be utilized.

In the situations where the Group is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the Group's gross total income is subject to the deduction during the tax holiday period.

Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the

temporary differences originate. However, the Group restricts recognition of deferred tax assets to the extent that it has become reasonably certain, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

Deferred tax assets and liabilities are offset when there is legally enforceable right of offset current tax assets and liabilities when the deferred tax balances relate to the same taxation authority. Current tax asset and liabilities are offset where the entity has legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

### 5.14) Minimum Alternate Tax (MAT)

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Group will pay normal Income Tax during the specified period.

### 5.15) Leases

#### As a lessee

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

#### As a lessor

Lease income from operating leases where the Group is a lessor is recognised in income on a straight line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

**5.16) Provisions**

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense and is recorded over the estimated time period until settlement of the obligation. Provisions are reviewed and adjusted, when required, to reflect the current best estimate at the end of each reporting period.

The Group recognizes decommissioning provisions in the period in which a legal or constructive obligation is incurred. A corresponding decommissioning cost is added to the carrying amount of the associated property, plant and equipment, and it is depreciated over the estimated useful life of the asset.

**5.17) Contingent Liabilities**

Contingent liability is disclosed in case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- A present obligation arising from past events, when no reliable estimate is possible;
- A possible obligation arising from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group where the probability of outflow of resources is not remote.

**5.18) Contingent Assets**

Contingent assets are not recognized but disclosed in the financial statements when an inflow of economic benefits is probable.

**5.19) Fair Value Measurements**

Group uses the following hierarchy when determining fair values:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting dates. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The fair value for these instruments is determined using Level 1 inputs

The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is fair valued using level 2 inputs

If one or more of the significant inputs is not based on observable market data, the instrument is fair valued using Level 3 inputs. Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the reporting dates, with the resulting value discounted back to present value
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

**5.20) Revenue Recognition**

The Group recognises revenue from contracts with customers based on a five-step model, such as to, identifying the contracts with a customer, identifying the performance obligations in the contract, determine the transaction price, allocate the transaction price to the performance obligations in the contract and recognise revenue when (or as) the entity satisfies a performance obligation at a point in time or over time.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Group's performance does not create an asset with an alternative use to the Group and the entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

**5.21) Foreign currency transactions**

Transactions in foreign currencies are translated to the functional currency of the Group, at exchange rates in effect at the transaction date. At each reporting date monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate in effect at the date of the financial statement. The translation for other non-monetary assets is not updated from historical exchange rates unless they are carried at fair value

**5.22) Government Grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

**5.23) Earnings per share**

Basic earnings per share are calculated by dividing the profit attributable to owners of the Group by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account, the after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**5.24) Segmental Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers, who are responsible for allocating resources and assessing performance of the operating segments.

Rs. in lakhs

**6. Property, plant and equipment**

Particulars	Freehold land	Buildings	Plant and equipment	Electrical Installations	Furniture and Fixtures	Office Equipment	Computers	Vehicles	Total
<b>Gross carrying value</b>									
<b>As at April 01, 2017</b>	1,284.52	1,514.84	3,866.45	8.58	27.21	8.02	8.50	245.74	6,963.86
Additions	532.19	334.61	374.51	0.30	2.39	2.83	10.64	484.18	1,741.64
Disposals	(34.92)	(4.38)	(22.88)	-	-	(0.10)	-	(26.49)	(289.83)
<b>As at March 31, 2018</b>	1,781.79	1,845.07	4,218.08	8.88	29.59	10.74	19.14	703.42	8,415.66
Additions	-	518.84	611.42	-	13.48	8.16	11.57	51.30	1,214.77
Disposals/Deductions	(23.76)	-	(5.15)	-	-	-	-	(10.67)	(153.01)
<b>As at March 31, 2019</b>	1,758.04	2,363.91	4,824.34	8.88	43.08	18.89	30.71	744.04	9,477.42
<b>Depreciation and impairment</b>									
<b>As at April 1, 2017</b>									
Charge for the year	-	48.21	233.53	7.95	7.43	1.69	5.84	62.93	427.58
Disposals	-	(2.40)	(22.48)	-	-	(0.10)	-	-	(226.03)
<b>As at March 31, 2018</b>	-	45.81	271.05	7.95	7.43	1.59	5.84	62.93	201.54
Charge for the year	-	66.18	333.50	0.35	7.36	4.95	7.47	96.43	516.24
Disposals/Deductions	-	-	-	-	-	-	-	-	(113.43)
<b>As at March 31, 2019</b>	-	111.99	604.55	8.30	14.78	6.54	13.32	159.36	604.36
<b>Net carrying value</b>									
<b>As at April 01, 2017</b>	1,284.52	1,514.84	3,866.45	8.58	27.21	8.02	8.50	245.74	6,963.86
<b>As at March 31, 2018</b>	1,781.79	1,799.26	3,947.03	0.93	22.17	9.15	13.30	640.49	8,214.12
<b>As at March 31, 2019</b>	1,758.04	2,251.93	4,219.79	0.58	28.29	12.36	17.39	584.68	8,873.06

Note: Gross Block as on 01.04.2017 represents deemed cost (Gross Block- Accumulated Depreciation) as per Ind AS 101

**7. Capital work in progress :**

Rs. in lakhs

Particulars	Total
<b>As at April 01, 2017</b>	248.79
Additions	156.67
Capitalisations	(235.18)
<b>As at March 31, 2018</b>	170.28
Additions	4,392.44
Capitalisations	(403.82)
<b>As at March 31, 2019</b>	4,158.90

**8. Intangible Assets**

Rs. in lakhs

Particulars	Total
<b>Gross carrying value</b>	
As at April 01, 2017	2.56
Additions	0.32
Disposals	-
<b>As at March 31, 2018</b>	<b>2.88</b>
Additions	50.88
Disposals	-
<b>As at March 31, 2019</b>	<b>53.76</b>
<b>Amortisation</b>	
As at April 01, 2017	-
Charge for the year	1.24
Disposals	-
<b>As at March 31, 2018</b>	<b>1.24</b>
Charge for the year	7.43
Disposals	-
<b>As at March 31, 2019</b>	<b>8.67</b>
<b>Net carrying value</b>	
As at April 01, 2017	2.56
As at March 31, 2018	1.64
As at March 31, 2019	45.09

Note: Gross Block as on 01.04.2017 represents deemed cost (Gross Block- Accumulated Depreciation) as per Ind AS 101

**9. Investments**

Rs. in lakhs

Particulars	As At	As At	As At	As At	As At	As At
	31-03-2019	31-03-2018	01-04-2017	31-03-2019	31-03-2018	01-04-2017
	No. of Shares	No. of Shares	No. of Shares	Rs.	Rs.	Rs.
i) Unquoted Investments :						
(a) Investments in equity instruments of subsidiaries NCL Veka Limited (Formerly NCL Wintech India Ltd.) Rs.10 fully paid-up			147.17	-	-	1,979.22
<b>Total</b>			<b>147.17</b>	<b>-</b>	<b>-</b>	<b>1,979.22</b>
(b) Investments in equity instruments of associates NCL Veka Limited (Formerly NCL Wintech India Ltd.) Rs.10 fully paid-up	62.32	62.32	-	1,269.42	1,130.70	-
<b>Total</b>				<b>1,269.42</b>	<b>1,130.70</b>	<b>-</b>
Add : Share of Profit	-	-	-	72.97	138.72	-
<b>Total Investments</b>				<b>1,342.39</b>	<b>1,269.42</b>	<b>1,979.22</b>

**10. Others Financial Assets**

Rs. in lakhs

Particulars	As At	As At	As At
	31-03-2019	31-03-2018	01-04-2017
Bank Deposits (Note No 15)	-	248.04	60.00
Security Deposits	26.37	20.42	14.70
<b>Total</b>	<b>26.37</b>	<b>268.46</b>	<b>74.70</b>



Rs. in lakhs

**11. Other assets**

Particulars	Non Current			Current		
	As At 31-03-2019	As At 31-03-2018	As At 01-04-2017	As At 31-03-2019	As At 31-03-2018	As At 01-04-2017
MAT Credit Entitlement	-	202.01	292.33	-	-	-
Capital Advances	139.42	496.28	480.74	-	-	-
Advances to suppliers	-	-	-	319.32	76.18	35.69
Prepayments	-	-	-	179.98	164.91	22.10
Balances with Statutory/Government Authorities	-	-	-	460.68	136.47	128.54
	<b>139.42</b>	<b>698.30</b>	<b>773.07</b>	<b>959.98</b>	<b>377.56</b>	<b>186.32</b>

**12. Inventories**

Rs. in lakhs

Particulars	As At 31-03-2019	As At 31-03-2018	As At 01-04-2017
At lower of cost and net realisable value			
Raw Materials	1,410.86	1,292.19	1,044.25
Finished Goods	903.92	856.00	746.27
Stores, spares & consumables	431.51	361.76	189.69
<b>Total</b>	<b>2,746.29</b>	<b>2,509.95</b>	<b>1,980.22</b>

**13. Trade Receivables**

Rs. in lakhs

Particulars	As At 31-03-2019	As At 31-03-2018	As At 01-04-2017
<b>Unsecured</b>			
Considered good	8,720.30	5,668.29	4,577.82
	<b>8,720.30</b>	<b>5,668.29</b>	<b>4,577.82</b>

**14. Cash & Cash Equivalents**

Rs. in lakhs

Particulars	As At 31-03-2019	As At 31-03-2018	As At 01-04-2017
Balances with Banks			
-On Current Accounts	654.63	513.97	37.65
-On Dividend Accounts	82.44	76.70	70.64
Cash on hand	10.51	3.04	4.04
	<b>747.57</b>	<b>593.71</b>	<b>112.33</b>

**15. Bank Balances**

Rs. in lakhs

Particulars	As At 31-03-2019	As At 31-03-2018	As At 01-04-2017
<b>In Deposit Accounts</b>			
Remaining maturity for more than twelve months	-	248.04	60.00
Deposits with original maturity for more than 3 months but less than 12 months	825.05	213.73	193.68
	825.05	461.77	253.68
Less : Amount disclosed under Other Assets	-	(248.04)	(60.00)
	<b>825.05</b>	<b>213.73</b>	<b>193.68</b>

**16. Current (unsecured, considered good unless stated otherwise)**

Rs. in lakhs

Particulars	As At 31-03-2019	As At 31-03-2018	As At 01-04-2017
Advances to Employees	11.28	11.10	21.94
EMD & Security Deposits	4.67	4.67	1.67
Deposits	36.18	36.28	33.87
Interest Receivable	4.45	4.41	3.51
<b>Total</b>	<b>56.57</b>	<b>56.45</b>	<b>60.99</b>

**17. Current tax assets (Net)**

Rs. in lakhs

Particulars	As At 31-03-2019	As At 31-03-2018	As At 01-04-2017
Advance Taxes	4.73	0.50	-
	4.73	0.50	-

**18. (a) Equity share capital**

Rs. in lakhs

Particulars	As At 31-03-2019	As At 31-03-2018	As At 01-04-2017
<b>Authorised</b>			
15,000,000 (March 31, 2017: 15,000,000) Equity shares of Rs.10/- each	1,500.00	1,500.00	1,500.00
<b>Total</b>	<b>1,500.00</b>	<b>1,500.00</b>	<b>1,500.00</b>
<b>Issued</b>			
6,960,400 (March 31, 2018: 6,960,400, April 01, 2017 : 6,960,400) Equity share of Rs.10/- each	696.04	696.04	696.04
	<b>696.04</b>	<b>696.04</b>	<b>696.04</b>
<b>Subscribed &amp; Paid Up</b>			
57,84,868 (March 31, 2018: 57,84,868, April 01, 2017 : 57,84,868) Equity share of Rs.10/- each fully paid up	578.49	578.49	578.49
<b>Total</b>	<b>578.49</b>	<b>578.49</b>	<b>578.49</b>

**18.1. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

Rs. in lakhs

Equity Shares of Rs.10 Each, Fully paid up	As At 31 March, 2019		As At 31 March, 2018		As At 01 April, 2017	
	No.	Rs.	No.	Rs.	No.	Rs.
Balance as per last financial statements	57.85	578.49	57.85	578.49	57.85	578.49
Issued during the year	-	-	-	-	-	-
Outstanding at the end of the year	58.00	578.49	58.00	578.49	58.00	578.49

**18.2. Terms/ Rights attached to Equity Shares**

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 at the general meetings of the Company. The Company declares and pays dividends in Indian rupees. 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 in the proportion of the number of equity shares held by the shareholders.

**18.3. Details of Shareholders holding more than 5 % shares of the Company:**

Rs. in lakhs

Equity Shares of Rs.10 Each, Fully paid up held by	As At 31 March, 2019		As At 31 March, 2018		As At 01 April, 2017	
	% Holding	No.	% Holding	No.	% Holding	No.
Sri. K. Ravi	6.06%	3.50	6.06%	3.50	5.02%	2.90
Sri. Ashven Datla	7.78%	4.50	7.78%	4.50	8.82%	5.10
Sri. K. Gautam	6.65%	3.85	6.48%	3.75	6.42%	3.71
Smt. K. Pooja	6.87%	3.97	6.52%	3.77	6.52%	3.77
M/S. NCL Homes Limited	0.00%	-	5.54%	3.20	7.15%	4.14
Suprapati Finvest Pvt Ltd	0.86%	0.50	5.02%	2.90	-	-
Industrial Development Bank of India	0.00%	-	0.00%	-	5.13%	2.97

## 19. Financial liabilities

Rs. in lakhs

Particulars	Non Current Portion			Current Portion		
	As At 31-03-2019	As At 31-03-2018	As At 01-04-2017	As At 31-03-2019	As At 31-03-2018	As At 01-04-2017
<b>Non Current borrowings</b>						
<b>Rupee Term Loans - Secured</b>						
State Bank of India	1,265.90	-	23.90	250.00	-	288.00
IFCI Limited	-	-	1,148.00	-	-	624.00
Hero Fincorp Ltd	1,565.80	780.97	-	1,527.90	765.00	-
Vehicle Loans from Banks and other Institutions - Hire Purchase Loans	321.81	429.78	23.33	133.17	116.03	31.02
<b>Deposits - Unsecured</b>						
Fixed Deposits from Share Holders	82.78	32.87	1,082.38	278.40	175.97	297.25
Deposits from Dealers	143.69	143.74	140.50	-	-	-
<b>Total</b>	<b>3,379.99</b>	<b>1,387.37</b>	<b>2,418.12</b>	<b>2,189.48</b>	<b>1,057.00</b>	<b>1,240.27</b>
Amount Disclosed under the head *Other Financial Liabilities (Note No.24)	-	-	-	2,189.48	1,057.00	1,240.27
Less: Unamortised Upfront Fees and other borrowing costs	34.98	12.02	17.72	-	-	-
<b>Net Amount</b>	<b>3,345.01</b>	<b>1,375.35</b>	<b>2,400.40</b>	<b>-</b>	<b>-</b>	<b>-</b>

(a) The details of Indian rupee term loans from banks and financial institutions are as under:

Rs. in lakhs

Name of the Bank/Financial Institution	Outstanding as on 31-03-2019	Outstanding as on 31-03-2018	Sanction Amount	Commencement of instalments
Axis Bank Limited - Vehicle Loan	414.00	510.97	600.00	January 2018
Hero Fincorp Limited- Term Loan I	629.47	1,243.97	1,618.48	July, 2017
Hero Fincorp Limited- Term Loan II	153.00	302.00	381.52	August, 2017
Hero Fincorp Limited- Term Loan III	2,311.00	-	2,500.00	December 2018
State Bank of India - Term Loan I	915.14	-	5,000.00	June, 2020
State Bank of India - Term Loan II	600.77	-	1,000.00	October 2018
Term Loan from IFCI Limited				

**Loan Repayable on Demand - Secured**
**- From Banks**

The interest rate for the above terms facilities ranges from 8% to 12% depending on the terms of loan sanction

**Terms and Conditions attached to the borrowings :**

- Term loan from Axis Bank Limited, other Banks and Financial Institutions availed for the purpose of acquisition of vehicles are secured by primary charge on the assets created out of such loan facilities.
  - Term Loan I, II and III from Hero Fincorp Limited are secured
    - by primary and exclusive charge on the certain lands situated at Achettipalli village, Hosur taluk, Krishnagiri district, Tamilnadu.
    - Corporate gaurantee of NCL Homes Limited and NCL Green Habitats Private Limited,
    - Personal gaurantee of Promotor directors, Mr. Madhu Kalidindi, Mr. Bimal V Goradia, Mr. Ashven Datla.
    - Pledge of shares held by promoters in NASL
  - Fixed Deposits from Share Holders are unsecured bearing an interest rate of 11% per annum.
  - Dealership Deposits from Dealers are unsecured bearing an interest rate of 8% per annum.
  - Vehicle loans from various banks and financial institutions are secured by hypothecation of vehicles acquired.
  - Term Loans from State Bank of india are secured by Exclusive charges on all Fixed Assets (present & future) of the Company  
Working capital facilities from State Bank of India are secured by way of first charge on Current Assets of the company.
- Collateral Security :
- Charge on fixed assets of the company, both present and future, by way of personal Guarantee of Promoters and secured by Corporate Guarantee of NCL Holdings (A & S) Ltd.
  - Mortgage of Factory Land situated at various locations.
  - Equitable Mortgage of Commercial space belonging to the Company
  - Extension of charge on of all chargeable current assets(present & future) of the company including stocks of raw materials, SIP, stores & spares, packing material, finished goods & Receivables.

5. EM of Residential house belonging to Promoter.  
 6. Personal Guarantee of 1. Sri Kalidindi Madhu, 2. Sri Bimal Vinodrai Goradia, 3. Sri Kalidindi Gautam, 4. Sri Penumatcha Aditya Krishna Verma, 5. Sri D.Ashven  
 7. Corporate Guarantee of NCL Holdings (A & S) Limited

**20. Provisions**

Rs. in lakhs

Provision for Employee Benefits	Non Current			Current		
	As At 31-03-2019	As At 31-03-2018	As At 01-04-2017	As At 31-03-2019	As At 31-03-2018	As At 01-04-2017
Provision for Gratuity	505.06	476.96	397.13	149.77	97.37	85.78
Provision for Compensated absences	95.84	95.95	76.63	50.40	45.53	56.51
Other Employee Benefits	-	1.25	-	80.76	67.77	74.06
<b>Total</b>	<b>600.91</b>	<b>574.17</b>	<b>473.76</b>	<b>280.93</b>	<b>210.67</b>	<b>216.35</b>

**21. Deferred tax liabilities (Net)**

Rs. in lakhs

Particulars	As At 31-03-2019	As At 31-03-2018	As At 01-04-2017
Deferred tax liability relating to Accumulated depreciation for tax purposes	882.85	723.71	626.91
	<b>(A)</b>	<b>723.71</b>	<b>626.91</b>
Deferred tax asset relating to Unused tax losses/ depreciation Expenses allowable on payment basis	-	-	-
	<b>(B)</b>	<b>247.73</b>	<b>212.89</b>
<b>Deferred tax liabilities (Net)</b>	<b>(A-B)</b>	<b>475.97</b>	<b>414.01</b>

**22. Current borrowings**

Rs. in lakhs

Particulars	As At 31-03-2019	As At 31-03-2018	As At 01-04-2017
Indian Rupee loans from Banks - Secured Working facilities from Banks (refer Note no. 19 (f))	4,526.23	1,789.61	2,704.01
<b>Total</b>	<b>4,526.23</b>	<b>1,789.61</b>	<b>2,704.01</b>

**23. Trade Payables**

Rs. in lakhs

Particulars	As At 31-03-2019	As At 31-03-2018	As At 01-04-2017
Outstanding dues to creditors other than micro enterprises and small enterprises	1,427.78	1,365.61	1,786.63
Outstanding dues to micro enterprises and small enterprises	-	-	-
	<b>1,427.78</b>	<b>1,365.61</b>	<b>1,786.63</b>

**24 Current maturities and other liabilities**

Rs. in lakhs

Particulars	As At 31-03-2019	As At 31-03-2018	As At 01-04-2017
<b>Valued at amortised cost</b>			
Current maturities of non current borrowings from Bank - Secured (Note 18)	1,911.08	881.03	943.02
Current maturities of non current borrowings Others - Unsecured (Note 18)	278.40	175.97	297.25
ICDs Received	-	105.04	435.00
Capital Creditors	3.79	5.26	83.40
Interest accrued but not due on borrowings	12.13	10.38	9.17
Unpaid Dividends **	82.44	76.70	70.64
Other Payables - Expenses	1,022.56	739.57	286.58
Dividend Payable	318.17	-	-
Tax on dividend	65.40	-	-
<b>Total</b>	<b>3,693.96</b>	<b>1,993.95</b>	<b>2,125.06</b>

\*\* Unpaid Dividends will be credited to investors education and protection fund as and when due.

**25. Non-current tax assets and current tax liabilities**

Rs. in lakhs

Particulars	As At 31-03-2019	As At 31-03-2018	As At 01-04-2017
Current tax liabilities			
Provision for taxes (net)	251.62	553.00	213.03
<b>Total</b>	<b>251.62</b>	<b>553.00</b>	<b>213.03</b>

**26. Other Current liabilities**

Rs. in lakhs

Particulars	As At 31-03-2019	As At 31-03-2018	As At 01-04-2017
Advances from customers	390.77	569.72	572.22
Statutory dues	264.19	277.85	254.61
<b>Total</b>	<b>654.97</b>	<b>847.57</b>	<b>826.83</b>

**27. Revenue from Operations (Gross)**

Rs. in lakhs

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Sale of Products		
Income from Sale of Goods		
Domestic Sales	42,209.62	28,683.68
Income from Sale of Traded goods	1,298.71	1,207.56
	<b>(A)</b>	<b>29,891.24</b>
Sale of Services		
Jobwork services	2.53	26.96
Painting Charges	-	-
Assembling & Fabrication Charges	-	-
	<b>(B)</b>	<b>26.96</b>
Other Operating Revenue		
Sale of Containers & Scrap	86.36	47.43
	<b>(C)</b>	<b>47.43</b>
Revenue from Operations (Gross)	<b>(A+B+C)</b>	<b>29,965.62</b>
Less: Sales Tax/GST	6,351.72	4,137.94
<b>Revenue from Operations (Net)</b>	<b>37,245.50</b>	<b>25,827.69</b>

With the introduction of GST from 01/07/2017 revenue from operations is accounted net of GST wherein Excise duty was subsumed. However upto 30/06/2017 Revenue included Excise duty which was subsumed with GST. Hence the figures for current year vs previous year are not comparable.

**28. Other Income**

Rs. in lakhs

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Interest Income on Deposits and Margin money held	92.50	25.85
Rents & others	46.60	44.00
<b>Total</b>	<b>139.11</b>	<b>69.85</b>

**29. Cost of Materials Consumed**

Rs. in lakhs

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Raw Materials and Packing Material		
Opening stock at the beginning of the year	1,292.19	1,044.25
Add : Purchases	21,351.26	13,512.14
	22,643.45	14,556.39
Less : Closing stock at the end of the year	1,650.46	1,292.19
<b>Total</b>	<b>20,992.99</b>	<b>13,264.19</b>

**30. Increase in Inventories of Finished Goods and Work-in-Progress**

Rs. in lakhs

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Opening stock of inventories Finished goods	856.00	746.27
Closing stock of inventories Finished goods	903.91	856.00
(Increase) in inventories of finished goods	(47.91)	(109.73)

**31. Other Manufacturing expenses**

Rs. in lakhs

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Power and Fuel	711.99	565.06
Consumption of stores, spares & consumables	248.90	229.25
Insurance	6.35	7.30
Packing, Forwarding etc.	128.57	164.41
Installation expenses	1,073.81	740.94
Repairs & maintenance	-	-
Plant and machinery	288.82	131.15
Buildings	11.51	7.66
Others	0.89	1.01
<b>Total</b>	<b>2,470.83</b>	<b>1,846.77</b>

**32. Employee Benefit Expenses**

Rs. in lakhs

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Salaries, Wages and Bonus	2,930.99	2,213.13
Contribution to Provident & Other Fund	278.93	272.95
Managerial remuneration	269.13	209.11
Staff welfare expenses	197.94	127.14
<b>Total</b>	<b>3,676.99</b>	<b>2,822.34</b>

**33. Finance Cost**

Rs. in lakhs

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Interest		
on working capital loans	222.46	186.73
on Deposits	29.31	94.98
on Dealership Deposits	11.16	14.17
- on Hire Purchase Loans and others	356.38	244.06
Bank charges	110.34	43.60
<b>Total</b>	<b>729.65</b>	<b>583.53</b>

**34. Depreciation and Amortisation**

Rs. in lakhs

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Depreciation on Property Plant and Equipment	516.24	427.58
Amortisation of Intangible	7.43	1.24
<b>Total</b>	<b>523.67</b>	<b>428.82</b>

**35. Other Expenses**

Rs. in lakhs

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Administration, selling & other expenses		
Rent	153.96	118.68
Licence, Fee & Taxes	25.86	32.50
Research & Development expenses	57.12	19.04
Printing and stationery	25.29	21.18
Consultancy and other professional charges	123.15	102.54
Remuneration to auditors	-	-
-Audit Fee	3.75	3.10
-Tax audit fee	1.50	1.00
-Out of pocket expenses	1.00	0.74
Remuneration to cost auditors	0.75	0.40
Remuneration to Internal Auditors	3.50	3.20
Derecognition of Financial Assets (Bad debts)	128.45	123.90
Corporate social responsibility expenses	44.65	30.64
Directors Sitting Fee	6.15	5.75
Directors Travelling & Conveyance	3.06	3.11
Donations	0.35	0.20
Travelling and conveyance	208.81	174.36
Office maintenance	66.27	70.38
Communication expenses	39.81	41.97
Vehicle Maintenance	13.23	12.18
Security Services	52.51	43.79
Demerger Expenses	17.97	-
Sales Promotion	301.43	210.90
Sales Commission	150.78	117.87
Freight outward	1,892.28	1,582.05
<b>Total</b>	<b>3,321.60</b>	<b>2,719.48</b>

**36. Other Comprehensive Income (OCI)**

Rs. in lakhs

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
<b>Retained Earnings:</b>		
Remeasurement gain on net defined benefit liability	4.97	25.73
Deferred tax effect on remeasurement costs on net defined benefit liability	(1.74)	(8.91)
<b>Total</b>	<b>3.24</b>	<b>16.83</b>

**37. Exceptional Items**

Rs. in lakhs

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Profit on Sale of Investments	-	3,096.82
Profit on Sale of Assets	125.18	782.68
<b>Total</b>	<b>125.18</b>	<b>3,879.50</b>

Rs. in lakhs

38. Contingent Liabilities - Not probable and therefore not provided for	For the year ended 31 March, 2019	For the year ended 31 March, 2018
A. Claims disputed by the company Various demands raised, which in the opinion of the management are not tenable and are pending with various Forums / Authorities Out of the above Rs.102.66 lakhs (Previous Year Rs. 102.66 lakhs) are deposited towards disputed tax	193.16	193.16
B. Outstanding Corporate Guarantees Given to IREDA with respect to term loan to Khandaleru Power Company Limited	500.00	500.00
C. Outstanding Guarantees Given by Banks on behalf of Company	416.02	319.15

**39. Disclosures required under Section 22 of MSMED Act 2006 under the Chapter on Delayed Payments to Micro and Small Enterprises**

Rs. in lakhs

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Amount remaining unpaid to micro, small and medium enterprises at the end of the year		
Principal Amount	-	-
Interest thereon	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**40. Earning Per Share (EPS)**

Rs. in lakhs

Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
Total Operations for the year		
Profit/(Loss) after tax	3,168.90	5,229.16
Less : Adjustments for the purpose of diluted Earnings per Share	-	-
Net Profit/(Loss) for calculation of basic EPS	(A) 3,168.90	5,229.16
Net Profit as above	3,168.90	5,229.16
Less : Exceptional Items	125.18	3,879.50
Tax Impact on Exceptional Items	24.24	571.03
Net Profit/(Loss) for calculation of basic EPS after Exceptional Items	(B) 3,067.96	1,920.69
Net Profit as above	3,168.90	5,229.16
Add : Adjustments for the purpose of diluted Earnings per Share	-	-
Net Profit/(Loss) for calculation of diluted EPS	(C) 3,168.90	5,229.16
Weighted average number of Equity Shares for Basic EPS	(D) 57.85	57.85
Effect of dilution :		
Weighted Average number of Equity shares for Diluted EPS	(E) 57.85	57.85
Basic EPS	(A) / (D)	
<b>Basic EPS (Rs.)</b>	(B) / (D) <b>54.78</b>	<b>90.39</b>
<b>Basic EPS excluding exceptional items (Rs.)</b>	(C) / (E) <b>53.03</b>	<b>33.20</b>
<b>Diluted EPS on the basis of Total Operations</b>	(C) / (E) <b>54.78</b>	<b>90.39</b>



**41. Employee Benefits**
**Defined Benefit Plans**

The company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary for each completed year of service subject to a maximum of Rs. 15 Lakhs. The plan for the same is unfunded.

Rs. in lakhs

Particulars	Gratuity	
	As at 31 March, 2019	As at 31 March, 2018
<b>Net Employee benefit expense recognized in the employee cost in statement of profit &amp; loss account</b>		
Current service cost	61.10	90.14
Interest cost on benefit obligation	41.98	32.32
Expected return on plan assets	-	-
<b>Sub Total</b>	<b>103.08</b>	<b>122.46</b>
Recognised in Other Comprehensive Income		
Net actuarial (gain)/loss recognized in the year		
i. Demographic Assumptions on obligation	11.08	18.59
ii. Financial Assumptions on obligation	(105.77)	4.21
iii. Experience Adjustments on obligation	89.71	(48.53)
<b>Sub Total</b>	<b>(4.98)</b>	<b>(25.73)</b>
<b>Net benefit expense</b>	<b>98.10</b>	<b>96.73</b>
<b>Balance Sheet</b>		
<b>Benefit asset / liability</b>		
Present value of defined benefit obligation	655.42	574.85
Fair value of plan assets	-	-
<b>Assets / (Liability) recognized in the balance sheet</b>	<b>(655.42)</b>	<b>(574.85)</b>
<b>Change in the present value of the defined benefit obligation</b>		
Opening defined benefit obligation	574.85	488.71
Benefit transferred in	-	-
Benefit transferred Out	-	-
Benefits paid	(17.03)	(11.09)
<b>Expenses Recognised in Statement of Profit and Loss Account</b>		
Current service cost	61.10	90.64
Interest cost on benefit obligation	41.98	32.32
<b>Recognised in Other Comprehensive Income</b>		
Actuarial (gain)/loss on obligation	(4.98)	(25.73)
<b>Closing defined benefit obligation</b>	<b>655.92</b>	<b>574.85</b>
<b>Change in the fair value of plan assets</b>		
Opening fair value of plan assets	-	-
Contributions by employer	-	-
Benefits paid	(17.03)	(11.09)
<b>Closing fair value of plan assets</b>	<b>(17.03)</b>	<b>(11.09)</b>
<b>Assumptions</b>		
Discount Rate (%)	7.32%	7.42%
Attrition Rate (%)	11%	13%
Expected rate of salary increase (%)	14.16%	14.16%
Expected Average Remaining Service (years)	6.81 years	5.91 years

**42. Leases**

Operating Lease : Company as lessee

The Company has entered into certain cancellable operating lease agreements mainly for office premises, land and infrastructure facilities' which are renewable on mutual agreement with the parties. There is an escalation clause in the lease arrangements during the lease period inline with the expected general inflation. The lease rentals charged during the year as per the agreements are as follows :

Rs. in lakhs

Particulars	As at 31 March, 2019	As at 31 March, 2018
<b>Future minimum lease payments under Non Cancellable Leases</b>		
Not later than one year	133.61	74.29
Later than one year and not later than five years	225.99	136.50
Later than five years	4.24	-

a. Operating lease payments recognised in Statement of Profit and Loss amounting to 153.96 lakhs (Previous Year 118.68 Lakhs)

b. General description of leasing arrangement

i. Leased Assets: Company's offices consisting of Infrastructure facilities, special amenities, and car parking lots.

ii. Future lease rentals are determined at the rates prescribed in the agreement. These lease payments to be Escalated at 5% to 10% on the previous year payments.

**43. Capital and Other Commitments**

Rs. in lakhs

Particulars	As at 31 March, 2019	As at 31 March, 2018
Estimated amount of contracts not provided for	703.43	50.13

**44. Deferral/capitalisation of Exchange Difference**

The Group has adopted the policy as per Para D13 AA of the Ind AS 101 for accounting for exchange difference arising from translation of long term foreign currency monetary items recognised in the financial statement for the period ending immediately before the beginning of first Ind AS financial reporting period as per the previous GAAP. The foreign exchange (gain) / loss arising on revaluation of long term foreign currency monetary items in so far as they relate to the acquisition of depreciable capital assets to be depreciated over the balance life of such assets and in other cases the foreign exchange (gain) / loss to be amortised over the balance period of such long term foreign currency monetary items.

However, the company has not availed foreign currency borrowings.

**45. Corporate Social Responsibility**

a) Gross amount required to be spent by the company during the FY 2018-19 is Rs 44.56lakhs

b) Amount spent during the year on:

Particulars	As at 31 March, 2019	As at 31 March, 2018
(i) Construction / Acquisition of any asset	13.72	24.62
(ii) On purposes other than (i) above	30.92	6.02
<b>Total</b>	<b>44.64</b>	<b>30.64</b>

**45. First Time Adoption of IndAS - Disclosures**
**A. Reconciliation of Net worth as previously reported under Indian GAAP Vs IND AS**

Particulars	As at 31 March, 2018	As at 01 April, 2017
Net worth as per I GAAP financials	16,288.13	11,918.74
Less : Impact of the Scheme of Arrangement (Demerger)	5,789.35	6,400.00
Revised Net worth as per I GAAP financials	10,498.78	5,518.74
Ind AS: Adjustments increase / (decrease):		-
Measurement of financial assets at amortised cost	12.02	17.72
Deferred Tax and Other Adjustments	11.70	123.63
Reversal of Proposed Dividend	383.57	382.94
Net worth as reported under IND AS	10,906.07	6,043.03

**B. Reconciliation of PAT as previously reported under Indian GAAP Vs. IND AS**

Particulars	As at 31 March, 2018
Net Profit/ (Loss) after Tax as per Previous Indian GAAP	5,080.36
Ind AS: Adjustments Profit increase / (decrease):	
Measurement of financial liabilities at amortised cost	(5.70)
Actuarial Gain / (Loss) on employee defined benefit obligation recognised in OCI	(25.74)
Non Consolidation of Entities for Scheme of Adjustments	193.04
Tax adjustments	(12.80)
Net Profit/ (Loss) after Tax before OCI as per the IND AS	5,229.16

**47. Segment reporting**

Based on "the management approach" as defined in Ind AS 108, the Chief Decision Maker evaluates the company's performance and allocates resources based on an analysis of various performance indicators by business segments.

Accordingly, information has been presented for each business segment. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual business segments and are as set out in the significant accounting policies.

Business segments of the company and products/ services in each segment are:

1. Windows ( Colour coated GI profiles (CCGI) , CCGI,uPVC doors & windows,ABS Doors )
2. Coatings ( Wall putties , Paints and textures )
3. Walls (Aerated Fly Ash Blocks)
4. Services -Span Tile Mfg Co. Pvt Ltd is engaged in providing services

**Segment Revenue and Expense:**

A) Revenue and expenses directly attributable to segments are reported under each reportable segment. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses.

B) Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable.

C) Assets and Liabilities relating to Corporate Office/ Corporate investment portfolios are disclosed as unallocable."

**For the year ended March 31, 2019**

Rs. in lakhs

Particulars	Coatings	Walls	Windows	Unallocable	Services	Total
<b>Segment revenue from External customers</b>						-
Within India	7,404.09	5,537.80	24,300.80	-	169.91	37,412.60
Outside India						-
<b>Inter segment revenue</b>					(167.10)	(167.10)
<b>Total segment revenue</b>	<b>7,404.09</b>	<b>5,537.80</b>	<b>24,300.80</b>	-	<b>2.81</b>	<b>37,245.50</b>
Segment result						-
Within India	924.24	389.79	4,102.43	-	5.18	5,421.65
Outside India						-
<b>Total segment result</b>	<b>924.24</b>	<b>389.79</b>	<b>4,102.43</b>	-	<b>5.18</b>	<b>5,421.65</b>
Interest expenses	-	-	-	729.64	0.01	729.65
Other un allocated income /expenses (net)						-
Profit before tax from ordinary activities	924.24	389.79	4,102.43	-729.64	5.17	4,692.00

**For the year ended March 31,2018**

Rs. in lakhs

Particulars	Coatings	Walls	Windows	Unallocable	Services	Total
<b>Segment revenue from External customers</b>						-
Within India	5,797.59	4,929.07	15,101.03	-	9.60	25,837.60
Outside India						-
<b>Inter segment revenue</b>					(9.60)	(9.60)
<b>Total segment revenue</b>	<b>5,797.59</b>	<b>4,929.07</b>	<b>15,101.03</b>	-	-	<b>25,827.69</b>
Segment result						-
Within India	542.69	466.59	2,424.12	-	1.67	3,435.07
Outside India						-
<b>Total segment result</b>	<b>542.69</b>	<b>466.59</b>	<b>2,424.12</b>	-	<b>1.67</b>	<b>3,435.07</b>
Interest expenses	-	-	-	583.53	-	583.53
Other un allocated income /expenses (net)						-
Profit before tax from ordinary activities	542.69	466.59	2,424.12	-583.53	1.67	2,851.54

**Segment assets and Liabilities****For the year ended March 31, 2019**

Rs. in lakhs

Particulars	Coatings	Walls*	Windows	Unallocable	Services	Total
Assets	5,472.31	8,047.83	12,298.22	2,631.18	54.46	28,504.01
Liabilities	3,404.26	2,130.01	4,218.96	5,609.73	21.22	15,384.18

\* Walls assets includes CWIP of Rs 3185.85 lakhs

**For the year ended March 31, 2018**

Rs. in lakhs

Particulars	Coatings	Walls	Windows	Unallocable	Services	Total
Assets	4,125.40	5,156.97	9,464.44	1,200.70	33.63	19,981.14
Liabilities	2,346.04	970.06	2,689.88	3,182.02	5.35	9,193.35

**For the year ended March 31, 2017**

Rs. in lakhs

Particulars	Coatings	Walls	Windows	Unallocable	Services	Total
Assets	3,511.48	5,100.57	6,530.73	2,049.22	31.56	17,223.55
Liabilities	2,313.98	2,917.44	3,196.10	2,728.06	4.50	11,160.09

**48. Financial Risk Management Objectives and Policies****a. Capital Management**

The objective of the Group's capital management structure is to ensure sufficient liquidity to support its business and provide adequate return to shareholders. Management monitors the long term cash flow requirements including externally imposed capital requirements of the business in order to assess the requirement for changes to the capital structure to meet the said objective. As part of this monitoring, the management considers the cost of capital and the risks associated with each class of capital and makes adjustments to the capital structure, where appropriate, in light of changes in economic conditions and the risk characteristics of the underlying assets. The funding requirement is met through a combination of equity, internal accruals, borrowings or undertake other restructuring activities as appropriate.

No changes were made in the objectives, policies or processes during the year ended 31 March 2019.

**The Group's capital and net debt were made up as follows:**

Rs. in lakhs

Particulars	As at 31 March, 2019	As at 31 March, 2018
Net debt (Debt less Cash and Cash equivalent)	3,961.87	1,636.92
Total equity	13,311.07	10,906.07

**b. Financial Risk Management Framework**

Company's principal financial liabilities comprise borrowings, trade payables and Other financial liabilities. The main purpose of these financial liabilities is to finance the Group's operations and projects under implementation. The Group's principal financial assets include trade receivables, loans, cash and bank balances and other financial assets.

**Risk Exposures and Responses**

The Group is exposed to market risk, credit risk and liquidity risk. The Board of Directors reviews policies for managing each of these risks, which are summarised below:

**i) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise four types of risk i.e. interest rate risk, Commodity risk and other price risk.

**Interest rate risk**

The Group obtains financing through borrowings. The Group's policy is to obtain the most favourable interest rates available.

The Group's exposure to interest rate risk relates primarily to interest bearing financial liabilities. Interest rate risk is managed by the Group on an on-going basis with the primary objective of limiting the extent to which interest expense could be affected by an adverse movement in interest rates.

**Sensitivity Analysis**

An increase/decrease of 100 basis points in interest rate at the end of the reporting period for the variable financial instruments would (decrease)/increase profit after taxation for the year by the amounts shown below. This analysis assumes all other variables remain constant.

Rs. in lakhs

Particulars	Profit / (Loss) before taxation	
	As At 31 March, 2019	As At 31 March, 2018
Financial Liabilities - Borrowings		
+1% (100 basis points)	289.22	325.46
-1% (100 basis points)	(289.22)	(325.46)

There is no hedging instruments to mitigate this risk.

#### Commodity Risk

The Group has commodity price risk, primarily related to manufacturing items and consumables. The Group monitors its purchases closely to optimise the price.

#### ii) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade and other receivables) and from its financing activities, including short-term deposits with banks and financial institutions, and other financial assets.

##### Credit risk management

The Group assesses the credit risk for each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

The risk parameters are same for all financial assets for all periods presented. The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on-going basis throughout each reporting period. In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due. A default on a financial asset is when the counterparty fails to make contractual payments when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

**Trade Receivables :** The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

**Bank Deposits :** The credit risk is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

**Other Financial Assets :** The Group ensures concentration of credit does not significantly impair the financial assets since the customers to whom the exposure of credit is taken are well established and reputed industries engaged in their respective field of business. The creditworthiness of customers to which the Group grants credit in the normal course of the business is monitored regularly.

The maximum exposure for credit risk at the reporting date is the carrying value of financial assets as stated in the balance sheet. The Group does not hold any credit derivatives to offset its credit exposure.

#### iii) Liquidity risk

Liquidity risk arises from the financial liabilities of the Group and the Group's subsequent ability to meet its obligations to repay its financial liabilities as and when they fall due. The Group regularly monitors its risk to a shortage of funds.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of working capital facilities, and borrowings. The Group has reviewed the borrowings maturing within 12 months.

The following table details the remaining contractual maturities of the Group's financial liabilities at the end of the reporting period, which are based on the contractual undiscounted cash flows and the earliest date the Group is required to pay:

Rs. in lakhs

Particulars	Weighted average interest rate (%)	Less than 1 Year	More than 1 year
<b>31-March-2019</b>			
Borrowings - Variable Interest Rate	10.55%	4,526.23	-
Borrowings - Fixed Interest Rate	11.15%	2,189.48	3,345.01
Borrowings - Non interest bearing	-	-	-
Trade Payables & Other Financial Liabilities	-	2,932.26	-
<b>Total</b>		<b>9,647.97</b>	<b>3,345.01</b>
<b>31 March 2018</b>			
Borrowings - Variable Interest Rate	9.45%	1,789.61	-
Borrowings - Fixed Interest Rate	10.63%	1,057.00	1,375.35
Borrowings - Non interest bearing	-	-	-
Trade Payables & Other Financial Liabilities	-	2,302.56	-
<b>Total</b>		<b>5,149.17</b>	<b>1,375.35</b>

## c. Financial instruments by category

For amortised cost instruments, carrying value represents the best estimate of fair value.

Rs. in lakhs

Particulars	March 31, 2019 Amortised Cost	March 31, 2018 Amortised Cost
<b>Financial assets</b>		
<b>Investments</b>	1,342.38	1,269.42
Trade receivables	8,720.30	5,668.29
Loans	-	-
Cash and cash equivalents	747.57	593.71
Bank Balances	825.05	213.73
Other Financial Assets	82.93	56.45
<b>Total</b>	<b>11,718.24</b>	<b>7,801.60</b>
<b>Financial liabilities</b>		
Borrowings	7,871.24	3,164.96
Trade payables	1,427.78	1,365.61
Other Financial Liabilities	3,693.96	1,993.95
<b>Total</b>	<b>12,992.98</b>	<b>6,524.52</b>

## 49. Salient Features of Financial Statement of subsidiaries/Associates as per Companies Act.2013

Rs. in lakhs

Particulars	Span Tile Mfg. Co. Pvt Ltd	NCL Veka Ltd
Share Capital	20.46	2630.00
Reserves & surplus	12.78	2519.39
Total Assets	54.47	13476.36
Total Liabilities	21.23	8326.98
Investments	0	104.50
Total Income	176.70	17636.75
Profit Before Tax	5.18	450.35
Provision for Tax	0.22	142.48
Profit After Tax	4.96	307.87
% Share Holding	99.95	23.70

**50. Related Party Transactions**
**a. Names of Related Parties and description of relationship.**

S.No	Associate Companies
1	NCL Veka Ltd (formerly NCL Wintech India Limited)

S.No	Key Management Personnel and Relatives	S.No	Key Management Personnel and Relatives
1	K. Madhu - Managing Director	5	Aditya Krishna Varma Penumatcha - Wholetime Director
2	Ambujodar Reddy Kanala - Wholetime Director	6	Satya Subram Kapula - Wholetime Director
3	Bimal Vinodrai Goradia - Wholetime Director	7	Venkata Jagannadha Raju Vatsavayi - Wholetime Director
4	Srihari Vennelaganti - CFO	8	Divyabharathi U - Company Secretary

S.No	Enterprises Controlled or significantly influenced by Key Management Personnel or their Close Family Members	
1	NCL Industries Ltd	5 Eastern Ghat Renewable Energy Limited
2	Khandaleru Power Co. Limited	6 Suncrop Sciences Pvt Ltd.
3	NCL Homes Limited	7 Kakatiya Industries Pvt Ltd.
4	NCL Green Habitats Pvt Ltd	8 NCL Holdings (A&S) Ltd.

**b) Summary of transactions with related parties are as follows:**

Rs. in lakhs

Nature of Transaction	Subsidiary Companies		Associate Companies		Key Management Personnel and Relatives		Enterprises Controlled or significantly influenced by key management personnel or their close family members	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Purchases of Goods/Materials	-	-	3,016.47	2,427.65	-	-	1,109.89	3,082.58
Sales of Goods/Materials	-	-	228.49	234.98	-	-	350.84	206.85
Expenses :								
Remuneration	-	-	-	-	367.36	219.65	-	-
Rent	-	-	-	-	-	-	-	-
Interest on Deposits	-	-	-	-	2.46	3.67	-	-
Income :								
Rent / Hire Charges	-	-	54.99	49.84	-	-	-	-
Interest on Loans given	-	-	-	-	-	-	14.74	-
Other payments	-	-	-	-	-	-	-	-
Reimbursement of expenses/(Reimbursement expenses received)	-	-	1.37	(0.82)	3.39	3.87	61.90	43.63
Purchase of office space	-	-	-	-	-	-	600.00	-
Balances outstanding								
Payables	-	-	-	82.00	30.00	-	239.78	63.79
Receivables	-	-	408.30	-	-	-	42.05	43.98
Loans & Advances / Deposits -Received/recovered	-	-	-	-	30.00	35.00	-	-
Investments made (including Investment advances)	-	-	1,130.70	1,130.70	-	-	-	-

**51. Scheme of Arrangement (Demerger)**

The Company along with NCL Holdings (A&S) Limited [NCLHASL] has filed the petition before the Honourable National Company Law Tribunal, Hyderabad, (NCLT), seeking approval of a scheme of arrangements between the two companies. According to the scheme, certain investments, loans and advances (assets) held by the Company, were to be transferred to NCLHASL at cost. As a consideration for the transfer, shareholders of the Company would receive 1 equity share in NCLHASL for every equity share held by them in the Company (1:1 ratio). The Hon'ble NCLT had approved the scheme of arrangement on 24.01.2019 with appointed date of the scheme being 01.04.2017. All necessary steps as envisaged in the scheme have been completed and the effect of the scheme of arrangement has been reflected in the financial statements pertaining to the appointed date i.e., 01.04.2017.

**52.** Previous year figures have been regrouped/reclassified where ever necessary, to confirm to those of the current year:

As per our report attached.

**For ANANT RAO & MALLIK,**  
Chartered Accountants  
Firm Registration No.006266S

**V. ANANT RAO**  
Partner  
Membership No.022644  
Place : Hyderabad  
Date : 22.05.2019

For and on behalf of the Board of Directors  
**NCL ALLTEK & SECCOLOR LIMITED**

**M. KANNA REDDY**  
Chairman  
DIN - 00040440

**V. SRIHARI**  
Chief Financial Officer

**K. MADHU**  
Managing Director  
DIN - 00040253

**U. DIVYA BHARATHI**  
Company Secretary



## Go Paperless. It's EASY!

Dear Shareholder,

As you may be aware, the Ministry of Corporate Affairs, Govt. of India, as part of its "Green Initiative in Corporate Governance" has issued Circular no. 17/2011 dated 21/04/2011 and Circular No.18/2011 dated 29/04/2011 permitting service of documents by Companies, to its shareholders, through electronic mode instead of physical mode.

Accordingly, as per the Company's "GO GREEN" initiative, the Company shall send documents, including Notice of General Meetings and Annual Report of the Company, in electronic form to Email ID of the shareholders registered with Company, instead of physical mode.

However, shareholders may note that as a member of the Company, shareholders opting to receive documents in electronic mode will be entitled to receive all such communication in physical form, upon request made by them to the Company.

Shareholders having shares in physical form should provide their Email Id to the Company for opting to receive notices / documents electronically. To Register the E-mail ID with the company shareholders are requested to submit the following Form duly filled & signed by the shareholders at the forthcoming AGM or send it by post at the registered office of the Company.

### GO GREEN FORM

To  
NCL Alltek & Seccolor Ltd,

As per the "Green initiative in the Corporate Governance" of the Ministry of Corporate Affairs, I hereby opt to receive service of documents by companies, including Annual Report, in electronic mode, and request you to register my Email ID as stated below for the same.

Name of Shareholder(s)\* : \_\_\_\_\_

Folio No./ DP ID - Client ID : \_\_\_\_\_

No. of Share held as on Date\* : \_\_\_\_\_

E-mail ID (Permanent)\* : \_\_\_\_\_

E-mail ID (Alternative) : \_\_\_\_\_

Contact No. (Mobile)\* : \_\_\_\_\_

Contact No. (Fixed Line)\* : \_\_\_\_\_

Signature\* : \_\_\_\_\_

Fields marked with '\*' are compulsory

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**NCL ALLTEK & SECCOLOR LIMITED**

Regd. Office : 4th Floor, Plot No.1,Ganga Enclave, Kompally Road, Petbasheerabad, Hyderabad - 500067.  
CIN:U72200TG1986PLC006601

**PROXY FORM**

Folio No./ DP ID- Client ID	No. of Shares Held
-----------------------------	--------------------

I / We .....of .....in the District of ..... being a Member / Members of NCL Alltek & Seccolor Ltd., hereby appoint .....of .....in the District of ..... as my / our Proxy to vote for me / us on my / our behalf at the Thirty Third Annual General Meeting of the Company to be held on Saturday 28th September, 2019 at 10.30 a.m. and at any adjournment thereof, at KLN Prasad Auditorium, Federation House, The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry (FTAPCCI), H.No. 11-6-841, Red Hills, Hyderabad - 500004.

Signed this .....day of .....2018

Signature of Proxy ..... Signature of Member .....

Affix Re. 1/-  
Revenue  
Stamp

Note : The Proxy Form duly completed must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the Meeting.

**NCL ALLTEK & SECCOLOR LIMITED**

Regd. Office : 4th Floor, Plot No.1,Ganga Enclave, Kompally Road, Petbasheerabad, Hyderabad - 500067.  
CIN:U72200TG1986PLC006601

**ATTENDANCE SLIP**

(To be handed over at the entrance of the venue of the AGM)

I hereby record my presence at the 33rd Annual General Meeting of the Company held on Saturday 28th September, 2019 at 10.30 a.m. and at any adjournment thereof, at KLN Prasad Auditorium, Federation House, The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry (FTAPCCI), H.No. 11-6-841, Red Hills, Hyderabad - 500004.

Folio No./ DP ID- Client ID	No. of Shares Held
-----------------------------	--------------------

Name of the Share Holder:

Address:

**NO GIFTS**  
at AGM

Member / Proxy's Signature

(To be signed at the time of handing over this Slip)

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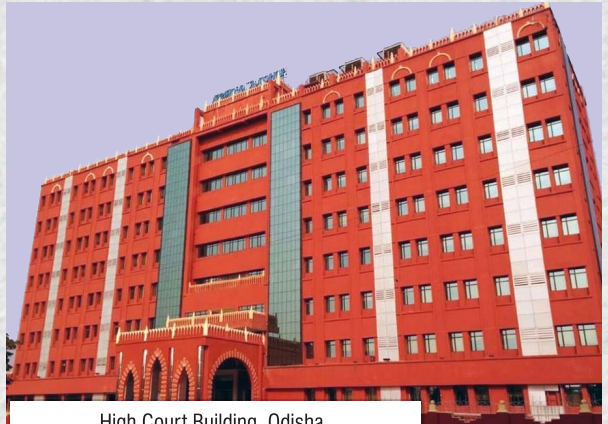
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Hyderabad - 500 067. Ph.: 040 - 4969 3333,  
E-mail: [companysecretary@nclseccolor.com](mailto:companysecretary@nclseccolor.com)

