

**SECOND**  
**ANNUAL REPORT**  
**2018-19**



**NCL HOLDINGS (A&S) LTD.**



INVESTMENTS

HYDRO POWER

REAL ESTATE & CONSTRUCTION

SEEDS

CHEMICALS

Some people are immortal



Sri K. Ramachandra Raju

FOUNDER

Our inspiration & remembered, everyday.





## NCL HOLDINGS (A&S) LIMITED

### BOARD OF DIRECTORS

Shri. K. Madhu  
 Shri Ashven Datla  
 Shri Bimal V Goradia  
 Shri K.A. Reddy

### AUDITORS

Subrahmanyam & Sivudu  
 Chartered Accountants  
 #1-2-27, Gagan Mahal Road,  
 Domalguda Hyderabad – 500029

### COMPANY SECRETARY

Soumith Kumar S

### REGISTERED OFFICE

Plot No.1, 4th Floor, Survey No.12 &14  
 Ganga Enclave, Petbasheerbad, Quthbullapur  
 Hyderabad, Telangana – 500055, Hyderabad  
 CIN: U65920TG2018PLC121664  
 Website: www.nclholdings.in  
 Email: companysecretary@nclholdings.in  
 Phone: 040-49693333

### OUR BANKERS

HDFC Bank, Petbasheerabad – 500055

### Dematerialisation of Shares

ISIN NO: INE06DT01010 (NSDL &CDSL)

### DEMAT REGISTRAR

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

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## NOTICE

Notice is hereby given that the 02<sup>nd</sup> Annual General Meeting of the Members of M/s NCL Holdings (A&S) Limited will be held on Monday, 30<sup>th</sup> September, 2019 at 10.30 am at Surabhi Pride Hotel, Green Park Avenue, Suchitra Road Suchitra Circle, NH 44, Jeedimetla, Hyderabad, Telangana 500067.

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Stand-Alone and Consolidated Profit & Loss Account, Balance Sheet and Cash flow statement for the period as at 31<sup>st</sup> March 2019, together with the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Sri. K. Madhu who retires by rotation and being eligible offers himself for reappointment.

### SPECIAL BUSINESS:

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

#### 3. Appointment of Mr Bimal V. Goradia as Executive Director

“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 appointment of Mr. Bimal V Goradia from the position of Non-Executive Director to Executive Director of the Company for a period of **3 years** from 01.09.2019 with the following remuneration:

1. Salary and perquisites (Cost to Company) : Rs. 2,88,158/- Per month.  
(with an annual increment of 10% )

Includes the following

- a) Housing: @50% on salary
- b) Medical Reimbursement: For self and family as per the policy of the Company.
- c) Leave Travel concession: For self and family as per the policy of the Company.
- d) 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.
- e) Provision of Car and Cell phone: The Company shall provide car for official business and a cell phone. However personal long distance calls on cell phone and use of car for private purposes shall be billed by the company.”
- f) Other allowances in lieu of Provident Fund and gratuity.

“**FURTHER RESOLVED THAT** the above remuneration be paid as minimum remuneration to Mr. Bimal V Goradia in the event of absence or inadequacy of profits in any year.”

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

#### Increase Of Authorised Share Capital Of The Company

“**RESOLVED THAT** pursuant to the provisions of section 61 read with section 64 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, the consent of the Shareholders be and is hereby accorded to increase the authorised share capital of the company from Rs. Six Crores Only (Rs. 6,00,00,000/-) divided into Sixty Lakhs equity shares of Rupees Ten each (Rs. 10 each) to Rupees Nine Crores Only (Rs. 9,00,00,000/-) divided into Ninety Lakhs equity shares of Rs. Ten each/- (Rupees 10 each) each, ranking pari passu with the existing equity shares of the company.

“**Further Resolved That** pursuant to the provisions of Section 14 and all other applicable provisions, if any, contained under the Companies Act, 2013, Clause 5. of the Memorandum of Association of the Company be and is hereby amended and replaced by the following Clause hereunder:

#### **Clause 5.**

The Authorised Share Capital of the Company is Rs.9,00,00,000/- (Rupees Nine Crores only) divided into 90,00,000 ( Ninety Lakhs) Equity Shares of Rs.10/- (Rupees Ten only) each, with power to increase and reduce the capital, to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, qualified or special rights, privileges and conditions as may be determined by or in accordance with the Companies Act, 2013 for the time being in force and the regulations of the company and to vary, modify or abrogate the regulations of the company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the company.

**Resolved Further That** any Director/s of the company, be and is hereby authorized to file the necessary forms with the Registrar of Companies, Hyderabad and also authorized to do all other acts, things and deeds as may be required for giving effect to the said resolution.

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

**ALTERATION OF OBJECTS CLAUSE OF MEMORANDUM OF ASSOCIATION BY WAY OF ADDING ADDITIONAL OBJECTS CLAUSES**

**"RESOLVED THAT** pursuant to the provisions of Section 4 and 13 and other applicable provisions, if any, contained under the Companies Act, 2013 (including any statutory modifications or re-enactment thereof, for the time being in force), and the rules framed thereunder, the consent of the members be and is hereby accorded and subject to the approval of the Registrar of Companies, Memorandum of Association of Company be altered in the following manner:

Addition of following objects clauses after the existing sub clauses 1 to 3 in Clause **3 (a)** with the following sub clauses, which shall read as follows:

4) To carry on the business as financial advisors and to advise and assist in all financial, costing, accounting internal control and other similar matters to advise and assist in the preparation of all revenue and capital budgets, structuring of funds, long term planning of utilisation of resources, procuring bank and institutional finance including cash, credit facilities, overdraft facilities, subscription of debentures and term loans, to assess the needs of short and long term credit facilities and raising of resources.

5) To carry on the business of contractors, Builders, Traders, Infrastructure developers, and Engineers land developers, Real-estate agents, immovable property dealers and to acquire, sale, purchase, hire or otherwise in lands, buildings, building materials, civil works immovable property of any tenure.

**"FURTHER RESOLVED THAT** the Board of Directors of the Company be and are hereby authorised to do all such acts and deeds in this regard to give effect to the resolution."

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

**To borrow money in excess of paid up capital, free reserves and securities premium account under Section 180(1)(c) of the Companies act, 2013**

**"RESOLVED THAT** pursuant to the provisions of section 180(1)(c) and other applicable provisions of the Companies Act, 2013, the consent of the Shareholders be and is hereby given to borrow money with or without security upto Rs. One Hundred Crores (Rs. 100 Crores) from bank/financial institution and any other person(s) on such terms and conditions as the board of directors may think fit, where the money (ies) may exceed the aggregate of the paid up capital, free reserves, and securities premium account of the company, (reserves not set apart for any specific purpose) subject to condition that the total amount of money (ies) in aggregate so borrowed shall not at any time exceed the limit of Rs. One Hundred Crores (Rs. 100 Crores only) over and above the paid up capital of the Company and its free reserves.

**"FURTHER RESOLVED THAT** the Board of Directors of the Company be and are hereby authorised to do all such acts and deeds in this regard to give effect to the resolution."

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

**Investments, loans, guarantees in excess of limits specified under Section 186 of the Companies act, 2013**

**"RESOLVED THAT** pursuant to the section 186 and other applicable provisions of the Companies Act, 2013 or any amendment or modification thereof and rule made there, consent of the Shareholders be and is hereby accorded to give loan or provide security or make investment in the securities in one or more trenches as the Board of Directors in their absolute discretion from the present amount of Rs. Two Hundred Crores (Rs. 200 Crores only) up to a maximum amount of Rs. Three Hundred Crores (Rupees 300 Crores only) over and above the paid up capital of the Company and its free reserves, notwithstanding that the proposed amount is exceeding the limit of 60% of paid up share capital, free reserve and security premium amount or 100% of free reserve and security premium amount of the company, whichever is higher.

**"FURTHER RESOLVED THAT** the Board of Directors of the Company be and are hereby authorised to complete the formalities and sign and execute all the applications, letter or documents on behalf of the company for giving/making loan, guarantee or investment and also authorised to do all other acts, things and deeds to give effect to this resolution."

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

**Approval of corporate guarantee to Kakatiya Industries Private Limited as security in connection with limits to be availed from IREDA and Power Finance Corporation**

Resolved pursuant to the provision of section 185 of the companies act 2013, as amended by the companies amendment act 2017, including any statutory modifications thereof for the time being in force as may be enacted from time to time and subject to the approvals to be accorded by the shareholders under section 186 of the act, consent of the Shareholders be and hereby accorded to the board of directors to give on such terms and conditions as the board may deem fit, guarantee of an aggregate amount not exceeding Rs. 50 Crores in connection with facilities sanctioned/availed or proposed to be sanctioned/availed from IREDA or PFC to Kakatiya Industries Private Limited.

**RESOLVED THAT** the guarantees to be availed be utilised as per the Sanctioned terms and the loans are to be utilized by the Borrowing Company M/s Kakatiya Industries Private Limited for its principal business activities.

**"FURTHER RESOLVED THAT** the Board of Directors of the Company be and are hereby authorised to do all such acts and deeds in this regard to give effect to the resolution."

**By Order of the Board**  
For NCL Holdings (A&S) Limited.

**Place: Hyderabad.**  
**Date: 30/08/2019**

**Soumith Kumar S**  
**Company Secretary**

## NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on poll 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. 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.
4. 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 02<sup>nd</sup> Annual General Meeting to be held on 30<sup>th</sup> 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 27<sup>th</sup> September, 2019 and ends at 5.00 PM 29<sup>th</sup> September, 2019. During this period shareholders' of the Company, holding shares in dematerialized form, as on the cut-off date of 23<sup>rd</sup> 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:

	<b>For Members holding shares in Demat Form and Physical Form</b>
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 Holdings (A&S) 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)
5. 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.



**FOR SHAREHOLDERS ATTENTION**

6. Shareholders are requested to note that pursuant to the Circular of Ministry of Corporate Affairs dated September 10, 2018, which allows to allot further shares by unlisted public limited companies only in dematerialized mode post 02<sup>nd</sup> October, 2018. Accordingly pursuant to the Hon'ble NCLT Order the shares were allotted in 1:1 Ratio to the shareholders of NCLASL as on record date in the Company.

As on Record date, there were shareholders who are holding shares in physical mode and the same shareholders were kept in a Suspense Ac. As and when they have dematerialized their holding / intimating the Demat Account details, the shares are being credited to their demat account.

**Therefore those shareholders are requested to intimate the demat account details to the Company to enable to transfer the shares from suspense account.**

7. The Company has Dematerialized its shares with NSDL and CDSL. The ISIN Number is INE06DT01010
8. The Shareholders are requested to access the Annual Report of the Company on its website [www.nclholdings.in](http://www.nclholdings.in).
9. 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@nclholdings.in](mailto:companysecretary@nclholdings.in) or dial 040-49693333.

**By Order of the Board**  
For NCL Holdings (A&S) Limited.

**Place: Hyderabad.**  
**Date: 30/08/2019**

**Soumith Kumar S**  
**Company Secretary**

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

### ITEM NO 3

At the meeting of the Board of Directors held on 30<sup>th</sup> August, 2019, Mr. Bimal V Goradia was appointed from the position of Non-Executive Director to Executive Director for a period of 3 years with effect from 01.09.2019. The remuneration and terms of his appointment of Mr. Bimal V Goradia were duly approved by 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. Bimal V Goradia none of the Directors or Key Managerial Personnel is interested in the resolution.

### ITEM NO 4

As your company is planning expansion of the existing business, the directors of your Company in their Meeting held on 30.08.2019 have proposed to increase the Authorised Share Capital of the Company from the existing Rs.6,00,00,000/- to Rs. 9,00,00,000/- to part finance the expansion and business requirements of the company through equity infusion.

This involves, inter alia, amendment to the existing Clause V of Memorandum of Association of the Company.

As per the provisions of the Companies Act, 2013, any such proposal involving an amendment to the Memorandum of Association for increasing the Authorised share capital of the Company need to be approved by the members by passing an Ordinary Resolution,

Hence the resolution is commended for your approval.

None of the Directors are interested except to the extent of shareholding held by them.

### ITEM NO 5

The company has main objects to make and hold investments and carry on the services of holding and trading in various securities. But now the directors decided to diversify the business of the company. The Board of Directors of the company have decided to do the business of financial consultancy, Trading of Building Materials, real-estate business and related activities so that the company can carry on its business more economically and efficiently with the present infrastructure. The proposed alteration requires approval of the shareholders.

None of the directors of the company and their relatives is concerned or interested, financially or otherwise, in the resolution.

The board recommends the resolution for the approval of the shareholders as a **Special Resolution**.

### ITEM NO 6

Keeping in view the Companies existing and future financial requirements to support its business operations, the Company may need additional funds. For this purpose, the Company may, from time to time, raise finance from various Banks and/or Financial Institutions and/ or any other lending institutions and/or Bodies Corporate and/or such other persons/ individuals as may be considered fit, which, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in ordinary course of business) may exceed the aggregate of the paid-up capital and free reserves of the Company. Hence it is proposed to increase the maximum borrowing limits to Rs. 100 Crores for the Company over and above the paid up capital and free reserves of the company.

Pursuant to Section 180(1)(c) of the Companies Act, 2013, the Board of Directors cannot borrow more than the aggregate amount of the paid-up capital of the Company and its free reserves at any one time except with the consent of the members of the Company in a general meeting. In order to facilitate securing the borrowing made by the Company, it would be necessary to create charge on the assets or whole or part of the undertaking of the Company.

Hence, the Special Resolution at Item No. 6 of the Notice is being proposed, since the same exceeds the limits provided under Section 180(1)(c) of the Act. The Directors recommend the Special Resolution as set out at Item No. 6 of the accompanying Notice, for members' approval. None of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Special Resolution, except to the extent of their shareholding in the Company.

**ITEM NO 7**

With a view to facilitate funding of businesses of group companies and to support their borrowings the company from time to time is required to make investments, give loans, guarantees and provide securities. Pursuant to the provision of section 186 (3) of the companies act 2013 and rules made there under the company needs prior approval of shareholders by way of special resolution passed at the general meeting in case of the amount of investment loan guarantee or security proposed to be made is more than the higher of 60% of the paid up capital free reserves, securities premium account or 100% of the securities premium account. Hence it is proposed by the Board of Directors of the Company to fix an amount at Rs. 300 Crores over and above the paid up share capital and free reserves for the purpose of giving loans or providing security or make investment in securities.

The director therefore recommend the special resolution for approval of shareholders.

None of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Special Resolution except to the extent of their shareholding in the Company.

**ITEM NO 8**

With a view to facilitate funding of businesses of subsidiary, group companies and to support their borrowings the company from time to time is required to make investments, give loans, guarantees and provide securities. Pursuant to the provision of section 185 of the companies act 2013 and rules made there under the company needs prior approval of shareholders by way of special resolution passed at the general meeting.

The Board at its meeting held on 27<sup>th</sup> April, 2019 has agreed to provide corporate guarantee in favor of (IREDA and PFC ) and to act as sponsor company for enabling kakatiya industries pvt ltd to avail the facilities in compliance with financing norms of IREDA & PFC in connection with 09 megawatt, bargarh head regulator small hydro project at Benga village, Sambhalpur district, Odisha.

To maintain the financial flexibility within the group and considering the strategic objectives, the company has been supporting borrowings by KIPL in compliance with applicable provisions of the Act. This requires consent of the shareholders in its general meeting.

Hence the Board recommends this Resolution.

None of the Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the Special Resolution except to the extent of their shareholding in the Company.

## DIRECTORS' REPORT

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

### FINANCIAL RESULTS

The Audited Balance Sheet of your company as at 31<sup>st</sup> 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 financial results are as follows:

Particulars	(IN RUPEES)	
	(Stand-Alone) Year ended 31.3.2019	(Consolidated) Year ended 31.3.2019
REVENUE	Dividend Income 23,25,557/-	Revenue from Operations 1,58,289,590/-
	Interest Income 21,24,110/-	Other Income 5,24,163/-
<b>Total</b>	<b>44,49,667/-</b>	<b>1,58,813,753/-</b>
<b>Profit before Tax</b>	<b>(26890133)</b>	<b>(9409635)</b>
<b>Profit After Tax</b>	<b>(20339543)</b>	<b>(6645880)</b>

### OPERATIONS & EFFECT OF DEMERGER SCHEME

Your directors hereby inform that the Company has not done any fresh investments nor given loans in this financial year. During the year under review the Company has executed and given effect to the Orders pronounced by the Hon'ble National Company Law Tribunal by virtue of which the Company has received income in the form of Dividend and Interest Income.

We draw your attention to Note No. xvi of the Auditors Report where in the operations of the Company and registration under Section 45-IA of the Reserve Bank of India Act, 1934 has been explained.

During the year 2018-19, the National Company Law Tribunal, Hyderabad Bench vide its order dated January 24, 2019 had sanctioned the scheme of arrangement between our company and NCL Alltek & Seccolor Limited (NCLASL). Consequent to the said Order and filing of the final certified Orders with the Registrar of the Companies (ROC) on February 11, 2019, the Scheme has become effective upon the completion of the filing with effect from the Appointed Date of April 1, 2017. On the Scheme becoming effective, the Investments and other Assets as stated in the Scheme including the Dividend Income pertaining to such investments stands transferred and vested on NCL Holdings (A&S) Ltd at Book value with effect from appointed date i.e. 01-04-2017. And hence effect of the scheme of arrangement is given in the financial year 2018-19.

### DIVIDEND

As the amount received during the year are in the form of Interest and Dividend, which are negligible to declare any Dividend, your Directors have not recommended any Dividend for the financial year 2018 – 19.

### AMOUNT TRANSFERRED TO RESERVE

The Company has received Rs. 5,20,455,506/- as Reserves from NCL Alltek & Seccolor Limited (NCLASL), which consists of Rs. 5,76,49,380/- as capital reserve and Rs. 4,62,60,612 as General Reserve. The Company has utilized Rs. 5,76,49,380 Capital Reserve for allotment of fresh equity to the existing shareholders of NCL Alltek & Seccolor Limited (NCLASL) as per the Scheme. The dividend amount of Rs. 23,25,557/- received prior to Incorporation treated as capital reserve.

### SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Consequent to the Scheme of Demerger, M/s. Kakatiya Industries Limited, M/s. Sun crop sciences Private Limited, M/s. Green Habitats Private Limited and M/s. Eastern Ghat Renewable Energy Limited have become the Subsidiaries of the Company. These investments in equity instruments of the above subsidiaries being unquoted shares, are not held for trade and shown as Non-Current Investments at Book values. No dividend was declared on these investments by the subsidiaries for the financial year 2018 – 19. Details of performance of Subsidiaries are given as Annexure B.

### AUDITORS

M/s. Subrahmanyam & Sivudu, Chartered Accountants, have been appointed as the statutory auditors of the Company for a period of five years w.e.f 29<sup>th</sup> September, 2018 and continue in their office.

## DIRECTORS

### Retire by Rotation

Sri. K. Madhu, Director retires by rotation at the ensuing Annual General Meeting, and is eligible for reappointment.

### Appointment as Executive Director

Sri. Bimal V Goradia is proposed to be appointed as Executive Director with effect from 01<sup>st</sup> of September, 2019.

### Directors resigned during the year

During the year, Sri. G. Raghunath resigned from the position of Director with effect from 21<sup>st</sup> March, 2019.

### BOARD MEETING HELD DURING THE YEAR

During the period under review Nine Board Meetings were held on 06-04-2018, 02-05-2018, 30-07-2018, 23-08-2018, 03-09-2018, 16-11-2018, 06-02-2019, 02-03-2019 and 30-03-2019.

### INDEPENDENT DIRECTORS

In terms of Section 149(4) of the Companies Act, 2013 and Rule 4 of the Companies (Appointment and Qualification of Director) Rules, 2014, the Company is not required to appoint Independent Directors.

### COMMITTEES OF THE BOARD OF DIRECTORS

Pursuant to Section 178 (5) of the Companies Act, 2013 the Board of Directors have constituted a Stakeholders Relationship Committee. Following are the members of the Committee

- 1) Sr K Madhu (Chairman)
- 2) Ashven Datla (Member)
- 3) Shri Bimal V. Goradia (Member)

The Company Secretary acts as Secretary to the Committee.

### DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) 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;
- (c) 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;
- (d) the directors have prepared the annual accounts on a going concern basis; and
- (f) 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 in Note number 5, 6, 7, 14 & 15 Schedule to the Stand-alone Financial Statement of the Company.

### RELATED PARTY TRANSACTIONS:

The Company has not done any business transaction of investments and loans during the Financial Year. All the Related Party Transactions are in compliance of Section 188 of the Companies Act, 2013. The particulars of Related Party Transactions are furnished in Page Number 39 and 58 of the Annual Report.

### PLANS OF RESTRUCTURING THE DEBT TO SUBSIDIARIES

**a) SUN CROP SCIENCES PRIVATE LIMITED:** It is having an accumulated loss of Rs 24,216,580/- as on 31<sup>st</sup> march, 2019. They have come with a request of financial restructuring regarding to future business plans, which is under active consideration by the Management, as a first step Rs. 3 Crores are provided as non-realizable ICDs.

**b) NCL GREEN HABITATS PRIVATE LIMITED:** Despite the Company having a small accumulated profit of Rs 15.33 Lakhs. Keeping in view of their long term business plans and the need of long term funds for their bigger projects, they have also proposed to restructure their debt by converting partial amount into equity. Since it is 100% Subsidiary of our Company, the management is positively considering the proposal.

By virtue of these two Companies restructuring, the management is confident about improving the business plans.

**MATERIAL CHANGES AFTER FINANCIAL YEAR**

The Company has invested in the Equity Shares of Kakatiya Industries Private Limited as sponsor Company for the Hydro Project from the sale proceeds of 550371 Equity shares of NCL Industries Ltd.

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.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE**

The provisions of Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 do not apply to our Company. There was no foreign exchange inflow and outflow during the year under review.

**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.**

During the year under review, there were no complaints received under 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 A**.

**FIXED DEPOSITS**

The Company has not invited any subscription to deposits either from the public or the promoters.

**ACKNOWLEDGEMENTS**

Your Directors would like to express their grateful appreciation for the co-operation and assistance received from their Bankers and respective Stakeholders and Government Authorities during the year. Your Directors wish to place on record their deep sense of appreciation for the devoted services of the employees at all levels.

**By Order of the Board  
For NCL Holdings (A&S) Limited.**

**Place: Hyderabad.**

**Date: 30/08/2019**

**K. Madhu  
Chairman**

**Annexure – A**  
**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.

I. REGISTRATION & OTHER DETAILS:		
1	CIN	U65920TG2018PLC121664
2	Registration Date	05-01-2018
3	Name of the Company	NCL Holdings (A&S) Limited
4	Category/Sub-category of the Company	Public Limited Company Limited by Shares
5	Address of the Registered office & contact details	Plot No.1, 4th Floor, Survey No.12 &14 Ganga Enclave, Petbasheerbad, Quthbullapur,Hyderabad TG 500055 IN
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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY			
(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)			
S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Investment Company	64200	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES					
S. NO.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	EASTERN GHAT RENEWABLE ENERGY LIMITED	U40105OR2011PLC014067	Subsidiary	100	2(87)
2	SUN CROP SCIENCES PRIVATE LIMITED	U01403TG2009PTC063044	Subsidiary	53	2(87)
3	KAKATIYA INDUSTRIES PRIVATE LIMITED	U24110TG1979PTC002501	Subsidiary	93	2(87)
4	NCL GREEN HABITATS PRIVATE LIMITED	U45200TG2001PTC038047	Subsidiary	100	2(87)

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>									
(1) Indian									
a) Individual*/ HUF	30	0	30	42.86%	3963918	0	3963948*	67.76%	24.84%
b) Central Govt	0	0	0	0.00%	0	0	0	0.00%	0.00%
c) State Govt(s)	0	0	0	0.00%	0	0	0	0.00%	0.00%
d) Bodies Corp.	0	0	0	0.00%	0	0	0	0.00%	0.00%
e) Banks / FI	0	0	0	0.00%	0	0	0	0.00%	0.00%
Sub Total (A) (1)	0	0	0	0.00%	3963948	0	3963948*	68.52%	24.84%
<b>*44136 shares</b>									
(2) Foreign									
a) NRI Individuals	0	0	0	0.00%	0	0	0	0.00%	0.00%
b) Other Individuals	0	0	0	0.00%	0	0	0	0.00%	0.00%
c) Bodies Corp.	0	0	0	0.00%	0	0	0	0.00%	0.00%
d) Any other	0	0	0	0.00%	0	0	0	0.00%	0.00%
Sub Total (A) (2)	0	0	0	0.00%	0	0	0	0.00%	0.00%
<b>TOTAL (A)</b>	<b>30</b>	<b>0</b>	<b>30</b>	<b>42.86%</b>	<b>3963948</b>	<b>0</b>	<b>3963948</b>	<b>68.52%</b>	<b>24.84%</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<i>1. Institutions</i>									
a) Mutual Funds	0	0	0	0.00%	499	0	499	0.00%	0.00%
b) Banks / FI	0	0	0	0.00%	37	0	37	0.00%	0.00%
c) Central Govt	0	0	0	0.00%	0	0	0	0.00%	0.00%
d) State Govt(s)	0	0	0	0.00%	0	0	0	0.00%	0.00%
e) Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%	0.00%
f) Insurance Companies	0	0	0	0.00%	0	0	0	0.00%	0.00%



g) FIIs	0	0	0	0.00%	0	0	0	0.00%	0.00%
h) Foreign Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%	0.00%
i) Others (specify)	0	0	0	0.00%	0	0	0	0.00%	0.00%
Sub-total (B)(1):-	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>536</b>	<b>0</b>	<b>536</b>	<b>0.01%</b>	<b>0.00%</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian *63153 Shares	0	0	0	0.00%	158083*	0	158083*	2.73%	2.73%
ii) Overseas	0	0	0	0.00%	0	0	0	0.00%	0.00%
b) Individuals	0	0	0	0.00%	0	0	0	0.00%	0.00%
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh *604706 shares	0	40	40	57.14%	1115803*	10	1115813*	19.29%	(45.18 %)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh *56825 shares	0	0	0	0.00%	466207*	0	466207*	8.06%	8.06%
c) Others	0	0	0	0.00%	0	0	0	0.00%	0.00%
(I) IEPF Authority	0	0	0	0.00%	53090	0	53090	0.92%	0.92%
Non Resident Indians	0	0	0	0.00%	27199	0	27199	0.47 %	0.32%
Overseas Corporate Bodies	0	0	0	0.00%	0	0	0	0.00%	0.00%
Foreign Nationals	0	0	0	0.00%	0	0	0	0.00%	0.00%
Clearing Members	0	0	0	0.00%	0	0	0	0.00%	0.00%
Trusts	0	0	0	0.00%	62	0	62	0.00%	0.00%
Foreign Bodies - D R	0	0	0	0.00%	0	0	0	0.00%	0.00%
Sub-total (B)(2):-	0	0	0	0.00%	0	0	0	0.00%	0.70%
<b>Total Public (B)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>1820980</b>	<b>10</b>	<b>1820990</b>	<b>31.48%</b>	<b>0.70%</b>
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00%	0	0	0	0.00%	0.00%
<b>Grand Total (A+B+C)</b>	<b>0</b>	<b>70</b>	<b>70</b>	<b>100.00%</b>	<b>5784938</b>	<b>10</b>	<b>5784938</b>	<b>100.00%</b>	<b>0.00%</b>

\* The Company has transferred 768820 shares, the entitlement of beneficiaries who hold the shares in physical form to Demat Suspense Account vide Board resolution dated March 2, 2019.

## (ii) Shareholding of Promoters/Promoters Group

SI No.	NAME OF THE SHAREHOLDER	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 %		No. of Shares	% of Total Shares	Pledge %
1	Ashven Datla	0	0	0	7.78	450000	7.78	-
2	Pooja Kalidindi	10	0.14	0	6.87	397370	6.87	-
3	Gautam Kalidindi	0	0	0	6.65	384743	6.65	-
4	Kalidindi Ravi	0	0	0	6.06	350317	6.06	-
5	Kalidindi Roopa	0	0	0	4.85	280316	4.85	-
6	Kalidindi Shilpa	0	0	0	4.85	280315	4.85	-
7	Anuradha Kalidindi	0	0		3.98	230479	3.98	-
8	Kalidindi Madhu HUF	0	0	0	3.93	227500	3.93	-
9	Madhu Kalidindi	10	0.14	0	3.36	194492	3.36	-
10	Goradia Vinodrai Vachharaj		0		1.79	103829	1.79	-
	Goradia Charulata Vinodrai	0		0				
11	Goradia Charulata Vinodrai		0		1.71	99103	1.71	-
	Goradia Vinodrai Vachharaj	0		0				
12	Divya Penumacha	0	0	0	1.30	75109	1.30	-
13	Kanumilli Sudheer	0	0	0	1.16	66855	1.16	-
14	Vijaya Lakshmi Kanumilli	00	0	0	1.00	58012	1.00	-
15	K Mallika	0	0	0	0.85	49400	0.85	-
16	G Jyothi	0	0	0	0.84	48495	0.84	-
17	Varma P A K	10	0.14	0	0.84	48388	0.84	-
18	Padma Gottumukkala	0	0	0	0.83	48203	0.83	-
19	Penmetsa NarasimhaRaju	0	0	0	0.80	46454	0.80	-
20	Penmetsa Vara Lakshmi	0	0	0	0.73	42325	0.73	-
21	Geeta Goradia Nirhmal V Goradia	0	0	0	0.72	41768	0.72	-
22	Nirmala Kanumilli	0	0	0	0.71	41200	0.71	-
23	Sridevi M	0	0	0	0.69	39637	0.69	-

24	Madhavi Penumasta	0	0	0	0.62	35850	0.62	-
25	Aditi Krishna Sundari Penumatcha	0	0	0	0.57	33000	0.57	-
26	Meera B Goradia Bimal V Goradia	0	0	0	0.51	29423	0.51	-
27	Somaraju Sakhineti	0	0	0	0.49	28300	0.49	-
28	P Aparna Krishna	0	0	0	0.43	25000	0.43	-
29	Parvati Sakhineti	0	0	0	0.43	25000	0.43	-
30	Penumatsa Satyanarayana Raju	0	0	0	0.39	22500	0.39	-
31	Sarojini Kalidindi	0	0	0	0.29	16500	0.29	-
32	Bimal Goradia Meera Goradia	0	0	0	0.28	16125	0.28	-
33	Utkal B Goradia Hiral U Goradia	0	0	0	0.27	15400	0.27	-
34	Kanumilli Malathi	0	0	0	0.25	14600	0.25	-
35	Surapaneni Madhavi	0	0	0	0.23	13550	0.23	-
36	Nirhmal V Goradia Geeta Goradia	0	0	0	0.21	12098	0.21	-
37	Valli P	0	0	0	0.21	11925	0.21	-
38	Penmetcha Manoj Raj	0	0	0	0.19	11250	0.19	-
39	Vijaya Raghavan Endlur	0	0	0	0.18	10125	0.18	-
40	Kalidindi Abhiram Chandra	0	0	0	0.16	9010	0.16	-
41	Ashwin Goradia Bharti Goradia	0	0	0	0.12	7100	0.12	-
42	Sai Sreedhar Kanumilli	0	0	0	0.11	6625	0.11	-
43	Bharti Goradia Ashwin Goradia	0	0	0	0.09	5200	0.09	-
44	M Sri Devi	0	0	0	0.08	4499	0.08	-
45	G.T.Sandeep	0	0	0	0.07	4200	0.07	-
46	Hiral Utkal Goradia Utkal Bimal Goradia	0	0	0	0.04	2287	0.04	-
47	Diti Ashwin Goradia	0	0	0	0.00	46	0.00	-
48	Nishi Ashwin Goradia	0	0	0	0.00	45	0.00	-

**(iv) Shareholding Pattern of top ten Shareholders***(Other than Directors, Promoters and Holders of GDRs and ADRs):*

Sl. 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	0	0	124316	2.15	124316	2.15
2	Suprapti FinvestPvt Ltd	0	0	50000	0.86	50000	0.86
3	Darshana Yogesh Doshi	0	0	46800	0.81	46800	0.81
4	B SubrayaBaliga	0	0	36387	0.63	36387	0.63
5	PP Zibi Jose	0	0	20169	0.35	20169	0.35
6	Sanjeev V Shah Malti S Shah	0	0	20000	0.35	20000	0.35
7	Aakash Sanjeev Shah	0	0	20000	0.35	20000	0.35
8	Rajiv Vadilal Shah	0	0	20000	0.35	20000	0.35
9	Janaki N	0	0	19862	0.34	19862	0.34
10	Yogesh Rasiklal Doshi	0	0	15975	0.28	15975	0.28

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

S.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		No. of Shares	% of Total Shares
1	Madhu Kalidindi	Director	10	0.14	+3.36	194492	3.36
2	Ambujodar Reddy Kanala	Director	10	0.14	+0.25	14212	0.25
3	Bimal Vinodrai Goradia	Director	0	0	+0.28	16125	0.28
4	Ashven Datla	Director	0	0	+7.78	450000	7.78

**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	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	0	25.00	0	25.00
* Reduction	0	0	0	0
Net Change	0	0	0	0
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>0</b>	<b>25.00</b>	<b>0</b>	<b>25.00</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager: Nil****B. Remuneration to other Directors**

SN.0	Particulars of Remuneration	Name of Directors					Total Amount
		Madhu Kalidindi	K.A. Reddy	*Ashven Datla	* Bimal V Goradia	**Raghunath Guntupalli	
1.	Other Non-Executive Directors						
	Fee for attending board committee meetings	35000	35000	5000	5000	35000	115000
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
		-	-	-	-	-	-
	<b>Total</b>	35000	35000	5000	5000	35000	115000
Total Managerial Remuneration to other Directors							
Sitting Fees to directors was paid as per the Articles of Association.							
*Mr. Ashven Datla & Mr. Bimal V Goradia was appointed as Directors w.e.f March 20, 2019.							
**Mr. Raghunath Guntupalli was resigned from the office of Director w.e.f. March 21, 2019.							

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

SN.	Particulars of Remuneration	Name of Key Managerial Personnel	Total Amount
	Name & Designation	V. Jagadish Company Secretary*	(Rs/Lac)
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.70 (For the period 06 <sup>th</sup> February, 2019 till 31 <sup>st</sup> March, 2019)	0.70
	(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	-	-
	<b>Total</b>	-	<b>0.70</b>
*Mr. V. Jagadish Resigned from the position of Company Secretary with effect from 31 <sup>st</sup> of July, 2019			
*Mr. Soumith Kumar S has been appointed as Company Secretary with effect from 01 <sup>st</sup> of August, 2019			

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

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

**Annexure B****PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARIES, ASSOCIATE 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 Rupees)

Sl. No.	Particulars	Details	Details	Details	Details
1	Name of the subsidiary	Eastern Ghat Renewable Energy Ltd	NCL Green Habitats Pvt. Ltd.	Sun crop Sciences Pvt Ltd	Kakatiya Industries Pvt Ltd*
2	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	Same as Holding company's reporting period.			
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	All are Indian Subsidiaries			
4	Share capital	53,00,000	1,61,05,000	120,00,000	98548300
5	Reserves & surplus	Nil	8,35,71,233	(61308480)	8441520
6	Total assets	24954500	8,10,848,387	132573765	13881083
7	Total Liabilities	19654500	7,11,172,154	181882245	60810907
8	Investments	-	-	-	-
9	Turnover / Total Income	-	59,55,537	103931952	52013125
10	Profit before taxation	-	18,76,682	-213,96,415	7000230
11	Provision for taxation	-	5,67,964	2820165	643401
12	Profit after taxation	-	1553414	-24216580	6356828
13	Proposed Dividend	Nil	Nil	Nil	Nil
14	% of shareholding	100	100	53	93

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

- Names of subsidiaries which are yet to commence operations: Eastern Ghat Renewable Energy Ltd.
- Names of subsidiaries which have been liquidated or sold during the year: Nil
- \*Kakatiya Industries Private Limited is having a) Chemical Division and b) Hydro Division

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## **INDEPENDENT AUDITORS' REPORT**

**The Members**  
**NCL HOLDINGS (A&S) LIMITED,**  
**Hyderabad.**

### **Report on the Standalone Financial Statements**

#### **Opinion**

We have audited the accompanying standalone financial statements of **NCL HOLDINGS (A&S) LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2019, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,

- a) in the case of Balance Sheet of the state of affairs of the Company as at 31st March, 2019; and
- b) In the case of Statement of Profit & Loss, of the Loss for the year ended on that date.
- c) In the case of Cash Flow Statement, of the cash flows of the Company 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 these standalone 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 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.

#### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and the cash flows the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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 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 Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

**Report on other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we enclose in the "Annexure A", hereto a statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. As required by Section 143 (3) of the Act, we further report that :
  - i) 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.
  - ii) 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.
  - iii) The Balance Sheet, Statement of Profit & Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - iv) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - v) On the basis of the written representations received from the Directors as on 31<sup>st</sup> March, 2019 taken on record by the Board of Directors, none of the Directors is disqualified as on 31<sup>st</sup> March, 2019 from being appointed as a Director in terms of Section 164 (2) of the Act.
  - vi) 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"
  - vii) 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 :
    - a) Provision relating to Impact of pending litigations on its financial position in its financial statements – NIL ;
    - b) 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.
    - c) The provision relating to transferring any amounts to the Investor Education and Protection Fund is not applicable to the company during the year.

For SUBRAHMANYAM & SIVUDU  
Chartered Accountants  
Firm Regn. No.: 004100S

P.S.SIVUDU  
Partner  
Membership No.: 019721

Date: 27-06-2019

## “ANNEXURE A” to the Auditor’s Report

Statement referred to in our report of even date to the members of **NCL HOLDINGS (A&S) LIMITED** on the standalone financial statements for the year ended March 31, 2019:

- i. a) The company does not have fixed assets and hence the reporting in respect of fixed assets is not applicable to the company.
- ii. The company does not carry any inventories; hence the clauses in respect of inventories are Not applicable.
- 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. In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of section 185 and the provisions of Sec 186 of the Act are not applicable to the company.
- v. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- vi. The company is not required to maintain cost accounts and records specified pursuant to the rules prescribed by the central Government under section 148 (1) of Companies Act.
- vii. Statutory Dues**
  - a) The Company is not yet registered under GST as there are no activities.
  - b) The Company is not having any disputed liabilities relating to Income Tax as at the year end.
- viii. In our opinion and according to the information and explanations given to us, the Company has not taken any loans from banks/financial institutions and hence clause of default is not applicable.
- ix. On the basis of our examination of records and according to the information and explanations given to us, the Company has not raised any money by way of public offer (including debt instruments) or by way of term loan during the year and hence the clause relating to application of funds is not applicable.
- x. In our opinion and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers/employees has been noticed or reported during the year that causes the standalone financial statements materially misstated.
- xi. In our opinion and according to the information and explanations given to us, the company has not made managerial remuneration and hence the provisions of section 197 read with Schedule V to the Act are not applicable to the Company. Therefore, clause (xi) of paragraph 3 of the said order is not applicable to the Company.
- xii. The Company is not a Nidhi Company. Therefore, clause (xii) of paragraph 3 of the said order is not applicable to the Company.
- 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 financial statements as required by the applicable accounting standards.
- xiv. On the basis of our examination of records and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, clause (xiv) of paragraph 3 of the said order is not applicable to the Company.

- xv. On the basis of our examination of records and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them during the year under the provisions of section 192 of the Act. Therefore, clause (xv) of paragraph 3 of the said order is not applicable to the Company.
- xvi. On the basis information received from management along with their future plans and the external opinion shared with us, further since the company has not given any fresh loans or made any investments during the year, the Company is not required to be registered instantly under section 45-IA of the Reserve Bank of India Act, 1934.

For SUBRAHMANYAM & SIVUDU  
Chartered Accountants  
Firm Regn. No.: 004100S

P.S.SIVUDU  
Partner  
Membership No. 019721

Date : 27-06-2019

## “ANNEXURE B” to the Independent Auditor’s

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **NCL HOLDINGS (A&S) LIMITED** (“the Company”) as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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, to the extent applicable to an audit of internal financial controls, 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 were 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 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 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;

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone 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
- c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the standalone 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.

For SUBRAHMANYAM & SIVUDU  
Chartered Accountants  
Firm Regn. No. 004100S

P.S.SIVUDU  
Partner  
Membership No. 019721

Date : 27-06-2019

## NCL HOLDINGS (A&S) LIMITED

### Significant Accounting Policies – FY 2018-19

#### A. Company Information:

NCL Holdings (A&S) Limited was incorporated on January 05, 2018 to acquire non building material assets held by NCL Alltek & Seccolor Limited along with equivalent reserves vide NCLT Demerger order dated 24<sup>th</sup> January 2019.

#### B. Significant Accounting Policies:

##### i. Basis of Preparation

The financial statements are prepared in accordance with Generally Accepted Accounting Principles in India (GAAP) under the historical cost convention on the accrual basis except as disclosed in the notes and materially comply with the mandatory Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2013.

##### ii. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures relating to contingent liabilities as at the Balance Sheet date and the reported amounts of income and expenses during the year. Contingencies are recorded when it is probable that a liability will be incurred and the amounts can reasonably be estimated. Differences between the actual results and estimates are recognized in the year in which the results are known/materialized.

##### iii. Employee Benefits

Employee benefits payable wholly within twelve months of receiving employees services are classified as short-term employee benefits. The short term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees.

##### iv. Taxation :

- a) Current tax is determined as the amount of tax payable in respect of taxable income for the year calculated as per the provisions of Income Tax Act, 1961.
- b) Deferred tax is recognized for all the timing differences, subject to the consideration of prudence. Deferred tax asset is recognized only when there is virtual certainty as to the future taxable income against which the deferred tax asset can be recovered.

##### v. Provisions :

Provisions are recognized when the Company has present legal or constructive obligations, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation.

##### vi. Investments:

Long Term Investments are stated at cost less permanent diminution, if any, in value. Current Investments are carried at lower of cost or fair value.

##### vii. Fixed Assets and Depreciation:

- a) Fixed Assets are stated at cost of acquisition inclusive of inland freight, duties, taxes and incidental expenses related to acquisition with due adjustments for GST credits.
- b) Capital Work-in-progress includes Machinery to be installed, Construction & Erection Materials, and unallocated preoperative expenses etc.
- c) The company adjusts exchange difference arising on translation/settlement of long-term Foreign Currency monetary items, if any; by restating the liabilities as at balance sheet date pertaining to acquisition of a depreciable asset to the cost of the asset and depreciates the same at the applicable rate in respect of such asset. Depreciation on Tangible Assets is provided on Straight line method which reflects the management's estimate of the useful lives of respective fixed assets.
- d) Intangible assets are stated at cost of acquisition less accumulated amortization. This includes computer software packages (ERP and others). Amortization is done on straight line basis at the rates specified in the Schedule II of the Companies Act, 2013.

**Note :** The above accounting policy in respect of fixed assets will be followed once after the company acquired fixed assets.

**viii. Revenue Recognition :**

All Expenses and Income to the extent considered payable and receivable respectively unless specifically stated to be otherwise are accounted for on mercantile basis except Dividend income which is accounted for on receipt basis.

Interest income is accounted on accrual basis when there is no significant uncertainty as to its realization or collection. Dividend income is accounted for, when the right to receive the income is established.

**ix. Earnings per share :**

Basic earnings per share is calculated by dividing the net profit for the period attributable to equity Shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resource for the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

**x. Contingent Liabilities:**

Contingent liabilities are generally not provided for and are disclosed by way of notes to the accounts.

**C. Scheme of Arrangement:**

During the year 2018-19, the National Company Law Tribunal, Hyderabad Bench vide its order dated January 24, 2019 had sanctioned the scheme of arrangement between our company and NCL Alltek & Seccolor Limited (NCLASL). The Scheme was approved by the Board of Directors on May 26, 2017. Consequent to the said Order and filing of the final certified Orders with the Registrar of the Companies (ROC) on February 11<sup>th</sup>, 2019, the Scheme has become effective upon the completion of the filing with effect from the Appointed Date of April 1, 2017. On the Scheme becoming effective, the Investments and other Assets as stated in the Scheme including the Dividend Income pertaining to such investments stands transferred and vested on NCL Holdings (A&S) Ltd at Book value with effect from appointed date i.e. 01-04-2017. And effect of the scheme of arrangement is given in the financial year 2018-19.

**D. Valuation of Investments transferred pursuant to the Demerger Scheme:****Subsidiaries:**

Consequent to the Scheme of Demerger, M/s. Kakatiya Industries Limited, M/s. Sun crop sciences Limited, M/s. Green Habitats Private Limited and M/s. Eastern Ghat Renewable Energy Limited have become the Subsidiaries of the Company. These investments in equity instruments of the above subsidiaries being unquoted shares, are not held for trade and shown as Non-Current Investments at Book values. No dividend was declared on these investments

**Other Investments :**

The Investment in shares of NCL Industries Limited, being quoted, are recognized at cost to the demerged company, transferred to the Company pursuant to Scheme of Arrangement. Movements in fair value/Market Price of these investments are not recognized.

**(1) Dividends:**

The dividend belongs to the investment in NCL Industries Ltd., which relates to the period starting from the Appointed date (01/04/2017) till the effective date was not recognized as income in the Books of NCLASL and transferred to the company in accordance with the Scheme of Arrangement ("Scheme"). The following treatment was adopted while accounting the dividend received pursuant to the Scheme.

- Dividend related to the period prior to incorporation of the company i.e January 05, 2018 is credited to Capital Reserve.
- Dividend related to the period after incorporation, but relates to the Financial Year 2017-18, being a prior period item income disclosed as prior period income in the statement of Profit & Loss.
- Dividend income for the financial year 2018-19 was credited to the Statement of Profit & Loss.



## BALANCE SHEET AS AT 31st MARCH ' 2019

## STAND ALONE

Rupees

SL.No.	PARTICULARS	NOTE NO.	As at 31.03.2019	As at 31.03.2018
I	<b><u>EQUITY AND LIABILITIES</u></b>			
	<b>1. Shareholder's Funds</b>			
	a) Share Capital	1	57,849,380	700
	b) Reserves and Surplus	2	444,592,140	-
			<b>502,441,520</b>	<b>700</b>
II	<b><u>CURRENT LIABILITIES</u></b>			
	a) Short Term borrowings	3	2,500,000	-
	b) Other Current Liabilities	4	140,000	322,945
			<b>2,640,000</b>	<b>322,945</b>
			<b>505,081,520</b>	<b>323,645</b>
II	<b><u>ASSETS</u></b>			
	<b>1. Non Current Assets</b>			
	a) Fixed Assets		-	-
	Tangible Assets		-	-
			-	-
	b) Non Current Investments	5	165,005,340	-
	c) Long-Term Loans and Advances	6	255,604,502	-
	d) Deferred Tax Asset (Net)		6,550,590	-
			<b>427,160,432</b>	-
	<b>2. Current Assets</b>			
	a) Current Investments	7	70,756,663	-
	b) Cash & Cash Equivalents	8	213,658	700
	c) Other Current assets	9	6,950,767	322,945
			<b>77,921,088</b>	<b>323,645</b>
			<b>505,081,520</b>	<b>323,645</b>

Significant Accounting Policies and Notes to the Financial Statements

A &amp; B

The accompanying notes are an integral part of the financial statements

For Subrahmanyam & Sivudu  
Chartered Accountants  
Firm Reg.No: 004100S

P.S.Sivudu  
Partner  
M.S.No. 019721

Place : Hyderabad  
Date : 27-06-2019

For and on behalf of Board  
NCL HOLDINGS ( A & S ) LIMITED

Madhu.K                      K A Reddy  
Director                      Director  
DIN : 00040253      DIN : 01194127

Jagadish Veeravalli  
Company Secretary  
M.No. : 52249

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH ' 2019

STAND ALONE

SL. NO.	PARTICULARS	NOTE NO.	Rupees	
			for the year 2018-19	for the year 2017-18
I	<b>INCOME</b>			
	Revenue from Operations	10	4,449,667	-
	Other Income		-	-
II	<b>Total Revenue</b>		<b>4,449,667</b>	<b>-</b>
III	<b>Expenses</b>			
	a) Employee Benefits Expenses	11	263,968	-
	b) Other Expenses	12	2,561,613	-
	c) Preliminary Expenses		64,590	-
	<b>Total Expenses</b>		<b>2,890,171</b>	<b>-</b>
IV	<b>PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX</b>	(II-III)	<b>1,559,496</b>	
V	Less : Exceptional Items :			
	Prior Period Income		1,550,371	
	Provision for Doubtful Loans Receivable		30,000,000	
VI	<b>PROFIT BEFORE TAX</b>	(IV+V)	(26,890,133)	-
VII	<b>Tax Expense :</b>			
	a) Current Income Tax		-	-
	b) Deferred Tax Credit		6,550,590	-
VIII	<b>PROFIT AFTER TAX</b> (from continuing operations)	(VI - VII)	<b>(20,339,543)</b>	<b>-</b>

Significant Accounting Policies and Notes to the Financial Statements

**A & B**

The accompanying notes are an integral part of the financial statements

For Subrahmanyam & Sivudu  
Chartered Accountants  
Firm Reg.No: 004100S

For and on behalf of Board  
NCL HOLDINGS ( A&S ) LIMITED

P.S.Sivudu  
Partner  
M.S.No. 019721

Madhu.K                      Ambujodar Reddy K  
Director                      Director  
DIN : 00040253      DIN : 01194127

Place : Hyderabad  
Date : 27/06/2019

Jagadish Veeravalli  
Company Secretary  
M.No. : 52249

## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH, 2019

## STANDALONE

Note No.		As at 31.03.2019		As at 31.03.2018	
		No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
1.	<b>SHARE CAPITAL</b>				
1.1	<b>AUTHORISED SHARE CAPITAL</b>				
	- 60,00,000 Equity Shares of Rs.10/- each	6,000,000	60,000,000		
	- 2,00,000 Equity Shares of Rs.10/- each (Previous year)			2,000,000	20,000,000
		<b>6,000,000</b>	<b>60,000,000</b>	<b>2,000,000</b>	<b>20,000,000</b>
1.2	<b>ISSUED, SUBSCRIBED, CALLED AND PAID UP</b>				
	<b>Opening :</b>				
	70 Equity shares @ Rs.10/- each	70	700	70	700
	Add: Shares allotted for consideration other than Cash	5,784,868	57,848,680	-	-
	57,84,938 Equity Shares of Rs 10/- each				
		<b>5,784,938</b>	<b>57,849,380</b>	<b>70</b>	<b>700</b>
1.3	<b>Details of shareholders holding more than 5% shares in the Company. Name of the share holder :</b>	<b>No. of Shares</b>	<b>% holding</b>	<b>No. of Shares</b>	<b>% holding</b>
	Sri. K. Ravi	6.06%	350,317		
	Sri. Ashven Datla	7.78%	450,000		
	Sri. K. Gautam	6.65%	384,743		
	Smt. K. Pooja	6.06%	350,317		
1.4	<b>Reconciliation of the shares outstanding at the beginning and at the end of the reporting period</b>				
	<b>Equity Shares of Rs.10/- Each, Fully paid up</b>	<b>No.s</b>	<b>Rs.</b>	<b>No.s</b>	<b>Rs.</b>
	Balance as per last financial statements	70.00	700.00	70.00	700.00
	Add : Issued during the year **	5,784,868	57,848,680	-	-
	<b>Outstanding at the end of the year</b>	<b>5,784,938</b>	<b>57,849,380</b>	<b>70.00</b>	<b>700.00</b>
	** During the year, 57,84,868 Equity Shares of Rs 10/- each fully paid up were allotted to the Equity shareholders of NCL ALLTEK AND SECCOLOR LIMITED for consideration other than cash in the ratio of 1:1 i.e.; one share for every one share held by them, pursuant to the Scheme of Arrangement (Demerger) sanctioned by National Company Law Tribunal (NCLT), Hyderabad dated 24-01-2019.				

		<b>Terms/ Rights attached to Equity Shares</b>			
		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.			
		<b>As at 31.03.2019</b>		<b>As at 31.03.2018</b>	
		<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>	<b>Rs.</b>
2	<b>RESERVES AND SURPLUS :</b>				
	<b>General Reserve</b>				
	Balance as per last financial statements	-		-	
	Add : Created on account of Demerger	462,606,126		-	
	Less : Utilised during the year	-		-	
	<b>Closing balance</b>		462,606,126		-
	<b>Capital Reserve</b>				
	Balance as per last financial statements	-		-	
	Add : Additions during the year	2,325,557		-	
	Add : Created on account of Demerger	57,848,680		-	
	Less : Shares allotted under the scheme of arrangement	57,848,680		-	
	Less : Utilised during the year	-		-	
	<b>Closing balance</b>		2,325,557		-
	<b>Surplus in the Statement of profit and loss</b>				
	Balance as per last financial statements	-		-	
	Add : Profit for the year	(20,339,543)		-	
	Less : Utilisations	-		-	
	<b>Closing balance</b>		(20,339,543)		-
			<b>444,592,140</b>		<b>-</b>
3	<b>Short Term borrowings</b>				
	Khandaleru Power Project Limited		2,500,000		-
			<b>2,500,000</b>		<b>-</b>
4	<b>OTHER CURRENT LIABILITIES</b>				
	Outstanding Liabilities		140,000		5,000
	NCL Alltek & Seccolor Ltd		-		317,945
			<b>140,000</b>		<b>322,945</b>

5	<b>NON CURRENT INVESTMENTS: (NCLT - ORDER)</b> <b>UNQUOTED:</b> <b>Investment in Subsidiary Companies</b> a) NCL Green Habitats Pvt.Ltd. 1,61,050 Equity shares @ Rs.100/- each b) Eastern Ghat Renewable Energy Ltd 5,29,994 Equity shares of Rs.10/- each c) Kakatiya Industries Pvt.Ltd. 9,13,154 Equity shares of Rs.100/- each d) Suncrop Sciences Pvt.Ltd. 6,36,000 Equity shares of Rs.10/- each		62,030,000		-
			5,299,940		-
			91,315,400		-
			6,360,000		-
			<b>165,005,340</b>		<b>-</b>
6	<b>Long-Term Loans and Advances</b> <b>Loans / ICDs Given to Subsidiaries</b> Eastern Ghat Renewable Energy Ltd 18,900,293 Add : Amounts T/d. from NCL Green Habitats 729,241 Kakatiya Industries Pvt.Ltd. 9,767,599 Add : Amounts T/d. from NCL Green Habitats 2,735,224 NCL Green Habitats Private Limited 226,231,853 Add : Additions during the year 0 Add : Interest amount debited 34,736 Less : T/d to Suncrop Sciences Pvt.Ltd. (73,892,463) Less : T/d to Eastern Ghat Renewable Energy Ltd (729,241) Less : T/d to Kakatiya Industries Pvt.Ltd. (2,735,224) Suncrop Sciences Pvt.Ltd. 29,793,058 Add : Amounts T/d. from NCL Green Habitats 73,892,463 Add : Interest amount debited 876,963 Less : Provision for Doubful receivables (30,000,000)		19,629,534	-	-
			12,502,823	-	-
			148,909,661	-	-
			29,793,058	-	-
			73,892,463	-	-
			876,963	-	-
			74,562,484	-	-
			<b>255,604,502</b>		<b>-</b>
7	<b>CURRENT INVESTMENTS</b> <b>QUOTED:</b> a) NCL Industries Limited 15,50,371 Equity shares of face value of Rs.10/- each		70,756,663		-
			<b>70,756,663</b>		<b>-</b>

8	<b>CASH AND CASH EQUIVALENTS</b>			
	Cash on Hand		3,360	700
	<b>Balances with Banks</b>			
	in Current Accounts		210,298	-
			<b>213,658</b>	<b>700</b>
9	<b>Other Current Assets</b>			
	Preliminary Expenses		258,356	322,945
	TDS Receivable		212,411	-
	Advances given		5,850,000	-
	Others		630,000	-
			<b>6,950,767</b>	<b>322,945</b>

## Notes to Financial Statements for the year ended 31st March 2019

S.No	Particulars	for the year 2018-19	for the year 2017-18
10	<b>REVENUE FROM OPERATIONS</b>		
	Dividend Income	2,325,557	-
	Interest Income	2,124,110	-
	<b>REVENUE FROM OPERATIONS</b>	<b>4,449,667</b>	<b>-</b>
11	<b>EMPLOYEE BENEFIT EXPENSES</b>		
	Salaries, Wages, Bonus and Other Benefits	263,118	-
	Employees Welfare	850	-
	<b>Total</b>	<b>263,968</b>	<b>-</b>
12	<b>OTHER EXPENSES</b>		
	<b>Auditors' Remuneration :</b>		
	a) Audit fee	25,000	-
	b) Tax Audit fee	-	-
	c) Out of Pocket Expenses	-	-
	Bank Charges	5,800	-
	Local Conveyance	4,000	-
	Printing & Stationery	4,538	-
	Professional Charges	1,925,325	-
	Rates & Taxes	486,950	-
	Directors Sitting fee	110,000	-
	<b>Total</b>	<b>2,561,613</b>	<b>-</b>

## 13. Note on Demerger

Particulars of Assets Demerged	Amount (Rs.)
- 1,61,050 Equity Shares of Rs.10 each of NCL Green Habitats Pvt.Ltd fully paid-up	62,030,000
- 5,29,994 Equity Shares of Rs.10 each of Eastern Ghat Renewable Energy Ltd fully paid-up	5,299,940
- 9,13,154 Equity Shares of Rs.100 each of Kakatiya Industries Pvt.Ltd fully paid-up	91,315,400
- 6,36,000 Equity Shares of Rs.10 each of Suncrop Sciences Pvt.Ltd. fully paid-up	6,360,000
- 15,50,371 Equity Shares of Rs. 10/- each of NCL Industries Limited fully paid-up	70,756,663
	<b>235,762,003</b>
Loans to related parties	274,925,204
Advance for Investments	9,767,599
	<b>520,454,806</b>
<b>Reserves Transferred from NCL Alltek &amp; Seccolor Limited</b>	
i) Capital reserve	57,848,680
Less : Shares Alloted in the ratio of 1:1 as per the scheme	57,848,680
<b>ii) General Reserve carried to Balance Sheet</b>	<b>462,606,126</b>

14. During the year company has executed and given affect to the NCLT Order and has not made any fresh Investments nor given loans during the year.

15. The Company has issued corporate guarantee in favour of State Bank of India, Industrial finance Branch, Somajiguda, Hyderabad to an extent of Rs. 120.92 Crore in connection with facilities availed by NCL Alltek & Seccolor Limited (a Group company). These guarantees are financial guarantees as they require the Company to reimburse the banks if the borrower fails to make principal or interest payments when due in accordance with the terms of sanction.
16. Considering the accumulated losses of one of subsidiary, Suncrop Sciences Private Limited the management has provided for a doubtful loan for Rs. 3,00,00,000/- during the year.
17. Balances standing to the debit/credit of Sundry Creditors, Sundry Debtors, Advances and various parties accounts are subject to confirmation and reconciliation.
18. There were no employees drawings remuneration in excess of the limits laid down in the Companies Act, 2013.
19. Additional Information pursuant to provisions contained in the Companies Act, 2013 :  
(As given by Management and not verified by the Auditors)
- a) Foreign Exchange Outflow : NIL
  - b) Related Party Disclosures :
    - i) Subsidiary Companies
      - Eastern Ghat Renewable Energy Limited
      - NCL Green Habitats Private Limited
      - Kakatiya Industries Private Limited
      - Suncrop Sciences Private Limited
    - ii) Key Managerial Persons
      - Madhu Kalidindi - Director
      - Jagadish Veeravalli - Company Secretary
    - iii) Enterprises Controlled or significantly influenced by Key Management Personnel or their Close Family Members
      - NCL Industries Ltd
      - Khandaleru Power Co. Limited
      - NCL Homes Limited
      - NCL Alltek & Seccolor Limited
      - NCL Veka Limited



## c) Related Party Disclosures :

Amount in Rs.

Particulars	Subsidiary Companies		Enterprises Controlled or significantly influenced by key management personnel or their close family members		Key Management Personnel and Relatives	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Purchases of Goods/Materials	-	-	-	-	-	-
Sales of Goods/Materials	-	-	-	-	-	-
<b>Expenses :</b>						
Remuneration/Commission/Sitting Fee	-	-	-	-	110,000	-
Rent	-	-	-	-	-	-
Interest on Loans and Advances	911,699	-	-	-	-	-
<b>Income :</b>						
Dividend Received	-	-	2,325,557	-	-	-
Interest on Loans given	-	-	2,124,110	-	-	-
Other payments	-	-	-	-	-	-
<b>Others</b>						
Advances Given during the year	5,850,000	-	-	-	-	-
Short Term Borrowings during the year	-	-	2,500,000	-	-	-
<b>Balances outstanding as at the year end</b>						
Payables	-	-	-	-	-	-
Receivables	-	-	-	-	-	-
Short Term borrowings	-	-	2,500,000	-	-	-
ICDs Given	255,604,502	-	-	-	-	-
Advances Given **	5,850,000	-	-	-	-	-
Investments made (including Investment advances)	165,005,340	-	70,756,663	-	-	-

\*\* Note: Advances paid to Kakatiya Industries Pvt. Ltd. were received back as on 10-06-2019.

20. Dues to Micro, Small and Medium Enterprises outstanding for more than 45 days as at Balance Sheet date		2018-19	2017-18
		-	-
21. Auditors Remuneration (For Audit, Taxation and other matters)	(Rs.)	2018-19	2017-18
		25,000	-
22. Earning Per Share (EPS)		2018-19	2017-18
Total Operations for the year			
Profit/(Loss) after tax		(20,339,543)	-
Less : Adjustments for the purpose of diluted Earnings per Share		-	-
A Net Profit/(Loss) for calculation of basic EPS		(20,339,543)	-
B Weighted average number of Equity Shares for Basic EPS		5,784,938	-
Basic and Diluted EPS			
C Basic & Diluted EPS on the basis of Total Operations	- A/B	-3.52	-
23	Previous year's figures have been regrouped wherever necessary.		

For Subrahmanyam & Sivudu  
Chartered Accountants  
Firm Reg.No: 004100S

P.S.Sivudu  
Partner  
M.S.No. 019721

Place : Hyderabad  
Date : 27/06/2019

For and on behalf of Board  
NCL HOLDINGS ( A&S ) LIMITED

Madhu.K                      Ambujodar Reddy K  
Director                      Director  
DIN : 00040253      DIN : 01194127

Jagadish Veeravalli  
Company Secretary  
M.No. : 52249

## Stand-Alone Cash flow statement for the year ended 31st March 2019

Particulars	For the year ended 31.03.19	For the year ended 31.03.18
<b>I. Cash flows from operating activities:</b>		
Net profit/(loss) before taxation:	(26,890,133)	-
<b>Adjustments for operating activities:</b>		
Preliminary Expenses written off	64,590	-
Exceptional Item	30,000,000	-
<b>Operating profit before working capital changes</b>	<b>3,174,457</b>	-
Adjustments for		
Decrease/(Increase) in Loans and Advances	(911,699)	-
Decrease/(Increase) in Non Current Assets	-	(322,945)
Decrease/(Increase) in Non Current Assets	(6,692,412)	-
Increase/(Decrease) in Short Term Borrowings	2,500,000	-
Increase/(Decrease) in Other Current Liabilities	(182,945)	322,945
<b>Cash generated from operations</b>	<b>(2,112,599)</b>	-
Income taxes paid/(received)	-	-
Capital Profit Received	2,325,557	-
<b>Net cash flow from operating activities (A)</b>	<b>212,958</b>	-
<b>II. Cash flows from investing activities</b>		
Interest received	-	-
<b>Net cash flow used in investing activities (B)</b>	<b>-</b>	<b>-</b>
<b>III. Cash flows from financing activities</b>		
Proceeds from issue of shares	-	700
Increase/(Decrease) Share application money	-	-
<b>Net cash from financing activities (C)</b>	<b>-</b>	<b>700</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>212,958</b>	<b>700</b>
Cash and cash equivalents at the beginning of the year	700	-
<b>Cash and cash equivalents at the end of the year</b>	<b>213,658</b>	<b>700</b>
<b>Component of Cash &amp; Cash Equivalents</b>		
Cash on Hand	3,360	700
Balances with Banks in Current Account	210,298	-
	<b>213,658</b>	<b>700</b>

For Subrahmanyam & Sivudu  
Chartered Accountants  
Firm Reg.No: 004100S

P.S.Sivudu  
Partner  
M.S.No. 019721

Place : Hyderabad  
Date : 27/06/2019

For and on behalf of Board  
NCL HOLDINGS ( A&S ) LIMITED

Madhu.K                      Ambujodar Reddy K  
Director                      Director  
DIN : 00040253      DIN : 01194127

Jagadish Veeravalli  
Company Secretary  
M.No. : 52249

## **INDEPENDENT AUDITORS' REPORT**

**The Members**  
**NCL HOLDINGS (A&S) LIMITED,**  
**Hyderabad.**

### **Report on the Consolidated Financial Statements**

#### **Opinion**

We have audited the accompanying consolidated financial statements of **NCL HOLDINGS (A&S) LIMITED** ("the Holding Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2019, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "Consolidated Financial Statements").

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,

- a) in the case of Consolidated Balance Sheet of the consolidated state of affairs of the Group as at 31st March, 2019; and
- b) In the case of Consolidated Statement of Profit & Loss, of the Consolidated Loss for the year ended on that date.
- c) In the case of Consolidated Cash Flow Statement, of the consolidated cash flows of the Group 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 consolidated 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 consolidated 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.

#### **Other Matters**

We did not audit the financial statements of the subsidiary companies whose financial statements reflects total assets (gross) of Rs.1678.01 lakhs as at 31st March 2019, total revenues of Rs. 520.13 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.

#### **Management's responsibility for the Consolidated 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 consolidated financial statements that give a true and fair view of the financial position, financial performance and the cash flows the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

**Auditor's Responsibility for the Audit of Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

**Report on other Legal and Regulatory Requirements**

1. As required by Section 143 (3) of the Act, we further report that :

- i) 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.
- ii) 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.
- iii) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- iv) 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.
- v) On the basis of the written representations received from the Directors as on 31<sup>st</sup> March, 2019 taken on record by the Board of Directors, none of the Directors of the Group is disqualified as on 31<sup>st</sup> March, 2019 from being appointed as a Director in terms of Section 164 (2) of the Act.
- vi) 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 A"
- vii) 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 :
  - a) Provision relating to Impact of pending litigations on its financial position in its financial statements – NIL ;
  - b) 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.
  - c) The provision relating to transferring any amounts to the Investor Education and Protection Fund is not applicable to the company during the year.

For SUBRAHMANYAM & SIVUDU  
Chartered Accountants  
Firm Regn. No. 004100S

P.S.SIVUDU  
Partner  
Membership No. 019721

Date:27-06-2019

## **“ANNEXURE A” to the Independent Auditor’s Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **NCL HOLDINGS (A&S) LIMITED** (“the Company”) and its subsidiaries as of March 31, 2019 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

### **Management’s Responsibility for Internal Financial Controls**

The Board of Directors of the Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 (“the 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 the 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 Act.

### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India, 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 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 internal financial controls system over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India.

### **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 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;

- d) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- e) 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
- f) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Company and its subsidiary companies, which are companies incorporated in India, 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 respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For SUBRAHMANYAM & SIVUDU  
Chartered Accountants  
Firm Regn. No. 004100S

P.S.SIVUDU  
Partner  
Membership No. 019721

Date : 27-06-2019

**NCL HOLDINGS (A&S) LIMITED****1. CONSOLIDATED SIGNIFICANT ACCOUNTING POLICIES – FY 2018-19****A. Company Information:**

NCL Holdings (A&S) Limited was incorporated on January 05, 2018 to acquire non building material assets held by NCL Alltek & Seccolor Limited along with equivalent reserves vide NCLT Demerger order dated 24th January 2019.

**B. Significant Accounting Policies:****i. Basis of Preparation**

The consolidated financial statements have been prepared to comply with Generally Accepted Accounting Principles in India (GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

**ia. Principles of Consolidation**

1. The Financial Statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS) 21 – “Consolidated Financial Statements”
2. The difference between the costs of investment in the subsidiaries, over the net assets at the time acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve, as the case may be.
3. Minority Interest’s share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the company.
4. Minority Interest’s share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the company’s shareholders.
5. As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the company’s standalone financial statements.

**ii. Use of Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures relating to contingent liabilities as at the Balance Sheet date and the reported amounts of income and expenses during the year. Contingencies are recorded when it is probable that a liability will be incurred and the amounts can reasonably be estimated. Differences between the actual results and estimates are recognized in the year in which the results are known/materialized.

**iii. Employee Benefits**

Employee benefits payable wholly within twelve months of receiving employees services are classified as short-term employee benefits. The short term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees.

**iv. Taxation :**

- a) Current tax is determined as the amount of tax payable in respect of taxable income for the year calculated as per the provisions of Income Tax Act, 1961.
- b) Deferred tax is recognized for all the timing differences, subject to the consideration of prudence. Deferred tax asset is recognized only when there is virtual certainty as to the future taxable income against which the deferred tax asset can be recovered.

**v. Provisions :**

Provisions are recognized when the Company has present legal or constructive obligations, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation.

**vi. Investments:**

Long Term Investments are stated at cost less permanent diminution, if any, in value. Current Investments are carried at lower of cost or fair value.

**vii. Fixed Assets and Depreciation:**

- a) Fixed Assets are stated at cost of acquisition inclusive of inland freight, duties, taxes and incidental expenses related to acquisition with due adjustments for GST credits.



- b) Capital Work-in-progress includes Machinery to be installed, Construction & Erection Materials, and unallocated preoperative expenses etc.
- c) The company adjusts exchange difference arising on translation/settlement of long-term Foreign Currency monetary items, if any; by restating the liabilities as at balance sheet date pertaining to acquisition of a depreciable asset to the cost of the asset and depreciates the same at the applicable rate in respect of such asset. Depreciation on Tangible Assets is provided on Straight line method which reflects the management's estimate of the useful lives of respective fixed assets.
- d) Intangible assets are stated at cost of acquisition less accumulated amortization. This includes computer software packages (ERP and others). Amortization is done on straight line basis at the rates specified in the Schedule II of the Companies Act, 2013.

#### viii. Revenue Recognition :

All Expenses and Income to the extent considered payable and receivable respectively unless specifically stated to be otherwise are accounted for on mercantile basis except Dividend income which is accounted for on receipt basis.

Interest income is accounted on accrual basis when there is no significant uncertainty as to its realization or collection. Dividend income is accounted for, when the right to receive the income is established.

**Sale of goods :** Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer on delivery of the goods. Sales include Excise Duty, wherever applicable and rebate, discounts, claims, expenses incurred on consignment sales etc. are excluded there from. Sales on consignment and expenses there against are being accounted for based on account sales from the respective consignee. Revenue is net of GST wherever applicable. Income from services: Revenue from service contracts are recognized as and when services are rendered pro –rata.

#### ix. Earnings per share :

Basic earnings per share is calculated by dividing the net profit for the period attributable to equity Shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resource for the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

#### x. Contingent Liabilities:

Contingent liabilities are generally not provided for and are disclosed by way of notes to the accounts.

#### C. Scheme of Arrangement:

During the year 2018-19, the National Company Law Tribunal, Hyderabad Bench vide its order dated January 24, 2019 had sanctioned the scheme of arrangement between our company and NCL Alltek & Seccolor Limited (NCLASL). The Scheme was approved by the Board of Directors on May 26, 2017. Consequent to the said Order and filing of the final certified Orders with the Registrar of the Companies (ROC) on February 11, 2019, the Scheme has become effective upon the completion of the filing with effect from the Appointed Date of April 1, 2017. On the Scheme becoming effective, the Investments and other Assets as stated in the Scheme including the Dividend Income pertaining to such investments stands transferred and vested on NCL Holdings (A&S) Ltd at Book value with effect from appointed date i.e. 01-04-2017. And effect of the scheme of arrangement is given in the financial year 2018-19.

#### D. Valuation of Investments transferred pursuant to the Demerger Scheme:

##### Subsidiaries:

Consequent to the Scheme of Demerger, M/s. Kakatiya Industries Limited, M/s. Sun crop sciences Limited, M/s. Green Habitats Private Limited and M/s. Eastern Ghat Renewable Energy Limited have become the Subsidiaries of the Company. These investments in equity instruments of the above subsidiaries being unquoted shares, are not held for trade and shown as Non-Current Investments at Book values. No dividend was declared on these investments

##### Others Investments:

The investment in shares of NCL Industries Limited, being quoted, are recognized at cost to the demerged company, transferred to the Company pursuant to Scheme of Arrangement. Movements in fair value/Market Price of these investments are not recognized.

**(1) Dividends:**

The dividend belongs to the investment in NCL Industries Ltd., which relates to the period starting from the Appointed date (01/04/2017) till the effective date was not recognized as income in the Books of NCLASL and transferred to the company in accordance with the Scheme of Arrangement ("Scheme"). The following treatment was adopted while accounting the dividend received pursuant to the Scheme.

- Dividend related to the period prior to incorporation of the company i.e January 05, 2018 is credited to Capital Reserve.
- Dividend related to the period after incorporation, but relates to the Financial Year 2017-18, being a prior period item income disclosed as prior period income in the statement of Profit & Loss.
- Dividend income for the financial year 2018-19 was credited to the Statement of Profit & Loss.

## CONSOLIDATED BALANCE SHEET AS AT 31st MARCH ' 2019

FIRST YEAR

S.No	Particulars	Note No.	AS AT 31.03.2019
<b>I</b>	<b>EQUITY AND LIABILITIES</b>		
1	<b>SHAREHOLDERS' FUNDS</b>		
	a) Share capital	2	57,849,380
	b) Share Application Money		-
	c) Reserves and surplus	3	515,826,122
			<b>573,675,502</b>
2	<b>MINORITY INTEREST</b>		7,856,234
3	<b>NON-CURRENT LIABILITIES</b>		
	a) Long-term borrowings	4	11,995,089
	b) Long-term provisions	6	6,267,386
			<b>18,262,475</b>
4	<b>CURRENT LIABILITIES</b>		
	a) Short-term borrowings	7	135,184,596
	b) Trade payables	8	21,695,471
	c) Other current liabilities	9	504,875,796
	d) Short-term provisions	10	3,422,293
			<b>665,178,157</b>
	<b>TOTAL</b>		<b>1,264,972,368</b>
<b>II</b>	<b>ASSETS</b>		
1	<b>NON-CURRENT ASSETS</b>		
	a) Fixed assets	11	
	(i) Tangible assets		61,646,625
	(ii) Intangible assets		13,816
	(iii) Goodwill on consolidation		51,437,981
	(iv) Capital work-in-progress	12	70,233,340
			<b>183,331,761</b>
	c) Deferred Tax asset	5	19,944,370
	d) Other Non current Assets	13	48,001,317
			<b>251,277,448</b>
2	<b>CURRENT ASSETS</b>		
	a) Current investments	14	70,756,663
	b) Inventories	15	596,772,726
	c) Trade Receivables	16	30,631,884
	d) Cash and Bank Balances	17	17,403,416
	e) Short-term loans and advances	18	291,016,152
	f) Other Current assets	19	7,114,079
			<b>1,013,694,920</b>
	<b>TOTAL</b>		<b>1,264,972,368</b>
	Significant Accounting policies	1	

The accompanying notes are an integral part of these financial statements  
As per our report of even date attached

For Subrahmanyam & Sivudu  
Chartered Accountants  
Firm Reg.No: 004100S

P.S.Sivudu  
Partner  
M.S.No. 019721

Place : Hyderabad  
Date : 27-06-2019

For and on behalf of Board  
NCL HOLDINGS ( A&S ) LIMITED

MADHU.K            K A REDDY  
Director            Director  
DIN : 00040253    DIN : 01194127

Jagadish Veeravalli  
Company Secretary  
M.No. : 52249

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH ' 2019

		FIRST YEAR	
		Note No.	AS AT 31.03.2019
1	Revenue from Operations (Net)	20	158,289,590
2	Other Income	21	524,163
3	<b>Total Revenue (1+2)</b>		<b>158,813,753</b>
4	<b>Expenses</b>		
	a) Cost of materials consumed	22	66,368,652
	b) Purchases of Traded Goods		-
	b) Changes in inventories of finished goods, work-in-progress	23	(7,632,178)
	c) Employee benefits expenses	24	27,772,535
	d) Finance costs	25	8,103,901
	e) Depreciation and amortisation expenses	11	4,052,194
	f) Preliminary Expenses		64,590
	g) Other expenses	26	76,930,166
	<b>Total Expenses</b>		<b>175,659,859</b>
5	<b>Profit before exceptional / extraordinary items (3-4 )</b>		<b>(16,846,106)</b>
	<b>Exceptional/Extraordinary items</b>		
	Profit on sale of Assets		5,886,100
	Prior Year Income		1,550,371
	Profit before tax (5 +6 )		<b>(9,409,635)</b>
6	<b>Tax Expenses :</b>		
	a) Current tax		2,036,583
	Less : MAT Credit		(875,846)
	b) Deferred tax Asset /( -) Liability		(3,924,493)
	<b>Total Tax Expense</b>		<b>(2,763,755)</b>
7	<b>Profit for the year (7-8)</b>		<b>(6,645,880)</b>
9	Earnings per share (of Rs 10/- each)(Basic & Diluted)		-1.15

Significant Accounting Policies and Notes to the Financial Statements

1

The accompanying notes are an integral part of the financial statements

As per our report of even date attached  
For Subrahmanyam & Sivudu  
Chartered Accountants  
Firm Reg.No: 004100S

For and on behalf of Board  
NCL HOLDINGS ( A&S ) LIMITED

MADHU.K                      K A REDDY

P.S.Sivudu  
Partner  
M.S.NO. 019721

Director                      Director  
DIN : 00040253      DIN : 01194127

Place : Hyderabad  
Date : 27-06-2019

Jagadish Veeravalli  
Company Secretary  
M.No. : 52249

## Notes to Consolidated Financial Statements for the year ended 31st March 2019

S.No	S.No	Particulars	AS AT 31.03.2019	
			No. of Shares	Amount in Rs.
2		<b>SHARE CAPITAL</b>		
	2.1	<b>Authorized Share Capital</b> Equity Shares of Rs.10/- each 100 each	6,000,000	60,000,000
	2.2	<b>Issued Share Capital</b>		
		70 Equity shares @ Rs.10/- each	70	700
		Add: Shares allotted for consideration other than Cash 57,84,938 Equity Shares of Rs 10/- each	5,784,868	57,848,680
			<b>5,784,938</b>	<b>57,849,380</b>
	2.3	<b>Subscribed and Paid up Shares</b>		
		Shares @ Rs.10/- each	70	700
		Add: Shares allotted for consideration other than Cash	5,784,868	57,848,680
		<b>Total</b>	<b>5,784,938</b>	<b>57,849,380</b>
	<p>** During the year, 57,84,868 Equity Shares of Rs 10/- each fully paid up were allotted to the Equity shareholders of NCL ALLTEK AND SECCOLOR LIMITED in the ratio of 1:1 i.e.; one share for every one share held by them for consideration other than cash, pursuant to the Scheme of Arrangement (Demerger) sanctioned by National Company Law Tribunal (NCLT), Hyderabad dated 24-01-2019.</p> <p><b>Terms/ Rights attached to Equity Shares</b> 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.</p>			
3	2.4	<b>Details of shareholders holding more than 5% shares in the Company.Name of the share holder :</b>	<b>No. of Shares</b>	<b>% holding</b>
		Sri. K. Ravi	6.06%	350,317
		Sri. Ashven Datla	7.78%	450,000
		Sri. K. Gautam	6.65%	384,743
		Smt. K. Pooja	6.06%	350,317
	<b>RESERVES AND SURLUS</b>			
3.1	<b>Capital Reserve</b>			
	Opening Balance	-		
	Capital Reserve / Share Premium	2,325,557		
	Closing Balance	-	2,325,557	
3.2	<b>General Reserve</b>			
	Opening Balance	462,606,126		
	Add: Transferred from Surplus	-		
	Closing Balance		462,606,126	

	3.3	Surplus		
		Opening Balance	-	
		Add/(Less) : Profit/(Loss) for the year	66,51,394	
		Less: Transfer to General Reserve	-	
		Closing Balance		(66,51,394)
	3.4	Post Acquisition share of profit of Subsidiaries		5,75,40,319
		<b>Total</b>		<b>51,58,20,608</b>
<b>4</b>		<b>LONG TERM BORROWINGS</b>		
		<b>Secured Loans</b>		
		Term Loan from Andhra Bank		5,448,839
		<b>Unsecured Loans</b>		
		Deposits from Dealers		1,547,000
		From Directors		4,999,250
				<b>11,995,089</b>
<b>5</b>		<b>DEFERRED TAX LIABILITIES (NET)</b>		
		Deffered Tax Liabilities		
		Impact of Difference between tax depreciation and depreciation charged in the financial statement		1,264,675
		<b>Gross Defferred Tax Liability</b>		<b>1,264,675</b>
		<b>Deferred Tax Asset</b>		
		Impact of Expenditure charged to statement of Profit & Loss but allowed only on actual payment for tax purpose		21,209,045
		<b>Gross Defferred Tax Asset</b>		21,209,045
		<b>Deferred Tax Liabilities (net)</b>		<b>(19,944,370)</b>
<b>6</b>		<b>LONG TERM PROVISIONS</b>		
		For Employee Benefits		
		Gratuity & Unavailed Leaves		6,267,386
		<b>Total</b>		<b>6,267,386</b>
<b>7</b>		<b>SHORT TERM BORROWINGS</b>		
		NCL Homes Ltd.		102,500,000
		Khandaleru Power Company Limited		2,500,000
		Ekasila Chemicals		21,583,014
				<b>126,583,014</b>
		<b>Loans Repayable on Demand</b>		
		Andhrabank, Mallapur - Cash credit facilities		8,601,582
		<b>Total</b>		<b>135,184,596</b>
<b>8</b>		<b>TRADE PAYABLES</b>		
		Dues to MSMEs		-
		Dues to Others		21,695,471
		<b>Total</b>		<b>21,695,471</b>

<b>9</b>	<p><b>OTHER CURRENT LIABILITIES</b></p> <p>Current maturities of long-term borrowings</p> <p>Interest accrued but not due on borrowings</p> <p><b>Others</b></p> <ul style="list-style-type: none"> <li>- Statutory Dues</li> <li>- Advance from Customers</li> <li>- Outstanding Expenses</li> <li>- Directors Remuneration Payable</li> </ul> <p style="text-align: right;"><b>Total</b></p>	<p>6,759,852</p> <p>-</p> <p>4,219,459</p> <p>482,802,729</p> <p>10,860,676</p> <p>233,080</p> <hr/> <p><b>504,875,796</b></p>
<b>10</b>	<p><b>SHORT TERM PROVISIONS</b></p> <p>Provision for Employee Benefits</p> <p>Bonus Payable</p> <p>Income Tax Payable ( net )</p> <p style="text-align: right;"><b>Total</b></p>	<p>1,887,740</p> <p>67,200</p> <p>1,467,353</p> <hr/> <p><b>3,422,293</b></p>

**NCL Holdings (A&S) Limited**  
Statement showing Depreciation as per Companies Act

Note no. 11

Sl. No.	DESCRIPTION	GROSS BLOCK				DEPRECIATION			NET BLOCK	
		As on 01.04.18	Additions during the year	Deletions during the year	As on 31.03.19	Up to 01.04.18	For the Year	Up to 31.03.19	As on 31.03.19	As on 31.03.18
	<b>(I) Tangible Assets:</b>									
	a) Land	2,09,22,424	-	-	2,09,22,424	-	-	0	2,09,22,424	1,84,86,795
	b) Buildings	2,44,20,662	-	-	2,44,20,662	66,35,504	7,73,321	74,08,825	1,70,11,837	1,77,85,158
	c) Bore Well	13,000	-	-	13,000	10,014	412	10,425	2,575	2,986
	d) Plant & Machinery	4,22,37,949	38,92,949	-	4,61,30,898	2,09,26,593	27,19,613	2,36,46,205	2,24,84,693	2,13,11,356
	e) Electrical Installations	11,75,827	-	-	11,75,827	11,17,035	10,160	11,27,195	48,632	58,792
	f) Furniture & Fixtures	7,20,421	-	-	7,20,421	4,35,119	56,485	4,91,604	2,28,817	2,85,302
	g) Pipeline	6,77,991	-	-	6,77,991	6,26,813	42,939	6,69,753	8,238	51,178
	h) Lorry	19,85,443	5,75,699	-	25,61,142	19,41,883	2,48,548	21,90,431	3,70,711	43,560
	i) Scooter	59,599	-	-	59,599	59,599	-	59,599	-	-
	j) Generator	10,18,046	-	-	10,18,046	8,13,572	64,476	8,78,048	1,39,998	2,04,474
	k) Fire Equipments	3,98,898	-	-	3,98,898	1,27,167	25,264	1,52,430	2,46,468	2,71,731
	l) Motor Cars	41,25,968	-	6,10,395	35,15,573	32,57,108	95,789	33,52,896	1,62,677	8,68,860
	m) Computers	2,17,345	-	-	2,17,345	1,89,563	8,226	1,97,789	19,556	27,782
	<b>TOTAL</b>	<b>9,79,73,573</b>	<b>44,68,648</b>	<b>6,10,395</b>	<b>10,18,31,826</b>	<b>3,61,39,969</b>	<b>40,45,232</b>	<b>4,01,85,202</b>	<b>6,16,46,625</b>	<b>5,93,97,975</b>
1	<b>(II) In-Tangible Assets:</b>									
	Software	46,800	-	-	46,800	26,022	6,962	32,984	13,816	20,778
	<b>GRAND TOTAL</b>	<b>9,80,20,373</b>	<b>44,68,648</b>	<b>6,10,395</b>	<b>10,18,78,626</b>	<b>3,61,65,991</b>	<b>40,52,194</b>	<b>4,02,18,186</b>	<b>6,16,60,441</b>	<b>5,94,18,753</b>



12	<b>CAPITAL WORK-IN-PROGRESS</b> Capital Work In Progress		69,988,457 69,988,457
13	<b>Other Non current Assets</b> <b>Deposits :</b> Rental, Electricity Deposits, Etc., <b>Pre-operative Expenditure</b> Pre-operative Expenditure		1,930,185 46,071,132 <b>48,001,317</b>
14	<b>CURRENT INVESTMENTS:</b> QUOTED: a) NCL Industries Limited 15,50,371 Equity shares of face value of Rs.10/- each		70,756,663 <b>70,756,663</b>
15	<b>INVENTORIES (valued at lower of Cost and Realisable Value)</b> Raw Materials & Packing Materials Finished Goods Lands Work In Progress <b>Total</b>		5,700,392 39,140,164 517,949,538 33,982,632 <b>596,772,726</b>
16	<b>TRADE RECEIVABLES Unsecured</b> Exceeding Six Months Considered good Doubtful Less : Provision for doubtful Receivables - Other Receivables considered good <b>Total</b>		5,570,637 - - 25,061,247 <b>30,631,884</b>
17	<b>CASH AND CASH EQUIVALENTS</b> <b>Cash and Cash Equivalents</b> Cash on Hand Balances with Banks - in current accounts <b>Others</b> Margin Money (against bank guarantees) Deposit with banks more than 12 months maturity <b>Total</b>		178,901 - 17,224,516 - - - <b>17,403,416</b>
18	<b>SHORT TERM LOANS AND ADVANCES - (Unsecured)</b> Electricity, Rental Deposits, Etc., Advance for Lands Advance to Suppliers & Services Advance to Staff <b>Total</b>		839,900 279,613,803 10,525,044 37,405 <b>291,016,152</b>
19	<b>OTHER CURRENT ASSETS</b> MAT Credit Entitlement Adv.for Expenses TDS - Advance I.T Income Tax paid under Protest G.S.T Input Prepaid Expenses Gold and Silver Items <b>Total</b>		947,573 780,000 1,655,769 3,372,930 278,267 56,322 23,219 <b>7,114,079</b>

## Notes to Consolidated Financial Statements for the year ended 31st March 2019

S.No	S.No	Particulars	AS AT 31.03.2019
20		<b>REVENUE FROM OPERATIONS</b>	
		Sale of Manufactured Products	165,312,060
		<b>GROSS SALES</b>	<b>165,312,060</b>
		Less : G.S.T	9,386,623
			<b>155,925,437</b>
		Interest	38,596
		Dividend	2,325,557
		<b>REVENUE FROM OPERATIONS</b>	<b>158,289,590</b>
21		<b>OTHER INCOME</b>	
		Interest	103,613
		Dividend	-
		Land lease	420,550
		<b>Total</b>	<b>524,163</b>
22		<b>COST OF MATERIALS CONSUMED</b>	
		Opening Stock	8,327,152
		Add : Purchases	63,741,892
			<b>72,069,044</b>
		Less : Closing Stock	5,700,392
		Cost of materials consumed	<b>66,368,652</b>
23		<b>CHANGES IN INVENTORIES OF FINISHED GOODS</b>	
		Opening Stock	65,490,618
		Closing Stock	73,122,796
			<b>(7,632,178)</b>
24		<b>EMPLOYEE BENEFIT EXPENSES</b>	
		Salaries, Wages, Bonus and Other Benefits	23,158,587
		Contribution to Provident and Other Fund	4,079,219
		Employees Welfare	534,729
		<b>Total</b>	<b>27,772,535</b>
25		<b>FINANCE COST</b>	
		Bank Charges	521,949
		Interest Expenses	7,512,289
		Interest - others	69,663
		<b>Total</b>	<b>8,103,901</b>
26		<b>OTHER EXPENSES</b>	
		Manufacturing Expenses	43,474,696
		Power & Fuel	1,847,898
		Freight Charges	4,832,475
		<b>Auditors' Remuneration :</b>	
		a) Audit fee	125,000
		b) Tax Audit fee	10,000
		Bad debts written off	2,423,621
		Directors Sitting Fee	144,500
		Directors Incedental Charges	18,000
		Donations	10,018
		Insurance	41,400
		Legal & Professional Charges	2,694,325
		Licence, Fee & Taxes	937,619
		Office Maintenance	637,398
		Postage & Telephones	285,126
		Printing & Stationery	259,211
		Rent	484,500
		Research & Development	3,721,621

	Sales Promotion	10,563,765
	Travelling & Conveyance	4,066,309
	Misc Expenses	112,397
	Excise Duty arrears & CST	240,288
	<b>Total</b>	<b>76,930,166</b>

**27. Note on Demerger**

Particulars of Assets Demerged	Amount (Rs.)
- 1,61,050 Equity Shares of Rs.10 each of NCL Green Habitats Pvt.Ltd fully paid-up	62,030,000
- 5,29,994 Equity Shares of Rs.10 each of Eastern Ghat Renewable Energy Ltd fully paid-up	5,299,940
- 9,13,154 Equity Shares of Rs.100 each of Kakatiya Industries Pvt.Ltd fully paid-up	91,315,400
- 6,36,000 Equity Shares of Rs.10 each of Suncrop Sciences Pvt.Ltd. fully paid-up	6,360,000
- 15,50,371 Equity Shares of Rs. 10/- each of NCL Industries Limited fully paid-up	70,756,663
	<b>235,762,003</b>
Loans to related parties	274,925,204
Advance for Investments	9,767,599
	<b>520,454,806</b>
<b>Reserves Transferred from NCL Alltek &amp; Seccolor Limited</b>	
i) Capital reserve	<b>57,848,680</b>
Less : Shares Alloted in the ratio of 1:1 as per the scheme	57,848,680
<b>ii) General Reserve carried to Balance Sheet</b>	<b>462,606,126</b>

28. a) The Company has issued corporate guarantee in favour of State Bank of India, Industrial finance Branch, Somajiguda, Hyderabad to an extent of Rs. 120.92 Crore in connection with facilities availed by NCL Alltek & Secolor Limited (a Group company). These guarantees are financial guarantees as they require the Company to reimburse the banks if the borrower fails to make principal or interest payments when due in accordance with the terms of sanction.
- b) Demand raised by income tax authorities which is being disputed by the company and is pending with Commissioner (appeals), the management is of the opinion that no provision is required. The disputed demand is Rs. 1.77 crores (in the case of NCL Green Habitats Private Limited)
29. Balances standing to the debit/credit of Sundry Creditors, Sundry Debtors, Advances and various parties accounts are subject to confirmation and reconciliation.
30. There were no employees drawings remuneration in excess of the limits laid down in the Companies Act, 2013.
31. This is the first of consolidation of financial statements and hence previous years figures have not been given.
32. Additional Information pursuant to provisions contained in the Companies Act, 2013 :  
(As given by Management and not verified by the Auditors)
- a) Foreign Exchange Outflow : NIL
  - b) Related Party Disclosures :
    - i) Subsidiary Companies
      - Eastern Ghat Renewable Energy Limited
      - NCL Green Habitats Private Limited
      - Kakatiya Industries Private Limited
      - Suncrop Sciences Private Limited
    - ii) Key Managerial Persons
      - Madhu Kalidindi - Director
      - Jagadish Veeravalli - Company Secretary
    - iii) Enterprises Controlled or significantly influenced by Key Management Personnel or their Close Family Members
      - NCL Industries Ltd
      - Khandaleru Power Co. Limited
      - NCL Veka Ltd
      - NCL Homes Limited
      - NCL Alltek & Seccolor Limited

## c) Related Party Disclosures :

Particulars	Subsidiary Companies	Enterprises Controlled or significantly influenced by key management personnel or their close family members	Key Management Personnel and Relatives
		2018-19	2018-19
Purchases of Goods/Materials	-	-	-
Sales of Goods/Materials	-	-	-
<b>Expenses :</b>	-		-
Remuneration/Commission/Sitting Fee	-	-	5,961,952
Rent	-	-	-
Interest on Deposits	-	-	-
<b>Income :</b>	-		-
Dividend Received	-	2,325,557	-
Interest on Loans given	-	-	-
Other payments	-	-	-
<b>Others</b>	-	-	-
ICDs Repaid during the year	-	38,623,555	-
<b>Balances outstanding</b>	-	-	-
Payables	-	-	-
Receivables	-	-	-
Loans & advances / Deposits given/ repaid	-	-	-
Short Term borrowings	-	105,000,000	-
ICDs Given	-	-	-
Investments made (including Investment advances)	-	70,756,663	-

33. Dues to Micro, Small and Medium Enterprises outstanding for more than 45 days as at Balance Sheet date		2018-19	2017-18
		-	-
34. Auditors Remuneration 2018-19 2017-18 (For Audit, Taxation and other matters)	(Rs.)	125,000	-
35. Earning Per Share (EPS)		2018-19	2017-18
Total Operations for the year			
Profit/(Loss) after tax		(6,645,880)	-
Less : Adjustments for the purpose of diluted Earnings per Share		-	-
A Net Profit/(Loss) for calculation of basic EPS		(6,645,880)	-
B Weighted average number of Equity Shares for Basic EPS		5,784,938	
Basic EPS			
C Basic & Diluted EPS on the basis of Total Operations	- A/B	(1.15)	-

For Subrahmanyam & Sivudu  
Chartered Accountants  
Firm Reg.No: 004100S

P.S.Sivudu  
Partner  
M.S.NO. 019721

Place : Hyderabad  
Date : 27-06-2019

For and on behalf of Board  
NCL HOLDINGS ( A&S ) LIMITED

MADHU.K      K A REDDY

Director      Director  
DIN : 00040253    DIN : 01194127

Jagadish Veeravalli  
Company Secretary  
M.No. : 52249

## Consolidated Cash flow statement for the year ended 31st March 2019

Particulars	For the year ended 31.03.19
<b>I. Cash flows from operating activities:</b>	
Net profit/(loss) before taxation:	(9,409,635)
<b>Adjustments for operating activities:</b>	
Depreciation & Amortisation	4,052,195
Interest Income	-
Preliminary Expenses written off	64,590
Interest Income	-
Profit on sale of assets	-
Prior year income	-
<b>Operating profit before working capital changes</b>	<b>(5,292,850)</b>
Adjustments for	
Decrease/(Increase) in Inventories	(62,404,796)
Decrease/(Increase) in Trade Receivables	46,393,329
Decrease/(Increase) in short term Loans and Advances	12,786,734
Decrease/(Increase) in other current assets	(5,239,049)
Decrease/(Increase) in non current assets	(1,862,462)
Increase/(Decrease) in Short Term Borrowings	(29,485,576)
Decrease/(Increase) in Trade payables	(21,777,244)
Decrease/(Increase) in other current liabilities	16,383,196
Decrease/(Increase) in short term provisions	533,189
Decrease/(Increase) in long term provisions	158,779
<b>Cash generated from operations</b>	<b>(49,806,750)</b>
Income taxes paid/(received)	(1,357,805)
Capital Profit Received	2,325,557
<b>Net cash flow from operating activities (A)</b>	<b>(48,838,998)</b>
<b>II. Cash flows from investing activities</b>	-
Purchase of fixed assets	(4,468,648)
Proceeds from sale of fixed assets	610,395
Increase in non current assets	-
Changes in non current investments	1,131,400
Changes in WIP	(5,580,849)
Changes in other non current assets	(1,020,050)
<b>Net cash flow used in investing activities (B)</b>	<b>(9,327,752)</b>
<b>III. Cash flows from financing activities</b>	-
Proceeds from issue of shares	-
Increase/(Decrease) Share application money	-
Proceeds from long term borrowings (Decrease)/ Increase	(6,472,803)
Proceeds from unsecured loans (Decrease)/ Increase	(169,500)
Interest paid	-
<b>Net cash from financing activities (C)</b>	<b>(6,642,303)</b>

<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	(64,809,053)
Cash and cash equivalents at the beginning of the year	82,212,469
<b>Cash and cash equivalents at the end of the year</b>	<b>17,403,416</b>

For Subrahmanyam & Sivudu  
Chartered Accountants  
Firm Reg.No: 004100S

P.S.Sivudu  
Partner  
M.S.No. 019721

Place : Hyderabad  
Date : 27/06/2019

For and on behalf of Board  
NCL HOLDINGS ( A&S ) LIMITED

Madhu.K                      Ambujodar Reddy K  
Director                      Director  
DIN : 00040253      DIN : 01194127

Jagadish Veeravalli  
Company Secretary  
M.No. : 52249

# NCL HOLDINGS

## NCL HOLDINGS (A&S) LTD.

Regd. Office : 4th Floor, Plot No.1, Ganga Enclave, Kompally Road, Petbasheerabad, Hyderabad - 500067.  
CIN:U65920TG2018PLC121664

### 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 HOLDINGS (A&S) LTD., hereby appoint .....of .....in the District of ..... as my / our Proxy to vote for me / us on my / our behalf at the Second Annual General Meeting of the Company to be held on Monday 30th September, 2019 at 10.30 a.m. and at any adjournment thereof, at Surabhi Pride Hotel, Green Park Avenue, Suchitra Circle, Suchitra - Kompally Road, Hyderabad, Telangana - 500067.

Signed this .....day of .....2019

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 HOLDINGS

## NCL HOLDINGS (A&S) LTD.

Regd. Office : 4th Floor, Plot No.1, Ganga Enclave, Kompally Road, Petbasheerabad, Hyderabad - 500067.  
CIN: U65920TG2018PLC121664

### ATTENDANCE SLIP

(To be handed over at the entrance of the venue of the AGM)

I hereby record my presence at the Second Annual General Meeting of the Company held on Monday 30th September, 2019 at 10.30 a.m. and at any adjournment thereof, at Surabhi Pride Hotel, Green Park Avenue, Suchitra Circle, Suchitra - Kompally Road, Hyderabad, Telangana - 500067.

Folio No./ DP ID- Client ID		No. of Shares Held	
-----------------------------	--	--------------------	--

Name of the Share Holder:

Address:

Member / Proxy's Signature

(To be signed at the time of handing over this Slip)

**NO GIFTS**  
at AGM

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[www.nclholdings.in](http://www.nclholdings.in)

If undelivered, please return to:

**NCL HOLDINGS (A&S) LTD.**

4th Floor, Plot No.1, Ganga Enclave, Pertbasheerabad,

Hyderabad - 500 067. Ph.: 040-4969 3333

E-mail: [companysecretary@nclholdings.in](mailto:companysecretary@nclholdings.in)

