

añlada

Engineering a better tomorrow!



Annual Report 2018-19

AHLADA ENGINEERS LIMITED

BOARD OF DIRECTORS

NON EXECUTIVE CHAIRMAN	: Dr. K.I. Varaprasad Reddy*
MANAGING DIRECTOR	: Shri Ch. Suresh Mohan Reddy
WHOLE TIME DIRECTOR	: Ms. Ch. Kinnera
WHOLE TIME DIRECTOR	: Shri J. Abhinav Kumar Reddy
DIRECTORS	: Shri M. Vikram Ravindra* Shri B.K. Sarma* Shri N. Bhaskara Reddy* Smt. K. Sravanthi* Shri. G.V. Krishna Giri* Shri. K. Srinivas*
	*Independent, Non-Executive Directors
MANAGEMENT COMMITTEE	: Shri Ch. Suresh Mohan Reddy Ms. Ch. Kinnera Shri J. Abhinav Kumar Reddy
AUDIT COMMITTEE	: Shri M. Vikram Ravindra Shri B.K. Sarma Shri Ch. Suresh Mohan Reddy Shri N. Bhaskar Reddy
CORPORATE SOCIAL RESPONSIBILITY COMMITTEE	: Shri M. Vikram Ravindra Shri B.K. Sarma Shri Ch. Suresh Mohan Reddy
NOMINATION AND REMUNERATION COMMITTEE	: Shri B.K. Sarma Shri M. Vikram Ravindra Shri N. Bhaskara Reddy
RISK MANAGEMENT COMMITTEE	: Shri Ch. Suresh Mohan Reddy Shri B.K. Sarma Shri M. Vikram Ravindra
SHAREHOLDERS' GRIEVANCES COMMITTEE	: Shri B.K. Sarma Shri Ch. Suresh Mohan Reddy Shri M. Vikram Ravindra
CHIEF FINANCIAL OFFICER	: Shri A. Narasimha Rao
COMPANY SECRETARY	: Shri P. Kodanda Rami Reddy
STATUTORY AUDITORS	: M/s. Kishore & Venkat Associates Chartered Accountants, Hyderabad
INTERNAL AUDITORS	M/s. Vennapusa & Sunkara Chartered Accountants, Hyderabad

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COST AUDITORS	: M/s. N.S.V. Krishna Rao & Associates Cost Accountants, Hyderabad
SECRETARIAL AUDITORS	: M/s. VCSR & Associates Company Secretaries, Hyderabad
BANKERS	: State Bank of India HDFC Bank Limited Axis Bank Limited
REGISTERED OFFICE & CORPORATE OFFICE	: Door No. 4-56, Sy.No. 62/1/A & 67, Tech Mahindra Road, Bahadurpally, Quthbullapur Mandal, Medchal Dist. Hyderabad, Telangana- 500 043 Website: www.ahlada.com
WORKS	
Unit-1	: Sy No : 67, Tech Mahindra Road, Bahadurpally (V), Dundigal (Gandimysamma) Mandal, Medchal Dist, Hyderabad - 500 043.
Unit-2	: Sy. No. 66 & 68, Tech Mahindra Road, Bahadurpally (V), Dundigal (Gandimysamma) Mandal, Medchal Dist, Hyderabad - 500 043
Unit-3	: Sy. No. 67 Part, Tech Mahindra Road, Bahadurpally (V), Dundigal (Gandimysamma) Mandal, Medchal Dist, Hyderabad - 500 043
Unit-4	: Ware House No. 10, Sy No : 217 & 218, Kandlakoya Village, Medchal Mandal, Medchal Dist, Telangana - 501 401.
Unit-5	: Ware House No : 08, Sy No : 217 & 218, Kandlakoya Village, Medchal Mandal, Medchal Dist, Telangana - 501 401
LISTING	: EQUITY National Stock Exchange of India Limited (NSE) - SME Platform Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051
REGISTRAR & SHARE TRANSFER AGENTS	: M/s. Bigshare Services Private Limited 306, Right Wing, 3rd Floor, Amrutha Ville, Opp: Yashoda Hospital, Raj Bhavan Road, Somajiguda, Hyderabad - 500 082 Phone No. 040-2337 4967 Email: bsshyd@bigshareonline.com Website: bigshareonline.com



Message from the Managing Director

Letter to Shareholders

This year, there have been significant changes in the Company, all around. We will take this opportunity to thank our members for showing great interest and efforts for subscribing to our Initial Public Offer (IPO) on National Stock Exchange-Emerge Platform.

We have great pleasure in presenting the Annual Performance Report for the financial year 2018-19. As you know, this was a year of transition for the company. The Results announced are quite encouraging, in a sense that the past year was an eventful one in terms of overall economic reforms, not just for us but for the whole of corporate India. In its sustained effort to achieve uniformity and transparency, the Government implemented significant reforms in the last fiscal years – GST which we believe will continue to positively impact the Indian economy in the coming years.

The unified tax regime under GST, is designed to enable India to be one of the fastest growing economies.

In order to expand our business and customer base, we have on August 22, 2017, entered into a Master Manufacturing and Supply Agreement (MMSA) with Tata Steel Limited (TSL), whereby TSL has assured offtake of doors manufactured and shall work with us to improve process and line efficiency. We consider this alliance with Tata as one of our biggest strengths.

Our single-minded focus on the quality of our deliverables and strong process control has been recognised by multiple industry bodies and accolades galore.

Your Company is a strong believer in adaptability and has already been attuning itself to altering market sentiments. As a Company, our vision is to create spaces that are apparitional and live beyond our lifetime; developments that set benchmarks for the industry and enhance the entire ecosystem they operate in.

As always, we would like to thank you for continuing to repose your faith in our organisation and standing by us. With a sustained emphasis on quality control, execution, innovation and ethics, the future augurs well for your Company.

Wishing you all a successful year ahead

Best Wishes

Ch. Suresh Mohan Reddy
Managing Director

BOARD OF DIRECTORS & KMP



Dr. Varaprasad Reddy
Chairman-Non Executive



Shri Ch Suresh Mohan Reddy
Managing Director



Shri M. Vikram Ravindra
Independent Director



Shri . B.K.Sarma
Independent Director



Shri. G.V.Krishna Giri
Independent Director



Shri N. Bhaskara Reddy
Independent Director



Smt. Sravanthi
Non Executive Director



Shri K. Srinivas
Non Executive Director



Shri J.Abhinav
Whole Time Director



Ms. Ch. Kinnera
Whole Time Director



Shri A. Narsimha Rao
Chief Financial Officer



Shri P. Kodanda Rami Reddy
Company Secretary &
Compliance Officer



Shri M. Kotaiah
Sr. V P Operations

NOTICE TO THE MEMBERS

Notice is hereby given that the 14th Annual General Meeting of the Members of M/s. AHLADA ENGINEERS LIMITED will be held on Friday the 27th day of September, 2019 at 12.00 Noon at ITC Kohenu, Plot No. 5, Survey No. 83/1, Hyderabad Knowledge City, Madhapur (HITEC City), Opp: Inorbit Mall, Hyderabad- 500081, Telangana to transact the following business:

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the standalone audited financial statements of the Company for the year ended 31st March 2019, including the Audited Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss Account and Cash Flow Statement for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare a dividend of Rs. 1/- for every Equity Share of Rs. 10/- each i.e., @10% for every Equity Share for the Financial Year 2018-19.
3. To appoint a director in place of Shri. Chedepudi Suresh Mohan Reddy who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS

4. Regularization of Ms. Cheedepudi Kinnera (Din: 08272661) as a Director of the Company.

To consider and, if thought fit, to pass the following Resolution with or without any modifications as an Ordinary Resolution.

"RESOLVED THAT pursuant to the provisions of Companies Act, 2013 and other applicable provisions, if any, Ms. Cheedepudi Kinnera (DIN: 08272661), who was appointed as an Additional Director with effect from November 14th, 2018 in terms of Sections 149, 161 and 196 of the Companies Act, 2013 and who holds office up to the date of the 14th Annual General Meeting of the Company, be and is hereby appointed as a Director of the Company for a period of 5 (Five) years with effect from November 14th, 2018.

RESOLVED FURTHER THAT Mr. Chedepudi Suresh Mohan Reddy, Managing Director and Shri P. Kodanda Rami Reddy, Company Secretary of the Company, be and are hereby authorised to file relevant forms with the Registrar of companies, Hyderabad, and to do such other acts, deeds and things as may be considered necessary in connection with the above appointment".

5. Appointment of Ms. Cheedepudi Kinnera (Din: 08272661) as a Whole Time Director of the Company.

To consider and, if thought fit, to pass the following Resolution with or without any modifications as a Special Resolution.

"RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee, and approval of the Board and subject to the provisions of Sections 196, 197, 198, and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule- V of the Companies Act, 2013 and of Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to the appointment of Ms. Cheedepudi Kinnera (Din: 08272661), as a Whole time Director of the Company for a period of five years with effect from 14th November, 2018 who is liable to retire by rotation with remuneration of Rs.18,00,000/- (Eighteen Lakhs Only) per annum, as well as the payment of salary, commission and perquisites (hereinafter referred to as "remuneration"), upon the terms and conditions, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment and / or agreement in such manner as may be agreed to between the Board of Directors and Ms. Cheedepudi Kinnera."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution."

6. Regularization of Mr. J. Abhinav Kumar Reddy (Din: 08002510) as a Director of the Company.

To consider and, if thought fit, to pass the following Resolution with or without any modifications as an Ordinary Resolution.

"RESOLVED THAT pursuant to the provisions of Companies Act, 2013 and other applicable provisions if any, Mr. J.

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Abhinav Kumar Reddy (DIN: 08002510), who was appointed as an Additional Director with effect from November 14th, 2018 in terms of Section 161 of the Companies Act, 2013 and who holds office up to the date of the 14th Annual General Meeting of the Company be and is hereby appointed as a Director of the Company for a period of 5 (Five) years with effect from November 14th, 2018.

RESOLVED FURTHER THAT Mr. Chedepudi Suresh Mohan Reddy, Managing Director and Shri P.Kodanda Rami Reddy, Company Secretary of the Company, be and are hereby authorised to file relevant forms with the Registrar of companies, Hyderabad, and to do such other acts, deeds and things as may be considered necessary in connection with the above appointment”.

7. Appointment of Mr. J. Abhinav Kumar Reddy (Din: 08002510) as a Whole Time Director of the Company.

To consider and, if thought fit, to pass the following Resolution with or without any modifications as a Special Resolution.

“RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee, and approval of the Board and subject to the provisions of Sections 196, 197, 198, and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule- V of the Companies Act, 2013 and of Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to the appointment of Mr. J. Abhinav Kumar Reddy (Din: 08002510), as a Whole time Director of the Company for a period of five years with effect from 14th November, 2018 who is liable to retire by rotation with remuneration of Rs.18,00,000/- (Eighteen Lakhs Only) per annum, as well as the payment of salary, commission and perquisites (hereinafter referred to as “remuneration”), upon the terms and conditions, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment and / or agreement in such manner as may be agreed to between the Board of Directors and Mr. J. Abhinav Kumar Reddy .”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution.

8. Regularization of Mr. Kanakagiri Srinivas (Din: 00443793) as a Non-Executive (Non-Independent) Director of the Company.

To consider and, if thought fit, to pass the following Resolution with or without any modifications as an Ordinary Resolution.

“RESOLVED THAT pursuant to the provisions of Companies Act, 2013 and other applicable provisions if any, Mr. Kanakagiri Srinivas (Din: 00443793), who was appointed as an Additional Director in the board meeting held on August 29th, 2019 with effect from September 3rd, 2019 in terms of Section 161 of the Companies Act, 2013 and who holds office up to the date of the 14th Annual General Meeting of the Company be and is hereby appointed as a Non-Executive Director of the Company who is liable to retire by rotation.

RESOLVED FURTHER THAT Mr. Chedepudi Suresh Mohan Reddy, Managing Director and Shri P.Kodanda Rami Reddy, Company Secretary of the Company, be and are hereby severally authorised to file relevant forms with the Registrar of companies, Hyderabad, and to do such other acts, deeds and things as may be considered necessary in connection with the above appointment”.

9. To consider and approve increase in overall limit of Managerial Remuneration and if thought fit, to pass with or without modification(s), the following resolution(s) as Special Resolution:

RESOLVED THAT pursuant to the section 197 read with Schedule V of the Companies Act, 2013 (The Act), Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and in supersession of all the earlier resolution (including ordinary resolution and/or Special resolution if any) the consent of the members of the Company be and is hereby accorded to increase the overall limit of yearly remuneration payable as per effective capital of the Company to the directors of the Company from existing Rs. 84,00,000(Rupees Eighty Four Lakhs) to 1,68,00,000 (Rupees One Crore Sixty Eight Lakhs only).

“RESOLVED FURTHER THAT this resolution shall become effective from 1st August, 2019 and could remain in existence not exceeding a period of three years from the date of passing of this resolution.”

10. To consider and approve increase in remuneration to Shri Ch.Suresh Mohan Reddy (DIN: 00090543), Managing Director and in this regard, and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the members be and is hereby accorded to payment of such remuneration to Shri Ch.Suresh Mohan Reddy (DIN: 00090543), Managing Director, for the period from August 1, 2019, as set out in the statement annexed to the Notice convening this Meeting with the liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this resolution) to alter and vary the said terms and conditions of appointment and/or remuneration, for remaining period of tenure of appointment subject to the same not exceeding the limits specified under schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

11. To approve the borrowing limits not exceeding Rs. 500 crores (Rupees Five Hundred crores) u/s 180 (1)(c) of the Companies Act 2013 and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act 2013, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as 'Board' and which term shall be deemed to include any Committee, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person or persons) for borrowing, from time to time, as it may think fit, either secured or unsecured and on such terms and conditions as the Board may deem fit, notwithstanding that the monies to be borrowed, together with the monies already borrowed by the Company (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business), exceed the aggregate, for the time being, of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, not exceeding Rs. 500 Crores (Rupees Five hundred Crores).

RESOLVED FURTHER THAT the Board be and is hereby authorized for borrowing from time to time as it may think fit, any sum or sums of money but not exceeding Rs. 500 Crores (Rupees Five hundred Crores) in aggregate or equivalent thereto in any foreign currency (including the monies already borrowed by the Company), on such security and on such terms and conditions as the Board may deem fit, by way of loans from, or issue of Bonds, Debentures or other Securities whether Convertible into Equity/ Preference Shares and/ or Securities with or without detachable warrants with a right exercisable by the warrant holder(s) to convert or subscribe to equity/ Preference Shares (hereinafter referred to as 'securities'), to Bank(s), Financial or other Institution(s), Mutual Fund(s), Non-Resident Indians (NRIs), Foreign Institutional Investors (FIIs) or any other person(s), body(ies) corporate, etc., whether shareholder of the Company or not.

RESOLVED FURTHER THAT Board of Directors or Company Secretary of the Company be and are hereby authorized to do and take up all the acts, deeds and things which may be necessary, incidental and expedient in this regard."

12. To approve the limit to secure the borrowings u/s 180 (1)(a) of the Companies Act 2013:

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

"RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act 2013, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as 'Board' and which term shall be deemed to include any Committee, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person or persons), to mortgage and/or charge any of its movable and/or immovable properties wherever situated, both present and future, or the whole, or substantially the whole, of the undertaking or undertakings of the Company on such terms and in such manner as the Board may think fit, for securing any loan(s) obtained/to be obtained from, or Securities issued/ to be issued to, Bank(s), Financial or other Institution(s), Mutual Fund(s), Non-Resident Indians (NRIs), Overseas Corporate Bodies (OCBs), Foreign Institutional Investors (FIIs) or any other person(s), body(ies) corporate, etc., (hereinafter collectively referred to as 'lenders'), for an amount not exceeding Rs. 500

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Crores (Rupees Five hundred Crores) and/or equivalent thereto in any foreign currency, together with interests, compound/ additional interest, commitment charges, costs, expenses and all other monies payable by the Company to the concerned lenders.”

RESOLVED FURTHER THAT Board of Directors or Company Secretary of the Company be and are hereby severally authorized to do and take up all the acts, deeds and things which may be necessary, incidental and expedient in this regard.”

13. To ratify the remuneration of the Cost Auditors for the financial year ending 31st March, 2019-20 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], and subject to all other approvals, if any required, the Company be and is hereby authorized to pay an amount of Rs.1,50,000/- lakhs (Rupees One Lakh Fifty Thousand Only) plus taxes as applicable and reimbursement of actual travel and out of pocket expenses as remuneration to M/s. N S V Krishna Rao & CO., (Membership No.17143), Cost Accountants in practice, the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2020.”

“RESOLVED FURTHER THAT the Board of Directors of the Company or the Company Secretary of the Company be and are hereby directed and severally authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

By Order of the Board of Directors
For M/s. Ahlada Engineers Limited

Pusuluru Kodanda Rami Reddy
Company Secretary and Compliance Officer

Place: Hyderabad
Date: 29.08.2019

NOTES

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.

A person can act as a proxy on behalf of members not exceeding 50 (fifty) and holding in aggregate not more than 10% of the total share capital of the company carrying voting rights. A member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other shareholder.

The instrument of Proxy in order to be effective, must be deposited at the registered office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxy form submitted on behalf of the Companies, Societies, etc. must be supported by an appropriate resolution / authority, as applicable.

1. Electronic copy of the Annual Report for 2018-19 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same.
2. Members may also note that the Notice of the 14th Annual General Meeting and the Annual Report for year 2018-19 will also be available on the Company's website www.ahlada.com in for their download. The physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's email id: kodanda.cs@ahlada.com.
3. Corporate members intending to send their authorized representative(s) to attend the meeting pursuant to the provisions of Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified true copy of the Board Resolution together with specimen signatures of the authorized representative(s) to attend and vote on their behalf at the meeting.
4. All documents referred to in this meeting, notice and the accompanying statements are open for inspection at the

Registered office of the Company on all working days (except Sundays and holidays) between 10.30 A.M. to 12.30 P.M. up to the date of Annual General Meeting.

5. The Register of Members and Share Transfer Books of the company will remain closed 20th day of September, 2019 (one days only).
6. The Company has fixed 20th day of September 2019 as the record date for the purpose of determining member's eligibility for dividend, if declared at the Meeting.
7. Pursuant to the requirement of the SEBI (Listing Regulations and Disclosure Requirements), 2015 the Company declares that its equity shares are listed on the Stock Exchange at NSE-SME Platform.
8. Members are enable to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, the Company will provide a ballot form in Annual General Meeting. Instructions for Ballot Form are given at the back of the said form. Resolution(s) passed by Members through Ballot Forms is deemed to have been passed as if they have been passed at the AGM.
9. Any member requiring further information on the Annual Report at the meeting is requested to send the queries in writing to the Company Secretary by 20th September, 2019 at kodanda.cs@ahlada.com.
10. The facility for voting, either through ballot or polling paper shall also be made available at the meeting and Members attending the meeting who have not already cast their vote by ballot form shall be able to exercise their right at the meeting.
11. The Company has fixed 20th day of September, 2019, as the cutoff date/entitlement date for identifying the Shareholders for determining the eligibility to vote in the Meeting.
12. Only registered members carrying the attendance slips and the holders of valid proxies registered with the Company will be permitted to attend the meeting.
13. The Members who have cast their vote by ballot form prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
14. Shri. Ch.Veeranjaneyulu, (COP No.6392) Partner of VCSR & Associates Company Secretary has been appointed as a Scrutinizer for conducting the voting by Ballot at the Meeting.
15. With reference to the Companies (Management and Administration) Rules, 2014, Companies covered under Chapter IX as per SEBI (ICDR) Regulations, 2018 are exempted from e-voting provisions. Also, no such provision is available in case of SME Equity Listing Agreement. Your Company is covered under Chapter IX as it is a SME Company and listed on SME platform of NSE Limited. Therefore Company is not providing e-voting facility to its shareholders.
16. To support the 'Green Initiative' Members who have not registered their e-mail addresses are requested to register the same with DPs. The registered e-mail address will be used for sending future communications.

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

Item No. 4 & 5

Pursuant to the provisions of Companies Act, 2013 and the Articles of Association of the Company and Regulation 17 of SEBI (Listing Obligations & Disclosures Requirements) Regulations 2015, has appointed Ms. Cheedepudi Kinnera,(DIN:08272661) on November 14th, 2018 as Additional Director (Whole Time) of the Company who shall hold office upto the conclusion of this Annual General Meeting. The Board hereby recommends your approval by way of ordinary resolution for regularization of the same Director as Whole Time Director in the ensuing AGM respectively for a term up to 5 (five) consecutive years w.e.f. November 14th , 2018 to November 13th, 2023 subject to her election as a Whole Time Director by the members at this Annual General Meeting.

The Board considers that keeping in view of her vast expertise and knowledge; it will be in the interest of the Company to appoint her as a Whole Time Director. Accordingly, the Board recommends the resolution in relation to her appointment as a Whole Time Director pursuant to provisions of Section 149 and 196 read with Schedule V of the Act for the approval by the shareholders of the Company.

The details as stipulated under Regulation 36(3) of SEBI (Listing Obligations & Disclosures Requirements) Regulations 2015 are provided as Annexure to the Notice.

Ms. Cheedepudi Kinnera, 23 years, is the Director of the Company. She holds a master's dual in business administration from ICFAI Business School and PG Diploma in International Business from Grenoble Ecole De Management, France.

Ms. Cheedepudi Kinnera (DIN: 08272661) being an appointee is interested in the resolutions set out at Item No. 4 & 5 of the Notice with regard to her appointment.

Save and except the above, none of the Directors/Key Managerial Personnel of the Company/their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Resolution set out at Item No. 4 & 5 of the Notice for approval by the shareholders

Item No. 6 & 7

Pursuant to the provisions of Companies Act, 2013 and the Articles of Association of the Company and Regulation 17 of SEBI (Listing Obligations & Disclosures Requirements) Regulations 2015, has appointed Mr. J. Abhinav Kumar Reddy, (DIN: 08002510) on November 14th, 2018 as Additional Director (Whole Time) of the Company who shall hold office upto the conclusion of this Annual General Meeting. The Board hereby recommends your approval by way of ordinary resolution for regularization of the same Director as Whole Time Director in the ensuing AGM respectively for a term up to 5 (five) consecutive years w.e.f. November 14th, 2018 to November 13th, 2023 subject to his election as a Whole Time Director by the members at this Annual General Meeting.

The Board considers that keeping in view of his vast expertise and knowledge; it will be in the interest of the Company to appoint him as a Whole Time Director. Accordingly, the Board recommends the resolution in relation to his appointment as a Whole Time Director pursuant to provisions of Section 149 and 196 read with Schedule V of the Act for the approval by the shareholders of the Company.

The details as stipulated under Regulation 36(3) of SEBI (Listing Obligations & Disclosures Requirements) Regulations 2015 are provided as Annexure to the Notice.

Mr. J.Abhinav Kumar Reddy, 24 years, is the Director of the Company. He holds Masters Degree in Industrial Engineering from Wayne State University, Detroit. He is a certified holder of Green Belt in Six Sigma.

Mr. J.Abhinav Kumar Reddy (DIN: 08002510) being an appointee is interested in the resolutions set out at Item No. 6 & 7 of the Notice with regard to his appointment.

Save and except the above, none of the Directors/Key Managerial Personnel of the Company/their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Resolution set out at Item No. 6 & 7 of the Notice for approval by the shareholders.

Item No. 8

Pursuant to the provisions of Companies Act, 2013 and the Articles of Association of the Company and Regulation 17 of SEBI (Listing Obligations & Disclosures Requirements) Regulations 2015, has appointed Mr. Kanakagiri Srinivas,

(DIN: 00443793) in the board meeting held on August 29th, 2019 as Additional Director (Non-Executive and Non-Independent) of the Company who shall hold office upto the conclusion of this Annual General Meeting. The Board hereby recommends your approval by way of ordinary resolution for regularization of the same Director as Non-Executive Director in the ensuing AGM respectively w.e.f. September 3rd, 2019 who is liable to retire by rotation subject to his election as a Non-Executive Director by the members at this Annual General Meeting.

He is a Chartered Accountant and Cost accountant by qualification, Started his career in 1986 in the Investment Department of Unit Trust of India (UTI) and spent two decades in UTI and UTI Securities, headed the Investment Banking Department as President of UTI Securities, has successfully completed more than 50 Initial Public Offers (IPOs) in his career and he is also Director on the Board of Association of Investment Bankers of India and earlier served as a Vice Chairman of the Board Currently heads Saffron Capital Advisors Private Limited as its Managing Director.

The Board considers that keeping in view of his vast expertise and knowledge; it will be in the interest of the Company to appoint him as a Non-Executive Director. Accordingly, the Board recommends the resolution in relation to his appointment as a Non-Executive Director pursuant to provisions of Section 149 and 152 read with Schedule IV of the Act for the approval by the shareholders of the Company.

The details as stipulated under Regulation 36(3) of SEBI (Listing Obligations & Disclosures Requirements) Regulations 2015 are provided as Annexure to the Notice.

Mr. Kanakagiri Srinivas, (DIN: 00443793) being an appointee is interested in the resolutions set out at Item No. 8 of the Notice with regard to his appointment.

Save and except the above, none of the Directors/Key Managerial Personnel of the Company/their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Ordinary Resolution set out at Item No. 8 of the Notice for approval by the shareholders.

Item No. 9

The Nomination and Remuneration Committee (for brevity "The Committee") of the Board of the Company has evaluated the performance made and the responsibilities carried out and discharged by the Managing Director and whole Time Directors of the Company during the preceding the financial year under review and the Committee believe that remuneration of the Managing Director should be increased.

The calculation of the remuneration payable by the Company to its Managerial Persons including the directors of the company as per the manner laid down under the section 197 and 198 of the Companies Act, 2013 is less than the amount recommended by the Committee and therefore the provisions of the Schedule V Section II(A) of the Companies Act, 2013 shall be applicable which specify the overall maximum limit of the managerial remuneration could be paid by the Company in a year in case of inadequate profits of the Company.

None of the Directors, Key Managerial Personnel and their relatives other than Mr. Chedepudi Suresh Mohan Reddy Mr. J. Abhinav Kumar Reddy and Ms. Cheedepudi Kinnera and his/her relatives are, in any way, concerned or interested in the said resolutions.

The Board accordingly recommends the special resolution set out at Item No. 9 of this Notice for your approval

Item No. 10

Mr. Chedepudi Suresh Mohan Reddy (DIN: 00090543) was appointed as Managing Director of the Company for a term of five (5) years w.e.f. April 10, 2017. The members of the Company at their Extra-ordinary general meeting held on May 08, 2017 had approved the payment of remuneration to Mr. Chedepudi Suresh Mohan Reddy upto the period ended on April 9, 2022.

The Board at its meeting held on 29th August, 2019 has approved the increment in the payment of remuneration for the remaining period from August 1, 2019 to April 9, 2022, for which, approval of the members is required. The remuneration proposed to be paid to Mr. Chedepudi Suresh Mohan Reddy (DIN: 00090543) has also been recommended by the Nomination and Remuneration Committee and Audit Committee.

The remuneration proposed will be within the limits permissible under Schedule V to the Act with the maximum limit of Rs. 1.68 Crores (One Crores Sixty Eight Lakhs).

Brief profile of Mr. Chedepudi Suresh Mohan Reddy is annexed to the notice.

Keeping in view, the vast experience of Mr. Chedepudi Suresh Mohan Reddy (DIN: 00090543), the Board of Directors has recommended the payment of remuneration for the period from August 1, 2019 to April 9, 2022 as Rs. 1,20,00,000/- p.a.

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(Rupees One Crore Twenty Lakhs Only). Benefits, perquisites and allowances, as may be determined by the Board from time to time subject to the maximum limit of Rs. 1.68 Crores (One Crore Sixty Eight Lakhs).

Reimbursement:

1. All the Expenses (i.e Fuel, Vehicle Maintenance, Traveling Expenses, Lodging and Boarding and other expenses etc.) incurred for and on behalf of the company will be reimbursed at actual on submission of bills.

Retirement Benefits:

1. Gratuity is Payable as per the Applicable provisions of the act from time to time at the time of retirement/cessation of the employment.

The information as required under Schedule V of the Companies Act, 2013, is attached herewith. This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013 and regulation 36(3) of the SEBI.

None of the Directors, Key Managerial Personnel and their relatives other than Mr. Chedepudi Suresh Mohan Reddy and his relatives are, in any way, concerned or interested in the said resolutions.

The Board accordingly recommends the special resolution set out at Item No. 10 of this Notice for your approval

Item No. 11 & 12

Keeping in view the 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 and requires approval from the shareholders of the Company under section 180 (1) (c) of the Companies Act 2013. Hence it is proposed to increase the maximum borrowing limits upto Rs. 500 Crores (Five Hundred Crores) is made.

Further, the said borrowing/issue of securities may be required to be secured by way of mortgage /charge over all or any part of the movable and/ or immovable properties of the Company and as per the provisions of Section 180(1)(a) of the Companies Act 2013, the mortgage or charge on all or any part of the movable and/ or immovable properties of the Company, may be deemed as the disposal of the whole, or substantially the whole, of the undertaking of the Company and hence requires the approval from the shareholders of the Company.

None of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested in the said resolution.

The Board accordingly recommends the special resolution set out at Item No's. 11 & 12 of this Notice for your approval.

Item No. 13

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. N S V Krishna Rao & CO., (Membership No. 17143), Cost Accountants in practice, Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2020 is Rs. 1,50,000/- (Rupees One Lakh Fifty Thousand Only) plus tax as applicable and reimbursement of out-of-pocket expenses. In terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company.

Accordingly, consent of the Members is sought for passing the resolution as set out in Item No. 13 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2020.

None of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested in the said resolution.

The Board accordingly recommends the ordinary resolution set out at Item No. 13 of this Notice for your approval

By Order of the Board of Directors
For M/s. Ahlada Engineers Limited

Place: Hyderabad
Date: 29.08.2019

Pusuluru Kodanda Rami Reddy
Company Secretary and Compliance Officer

Statement as per Section II of Part II of Schedule V of the Companies Act, 2013 is as follows:

I. GENERAL INFORMATION

1. Nature of Industry:

Our Company is in the business of manufacturing steel doors and windows (steel-frame) and we cater to customers across various segments and industries. We currently have our facilities spread across 3 manufacturing units in addition to one assembling unit and stock yard, with an area admeasuring 34,211 square yards on the outskirts of Hyderabad. Additionally, we are also in the business of manufacturing clean room equipment for our customers in the pharmaceutical, biotechnology and food industries.

2. Date of commencement of commercial production:

The Company was incorporate on 10th August, 2005 having Corporate Identity Number L24239TG2005PLC047102 and has obtained its certificate of incorporation on 10th August, 2005.

Established in 2005, we started commercial operations in February 2006 with manufacturing of clean room equipment and furniture. Further in the year 2008, we started manufacturing steel doors which catered to the then existing customers of clean room equipment and furniture. Gradually we started expanding the customer base for our products manufactured to healthcare, entertainment and real estate vertical as well.

With nearly a decade of experience in making steel doors and windows, we have developed in-house expertise in the process of manufacturing our product range, i.e. steel doors, windows and clean room equipment, and our in-house research team contributes in fine-tuning our products, its look and finish to suit the requirements of our customers, which in turn has carved a niche for our Company's products. Our in-house research and design team also constantly update the product designs as per client requirements and also make changes to improve efficiency.

3. Financial performance based on given indicators:

Rs. In Lakhs

Particulars	FY 2018-19 (12 months)	FY 2017-18 (12 months)
Total Revenue	20,769.90	12,629.86
Total Expenses	18,957.44	11,403.94
Profit After Tax	1,136.80	807.45
Dividend Rate	10%	-

4. Foreign investments or collaborators, if any:

The Company has not made any Foreign Investments and neither entered into any collaborations during the last year.

II. INFORMATION ABOUT THE APPOINTEE

1. Background details:

Chedepudi Suresh Mohan Reddy, aged 51 years, is the Managing Director of our Company. He holds a bachelor's degree in engineering (mechanical) from University of Mysore. In the past he has worked with M/s. Nova Pan India Limited as a trainee engineer and with SAB NIFE Power Systems Limited as a Engineer.

2. Past Remuneration: Rs. 42 Lakhs Per Annum

3. Job profile and his suitability:

He is experienced in cost control, production and finance. He is responsible for the overall in-charge of our Company and controls and oversees the manufacturing, and related line functions of the Company. He has been instrumental in signing up with Tata Steel Limited for supply of doors and has been associated with our Company in the capacity of a director since its incorporation in 2005. The Board feels he is the best suitable for the post of Managing Director.

4. Remuneration Proposed:

The remuneration being proposed as approved by the Remuneration Committee of the Company and Board of the Company is Rs. 1,20,00,000/- (One Crore Twenty Lakhs Only) per annum.

AHLADA ENGINEERS LIMITED

5. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any

Except having 50.36% shareholding and receiving remuneration and from the Company as a Managing Director, Shri Ch.Suresh Mohan Reddy and his relatives had no other pecuniary relationship with the Company.

III. OTHER INFORMATION

1. Reason of inadequate profits:

Your company has earned a net profit of Rs. 1136.80 lakhs for the financial year ended 31st March 2019. Slowdown in the business due to challenging market conditions and delayed realization, increase in raw material consumption, overall reduction in quantitative discounts which occurs to be the main reason for inadequate profits to pay the remuneration as per the manner laid down under the section 197. Therefore the provisions of the Schedule V section II (A) of the Companies Act, 2013 shall be applicable which specify the overall maximum limit of the managerial remuneration could be paid by the Company in a year in case of inadequate profits of the Company.

2. Expected increase in productivity and profits in measureable terms:

The management continue to be optimistic towards the external economic environment and expects clients demand to become more consistent and robust in the current financial year. Further, various policy decisions taken would act as growth channel for the Company which would contribute increased revenues and higher margins

This statement may also be regarded as a disclosure under SEBI (Listing Obligations & Disclosure Requirements) 2015

Shri Ch.Suresh Mohan Reddy, is interested in the resolutions set out respectively at Item Nos. 10 of the Notice. with regard to their respective remuneration.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/his relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the Special Resolutions set out in Item Nos. 10 of the Notice for approval of members of the Company.

IV. Disclosures:

The Disclosure of Corporate Governance Report is not applicable on the Company as per Regulation 15 (2) (b) of the SEBI(Listing Obligations and Disclosure Requirements).

ANNEXURE TO ITEMS 3 to 8 OF THE NOTICE

Disclosure relating to Directors pursuant to Regulation 36(3) of Listing Regulations, 2015 and Secretarial Standard on General Meetings:

Name of the Director	Ch. Suresh Mohan Reddy	Ch. Kinnera	J. Abhinav Kumar Reddy	Kanakagiri Srinivas
Director Identification Number (DIN)	00090543	08272661	08002510	00443793
Date of Birth	10.08.1967	11.02.1995	13.05.1994	26.10.1962
Nationality	Indian	Indian	Indian	Indian
Date of appointment on Board	10.08.2005	14.11.2018	14.11.2018	29.08.2019
Qualification	Bachelor's Degree in Engineering (Mechanical)	Master's dual in business administration and PG Diploma in International Business from Grenoble Ecole De Management, France.	Masters degree in Industrial Engineering from Wayne State University, Detroit	Fellow Member from Institute of Chartered Accountants of India and The Institute of Cost Accountants of India
Shareholding in the company	50.36%	Nil	Nil	Nil
List of Directorships held in other Companies (excluding foreign, private and Section 8 Companies)	Nil	Nil	Nil	Nil
Memberships / Chairmanships of Audit and Stakeholders' Relationship Committees across Public Companies	1. Audit Committee: Nil 2. Stakeholders' Relationship Committees : Nil	1. Audit Committee : Nil 2. Stakeholders' Relationship Committees: Nil	1. Audit Committee: Nil 2. Stakeholders' Relationship Committees: Nil	1. Audit Committee: Nil 2. Stakeholders' Relationship Committees: Nil
Relationship	Nil	Nil	Nil	Nil

Route Map of AGM Venue



AHLADA ENGINEERS LIMITED

DIRECTORS' REPORT

To

The Members,

M/s. AHLADA ENGINEERS LIMITED

Your Directors have pleasure in presenting the 14th Annual Report of your company along with the Audited Financial Statements for the Financial Year ended on 31st March, 2019. Further, in compliance with the Companies Act, 2013 the company has made all requisite disclosures in the Board Report with the objective of accountability and transparency in its operations and to make you aware about its performance and future perspective

1. FINANCIAL SUMMARY OR HIGHLIGHTS/PERFORMANCE OF THE COMPANY:

The Board's Report shall be prepared based on the stand alone financial statements of the company.

Particulars	2018-2019	2017-2018
Revenue from Operations	207,43,26,881	1,26,18,90,861
Other Income	26,62,992	10,93,690
Total Income	207,69,89,873	1,26,29,84,551
Profit Before Interest and Depreciation	34,03,53,837	20,78,36,380
Finance Charges	8,88,67,461	4,87,12,209
Depreciation	7,02,40,698	3,65,33,144
Net Profit after Interest and Depreciation But before tax	18,12,45,678	12,25,91,027
Net Profit Before Tax	18,12,45,678	12,25,91,027
Provision for Tax	6,75,65,866	4,18,46,832
Net Profit After Tax	11,36,79,812	8,07,44,195

2. OPERATIONAL REVIEW:

Gross revenues increased to Rs. 207,43,26,881/- against Rs. 1,26,18,90,861/- in the previous year. Profit before Depreciation and Interest was Rs. 34,03,53,837 as against Rs. 20,78,36,380/- in the previous year. After providing for depreciation and taxation, the net profit of the Company for the year under review was placed at Rs. 11,36,79,812/- as against Rs. 8,07,44,195/- in the previous year.

3. OUTLOOK AND AFFAIRS OF THE COMPANY:

Our Company is in the business of manufacturing steel doors and windows (steel-frame) and we cater to customers across various segments and industries. We currently have our facilities spread across 3 manufacturing units in addition to one assembling unit and stock yard, with an area admeasuring 34,211 square yards on the outskirts of Hyderabad. Additionally, we are also in the business of manufacturing cleanroom equipment for our customers in the pharmaceutical, biotechnology and food industries.

The management of the Company is making its sincere efforts to increase the volume of business in their best efficient manner.

4. AMOUNT TRANSFERRED TO RESERVES:

The company has transferred an amount of Rs. 11,36,79,812/- to the reserves during the Financial Year under the head Profit and Loss Account pertaining to the profits for the period under review.

5. DIVIDEND:

The Board has recommended dividend of Rs. 1/- per share on paid up equity share capital for the year ended 31st March, 2019, subject to the approval of the shareholders.

6. CHANGE IN THE NATURE OF BUSINESS , if any

There is no material change in the nature of business during the year.

7. RESERVES

The Company has a closing balance of Rs. 96,18,28,866 /- (Rupees Ninty Six Crores Eighteen Lakhs Twenty Eight Thousand Eight Hundred Sixty Six) as Reserves and Surplus as on 31.03.2019.

The closing balance of Reserve and Surplus is bifurcated as follows:

S.No.	Particulars	Amount in Rs.
1.	Balance at the beginning of year	27,72,09,054
2.	Current Year's Profit	11,36,79,812
3.	Amount of Securities Premium	57,09,40,000
	TOTAL	96,18,28,866

8. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THIS REPORT.

In order to expand our business and customer base, we have entered into a Master Manufacturing and Supply Agreement (MMSA) with Tata Steel Limited (TSL) on August 22, 2017, whereby TSL has assured off take of doors manufactured and shall work with us to improve process and line efficiency. We consider this alliance with TATA as one of our biggest strengths.

Further the Deed of Modification to Master Manufacturing and Supply Agreement (MMSA) and has also signed the Deed of Settlement between Tata Steel Limited (TSL) and the Company on April, 24, 2019.

The Agreement shall commence on the Effective Date and shall continue for a period from such date (the "Initial Term" of the Agreement) commencing from August 22, 2017 up to July 31, 2021 unless terminated pursuant to the Agreement. The Agreement shall stand automatically extended for an additional period up to June 30, 2022 (being the "Extension Period"), on the same terms and conditions contained in the Agreement. The Agreement may be renewed for a further period not less than 4 years and 11 months i.e from 1st July 2022 to 30th May 2027 (Renewed Period).

- The customer may place orders of 10,000 products per month beginning January 2019, during the initial term of the agreement.
- The customer shall place orders of 20,000 products per month during the extension period of the agreement, at the option of TSL. The Company and TSL agree to review the quantities of products ordered six months prior to the Extension Period to evaluate if TSL will be able to procure products beyond 20,000 units.
- The minimum order quantity per month during the renewed period shall be mutually decided six months prior to the commencement of the period.

Tata Steel Limited agrees to purchase the Product from the Manufacturer during the Term, at the Price calculated in accordance with the agreed formula and the Manufacturer shall raise an invoice for the Products manufactured and supplied to the Customer upon shipment of Products along with all supporting documents.

The manufacturer shall raise invoice/debit note for Fixed Facility Charges and Fixed Processing Costs, as the case may be on monthly basis. The Parties shall review the Fixed Processing Cost annually until completion of Initial Term or such extended terms

9. DEPOSITS

The Company has neither accepted nor renewed any deposits falling within the purview of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 as amended from time to time, during the year under review and therefore details mentioned in Rule 8(5) (v) & (vi) of Companies (Accounts) Rules, 2014 relating to deposits, covered under Chapter V of the Act is not required to be given.

10. SHARE CAPITAL

Following are the changes in the share capital of the Company during the Financial Year 2018-19.

The Company has increased its paid up share capital from Rs. 8,75,60,000/- divided into 8756000 equity shares of Rs.10/- each to Rs. 12,92,10,000/- divided into 12921000 equity shares of Rs. 10/- with the additionally issued 4165000 shares details as under:

- a) The Company has made a Preferential issue of 760000 equity shares of Rs.10/- each at a premium of Rs. 124/- per share on 05.05.2018.
- b) The Company has come out with an Initial Public offer of 3405000 equity shares of Rs.10/- each at a premium of Rs. 140/- per share on 25.09.2018.

AHLADA ENGINEERS LIMITED

11. MATERIAL CHANGES DURING THE YEAR

There are no material changes during the year

12. DETAILS OF SUBSIDIARY /JOINT VENTURE / ASSOCIATE COMPANIES:

As on 31st March, 2019, the Company does not have any subsidiary or joint venture and associate Company.

13. PUBLIC ISSUE OF EQUITY SHARES:

The Company has come out with a public issue of 34, 05, 000 equity shares of Rs.150/- each including share premium of Rs.140/- per equity share which opened on 11th September, 2018 and closed on 18th September, 2018 and shares has been allotted on 25th September, 2018. The IPO was a huge success, the resulting shares have been listed on the NSE emerge platform of NSE. However the Company being listed entity as on the date of report has voluntarily made various disclosures in terms of applicable provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

14. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

During the financial year 2018-19 the following changes in the Directors were effected:

Director Retiring by Rotation

Pursuant to Section 152 of the Companies Act, 2013 and in accordance with the Article of Association of the Company, Mr Ch.Suresh Mohan Reddy, Managing Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. The Board of Directors recommends his re-appointment.

Independent Directors

The Board of Directors appointed Mr. B.K. Sarma (DIN:00441074), Mr. N.Bhaskara Reddy (DIN: 00846073), Smt. Koduru Sravanthi (DIN: 01593189) on 12.04.2018 and Mr. G.V. Krishna Giri (DIN: 07289689) on 20.04.2018 as additional Independent Directors. Their appointment approved by the shareholders of the Company in their 13th Annual General Meeting held on 09.05.2018 as Independent Directors. All the Independent Directors have been appointed to hold office for 5 (Five) consecutive years till the year 2023.

Whole Time Directors:

The Board of Directors appointed Mrs. Ch.Kinnera (DIN:08272661) and Mr. J. Abhinav Kumar Reddy (DIN:08002510) as additional directors on 14.11.2018 the same Directors are be and hereby proposed for regularization in the ensuing Annual General Meeting.

Change in Designation:

Designation of Mr.M.Vikram Ravindra changed from Director-Professional to Independent Director by the shareholders in the Annual General Meeting held on 09.05.2018 for a period of 5 (five) years commencing from 09.05.2018 to 08.05.2023.

Cessation of Directors:

During the year, Mr. Kuchuru Vinod Kumar Reddy, Mr, Kurre Rajasekhar Reddy and Mr. Konda Balagadhara Reddy resigned from the Board as Whole Time Directors of the Company with effect from 14.11.2018. The Board placed on record its sincere appreciation and thanks to Mr. Kuchuru Vinod Kumar Reddy, Mr, Kurre Rajasekhar Reddy and Mr. Konda Balagadhara Reddy for their support and guidance provided from time to time during their tenure as Whole Time Directors of the Company.

Key Managerial Personnel:

The Board have appointed following Key Managerial personnel pursuant to Section 203 of the Companies Act, 2013.

Mr. A. Narasimha Rao (PAN No: ADXPA6577C) has been appointed as Chief Financial Officer of the Company by the Board of Directors in their meeting held on 05.05.2018.

Mr. P. Kodanda Rami Reddy (Membership No: 45822) has been appointed as the Company Secretary & Compliance officer of the Company by the Board of Directors in their Meeting held on 05.05.2018.

15. LISTING OF SHARES:

The Company's shares are listed on NSE emerge SME platform with ISIN: INE00PV01013 and symbol is: AHLADA.

16. BOARD MEETING:

The Board of Directors met 14 times during the financial year ended March 31, 2019 in accordance with provisions of the Companies Act, 2013 and rules made there under. The Intervening gap between two board meetings was within period prescribed under the Companies Act, 2013 and as per Secretarial Standard-1. The prescribed quorum was presented for all the meetings and Directors of the Company actively participated in the meetings and contributed valuable inputs on the matters brought before the Board of Directors from time to time.

Board Meetings during the year:

1) 07.04.2018	5) 09.05.2018	9) 20.06.2018	13) 14.11.2018
2) 12.04.2018	6) 19.05.2018	10) 28.08.2018	14) 25.02.2019
3) 20.04.2018	7) 11.06.2018	11) 19.09.2018	
4) 05.05.2018	8) 14.06.2018	12) 25.09.2018	

Attendance of Directors in the Board Meeting;

S. No.	Name of the Director	No. of Board Meetings	
		Held	Attended
1.	Mr. K.I. Varaprasad Reddy	14	13
2.	Mr. Ch. Suresh Mohan Reddy	14	14
3.	Ms. Ch. Kinnera	02	02
4.	Mr. Abhinav Kumar Reddy	02	02
5.	Mr. M. Vikram Ravindra	14	10
6.	Mr. B.K. Sarma	13	13
7.	Mr. N. Bhaskara Reddy	13	13
8.	Mr. G.V. Krishna Giri	12	08
9	Smt. K.Sravanthi	13	09
10.	Mr. K. Vinod Kumar Reddy (resigned from the Board w.e.f. 14.11.2018)	13	13
11.	Mr. K. Rajasekhar Reddy (resigned from the Board w.e.f. 14.11.2018)	13	13
12.	Mr. K. Balagangadhara Reddy (resigned from the Board w.e.f. 14.11.2018)	13	13

Additionally during the financial year ended March31, 2019 the Independent Directors held a separate meeting on 30th March, 2019 in compliance with requirements of Schedule IV of the Companies Act, 2013 and Regulation 25(3) SEBI (LODR) Regulations, 2015.

17. COMMITTEES OF THE BOARD

The Company has seven committees viz; Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, CSR Committee, Risk Management Committee, Management Committee and IPO Committee which has been established as a part of the better corporate governance practices and is in compliance with the requirements of the relevant provisions of applicable laws and statutes.

I. Composition of Audit Committee:

The Board of Directors in their meeting held on 9th May, 2018 constituted an Audit Committee in compliance with the provisions of Section 177 of the Companies Act, 2013.

During the year under review, meeting of Audit Committee were held on 14th November, 2018, and the attendance records of the members of the Committee are as follows:

S. No.	Name	Designation	No. of Meetings held	No. of Meetings attended
1	M. Vikram Ravindra (Independent Director)	Chairman	1	0
2	B.K. Sarma (Independent Director)	Member	1	1
3	N. Bhaskara Reddy (Independent Director)	Member	1	1
4	Ch. Suresh Mohan Reddy (Managing Director)	Member	1	1

All the recommendations made by the Audit Committee in the financial Year 2018-19 were approved by the Board.

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II. Composition of Nomination & Remuneration Committee

The Board of Directors in their meeting held on 9th May, 2018 constituted Nomination & Remuneration Committee in compliance with the provisions of Section 178 of the Companies Act, 2013.

During the year under review, meeting of Nomination & Remuneration Committee was held on 14.11.2018 and the attendance records of the members of the Committee are as follows:

S. No.	Name	Designation	No. of Meetings held	No. of Meetings attended
1	B.K. Sarma	Chairman	1	1
2	M. Vikram Ravindra	Member	1	1
3	N. Bhaskara Reddy	Member	1	1

The policy of Nomination & Remuneration Committee has been placed on the website of the Company at www.ahlada.com.

The policy of Nomination & Remuneration Committee has been placed on the website of Company at www.ahlada.com and the salient features of the same has been disclosed under Annexure- VIII.

III. Composition of Stakeholder Relationship Committee:

The Board of Directors in their meeting held on 9th May, 2018 constituted Stakeholder Relationship Committee in compliance with the provisions of Section 178 of the Companies Act, 2013.

The Stakeholder Relationship Committee consisting with following Directors:

S.No.	Name of the Member	Designation
1.	Mr. Ch. Suresh Mohan Reddy (Managing Director)	Chairman
2.	Mr. B.K. Sarma (Independent Director)	Member
3.	Mr. M. Vikram Ravindra (Independent Director)	Member

IV. Corporate Social Responsibility (CSR) Committee:

The Board of Directors in their meeting held on 9th May, 2018 constituted Corporate Social Responsibility (CSR) Committee in compliance with the provisions of Section 135 of the Companies Act, 2013.

The Board of Directors, on recommendation of the Corporate Social Responsibility Committee framed a Corporate Social Responsibility Policy in consonance with Section 135 of the Companies Act, 2013 read with the rules framed there under duly indicating the activities to be undertaken by the Company as specified in the Schedule VII of the Companies Act, 2013. The Corporate Social Responsibility Policy is posted in the Investors section of the Company's website.

The CSR Committee consisting with following Directors:

S.No.	Name of the Member	Designation
1.	Mr. M. Vikram Ravindra (Independent Director)	Chairman
2.	Mr. B.K.Sarma (Independent Director)	Member
3.	Mr. Ch.Suresh Mohan Reddy (Managing Director)	Member

The Annual Report on CSR activities is annexed herewith as Annexure-II and forms part of this report.

V. Risk Management Committee:

The Board of Directors in their meeting held on 9th May, 2018 constituted Stakeholder Relationship Committee in compliance with the provisions of the Companies Act, 2013.

The Risk Management programme at the Company is focused on ensuring that risks are known and addressed. The Board of Directors, on recommendation of the Risk Management Committee, established a robust Risk Management framework by framing a Risk Management Policy to deal with all risks including possible instances of fraud and mismanagement, if any. The Risk Management Policy details the Company's objectives and principles of Risk Management along with an overview of the Risk Management process, procedures and related roles and responsibilities.

The Board is of the opinion that there are no elements of risks that may threaten the existence of the Company. The board periodically tracks the progress of implementation of the Risk Management policy.

The Risk Management Committee consisting with following Directors:

S.No.	Name of the Member	Designation
1.	Mr. Ch. Suresh Mohan Reddy (Managing Director)	Chairman
2.	Mr. B.K. Sarma (Independent Director)	Member
3.	Mr. M. Vikram Ravindra (Independent Director)	Member

VI. Initial Public Offer (IPO) Committee:

The Board of Directors in their meeting held on 9th May, 2018 constituted IPO Committee in compliance with the provisions of the Companies Act, 2013.

During the year under review, meeting of IPO Committee were held on 14th June, 2018, 28th August, 2018 and 19th September, 2018 and the attendance records of the members of the Committee are as follows:

S. No.	Name	Designation	No. of Meetings held	No. of Meetings attended
1	Mr. Ch. Suresh Mohan Reddy (Managing Director)	Chairman	3	3
2	Mr. K. Vinod Kumar Reddy* (Whole Time Director)	Member	3	3
3	Mr. B.K. Sarma (Independent Director)	Member	3	3
4	Ms. Ch. Kinnera (Whole Time Director)	Member	-	-

*Mr. K.Vinod Kumar Reddy substituted with Ms.Ch. Kinnera, Director due to his resignation as Whole Time Director w.e.f. 14.11.2018.

IPO Committee has been formed for the purpose of Initial Public Offer of the Company during the year under review.

18. PERFORMANCE EVALUATION OF THE BOARD

Pursuant to the provisions of the Companies Act, 2013 and Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board has carried the evaluation of its own performance, performance of Individual Directors, Board Committees, including the Chairman of the Board on the basis of attendance, contribution and various criteria as recommended by the Nomination and Remuneration Committee of the Company. The evaluation of the working of the Board, its committee, experience and expertise, performance of specific duties and obligations etc were carried out. The Directors expressed their satisfaction with the evaluation process and outcome.

The performance of each of the non-independent directors (including Chairman) was also evaluated by the independent directors at the separate meeting held of the Independent Directors of the Company.

19. VIGIL MECHANISM

The Company has established a vigil mechanism, through a Whistle Blower Policy, where Directors and employees can voice their genuine concerns or grievances about any unethical or unacceptable business practice. A whistle-blowing mechanism not only helps the Company in detection of fraud, but is also used as a corporate governance tool leading to prevention and deterrence of misconduct. The Vigil Mechanism framework ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination shall be meted out to any person for a genuinely raised concern. The designated officer/ Audit Committee Chairman can be directly contacted to report any suspected or confirmed incident of fraud/misconduct.

The Whistle Blower Policy is disclosed on the website of the Company at www.ahlada.com

20. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186.

The details of loans, guarantees or investments covered under the provision of under Section 186 of the Companies Act, 2013 are given in the Note to the Financial Statements.

21. AUDITORS

Statutory Auditors:

The Shareholders of the Company had appointed M/s. Kishore & Venkat Associates, (FRN:001807), Chartered

AHLADA ENGINEERS LIMITED

Accountants, Sanjeeva Reddy Nagar, Hyderabad as Statutory Auditors of the Company for the period of 5 years commencing from the Financial Year 2016-17 to 2020-21 in its Extra Ordinary General Meeting held on 31st August, 2017.

The Audit Report issued by the Statutory Auditors for the financial year ended 31st March, 2019 forms part of this Report. There are no qualifications, or adverse remarks made by the Statutory Auditors which requires explanation or comments from the Board.

Secretarial Auditors:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules framed there under, the Board of Directors, on recommendation of the Audit Committee, appointed M/s. VCSR & Associates, Practising Company Secretaries (CP No.6392) to undertake the Secretarial Audit of the Company.

The secretarial audit report issued by M/s. VCSR & Associates, Practising Company Secretaries for the financial year ending 31st March, 2019 is given in the Annexure-III attached hereto and forms part of this Report. There are no qualifications, reservations or adverse remarks made by the secretarial auditor and the observation made is self explanatory and requires no further explanation from the Board.

Internal Auditors:

In accordance with the provisions of Section 138 of the Companies Act, 2013 and Rules framed thereunder, your Company has appointed M/s. Vennapusa & Sunkara, Chartered Accountants, as the Internal Auditors of the Company for Financial year 2018-19 and takes their suggestions and recommendations to improve and strengthen the internal control systems.

Cost Auditors:

M/s. N S V Krishna Rao & Co., (Membership No.17143), Hyderabad has been appointed as Cost Auditors of the Company for the Financial Year 2018-19 as per the provisions of the Companies Act, 2013 and the rules made there under.

The Cost Auditor has submitted the report along with their observations and suggestions, and Annexure to the Central Government/stipulated authority within stipulated time period.

Members are requested to ratify the remuneration payable to the Cost Auditors at the ensuing Annual General Meeting of the company, in accordance with Section 148 of the Companies Act, 2013.

22. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with all the applicable Secretarial Standards in the Financial Year 2018-19.

23. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

(PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.

In order to prevent sexual harassment of women at work place an act "The Sexual Harassment of Women at Workplace" (Prevention, Prohibition and Redressal) Act, 2013 has been notified on December, 2013. Under the said Act every company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee.

Your Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up a Committee for implementation of said policy. During the year Company has not received any complaint under the said policy.

24. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES UNDER SECTION 188.

The Board of Directors, on recommendation of the Audit Committee framed a policy for Related Party Transactions which includes matters covered u/s 178(3) of the Companies Act, 2013. The Policy is also posted in the Investors section of the Company's website.

All Related Party Transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. The requisite details of the related party transactions entered into during the financial year are provided in **Annexure I** included in this report.

Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements. All Related Party Transactions are placed before the Audit Committee as also the Board for approval, wherever required. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseeable and repetitive nature. A statement giving details of all related party transactions entered into

pursuant to the omnibus approval so granted are placed before the Audit Committee.

None of the Directors, other than to the extent of their shareholding, receipt of remuneration, has any pecuniary relationships or transactions vis-à-vis the Company.

25. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY.

Your Company has an effective Internal Control System to prevent fraud and misuse of Company's resources and protect shareholders' interest. Your Company has an independent Internal Audit Department to monitor and review and focus on the compliances of various business processes. The internal audit report alongwith audit findings and tracking of process improvements & compliances is presented for review to the Audit Committee of Board of Directors.

26. PARTICULARS OF EMPLOYEES

The Company has no employee, who is in receipt of remuneration of Rs. 8,50,000/- per month or Rs. 1,02,00,000/- per annum and hence the Company is not required to give information under Sub rule 2 and 3 of Rule 5 of the companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Further the information required pursuant to the provisions of Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, are set out in Annexure-VI of this Report.

27. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis report has been separately furnished in the Annual Report and forms a part of the Annual Report under annexure-VII.

28. EXTRACT OF THE ANNUAL RETURN

The extract of the annual return in Form No MGT-9 in compliance with the requirement of Section 92(3), Section 134(3) of the Companies Act 2013 is annexed with the Board's Report as Annexure-IV.

29. HUMAN RESOURCE MANAGEMENT

Human Capital has gained prime importance in last few years. Our Company believes that the human capital is of utmost importance to sustain the market leadership in all product segments and also to capture new markets. We have identified the high Performers and rewarded them appropriately, which has helped to achieve better employee engagement. Competency based training program has been devised for High - Potential employees with focus on their Individual Development Plan & helping them to become future leaders.

30. QUALITY

Your Company accord to high priority to quality, safety, training, development, health and environment. The Company endeavors to ensure continuous compliance and improvements in this regard.

31. INDUSTRIAL RELATIONS

Your directors are happy to report that during the years there were very cordial and extremely good industrial relations at all levels.

32. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required under Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 are given in the Annexure-V attached hereto and forms part of this Report.

33. ENVIRONMENT AND SOCIAL OBLIGATION

The Company's plants comply with all norms set up for clean and better environment by the competent authorities. The Company undertakes regular checks / inspections including certification for the maintenance of the environment. The Company values environmental protection and safety as the major considerations in its functioning. The Company is continuously endeavoring to improve the health and quality of life in the communities surrounding its industrial complexes.

34. CODE OF CONDUCT

The Board has laid down a Code of Conduct ("Code") for Board Members, Managerial Personnel and for Senior Management Employees of the Company. This Code has been posted on the Company's website at www.ahlada.com. All the Board Members and senior management personnel have affirmed compliance with this code.

AHLADA ENGINEERS LIMITED

The Board has also laid down a Code of Conduct for Independent Directors pursuant to Section 149(8) and Schedule IV to the Companies Act, 2013 via terms and conditions for appointment of Independent Directors, which is a guide to professional conduct for Independent Directors and has been uploaded on the website of the Company at www.ahlada.com.

35. CORPORATE GOVERNANCE

Your Company practices a culture that is built on core values and ethical governance practices and is committed to transparency in all its dealings. However the Company is listed on Emerge SME platform of National Stock Exchange, by virtue of Regulation 15 of SEBI (Listing Obligation & Disclosure Requirements), Regulation, 2015, the compliance with the Corporate Governance provisions as specified in Regulation 17 to 27 and clause (b) to (i) of sub regulation (2) of Regulation 46 and para C, D and E of Schedule V are not applicable to the Company. Hence Corporate Governance Report does not form part of this Board Report.

36. POLICY OF PRESERVATION OF DOCUMENTS

Pursuant to the Regulation 9 of SEBI (LODR), 2015 the Company has maintained the policy of preservation of documents to keep the documents preserve as per Regulation 9 (a) & 9 (b) of SEBI (LODR), 2015 and the same has been uploaded on the website of the Company on www.ahlada.com.

37. DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 134(3)(c) of the Companies Act, 2013, and on the basis of compliance certificate received from the executives of the Company and subject to disclosures in the Annual Accounts, as also on the basis of the discussion with the Statutory Auditors of the Company from time to time, and to the best of their knowledge and information furnished, the Board of Directors states:

- i. That in preparation of the annual accounts, all the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any.
- ii. That the Directors have adopted such accounting policies, as selected in consultation with Statutory Auditors, and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit of the Company for the financial year ended 31st March, 2019.
- iii. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. That the Annual Accounts have been prepared on a going concern basis.
- v. Those proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- vi. Proper systems are devised to ensure compliance with the provisions of all applicable laws and that systems were adequate and operating effectively.

38. ACKNOWLEDGEMENTS:

The Board of Directors places on record their appreciation for the co-operation and support extended by all stakeholders in the Company including the Shareholders, Bankers, Suppliers and other Business Associates.

The Directors also wish to place on record their appreciation for all the employees for their commitment and contribution towards achieving the goals of the Company.

The Directors also thank the Governments of various Countries, Government of India, State Governments in India and concerned Government Departments/Agencies for their co-operation.

By Order of the Board

For M/s. AHLADA ENGINEERS LIMITED

Ch. Suresh Mohan Reddy
Managing Director
(DIN : 00090543)

Ch. Kinnera
Whole Time Director
(DIN : 08272661)

Date: 29.08.2019
Place: Hyderabad

Annexure - I
Details of Related Party Transactions

Form No. AOC - 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

- Details of contracts or arrangements or transactions not at arm's length basis: No transactions.
- Details of material contracts or arrangement or transactions at arm's length basis:

Name of the Related Party	Nature of relationship	Nature of transactions	Duration of transactions	Salient terms of transactions if any.	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
Ahlada Marketing Private Limited	Group Company	Sales & Purchases of materials	Ongoing	Arms Length basis	11.06.2018	Nil
Akarsh Marketing Private Limited	Group Company	Sales & Purchases of materials	Ongoing	Arms Length basis		Nil
Ahlada HVAC Systems Pvt Ltd	Group Company	Sales & Purchases of materials	Ongoing	Arms Length basis		Nil
Ahlada Clean Room Tech Pvt Ltd	Group Company	Sales & Purchases of materials	Ongoing	Arms Length basis		Nil
Diabetomics Medical Pvt. Ltd.	Group Company	Sales & Purchases of materials	Ongoing	Arms Length basis		Nil
Shanta Biotechnics Private Limited	Group Company	Sales & Purchases of materials	Ongoing	Arms Length basis		Nil
Evertogen Life sciences Ltd	Group Company	Sales & Purchases of materials	Ongoing	Arms Length basis		Nil
Vibrant Technologies India Pvt Ltd	Group Company	Sales & Purchases of materials	Ongoing	Arms Length basis		Nil
Radiant Engineers	Group Company	Sales & Purchases of materials	Ongoing	Arms Length basis		Nil
Bluefence Systems Pvt Ltd	Group Company	Sales & Purchases of materials	Ongoing	Arms Length basis		Nil
Decomet Industries Pvt Ltd	Group Company	Sales & Purchases of materials	Ongoing	Arms Length basis		Nil
Elegant Products	Group Company	Sales & Purchases of materials	Ongoing	Arms Length basis		Nil
M Annapurna	Smt M.Annapurna is wife of Mr.M.Vikram Ravindra Director of the Company	Consultancy	Ongoing	Arms Length basis		Nil

AHLADA ENGINEERS LIMITED

Annexure - II

Annual Report on Corporate Social Responsibility (CSR) activities

1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

The Board of Directors, on recommendation of the Corporate Social Responsibility (CSR) Committee framed a Corporate Social Responsibility Policy which is posted in the Investors section of the Company's website www.ahlada.com. the Company proposes to take up the CSR activity by making donations to take up projects or programmes under one or more of the activities as prescribed under Schedule VII of the Companies Act, 2013, as amended from time to time.

2. Composition of the CSR Committee:

- a. Ch. Suresh Mohan Reddy (Managing Director)
- b. M. Vikram Ravindra (Independent Director)
- c. B.K. Sarma (Independent Director)

3. Average net profit of the Company for last three financial years: Rs. 1185.04 lakhs

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): Rs. 23.70 Lakhs

5. The Company is required to spend: Rs. 23.70 Lakhs

6. Details of CSR spent during the financial year: Nil

a. Total amount spent for the financial year: Nil

b. Amount unspent, if any: Rs. 23.70 Lakhs

c. Manner in which the amount spent during the financial year is detailed below:

- i. Reasons for not spending two percent of the average net profit of the last three financial years on CSR: The Company is in the process of identifying suitable projects for spending the CSR amount. We will spend CSR Amount in the year 2019-20.
- ii. The CSR Committee Confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and policy of the Company.

7. Previous financial year: 14.90 Lakhs

a. Total amount to be spent : 38.60 Lakhs

By Order of the Board

For M/s. AHLADA ENGINEERS LIMITED

Date: 29.08.2019
Place: Hyderabad

Ch. Suresh Mohan Reddy
Managing Director
(DIN : 00090543)

Ch. Kinnera
Whole Time Director
(DIN : 08272661)

Annexure - III

MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[Pursuant to Section 204 (1) of the Companies Act, 2013 and the Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
Ahlada Engineers Limited
Hyderabad

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions of the Acts, Rules and regulations as mentioned below and the adherence to good corporate practices by Ahlada Engineers Limited (herein called 'the Company') for the financial year 2018-19. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

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

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by Ahlada Engineers Limited ('the Company') for the financial year ended on March 31, 2019 ("Audit Period") according to the provisions of:
 - 1.1 The Companies Act, 2013 (the Act) and the rules made thereunder as applicable;
 - 1.2 The Securities Contract (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
 - 1.3 The Depositories Act, 1956 and the Regulations and the Bye-laws framed thereunder;
 - 1.4 Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;
 - 1.5 The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - 1.5.1. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - 1.5.2 The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015;
 - 1.5.3 The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - 1.5.4 The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 & Listing Agreement entered with BSE Limited;
 - 1.6 The Secretarial Standards on the Meetings of the Board of Directors, Committees and General Meetings issued by the Institute of Company Secretaries of India.
2. We report that during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above except:
 - 2.1 The Company is required to spent its entire CSR Budget of Rs. 38.60 Lakhs allocated for the FY 2018-19 (including unspent amount of previous year 2017-18).

The Management has explained to us that the Company has made their best endeavor to identify certain villages near their manufacturing units, so that the company can benefit the local population through their CSR projects.

AHLADA ENGINEERS LIMITED

They explained that they would state the reason for not spending CSR amount in full, in the Board's Report as required pursuant to 2nd proviso to Section 135 (5) of the Companies Act, 2013.

The Management further explained to us that the amount which remained unspent due to the aforesaid circumstances, shall be added to the CSR budget of the Financial Year 2019-20.

3. We further report that:
 - 3.1 The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, and Non-Executive Independent Directors. The composition of the Board of Directors during the period under review are in compliance with the provisions of the Act.
 - 3.2 Adequate notice is given to all directors to schedule the Board meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
 - 3.3 Decisions at the meetings of the Board of Directors and Committees of the Board of the Company were taken unanimously. There were no dissenting views of members of the Board at any Board / Committee meeting held during the financial year.
 - 3.4 Majority decision is carried through as informed by the Company.
4. As per our Audit and the explanation provided by the management, it is to be noted that for the Audit Period the following acts are not applicable to the Company:
 - 4.1 SEBI (ESOS & ESOP) Guidelines, 1999.
 - 4.2 SEBI (Issue and Listing of Debt Securities) Regulations, 2008.
 - 4.3 SEBI (Buyback of Securities) Regulations, 1998.
 - 4.4 SEBI (Share Based Employee Benefits) Regulations, 2014.
5. We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
6. We further report that during the audit period the following are the specific events /actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.
 - a. The Company has increased its paid up share capital increased from Rs. 8,75,60,000/- divided into 87,56,000 equity shares of Rs.10/- each to Rs. 12,92,10,000/- divided into 1,29,21,000 equity shares of Rs. 10/- with the additionally issued 41,65,000 shares details as under:
 - i. The Company has made a preferential issue of 760000 equity shares of Rs.10/- each at a premium of Rs.124/- per share on 05.05.2018.
 - ii. The Company has come out with an Initial Public offer of 3405000 equity shares of Rs.10/- each at a premium of Rs.140/- per share on 25.09.2018.
 - b. The Company has come out with a public issue (IPO) of 34, 05, 000 equity shares of Rs.150/- each including share premium of Rs.140/- per equity share which opened on 11th September, 2018 and closed on 18th September, 2018 and shares has been allotted on 25th September, 2018. The resulting shares have been listed on the NSE emerge platform of NSE.

For VCSR & Associates
Company Secretaries

S. Upender Reddy
Partner
CP No. 6877

Place: Hyderabad
Date: 29.08.2019

Note: This report is to be read with our letter of even date which is annexed as '(Annexure- I)' and forms an integral part of this report.

(Annexure - I)

To
The Members
Ahlada Engineers Limited

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

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

For VCSR & Associates
Company Secretaries

S. Upender Reddy
Partner
CP No. 6877

Place: Hyderabad
Date: 29.08.2019

AHLADA ENGINEERS LIMITED

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS **(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI** **(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To
The Members
Ahlada Engineers Limited
Hyderabad

We, M/s. VCSR & Associates, Company Secretaries have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. AHLADA ENGINEERS LIMITED having (CIN: L24239TG2005PLC047102) and having registered office at Door No 4-56, SY No 62/1/A & 67, Tech Mahindra Road, Bahadurpally Village, Qutbullapur Mandal, Hyderabad, Rangareddi, TG 500043 IN (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S.No.	Name of the Director	DIN	Designation
1	Suresh Mohan Reddy Chedepudi	00090543	Managing Director
2	Vikram Ravindra Mamidipudi	00008241	Director
3	Koduru Iswara Varaprasad Reddy	00196148	Director
4	Bulusu Kameswara Sarma	00441074	Director
5	Bhaskara Reddy Nallapureddy	00846073	Director
6	Sravanthi Koduru	01593189	Director
7	Krishna G V Giri	07289689	Director
8	Abhinav Kumar Reddy Jambhapuram	08002510	Additional Director
9	Kinnera Cheedepudi	08272661	Additional Director

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For VCSR & Associates
Company Secretaries

S. Sunder Reddy
Partner
CP No. 6877

Place: Hyderabad
Date: 29.08.2019

Annexure - IV : Extract of Annual Return**EXTRACT OF ANNUAL RETURN**

as on the financial year ended 31.03.2019

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

FORM No. MGT – 9**REGISTRATION AND OTHER DETAILS:**

CIN	L24239TG2005PLC047102
Registration Date	10/08/2005
Name of the Company	AHLADA ENGINEERS LIMITED
Category/Sub-Category of the Company	Company having Share Capital / Indian Non Government Company
Address of the Registered office and contact details	Door No. 4-56, Sy. No. 62/1/A & 67 Tech Mahindra Road, Bahadurpally Village, Qutbullapur Mandal Hyderabad - 500 043.
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Bigshare Services Private Limited 306, Right Wing, 3rd Floor Amrutha Ville, Opp: Yashoda Hospital Raj Bhavan Road, Somajiguda Hyderabad - 500 082, Phone No. 040-2337 4967

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:-

Sl. No.	Name and Description of main products/services	NIC Code of the Product / Service	% to total turnover of the company
1.	Manufacturing of Doors, Windows and their frames and clean room equipments.	28111	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: NIL**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	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	5,899,100	5,899,100	67.37	6,507,096	-	6,507,096	50.36	(17.01)
b) Central Govt	-	-	-	-	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	-	-	-	-	0.00%	0.00%
d) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (1)	-	5,899,100	5,899,100	67.37	6,507,096	-	6,507,096	50.36	(17.01)

AHLADA ENGINEERS LIMITED

(2) Foreign									
a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%	0.00%
TOTAL (A)	-	5,899,100	5,899,100	67.37	6,507,096	-	6,507,096	50.36	(17.01)
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Alternate Investment funds	-	-	-	0.00%	130,000	-	130,000	1.01	0.00%
g) FIIs	-	-	-	0.00%	1,237,000	-	1,237,000	9.57	0.00%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub-total (B)(1):-	-	-	-	0.00%	1,367,000	-	1,367,000	10.58	10.58
2. Non-Institutions									
a) Bodies Corp.									
i) Indian		308,000	308,000	3.52	1315407		1,315,407	10.18	6.66
ii) Overseas	-	-	-	0.00%	0	0	-	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh		798,600	798,600	9.12	672193		672,193	5.20	
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh		1,750,300	1,750,300	19.99	2892304		2,892,304	22.38	
c) Others (specify)	-	-	-	0.00%	0	0	-	0.00%	0.00%
Overseas Corporate Bodies	-	-	-	0.00%	-	-	-	0.00%	0.00%
Non Resident Indians (NRI)	-	-	-	0.00%	4000	0	4,000	0.00%	0.00%
Clearing Members		-	-	0.00%	163000	0	163,000	0.10%	0.10%
Trusts		-	-	0.00%			-	0.00%	0.00%
Foreign Bodies - D R	-	-	-	0.00%			-	0.00%	0.00%
Sub-total (B)(2):-	-	-	-	0.00%	5,046,904	-	5,046,904	39.06	39.06
Total Public (B)	-	-	-	0.00%	6,413,904	-	6,413,904	49.64	49.64
C. Shares held by Custodian for GDRs & ADRs	-	-	-		-	-			
Grand Total (A+B+C)	-	8,756,000	8,756,000	100.00	12,921,000	-	12,921,000	100.00	

(ii) Shareholding of Promoter

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Chedepudi Suresh Mohan Reddy	5,899,100	67.37%	0.0%	6,507,096	50.36%	-	17.01
	Total	5,899,100	67.37%	0.00%	6,507,096	50.36%	0.00%	17.01

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

S. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year	4/1/2018	Transfer	5,899,100	67.37%	5,899,100	45.66%
	Changes during the year			-	0.00%	607,996	4.71%
	At the end of the year	3/31/2019		-		6,507,096	50.36%

(iv) Shareholding Pattern of top ten Shareholders

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

S. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	MASSACHUSETTS INSTITUTE OF TECHNOLOGY						
	At the beginning of the year	4/1/2018		-	0.00%		
	At the end of the year	3/31/2019				1,200,000	9.29%
2	JAGDISH N MASTER						
	At the beginning of the year	4/1/2018		-	0.00%		
	At the end of the year	3/31/2019				475,000	3.68%
3	PIVOTAL ENTERPRISES PRIVATE LIMITED						
	At the beginning of the year	4/1/2018		-	0.00%		
	At the end of the year	3/31/2019				445,000	3.44%
4	BADDIGAM VENKATA REDDY						
	At the beginning of the year	4/1/2018		360,640	4.12%		
	At the end of the year	3/31/2019				360,640	2.79%
5	SVAS INVESTMENTS PVT LTD						
	At the beginning of the year	4/1/2018		308,000	3.52%		
	At the end of the year	3/31/2019				308,000	2.38%
6	GAGANDEEP CONSULTANCY PRIVATE LIMITED						
	At the beginning of the year	4/1/2018		-	0.00%		
	At the end of the year	3/31/2019				241,000	1.87%
7	SADASIVA REDDY BONTU						
	At the beginning of the year	4/1/2018		169,500	1.94%		
	At the end of the year	3/31/2019				169,500	1.31%

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8	KONDA CHANDRAHAS						
	At the beginning of the year	4/1/2018		158,500	1.81%		
	At the end of the year	3/31/2019				158,500	1.23%
9	SAFFRON CAPITAL ADVISORS PRIVATE LIMITED						
	At the beginning of the year	4/1/2018		-	0.00%		
	At the end of the year	3/31/2019				153,000	1.18%
10	MICRO STRATEGIES FUND						
	At the beginning of the year	4/1/2018		-	0.00%		
	At the end of the year	3/31/2019				130,000	1.01%

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Ch.Suresh Mohan Reddy-Managing Director						
	At the beginning of the year	4/1/2018		5,899,100	67.37%	-	0.00%
	At the end of the year	3/31/2019				6,507,096	50.36%
2	Dr. K.I.Varaprasad Reddy- Non Executive Chairman						
	At the beginning of the year	4/1/2018		447,824	5.11%		
	At the end of the year	3/31/2019		-		447,824	3.47%
3	Smt. K.Sravanthi- Non Executive Director						
	At the beginning of the year	4/1/2018		60,000	0.69%	-	0.00%
	At the end of the year	3/31/2019				60,000	0.46%
4	Ch.Kinna- Whole Time Director						
	At the beginning of the year	4/1/2018			0.00%	Nil	0.00%
	at the end of the year	3/31/2019				Nil	0.00%
5	J.Abhinav Kumar Reddy						
	At the beginning of the year	4/1/2018			0.00%	Nil	0.00%
	at the end of the year	3/31/2019				Nil	0.00%
6	M.Vikram Ravindra-Independent Director						
	At the beginning of the year	4/1/2018		Nil	0.00%	Nil	0.00%
	At the end of the year	3/31/2019				Nil	0.00%
7	B.K.Sarma-Independent Director						
	At the beginning of the year	4/1/2018		Nil	0.00%	Nil	0.00%
	At the end of the year	3/31/2019			0.00%	Nil	0.00%
8	N.Bhaskara Reddy-Independent Director						
	At the beginning of the year	4/1/2018		Nil	0.00%	Nil	0.00%
	At the end of the year	3/31/2019				Nil	0.00%
9	G.V.Krishna Giri						
	At the beginning of the year	4/1/2018		Nil	0.00%	Nil	0.00%
	At the end of the year	3/31/2019				Nil	0.00%
10	A.Narasimha Rao-CFO						
	At the beginning of the year	4/1/2018		Nil	0.00%	Nil	0.00%
	At the end of the year	3/31/2019				Nil	0.00%
11	P.Kodanda Rami Reddy-CS						
	At the beginning of the year	4/1/2018		Nil	0.00%	Nil	0.00%
	At the end of the year	3/31/2019				Nil	0.00%

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment Amount in.Rs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	379,279,572.00	214,626,739.00	-	593,906,311.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	379,279,572.00	214,626,739.00	-	593,906,311.00
Change in Indebtedness during the financial year				
i) Addition	148,929,985.00	98,923,932.00	-	247,853,917.00
ii) Reduction	63,990,318.00	243,089,128.00	-	307,079,446.00
iii) Net Change	84,939,667.00	(144,165,196.00)	-	(59,225,529.00)
Indebtedness at the end of the financial year	464,219,239.00	70,461,543.00	-	534,680,782.00
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
TOTAL (i+ii+iii)	464,219,239.00	70,461,543.00	-	534,680,782.00

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

Sl. No.	Particulars of Remuneration	Shri Ch.Suresh Mohan Reddy	Smt. Ch.Kinnera	Shri. J.Abhinav Kumar Reddy
		Rs. in lakhs	Rs. in lakhs	Rs. In lakhs
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	42.00	7.50	7.50
	(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 Options	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total (A)	42.00	7.50	7.5
	Ceiling as per the Act	The overall ceiling is as per limits stipulated in schedule V/section 197 of the Companies Act, 2013		

B Remuneration to other Directors: NIL

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C REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Amount in Rs.

Sl. No.	Particulars of Remuneration	Mr. A. Narasimha Rao Chief Financial Officer	Mr. P. Kodanda Reddy Company Secretary	Mr. M.Kotiah Senior Vice President - Operations
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,407,988	827,295	2,582,496
	(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 Options	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total (A)	3,407,988	827,295	2,582,496
	Ceiling as per the Act	The overall ceiling is as per limits stipulated in schedule V/ section 197 of the Companies Act, 2013		

VII PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

	Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A	COMPANY			None		
	Penalty					
	Punishment					
	Compounding					
B	DIRECTORS					
	Penalty					
	Punishment					
	Compounding					
C	OTHER OFFICERS IN DEFAULT					
	Penalty					
	Punishment					
	Compounding					

Annexure - V

Statement of particulars of the conservation of energy, technology absorption, foreign exchange earnings and outgo as per Rule 8 of Companies (Accounts) Rules, 2014

A) Conservation of energy-

- ❖ The company continues to work to strengthen its energy conservation efforts by implementing energy saving strategies from time to time.
- ❖ Fuel and electricity consumption in different stages of production process were monitored regularly and suitable corrective actions were taken wherever possible.
- ❖ Conventional lighting system was replaced by energy efficient lighting system at all places wherever possible.
- ❖ The capital investment on energy conservation equipments during the year Nil.

B) Technology absorption-

1	Efforts made towards technology absorption.	:	Not Applicable
2	The benefits derived like product improvement, cost reduction, product development or import substitution	:	Not Applicable
3	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year	:	Not Applicable
a)	Technology imported		
b)	Year of import		
c)	Whether the technology been fully absorbed		
d)	if not fully absorbed, areas where absorption has not taken place, and the reasons thereof		

C. Foreign exchange earnings and Outgo:

Rs. in lakhs

Foreign exchange earnings and Outgo		2018-19	2017-18
a	Foreign exchange earnings	0.00	32.58
b	CIF value of imports	1,828.48	2,077.79

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Annexure - VI

Details pertaining to remuneration as required u/s 197(12) of The Companies Act, 2013 read with rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19, percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year 2018-19.

S. No	Name of KMP (Designation)	Remuneration for FY 2018-19 (Rs. in lacs)	Ratio of remuneration to the median remuneration of the employees	% increase in remuneration in the FY 2018-19
01	Mr. Ch.Suresh Mohan Reddy (Managing Director)	42.00	17.13	0.00
02	Mr. A. Narasimha Rao (Chief Financial Officer)	34.08	13.90	11.90
03	Mr. M. Kotaiah (Sr. Vice President)	25.82	10.53	3.10
04	Mr. P.Kodanda Rami Reddy (Company Secretary)	8.27	3.37	33.90

Notes:

- The median remuneration of employees of the Company during the financial year 2018-19 was Rs.2.45 lakhs against the median remuneration of Rs. 2.20 lakhs of the previous year.
 - The number of permanent employees on the rolls of Company as on 31st March 2019 is 262.
- The relationship between average increase in remuneration and company performance:**

The average increase in remuneration during the financial year 2018-19 is 14.91%. The total employees cost for the financial year ended 31st March, 2019 is Rs. 1324.89 lakhs against Rs. 1067.87 lakhs for the financial year ended 31st March 2018. The total net revenue of the company for financial year ended 31st March 2019 is Rs. 20769.90 lakhs as against Rs.12629.84 lakhs for the financial year ended 31st March 2018. The total employees cost as a percentage of net total revenue was 0.6.38 % (last year 8.46%). The performance was under pressure due to the challenges faced during the financial year.

- Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company Rs. in lakhs**

Particulars	2018-19	2017-18
Aggregate Remuneration of KMP in Financial Year	203.93	174.50
Revenue	20769.90	12629.85
Remuneration of KMP (as % of revenue)	0.98	1.38

- Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year:** 15.50%
- Comparison of the each remuneration of the KMP against the performance of the Company.** Rs. in lakhs

Sl. No.	Particulars of Remuneration	KMP			
		Mr. Ch.Suresh Mohan Reddy	Mr. A.Narasimha Rao	Mr. M. Kotaiah	Mr. P. Kodanda Rami Reddy
		Managing Director	Chief Financial Officer	Sr. Vice President	Company Secretary
1	Remuneration in FY 2019	42.00	34.08	25.82	8.27
2	Revenue in FY 2019	20769.9			
3	Remuneration as % of revenue	0.202	0.164	0.124	0.04

- The key parameters for any variable component of remuneration availed by the directors.**

The remuneration to the Managing Director ("MD") and the Executive Directors are a fixed pay reflecting short and long-term performance objective of the company, its goals, for attracting and retaining the best talent.

Remuneration to Independent and Non-executive Directors involve sitting fees for attending meetings of the Board/Committees and commission based on the attendance and contribution towards governance practices and discharging fiduciary duties

- The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:** Not applicable

since no employees of the Company receives remuneration in excess of the highest paid director i.e., MD and there are no employees falling under rule 5(2).

- Remuneration is as per the Remuneration Policy of the Company.**

Annexure - VII

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 your directors wish to report as follows:

CAUTIONARY STATEMENT

Statements made in this report describing the Company's objectives, projections, estimates and expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates; changes in the Government regulations; tax laws and other statutes and incidental factors.

Industry Structure and Developments

Overview

Our Company is in the business of manufacturing steel doors and windows (steel-frame) and we cater to customers across various segments and industries. We currently have our facilities spread across 3 manufacturing units in addition to one assembling unit and stock yard, with an area admeasuring 34,211 square yards on the outskirts of Hyderabad. Additionally, we are also in the business of manufacturing cleanroom equipment for our customers in the pharmaceutical, biotechnology and food industries.

Established in 2005, we started commercial operations in February 2006 with manufacturing of cleanroom equipment and furniture. Further in the year 2008, we started manufacturing steel doors which catered to the then existing customers of cleanroom equipment and furniture. Gradually we started expanding the customer base for our products manufactured to healthcare, entertainment and real estate vertical as well.

We have been gradually expanding our manufacturing facilities and have over the past decade, expanded the facilities to its current form and capacity. Presently, we have an installed capacity to manufacture 18,000 doors per month. The facilities to manufacture clean room equipment and furniture and windows is inter-operable, and hence, capacities for the same cannot be conclusively determined.

With nearly a decade of experience in making steel doors and windows, we have developed in-house expertise in the process of manufacturing our product range, i.e. steel doors, windows and clean room equipment, and our in-house research team contributes in fine-tuning our products, its look and finish to suit the requirements of our customers, which in turn has carved a niche for our Company's products. Our in-house research and design team also constantly update the product designs as per client requirements and also make changes to improve efficiency.

In order to expand our business and customer base, we have on August 22, 2017, entered into a Master Manufacturing and Supply Agreement (MMSA) with Tata Steel Limited (TSL), whereby TSL has assured offtake of doors manufactured and shall work with us to improve process and line efficiency. We consider this alliance with Tata as one of our biggest strengths. The salient features of this MMSA are as detailed below:

Pursuant to the said Agreement, our Company is manufacturing and supplying steel doors of decorative, wood finished, RAL colour, to be used for independent house building and/or steel doors of decorative and wood finished, RAL colour for external door/ internal door / toilet door to be used in housing, residential and commercial sector and other related parts for Tata and under the brand name of Tata and /or as directed by Tata from time to time ("Product").

Additionally, our Company manufactures and supplies fire rated steel doors and windows to other industrial customers (other than Tata Steel Limited and the products manufactured and supplied to TSL) as well.

Our Competitive strengths

1. Professional and Experienced Management team

We are a professionally managed organization that is driven by a qualified and dedicated management team, which is led by our Board of Directors. Our senior management team led by our Managing Director and other whole time directors are function oriented and focussed on their respective tasks, while being collaborative. Our management team's collective experience and capabilities enable us to understand and anticipate market trends, manage our business operations and growth, leverage customer relationships and respond to changes in customer preferences. We will continue to leverage on the experience of our management team and their understanding of the industry we operate in, to take advantage of current and future market opportunities.

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2. **Quality Products**

Ours is a quality conscious organisation, which believes in manufacturing quality products. Led by engineering graduates, our management team is focussed on ensuring minimum defects in our products and quality certifications are only an endorsement of the robust systems and processes developed with years of experience and knowledge. Our products and processes undergo regular quality checks to ensure minimal defects. We have been accredited with ISO 9001:2015 (Quality Management system), ISO 14001:2015 (Environmental Management system) and OHSAS 18001:2007 (Occupational Health and Safety Management system) certifications from TÜV SÜD Management Service GmbH.

3. **Assured offtake of products**

While our Company was into manufacturing and selling of steel doors and clean room equipment, the agreement with Tata Steel Limited has ensured an assured offtake of our products i.e. steel doors. With the assured product offtake, our team can focus their attention on improving production and manufacturing efficiencies, ensuring quality products at reasonable prices to cater to our customers.

4. **Strong customer relations with process and line improvement inputs from Tata Steel Limited**

With the MMSA agreement signed with Tata Steel Limited, we receive quality inputs from TSL during the manufacturing processes, further strengthening our line processes and gives us an outside perspective. The sharing of knowledge and process and cost improvements by TSL team with us will eventually help us make wider range of excellent quality steel doors at competitive rates. The agreement with Tata is a testimony of our work ethic and quality, endorsed by a leading corporate.

5. **Integrated manufacturing facility with independent storage facility**

Our Company always endeavours to maintain the requisite infrastructure and technological up gradation for the smooth running of the manufacturing process as well as to cope with the market demand. Our manufacturing units, assembling unit and stockyard are spread across an area of 34,211 square yards and is situated on the outskirts of Hyderabad. We have deployed specialized and imported machinery which is best suited to our manufacturing operations thereby enhancing our product output. We have a common godown/storage facility for finished products within a 10 km radius of our manufacturing facilities, which eases the clutter of storage at manufacturing area and helps in easy dispatch to our customers.

Our Business Strategy

Our key strategies will be to:

1. **Enhance our product offerings**

Our Company originally started off as a clean room equipment manufacturer. However, over the years, we have continuously sought to expand our product portfolio and in the year 2008 we ventured into the business of manufacturing steel doors and windows. We will endeavour to expand the range of offerings, within our existing product portfolio and also outside our product portfolio as and when the opportunity presents itself and makes commercial sense for us.

2. **Continuing innovation, technology upgrade and cost improvements**

Continuous innovation in our manufacturing process, technology upgrade and cost improvement is a norm at our Company. Our qualified and technical teams try and ensure minimal wastage and extract out maximum from the resources we have at our disposal, be it the raw materials, be it the energy or the premises we operate in, optimum utilisation is what we believe will help us in innovating process improvements, thereby reducing costs. Additionally, we use the latest technology and machinery to ensure best quality and competitive product output and regularly upgrade our technology and machineries used in the manufacturing process in order to keep up market standards.

3. **Further developing our alliances**

The MMSA agreement with Tata Steel Limited has given us an opportunity to work with the brightest minds India has in the field of engineering, manufacturing, distribution & marketing, sales management amongst others. While we always look forward to learn and implement the best practices, TSL can be assured about the quality specifications and timely deliveries. In the future, we may further develop our relationship with TSL by expanding our geographical footprints, in case TSL intends to appoint/add another manufacturer for steel doors, we have a first right to set up manufacturing facilities for TSL in India, except the northern states/region of Jammu & Kashmir, Himachal Pradesh, Punjab, Uttarakhand, Haryana, Uttar Pradesh, New Delhi, Rajasthan and Chandigarh.

Our overall business strategy will be to:

- ❖ Maximize revenue through capacity expansion and increase in efficiency
- ❖ Reduction in cost of borrowing
- ❖ Enhancing production efficiency and minimize process losses
- ❖ Reduce operational costs and be cost competitive
- ❖ Have a consumer centric approach and deliver quality products
- ❖ Deliver value for money to our clients
- ❖ Adopt best practices in all functions and processes

Road Ahead:

India's gross domestic product (GDP) is expected to reach US\$ 6 trillion by FY27 and achieve upper-middle income status on the back of digitisation, globalisation, favourable demographics, and reforms. India is also focusing on renewable sources to generate energy. It is planning to achieve 40 per cent of its energy from nonfossil sources by 2030 which is currently 30 per cent and also have plans to increase its renewable energy capacity from 57 GW to 175 GW by 2022.

India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern, according to a Boston Consulting Group (BCG) report; and is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2040, according to a report by PricewaterhouseCoopers.

Doors and Windows

With the government's focus on 'Housing for All' by 2022 and 'Affordable Housing' being the flavour within the realty sector, the demand for doors and windows is expected to be robust, based on the new homes and also substantially due to the replacement of existing wooden doors and windows. We do not have any commissioned report for the industry details about the doors and windows market. Given that it's a subset of the realty market, a brief about the realty space is listed below.

The real estate sector is one of the most globally recognised sectors. In India, real estate is the second largest employer after agriculture and is slated to grow at 30 per cent over the next decade. The real estate sector comprises four sub sectors - housing, retail, hospitality, and commercial. The growth of this sector is well complemented by the growth of the corporate environment and the demand for office space as well as urban and semi-urban accommodations. The construction industry ranks third among the 14 major sectors in terms of direct, indirect and induced effects in all sectors of the economy.

The Indian real estate market is expected to touch US\$ 180 billion by 2020. The housing sector alone contributes 5-6 per cent to the country's Gross Domestic Product (GDP). In the period FY2008-2020, the market size of this sector is expected to increase at a Compound Annual Growth Rate (CAGR) of 11.2 per cent. Retail, hospitality and commercial real estate are also growing significantly, providing the much-needed infrastructure for India's growing needs.

Sectors such as IT and ITeS, retail, consulting and e-commerce have registered high demand for office space in recent times. The office space absorption in 2018 across the top eight cities amounted to 18 million square feet (msf) as of September 2018. Private equity inflows in office and IT/ITES real estate have grown 150 per cent between 2014 and 2017 backed by a strong attraction towards office sector. In 2018, new retail space of 6.4 million has finished and supply of around 20 mn sq ft is expected in 2020.

Growth Drivers for residential housing includes: Rapid urbanisation; Growth in population, Rise in the number of nuclear families, Easy availability of finance, Repatriation of NRIs and HNIs and Rise in disposable income amongst others. For the commercial real estate the primary growth drivers are: Rapid growth in services sectors: IT/ITeS, BFSI and Telecom, Rising demand from MNCs and Demand for office space in Tier 2 cities.

Government Initiatives

The Government of India along with the governments of the respective states has taken several initiatives to encourage the development in the sector. The Smart City Project, where there is a plan to build 100 smart cities, is a prime opportunity for the real estate companies. Below are some of the other major Government Initiatives:

As of November 2017, a total of 3.076 million houses have been sanctioned under the Pradhan Mantri Awas Yojana (PMAY) (U) since its launch, according to the Ministry of Housing and Urban Affairs, Government of India. The Ministry of Housing and Urban Poverty Alleviation has sanctioned the construction of 84,460

more affordable houses for urban poor in five states, namely West Bengal, Jharkhand, Punjab, Kerala and Manipur under the Pradhan Mantri Awas Yojana (Urban) scheme with a total investment of Rs 3,073 crore (US\$ 460 million).

The government has allowed FDI of up to 100 per cent for townships and settlements development projects

Under the Housing For All scheme, 60 million houses are to be built which include 40 million in rural areas and 20 million in urban area by 2022

Real Estate Bill was passed in March 2016 to establish a real estate regulatory authority for regulating and promoting

AHLADA ENGINEERS LIMITED

the sector

Risks and Concerns

Your Company is actively, albeit cautiously, looking for growth opportunities and new markets for its products. The Company is exposed to a number of market risks arising from its normal business activities. These risks include changes in raw material prices caused due to market fluctuations and imposition of various government duties – as in the recent times, foreign currency exchange rate, interest rate which may adversely impact the Company's financial assets, liabilities and/or future cash flows. The Company continues to mitigate these risks by careful planning of optimum sales mix, active treasury management, product diversification, innovation and penetration in different markets, both domestic and international. Further cost saving measures across all segments of the Company, would help in improving the margins in an otherwise difficult market.

Opportunities and Threats

A diversified product portfolio and considerably wide geographical reach, both domestic and international, have helped the Company to significantly de-risk its business and meet the risks with suitable precaution. The Company is focused on enhancing value added products. Improvement in safety performance is of utmost priority, for which the Company has constantly been initiating measures to avert accidents..

Internal control systems and their adequacy

The Company has in place adequate internal control systems and procedures commensurate with the size and nature of business. Depending on the changing requirements the internal audit department is strengthened. The Company has implemented corporate governance requirement and the audit committee periodically reviews the systems and procedures of the Company.

These procedures are designed to ensure that:

- ❖ All assets and resources are acquired economically, used efficiently and are adequately protected;
- ❖ Significant financial, managerial and operating information is accurate, reliable and is provided timely; and
- ❖ All internal policies and statutory guidelines are complied with.

The effectiveness of internal control is continuously monitored by the Audit Committee of the Company. The Company has an Audit Committee which regularly reviews the reports submitted. The Audit Committee observations are acted upon by the Management. The Company has implemented the corporate governance requirements and the Audit Committee periodically reviews the systems and procedures of the Company.

HIGHLIGHTS OF THE FINANCIAL RESULTS:

Financial Performance:

Particulars	2018-2019	2017-2018
Revenue from Operations	207,43,26,881	1,26,18,90,861
Other Income	26,62,992	10,93,690
Total Income	207,69,89,873	1,26,29,84,551
Profit Before Interest and Depreciation	34,03,53,837	20,78,36,380
Finance Charges	8,88,67,461	4,87,12,209
Depreciation	7,02,40,698	3,65,33,144
Net Profit after Interest and Depreciation But before tax	18,12,45,678	12,25,91,027
Net Profit Before Tax	18,12,45,678	12,25,91,027
Provision for Tax	6,75,65,866	4,18,46,832
Net Profit After Tax	11,36,79,812	8,07,44,195

STATUTORY COMPLIANCE:

Your Company gives priority to comply all of the statutory requirements in time and the management regularly discusses the same with all of the departmental heads. The Company Secretary, as compliance officer, timely ensures compliance of the provisions of the Companies Act, 2013, SEBI Regulations and provisions of Listing Agreements. Compliance Certificates are obtained from various units of the Company and the Board is informed of the same at every Board Meeting.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES:

The development of human resources is a key strategic challenge in order to prepare people for future responsibilities in terms of professional skills as well as business skills. Your Company has conducted training programmes to its employees enabling them to improve / upgrade their skills.

Silent Revolution continues unabated: Creating tomorrow's leaders through identification and nurture of potential talent. Company has taken numerous initiatives for leadership development.

Annexure - VIII

GIST OF POLICY OF NOMINATION & REMUNERATION COMMITTEE OF THE COMPANY

Criteria for identifying persons who are qualified to be appointed as a Director /KMP / Senior Management Personnel / Other Employees of the Company:

- i. The Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and accordingly recommend to the Board his / her appointment.
- ii. The Director/ Independent Director/ KMP/ Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made thereunder, SEBI (Listing Regulations and Disclosure Requirements), Regulations, 2015 or any other enactment for the time being in force.

Tenure

i. Managing Director / Whole-time Director

The Company shall appoint or re-appoint any person as its Managing Director and CEO or Whole-time Director for a term not exceeding five years a time. No re-appointment shall be made earlier than one year before the expiry of term.

ii. Independent Director

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

iii. Removal

Due to reasons to any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director or KMP subject to the provisions and compliance of the said Act, rules and regulations.

iv. Retirement

The Whole-time Directors, KMP and senior management personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Whole-time Directors, KMP and senior management personnel in the same position / remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company.

Remuneration

The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

i. Director/ Managing Director

Besides the above Criteria, the Remuneration/ Compensation/ Commission / Bonus etc. to be paid to Director/ Managing Director shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force within the limits as approved by the members.

ii. Non-Executive Directors

The Non-Executive Independent Director will receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force. Independent Directors shall not be entitled to stock option.

iii. Senior Management Personnel / KMPs

The Remuneration to be paid to Senior Management Personnel / KMP's shall be based on the experience, qualification and expertise of the related personnel and shall be decided by the Managing Director & Whole Time Directors of the Company.

iv. Other Employees

The power to decide structure of remuneration for other employees has been delegated to the Managing Director & Whole Time Director of the Company or any other employee that the Managing Director & Whole Time Directors may deem fit.

Diversity

The Board shall at all times promote and welcome diversity, equal opportunities and gender mix in its composition with due recognition and weightage to the skills, experience and business acumen of the directorship candidatures.

Amendment(s)

The Board of Directors may review or amend this policy, in whole or in part, from time to time, after taking into account the recommendations from the Nomination & Remuneration Committee.

AHLADA ENGINEERS LIMITED

CERTIFICATE UNDER REGULATION 17(8) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
- (1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by our company during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of our company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any.
- D. We have indicated to the auditors and the Audit committee
- (1) Significant changes in internal control over financial reporting during the year;
 - (2) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Ch. Suresh Mohan Reddy
Managing Director

A.Narasimha Rao
Chief Financial Officer

Place: Hyderabad
Date: 29.08.2019

INDEPENDENT AUDITORS' REPORT

To the Members of
Ahlada Engineers Limited

Report on the Audit of the Financial Statements**Opinion**

We have audited the accompanying financial statements of Ahlada Engineers Limited ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss (including Other Comprehensive Income), and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and Profit, and its cash flows 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 Financial Statements section of our report. We are the independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, 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 Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors report but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management and Those Charged with Governance for 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 financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

AHLADA ENGINEERS LIMITED

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ❖ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ❖ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing our opinion under section 143(3)(i) of the Companies Act, 2013 on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- ❖ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ❖ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ❖ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure - A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
 - (d) 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.

- (e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure - B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditors' 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:
 - i. the Company does not have any pending litigations which would impact its financial position.
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Kishore & Venkat Associates
Chartered Accountants
Firm Reg.No.001807S

M.V. RAMANA REDDY
Partner
M.No.026845

Place: Hyderabad
Date: 30-05-2019

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Ahlada Engineers Limited of even date)

- i. In respect of the Company's fixed assets:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. The fixed assets of the Company were physically verified by the management during the year. According to the information and explanations given to us and as examined by us, no material discrepancies were noticed on such verification.
 - c. According to the information and explanations given to us, the records examined by us and based on our examination the title deeds of the immovable property is held in the name of the company and the land together with buildings has been provided as security against Term Loan & Working Capital from State Bank of India, Commercial Branch, Secunderabad, HDFC Bank Ltd, Hyderabad. Plant & Machinery hypothecated to Tata Capital Financial Services Ltd, Hero Fincorp Limited, Seimens Financial Services Ltd, State Bank of India, Commercial Branch, Secunderabad, HDFC Bank Limited, Hyderabad.
- ii. The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. According to the information and explanations given to us and as examined by us, no material discrepancies were noticed on such verification.
- iii. According to information and explanation given to us, the company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register required under section 189 of the Companies Act, 2013. Accordingly, paragraph 3 (iii) of the order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing

AHLADA ENGINEERS LIMITED

guarantees and securities, as applicable.

- v. The Company has not accepted any deposits within the meaning of section 73 to 76 of the Act and the companies (Acceptances of Deposits) Rules, 2014 (as amended). Accordingly the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the same.
- vii. According to the information and explanations given to us, in respect of statutory dues
 - a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Duty of Excise, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - b. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
- viii. The Company has not defaulted in repayment of loans or borrowings from financial institutions, banks and government during the year. The company did not have any outstanding debentures during the year.
- ix. The term loans taken during the year have been applied for the purposes for which those are raised. The Company has raised a sum of Rs.51,07,50,000/- by way of initial public offer. The company had allotted 34,05,000 Shares of Rs.10/- each is issued at a premium of Rs.140/- each. The Initial public offer amount spent as per approval of board of directors/audit committee.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. During the year, the Company had allotted 7,60,000 shares of Rs.10/- each through private placement at a premium of Rs.124/-.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place: Hyderabad
Date: 30-05-2019

For Kishore & Venkat Associates
Chartered Accountants
Firm Reg.No.001807S
M.V. RAMANA REDDY
Partner
M.No.026845

Annexure "B" to the Independent Auditor's Report

(Referred to in paragraph 2 (f) under 'Report on other legal and regulatory requirements' section of our report to the Members of Ahlada Engineers Limited of even date)

Report on the internal financial controls over financial reporting under clause (i) of sub – section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Ahlada Engineers Limited ("the Company") as at March 31, 2019, in conjunction with our audit of the 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 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, 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 internal financial controls over financial reporting of the Company 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 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 in 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 Company's internal financial control system over financial reporting.

Meaning of internal financial controls over financial reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) 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 (iii) 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.

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 of 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 according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control 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 Kishore & Venkat Associates
Chartered Accountants
Firm Reg.No.001807S

M.V. RAMANA REDDY
Partner
M.No.026845

Place: Hyderabad
Date: 30-05-2019

AHLADA ENGINEERS LIMITED

BALANCE SHEET AS AT 31st MARCH 2019

Particulars	Note No.	As at 31-03-2019 Rs.	As at 31-03-2018 Rs.
I EQUITY AND LIABILITIES			
1. Share Holders' Funds			
(a) Share Capital	2	129,210,000	87,560,000
(b) Reserves and Surplus	3	961,828,866	277,209,054
2. Non-Current Liabilities			
(a) Long Term Borrowings	4	164,776,201	243,014,145
(b) Deferred Tax Liabilities (Net)	5	36,344,182	7,834,585
(c) Long Term Provisions	6	7,492,179	5,165,216
3. Current Liabilities			
(a) Short Term Borrowings	7	276,398,522	228,496,242
(b) Trade Payables:			
(i) Total outstanding dues of micro enterprises and small enterprises; and			
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises;	8	180,362,384	267,629,925
(c) Other Current Liabilities	9	283,694,307	302,075,235
(d) Short Term Provisions	10	41,599,006	37,262,573
TOTAL		2,081,705,648	1,456,246,975
II ASSETS			
1. Non Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	11	788,093,722	538,844,653
(b) Other Non- Current Assets	12		-
(i) Preliminary Expenses		567,000	756,000
(ii) IPO Expenses		45,188,757	-
2. Current Assets			
(a) Inventories	13	243,338,702	430,729,734
(b) Trade Receivables	14	828,445,597	355,648,648
(c) Cash and Cash Equivalents	15	14,206,448	22,512,991
(d) Short-Term Loans and Advances	16	161,865,422	107,754,949
TOTAL		2,081,705,648	1,456,246,975
Significant Accounting Policies	1		

See accompanying notes forming part of financial statements

For and on behalf of the Board

In terms of our report attached

Sd/-

For KISHORE & VENKAT ASSOCIATES

CH. SURESH MOHAN REDDY

KINNERA CHEEDEPUDI

Chartered Accountants
Firm Regd. No: 001807S

Managing Director
DIN: 00090543

Wholetime Director
DIN: 08272661

Sd/-

Sd/-

(M V RAMANA REDDY)

A. NARASIMHA RAO

P. KODANDA RAMI REDDY

Partner

Chief Financial Officer

Company Secretary &
Compliance Officer

M No: 026845

Place: Hyderabad

Date: 30.05.2019

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2019

Particulars	Note No.	For the Year Ended 31-03-2019 Rs.	For the Year Ended 31-03-2018 Rs.
I Revenue from Operations (Gross)	17	2,074,326,881	1,277,843,973
Less: Excise Duty		-	15,953,112
Revenue from Operations (Net)		2,074,326,881	1,261,890,861
II Other Income	18	2,662,992	1,093,690
III Total Revenue (I + II)		2,076,989,873	1,262,984,551
IV Expenses			
Cost of Materials Consumed	19	1,243,860,252	837,734,986
Change in Inventories of FG and WIP	20	78,147,078	(44,193,346)
Employee Benefit Expenses	21	132,489,192	106,786,848
Finance Cost	22	88,867,461	48,712,209
Depreciation	12	70,240,698	36,533,144
Other Expenses	23	282,139,514	154,819,683
TOTAL		1,895,744,195	1,140,393,524
V Profit Before Exceptional Item and Tax (III - IV)		181,245,678	122,591,027
VI Exceptional and Extraordinary Items		-	-
VII Profit Before Tax (V - VI)\(V+VI)		181,245,678	122,591,027
VIII Less: Tax Expenses			
1) Current Tax		39,056,269	36,636,849
2) Deferred Tax liability		28,509,597	5,209,983
IX Profit for the year (VII - VIII)		113,679,812	80,744,195
X Earnings per Share (of Rs. 10/- each)			
(a) Basic	33	8.80	9.22
(b) Diluted		10.17	9.22
Significant Accounting Policies	1		

See accompanying notes forming part of financial statements

For and on behalf of the Board

In terms of our report attached
For KISHORE & VENKAT ASSOCIATES
Chartered Accountants
Firm Regd. No: 0018075

Sd/-
CH. SURESH MOHAN REDDY
Managing Director
DIN: 00090543

Sd/-
KINNERA CHEDEPUDI
Wholetime Director
DIN: 08272661

Sd/-
(M V RAMANA REDDY)
Partner
M No: 026845

Sd/-
A. NARASIMHA RAO
Chief Financial Officer

Sd/-
P. KODANDA RAMI REDDY
Company Secretary &
Compliance Officer

Place: Hyderabad
Date: 30.05.2019

AHLADA ENGINEERS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2019

(Rs.)

Particulars	Current year	Previous year
A. Cash Flow from Operating Activities		
Profit before Tax	181,245,678	122,591,027
Adjustments for:		
Depreciation	70,240,698	36,533,144
Financial Charges	88,867,461	48,712,209
Interest Income	(2,000,100)	(879,562)
Preliminary expenses writtenoff	189,000	189,000
Income from mutual funds	(6,725)	(10,791)
Profit on Sale of Fixed Assets	(656,167)	(48,369)
Operating profit before working capital changes	337,879,845	207,086,658
Changes in working capital:		
(Increase)/ Decrease in Inventories	187,391,032	(119,064,938)
(Increase)/ Decrease in Receivables	(472,796,949)	(99,475,142)
(Increase)/ Decrease in Short term loans & advances	(54,110,473)	54,555,342
Increase / (Decrease) in Trade payables	(87,267,541)	30,797,749
Increase / (Decrease) in Long term provisions	2,326,963	(517,975)
Increase / (Decrease) in Short term provisions	1,917,013	331,872
Increase / (Decrease) in other Current Liabilities	(18,380,928)	178,363,487
Cash generated from operations	(103,041,038)	252,077,053
Income tax paid	(36,636,849)	(20,480,562)
Net cash generated from/(used in) operating activities	(139,677,887)	231,596,491
B. Cash Flow from Investing Activities:		
Increase in Fixed Assets	(322,533,415)	(342,908,874)
Increase in Other non current assets	(44,999,757)	(945,000)
Sale of Fixed Assets	3,699,813	90,000
Other Income and income from mutual funds	2,006,825	890,353
Preliminary expenses writtenoff	(189,000)	-
Net cash generated from/(used in) investing activities	(362,015,534)	(342,873,521)
C. Cash Flow from Financing Activity		
Increase / (decrease) in Long Term Borrowings	(78,237,944)	127,494,167
Increase / (decrease) in Short term borrowings	47,902,280	39,098,533
Interest paid	(88,867,461)	(48,712,209)
Increase in Share capital	41,650,000	-
Increase in Share Premium	570,940,000	-
Net cash generated from/(used in) financing activities	493,386,876	117,880,491
D. Net Increase/(Decrease) in Cash and Cash Equivalents	(8,306,545)	6,603,462
Cash and Cash Equivalents at the beginning of the year	22,512,993	15,909,531
Cash and Cash Equivalents at the end of the year	14,206,448	22,512,993
Cash and cash equivalents comprise of:		
Cash on hand	265,867	335,336
Bank balances		
- in current accounts	872,884	9,109,960
- in deposit accounts	13,067,697	13,067,697
TOTAL	14,206,448	22,512,993

See accompanying notes forming part of financial statements

For and on behalf of the Board

In terms of our report attached
For **KISHORE & VENKAT ASSOCIATES**

Chartered Accountants
Firm Regd. No: 0018075

Sd/-
(M V RAMANA REDDY)

Partner
M No: 026845

Place: Hyderabad
Date: 30.05.2019

Sd/-

CH. SURESH MOHAN REDDY

Managing Director
DIN: 00090543

Sd/-

A. NARASIMHA RAO

Chief Financial Officer

Sd/-

KINNERA CHEEDEPUDI

Wholetime Director
DIN: 08272661

Sd/-

P. KODANDA RAMI REDDY

Company Secretary &
Compliance Officer

NOTES FORMING PART OF FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

The Financials statements are prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on an accrual basis in compliance with all material aspects of the Accounting Standards specified under section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014, other relevant provisions of the Act and other pronouncements of the Institute of Chartered Accountants of India.

The accounting policies have been consistently applied by the company and are consistent with those used in the previous year. The financials statements are presented in Indian rupees rounded off to the nearest rupee.

All Assets and Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Act. Based on the nature of operations, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

B. USE OF ESTIMATES:

The preparation of the financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions to be made that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

C. TANGIBLE ASSETS:

Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the Property, Plant and Equipment are ready for use as intended by the Management. The Company depreciates Property, Plant and Equipment over their estimated useful lives using Written Down Value Method. The estimated life of the assets considered as per the Companies Act, 2013 is

Particulars	Life of asset	Particulars	Life of asset
Buildings	30 years	Office Equipment	7 years
Plant & Machinery	20 years	Computers	3 years
Electrical Equipment	12 years	Vehicles	8 years
Furniture & Fittings	10 years	Cellphones	3 years

D. BORROWING COSTS:

Borrowing costs include interest, other costs incurred in connection with borrowing and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost. General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

E. IMPAIRMENT OF ASSETS:

Assessment is done at each balance sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For the purpose of assessing impairment, the recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. The smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit (CGU). An asset or CGU whose carrying value exceeds its recoverable amount is considered impaired and is written down to its recoverable amount. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

AHLADA ENGINEERS LIMITED

An impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

F. INVENTORIES

Inventories are stated at lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The method of determination of cost of various categories of inventory are as follows:

- a) Raw Materials and Stores and Spares - at Cost.
- b) Finished goods and Work in Progress at lower of market value or cost, which includes appropriate production Overheads and the Cost being determined on weighted average basis.

G. FOREIGN CURRENCY TRANSLATIONS:

Initial Recognition:

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount that the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition:

Exchange differences on restatement of all other monetary items are recognised in the Statement of Profit and Loss account.

H. REVENUE RECOGNITION:

Income of the company is derived from sale of products is net of sales returns, trade and cash discounts. Domestic sales are recognised on the basis of sale invoices raised which is after physical clearance of goods sold. Revenue from services is recognized when services are rendered to customers.

Interest income is recognized using time proportion method.

The revenue and expenditure are accounted on a going concern basis.

I. EMPLOYEE BENEFITS:

Provident Fund: Contribution towards provident fund for certain employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

ESI: Contribution towards Employees State Insurance for certain employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

Gratuity: The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (based on the employee service in the Company) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Earned Leaves: The Company's liability is actuarially determined (based on the balance of earned leaves of the employees in the Company) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

J. CURRENT AND DEFERRED TAX:

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

K. PROVISIONS AND CONTINGENT LIABILITIES:

Provisions: Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a

reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

L. LEASES:

Operating Leases:

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease.

M. SEGMENT REPORTING:

Business Segment

The Company has considered "MANUFACTURING ORGANISATION" as one business segment for disclosure in the context of Accounting Standard 17 notified in Section 133 of the Companies Act, 2013. The company is engaged in the business of manufacturing segment only for the year under report.

Geographical Segment

During the year under report, the Company has engaged in its business only within India and not in any other country. The conditions prevailing in India uniform no separate geographical disclosure is considered necessary.

N. EARNING PER SHARE:

Net Profit after tax for the year has been used as the numerator and number of shares has been used as denominator for calculating the basic and diluted earning per share.

O. CASH FLOW STATEMENT:

The Cash flow statement is prepared in Indirect Method and the same is attached to the Financial Statements.

P. CONTINGENCIES AND EVENTS OCCURING AFTER THE BALANCE SHEET DATE:

There were no such Events during the year.

Q. PRIOR PERIOD ITEMS AND CHANGES IN ACCOUNTING POLICIES:

There were no such Items and changes during the year.

R. ACCOUNTING FOR GOVERNMENT GRANTS:

The accounting policy adopted for the government grants including the methods of presentation in the financial statement. The nature and extent of government grants recognized in the financial statements including grants of non-monetary assets at concessional rate or free of cost.

Particulars	2018-19	2017-18
Capital Reserve (Government Subsidy)	20,63,630	20,63,630

S. RELATED PARTY DISCLOSURES:

The disclosures for the transactions with related parties are made as per the standards in the notes to accounts of the financial statements

T. CONSOLIDATED FINANCIAL STATEMENTS:

The company do not have any Domestic or Foreign Subsidiaries.

U. PRELIMINARY EXPENSES

Preliminary Expenses will be amortised over a period of five years.

V. IPO EXPENSES

IPO Expenses will be amortised over a period of five years.

W. R & D EXPENDITURE

R & D Expenditure will be amortised over a period of five years.

(Amount in Rs.)

PARTICULARS	As at 31/03/2019	As at 31/03/2018
4 Long-Term Borrowings		
Secured:		
Term loans from Banking and Non Banking Financial Institutions	162,616,151	127,233,684
(Hypothecation of equipments purchased against the loans taken from the State Bank of India, Hdfc Bank Ltd, Tata Capital Financial Services Ltd, Siemens Financial Services Pvt Ltd and Hero Fincorp Ltd) (Ref. Note No. 25)		
Hire Purchase Loans	2,160,050	4,618,159
(Hypothecation of vehicles purchased against the loan taken from Banks & financial institutions) (Ref. Note No. 25)		
Unsecured:		
Unsecured Loans from Banks and financial institutions (Ref. Note No. 25)	-	26,064,517
Unsecured Loans from Directors	-	85,097,785
[Total Unsecured Loans Rs. Nil (Previous year Rs. 8,50,97,785/-)]		
TOTAL	164,776,201	243,014,145
5 Deferred Tax Liability (Net)		
a. Deferred Tax Liabilities		
- Depreciation on Fixed Assets	39,135,896	9,542,360
b. Deferred Tax Asset on Employee Benefits	2,791,714	1,707,775
Net Deferred Tax Liability	36,344,182	7,834,585
6 Long Term Provisions		
Provision for Employee Benefits		
- Provision for Gratuity	5,630,468	4,982,920
- Provision for Leave encashment	1,861,711	182,296
TOTAL	7,492,179	5,165,216
7 Short Term Borrowings		
Secured:		
Working Capital Loan from SBI (Refer Note No. 26)	181,932,116	187,360,063
Working Capital Loan from Axis Bank Ltd (Refer Note No.26)	12,655,654	14,609,344
Working Capital Loan from Tata Capital Finance Ltd (Refer Note No. 26)	20,899,674	20,645,812
Working Capital Loan from Tata Capital Finance Ltd (Bill Discounting) (Refer Note No. 26)	11,981,093	5,881,024
Working Capital Loan from HDFC Bank Ltd (Refer Note No. 26)	48,929,985	-
TOTAL	276,398,522	228,496,242
8 Trade Payables for Supplies & Services		
Creditors for Purchases	156,361,414	220,142,567
Creditors for Others	24,000,970	47,487,358
TOTAL	180,362,384	267,629,925
9 Other Current Liabilities		
Outstanding Liabilities	105,450,239	33,826,033
Creditors for Capital Goods	70,697,189	29,270,586
Advance from Customers	11,523,516	114,065,388
Dealers Deposits	2,517,304	2,517,304
Current Maturities of Term Loans	93,506,059	122,395,924
TOTAL	283,694,307	302,075,235
10 Short - Term Provisions		
Provision for Gratuity	1,632,756	625,724
Provision for Leave encashment	909,981	-
Provision for Taxation	39,056,269	36,636,849
TOTAL	41,599,006	37,262,573

AHLADA ENGINEERS LIMITED

(Amount in Rs.)

11. FIXED ASSETS

Tangible Assets											
Description of Assets	GROSS BOOK				DEPRECIATION BLOCK				NET BLOCK		
	As at 01.04.2018	Additions During the year	Deletions During the year	As at 31.03.2019	As at 01.04.2018	For the year	Deletions during the year	As at 31.03.2019	As at 31.03.2019	As at 31.03.2018	
Land	12,618,297	25,652,000	-	38,270,297	-	-	-	-	38,270,297	12,618,297	
Buildings	73,059,301	22,048,000	-	95,107,301	28,272,097	5,717,716	-	33,989,813	61,117,488	44,787,204	
Plant & Machinery	287,364,284	399,232,473	10,890,906	675,705,851	101,669,507	49,066,997	8,298,175	142,438,329	533,267,522	185,694,777	
Internal Accessories	14,169,028	46,886,335	273,800	60,781,563	5,738,105	4,495,273	146,296	10,087,082	50,694,481	8,430,923	
Electricals & Fittings	16,195,051	5,805,448	-	22,000,499	5,471,830	3,455,315	-	8,927,145	13,073,354	10,723,221	
Cell Phones	216,240	-	-	216,240	174,528	26,345	-	200,873	15,367	41,712	
Furniture & Fittings	4,844,797	-	-	4,844,797	3,027,064	474,212	-	3,501,276	1,343,521	1,817,733	
Office Equipment	6,790,405	1,792,068	10,172	8,572,301	3,893,507	1,447,858	-	5,341,365	3,230,936	2,896,898	
Computers	16,707,170	282,414	1,080,771	15,908,813	13,474,773	1,134,746	1,015,814	13,593,705	2,315,108	3,232,397	
Vehicles	29,911,840	1,110,000	831,300	30,190,540	17,927,813	3,806,887	583,016	21,151,684	9,038,856	11,984,027	
R & D Expenditure	3,076,743	-	-	3,076,743	-	615,349	-	615,349	2,461,394	3,076,743	
Capital Work in Process	253,540,721	24,211,637	504,486,959	73,265,399	-	-	-	-	73,265,399	253,540,721	
TOTAL	718,493,877	827,020,374	517,573,908	1,027,940,343	179,649,224	70,240,698	10,043,301	239,846,621	788,093,722	538,844,653	
<i>PY Figures</i>	376,508,716	358,094,485	16,018,224	718,493,877	143,998,162	36,533,144	790,982	179,649,224	538,844,653	232,510,554	

(Amount in Rs.)

PARTICULARS	As at 31/03/2019	As at 31/03/2018
12 Other Non Current Assets		
(i) Preliminary Expenses		
Opening Balance	756,000	-
Additions during the year	-	945,000
	756,000	945,000
Less Written off during the year	189,000	189,000
TOTAL	567,000	756,000
(ii) IPO Expenses	56,485,946	-
Less Written Off during the year	11,297,189	-
TOTAL	45,188,757	-
13 Inventories (at Lower of cost or Net relisable value)		
Raw Materials , Hardware & Consumables	88,711,343	197,955,297
Work in Process	119,223,956	158,584,974
Finished Goods	35,403,403	74,189,463
TOTAL	243,338,702	430,729,734
14 Trade Receivables		
Unsecured, Considered Good		
- Less than six months from the due date	769,203,092	315,009,045
- Exceeding six months from the due date	59,242,505	40,639,603
TOTAL	828,445,597	355,648,648
15 Cash and Cash Equivalents		
Cash on Hand	265,867	335,334
Balance with Banks		
- Current Accounts	872,884	9,109,960
Other Bank Balances		
- Fixed deposit with Bank	2,230,995	2,230,995
- Margin Money Accounts for bank guarantees and Letter of Credits	10,836,702	10,836,702
TOTAL	14,206,448	22,512,991
16 Short Term Loans and Advances		
Advances recoverable in cash	1,481,506	5,396,477
Advances Paid to Suppliers	116,485,583	76,110,650
Deposits	24,301,283	15,360,491
Balance with Central Excise Authorities	-	2,931,005
GST, Advance Income Tax and Tax Deducted at Source	12,641,669	1,953,424
LIC Gratuity Fund	416,045	360,854
Prepaid Expenses	2,512,134	4,177,399
Retention Amount & Security Deposit	2,228,321	673,872
Interest receivable	1,798,882	790,777
TOTAL	161,865,422	107,754,949

AHLADA ENGINEERS LIMITED

(Amount in Rs.)

PARTICULARS	For the Year ended 31.03.2019	For the Year ended 31.03.2018
17 Revenue from Operations		
Domestic Sales	1,451,627,429	1,244,405,270
Export Sales	1,356,000	3,258,027
Scrap Sales	3,748,250	880,000
Service Charges	20,295,202	29,300,676
Processing Charges & Facility Charges	597,300,000	-
Total - Sale of Manufactured Goods	2,074,326,881	1,277,843,973
18 Other Income		
Interest on Fixed Deposits	2,000,100	879,562
Profit on sale of Asset	656,167	48,369
Gain / (Loss) on Exchange Fluctuations	-	154,968
Income from Mutual funds	6,725	10,791
TOTAL	2,662,992	1,093,690
19 Cost of Materials Consumed		
Materials Consumed Comprises of:		
Opening Stock	197,955,297	123,083,705
Add: Purchases	1,131,916,362	909,109,287
Carriage Inward	2,699,936	3,497,291
	1,332,571,595	1,035,690,283
Less: Closing Stock	88,711,343	197,955,297
	1,243,860,252	837,734,986
TOTAL	1,243,860,252	837,734,986
20 Change in Inventories of Finished Goods and WIP		
Opening Stock		
Work in Progress	158,584,974	94,363,591
Finished Goods	74,189,463	94,217,500
	232,774,437	188,581,091
Closing Stock		
Work in Progress	119,223,956	158,584,974
Finished Goods	35,403,403	74,189,463
	154,627,359	232,774,437
(Increase)/ Decrease in Inventories of F.G. and W.I.P.	78,147,078	(44,193,346)
21 Employee Benefits Expenses		
Salaries, Wages	96,951,426	78,541,976
Gratuity	4,396,649	(118,399)
Earned Leave	3,569,479	145,399
Sales Incentives	532,119	-
Directors Remuneration	13,575,000	16,800,000
Contribution to Provident Fund	4,639,041	4,141,995
Contribution to ESI	1,488,302	1,560,461
Staff Welfare Expenses	7,337,176	5,715,416
TOTAL	132,489,192	106,786,848

(Amount in Rs.)

PARTICULARS	For the Year ended 31.03.2019	For the Year ended 31.03.2018
22 Finance Cost		
Interest on Term Loans	32,854,164	4,284,258
Interest on Working Capital Loan	31,851,750	22,964,446
Interest on Vehicle Loans	632,271	990,154
Interest on Unsecured Loans	14,528,669	13,750,536
Interest on Delay payment of Duties & Taxes	1,253,626	715,514
Bank Charges	7,746,981	6,007,301
TOTAL	88,867,461	48,712,209
23 Other Expenses		
Direct Manufacturing Expenses		
Power, Fuel and Gas	35,814,719	25,232,350
Jobwork & Erection charges	15,157,236	28,575,678
Repairs & Maintenance (Machinery)	4,789,222	4,162,465
Factory Maintenance	5,682,477	1,019,381
Delay Delivery Charges	2,200,000	-
Labour Charges	108,846,992	18,702,759
Loading & Unloading Charges	708,434	1,355,670
Testing Charges	561,445	596,110
Administrative & Selling Expenses:		
Advertisement	-	25,000
Audit Fee	400,000	400,000
Business Promotion	1,364,145	927,070
Computer Maintenance	203,790	221,304
Commission Charges	1,095,042	-
Conveyance Charges	7,688,560	4,599,115
Discount Allowed	4,779,991	465,873
IPO Expenses Written off	11,297,189	-
Insurance	515,120	1,070,615
Licence and Renewals	387,019	157,183
Late Filling Fee	581,021	19,905
Miscllaneous Expenses	319,008	291,598
Office Maintenance	2,130,678	745,546
Postage & Courier Charges	209,032	212,799
Printing & Stationery	913,798	953,408
Professional Charges	7,382,429	3,881,547
Prior Period Expenses	1,177,222	156,932
Preliminary Expenses Written Off	189,000	189,000
Duties & Taxes	7,647,718	14,877,261
Repairs & Maintenance (General)	416,054	1,426,760
Rent	30,380,195	8,566,892
Telephone Charges	997,655	1,873,199
Tour Expenses	4,104,373	5,738,218
Transport Outward	21,015,035	26,026,711
Vehicle Maintenance	2,830,222	2,185,121
Web Maintenance	354,694	164,213
TOTAL	282,139,514	154,819,683

AHLADA ENGINEERS LIMITED

(Amount in Rs.)

PARTICULARS	For the Year ended 31.03.2019	For the Year ended 31.03.2018
24 Contingent Liabilities in respect of		
(a) Unexpired Bank Guarantee	2,699,245	4,942,177
(b) Showcause cum Demand Notice from Central Excise Dept	84,844,828	84,834,828
(c) Duty Payable against Import of Machinery Under EPCG Scheme	92,277,494	47,044,113
(The Company received a Showcause cum Demand notice dated 06.04.2018 received on 12.04.2018 from the Office of Commissioner of Customs and Central Excise, Hyderabad -IV Commissionerate for an amount of Rs.8,48,34,828/- towards Excise duty for the period from August 2008 to June 2017 on sale of Hardware items. The Company is pursuing the matter with the Department.)		

25 Secured:

Term loans from Banking and Non Banking Financial Institutions

(Hypothecation of equipments purchased against the loans taken from the State Bank of India, Commercial Branch, Secunderabad, Tata Capital Financial Services Ltd, Siemens Financial Services Pvt Ltd and Hero Fincrop Ltd.)

The terms of repayment is given below:

Name of the Bank / NBFC	Nature of Security	EMI Amt.	No of EMI's Pending
State Bank of India	Plant & Machinery	1,501,025	34
HDFC Bank Ltd	Land, Building & Machinery	2,307,241	41
Hero Fincorp Limited	Plant & Machinery	913,109	27
Tata Capital Financial Services Ltd	Plant & Machinery	117,800	35
Tata Capital Financial Services Ltd	Plant & Machinery	89,900	35
Tata Capital Financial Services Ltd	Plant & Machinery	566,800	7

Hire Purchase Vehicle Loans

(Hypothecation of vehicles purchased against the loan taken from Banks & financial institutions)

The terms of repayment is given below:

Name of the Bank	Nature of Security	EMI Amt.	No of EMI's Pending
Alphera Financial Services	Vehicle	28,899	16
Nissan Financial Services Ltd	Vehicle	25,331	16
HDFC Bank Ltd	Vehicle	107,370	17

- 26** a) The Working capital loan and LC payable to SBI are secured by a) 1st charge on stocks, book debts and all other current assets of the Company; b) First charge on entire fixed assets present and future of the Company; c) EM of Factory Land and Building (3630 sq yards + 1210 sq yards + 1210 sq yards) in Sy. No.66, 68 & 69 situated at Bahadurpally Village, Quthbullapur Mandal standing in the name of the Company; d) EM of factory land in Sy. No.66 & 68 admeasuring 1210 sq yards situated at Bahadurpally Village, Quthbullapur Mandal standing in the name of the A. Golla Pedda Komaraiah, e) Lien on FDR worth of Rs.15 lakhs, f) Personal guarantee of Sri Ch Suresh Mohan Reddy, Managing Director of the Company, g) Personal guarantee of Sri K Rajasekhar Reddy, Sri K Vinod Kumar Reddy, Sri K Balagangadhar Reddy and Sri A Golla Pedda Komaraiah.
- b) The working capital loan & bill discounting loan from Tata Capital Financial Services Limited is secured by unconditional and irrevocable personal guarantee by the Managing Director Sri Ch Suresh Mohan Reddy, Ch Kinnera and J Abhinav Kumar Reddy.
- c) The working capital loan from Axis Bank Limited is secured by personal guarantees of Sri Ch Suresh Mohan Reddy, Managing Director, Sri K Rajasekhar Reddy, Sri K Vinod Kumar Reddy and Sri K Balagangadhar Reddy.
- d) The Working Capital loan and Term Loan from HDFC Bank Ltd are secured by Stock and book debts, collateral security on Land and Building in Sy. No: 66,67, & 68, Bahadurpally Village, Gram Panchayat, Quthbullapur Mandal, Ranga Reddy Dist., Hyderabad - 500 043 and Personal guarantees by Sri Ch Suresh Mohan Reddy, Managing Director of the Company, Sri K Rajasekhar Reddy and Sri K Vinod Kumar Reddy.

27 Value of Raw Materials and Stores and Spares Consumed: (Amount in Rs.)

	31-03-2019		3/31/2018	
	Value	%	Value	%
Raw Materials:				
Imported	12,692,208	1.02	6,537,854	0.78
Indigenous	1,080,628,140	87.02	630,230,368	74.88
	1,093,320,348	88.04	636,768,222	75.65
Stores and Spares:				
Imported	3,815,012	0.31	34,966,671	4.15
Indigenous	144,683,042	11.65	169,940,898	20.19
Sub Total	148,498,054	11.96	204,907,569	24.35
Grand Total	1,241,818,402	100.00	841,675,791	100.00

(Amount in Rs.)

PARTICULARS	For the Year ended 31.03.2019	For the Year ended 31.03.2018
28 Auditors Remuneration:		
Audit fee	300,000	300,000
Tax Audit fee	100,000	100,000
Total	400,000	400,000
Managerial Remuneration		
Directors Remuneration		
Mr. Suresh Mohan Reddy Ch Managing Director	4,200,000	4,200,000
Mr. Rajasekhar Reddy K (Resignation Dt. 14.11.18) Whole Time Director	2,625,000	4,200,000
Mr. Vinod Kumar Reddy K (Resignation Dt. 14.11.18) Whole Time Director	2,625,000	4,200,000
Mr. Bala Gangadhar Reddy K (Resignation Dt. 14.11.18) Whole Time Director	2,625,000	4,200,000
Miss Ch Kinnera (New Appointment Dt: 14.11.18) Whole Time Director	750,000	-
Mr. J Abhinav Kumar (New Appointment Dt: 14.11.18) Whole Time Director	750,000	-
TOTAL	13,575,000	16,800,000

(Amount in Rs.)

PARTICULARS	For the Year ended 31.03.2019	For the Year ended 31.03.2018
29 Value of Imports on CIF basis		
Components, Stores and Spare Parts	1,069,510	5,476,925
Import of Hardware Items	2,745,502	29,489,746
Import of Raw Material	12,692,208	6,537,854
Import of Capital Goods	166,341,523	166,274,201
TOTAL	182,848,743	207,778,726
30 Expenditure in Foreign Currency :		
Travelling Expenses	1,153,366	1,445,598
TOTAL	1,153,366	1,445,598
31 Earnings in foreign Exchange		
FOB Value of Exports	-	3,258,027
TOTAL	-	3,258,027

AHLADA ENGINEERS LIMITED

32 a) PARTICULARS OF RAW MATERIALS:

(Amount in Rs.)

Opening Stock

Item Description	Uom	FY 2018 - 19			PY 2017 - 18	
		Qty	Amount	Avg. Price	Qty	Amount
Cr Coil	Kgs	5,01,689	2,26,93,320	45.23	4,42,764	1,98,55,256
Gp Coil	Kgs	4,41,675	2,44,37,553	55.33	-	-
GPSP Coil	Kgs	7,68,898	5,47,18,850	71.17	10,20,303	5,47,19,033
Other Material	LS	-	9,61,05,574	-	-	4,85,09,416
			19,79,55,297			12,30,83,705

Add: Purchases:

Item Description	Uom	FY 2018 - 19			PY 2017 - 18	
		Qty	Amount	Avg. Price	Qty	amount
GI Sheets	Kgs	2,07,711	1,29,08,384	62.15	74,78,192	40,74,96,046
Cr Coil	Kgs	23,04,515	12,11,42,554	52.57	16,15,015	6,64,18,101
Gp Coil	Kgs	64,66,868	39,72,79,049	61.43	1,85,965	98,11,214
Others	LS	-	60,05,86,374	-	-	42,53,83,926
			1,13,19,16,361			90,91,09,287

Less: Closing Stock

Item Description	Uom	FY 2018 - 19			PY 2017 - 18	
		Qty	Amount	Avg. Price	Qty	amount
Gp Coil	Kgs	3,82,986	2,35,96,277	61.61	4,41,675	2,44,37,553
Cr Coil	Kgs	1,37,780	70,62,104	51.26	5,01,689	2,26,93,320
Cc Sheets	Kgs	1,46,960	1,02,56,609	69.79	-	-
Others	LS	-	4,77,96,353	-	-	15,08,24,424
			8,87,11,343			19,79,55,297

PARTICULARS		For the Year ended 31.03.2019 Rs	For the Year ended 31.03.2018 Rs
b) PARTICULARS OF MANUFACTURED GOODS (SALES):			
-	Steel Doors, Windows , Shutters, Clean room equipments, furniture, Panels, and HVAC etc,	1,45,29,83,429	1,24,76,63,297
-	Scrap	37,48,250	8,80,000
	TOTAL	1,45,67,31,679	1,24,85,43,297
c) PARTICULARS OF WORK-IN- PROCESS:			
-	Steel Doors, Windows , Shutters, Clean room equipments, furniture and Panels.	11,92,23,956	15,85,84,974
	TOTAL	11,92,23,956	15,85,84,974

33 Earnings Per Equity Share

Face Value Per Share	10.00	10.00
Net Profit after Tax	11,36,79,812	8,07,44,195
Number of Shares	1,29,21,000	87,56,000
Basic Earnings per Share	8.80	9.22
Weighted Average Number of Shares	1,11,80,356	87,56,000.00
Diluted Earnings per Share	10.17	9.22

34 Related Party Disclosures:

Associates in which the Directors and their relatives exercise significant influence:

- | | | |
|----------------------------------|---------------------------------------|-----------------------------------|
| 1. Ahlada Marketing Pvt Ltd | 2. Ahlada HVAC Systems Pvt Ltd | 3. Ahlada Clean Room Tech Pvt Ltd |
| 4. Diabetomics Medical Pvt. Ltd. | 5. Shanta Biotechnics Private Limited | 6 M Annapurna |
| 7. Evertogen Lifesciences Ltd. | 8. Vibrant Technologies India Pvt Ltd | 9. Radiant Engineers |
| 10 Bluefence Systems Pvt Ltd | 11. Decomet Industries Pvt Ltd | 12. Elegant Products |
| 13. Akarsh Marketing Pvt Ltd | | |

Key Managerial Personnel:

Ch Suresh Mohan Reddy	- Managing Director
K Rajasekhar Reddy	- Whole Time Director (Resigned on 14th November 2018)
K Vinod Kumar Reddy	- Whole Time Director (Resigned on 14th November 2018)
K Bala Gangadhar Reddy	- Whole Time Director (Resigned on 14th November 2018)
Ch Kinnera	- Whole Time Director
J Abhinav Kumar Reddy	- Whole Time Director
M. Kotaiah	- Senior Vice President - Operations
A. Narasimha Rao	- Chief Financial Officer
P.Kodandarami Reddy	- Company Secretary & Compliance Officer

Transaction	Associates		Key Managerial Personnel	
	2018 - 2019	2017 - 2018	2018 - 2019	2017 - 2018
Financial Year>>			-	
1. Purchases	43,429,855	31,832,109	-	-
2. Sales	87,601,662	54,590,384	-	-
3. Services rendered			-	
- Remuneration	-	-	2,03,92,779	17,449,944
- Other services	8,718,754	1,200,000	-	-
4. Unsecured Loans taken	-	-	92,420,000	197,125,000
5. Unsecured Loans repaid	-	-	177,517,785	149,163,486

Particulars

(Amount in Rs.)

Year End Balances	Associates		Key Managerial Personnel	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
Financial Year end date				
Bluefence Systems Pvt. Ltd - Payable	8,447,643	7,634,311	-	
Shanta Biotechnics Pvt. Ltd - Receivable	276,180	190,437	-	
Ahlada Marketing Pvt. Ltd - Receivable	-	5,411,164	-	
Vibrant Technologies India Pvt. Ltd. - Payable	725,315	1,734,808	-	
Diabetomics Medical Pvt. Ltd. - Receivable	862,074	1,965,384	-	
Akarsh Marketing Pvt Ltd - Receivables	-	73,305	-	
Evertogen Lifesciences Ltd. - Receivable	1,239	-	-	
Radiant Engineers - Payable	16,992	-	-	
Ahlada HVAC Systems Pvt Ltd - Payable	1,137,758	-	-	
Decomet Industries Pvt Ltd - Receivables	156,068	-	-	
Elegant Products - Receivables	57,047	-	-	
Ahlada Celan Room Tech Pvt Ltd-Receivables	10,704,679	-	-	

AHLADA ENGINEERS LIMITED

Ch Suresh Mohan Reddy				
\-Unsecured Loan	-	-	-	4,86,01,688
\-Remuneration & Others	-	-	-	9,37,657
K. Rajasekhar Reddy				
\-Unsecured Loan	-	-	-	34,37,159
\-Remuneration & Others	-	-	-	1,80,000
K. Bala Gangadhar Reddy				
\-Unsecured Loan	-	-	-	1,08,938
\-Remuneration & Others	-	-	-	1,50,000
K. Vinod Kumar Reddy				
\-Unsecured Loan	-	-	-	1,29,50,000
\-Remuneration & Others	-	-	-	1,67,266
Ch Kinnera				
\-Unsecured Loan	-	-	-	-
\-Remuneration & Others	-	-	250,000	-
J Abhinav Kumar Reddy				
\-Unsecured Loan	-	-	-	-
\-Remuneration & Others	-	-	150,000	-
K. Iswara Vara Prasad Reddy				
\-Unsecured Loan	-	-	-	2,00,00,000
M Annapurna				
\-Consultancy charges	540,000	877,500	-	-
A Narasimha Rao				
\-Remuneration & Others	-	-	307,922	2,36,054
M Kotaiah				
\-Remuneration & Others	-	-	335,632	-
P Kodanda Rami Reddy				
\-Remuneration & Others	-	-	92,181	-

35 Micro, Small and Medium Enterprises Development Act, 2006

The Company called for confirmations on the MSME Status to all the vendors (manufacturers and service providers) along with supporting documents. The company did not get any confirmations and hence assumed that the vendors are not falling under MSME category.

36 Impairment of Assets

As required by Accounting Standard (AS – 28) "Impairment of Assets" the company has carried out the assessment of impairment of assets. There has been no impairment loss during the year.

37 Borrowing Costs

Borrowing costs that are attributable to acquisition or construction of fixed assets are capitalised as part of such assets for the period up to the date of commencement of production. All other borrowing costs are charged to revenue.

38 Details of utilization of IPO Proceeds as reviewed and approved by the Audit Committee in its meeting held on May 30, 2019 are as follows:

Proceeds from Initial Public Offer of Equity Shares have been utilised as under: (Rs. Lakhs)

Particulars	Projected utilization of funds as per prospectus	Actual Utilisation of funds as of 30th May 2019	Un Utilised
Repayment of certain identified loans availed from lender, directors and our promoter	650.00	650.00	-
Purchase of Machinery / Equipment	1,740.00	1,740.00	-
Funding of Working Capital Gap	1,700.00	1,700.00	-
General Corporate Purpose	519.50	519.50	-
Issue related expenses	498.00	498.00	-
Total	5,107.50	5,107.50	-

39 During the year, the company has raised a claim of Rs.59.73 Cr. on Tata Steel Limited (TSL) towards reimbursement of processing cost and facility charges till March 31st 2019 recognised as revenue, of the above claim the expenditure incurred up to September 2018 amounting to Rs. 17.51 Cr. was reduced for the said period. On confirmation by TSL the above amount was accounted for the period ending 31st March 2019. Further, an amount of Rs 6.15 Cr. incurred during the financial year 2017-18 (Rs. 5.15 Cr. was transferred to capital work in process and Rs. 1.00 Cr. reversed to corresponding expenditure) was charged during the current year to the revenue expenditure.

40 Section 135 of the Companies Act, 2013 and Rules made thereunder prescribe that every company having a networth of Rs.500 cr or more, or turnover of Rs.1000 cr or more or a netprofit of Rs.5 cr or more during any financial year shall ensure that the company spends, in every financial year, atleast 2% of the average net profits made during the three immediately preceding financial years, in pursuance of its corporate social responsibility policy. The provisions pertaining to corporate social responsibility as prescribed under the Companies Act, 2013 are applicable. The financial details as sought by the Companies Act, 2013 are as follows:

Particulars	Rs.in lacs 2018 - 2019	Rs.in lacs 2017 - 2018
Average net profits of the company for last three financial years	1185.04	744.97
CSR expenditure (2% of the average net profits as computed above)	23.70	14.90
Unspent amount of 2017-18	14.90	-
Total amount to be spent	38.60	14.90
Amount spent during 2018-19	0.00	-
Balance amount to be spent	38.60	14.90

41 Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

See accompanying notes forming part of financial statements

For and on behalf of the Board

In terms of our report attached
For KISHORE & VENKAT ASSOCIATES
 Chartered Accountants
 Firm Regd. No: 0018075

Sd/-
CH. SURESH MOHAN REDDY
 Managing Director
 DIN: 00090543

Sd/-
KINNERA CHEEDEPUDI
 Wholetime Director
 DIN: 08272661

Sd/-
(M V RAMANA REDDY)
 Partner
 M No: 026845

Sd/-
A. NARASIMHA RAO
 Chief Financial Officer

Sd/-
P. KODANDA RAMI REDDY
 Company Secretary &
 Compliance Officer

Place: Hyderabad
 Date: 30.05.2019

Form No. MGT - 11**PROXY FORM**

[Pursuant to Section 105 (6) of the Companies Act, 2013 and rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

**AHLADA ENGINEERS LIMITED**

CIN : L24239TG2005PLC047102

Door No. 4-56, Sy.No. 62/1/A & 67, Tech Mahindra Road, Bahadurpally, Quthbullapur Mandal,
Medchal Dist. Hyderabad, Telangana- 500 043, Website: www.ahlada.com

Name of the Member(s)	
Registered Address	
Email	

Folio No. / Client ID																				
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DP ID																				
-------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

I/We, being a Member(s) of _____ shares of the above named company, hereby appoint

Name: _____ Email: _____

Address: _____ Signature: _____

Or failing him/her

Name: _____ Email: _____

Address: _____ Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us, on my/our behalf at the 14th Annual General Meeting of the Company to be held on Friday the 27th day of September, 2019 at 12.00 Noon at ITC Kohenu, Plot No. 5, Survey No. 83/1, Hyderabad Knowledge City, Madhapur (HITEC City), Opp. Inorbit Mall, Hyderabad- 500 081, Telangana and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Resolution	Vote (Optional see Note 2) Please mention no. of shares		
		For	Against	Abstain
Ordinary Business				
1	To receive, consider, approve and adopt the standalone audited financial statements of the company for the year ended 31st March 2019, including the Audited Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss Account and Cash Flow Statement for the year ended on that date and the Reports of the Directors and Auditors thereon.			
2	To declare a Dividend of Rs. 1/- for every Equity Share of Rs. 10/- each i.e., @10% for every Equity Share for the Financial Year 2018-19.			
3	To appoint a director in place of Shri. Chedepudi Suresh Mohan Reddy who retires by rotation and being eligible offers himself for re-appointment.			
Special Business				
4	Regularization of Ms. Cheedepudi Kinnera (Din: 08272661) as a Director of the Company.			
5	Appointment of Ms. Cheedepudi Kinnera (Din: 08272661) as a Whole Time Director of the Company.			
6	Regularization of Mr. J. Abhinav Kumar Reddy (Din: 08002510) as a Director of the Company.			
7	Appointment of Mr. J. Abhinav Kumar Reddy (Din: 08002510) as a Whole Time Director of the Company.			
8	Regularization of Mr. Kanakagiri Srinivas (Din: 00443793) as a Non-Executive (Non-Independent) Director of the Company.			
9	To consider and approve increase in overall limit of Managerial Remuneration and if thought fit, to pass with or without modification(s), the following resolution(s) as Special Resolution:			
10	To consider and approve increase in remuneration to Shri Ch. Suresh Mohan Reddy (DIN: 00090543), Managing Director and in this regard, and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:			
11	To approve the borrowing limits not exceeding Rs. 500 crores (Rupees Five Hundred crores) u/s 180 (1)(c) of the Companies Act 2013 and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:			
12	To approve the limit to secure the borrowings u/s 180 (1)(a) of the Companies Act 2013:			
13	To ratify the remuneration of the Cost Auditors for the financial year ending 31st March, 2019-20 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:			

Signed this _____ day of _____ 2019

Signature of Member _____

Signature of proxy holder(s) _____

Affix
Re.1/-
Revenue
Stamp.

Note:

- This form, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.
- It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.

ATTENDANCE SLIP

(Please present this slip at the Meeting venue)



AHLADA ENGINEERS LIMITED

CIN : L24239TG2005PLC047102

Door No. 4-56, Sy.No. 62/1/A & 67, Tech Mahindra Road, Bahadurpally,
Quthbullapur Mandal, Medchal Dist.

Hyderabad, Telangana- 500 043, Website: www.ahlada.com

Registered Folio No. / DP ID No. / Client ID No.

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Number of Shares held																			
-----------------------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

I certify that I am a member / proxy for the member of the Company.

I hereby record my presence at the 14th Annual General Meeting of the Company to be held on Friday the 27th day of September, 2019 at 12.00 Noon at ITC Kohenu, Plot No. 5, Survey No. 83/1, Hyderabad Knowledge City, Madhapur (HITEC City), Opp. Inorbit Mall, Hyderabad- 500 081,.

Name of the member / proxy
(In BLOCK letters)

Signature of member / proxy

Note:

Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of Annual Report to the AGM.

Form No. MGT - 12**BALLOT PAPER**

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

CIN : L24239TG2005PLC047102
 Name of the Company : AHLADA ENGINEERS LIMITED
 Registered office : Door No. 4-56, Sy.No. 62/1/A & 67, Tech Mahindra Road, Bahadurpally, Quthbullapur Mandal, Medchal Dist. Hyderabad, Telangana- 500 043, Website: www.ahlada.com

S.No.	Particulars	Details
1.	Name of the First Named Shareholder (In block letters)	
2.	Postal address	
3.	Registered folio No. / *Client ID No. (*Applicable to investors holding shares in dematerialized form)	
4.	Class of Share	Equity

I hereby exercise my vote in respect of Ordinary/Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

Item No.	Resolution	No. of shares held by me	I assent to the resolution	I dissent from the resolution
Ordinary Business				
1	To receive, consider, approve and adopt the standalone audited financial statements of the company for the year ended 31st March 2019, including the Audited Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss Account and Cash Flow Statement for the year ended on that date and the Reports of the Directors and Auditors thereon.			
2	To declare a Dividend of Rs. 1/- for every Equity Share of Rs. 10/- each i.e., @10% for every Equity Share for the Financial Year 2018-19.			
3	To appoint a director in place of Shri. Chedepudi Suresh Mohan Reddy who retires by rotation and being eligible offers himself for re-appointment.			
Special Business				
4	Regularization of Ms. Cheedepudi Kinnera (Din: 08272661) as a Director of the Company.			
5	Appointment of Ms. Cheedepudi Kinnera (Din: 08272661) as a Whole Time Director of the Company.			
6	Regularization of Mr. J. Abhinav Kumar Reddy (Din: 08002510) as a Director of the Company.			
7	Appointment of Mr. J. Abhinav Kumar Reddy (Din: 08002510) as a Whole Time Director of the Company.			
8	Regularization of Mr. Kanakagiri Srinivas (Din: 00443793) as a Non-Executive (Non-Independent) Director of the Company.			
9	To consider and approve increase in overall limit of Managerial Remuneration and if thought fit, to pass with or without modification(s), the following resolution(s) as Special Resolution:			
10	To consider and approve increase in remuneration to Shri Ch.Suresh Mohan Reddy (DIN: 00090543), Managing Director and in this regard, and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:			
11	To approve the borrowing limits not exceeding Rs. 500 Crores (Rupees Five Hundred crores) u/s 180(1)(c) of the Companies Act 2013 and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:			
12	To approve the limit to secure the borrowings u/s 180 (1)(a) of the Companies Act 2013:			
13	To ratify the remuneration of the Cost Auditors for the financial year ending 31st March, 2019-20 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:			
Place:				
Date:		(Signature of the shareholder)		

INSTRUCTIONS:

- The vote should be cast either in favour or against by putting the tick (✓) mark in the column provided for assent or dissent. Ballot paper bearing tick marks in both the columns will be treated as invalid. Please do not use pencil.
- This form should be completed and signed by the Member/Proxy Holder as per the specimen signatures registered with the Company / Depository. In case of joint holding this form should be completed and signed by the first named member.
- Any cutting/overwriting on this Ballot paper should be signed by the shareholder/proxy holder.
- Unsigned, incomplete, improperly or incorrectly tick marked Ballot papers will be rejected. A Ballot paper will also be rejected if it is received torn, defaced or mutilated to an extent which makes it difficult for the Scrutinizer to identify either the member or as to whether the votes are in favour or against or if the signature cannot be verified.
- The decision of Scrutinizer on the validity of the Ballot paper and any other related matter shall be final.
- The Scrutinizer will collate the votes cast through Ballot paper to declare the final result for each of the Resolutions enumerated above.
- The Results shall be declared on or after the date of AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website: www.ahlada.com and on the website of www.bighshareonline.com within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.

PRINTED MATER
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If undelivered, Please return to :

AHLADA ENGINEERS LIMITED

Door No. 4-56, Sy.No. 62/1/A & 67, Tech Mahindra Road,
Bahadurpally, Quthbullapur Mandal, Medchal Dist.
Hyderabad, Telangana- 500 043
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